

**ADDRESS BY THE MINISTER OF WATER AND SANITATION, MS. NOMVULA  
MOKONYANE, ON THE OCCASION OF BUDGET VOTE NUMBER 38**

**NEW ASSEMBLY CHAMBER, PARLIAMENT, CAPE TOWN**

***“Water is Life: Sanitation is Dignity”***

**15 July 2014**

*Honourable Chairperson*

*Honourable Chairperson of the Portfolio Committee and Committee  
members*

*Honourable Members of Parliament*

*Cabinet Colleagues*

*Chairpersons and CEs of Water Boards and other Water Sector Entities*

*Honoured Guests*

*Ladies and Gentlemen*

*Today we present ourselves before you with humility and honour as the honourable members of the fifth parliament. Let me therefore take this opportunity to congratulate you as democratically elected representatives of our people. We further congratulate the ANC which has once again been given a mandate to move South Africa forward through radical socio-economic transformation.*

*Honourable Members, today's Budget Speech, is based on the 2014/15 Annual Performance Plan of the Department of Water Affairs and it will primarily focus on water related matters, since all matters related to sanitation will be transferred by the end of September 2014.*

*Chairperson, as guided by the National Development Plan, ANC manifesto, the second National Water Resource Strategy, we have resolved that we will apply a seamless integrated water approach. This will ensure that we provide a sustainable and holistic value chain of water supply from source to tap and from tap back to source.*

*As we strive to consolidate our successes and celebrate the good story in the water sector we shall, with immediate effect use this budget to deal with 10% of existing services that are dysfunctional and a further 26% where the provision of water is not reliable.*

*The continued disruption of water services and vandalism has prompted us to take issues of protection of our infrastructure quite seriously. We also intend to act radically against those in our establishment who collude with owners of water trucks by disrupting the supply so as to wrongfully amass public funds. We see this as an act of corruption that we have already started to deal with working together with local and provincial government as well as law enforcement agencies. Whilst water tankering is a good intervention in cases of emergencies, it cannot be a permanent solution.*

*For us to reduce high dependency on outsourcing our responsibilities, a change management process will unfold in due course so as to ensure that we have the skills required to perform.*

*Where the skills do not exist, we will be left with no option but to source the requisite skills with the support of the Department of Public Service and Administration.*

*Furthermore, we will together with other relevant departments ensure that we contribute to both job opportunities and inclusive growth by affording local communities with capacity for consideration in the allocation of contracts.*

*New ideas and innovations informed by research and development in partnership with our own Water Research Commission, will be welcomed so that we can also break new ground informed by science and technology.*

*Ownership of access to water continues to perpetuate inequality in our country. Working together with all South Africans we will, in this financial year, open up this protected space so as to ensure that water as a natural resource is available and shared by all. This includes those who live in villages, townships and beneficiaries of land reform nearer to the mines, and new industries will benefit.*

*The participation of our people in the water sector is key. We will extend our stakeholder relations by ensuring that water and sanitation forums are established in every metro and district representing communities, business, academia, women, youth and people with disabilities. In the first week of August 2014 we will convene a two day Summit where all stakeholders in the water family will come together and define our working relationship.*

*We will move away from a one size fits all approach where every district or local municipality has the powers and functions of a Water Services Authority yet its viability and capacity is questionable.*

*Together with South African Local Government Association, we will further engage on issues related to water tariffs, water loss and water preservation.*

*We are also focusing on a number of single purpose dams to supply those communities which have previously been denied access to these dams and just to name a few, I refer to the Jozini Dam in KwaZulu Natal, the Taung Dam in the North West and the Xonxa Dam in the Eastern Cape.*

*Honourable Members, these are amongst the game changers we will implement as we respond to the expectations of our people and the mandate given to this Government. We will act swiftly and decisively as we deal with nothing else but service to the nation.*

*Honourable Members, the total budget for the Department for the 2014/ 15 financial year is: **R12, 480 billion.***

*During this year, our spending focus will be on providing regional bulk infrastructure for water and wastewater treatment works which link water sources to local government infrastructure.*

*In addition, the Department will also transfer **R2.6 billion** in 2014/15, **R3.7 billion** in 2015/16 and **R4 billion** in 2016/17 to the Water Trading Entity through the Water Infrastructure Management programmes.*

*Thus, my budget vote per programme will be as follows:*

- **R1. 026 billion** *is allocated to Administration.*
- **R597.8 million** *is allocated to Water Sector Management*
- **R2. 919 billion** *is allocated to Water Resources Infrastructure*
- **R121.5 million** *is allocated to Water Sector Regulation*
- **R7. 782 billion** *is allocated to the Regional Implementation Programme*
- **R32. 5 million** *is allocated to International Water Cooperation*

*We are also developing a Strategic Sourcing and localisation to focus on local content and in this regard, we are collaborating with three departments: Department of Trade and Industry, National Treasury and Department of Economic Development.*

*Since my appointment as the Minister together with the Deputy Minister, we have visited a few provinces to witness for ourselves the challenges on water and sanitation that communities are faced with. To date, we have had engagements with the Premiers in the Provinces of the Western Cape, Free State and North West.*

*The President has made a commitment on behalf of all of us to strengthen the capacity of our municipalities and thus improve the experience and service that our people get from this important sphere of government.*

*As such, a number of support interventions in specific targeted municipalities have been identified and will be implemented as a matter of extreme urgency.*

*We have noticed that each province or municipality has its own specific challenges; there were invariably a number of problems which could be classified as cross-cutting. In this regard, for example, the issue of ageing infrastructure and the maintenance thereof remains a huge challenge across the board; secondly, there is a lack of technical capacity to ensure that water is protected, conserved, managed and controlled sustainably and equitably as well as the capacity to perform operations and maintenance activities. We are developing very specific Provincial Action Plans together with the Premiers to deal with interventions.*

*Honourable Chairperson and Members,*

*I will highlight just a few of our current interventions:*

*While **North West Province** requires special attention, the Municipalities of Madibeng, Ngaka Modiri Molema and Lekwe Teemane have been identified for early intervention. In **Madibeng**, the focus is on the villages of Oskraal, Shakung, Maboloka, Mothuthung, Winterveldt where boreholes are being refurbished. In **Ngaka Modiri Molema** we are dealing with the Institutional arrangements following the decision to dis-establish Botshelo Water Board and transfer these functions to either Magalies Water or Sedibeng. We have thrown a lifeline to ensure that this matter is resolved*

*by the end of September and they are also being supported financially. This Municipality has also been placed under Administration.*

*In **Lekwa Teemane (Bloemhof)**, following the death of three babies due to water being contaminated by raw sewage, we took action to mobilise departmental resources and the Sedibeng Water Board to step in and stabilize the situation. We are currently reprioritizing funding to cover the R41 million required to refurbish the water supply and waste water systems.*

*In the **Free State Province**, following our engagement with the Premier, we have taken swift action to deal with those areas where we have had to introduce water restrictions to both domestic and agricultural water users in the Modder and Caledon River systems due to the low rainfall this past summer season. We have commenced with steps to mitigate the effects of the restrictions on the City of Mangaung and have commenced with discharges (diverting water) from the Lesotho Highland Water Scheme.*

*We have also initiated a study into the option of bringing water from the Gariiep dam to improve the long term water security for Mangaung. We are preparing action plans for the Municipalities of Ngwathe, Masilonyana, Mantsopa, Mafube, Nala, Metsimaholo, Lejweleputswa and Moqhaka*

*In **Mpumalanga**, we are continuing with our intervention with the Provincial Government and Rand Water in Bushbuckridge where there have been service delivery protests almost weekly. The project to construct reticulation and bulk distribution pipelines is making good progress. We also intervened in Thembisile Hani Local Municipality together with the Tshwane Metro Council and Rand Water to increase bulk water supply to areas like Moloto,*

*Kwa-Mhlanga, Tweefontein and Kwaggafontein. The permanent solution to the challenges of Thembisile Hani will be to supply water from Loskop Dam.*

*In **Limpopo** we are dealing with urgent interventions in the Greater Letaba Local Municipality in Tzaneen whose water levels are very low.*

*In the OR Tambo District Municipality the focus is on the regional bulk water and waste water infrastructure in order to resuscitate Mthatha. Work is progressing well in **Makana (Grahamstown)** with the collaborative approach between the department, municipality, Presidential Infrastructure Coordinating Commission (PICC) and Amatola Water Board to reinstate ageing infrastructure.*

*The major focus in **Gauteng** is the **Sedibeng Regional Sewer Scheme** where good progress is being made on the R4.2 billion Regional Scheme. This is intended to deliver an effective solution that will eradicate pollution into the Vaal River and create a regional bulk sanitation infrastructure solution for the Southern Gauteng Region. Currently work is underway on the upgrading and extensions to the Sebokeng and Meyerton Waste Water Treatment works.*

*The reports I am getting from the abovementioned areas, suggest that if we have been walking, we need to run to be able to intervene with speed to provide clean drinking water and decent sanitation to affected communities.*

*In order to ensure the delivery of water and sanitation services to all South Africans, we are charged with the responsibility of integrating our work, through infrastructure development for the eradication of backlogs and sustained delivery of quality services to the people of South Africa.*



*Furthermore, to facilitate effective and timely investment, a comprehensive investment framework for the water and sanitation sector is being developed in terms of SIP 18, this framework will inform budgeting and integrated planning based on a life-cycle approach, which includes planning and construction costs, operation and maintenance, financing costs and the costs of sustainable water management.*

*Capital investment in new water and sanitation infrastructure for the entire value chain including the refurbishment of existing infrastructure over the next ten years is projected to require an estimated R670 billion.*

*On the basis of current projected budget allocations about 45% of this is currently funded. These investments will have to be funded from on budget and off budget sources through partnership with the private sector*

*Going forward, we will accentuate our seamless model in infrastructure development to manage the water resource “from source to tap and back to source”. Our infrastructure build programme will address the challenge of lack of access as well as the unequal distribution of water resources in some parts of South Africa.*

*From this water infrastructure perspective therefore, all our programmes: the Accelerated Community Infrastructure Programme, the Regional Bulk Infrastructure Programme, the Municipal Water Infrastructure Grant (MWIG) and all the large augmentation schemes form part of our integrated programme intended to achieve our development objectives based on the need for equity and redistribution. These infrastructure projects are constructed through a mix of departmental construction and the use of*

*Trans-Caledon Tunnel Authority and our Water Boards. I will just reflect on a few of our key projects:*

*With the completion of the **De Hoop Dam** our focus is now to speed up the implementation of the **Bulk Distribution System** at an estimated cost of R7.6 billion. Construction of the first pipeline which connects Steelpoort from the De Hoop Dam is already well advanced and is expected to be completed by September. This pipeline will provide raw water to the Water treatment works at Steelpoort and to certain areas in Jane Furse. The further phases of the pipelines to Sekuruwe in the Waterberg and Pruissen in the Capricorn areas are due to commence this year with a target completion date of 2019.*

*With regard to the **Mooi-uMngeni Transfer Scheme Phase-2**, The Spring Grove Dam which augments the yield of the Mooi-uMngeni system by 60 million cubic meters, increasing the total yield to 394 million cubic meters per annum was completed in 2013. This benefits the economic hub of KwaZulu-Natal, including the municipalities of eThekweni, uMgungundlovu, Msunduzi, Ugu, Sisonke and iLembe. Work is now being undertaken on the pipeline connecting the dam to the Umgeni System.*

*Honourable Chairperson and Members*

*I am pleased to inform you that good progress is being made with the preparatory work of the **Lesotho Highlands Water Project Phase-2**, this includes the advance infrastructure in preparation for the construction of the Polihali Dam, water delivery from the scheme is planned to commence by 2022. The cost to implement this project is estimated at R11.2 billion.*

*We continue to make good progress on the **Mokolo and Crocodile River pipeline project**, which will transfer water through a 46km pipeline and pump station from the Mokolo Dam to the Lephalale area mainly for use by Eskom for the new Medupi power station currently under construction. The negotiations for funding arrangements for the Phase 2 extension of the project are also progressing well and should be concluded within the next two months.*

*Tenders for the raising of the **Hazelmere Dam** are currently under adjudication. The raising of the wall will incorporate a Piano Key Weir (PKW) which is cutting edge technology in dam building. The additional water that will become available from this project is aimed at ensuring the supply of water as well as supporting the development of Human Settlements, the King Shaka Airport and the Dube Trade Port.*

*The raising of the **Clanwilliam Dam** will commence in October this year at an estimated cost of R2.5 billion. The raising of the dam will also include dam safety measures to ensure the stability of the embankment. The construction of the N7 re-alignment started in August last year.*

*The project is scheduled for completion in March 2017. Three quarters of the extra water that will be available from this project will be reserved to resource poor farmers. This is just one of a number of initiatives to ensure equity and redistribution.*

*As previously announced the department is proceeding with speed in the detailed planning of the **Mzimvubu Water Project** which entails the development of a multipurpose dam, the Ntabelanga Dam to supply new irrigation development and the Lalení Dam for hydropower generation, the*

*project will also provide domestic and industrial water requirements in the Eastern Cape.*

*Our department also has long term plans for Greater Letaba. We have initiated the raising of the **Tzaneen Dam** and construction of new **Nwamitwa Dam** for the Groot Letaba River Water Development Project in Limpopo. The total estimated cost of the project is R4.2 billion with a projected completion date of 2019.*

*Significant progress has been made on the **Acid Mine Drainage Project** especially in the Western and Central basins. A tender will shortly be awarded for the Eastern Basin. President Zuma has also re-constituted the Inter-Ministerial Committee on Acid Mine Drainage. This Committee will in the very near future finalise the options for the long term plans for dealing with Acid Mine Drainage and also consider other pollution related matters.*

*The **Regional Bulk Infrastructure Grant** is a vehicle through which we endeavour to connect especially previously disadvantaged communities to water sources to address their water supply needs. Through this programme, we implement local projects in which we build water schemes, refurbish water infrastructure, upgrade reticulation and distribution systems and waste water works. This programme continues to make a very significant impact on improving local water security. Currently 82 schemes are under construction of which 10 will be completed during this year.*

*I hasten to add that the Municipal Water Infrastructure Grant (**MWIG**) which commenced in July 2013, will continue to address backlogs in specific water and sanitation projects, particularly within the 24 priority district municipalities identified by Cabinet.*

*Honourable Chairperson and Members*

*In presenting this Budget Vote to this House for approval, I would like to extend my thanks to the Deputy Minister, The Chair and Members of the Portfolio Committee, the Acting Director-General, Senior Management and staff of the department for their continued support towards the achievement of our goals. I also extend my thanks to the Entities and Water Sector Partners who continue to provide invaluable support.*

*As representatives of the people, your oversight and demand for accountability will spur us on to ensure that we do all that we have to do within the confines of the relevant legislation, assisting the achievements of the programmes of Government, guided accordingly by the New Growth Path as well as the National Development Plan.*

*Dankie*

*Ngiyabonga*