

**ADDRESS BY THE DEPUTY MINISTER OF WATER AND SANITATION,
MRS PAMELA TSHWETE, NATIONAL COUNCIL OF PROVINCES
BUDGET REVIEW –PARLIAMENT**

23 JULY 2014

Honourable Chairperson of the NCOP

*Honourable Chairperson of the Select Committee and Honourable
Members*

*Chairpersons and Chief Executives of Boards and Other Entities
Government Officials*

Distinguished Guests

Ladies and Gentlemen

*It gives us great pleasure to have the opportunity to address the
Honourable Members of this august House which together with
local government are at the coalface of service delivery to our
people.*

*On behalf of the new portfolio for Water and Sanitation, I would
like to take this opportunity to commit both myself and the
Minister, together with the entire team of the Department, to
respond to the challenges faced by our communities in their
various localities.*

Our constitutional mandate which has been bestowed upon us by more than 60% of voters as a ruling party, enjoins us not only to respect their confidence but to do everything in our power to speed up the delivery of services.

Though the Department derives its mandate from the Constitution where the right to water as a basic service is underscored in Section 27 (1) (b), we also seek our direction from the directives of voters in the ANC Manifesto and the vision of the National Development Plan for accelerated service delivery.

The return of the sanitation function from the Department of Human Settlement by the President is a welcome initiative, as we believe that sanitation and water belong together.

As such, Honourable Chairperson, the Proclamation releasing the sanitation function to the Department has been signed by the President and the whole process will be finalised by the 26th of September 2014 allowing the Department access to the budget for sanitation.

*Nevertheless, the budget vote today does not exclude the fact that **R 260 million** has been allocated to kick start the Bucket Eradication Programme in informal settlements around the country.*

We must also take note that through its own guiding document, namely, the second National Water Resource Strategy, the Department will be able to implement integrated water resource management in South Africa.

Honourable Chairperson, we think it is important for the House to know subsequent to the Cabinet approval of the revised water policy, the Department is in the process of reviewing and possibly amalgamating its two principal legislations, the National Water Act of 1997 and the Water Services Act of 1997. The purpose of this legislative review is about taking water to the people.

This budget vote today encompasses all these policy and strategic elements whilst unfolding how the Annual Performance Plan for 2014/15 is being implemented.

*Honourable Members, the total budget for the Department for the 2014/ 15 financial year is **R 12, 4 billion**. Over the medium-term, this budget is expected to grow to more than **R 17 billion by 2016/17** as the Department strives to address more priorities in society.*

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 **R 2, 6 billion** in the 2014/15, **R 3, 7 billion** in 2015/16 and **R 4 billion** in 2016/17 to the Water Trading Entity through the Water Infrastructure Management programmes.*

Thus, our budget vote per programme will be as follows:

- **R 1 billion** is allocated to Administration.
- **R 597 million** is allocated to Water Sector Management.
- **R 2 billion** is allocated to Water Resources Infrastructure.

- **R121 million** is allocated to Water Sector Regulation.
- **R 7 billion** is allocated to the Regional Implementation Programme.
- **R32 million** is allocated to International Water Cooperation.

This means that 62 per cent of our budget will go to Regional Implementation and Support. 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 our appointment as the Deputy Minister and the Minister, we have visited a few provinces to witness for the challenges on water and sanitation that communities are faced with.

To date, we have had engagements with the Premiers, Mayors and Municipal Managers in the Provinces of the Western Cape, Free State and North West.

Resulting from these interactions, we are developing very specific Provincial Action Plans together with the Provinces to deal with interventions.

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, there is the issue of ageing infrastructure and the maintenance which the budget will address.

*Secondly, the shortage of technical capacity to perform operations and maintenance activities will be addressed through our **Learning Academy** which received **R12, 7 million** in 2013/14 and through the provision of bursaries for engineering and other technical expertise in water management.*

***Honourable Members,** over the years, the Department made huge inroads through building and upgrading dams and water treatment plants, and the new Administration intends on spending more to support and build upon the improvements made.*

*In this regard I am pleased to announce that in this financial year we will be spending in excess of **R 4, 6 billion** through our **Regional Bulk Infrastructure Grant** in various projects across the provinces to address these infrastructure challenges.*

*In **Mpumalanga**, we will be spending an amount of **R 220 million** towards water infrastructure development and maintenance this financial year. Projects that will benefit in this programme include the **Msukaligwa Regional Water Supply Scheme**, **Ermelo Water Supply Scheme**, **Carolina/Selobela Water Supply Scheme**, and **Emalahleni and Nsikazi Bulk Water Scheme** among others.*

*The **Eastern Cape** on the other hand will receive an amount of **R 985 million** for its regional bulk infrastructure during this financial year. Some of the projects to benefit from this allocation include those located in the challenged areas mentioned by the President in his State of the Nation Address.*

These areas are OR Tambo District Municipality, and the KSD Local Municipality water supply scheme and sanitation, the Xhonxa Bulk Water Supply in Chris Hani, the Mbizana Bulk Water Supply in Alfred Nzo and many others across the province.

*In **Limpopo** the Department will be implementing a total of eight regional bulk infrastructure projects totalling **R 750 million** including projects in the Vhembe District Municipality, Mopani District Municipality, Water Berg District Municipality and Sekhukhune District Municipality, which includes the Bulk Distribution System to be connected to the De Hoop Dam.*

*The **North West** Province will receive an amount of **R 350 million** to implement various infrastructure development and maintenance schemes in Greater Taung Local Municipality under the Dr. Ruth Mompati District Municipality.*

This budget will thus address challenges with ground water quality, as well as inadequate bulk supply. Other projects include the Pilanesburg Bulk Water Supply Scheme which will benefit various municipalities for both domestic and industrial water supply.

*The **Northern Cape** will receive an amount of **R 310 million** for its Regional Bulk Infrastructure Grant projects.*

Currently there are presently seven Regional Bulk Infrastructure Grant projects under construction. Among these are the Namakwa Bulk Water Supply Scheme which will ensure sustainable water supply to Springbok and surrounding towns of Steinkopf, Nababiep, Concordia, Carolusberg, and Okiep.

The Heuningvlei Bulk Water Supply Scheme in the John Taolo Gaetsewe Municipality will not only improve access to water supply in several rural villages for domestic use, but also water for stock watering purposes.

KwaZulu - Natal will receive an amount of **R1, 2 billion**, this financial year.

Among the schemes to benefit through Regional Bulk Infrastructure Grant in KwaZulu - Natal are the Lower uThukela Regional Bulk which will deliver potable water southwards to local developments and rural communities. This will also link into the existing Umgeni Water North Coast Supply system supplying 586 thousand people with water.

The Raising of Hazelmere Dam which will augment the water supply to the KwaZulu-Natal North Coast (Mdloti to Thukela) will increase the yield of the dam for medium term supply and will also sustain irrigation downstream of the dam.

The Jozini Bulk Water Supply Project will provide about 199 thousand people north of Jozini with sustainable water supply.

The Free State province will receive **R 308 million** for their Regional Bulk Infrastructure Grant projects for this financial year.

The province is currently implementing ten projects which are all aimed at increasing its capacity for water supply through augmentation and refurbishment of water infrastructure.

Some of the projects on bucket eradication in Free State will be funded separately and implemented through the Troika arrangement signed between the former Departments of Water Affairs, now Water and Sanitation, Human Settlements, Co-operative Governance and Traditional Affairs.

Gauteng *will receive R 337 million for these projects. Currently there are two projects being implemented under Regional Bulk Infrastructure Grant. These include the Sedibeng Regional Sanitation Scheme and Westonaria Regional Sewer Scheme.*

The Sedibeng Regional Sanitation covers two municipalities which are Emfuleni Local Municipality and Midvaal Local Municipality.

The Sedibeng project was initiated due to spillages of raw sewage which were experienced from the sewer system within the Emfuleni Local Municipality in the past and the discharge of non-compliant effluent from the Wastewater Treatment Works into the Vaal River. These have in turn caused a lot of concern for those affected by the spillages especially from the Vaal River System.

The Westonaria Regional Sewer Scheme covers parts of the City of Johannesburg Metro, Randfontein, Westonaria and other projects were initiated to address the backlog of Sanitation Services.

Honourable Chairperson and Honourable Members

We will also spend significant amounts of money through the following grants and programmes in this financial year:

*The Accelerated Community Infrastructure Programme will receive **R 247 million** in this financial year. The programme will focus on universal access to water services by implementing projects related to Water Conservation and Demand Management.*

Furthermore, the programme will also attend to managing the revenue system whilst monitoring and evaluating the water supply systems through metering.

*The Municipal Water Infrastructure Grant will receive more than **R1 billion**. The programme aims to facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities that were not previously served.*

*We will also spend an amount of **R 30, 1 million** on rain water harvesting to provide poor farmers with quality water for their harvests.*

These earmarked funds, Honourable Members, will assist us to meet the various challenges of water shortages, inadequate sanitation services and general infrastructure decay and dilapidation.

In all of this Honourable Chairperson and Honourable Members, we cannot simply be content with throwing money at the problem.

The issue of skills and capacity is key in ensuring that this infrastructure is operated and maintained adequately to avoid the serious water shortages we are facing in areas like Mahikeng in the North West and Bushbuckridge in Mpumalanga.

While we will be giving all the institutional support and skills pool through our rapid response teams in provinces, our Learning Academy and other sector capacity building initiatives will also be very firm on the need for professional management and accountability on the part of those who have been entrusted with the responsibility to manage these assets.

Honourable Chairperson and Honourable Members

I would also like to turn to the important issue of drinking water quality and waste water management. This, more especially as it relates to the support we give to municipalities regarding their risk ratings in terms of our blue and green drop incentive programmes.

We are certain that Honourable Members are aware of the critical role that these incentive programmes have played in encouraging municipalities to comply with standards.

During 2012/13, there were 52 water service authorities with a risk rating above the threshold for blue drop, and 59 for green drop. In 2013/14, there were 40 blue drop and 62 green drop water service authorities. We are working extra hard to improve the performance of these water services authorities.

We know that even though these programmes are voluntary, our municipalities are more and more coming into the fold and taking part. This will ensure that there is a sharing of knowledge and expertise, leading to a healthy competition towards the attainment of good quality drinking water and more efficient disposal of effluent.

Going forward, there will be a paradigm shift on these incentive-based programmes. Our focus will not only be on awarding best performers on compliance this time around but also on ensuring continuous improvement in the poor performing municipalities.

As a department we also assist by deploying some of our own engineers and experts to assist some of the municipalities found to be lacking in the requisite skills.

Honourable Members,

One of the major programmes of government in terms of pollution and water quality relates to the very critical issue of Acid Mine Drainage (AMD). We know that as a country with over a 150 year history of mining this phenomenon is a reality. Our government has taken active steps and measures to tackle this challenge head on.

We have an Inter-Ministerial Committee (IMC) charged with this responsibility and is reporting to and advising Cabinet. This Inter-Ministerial Committee is assisted by the Inter-Governmental Task Team of officials led by the Directors-General of the departments of Mineral Resources and Water and Sanitation.

This matter is now at the point where a Long Term Feasibility study has been completed and Cabinet will make a pronouncement on the way forward beyond the current point of interest, the Witwatersrand, to cover all five mining provinces.

Honourable Chairperson and Honourable Members

Let me conclude by raising another important issue in our water business, which is water use efficiency. I do not need to repeat the constant reminder that we are a water scarce country and yet we lose water at an alarming rate due to our inefficient water use.

The startling study released by the Water Research Commission about the state of non-revenue water is still staring us starkly in our faces. We are losing almost 37% of our clean drinking water in the distribution systems through leaking taps, pipes and other forms.

In dealing with the above issue, we have since adopted a programme on “War on Leaks” which teaches communities basic plumbing skills.

This programme targets youth and women as part of local economic development, and also contributes to job creation whilst addressing the challenge of water leaks in South Africa.

We have made the commitment to reduce the amount of water losses by 50% in 2015 and to achieve this we will need to strengthen our message about water use behaviour.

We will continue to strengthen our water conservation and water demand management programmes, water awareness education and general citizenship involvement as well as vigilance on these programmes.

For these to succeed, we require the assistance of all Honourable Members to support us in sending the message out there to everyone, be it civil society, business and government itself.

Saving water is everyone's business – and let us all remember that we are in this together.

Water is Life, Sanitation is Dignity

Thank You