



**ADDRESS BY THE MINISTER OF WATER AND SANITATION, MS. NOMVULA  
MOKONYANE, NATIONAL COUNCIL OF PROVINCES BUDGET REVIEW –  
PARLIAMENT**

22 June 2017

Honourable Chairperson of the NCOP

Honourable Chairperson of the Select Committee and Honourable Members

Chairpersons and Chief Executives of Boards and Other Entities

The Director-General and Senior Management

Distinguished Guests

Ladies and Gentlemen

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- It is my singular honour and privilege to present to this August House the Budget Vote of the Department of Water and Sanitation for the financial year 2017/18.
  - This budget is based on the fundamental priorities of providing water to all and decent sanitation. We are guided by the mantra that 'Water is Life and Sanitation is Dignity'.
  - To realise the above, as a Department we are focused on intensifying our work to review water sector institutions as directed by the National Development Plan.
  - This includes:
    - the establishment of a National Water and Sanitation Infrastructure Agency;

- the realignment of Water Boards in the various provinces to expand the skills base and hasten delivery (**e.g. Single KZN Water Board**);
  - the transformation of irrigation boards and introduction of transformed and representative Water Users Associations; and
  - the increased collaboration with the departments such as Cooperative Governance and Traditional Affairs (CoGTA) in an effort to guarantee sustainable water supply and decent sanitation delivery for our people.
- As a Department, we are responsible for the delivery of bulk water services to municipalities, who in turn have been mandated by legislation to reticulate and deliver the basic services to communities.
  - Experience has shown that, more often than not, where we have delivered bulk services, municipalities have either failed to invest adequately in reticulation infrastructure and/or failed to operate and maintain such infrastructure, where it exists, optimally.
  - In response, we have begun a process together with CoGTA, the Municipal Infrastructure Support Agent (MISA), Development Bank of Southern Africa (DBSA) and the National Treasury, to seek means that will regularise our collective interventions in support of municipalities that are unable to deliver as per the legislative mandate. The 27 priority districts under the Back -2- Basics programme are a case in point.
  - Current outstanding municipal water debts are excessively high and threaten the delivery of services. Currently, the Department is owed R2, 7 billion by Municipalities (***Mangaung owing Bloemwater R250 million currently***).
  - Success has been recorded through invoking an Inter-governmental relations process to recover outstanding debt in OR Tambo District Municipality and same will be pursued elsewhere.

- To respond to some of the above challenges experienced over the last period, we have since initiated a legislative review of the Water and Water Services Acts. A draft Bill will be presented for consideration by Cabinet and Parliament within the current financial year.
- Equally, we have adopted a National Sanitation Policy adopted in 2016. This policy is now being mainstreamed for implementation and supports the legislative review.
- Experience in the delivery of sanitation services and the eradication of buckets has shown that it would be wasteful to merely deliver toilets without attending to the Bulk Sewer and WasteWater Treatment Works requisite to support functional and dignified water borne sanitation solutions.
- Distinction must also be made between the Bucket Eradication Programme and our Rural Sanitation Programme. Future developments in this regard will be pursued with an emphasis on the use of alternative sanitation solutions with less reliance on water.
- To realise our objectives above, we are developing a National Water and Sanitation Master Plan for South Africa. A process of consultations is on-going and we are targeting to present a draft Master Plan by the end of the financial year. We wish to implore members of this house to engage with this important process.
- This budget is presented on the backdrop of a devastating drought that has plagued our country over the last three years. Currently, the Western Cape is the worst hit with dam levels at a low of 22,7%.

- As we have done in other provinces in the past, where we worked on several short, medium and long-term interventions, we are now engaged in support interventions to save the Western Cape, as exemplified by the recent Water Indaba held in Rawsonville.
- Working together with the province, we are committed to accelerate the Berg River-Voelvlei (Phase 1) augmentation scheme to allow us to divert surplus winter water into the Voelvlei Dam, raising of the Clanwilliam Dam, the Table Mountain Group Aquifer, the promotion of re-use technologies, rain-water harvesting and importantly, draw on our own experiences in commissioning the Richards Bay Desalination Plan to consider possible similar situations in Western Cape.
- We wish to express our appreciation to all who heeded the clarion call to use water sparingly during this drought; especially to those who continue to adapt to the new normal which is characterised by water scarcity.
- Our Regional Bulk Infrastructure Projects are budgeted for and implemented over the Medium-Term Expenditure Framework (MTEF) and Medium-Term Strategic Framework (MTSF) periods.
- Let me remind members and the public that as a Department we deal with multi-year projects whose implementation spans periods of two to five years and at times beyond.
- A semblance of new projects exists within a vast continuation of projects currently in implementation in various provinces as presented below.

Honourable Chairperson and Members,

- Water security for the present and the future remains critical for creating certainty for economic and social development of our country.
- This then calls on us to build extra infrastructure that will address unemployment, inequality and poverty.
- To mention, just but a few infrastructure projects:
  - **Mzimvubu Water Scheme** - 5 000 employment opportunities in the construction phase and 3 700 post-construction. This will also result in water supply to over 726 000 people within the catchment and in the areas of Alfred Nzo, Joe Gqabi and OR Tambo.
  - **Lesotho Highlands Water Project:** We are now at Phase II of the Lesotho Highlands Water Project that will augment the Vaal River System through the transfer of the additional volumes of water from Lesotho. The main features of Phase 2 are the Polihadi Dam and the expansion of the pipeline to Katse Dam.
  - The **Acid Mine Drainage (AMD)** programme is an intervention made by government to attend to the three (3) water basins in the Witwatersrand that were contaminated by the historically neglected mine water. This is part of our augmentation of the Vaal River System.
  - The **Vaal Gamagara** water project, in the Northern Cape, entails the development of a 432 kilometer pipeline. Phase 1 of the project will focus on the 82 kilometer pipeline that will stretch from Roscoe in Kathu to Black Rock.
    - On completion of Phase 1, beneficiaries will include the mining sector, livestock farms, solar parks and the communities of Kathu,

Olifantshoek and Hotazel, benefiting a populace of 23 500 and it is expected to be completed by August 2018.

Honourable Chairperson and Members,

- The following are the key augmentation schemes, to support water security in South Africa:
  - **The Raising of the Clanwilliam Dam Wall and Irrigation Scheme (Western Cape)** to increase water storage capacity for emerging black farmers and unleashing the economic potential of the area.
  - **The Raising of Tzaneen Dam (Limpopo)** - construction will commence by July 2017.
  - **Lower Thukela Regional Bulk Water Scheme (KZN)** will be completed in December 2017. This scheme will supply additional water to the coastal and inland areas of KwaDukuza and Mandeni Local Municipalities.
  - **Mogalakwena Bulk Water Supply (LP)** - 94 000 people as well as mines in the Waterberg area will benefit from the project. The project aims to deliver water to Mokopane town and villages to the immediate north of Mokopane.
  - **The Namakwa Bulk Water Supply Scheme (NC)** - is set to benefit 11 500 households in the Namakwa Region benefitting the people of Sprinkbok, Steinkops, Nababiep, Okiep, Carolusberg etc.
  - **The Hoxane Water Treatment Works (MP)** - Phases 1 and 2 are complete. Phase 3 is under implementation and 23 villages in Nsikazi North will benefit with 36 schools and 10 clinics in Mbombela Local Municipality.

- **Mokolo Crocodile West Augmentation - Phase 2A (MCWAP-2A)**  
Phase 2A of MCWAP comprises a 160 km pipeline to transfer water from the Crocodile River West near Thabazimbi, to the Lephalale area. This project will support electricity generation for our country.
- **The Lushushwane Bulk Water Supply (MP) Phase 2** - is targeted to be completed in October 2017 and will benefit the communities in Gert Sibande in Mpumalanga.
- **The Giyani Intervention** - A close out report on the Phase 1 has now been received and we will proceed to work on Phase 2 that includes the finalisation of the funding model.

Honourable Chairperson,

- To fulfill our mandate and meet our strategic objectives in the implementation of the Annual Performance Plans for 2017/18, we hereby present the budget to you. The total budget for the Department for the 2017/18 financial year is R15 billion.
- Thus, our budget vote per programme will be as follows:
  - **R1,6** billion is allocated to **Administration**.
  - **R816** million is allocated to **Water Planning and Information Management**.
  - **R12,2** billion is allocated to **Water Resources Infrastructure Development**.
  - **R411** million is allocated to **Water Sector Regulation and Policy Development**.
- The total amount of the Infrastructure Programme is **R9.8** billion. The breakdown is as follows:

- **Regional Bulk Infrastructure Programme (RBIG)** has been allocated **R5.7** billion.
- **Water Services Infrastructure Grant (WSIG)** to the tune of **R3.9** billion.
- **Accelerated Community Infrastructure (ACIP) Programme** to the tune of **R241** million.

The grant budget was revised downwards to accommodate the National Treasury cuts.

- **Water Infrastructure Management Programme** has an amount of R1, 8 billion.
- **Bucket Eradication Programme (BEP)** to the tune of R350 million.

## **REGIONAL BULK INFRASTRUCTURE GRANT PER PROVINCE**

Honourable Chairperson and Members,

- **The Regional Bulk Infrastructure Grant** aims to develop new, refurbish, upgrade and replace ageing infrastructure that connects water resources to infrastructure serving extensive areas across municipal boundaries.
- As indicated above, we will be spending in excess of R5.7 billion, in this financial year through our **Regional Bulk Infrastructure Grant** in various projects across the provinces to address these infrastructure challenges.
- A total budget of **R1.1 billion** that has been appropriated to Water Boards for the implementation of Bulk Projects.
- The Water Boards that will benefit from the appropriation allocations are the following:
  - Umgeni Water
  - Amatola Water
  - Sedibeng Water



- Magalies Water
- In **Mpumalanga Province**, we will be spending an amount of **R302 million** towards eighteen (18) water infrastructure development and maintenance projects during this financial year.
- Eleven 11 projects are already at a construction stage with R230 million. Four (4) projects are earmarked for completion during this financial year. Three (3) projects are at Implementation Readiness Study (IRS) stage with a budget of R13 million. Four (4) projects are at Feasibility Study and design stages with a Budget of R59 million.
- Projects that will benefit in this programme include:
  - Lushushwane Bulk Water scheme (Ermelo),
  - Hoxane Bulk Water Supply (Phase 3 Extension),
  - Bushbuckridge Water Services (Cunningmore),
  - Balfour WasteWater Treatment Works,
  - Upgrade of Delmas Waste Water,
  - Emalahleni Bulk Water Supply Upgrade and
  - Northern Nzikazi Bulk Water Scheme among others.
- The **Eastern Cape** will receive an amount of **R855 million** for this financial year. These funds will address the challenges of bulk infrastructure in different areas including:
  - OR Tambo District Municipality which receives R327 million for the Presidential Intervention in King Sabata Dalindyebo Local Municipality water supply scheme and sanitation,

- Xhonxa Bulk Water Supply and Middleburg Ground Water Supply in Chris Hani, including Sterkspruit Bulk Water Supply and the Lady Grey Bulk Water Supply in Joe Gqabi and many others across the province.
- Under Sarah Baartman District Municipality we have completed Steytlerville Bulk Water Supply scheme and the Mbizana Bulk Water Supply in Alfred Nzo was completed in 2015/16.
- Furthermore, the programme is committed to support other interventions which include the intervention in Makana and the implementation of the Nooitgedacht-Coega Low Level Scheme.
- In **Limpopo Province**, the Department will be implementing a total of Twenty (20) regional bulk infrastructure projects totaling **R1.1billion**. Twelve (12) projects are in construction stage.
  - Two (2) schemes namely; the Moutse BWS, Mametja Sekororo BWS will be completed in phases to provide water supply to communities in this financial year. Two (2) projects are at design stage and eight (8) other projects are at Feasibility Studies stage.
- We will also make an intervention in the Polokwane Municipality to help unlock development which has been stifled due to water shortages as a result of ageing infrastructure.
  - In this financial year, we will spend approximately R209 million towards replacement of an asbestos pipeline and completion of the boreholes project as immediate relief to the current crisis.
- Some of the projects that are underway include:
  - Giyani Water Services,
  - Mogalakwena Bulk Water Scheme,

- Mooihoek/Tubatse and Nebo Bulk Water Schemes in Sekhukhune, as well as
  - Sinthumule Kutama Bulk Water Supply at the Vhembe District Municipality.
- The **North West Province** will receive an amount of **R459 million** to implement various infrastructure development and maintenance schemes comprising Twelve (12) projects. Nine (9) projects are under construction and three (3) are at design stage.
  - This budget will thus address challenges with ground water quality, as well as inadequate bulk supply, for an example:
    - Taung/Naledi Bulk Water Supply and Greater Mamusa Bulk Water Supply in the Dr. Ruth Mompati District Municipality.
  - Other projects include:
    - Pilanesberg Bulk Water Supply Scheme which will benefit various municipalities such as Moses Kotane and Rustenburg amongst others for both domestic and industrial water supply,
    - The Koster WasteWater Treatment Works upgrade,
    - Mafikeng South Bulk Water Supply,
    - Moretele Bulk Water Supply, and
    - Madibeng Bulk Water Supply, amongst others.
  - The **Northern Cape** will receive an amount of **R605 million** for its Regional Bulk Infrastructure Grant projects.
  - NC projects under construction are:

- Van Wyksvlei groundwater ;
  - Loeriesfontein Bulk a Water supply;
  - Ritchie BWS;
  - Upington WasteWater Treatment Works;
  - Windsorton to Holplan BWS amongst others.
- The two catalytic projects being pursued are the Kalahari East Pipeline Extension to Mier which was completed in 2016/17 and the Vaal Gamagara Bulk Water Supply Projects which is under construction and allocated R350 million this financial year.
  - **KwaZulu-Natal** will receive an amount of **R1.2 billion**, this financial year. Fifteen (15) projects are under construction and the Jozini Bulk Water Supply Scheme is earmarked for completion during this financial year.
  - Among the schemes to benefit through the Regional Bulk Infrastructure Grant in KwaZulu-Natal are:
    - Lower uThukela Regional Bulk, the Greater Mthonjaneni Bulk Water Supply Phase 2, Dukuduku Resettlement Water Supply, and
    - Nongoma Bulk Water Supply.
  - commissioned. This will augment the water supply to the KwaZulu-Natal North Coast for domestic use and irrigation downstream of the dam.
  - The Jozini-Ingwavuma Bulk Water Supply Project will also provide the Jozini Local Municipality with sustainable water supply.

Honourable Chairperson and Members,

- The **Free State Province** will receive **R 703 million** this financial year. The total budget allocation will fund twenty-one (21) projects during this financial year.
- 18 projects are under construction stage and three (3) were completed in the 2016/17 financial year which are:
  - Wesselsbron/Monyakeng (Nala) Bulk Sewer,
  - Rosendal, as well as
  - Raw water pipeline from Caledon to Meulspruit dam.
- Other projects include:
  - Jagersfontein/Fauresmith Bulk Water Supply Phase 2 in Kopanong,
  - Mohokare Bulk Water Supply,
  - Setsoto Bulk Water Supply, Maluti-a-Phofung Bulk Water Supply Phase 2, and
  - Nketoana Regional Water Supply augmentation.
- We have also made available budget to the total of R204 million earmarked to address 14 bulk projects linked to the Bucket Eradication Programme.
- **Gauteng Province** receives **R300 million** allocated to six (6) projects for 2017/18 financial year. Four (4) projects are at construction stage and one (1) project is earmarked for completion in this financial year; whilst two (2) projects are at the design stage.
- Currently some of the projects being implemented include:
  - Sedibeng Bulk Regional Sewerage Scheme and Westonaria Regional Sewer Schemes (Zuurbekom),
  - Rothdene Pump Station, as well as the
  - Mohlakeng Pump Station and Sewer Outfall.

In the **Western Cape**, **R31 million** is allocated to five (5) projects in which two (2) are under construction stage and three (3) projects under Implementation Readiness Studies (IRS) with two (2) project phases earmarked for completion in the financial year.

Some of the projects that will benefit are:

- Calitzdorp and Ladismith WasteWater Treatment Works,
- Citrus Waste Treatment Works,
- the Clanwilliam/Lambertsbaai Regional Water Supply;
- Desalination in Cederberg, and
- Tulbagh Bulk Water Supply,

Honourable Chairperson and Members,

- In addition, we will spend significant amounts of money through the following grants and programmes in this financial year:
- The **Accelerated Community Infrastructure Programme** will receive **R241 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.
  - The programme will also attend to the refurbishment of Waste Water Treatment Works to minimise water pollution in our water resources.
- The **Water Services Infrastructure Grant (WSIG)** will receive more than **R 3.7 billion**.
- The programme aims to:
  - Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of

services in prioritised district municipalities, especially in rural municipalities (areas).

- Ensure the provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions. The programme will also support drought relief projects in affected municipalities.

## **SANITATION INFRASTRUCTURE PROGRAMME**

- We are currently working in the Free State and Northern Cape. These two provinces have about 25 483 buckets that still need to be eradicated with the majority being in the Free State.
- We can confirm that no more bucket toilets exist in the formal areas of Gauteng, KwaZulu-Natal, Mpumalanga, Limpopo and North West Province.
- In the Free State Province 6 986 structures will be flushing this financial year. 10 053 structures with completed internal reticulation will flush once the work for construction of bulk infrastructure is finalised.
- In the Northern Cape 2 192 structures have internal reticulation, however, these structures are not yet flushing due to outstanding bulk infrastructure that must still be implemented.

Honourable Chairperson and Members,

- In conclusion, allow me to say that, it is our esteemed goal to ensure that our delivery of service to our people is efficient and effective and that we commit ourselves to applying financial prudence in the disbursement of the budget that we have outlined.

- I would like to thank the Deputy Minister for her diligence and the Members of this Honourable House for their support in the work of the Department as well as the members of the public who constantly liaise with the Department on very important issues of service delivery.
- As the Department we are pleased with the level of co-operation and support we continue to receive from the leadership in the various provinces and for that I wish to thank all our provinces.
- Last, but not least, I would like to thank the Director General, Senior Management and staff for the plans we have in place and the work we continue to execute as we reach out to the service needs of our people.

Dankie

Ngiyabonga