

**Draft 4**  
**Address by L N Sisulu, MP,**  
**Minister for Human Settlements, Water and Sanitation on the occasion of**  
**the Debate on the Water and Sanitation Budget Vote (41) in the National**  
**Assembly**  
**23 July 2020**

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Chairperson,

Honourable Members,

Acting Director-General, Heads of Provincial Departments and Other officials

Members of Boards of Water and Sanitation Entities

Ladies and Gentlemen.

I would like to use this opportunity to pay a special tribute to an outstanding leader, a moral compass, a man of passionate commitment to the liberation of all the people of our country. A man who gave the best part of his life to the realisation of these freedoms that we enjoy. A man who represented all the values of a cadre of the African National Congress. A man who was a member of this House and therefore a former colleague of many of us, Andrew Mlangeni.

In the last days of his life he asked for nothing more than this: that he should be remembered as one of those who brought us our democracy. We have a responsibility to live up to the ideals that he fought for. Ideals of integrity and intolerance of corruption. We are enjoined to ensure that we live up to his sacrifices and remove corruption from every corner of this government, especially this Department. This is the ideal of an ethical society that he gave up the better part of his life for and I will, in my Departments, make sure that we will be counted, finally as having responded to his lifelong dedication to the freedom that

we enjoy.

The last of our Rivonia Trialists. The end of an era. And now the responsibility rests on us to give back to society the democracy we enjoy today, by having an ethical government, led with integrity. This is the only way we can pay back for the huge sacrifice of his generation. In his honour I hope there will be dedicated legislation that clearly indicates what the fundamentals of this democracy means. A government that leads with integrity and complete intolerance of corruption.

I have been in this portfolio for just over a year. As I indicated during the Budget Vote delivery last year, the induction into the sector was heavy and intense, given the magnitude of the work at hand. When we came in we found a Department that no longer enjoyed the confidence of the people it served, having been eroded by a number of cases of corruption. In essence I was told I inherited a bankrupt Department with problems accumulated over many years. In summary, this is what the Portfolio Committee instructed me to do in the debate: “sort out this Department and its finances”.

We have dedicated a great deal of time in doing just that and because that which was done is of such magnitude, we have created a report to hand out to Members. A great deal has been done by the senior officials in the Department, led by the acting Director-General Mbulelo Tshangana, various entities in the Department, notably Rand Water and the Water Research Commission, my esteemed Panels of Advisers and the many hardworking officials.

For now I'll give you a summary of what has been achieved. A great deal of work has been put into this.

The first thing we did was to put in place a Water Master Plan, which embodies the policies and infrastructure designs to render to South Africa the water security for generations to come. This was completed within six months after I took office. It is an outstanding document that has been hailed as a strategic piece of work which has the world's attention and, with its release, is something of which South Africa can be very proud. We launched the Master Plan so that by the time it is brought to Cabinet and Parliament it is as representative of the views of all stakeholders. I am extremely grateful for the supportive work done by my Panel of Advisers.

I need to report that the Sanitation Panel has also worked very hard within very limited time and concluded the Sanitation Master Plan in a record time. My congratulations to them for a job well done.

We have used this time in getting responses to the Master Plan to run a parallel programme to restructure the Department. We would like the structure to respond to the principles of good governance and the Master Plan, ensure fitness for purpose and stabilisation of the department. We sought and received assistance from the Department of Public Service and Administration with regards to a restructuring exercise that will ensure all critical posts are duly identified and filled. We have to also ensure that especially at Top Management level, all incumbents are truly fit for purpose because that is the core of the delivery of the department's mandate. That exercise has been completed and since the beginning of the current financial year, we are in the process of stabilising the department accordingly.

This process of the review includes a framework on how existing employees of the Department will be accommodated in the Department's new organisational structure, ensuring a fair and transparent process that protects the jobs of all employees who qualify. The implementation of the structure and supporting

policies will go a long way in improving the efficiency of the Department and the management and governance of the water sector as a whole.

The structure has been signed off and will be submitted to the Minister for the Public Service and Administration for his concurrence. This will ensure that we have a structure that responds to the Master Plan and the demands of a Department as crucial as this one. These will be rolled out as soon as our budget is approved by all Honourable Members here, because I would like to believe that none of you would like to deny our people the access to water – their source of life, especially during this Covid-19 pandemic, where water has proved to be so essential.

We have heeded your calls to root out corruption in the Department and we will report on this. In order not to destabilise the Department as we root out corruption, acting Director-General Tshangana established a Stabilisation Committee so that, as we put all our programmes in place, the Department will be stable going into the next phase. Within the Committee is a disciplinary unit that is dealing with 166 cases, emanating from the Auditor-General's Annual reports over a number of years. These cases are in an advanced stage and ongoing as we put in place the necessary support structures to ensure there is no disruption of the work of the Department.

The Committee is taking disciplinary action against officials who are implicated in Forensic Investigation Reports as per the recommendations that were made in those reports. The outcomes of such cases following disciplinary action are as follows: 97 officials were found guilty; 16 officials were not found guilty and 24 officials resigned.

On assuming office as Minister of Water and Sanitation, I was informed that the amount of irregular and wasteful expenditure amounted to R16 billion and this amount was revised upwards to an amount of R31 billion. I have ordered investigations into these matters. Here the Stabilisation Committee served well to ensure that as we proceed with disciplinary cases, the work of the Department continues.

I have also ordered investigations into the affairs of the Lepelle Northern Water Board in Limpopo, the Amatola Water Board in the Eastern Cape, while a third investigation is underway at Sedibeng Water Board. In the course of the investigations, the Boards of Lepelle and Amatola Water placed their Chief Executive Officers on suspension and have now commenced with a disciplinary process against them. Both executives have received their charges and dates for the hearings have been set during the month of August.

I considered all the findings and recommendation from the investigations and decided to pursue civil and criminal charges against those implicated in unlawful and corrupt conduct at Amatola and Lepelle, i.e. the CEOs.

The reports from the departmental investigators into the affairs of both CEOs have been handed over to law enforcement agencies. In both cases we are joined by a number of law enforcement agencies, including the NPA and the Public Protector, while the SIU is continuing a number of investigations at Lepelle. Both the Boards of Amatola and Lepelle have been placed under administration to ensure that we can stabilise them as we continue with the cases.

The work of the SIU, the Hawks and the whole justice system will assist the Department to find closure on all these matters, ensuring that all officials understand that corruption will no longer be tolerated. The Auditor-General has

always complained about the lack of consequence management with the Department. We are now saying there is consequence management and we hope this will filter through, also to the service providers who corrupt. We want to send a public message that we are cleaning up the Department.

We have had to go through all this grubby work because that is what you asked me to do when I arrived here. I was convinced that it was necessary for the image of the Department, because as you will see in both the Water and Sanitation Master Plans, we depend a great deal on investments to deliver and for that to happen we have to convince investors that they can rely on us and should invest in us.

Alongside this, a great deal of research has been done by the Water Research Commission that will offer us the necessary technological advances to deal with the problems that we have. The most exciting of these is what is termed the “brown revolution”, which will help us save water, especially necessary in our often drought stricken provinces. The Water Research Commission is available to brief the Portfolio Committee on this technology.

We did not foresee the challenges that we would face with the Covid-19 pandemic, but every crisis presents an opportunity to find new ways. Our response to the Covid-19 pandemic has been exceptional. We established a National Command Centre at Rand Water to coordinate the efforts of the sector and to respond with urgency as this crisis demanded. Rand Water offered us the ideal connectivity infrastructure to be able to connect across the country, with all municipalities and water entities. It also has the necessary credibility and expertise. I am truly proud of this intervention. We are driven to ensure that all South Africans have access to water and we rose to the occasion.

As we have rolled out the intervention, we aimed at ensuring that as many of our people as possible receive the benefits that are due to them, especially in this crisis. I am very proud of what is being done in this regard. I am equally proud that this effort was recognised by the NCOP. We have gone beyond the normal and reached the furthest corners that were possible.

The Department will continue its support to Water Services Authorities in ensuring more sustainable water services in parallel with the implementation of a tanker reduction strategy which will significantly reduce the operating cost of the interim water service.

Of course it has to be understood that this is a crisis and our response to a crisis. It will not necessarily be financially sustainable. But we have proved that the impossible is possible. This intervention has also won us the praise of the President. So effective was this intervention that the Department of Basic Education relied on us for their separate mandate for water. This crisis also assisted us in consolidating our relationship with the private sector and other stakeholders and we are very grateful for all the support we received. This intervention has its limitations as a crisis response measure and does not take away the responsibility of setting up permanent infrastructure on the back of this interim measure that has been helpful up to now.

My sincerest gratitude goes to the CEO of Rand Water, Siphosiso Mosai and his team, the Chairperson of the Board of Rand Water, Advocate Hashatse, the acting Director-General of the Department, Mbulelo Tshangana and his team, and all the staff at national and in the provinces and municipalities who are part of our effort to ensure that we are able to take water to all corners of the country, to the extent possible. This was done with the utmost urgency and we learned a great deal from our people as we rolled out water tanks and tankers.

This has assisted us to create an infrastructure mapping to deal with our water challenges in our water scarce country. We now need to concentrate on the revival and maintenance of the infrastructure. Here we work with the Infrastructure Team in the Presidency and the DBSA. At our next budget we will report on the infrastructure put together to deal with this huge challenge. But for the moment we will continue to support municipalities meet their water needs.

I listened to the comments of the various political parties who objected to our budget allocation during the debate on the Appropriation Bill. Some opposition parties complained about the historic lack of access to water in certain parts of the country. It became clear to me that we need a workshop with the committees of Parliament, so that we are at one about our mandate and the mandate of municipalities as the water authorities, because this is a frequently misunderstood area, i.e. what are the functions and responsibilities of the national government, provincial government and local government. It is clear from the comments made by Honourable Members that they confuse the different roles, responsibilities and inter-governmental relationships.

Members of Parliament play a crucial role in supporting the rights of our citizens and are therefore an important link in solving complaints from their constituents and channelling them to the correct segment of government. Based on this I'll approach the Minister of COGTA for us to host a joint workshop. This will deepen Parliament's effectiveness in solving the problems of our people.

I remain very concerned about the financial viability of most water boards. There is a fundamental problem around financing for our local government system that must be addressed. We need to ensure that municipalities pay for the bulk water provided to them so that the water boards can continue to operate within a



sustainable environment and continue to increase the provision of water. Municipal debt owed to water boards now stands at more than R10 billion on bulk potable water supply services to municipalities. If this matter is not attended to earnestly it will result in some of the water boards ceasing to operate as a result of non-payment of services rendered. This mainly applies to Sedibeng, Bloem, Amatola and Lepelle water boards and will also have to be discussed at the joint workshop.

We promised the President that we can improve on the water licence turnaround time. The Department has been able to make the necessary changes to its regulatory regime to give effect to the 90-day turnaround time with effect from 1 April 2020. The shift from 300 days to 90 days resulted in significant changes to the business process, necessitating a workshop where the changes are discussed exhaustively with the applicants.

The Department therefore commits to offer assistance to the black and women emerging farmers to enable them to meet the requirements of the 90 days process. The Department will reach out to black and women farmers by using catchment management officers to guide each applicant on the process and identify the information required to support the application. The Department will work with other departments and other institutions responsible for farmer support.

I am glad to report that I, together with my counterpart from the Kingdom of Lesotho did a Sod Turning event that marked the construction of the Lesotho Highlands Water Project Phase II. This project is aimed at achieving water security and aimed at delivering water to South Africa by November 2026.

Since the inception of the Regional Bulk Infrastructure Grant programme in 2007, 3.1 million households have benefitted from water and sanitation projects

implemented. In this financial year we are committing R 3.0 billion (under schedule 6b) to continue with the implementation of 136 bulk water and sanitation projects, and R 2 billion under schedule 5b to implement 69 projects.

We have decided to prioritise connecting our water resources to the water supply systems servicing the un-served communities and I therefore call upon all Water Services Authorities to prioritise the operations and maintenance of these grant-funded infrastructure by committing at least 10% of their operating budget to the maintenance of infrastructure under their jurisdiction. Through the Minister of COGTA we would like to see this amount ring-fenced. This will ensure that water services remain in an operable state, rendering a reliable service to our communities and minimising water losses.

I had instructed the Department to ensure and promised Parliament that, judging from the fact that I had been involved in Human Settlements for the past 15 years, we could eradicate the bucket system within six months. The Department was not able to implement this and I have therefore decided to return the function to the Department of Human Settlements, where it was based before being transferred and where it belongs. It forms part of the bulk infrastructure that has to be installed when we develop housing projects.

The allocation of the Budget has been optimised to ensure alignment with Strategic and Annual Performance Plans aimed at achieving more with less. This budget is compiled under difficult Covid-19 conditions with significant constraints and revenue pressures resultant from the increasing Municipal Water Sales debt. An amount of R1.755 billion was taken away from the original budget allocation of R17.216 billion by National Treasury. However an amount of R1.498 billion was received back resulting in revised allocation of R16.959 billion. This R1.498 billion

is reprioritised within the vote to further support the Covid-19 water and sanitation intervention projects.

Funds will also be used to implement source development or bulk linkage projects to replace the need for water tankering and sustain supply of water post tankering period. An amount of R257 million has been suspended from the Departmental Allocations for the support of the Covid-19 macro-economic stimulus response. The R257 million current payments comprises of R50 million under expenditure resultant from vacant posts across all four programmes, R214 million of goods and services as well as increase in payments for capital assets of R7 million.

I thank you