

**BUDGET AND POLICY STATEMENT**

**THE DEPARTMENT OF WATER AND SANIATION, VOTE 41**

**By Mr. David Mahlobo MP,**

**Deputy Minister for Water and Sanitation**

**VIRTUAL Plenary Parliamentary Sitting**

**13 May 2022**

Honourable Speaker, Ms Nosiviwe Mapisa-Nqakula

HE Cyril Ramaphosa, President of the Republic of South Africa

HE DD Mabuza, Deputy President of the Republic of South Africa

Hon. SE Mchunu, Minister of Water and Sanitation and other Hon Ministers

Hon. Dikeledi Magadzi, Deputy Minister of Water and Sanitation and other Deputy Ministers

Hon. P Majodina and D Dlakude- Chief Whip and Deputy Chief Whip

Hon R Mashego, Chairperson of the Portfolio Committee on Water and Sanitation and other Members

Honourable Members of Parliament

The Director-General, Dr. S Phillips and other senior managers of DWS

Leadership of our Entities- Chairpersons, Members of the Boards, CEOs and Senior Executives

Leadership of various stakeholders in our sector and civil society

Esteemed Guests

Fellow South Africans

## **INTRODUCTION**

1. Your Excellencies comrades and friends, many citizens across the globe continue to perish, economies have stagnated whilst exposing inequalities existing amongst the nations due to the continued devastating impact of COVID-19, the Russia-Ukraine Conflict, as well as global security, and geo-political tensions. In our country we experienced COVID-19, July 2021 violent unrests affecting KZN and GP and recently the untold suffering caused by floods in KZN, some parts of EC, NW and fires that ravaged more than 300 shacks in the WC.
2. Let me join others in paying our last respects to all those who lost their lives due to the matters I have raised above. Their memories will live on because they remain embedded in our minds and hearts. There are those heroes and heroines who succumbed whilst in the cause of saving humanity, including the rescue worker who perished in KZN. This COVID-19 virus continues to mutate, and new strains are emerging. The only way to stop the spread is through our behavior as individuals and collectively. Let's continue to support the roll-out of the vaccination programme and frown upon those who continue to spread false narratives about vaccines. Civic education, mobilization and solidarity during this period will go a long way in our collective effort to turn the tide and save humanity.

## **WATER SECURITY**

3. Water is an integral part of the ecosystem, a natural resource and a social and economic good, whose quantity and quality determine the nature of its utilisation. Water is a limiting resource for development in Southern Africa and a change in water supply could have major implications in most sectors of the economy. Factors that contribute to vulnerability of water systems in Southern Africa include seasonal and inter-annual variations in rainfall, which are amplified by high run-off production and evaporation rates -these being climate change impacts.

4. South Africa does not have a national water crisis at present. Regardless of effective water management and service provision, however, a number of serious problems we experience currently could prove to be the seeds of future crises. In such situations, water-related problems could have a seriously negative impact, causing the country's socio-economic imperatives to take a turn for the worse.
5. Climate change has significant impact causing flooding though limited to some localities, while drought and drought-related disasters regularly affect communities as well as the national economy. Many opportunities offered by the water sector for development and social transformation are not being exploited effectively
6. We are on course to create a conducive environment for water security through the harnessing of the social and productive potential of water to the benefit of all, ensuring its destructive potential is sufficiently contained, but equally we are the first to admit that South Africa cannot yet be considered fully "water secure".
7. International experts have indicated that lack of water security is not primarily the result of not having enough water. Internationally, it is recognised that water scarcity does not, in itself, determine the success or failure of a country's economic and social development. It is more important – and this has been demonstrated at a global level – that countries should recognise the limits of their water endowments and "live within their means."
8. Therefore, urgent measures are required to protect the river systems as they transfer the life blood of the nation around the country.
9. We have a long way to go before all people will be free to enjoy this essential human right of access to water and sanitation services. As signatories to UN-Sustainable Development Goals, we are working towards reaching the global targets by 2030:

- a. Improve water quality by reducing pollution and, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- b. Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- c. Implement integrated water resources management at all levels, including through trans-boundary cooperation as appropriate.
- d. Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes
- e. Support and strengthen the participation of local communities in improving water and sanitation management

## **ACCESS TO WATER AND SANITATION SERVICES**

10. The ANC-led governments over the last 28 years had to expand access to services to many South Africans who were deliberately excluded, the population has grown substantially, increased levels of migration, urbanization, and economic growth in terms of GDP compared to 1994. In addition, consideration is placed on adapting to climate change imperatives and taking advantage of the technological advances in line with the 4<sup>th</sup> industrial revolution.

11. In well-off urban communities, water and sanitation services are generally of a high standard. In many poor communities, however, taps have run dry, unsafe water and unsanitary toilets (or no toilets at all) are part of people's daily lives.

12. Despite all the advances we have recorded, we are the first to admit that more still needs to be done especially in rural areas where services and infrastructure are poor or non-existent whilst urban areas continue to experience service delivery disruptions or failures for a variety of reasons.

13. The Water Research Commission, the CSIR, Institutions of Higher Learning, the water Academy, SALGA and Water SETA, private sector, and international

partners are investing in skills revolution, climate change mitigation strategies and technologies required for the current epoch and future demands.

## **WATER AND SANITATION SECTOR REGULATION, COMPLIANCE AND ENFORCEMENT**

14. The Department committed itself in June 2021 to reviving the incentive-based regulation programmes, namely the Green Drop and Blue Drop Certification programmes. A total of 995 wastewater systems were subjected to Green Drop consultative audits; not only to detect non-compliance and dysfunctionality, but also to guide those responsible towards improving operational philosophies which will result in improved effluent quality. Even though the **Green Drop report** confirmed that we are far from where we want to be in the space of wastewater management, we are confident that improvement is imminent.
15. This report should trigger a passion and commitment in all of us to transform our thinking of wastewater treatment systems. These plants demand the merging of scientific and engineering skills to ensure that we have the capability to treat used water to acceptable water quality standards, which allows the reuse of our precious resource. Perhaps we should start with coining these treatment plants as water recovery plants instead of wastewater treatment plants to change our attitudes to these structures whose core purpose is to protect our water resources from the environmental risk posed by sanitation services.
16. The Department completed a preliminary assessment on the 1 186 water supply systems and produced a Blue Drop progress report but also commenced with the full **Blue Drop Certification** audit cycle, with this regulatory audit report on Drinking Water Quality Management being due in March 2023. Municipalities and Water Services Institutions are encouraged to prepare well for the audits. The Blue Drop standards for this audit period are available on the Integrated Regulation Information System (IRIS) on the DWS web-page.
17. The Regulation unit managed to resolve all the long outstanding point of dispute on the revised **Raw Water Pricing Strategy**, to allow for the final public consultation to be concluded and this document to be targeted for approval within this financial year. This strategy will include the **waste discharge charge system** with the objective of

minimising pollution and strengthening the regulatory resources towards pollution prevention. It will also improve subsidies for Resource Poor Farmers and strive towards improved transparency and predictability in tariff setting.

18. The Waste Discharge Charge System was piloted in 3 catchment management areas at zero charging to ensure that all systems are working before being implemented in the next financial year.
19. As per the resolution of the Water Summit, the **Anti-Pollution Task Team** is being revived to ensure all efforts to reduce pollution are being coordinated towards the improvement of water quality in the various water catchment management areas.
20. We have trained **107 Environmental Management Inspectors** through an official training programme shared with the Green Scorpions. This will enable the Department to achieve the Anti-Pollution plan through improved Compliance and Enforcement activities.
21. **Multi-disciplinary regulatory audits** were conducted on water user associations, representing 480 water users to ensure that local water resource management is conducted according to expectations. An **enforcement blitz** on 53 suspected illegal dams led to 43 notices of non-compliance being issued, and 4 cases proceeding to criminal charges being lodged with the South African Police Services. This serves as a reminder that it remains illegal to build a dam without the required authorisation.

## **WATER USE AUTHORISATION (WATER LICENCING)**

22. The Department adapted to the President's call to process water use licenses within 90 days from the previous legislated timeframe of 300 days, by aggressively addressing the rapid surge in backlog with the allowable processing timeframe reduction.
23. The backlog peaked at a 1000 but is currently reduced to 540 and is targeted to be eradicated by the end of June 2022. A total of 499 water use licences were processed within the targeted performance timeframe and 368 backlog applications, adding up to 867 water use licences being processed in the past year.

24. The Department is implementing a turnaround strategy to further improve in the processing and management of water use licences.

## **WATER RESOURCE PROTECTION**

25. In South Africa **the scarce fresh water is decreasing in quality** because of an increase in pollution and the destruction of river catchments, caused by urbanisation, deforestation, damming of rivers, destruction of wetlands, industry, mining, agriculture, energy use, and accidental water pollution.

26. Due to population growth, migration, urbanization, and lack of infrastructure maintenance, we have experienced negative impacts on the quality of the water resources. Water quality continues to deteriorate at an alarming rate. Results indicate that the source of pollution emanates from the lack of or inadequate sanitation, return effluent from industries, rural settlements, agricultural run offs, ground water, pollution, human settlement activities, and mining.

27. Monitoring of our water resources has resumed in all provinces and we anticipate having a report on the quality of our resources by end of this financial year. High risk facilities were also identified and prioritized for compliance monitoring and the Department has already started enforcement action with a few water users including municipalities.

28. We will implement the resolutions of the National Water Summit to have catchment-based water quality recovery plans in place by the third quarter of this financial year, which will include targets to improve water quality by 60% over a period of three years. This will be coordinated by the Anti-pollution Task Team led by me, with support from the Water Research Commission, Catchment Management Agencies and local government. We will form partnerships with industry towards reducing pollution and participation in incentive-based regulation initiatives. These actions will be complemented by strict enforcement of regulatory requirements as far as pollution is concerned.

29. We have made progress in responding to the problem of acid mine drainage in the Witwatersrand basin. We have built three treatment plants which pump the acidic water out of the ground and neutralise its acidity. This means that the risk of acidic water posing a threat to the environment has been greatly reduced. The Water Research Commission is now carrying out research on how to desalinate this water to further improve its quality, so that the water can be re-used.
30. In addition to the Green Drop and Blue Drop regulatory programmes mentioned earlier, we are also in the process of reviving the No Drop Programme, which involves monitoring and reducing water losses. Under the No Drop Programme municipalities will be required to measure water use, complete water balances and respond to reported water leaks within 48 hours. Similarly to the Green Drop and Blue Drop programmes, the No Drop programme will identify the causes of water losses in municipalities and what should be done to address them. We will publish the first No Drop report by March 2023.

## **DAM SAFETY AND ASSET MANAGEMENT**

31. We are also continuing to ensure that our dams and related bulk infrastructure are adequately maintained and monitored with regard to safety. Dam maintenance plans based on condition assessments are in place and being implemented and maintenance backlogs are being addressed within funding constraints.
32. The Department is continuously monitoring dam levels and other dam safety indicators and issuing timely warnings to downstream communities if and when it becomes necessary to release water from the dams. Water resource systems facing water shortages due to drought or excessive abstraction have appropriate restriction rules imposed for the year.
33. We have initiated a process to unlock the recreation and tourism potential of our dams, in partnership with the Tourism Council of South Africa. This will



involve working with tourism and recreation experts to develop a Request for Proposals to be issued to interested parties to make suggestions for developing recreation and tourism projects at our dams. It will be done in such a way as to ensure black economic empowerment, local business development and local employment creation at the same as protecting the ecology and functionality of the dams. The Request for Proposals will be issued during the course of this financial year.

34. While we have security services at our dams, theft of metal parts of our infrastructure is a major setback, and it is difficult and expensive to provide security at all our infrastructure all the time. Theft of metal parts is also one of the major causes of the breakdown of municipal water and sanitation services. There is an urgent need for government and society as a whole to resolve this problem – we need to find a way to stop people from being able to sell metal parts stolen from public infrastructure to scrap metal merchants.

## **INSTITUTIONAL REFORM-CATCHMENT MANAGEMENT AGENCIES**

35. Catchment Management Agencies have been established in terms of the National Water Act, to manage water resources at a local catchment level and to ensure that ecological infrastructure is protected.

36. Nine water management areas covering the whole country were gazetted in 2012. Independent Catchment Management Agencies have been established for the Inkomati-Usutu water management area in Mpumalanga and for the Breede-Gouritz water management area in the Western Cape.

37. We are operating six 'proto-CMA's' from within the Department for the management of water resources in the remaining water management areas. In the interests of efficiency and economies of scale, we are planning to reduce the total number of water management areas to six. We are considering whether to establish independent Catchment Management Agencies for all water management areas, or to continue operating 'proto-CMAs' in the department for some of them, working under the

guidance of advisory committees with local stakeholder representation. We will make an announcement in this regard shortly.

## **WATER PRICING AND TARIFF**

38. With regard to the regulation of raw water prices and Water Board tariffs, we are finalising the appointment of a Water Economic Regulation Committee, in terms of Section 76 of the Water Services Act. This committee will have sufficient regulatory autonomy to ensure that a balance is achieved between the protection of the interests of water consumers on the one hand and ensuring the financial viability of the water sector on the other hand. Together with the Minister of Finance, Minister Mchunu will approve the new Raw Pricing Strategy by the third quarter of this financial year. This will replace the strategy which was approved in 2007 and will seek to put the water sector on a more sustainable financial footing.

## **EMPLOYMENT AND JOBS**

39. The following areas can promote and contribute to job creation:

- a) Infrastructure Development Programmes like regional bulk and municipal infrastructure.
- b) Water conservation and demand management through Preventative and scheduled maintenance by fixing of leaks, retrofitting, and plumbing.
- c) Wastewater Treatment Turn around Program in reducing waste discharged into the environment by converting it for energy, agriculture and pharmaceuticals. Wastewater reuse is considered a key component of integrated water resource management because it constitutes two major functions: (i) it increases water supply, and so lessens the pressure on conventional natural resources; and (ii) it reduces pollution by discharging less untreated wastewater into the environment. In spite of these general benefits, the economics of wastewater reuse projects have been recognized as a significant challenge for their implementation
- d) Embark on Infrastructure Asset Management

- e) Programmers to promote water Resource Protection like clearing and cleaning of canals, rivers, and dams.
- f) Investment in building the Capacity and Capability of the sector by investing in managers, technicians, engineers, and planners for the current and future demands.
- g) Ensure reliability of supply and assurance for specific strategic economic sectors that have high value benefit in growing the economy whilst creating more jobs or employment opportunities like mining, agriculture, industry, and tourism manufactures. These is part of indirect water jobs as the catalytic input.

## **CONCLUSION**

40. We remain steadfast and on course towards building a truly united, non-racial, non-sexist, democratic society as envisioned in the freedom charter, our constitution and NDP 2030.

41. As indicated in my introduction we are faced by several challenges globally and domestically but equally this epoch is full of opportunities and the prospects are bright. Our collective effort and resilience of our nation will see us through. Let's remain vigilant of the dangers faced by our revolutionary advancement but we should never be rigid, inflexible or inactive to change.

42. We remain inspired by our shared aspiration and by the desire to create and fulfil our promiser of a better life for all.

43. God bless South Africa, and her sons and daughters

44. I thank you!