



MINISTRY
WATER AND SANITATION
REPUBLIC OF SOUTH AFRICA

**BUDGET AND POLICY STATEMENT, VOTE 41 DEPARTMENT OF WATER AND
SANITATION**

**BY HON. DAVID MAHLOBO, MP
Deputy Minister of Water and Sanitation
NCOP, CAPE TOWN
16 JULY 2024**

Honourable Chairperson of NCOP, Ms R Mtsweni- Tsipane

Hon. P. Majodina, Minister of Water and Sanitation and other Hon Ministers

Hon. Sello Seithlolo, Deputy Minister of Water and Sanitation and other Deputy
Ministers

Honourable Members of Executive Councils (MECs)

Hon. KM Mmoeiemang - Chief Whip of NCOP

Hon TM Kaunda, Chairperson of the Select Committee on COGTA, Human
Settlements, Water and Sanitation and other Members

Honourable Members of the National Council of Provinces

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. In the next two day (18th July) the world will commemorate our struggle icon, Isithwalande/ Seaparankoe HE President Nelson Rolihlahla Mandela, our founding father of a democratic South Africa.
2. Humanity across the globe is feeling scared, uneasy, and some have lost hope due to a number of developments like global security instability, slow economic growth and supply chain disruptions, high cost of living, rising levels of poverty, inequality and unemployment. We need to draw strength from our democracy's founding President Nelson Mandela's words when he said, and I quote: *"there were dark moments when my faith in humanity was sorely tested, but I would not and could not give myself up to despair. That way lies death and defeat"*.
3. As humanity we are interconnected and interdependent with one shared aspiration. We all long and yearn for a brighter future and this department is enjoined to ensure human right to life through access to safe drinking water and its benefits, including restoring our right to dignity and an environment that is not harmful, right to access to decent sanitation and protection of water resources for the current and next generations.
4. Honourable members, due to population growth, migration, urbanisation, climate change and economic growth over the last 30 years, we have witnessed significant decline in the available quantity and quality of water resources in our country and the SADC region, with untold impacts on health, food, energy, the environment, economy as well as secure prosperity for many nations.

5. It is therefore incumbent on us to adequately manage our water resources to achieve long-term environmentally sustainable social and economic benefits for all.
6. We are dependent on inter-linked sources of rivers as the SADC region, and I can proudly say that we have demonstrated the power of cooperation with little, in fact no evidence of armed conflict around these critical sources. Water knows no boundaries and doesn't ascribe to ideological nuances.
7. Africa is not spared from being a climate change hotspot and faces significant climate risks. Climate change is a reality whose impacts are now being felt across all economic sectors, with huge impacts on lives and livelihoods. In most cases, we have been caught unprepared, with some disastrous consequences as a result. It has been and remains the government's call for all stakeholders to play their part and contribute towards reducing risk and vulnerability.
8. This situation also emphasises the urgency of the need to accelerate and increase investments in building climate change resilience and more importantly adaptation, especially at local level where the impacts of these disasters are mostly felt. The question is: *"How do we build preparedness for the new normal?"*.
9. We are on course to create a conducive environment for water security through the harnessing of the social and productive potential of water for the benefit of all, ensuring its destructive potential is sufficiently mitigated against, but equally we are the first to admit that South Africa cannot yet be considered fully "water secure".

ACCESS TO WATER AND SANITATION SERVICES IN SOUTH AFRICA

10. StatsSA Census report of 2022 indicates that the average national access to RDP level of water services has increased from about 60% in 1994 to about 90% now. This is a major achievement. While access to water has increased, we are deeply concerned about the reliability of municipal water supply which has decreased over the same period – in other words, while many more people have access to a tap, some communities are still experiencing intermittent water supply. However, it does not mean that 90% of all communities in all areas have secure access to water. Some communities have 100% access, while others have 0% access.
11. Women in rural areas and in informal settlements bear the brunt of the burden of this remaining percentage that experiences lack of access to water, thus continuing to often carry the responsibility of fetching water from other sources, which are often polluted, shared with dangerous animals, with high possibility of being infested with water-borne diseases.
12. In recent years, many municipalities have been prioritising refurbishment and repair of existing infrastructure with their infrastructure grant allocations, rather than prioritising new infrastructure to provide access to the remaining 10% - this explains why progress in increasing access has slowed down.

13. During the term of this 7th Administration we will be prioritising investment in both bulk water supply and municipal water reticulation infrastructure to ensure that we provide access to the remaining 10% of our population currently without access to water as quickly as possible.

2023 DWS Blue Drop (drinking water), Green Drop (wastewater) and No Drop reports

14. In December 2023, the Department released the results of its Blue, Green and No-drop reports, as part of its work as the regulator of the water services sector in terms of the Water Services Act.
15. The drop reports indicated that the performance of municipal water and sanitation services have declined since the last time the drop reports were issued in 2014. 67 out of 144 Water Services Authorities (WSAs) scored 'critical' on average across their water supply systems and/or wastewater systems in the 2023 Blue Drop and 2022 Green Drop assessments. A further 38 scored 'poor' on average. Therefore 73% of WSAs scored critical or poor.
16. **Percentage of water supply systems with poor or bad microbiological water quality compliance (i.e. water that is not safe to drink) increased from 5% in 2014 to 46% in 2023 –** resulting in increased risk of water-borne diseases. Clearly this is unacceptable.

17. **66% of municipal wastewater infrastructure is in a poor or critically poor condition; percentage of municipal wastewater systems in an overall critical state of performance increased from 30% in 2013 to 39% in 2022.**
18. **90 of the 144 water services had at least one critical wastewater system – i.e. discharging partially treated or untreated sewage into rivers - resulting in increased risk of diseases such as cholera across the country.**
19. **National average for municipal non-revenue water increased from 37% in 2014 to 47% in 2023.**
20. Honourable Members these reports have the following implications:
- a. Money spent to develop dams and water treatment works is wasted if a large portion of the treated water is thrown away through leaks in municipal water distribution systems.
 - b. Municipalities with high non-revenue water are unable to pay water boards for treated water supplied by the Boards and cannot afford to properly maintain and operate their water distribution infrastructure.
21. The drop reports were provided to all water services authorities, which were advised as to the causes of the decline and what needs to be done about it. The identified causes include water and sanitation infrastructure being in a poor condition due to a lack of maintenance, and non-adherence to standard operating processes for drinking water treatment and wastewater treatment. It was also found that many municipalities are not hiring the required

staff with the correct qualifications, such as plant managers, technicians, process controllers, and scientists. These causes are in turn the result of weak municipal billing and revenue collection for water and sanitation services and insufficient prioritization of budgets for maintenance and operations by municipal councils. Vandalism of infrastructure and metal theft are also an increasing cause of infrastructure failure, due to inadequate security being provided by municipalities.

22. This decline in municipal water and sanitation services has taken place despite the fact that DWS, COGTA, the Municipal Infrastructure Support Agency, the Department of Human Settlements, and National Treasury all provide a high level of support to municipalities, both in the form of grants and assistance with the development of implementable improvement plans, technical and engineering support and assistance, capacity building and training, and financial management advice and support.

23. Hon Pemmy Majodina, the Minister of Water and Sanitation has decided to continue with these drop assessments as an important instrument to improve the performance of the sector.

SUPPORT TO MUNICIPALITIES AND INTERVENTIONS

24. Honourable Members, DWS has taken intensive steps to support municipalities through ministerial interventions through-out the country by ensuring that grant allocations to municipalities are used for the intended purpose to complete some of the most critical bulk water and sanitation projects. Our support package includes the following measures:

- a) DWS and Water Boards are supporting many of the municipalities to implement improvement plans agreed to by the Ministry and municipal leadership.
- b) DWS, COGTA, Municipal Infrastructure Support Agency, Department of Human Settlements, National Treasury:
 - a. Allocate water and sanitation infrastructure grants worth more than R20 billion per annum to municipalities
 - b. Provide technical and engineering support and assistance, capacity building and training, and financial management advice and support.
- 25. Honourable Members, despite all this support, drop reports indicate that municipal water services are declining sharply. These are the limitations to support that we have identified:
 - a) If municipal leadership does not respond to directives, does not listen to advice or does not accept support, performance can only be improved by addressing the leadership challenges.
 - b) Routine maintenance and operation must be funded by revenue from the sale of water by municipalities to customers – DWS and COGTA are not allowed to provide funding to municipalities for this.
 - c) DWS and COGTA are repeatedly providing municipalities with grants to repair infrastructure, which is not maintained by the municipalities, deteriorates again rapidly, and then funding needs to be provided again.
 - d) National government cannot make decisions to prioritize maintenance and operation funding for water services on behalf of municipalities – these decisions must be made by municipal Councils.
 - e) National government cannot hire staff on behalf of municipalities – municipal leadership must prioritize the filling of positions with appropriately qualified staff and budget for this from revenue.

26. We are making good progress in unblocking and accelerating the delayed projects, but more still needs to be done to address this problem.

DWS Infrastructural Investment Drive

27. The Department of Water and Sanitation manages two conditional grants namely Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG), which are aimed at supporting municipalities to develop their water and sanitation infrastructure and to address backlogs of infrastructure.

28. As part of government forward planning, at least **R153 billion** has been set aside for the infrastructure investment over next seven years (2030) as part of the SDG 6 drive. **This includes the R105 billion** which is aimed at ensuring water security for the country covering the projects below,

29. Approximately 60% of national water resource infrastructure projects are funded by private sector as an initiative of the Department through a Public Private Collaboration Programme/Agreements.

30. Approximately R98 billion has been spent by DWS to support Municipalities over the past 5 years for infrastructure development across the 144 Water Service Authorities. Additional R47,5 billion earmarked for Water Services Support of the 144 WSA is also in place over the MTEF. This includes projects that will improve access to reliability of water supply and ultimately the SDG 6 targets by 2030. The key current projects implemented per province are amongst others the following:

31. The details of projects are listed in presentation.

Eastern Cape Province

- a) The Amatole Water Board is assisting Nelson Mandela Bay with the development of Phase 3 which entails the construction of a flash mixer, two flocculation channels and settling tanks, six new filters (increasing the capacity of the WTW's with 70MI/day to 210MI/day)
- b) Nqamakhwe Regional Bulk Water Scheme; To provide bulk water infrastructure to supply approx 78,000 people in 120 rural villages (wards 13-20 of Mnquma Municipality) with domestic water

Free State Province

- a) The Vaal Central Water Board is assisting the Maluti-a-Phofung Local and Matjhabeng Local Municipalities with a range of projects aimed at addressing the dire state of water and sanitation infrastructure in the two municipalities. The two key project amount to a total of **R5.4billion over the next 5 years**

Limpopo Province

- a. Accelerating the implementation of a range of major water services projects that have been delayed in the past.
 - b. Honourable Members, one of the water and sanitation projects which has been notoriously delayed, and which has been the subject of investigations by the SIU, is the Giyani Water Supply Project. The former Minister and Deputy Ministers made good progress in unblocking and accelerating the project, and this will remain a focus for the new administration.
 - c. Giyani water project in Limpopo, the bulk pipeline from Nandoni Dam in Vhembe to Nsami Dam in Giyani is being finalized to deliver water to Giyani.
-
- b) The main bulk pipeline from Nandoni Dam to Nsami Dam near Giyani was completed as at end of March 2023, and the refurbishment and

optimization of the Giyani Water Treatment Works was completed in mid-June 2024, while Phase 1 of water reticulation to 24 of 55 villages is currently underway and as of June 2024, work around 9 villages out of 24 are complete, and 15 villages will be completed and expected to receive water by the end of August this year. Phase 2 of the Giyani reticulation project to a further 31 villages is expected to start later in the 2024 calendar year and will be completed in mid-2026.

c) These projects amount to over 3.5 billion for the next 3 years.

Kwazulu-Natal Province

a) uMngeni-uThukela WB and Zululand District Municipality are accelerating the Mandlakazi Bulk Water Supply Scheme to benefit communities under Zululand DM as well as uMkhanyakude DM (Jozini LM, Big 5 Hlabisa, uMhlabuyalingana and Mtubatuba LM). Pipeline includes abstraction of raw water from Jozini Dam, laying of 28km bulk line, pumpstation and upgrading of Mandlakazi WTW, Mkhuze WTW and others. The projected investment is not less than **9.5 billion**

b) Ugu District Municipality is also implementing various projects aimed at improving the water and reducing the NRW (Non-Revenue Reduction Programme, Refurbishment and Replacement of Infrastructure, Revenue Management Plan, Pipeline Replacement of Infrastructure. Emergency Borehole Programme, Refurbishment of Bulk Meters and chamber valves Across the district, Borehole Management System, Refurbishment of Mechanical & Electrical (Area South Central, South, North)

Limpopo and Mpumalanga Province

- a) Loskop Regional Bulk Water Supply. The project involves the construction of a bulk pipeline from Loskop Dam in Mpumalanga to Thembisile Hani Local Municipality in Mpumalanga for domestic water supply.
- b) The bulk pipeline also passes through the Moutse-East area under the Sekhukhune District Municipality in Limpopo, and the project includes distribution infrastructure to supply treated water to villages in Moutse-East **valued at R1.67billion**
- c) **Further, in Limpopo, the Lepelle Northern Water** is implementing Phase 1, of the Olifants Ebenezer aimed at bringing relieve and sustainable water provision for Polokwane, Seshego and surrounding. **This phase 1 estimated at R4.7 billion is part of a 10-year R18 billion programme.**
- d) In addition, in Limpopo, government is implementing the Olifants Management Model project known as the OMM with the Lebalelo Water User Association on a 50:50 basis. The estimated R27 billion project planned for implementation between 2024 and 2029 will provide water from Flag Boshielo dam to surrounding areas pf Seshego, Mogalakwena, Sekhukhune up to Polokwane and surround to at least 96 communities in total. A high number of skills, SMMEs development and job creation is expected.

Gauteng Province

- a) Rand Water continues is assisting Emfuleni Local Municipality and Midvaal Local Municipality with a range of projects to address the sanitation crisis in the Vaal. This includes the unblocking blocked sewage pipelines, replacing collapsed sewage pipelines, repairing and refurbishing pumpstations, and assisting the Emfuleni Municipality to restore its operation and maintenance functions. **The investment is estimated at R4.7billion.**
- b) Good progress has been made in refurbishing and repairing sewage pump stations, unblocking sewer lines, repairing collapsed sewer

lines, as well as repairing and refurbishing wastewater treatment works.

- c) The main remaining work is to upgrade the capacity of the major wastewater treatment works in the area, and these projects are currently in the procurement phase. During this financial year we will also be supporting Rand Water and Emfuleni Local Municipality to implement a decision by the Council of the Emfuleni Municipality to establish a special purpose vehicle with Rand Water to be the Water Service Provider in the municipality in future.
- d) **Further, Rand Water has a planned R35 billion aimed at augmenting new capital infrastructure such as treatment facilities, storage reservoirs and pumpstations between now and 2028.**

North West Province

- a) **Operation Bulela Metsi** to monitoring a range of water service planning in the province, including a range of short, medium, and long-term projects that have been identified to address the poor state of water and sanitation services in the province.
 - b) **In the current financial year and over the MTEF, at least R2.5billion has been set-aside for the province with a further R13.05 billion over the next 7 years across the water sector needs.**
32. The Department allocated about R44 billions over the MTEF period for water and sanitation projects to various municipalities in all the province. **This includes R7 billion allocated to Water boards for the implementation of strategic projects. To the same period over the MTEF at least over 120 RBIG projects are currently being implemented at the value of R15 billion in 144 WSA benefiting 8.7 million household. A further R15.6 billion and**

R14.3 billion is planned for the 24/25 and 25/26 financial years respectively.

33. The Department is also investing in robust planning activities for water and sanitation projects. This is to ensure that the identification of the most-viable and sustainable option to address the identified need, based on life-cycle costing and environmental, practicality, security and climate change considerations.

OTHER MINISTERIAL INTERVENTIONS

34. The Department is in a partnership with City of Tshwane following the cholera outbreak in Hammanskraal in May 2023. The intervention support entailed implementation of the following projects (1) Refurbishment of Rooiwal Wastewater Treatment Plant (2) Construction of 50 Mega Liter Water Package Plant to supply Hammanskraal, (3) Expansion of Rooiwal WTW and (4) Upgrading of Temba Water Treatment Plant. We are making progress in the acceleration of the completion of current project at Rooiwal WWTW which is sitting at 68%, Provision of an alternative water source by Magalies Water Board for Hammanskraal through the emergency construction of a 50 MI/day package-plant at Klipdrift WTW and Expansion of Rooiwal WWTW by a further additional capacity of 50MI/day

eTHEKWINI METRO AND GAUTENG WATER CHALLENGES

35. Honourable Members, water supply disruptions in Gauteng and in eThekwini have increased in recent years and have resulted in much hardship for the residents of these areas.
36. In both instances, the underlying problem is a shortage of water. The demand for water in both Gauteng and eThekwini has

grown rapidly, largely due to population growth. The planners in the national department anticipated this growth in demand and planned major new national water resource infrastructure projects to meet it, but unfortunately in both cases the start of these projects was delayed.

37. The department is currently supporting Metros in Gauteng and eThekweni to address the current water challenges. Recently the department has launched a Platform for a Water Secure Gauteng, in partnership with World Bank 2030 Water Resources Group, Rand Water, Gauteng municipalities, civil society leaders, business leaders and sector experts; the partnership will coordinate efforts to reduce average consumption of water in the province. The same approach is being integrated into the eThekweni water situation, following the setting up of the Presidential Working Group.

38. Demand is also high in eThekweni due to the very high level of water losses (at 45%) and non-revenue water (at 58%), as well as high average consumption of 298 litres per capita per day in the City. In addition, eThekweni Municipality has neglected maintenance of its water and sanitation infrastructure for many years, and this has been exacerbated by flood damage to the infrastructure. To address these issues, DWS will continue to co-chair the Water and Sanitation Workstream of the Presidential eThekweni Working Group, which is monitoring the implementation of the Water and Sanitation Turnaround Strategy approved by the Metropolitan Council last year.

39. Similarly, the start of the uMkhomazi project to supply additional water to eThekweni and surrounding municipalities was delayed by nine years, due to concerns about its affordability in terms of the tariffs that would have to be charged to the residents of eThekweni. The affordability problem was resolved in 2023 with the approval by National Treasury of an application by DWS, with the support of the Presidential Infrastructure Fund, for a blended finance

solution for the funding of the project which made the tariff more affordable. This solution includes a 25% interest-free loan and a 25% grant to the TCTA from the national fiscus. This enabled the eThekweni Municipal Council to approve the water supply agreement on 31 January 2024, and the TCTA has now started to raise the finance for the project and to commence with implementation.

CONCLUSION

40. Let us work together towards the prosperity of our nation and for the benefit of future generations by using our water efficiently and by protecting our environment.

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

I thank you!