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Reference: 6/2/26

MINISTER OF WATER AND SANITATION

NATIONAL COUNCIL OF PROVINCES: QUESTION *151 FOR ORAL REPLY

A draft reply to the above mentioned question asked by Mr M T Mhlanga (Mpumalanga: ANC) is attached for your consideration.

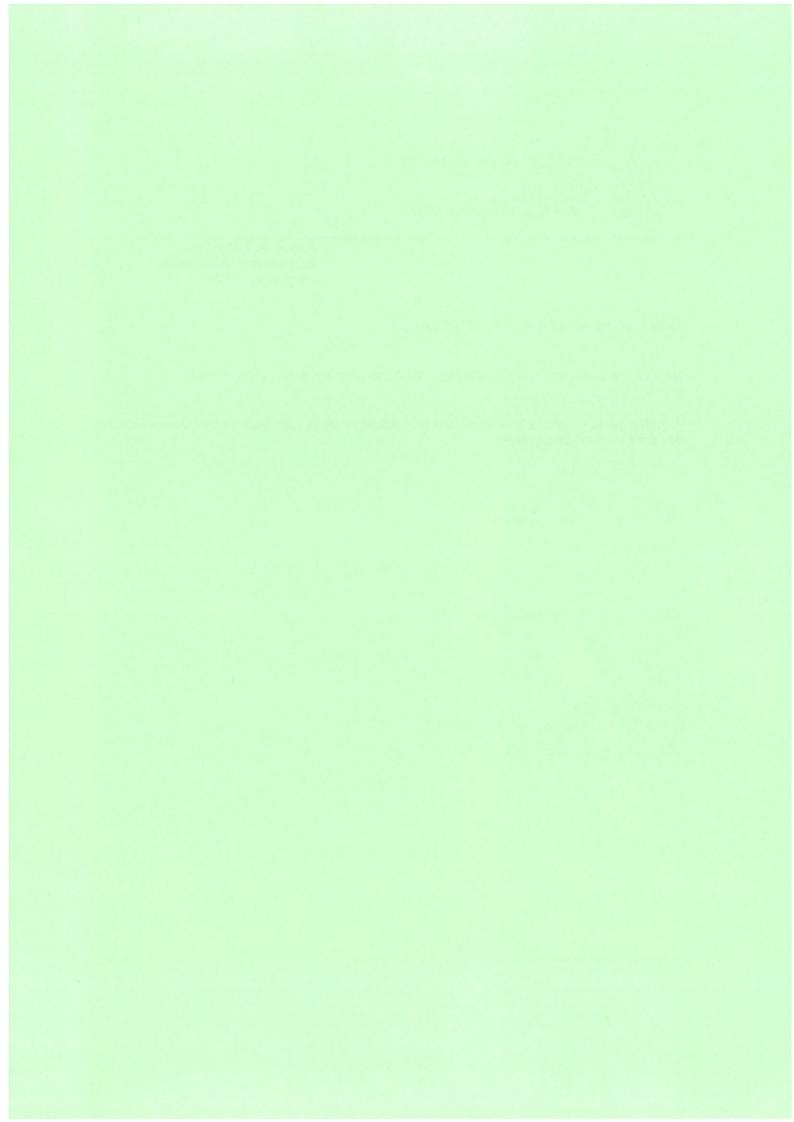
ACTING DIRECTOR-GENERAL

DATE: 18/04/2018

DRAFT REPLY APPROVED/ AMENDED

NKWINTI GE (MP)
MINISTER OF WATER AND SANITATION

DATE: 20 04 2018



NATIONAL COUNCIL OF PROVINCES

FOR ORAL REPLY

QUESTION NO ★151

<u>DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 11 APRIL 2018</u> (INTERNAL QUESTION PAPER NO. 13)

★151. Mr M J Mohapi (Free State: ANC)to ask the Minister of Water and Sanitation:

Whether any water boards are currently facing legal and/or court challenges, including summonses, judgements and attachments for the non-payment of service providers; if not, what is the position in this regard; if so, (a) what are the main reasons for such legal challenges, (b) what interventions his department is putting in place to assist water boards and (c) what are the further relevant details?

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REPLY:

The water boards have a total of 23 litigations and the cost implications if not defended successfully amount to R71 503 139.

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Reference: 6/2/2/6

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Mr M Johnson, MP Chairperson of the Portfolio Committee on Water and Sanitation PO Box 15 CAPE TOWN 8000

Dear Mr Johnson

REPORT TO THE PORTFOLIO COMMITTEE ON WATER AND SANITATION ON QUESTIONS RAISED ON 20 AND 28 MARCH 2018

The above matter bears reference.

Please find the attached report pertaining to the questions raised by the Committee on Water and Sanitation on 20 and 28 March 2018.

Yours sincerely

NKWINTI GE, MP

MINISTER OF WATER AND SANITATION

DATE: 04/04/2018



REPORT TO THE PORTFOLIO COMMITTEE ON WATER AND SANITATION

QUESTIONS RAISED ON 20 AND 28 MARCH 2018

FOR WRITTEN REPLY

REPORT TO THE PORTFOLIO COMMITTEE ON WATER AND SANITATION

QUESTIONS RAISED ON 20 AND 28 MARCH 2018

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QUESTIONS RAISED ON 20 AND 28 MARCH 2018

- 1. Number of litigations of the Department and water boards and costs implications
 - 1.1. The Department has a total of 135 litigations and the cost implication if not defended successfully is R100 720 105
 - 1.2. The water boards have a total of 23 litigations and the cost implication if not defended successfully is R71 503 139
- 2. Status and current repayment of the R2.9 billion overdraft to Reserve Bank (submit written agreement)

The department entered into a repayment agreement with National Treasury, the National Treasury set conditions for the overdraft amount during the 2017/18 financial year as follows:

- 2.1. At June 2017, a reduction by R 200 million
- 2.2. At the end of March 2018, a reduction by R 748 million
- 2.3. During the 2018/19 financial year, the remainder of the overdraft will be reduced.

Summary status of the overdraft: The balance as at 30 June 2017 was R2.277 billion and the balance as at 31 March 2018 was R2.007 billion.

- 3. Progress report in respect of legislation: Water and Sanitation Bill and Water Research Commission Amendment Bill.
 - 3.1. Water and Sanitation Bill: In a briefing to the Portfolio Committee convened on 8 November 2017, the Department reported that the drafting of the Water and Sanitation Bill is at an advanced stage. A number of activities have been undertaken and completed as per the approved legislative roadmap. The Bill was presented to the FOSAD cluster for review.

The Bill was submitted for preliminary certification to the Office of the Chief State Law Adviser (OCSLA) and feedback was received in October 2017. As the OCSLA did not grant a preliminary certification of the Bill, it is being revised to address the matters as raised by the OCSLA.

3.2. Water Research Commission Amendment Bill: The Bill aims to amend the Water Research Act, 1971, so as to provide for the appointment of members of the Board and the Chief Executive Officer; to regulate the governance of the Water Research Council

QUESTIONS RAISED ON 20 AND 28 MARCH 2018

(WRC) [formerly Water Research Commission]; to align the Act with applicable legislation; and to provide for matters incidental thereto. It will also insert certain definitions and substitute others; to effect certain textual improvements and name changes.

The Bill was introduced in National Assembly in 2013 and was published in Government Gazette No.36754 of 16 August 2013. Due to some developments (since 2013) in the Water and Sanitation sector the Bill has been reviewed and the Draft will be introduced to Honourable Minister of Water and Sanitation in May 2018. Thereafter it will follow internal consultation within the Department.

4. Progress report in respect of Water Master Plan

In a briefing to the Portfolio Committee convened on 8 November 2017, the Department reported that a final draft National Water and Sanitation Master Plan (NWSMP) would be finalised by March 2018.

5. Written instruction on outsourcing of construction projects, instead of engaging the Construction Unit

The instruction was provided in a departmental briefing session held on 6 February 2015.

6. Detailed Asset register of the Construction Unit

The summary of the asset register is tabulated below.

Province	Total Assets	Cost	Accumulated Depreciation	Book Value
Bloemfontein	33	16,100,795.74	-8,610,125.15	7,490,670.59
Gauteng	74	7,690,038.52	-4,579,959.43	3,110,079.09
KwaZulu-Natal	170	109,455,129.97	-44,139,082.92	65,316,047.05
Limpopo	509	276,085,996.08	-165,031,342.62	111,054,653.46
Mpumalanga	223	87,680,919.27	-45,242,637.01	42,438,282.26
North West	1,385	661,264,273.15	-403,426,012.46	257,838,260.69
Northern Cape	97	62,925,789.94	-22,715,765.50	40,210,024.44
Western Cape	276	158,378,860.18	-74,284,271.76	84,094,588.42
Grand Total	2,767	1,379,581,802.85	-768,029,196.85	611,552,606.00

REPORT TO THE PORTFOLIO COMMITTEE ON WATER AND SANITATION

QUESTIONS RAISED ON 20 AND 28 MARCH 2018

7. Progress report in terms of the construction of the Umzimvubu Dam

A progress report on the Umzimvubu Water project is included as **Annexure 01** for reference.

8. A directive issued to Rand Water for them to implement the War on Leaks programme

A directive was issued to Rand Water in April 2015. The document is included as *Annexure* 02 for reference.

9. A tripartite contract between the department, the Energy and Water SETA (EWSETA), and Rand Water

A tripartite agreement between the Department, Rand Water and EWSETA was signed in August 2015. The document is included as *Annexure 03* for reference.