



**MINISTRY:
HUMAN SETTLEMENTS, WATER AND SANITATION
REPUBLIC OF SOUTH AFRICA**

NATIONAL ASSEMBLY

FOR ORAL REPLY

QUESTION NO ★106

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★106. Mr M R Mashego (ANC) to ask the Minister of Human Settlements, Water and Sanitation:

(a) What mechanisms has her department put in place to resolve the unauthorised expenditure incurred from payments related to the War on Leaks project in the 2017-18 financial year (details furnished: At project inception in 2015, the War on Leaks programme was estimated at R3.9 billion. However, the Department had not properly budgeted for the programme. As a result, the War on Leaks initiative has persistently been financed through other sources of funds that had legally budgeted for other items within the budgets of the Water Trading Entity and Main Account. It was identified that the main drivers of unauthorised expenditure incurred by the Department in the 2017/ 18 financial year resulted from payments related to the War on Leaks project. What mechanisms does the Minister have in place to resolve this ongoing challenge? Does the Department have plans to ensure that the programme is budgeted for, so as to ensure its sustainability?) and (b) what plans has her department put in place to ensure that the programme is budgeted for in order for the programme to be sustainable?

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MINISTER OF HUMAN SETTLEMENTS, WATER AND SANITATION

(a) Responding to a report that the government was losing about 37% of its clean (?) water each year, which amounts to a loss of approximately R7 billion of water, the former President during his State Nation Address in 2015 announced that the government, through the Department of Water and Sanitation will train 15 000 artisans, water agents and plumbers to fix leaking taps and pipes in their respective communities as part of promoting water conservation, job creation for youth and increasing the country's skills pool.

Subsequently, the former Minister of Water and Sanitation appointed Rand Water to implement the War on Leaks Project over five years. The project scope was to train 15 000 unemployed youth within three disciplines, namely water agents, artisans, and plumbers. An implementation agent protocol was signed between the Department of Water and Sanitation, Energy-Water Sector Education and Training Agency (EWSETA) and Rand Water.

The project initially had three phases in which a total of 3 000, 7 000 and 5 000 unemployed youths would be trained. The learners were divided into three main groupings for training namely:

- Water Agents
- Artisans
- Plumbers

When initiated in the 2015/16 financial year, this programme was initially funded from the Water Trading Entity (WTE) as at the time the WTE was reflecting a surplus. Subsequent to the initiation of the programme, the WTE collection of revenue decreased substantially due to the non-payment of services by municipalities and water-boards.

The National Treasury declared the 2017/18 expenditure on the War on Leaks Project as an unauthorised expenditure. My department has embarked on the following processes to avoid recurrence of this situation:

- The unauthorised expenditure incurred from payments related to the War on Leak project in the 2017/18 financial year has been submitted to National Treasury for further processing to the Standing Committee on Public Accounts in line with the Public Finance Management Act.
 - The Department has put in place stricter budget and expenditure management control measures to prevent recurrence of unauthorised expenditure.
- (b) As part of plans to resolve current budget challenges, funds have been reprioritised from underspending programmes and projects. Furthermore, implementation partners (Rand Water and Energy and Water Sector Education and Training Authority) have been engaged to assist through other means such as sector education grants.

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