

**BUDGET AND POLICY STATEMENT, VOTE 41 DEPARTMENT OF WATER AND
SANITATION
BY HON. DAVID MAHLOBO, MP
Deputy Minister of Water and Sanitation
S12A NCOP, CAPE TOWN
12 JULY 2024**

Honourable Speaker, Mrs T Didiza

HE Cyril Ramaphosa, President of the Republic of South Africa

HE Paul Mashatile, Deputy President of the Republic of South Africa

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

Hon. M Ntuli and D Dlakude- Chief Whip and Deputy Chief Whip

Hon L Basson, Chairperson of the Portfolio Committee on Water and Sanitation and
other Members

Honourable Members of the National Assembly

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. 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*".
2. 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.
3. 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. It is therefore incumbent on us to adequately manage our water resources to achieve long-term environmentally sustainable social and economic benefits for all.
4. 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.

5. 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.
6. 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?"*.
7. 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

8. 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.

9. 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.
10. 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
11. 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.
12. Despite the above outlook on the state of water and sanitation access, the country remains one of the driest countries in the world. Additionally, as a semi-arid country which receives on average 470mm of rainfall per year, South Africa's water losses have been on the rise in the past 10 years due to population growth, aged infrastructure, low capital investment on infrastructure renewal, as

well as a lack of operations and maintenance by municipalities to mention but a few.

13. These factors are a result of the high average consumption per person per day of 218 litres compared to the world average of 173 liters per person per day. There is therefore a need for a consolidated water conservation and demand management throughout the 144 water service authorities in the country.

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 reports provided a comprehensive independent assessment of the state of all municipal drinking water and wastewater treatment systems in South Africa, as well as the degree to which the drinking water distribution systems of municipalities supply water efficiently, without wasting water.
16. 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

17. **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.**
18. **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**
19. **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**
20. **National average for municipal non-revenue water increased from 37% in 2014 to 47% in 2023.**
21. **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.
22. 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.

23. 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.
24. 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

25. Honourable Members, through the power and functions of the Minister of Water and Sanitation through the National Water Act and Water Services Act in line with Section 154 of the Municipal Systems Acts, 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
26. 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 prioritise 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 prioritise the filling of positions with appropriately qualified staff and budget for this from revenue

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

28. Another of the DWS projects which has been notoriously delayed is the Bucket Eradication Programme. Completion of this programme will be one of our priorities. Under the previous administration progress was made in completing projects in two out of four provinces, and we intend to complete the remaining projects in the Free State by October this year, and one remaining project in the Northern Cape by March next year.

29. We will also continue to collaborate with the City of Tshwane and Magalies Water to complete the Magalies Water project to provide an alternative source of clean drinking water to

Hammanskraal by October this year, while the Rooiwal Wastewater Treatment Works is being repaired and upgraded so that the sewage pollution in the Apies river can be addressed to enable the Temba Water Treatment Works to become functional again.

30. Our intervention through Rand Water to address sewage pollution in the Vaal, particularly by Emfuleni Local Municipality, will also continue. 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. 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.

31. Honourable Members, we have mentioned a few of our major interventions at municipal level. We are supporting municipalities in all the provinces and will continue to implement the various support initiatives put in place by the former administration, including the Bulela Metsi initiative in North West, the Kimberley Bulk Water Supply Project in the Northern Cape, the Loskop Regional Bulk Water Supply, and Lekwa Water and Sanitation Services Intervention, both in Mpumalanga, the Moutse East, Loskop and Olifantspoort Ebenezer schemes in Limpopo, the Mandlakazi Bulk Water Scheme in the Zululand district, and the uMkhanyakude and uThukela Section 63 interventions in KwaZulu-Natal, the Maluti-A-

Phofung and Matjhabeng interventions in Free State, and the Lower Sundays River, Greater Mbizana, Nqamakhwe, and Ndlambe Water Schemes and Makana intervention in the Eastern Cape.

eTHEKWINI AND GAUTENG WATER CHALLENGES

32. 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.
33. 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.
34. The new Polihali Dam, which is part of Phase Two of the Lesotho Highlands Water Project, was due to be completed in 2019 to enable additional water to be supplied to the Integrated Vaal River System (IVRS), which in turn is the main source of water for Gauteng. The start of the project was delayed by nine years. The main contracts were awarded in October 2022 and construction is now underway and is due to be completed by 2028. We will be focusing on ensuring that the project is implemented as expeditiously as possible.
35. Rand Water is already slightly exceeding its abstraction limit from the Integrated Vaal River System, and it will only be possible for Rand Water to comfortably increase its abstraction from the IVRS after LHWP Phase 2 comes online. Rand Water has a R35 billion

capital investment programme, timed to result in substantial additional treatment and storage capacity becoming available when LHWP Phase 2 comes online. We will be closely monitoring the implementation of these investments in the coming years.

36. The demand-supply relationship for treated water in Gauteng is now very tight and the water supply system is vulnerable to disruptions caused by heavy load shedding, electro-mechanical breakdowns, theft of cables, or intensive maintenance work. Because the water is usually gravity-fed from municipal reservoirs to households, high-lying areas are worst affected by disruptions in supply.
37. In addition to ensuring that the Polihali Dam is completed as soon as possible, we will also be working closely with the municipalities in Gauteng to ensure that they improve the maintenance and performance of their municipal water distribution infrastructure, such as by building additional reservoirs and pumping stations to improve the resilience of their systems.
38. Besides support of local and district municipalities, after a successful prevention of day zero for Nelson Mandela Bay Metro by introduction of strict Water Conservation and Demand Management during 2022 and 2023, 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.

39. 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.
40. However, supply-side measures will not be sufficient to fill the gap between supply and demand in Gauteng. The average consumption of water per capita in Gauteng must be reduced from the current level of 279 litres per day, closer to the world average of 173 litres per capita per day. In this regard, we will also be closely monitoring the progress of the Gauteng municipalities to reduce the physical water losses in their distribution systems. In addition, the Platform for a Water Secure Gauteng, which was recently put in place by DWS in partnership with World Bank 2030 Water Resources Group, Rand Water, Gauteng municipalities, civil society leaders, business leaders and sector experts, will coordinate efforts to reduce average consumption of water in the province.
41. 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.

42. 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. I have referred to some of the progress made in this regard earlier.

CONCLUSION

43. We are faced by several challenges globally and domestically and many have lost hope. Through the dark tunnel there is light. 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. We have shared dreams and aspirations.
44. 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.
45. God bless South Africa, and her sons and daughters.

I thank you!