



INKOMATI-USUTHU

CATCHMENT MANAGEMENT AGENCY

'Seize the Moment'



**PRESENTATION OF THE ANNUAL REPORT AND FINANCIAL
PERFORMANCE FOR THE 2018/19 FINANCIAL YEAR**

BY

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CEO INKOMATI-USUTHU CMA**

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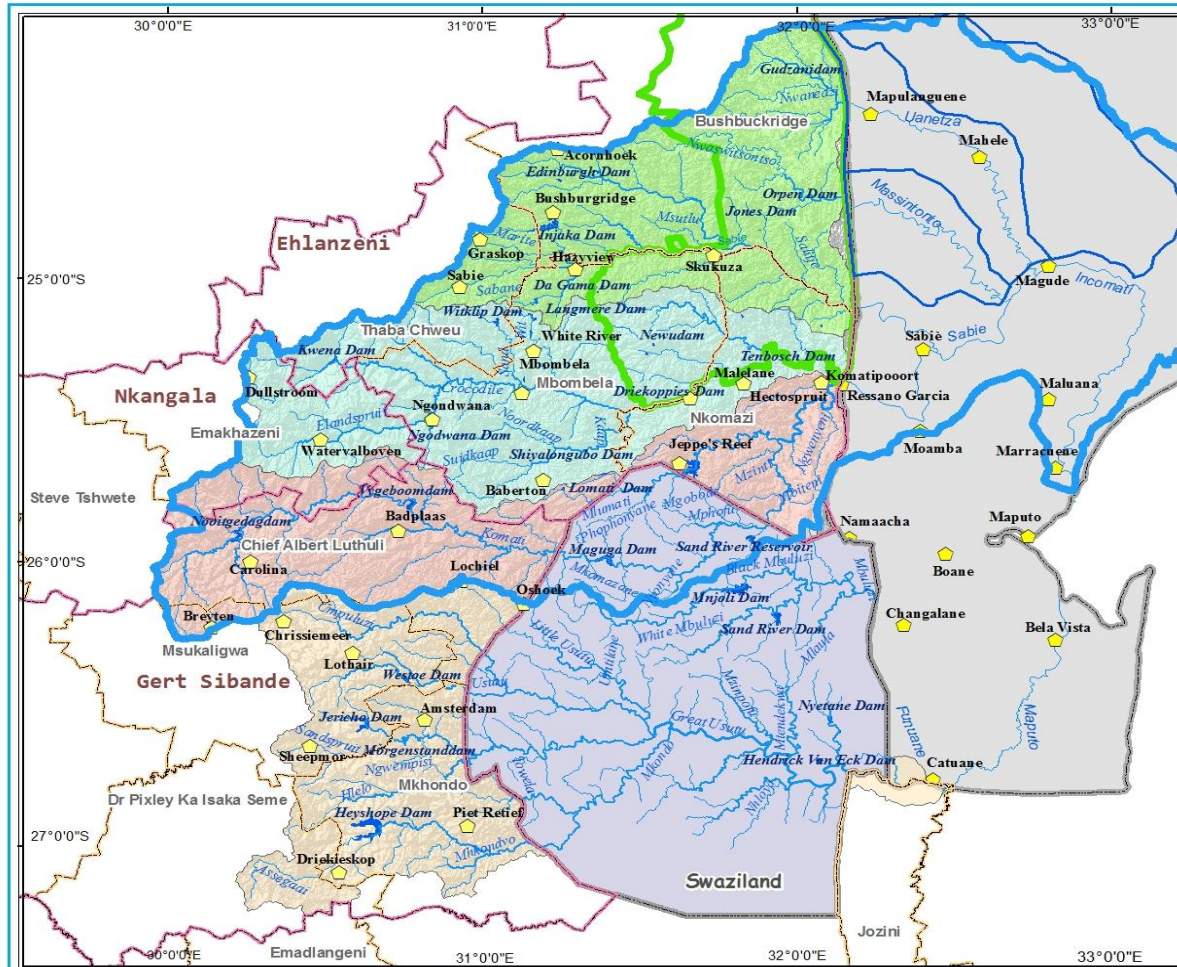
Purpose

To provide the Portfolio Committee with the Inkomati-Usuthu Catchment Management Agency's 2018/19 Annual Report and Financial Statements

Introduction

Under the theme “carpe diem”, a committed and dedicated staff worked hard to ensure that the set targets for the year under review were achieved (i.e.), by seizing every moment to be, and produce the best in relation to water resource management. This incorporated annual report presentation comprises both the financial and non-financial performance for the financial year, 1st April 2018 to 31st March 2019.

INCOMATI BASIN & IUCMA WMA



Context of management of the Inkomati-Usuthu

- The Inkomati-Usuthu WMA is part of an international basin shared between the Republic of South Africa, Mozambique and the Kingdom of eSwatini , governed by a treaty between these countries; and
- Geographically, the WMA is the artery linking South Africa's industrial and administrative centre (Gauteng) with important SADC neighbours, eSwatini and Mozambique;
- The Inkomati-Usuthu economy is highly dependent on water, with forestry, irrigation-based agriculture, mining and eco-tourism as the main economic drivers;
- Water use in the WMA is currently characterised by: inequitable distribution because of varied rainfall; water stress (quantity and quality) resulting in over allocation before the reserve is implemented; inefficient use certain areas;
- Strategic water export, in the form of inter-basin transfers for Eskom and international obligations; and virtual water export in the form of exported products;
- Uncoordinated, poorly resourced land use planning and management have potentially negative impacts on terrestrial and aquatic systems; and

Context of management of the Inkomati-Usuthu

- There are vast disparities between social groups in terms of employment opportunities and income; education levels and access to knowledge (particularly technological knowledge, for women and youth); understanding of water resources and IWRM; access to water and sanitation; access to productive land, and support and infrastructure that promotes effective farming practices;
- Despite many challenges to water reform, there are many localised examples of voluntary resource-sharing, relationship building and skills development in the catchment on which we can draw inspiration from;
- There is a perception that despite a general acceptance of the need for change amongst stakeholders, some of them exploit limitations in the law and its lack of implementation, frustrating the water reform process;
- Eco-tourism, especially in the Inkomati catchment, is based on the WMA's high biodiversity, relatively free-flowing river systems, and generally good water quality; and
- Poor municipal waste (dumps, sewerage, storms water etc.) management practices result in decreased water quality and fitness for use.

Organisational environment

ATTRIBUTES OF THE INSTITUTION

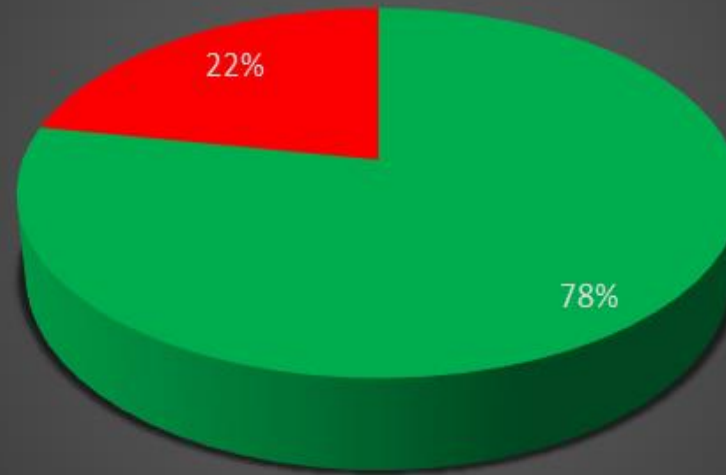
- Established sound institutional mechanisms for effective stakeholder relations that encourage collaborative planning through a dynamic process that adapts to changing conditions;
- Has put mechanisms in place to ensure effective governance;
- Is characterised by effective risk management and management controls;
- Has attracted a team that is competent, energetic with a mixture of experience and youthful staff complement, encouraging the imparting of knowledge and skills. Almost 48% of our staff is termed as young, under 35years old and are expected to grow with the institution, thus maintaining the evolving organisational culture;
- The gender balance in the IUCMA is healthy – 44 males and 46 females;
- The IUCMA has the expertise to deal with the water resource management; and
- The IUCMA has advanced technology to manage the operations in the WMA.



Part 1: overview of non financial performance

Overview of the overall annual performance of the IUCMA

2018/19 overall performance achievement



■ Achieved ■ Not achieved ■ Partially achieved ■ Overachieved ■ Not planned





Detailed annual performance per programme

Part 1.1: overview of programme 1 (administration) performance



Detailed annual performance per programme

GOVERNANCE

- **GOVERNANCE/REPORTING REQUIREMENTS**

- 2019/20 Annual Performance Plan submitted to DWS;
- 2017/18 Annual Report submitted to National Treasury, Auditor-General and Office of the Minister and subsequently to parliament; and
- All four (4) quarter reports, namely performance report, revenue and expenditure report and PFMA Compliance Checklist were submitted to DWS every quarter.

OFFICE OF THE CEO

- The IUCMA received extensive media exposure due to events hosted in the province as well as internationally;
- Due to the demand more projects were advertised through utilisation of National and Local Electronic, Print Media and Visual that include;
 - The IUCMA used social media platform to ensure increased visibility;
 - The website use is going strong and Facebook is also strongly utilised to promote events, especially live events;
 - International water resource management engagements; & Expos
 - The Hydronet Dashboard; and
 - Newsletter: “Water News 2day”
 - Bill Boards on major roads in Nelspruit

Borehole for Jericho farm community

- The community had challenges to access potable water for basic human needs.
- According to the farm owner, the borehole will benefit approximately 5 households.
- The Mkhondo municipality will manage the operation and maintenance of the borehole.

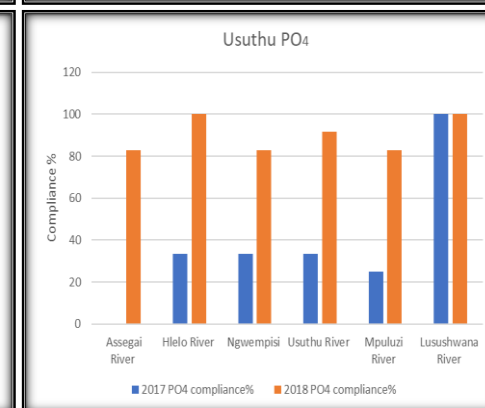
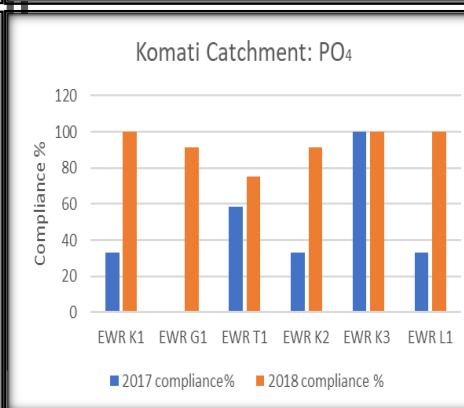
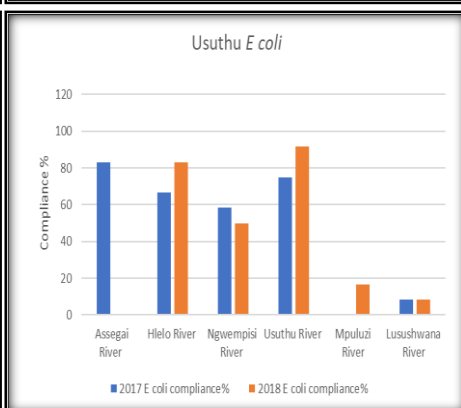
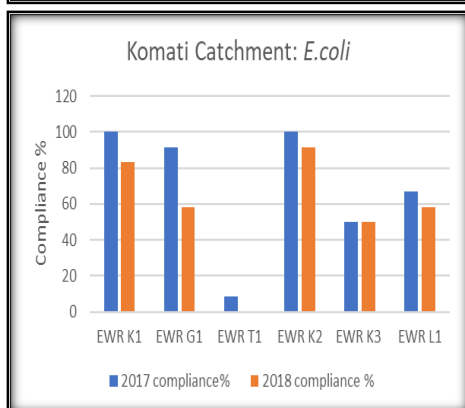
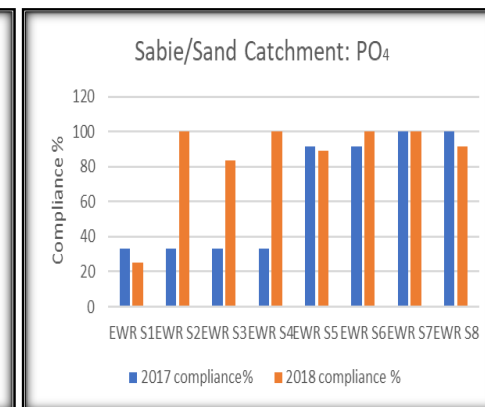
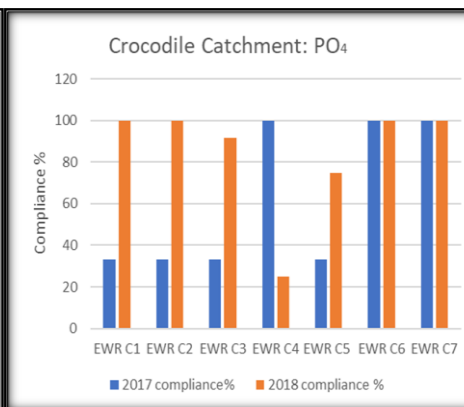
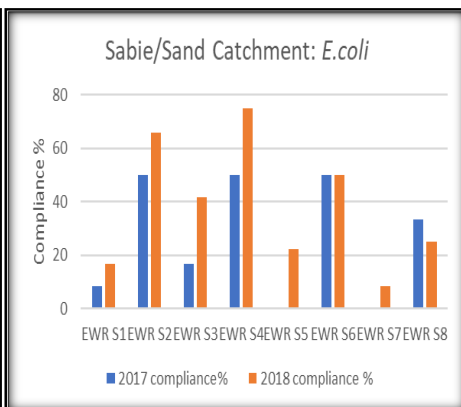
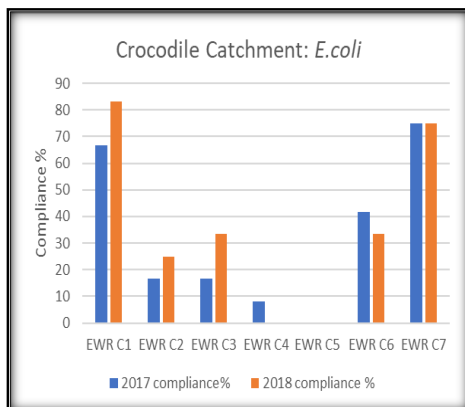


RESOURCE PROTECTION AND WASTE

- Additional monitoring points added throughout the WMA;
- The quality monitoring network is very wide, supporting DWS data;
- Installation of online monitoring probes;
- River Health Programme;
 - (i) aquatic and terrestrial vegetation;
 - (ii) fish biology;
 - (iii) macro-invertebrate biology; and
 - (iv) geomorphology during the period under review

Water Quality Compliance at EWR Sites to RQOs

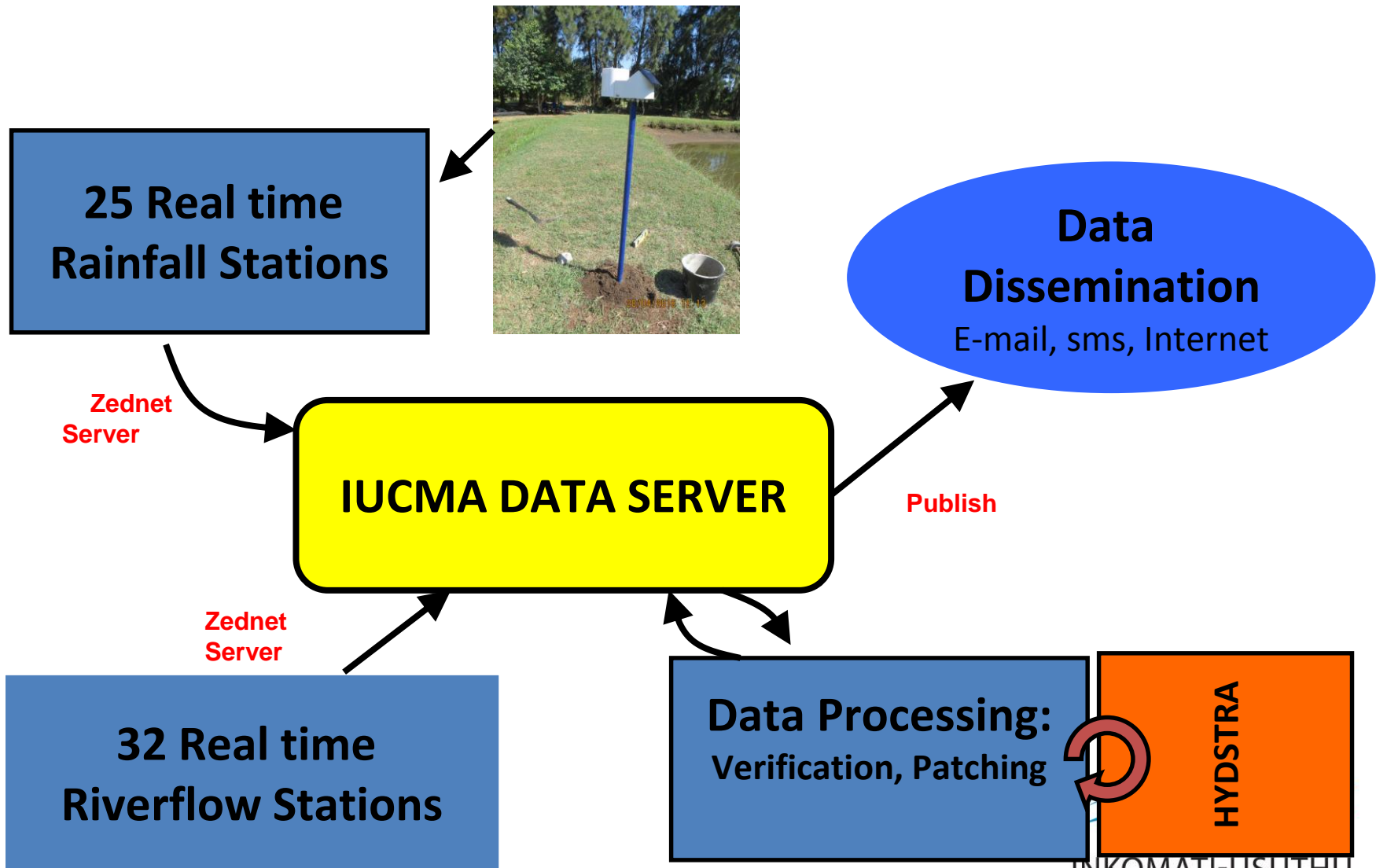
E coli and PO₄ - Comparing 2017 and 2018



RIVER SYSTEMS PLANNING & OPERATIONS

- Water Resources Planning models are available for water availability assessments and long-term planning as well as implementation of ecological requirements.
 - The **Hydronet** application provide easy access to a wealth of essential external hydrological, meteorological and water quality data to support IUCMA functions and operations.
 - **Hydstra database** stores, verify and archive the IUCMA collected hydrological, groundwater and water quality data into a single database.
 - **DHI postgres** (Riverops) manages real time operations: short term releases, the riverops website, send daily email to stakeholders, downloads data from external stakeholders.

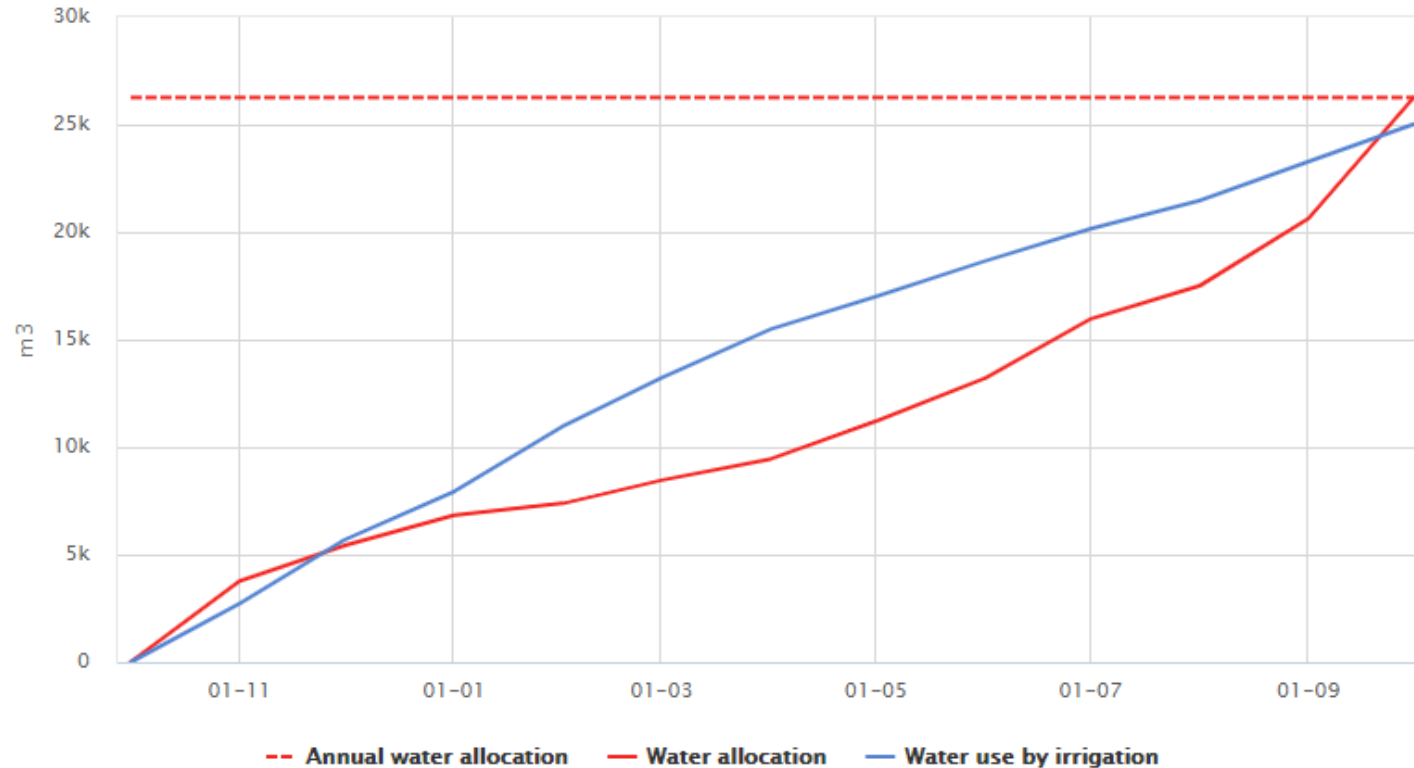
REAL TIME MONITORING SYSTEMS



KEY ACHIEVEMENTS

Water Use and Allocation – Location X22G2

HydroNET



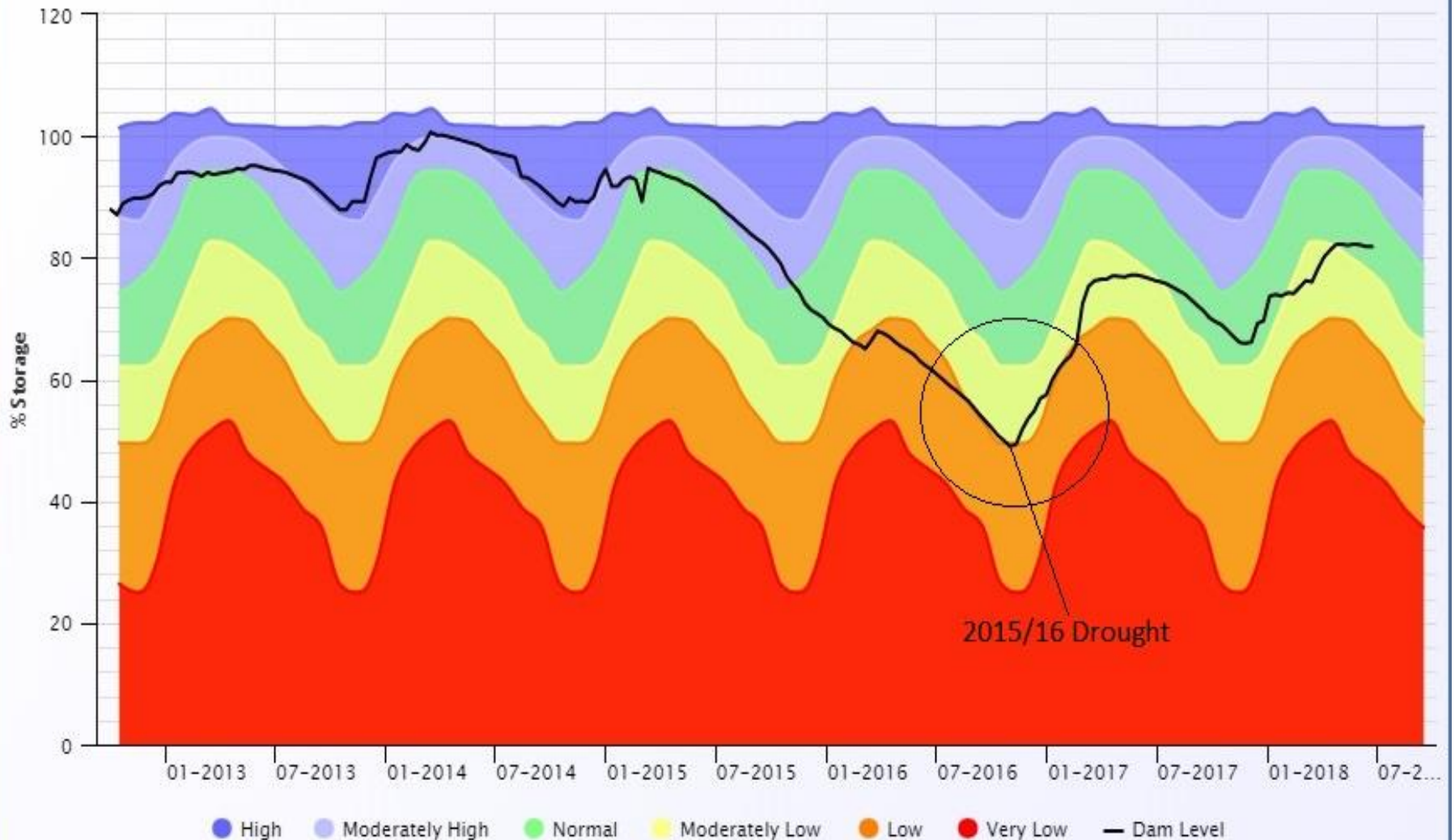
HydroNET Water Auditing Application compares the water allocation with the water used by irrigation on farm level.

Show Fields

KEY ACHIEVEMENTS

RIVER SYSTEMS PLANNING & OPERATIONS

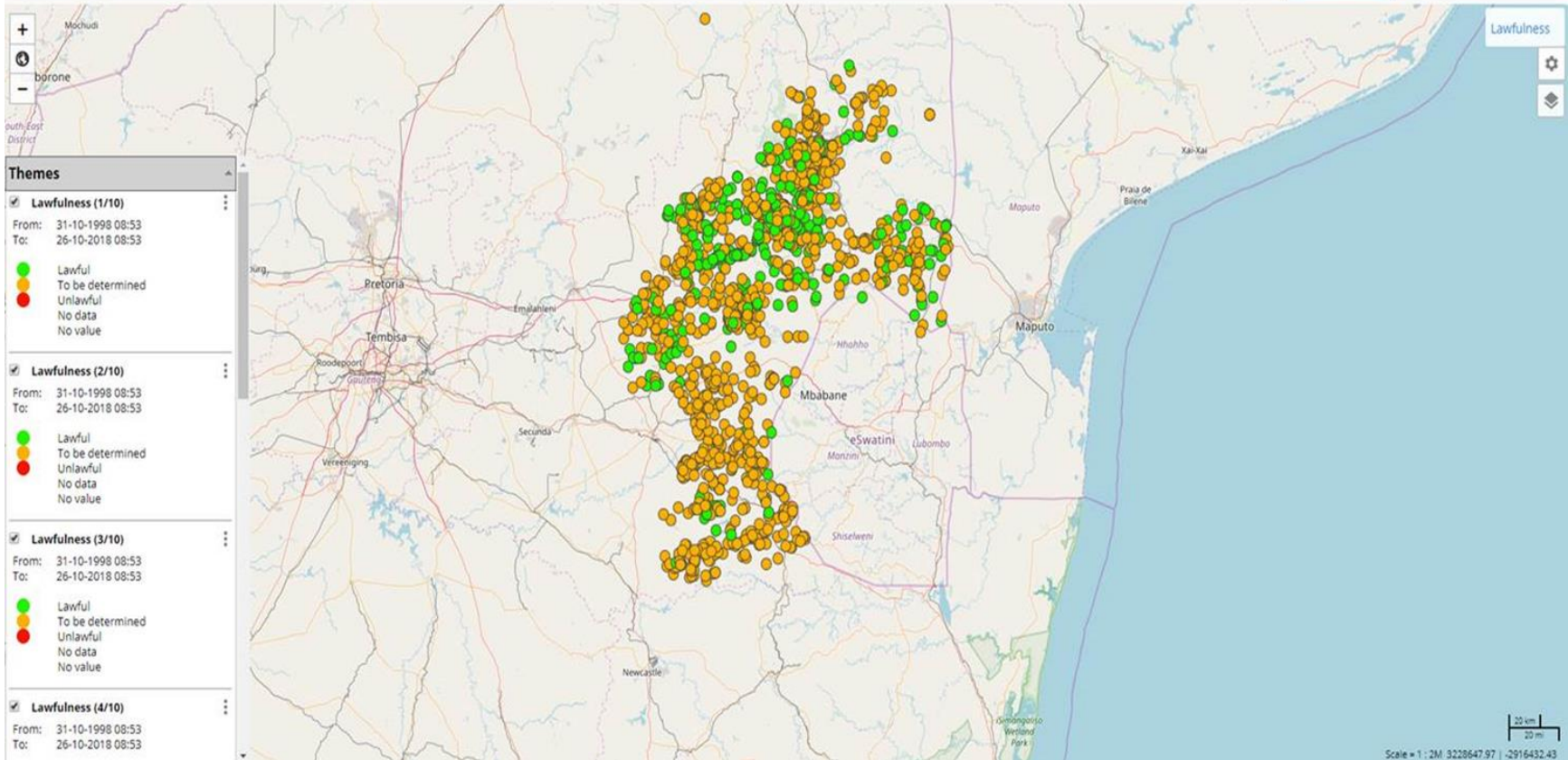
Surface Water Storage (Inkomati Usuthu)



Water use verification status

HydroNET

HOME APPLICATIONS DASHBOARD SUPPORT



HydroNET used to shows status of verification (lawfulness determined)

RIVER SYSTEMS PLANNING & OPERATIONS

- The IUCMA has updated the White River sub-system hydrology; which consists of quaternary catchment X22G and X22H and contains the dams Klipkopje, Longmere and Primkop;
- The revised hydrological analysis carried out as part of the WAP indicated that there will be reduced yield from the Klipkopje and Longmere dams but increased yield from the Primkop Dam;
- The White River catchment was selected as the pilot catchment because of its limited extent (two Quaternary catchments), it is well understood and has a good institutional backing.

RIVER SYSTEMS PLANNING & OPERATIONS

- Able to **overcome the drought** from 2015 (lowest volume of 20% storage in 2015/16, lowest volume of 37% storage in 2018/19 in the Kwenya Dam system) through effectiveness of the Operations Committee (CROCOC) coordinated by IUCMA and DWS Head Office (planning);
- Spearheading the Water Allocation Plan method development through the pilot in the White River and Kaap River systems within the Crocodile River catchment;
- Met the average of 90% compliance to **International Obligation**;
- Facilitated the DARDLEA award of the 30-year lease to Mr Maseko, through the confirmation of the water right and installation of a borehole on his farm;

WATER RESOURCE UTILIZATION

- The IUCMA **license** of water (eWULAASs) has been very effective and registration of licensed uses on WARMS is up to date;
- Facilitated the DARDLEA award of the 30 year lease to Mr Maseko, through the confirmation of the water right and installation of a borehole on his farm;
- In implementing the groundwater strategy, **13 BH** drilled in Usuthu Catchment (**at R1 600 000.00**) inclusive of two boreholes equipped and donated to the Local Municipality to provide water for the destitute farming communities of **Mayflower and Jericho**.
- Percentage of water use authorizations applications processed and submitted to DWS within the regulated 300 days turn-around time out of the number received 83%
- Percentage of EIAs/EMP received commented on **within the** prescribed timeframes is 100%



STAKEHOLDER INTERACTIONS & EMPOWERMENT (I&P)

- Quarterly **Catchment Management Forums (CMF)** in 6 sub-catchments;
- **Support core consultation** programs (V and V, WAP, Tariff and APP consultation);
- **National Water Week:** various activities across the WMA, e.g. science competitions;
- Quarterly **river cleaning campaigns**;
- **Agricultural workshops** for emerging farmers;
- Transboundary stakeholder meeting with ARA-Sul (Mozambique), REMCO;
- **Schools Career Expo** in collaboration with District municipalities and companies;
- **Ext. Bursaries** - 1 absorbed in 2014; 4 in 2017; 3 in 2018; 5 awarded in 2019.
- **Internship** - 1x intern appointed as Technician 2014; 2016/17 out of 6 interns – 4 absorbed by IUCMA, the other 2 employed elsewhere in the sector; 10x interns 2017/18 – 1x intern employed by IUCMA and 4 in the water sector; 2019 – 14x interns to complete in Feb 2020.

CORPORATE SERVICES

- Cost Containment Measures as directed by National Treasury, which has seen IUCMA realizing some cost savings. We have reviewed the Supply Chain policy of the IUCMA to align to best practices in line with the latest treasury instructions and notices;
- Human Resource division recruited 21 suitable and competent candidates to increase the staff compliment of the IUCMA to improve service delivery;
- Bursaries were awarded to both internal employees and external candidates;
- The IUCMA had two successful tariff consultation sessions during the year under review; and
- **Unqualified Audit once again;**
- Improvement in terms of work awarded in the performance tables in terms of BBEE spend;
- The Master System Plan for 2018/19 Financial year was developed in line with the IUCMA strategic objectives;
- IUCMA satellite offices have been digitised with Local Area Networks, Virtual Private Network, and Network Security;
- BBEE spend which exceeded the set targets. Within the IUCMA, we continuously review our procurement systems and processes such that we ensure that they are effective, efficient, economical, transparent and ethical, in line with the prescripts of the Framework for Supply Chain Management

Employment Equity Stats, 2018/19

OCCUPATIONAL LEVEL	AM	CM	IM	WM	AF	CF	IF	WF	FOREI GN M	FOREI GN F	TOTAL
Top Management	1				2						3
Senior Management	5			2	2						9
Professionally qualified and experienced specialists & mid Management-D band	10				8						18
Skilled technical & Academically qualified workers (Jnr management, supervisors, foreman & superintends- C Band	25			1	24	1		1			52
Semi-skilled & discretionary decision making-B Band	2				6						8
Unskilled & defined decision making- A Band					3						3
TOTAL	43			3	45	1		1			93

IT Services

- ***MSP (IT Strategy)***
 - The Master System Plan, IT policies and procedures, IT Structure, IT turnaround strategy has been developed independently, in-line with the organization strategic objectives
- ***Information Management Systems***
 - Water resource management systems such as HydroNet, Hystra, WARMS, WMS have been a vanguard for our information management by ensuring readily availability of information for decision making processes.
- ***Digitizing Satellites Offices***
 - IUCMA satellite offices have been digitized with Local Area Networks, Virtual Private Network, and Network Security, our Piet Retief office is in the process of installing Biometric and Close Circuit Television System.

OVERVIEW OF 2019/20 BUDGET AND MTEF ESTIMATES

	AUDITED 2015/16	AUDITED 2016/17	BUDGET 2017/18	BUDGET 2018/19	%	BUDGET 2019/20	BUDGET 2020/21
EMPLOYEE RELATED COST	38,048,719	47,302,977	58,771,128	73,537,355	60%	78,243,746	83,251,345
GOODS AND SERVICES	22,794,215	26,287,389	46,968,456	46,478,100	38%	48,763,683	48,073,974
REPAIRS AND MAINTENANCE	1,426,000	676,808	1,285,495	999,639	1%	1,065,550	1,118,894
CAPITAL OUTLAY	1,562,482	4,352,603	1,103,470	1,064,840	1%	1,097,031	1,151,883
BOARD RELATED COSTS	1,516,456	1,811,958	1,033,500	1,416,500	1%	1,501,630	1,588,666
TOTAL BUDGET: TYPE	65,347,872	80,431,735	109,162,048	123,496,434	100%	130,671,640	135,184,762

SOURCE OF FUNDING

SOURCE	AUDITED 2015/16	AUDITED 2016/17	BUDGET 2017/18	BUDGET 2018/19	%	BUDGET 2019/20	BUDGET 2020/21
WTE: GRANT	35,621,603	43,740,393	76,452,025	88,180,308	71%	90,411,257	89,287,925
WTE: WATER RESOURCE CHARGES	29,715,000	36,410,872	32,710,024	35,316,126	29%	40,260,383	45,896,836
INTEREST RECEIVED/ ACCUMULATED SURPLUS	1,502,405	1,713,352	-	-	0%	-	-
OTHER INCOME	91,211	396,205	-	-	0%	-	-
TOTAL FUNDING SOURCES	66,930,219	82,260,822	109,162,049	123,496,434	100%	130,671,640	135,184,761

COMPARISON INCREASE BETWEEN 2018/19 & 2019/20 BUDGET AND MTEF

DETAILS	2018/19	2019/20	Percentage Increase/ (decrease)
EMPLOYEE RELATED COSTS	72,939,963	83,099,935	14%
GOODS & SERVICES	46,714,635	42,531,992	-9%
REPAIRS & MAINTENANCE	1,360,495	1,643,197	21%
CAPITAL OUTLAY	1,064,840	1,666,562	57%
GOVERNING BOARD RELATED COSTS	1,416,500	1,501,630	6%

CHALLENGES & MITIGATION

- Delegations (Schedule 3): Powers not yet assigned/ delegated by the Minister:
 - Regulating water use
 - Planning and Operations
 - *Have some MoUs with the DWS*
- Drought – natural disaster (Water Availability issues)
 - Resource operations and committees
 - *New facilities need to be developed/constructed*
- Pollution - Malfunctioning of WWTWs
 - Provide professional advice
 - Monitor and share information; interactive structures
 - Compliance and Enforcement
 - Interdepartmental co-operation (SAPS, NPA, SAHRC, DWS, IUCMA, Municipalities, DEA, COGTA and SALGA)
 - *The WW Infrastructure Grant be restructured*
- Revenue
 - The Debtors book
 - *Interacting with water users on a regular basis*



THANK YOU