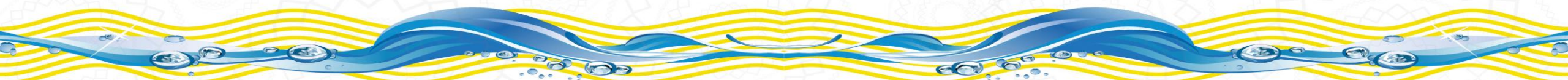




INKOMATI-USUTHU

CATCHMENT MANAGEMENT AGENCY



2023/24 IUCMA Annual Performance Plan Appraisal to the Portfolio Committee

PRESENTATION OUTLINE

- Purpose
- Introduction
- Legislative Framework
- Vision and Mission
- Outcomes and outcomes alignment
- Overview of the 2023/24 planned performance
- 2023/24 performance tables
- Financial Performance 2023/24
- Focus areas

PURPOSE

To provide an overview of the Inkomati-Usuthu Catchment Management Agency 2023/24 Annual Performance Plan.

INTRODUCTION

- ❑ Established in terms of Section 78 of the National Water Act 36 of 1998.
- ❑ The IUCMA is mandated for the protection, conservation, development, use and management of the water resources at a localised area.
- ❑ Stakeholders are considered a critical component of decentralised water resources management.
- ❑ Water use activities include: Strategic use (ESKOM and Sasol Secunda Complex), Transboundary International Obligations (Mozambique and eSwatini), Agriculture, Forestry, Mining, Industry, Domestic, and Tourism.
- ❑ Funded through Parliamentary Grant and Water Resources Charges.
- ❑ The IUCMA is Schedule 3A Public Entity .

VISION, MISSION AND VALUES

VISION

Sufficient, equitable and quality water resources for all in the Inkomati-Usuthu Water Management Area

MISSION

To efficiently manage water resources by empowering our stakeholders in our quest to contribute towards transformation by promoting equal access to water and protecting the environment

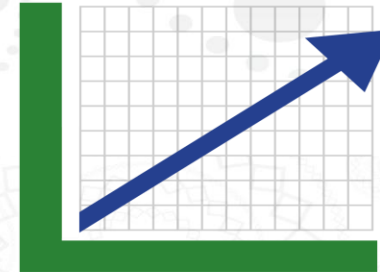
VALUES

Integrity
Batho Pele (Stakeholders Orientation)
Accountability
Diversity
Transparency

OUTCOMES



**Outcome 1:
Increased stakeholder
satisfaction**



**Outcome 2:
Enhanced human
resources capabilities**



**Outcome 3:
Maintain Financial
Sustainability**



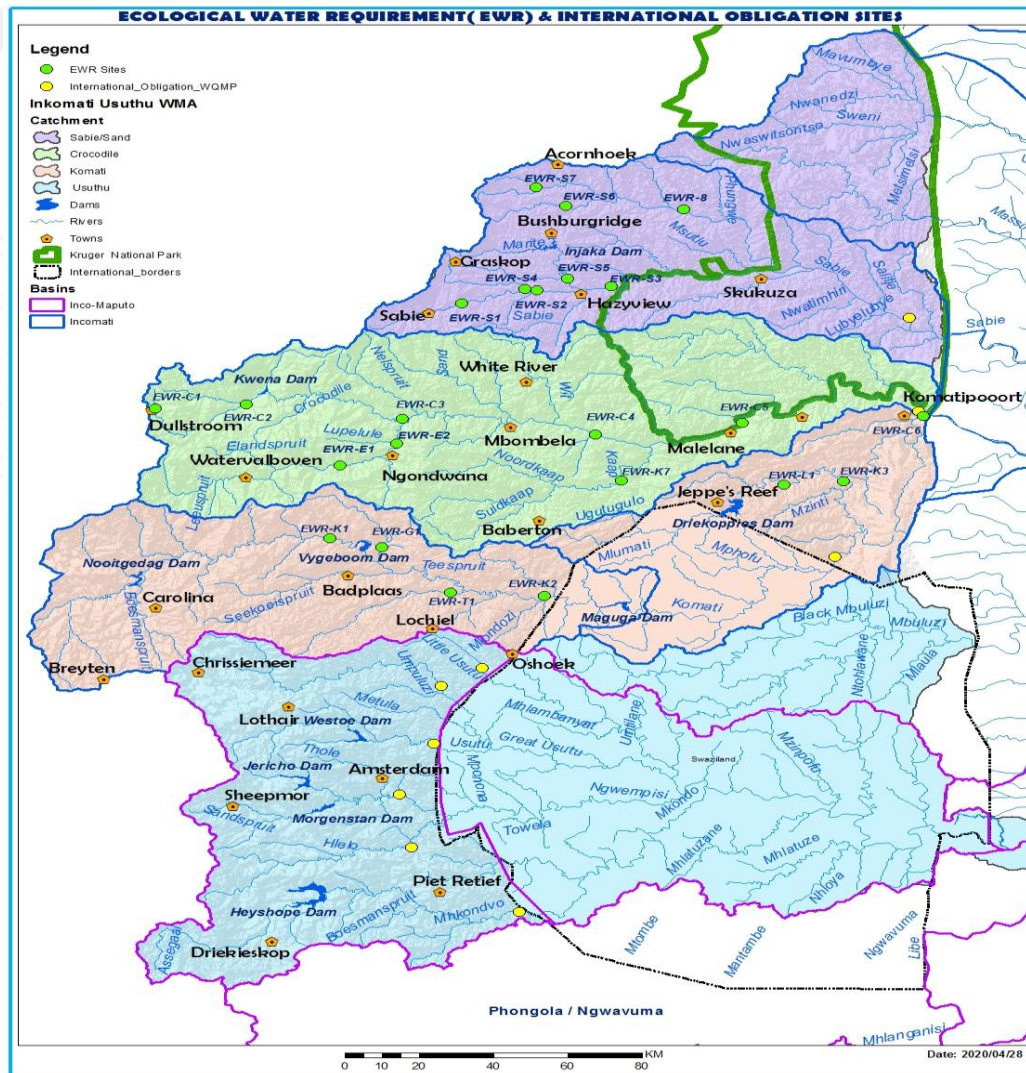
**Outcome 4:
Protection and use of
water resources**

OUTCOMES ALIGNMENT

Outcome	Programme	Output	Output indicators
Outcome 1: Increased stakeholder satisfaction	Programme 1: Administration and Governance	Stakeholder satisfaction	Percent implementation of a stakeholder engagement plan
Outcome 2: Enhanced human resources capabilities	Programme 2: Human Resources and business support	Employee safety	Disabling Injury Frequency Rate
		Optimal employee retention	Rate of Employee turnover
Outcome 3: Maintain financial sustainability	Programme 3: Finance	Cost control	Working ratio
		Revenue enhancement	Debt collection ratio
Outcome 4: Protection and use of water resources	Programme 4: Water resource management	Effective resource management	Percent compliance to Resource Quality objectives
		Water use authorisations	Percent compliance to international obligations
		Regulative compliance	Percentage of water use authorisations processed within the regulated timeframe
			Percent of reported cases of non-compliance cases investigated

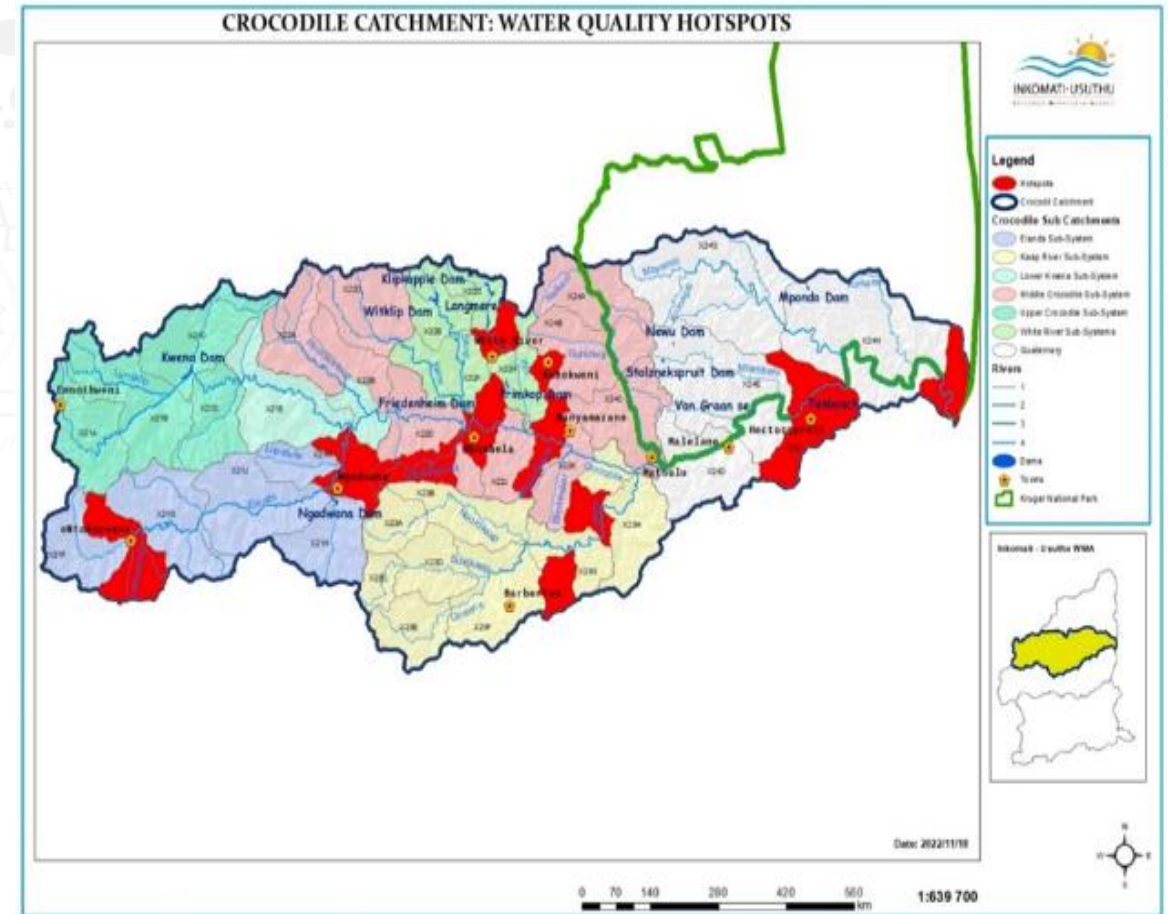
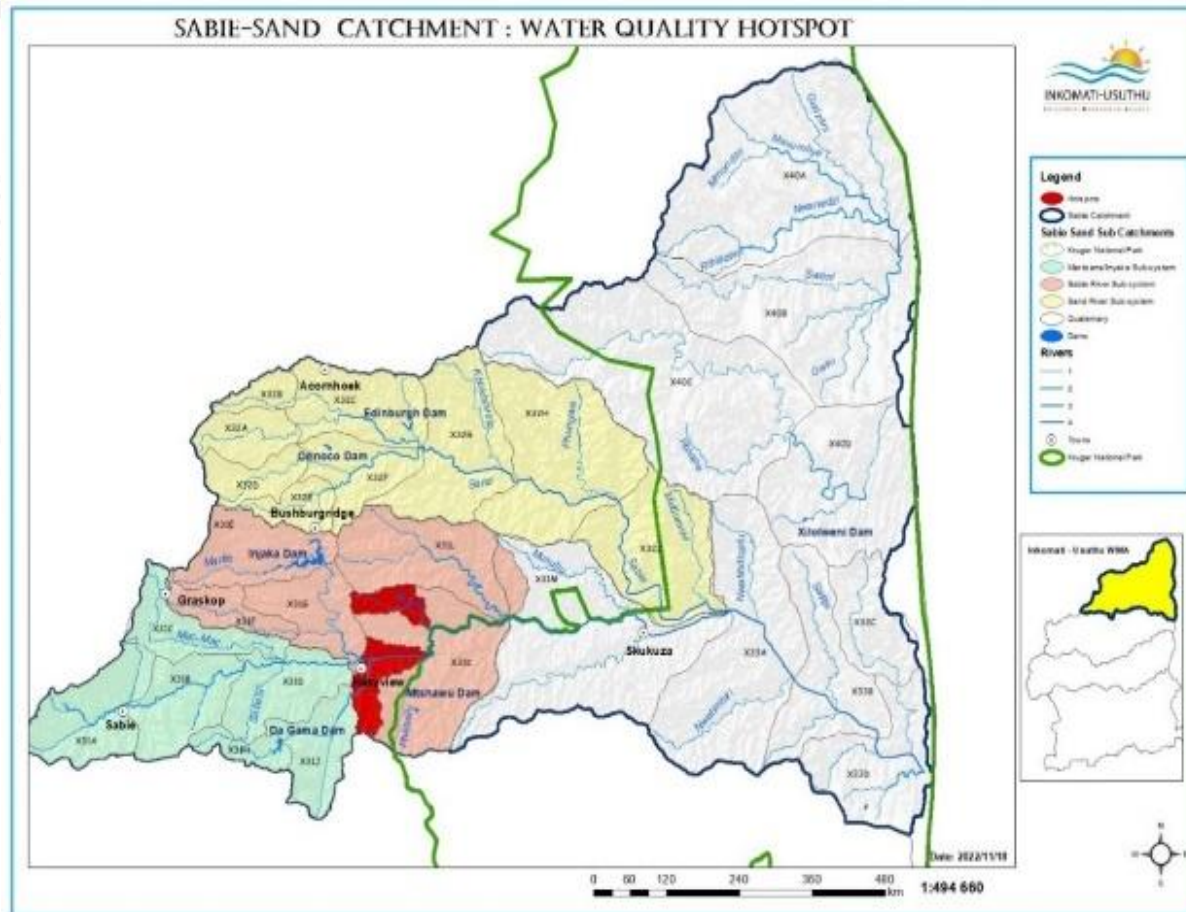
WATER RESOURCES MANAGEMENT

Resource Monitoring (Quality and Quantity)



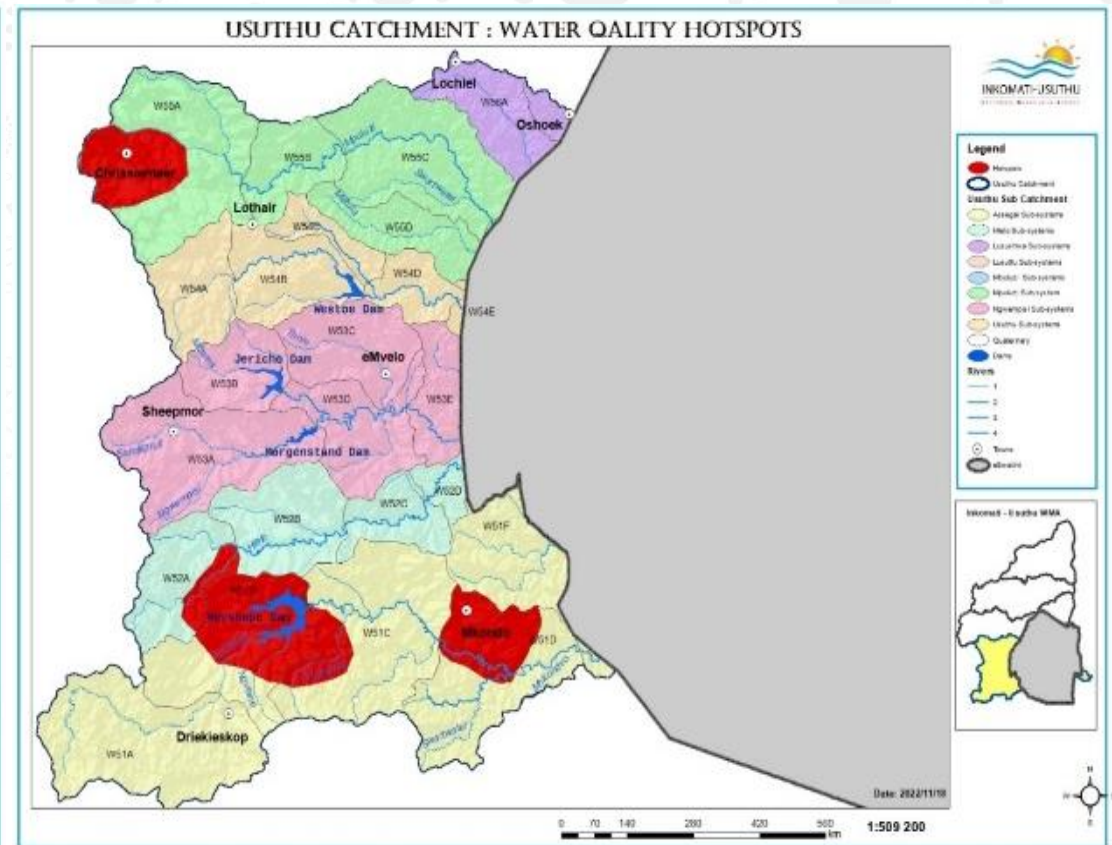
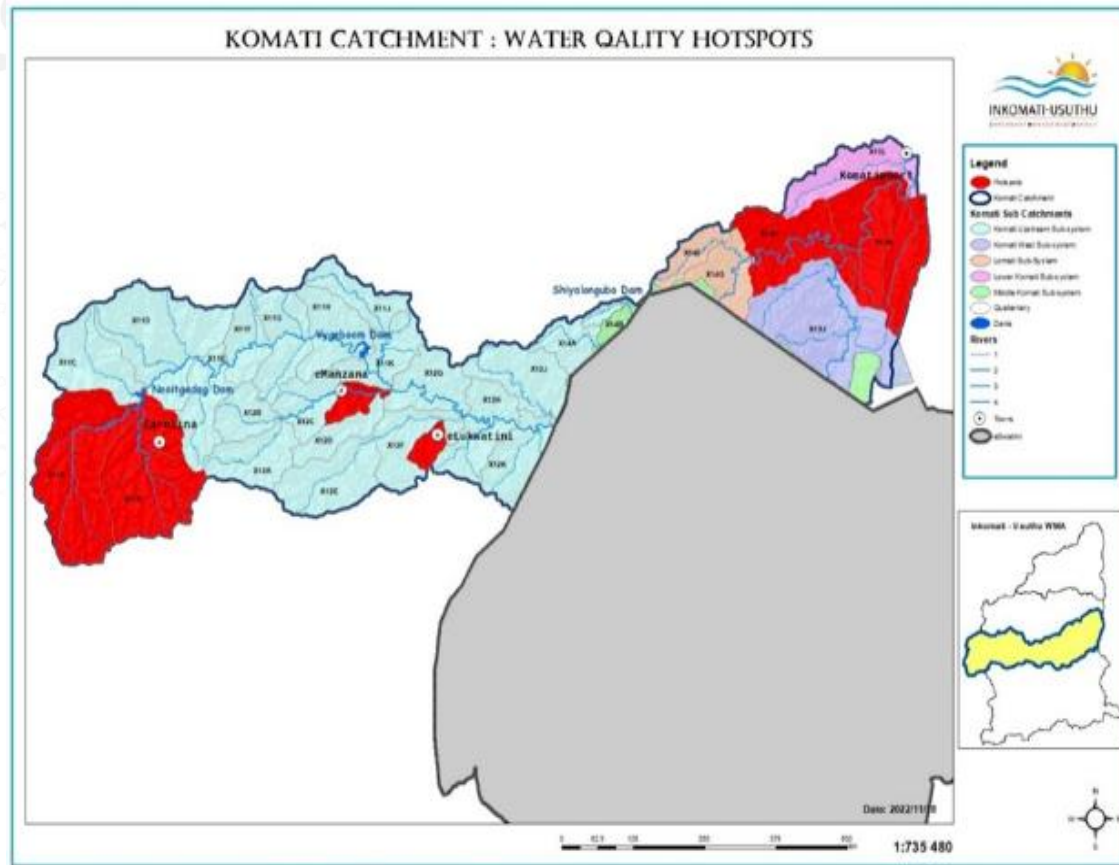
- ❑ The IUCMA currently monitors **269** water quality sites, **31** river flow sites, **25** rainfall sites and **12** groundwater sites within Inkomati-Usuthu Water Management Area (these excludes **45** DWS managed sites).
- ❑ -Twenty-three (**23**) Ecological Water Requirement (EWR) sites.
- ❑ -Ten (10) International Obligation (IO) sites.
- ❑ Eutrophication monitoring is done through near-real time monitoring on the Cynlakes digital application and the National Eutrophication Monitoring Programme (NEMP) on 10 Major Dams within the WMA.

WATER QUALITY HOTSPOT AREA(S)



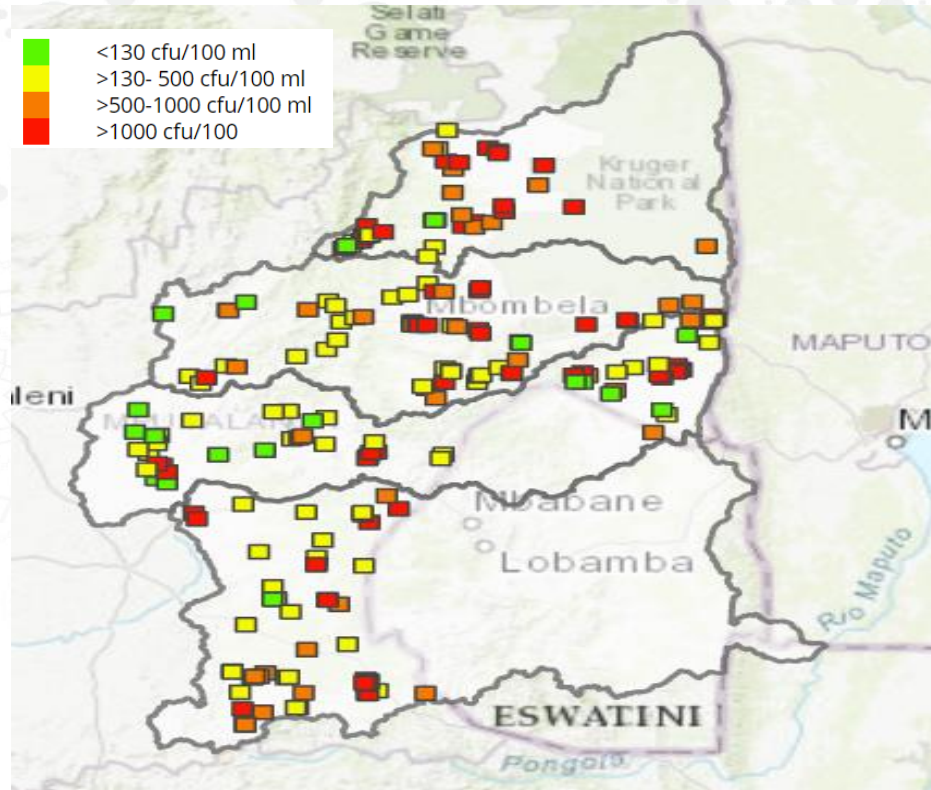
Water Quality Hot spots for physiochemical variables (salt concentrations and phosphates) in the Sabie catchment (e.g. Hazyview, Mkhuhlu areas) and Crocodile catchment (e.g. Kabokweni, Hectorspruit and Komatipoort areas)

WATER QUALITY HOTSPOT AREA(S)



Water Quality Hot spots for physiochemical variables (salt concentrations and phosphates) in the Komati catchment (e.g. Boesmanspruit area) and Usuthu catchments (e.g. Chrissiesmeer area)

INTERVENTIONS

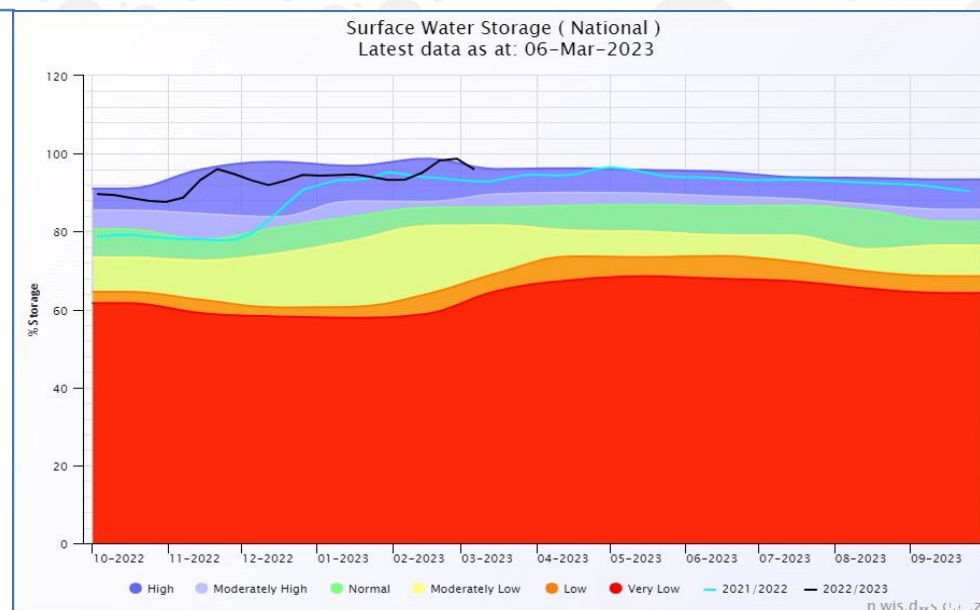
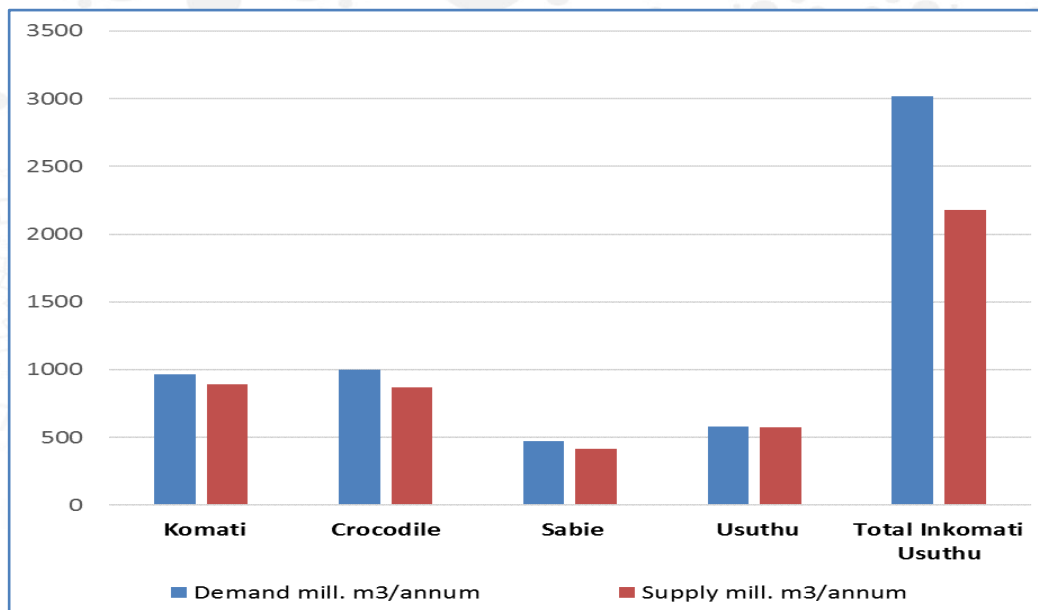


Water Quality Hot spots E. coli in the Water Management Area attributed to faecal contamination emanating from either human or animal faecal material.

Interventions:

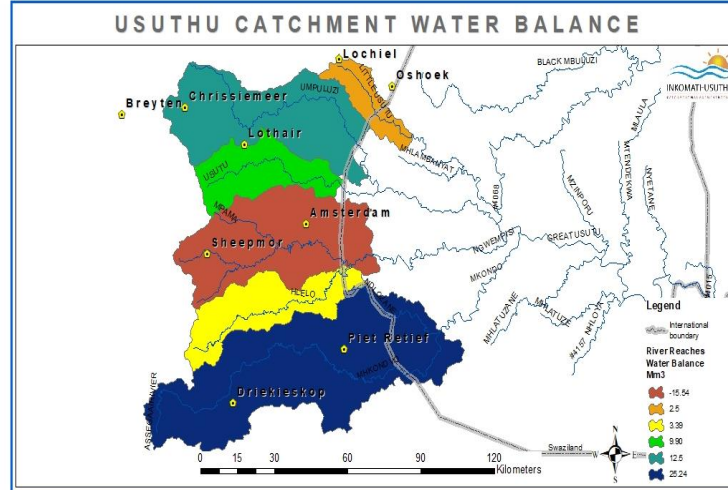
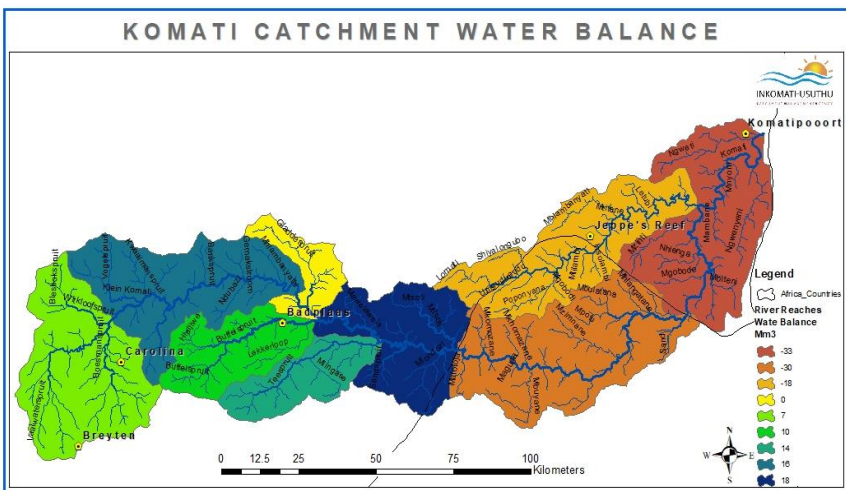
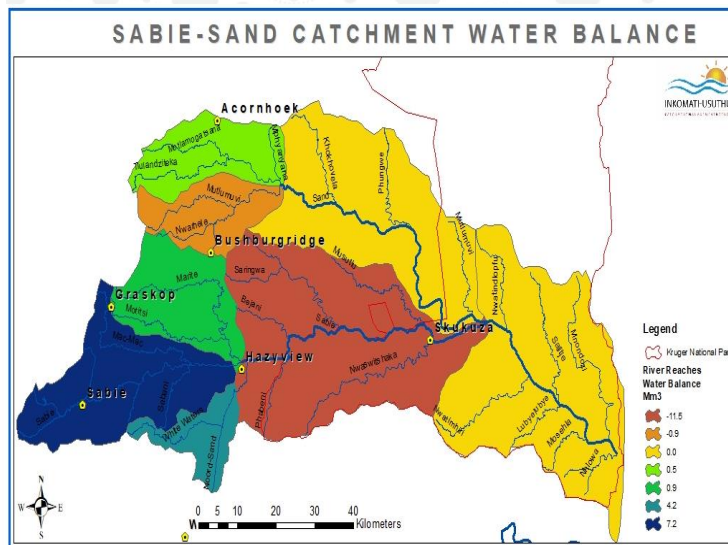
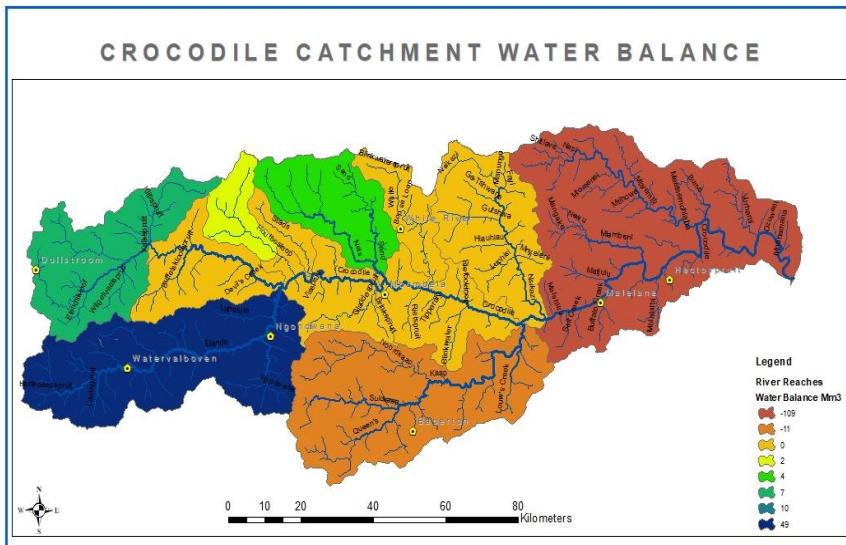
- ❑ Co-operation and co-ordination with other spheres of government especially local government as the biggest contributor of microbial pollution in the WMA.
- ❑ The IUCMA will continue to conduct awareness on the promotion of water resources sustainability, with all relevant stakeholders including relevant municipalities, community members, schools, interested and affected parties, etc.
- ❑ Embark on development of plans for implementation to restore water quality using the provisions of the NWA and regulations.
- ❑ Continue to conduct audits/inspections/pollution incidents as outlined in section 125 of the National Water Act (Act No.36 of 1998) and more focus to be on WWTW's.
- ❑ Ensure that all reported complaints/pollution incidences are attended to, and enforcement actions are taken against non-compliant users.
- ❑ Identify and investigate big polluters and refer such matters to the NPA for prosecution.

SURFACE WATER AVAILABILITY STATUS



- ❑ **Water Demand** generally exceeds **Water Supply** in the WMA (**Left-side graph**), except in the Usuthu catchment where it is balanced.
- ❑ Due to above normal rainfall received in the previous hydrological year, the current WMA water resource status is very high (both rivers and dams' levels) compared to the four previous hydrological years (**Right-side graph**).
- ❑ To lessen the burden on surface water, the Agency therefore promotes water use efficiency, water conservation and demand management and the utilisation of groundwater.

SURFACE WATER BALANCE STATUS



❑ **Crocodile Catchment:** There is excess water in the Elands system, while moderate water is available in other systems. Deficits occur in the Kaap River (Baberton) and Lower Crocodile (Malelane and Komatipoort). Currently there is feasibility study for the construction of a Regional Dam to meet the increased demands.

❑ **Sabie-Sand Catchment:** Excess water exists in the upper reaches of the Sabie River (Sabie town) and moderate water around Acornhoek, but challenges persist around Bushbuckridge.

❑ **Komati Catchment:** Water is moderately available within the upper reaches of the Komati. Excess water exists around Badplaas and Elukwatini, but water deficit are experienced in the Lower Komati (Tonga and surrounding areas).

❑ **Usuthu Catchment:** Excess water is available in Piet Retief, but deficit occur in Amsterdam and Empuluzi Towns, hence small dams are being constructed to increase assurance of supply.

FLOOD MANAGEMENT

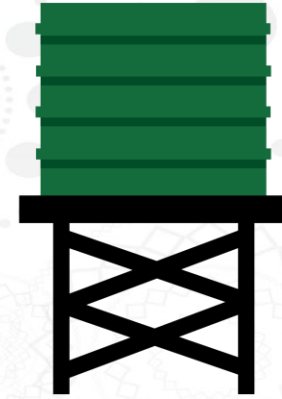


- ❑ Extreme rainfall events, often accompanied by high winds, cause floods and damage property, especially the less substantial dwellings in poorer communities and those dwelling within the floodlines.
- ❑ The Agency uses Disaster early warning system and the information generated is shared through the different disaster management and safety forums to be disseminated to widespread communities.
- ❑ Flood information is also distributed via the website, email, SMSs, and Social Media platforms of the Agency.

TRANSFORMATION



Job creation



CSI



HDI empowerment



BBBEE

TRANSFORMATION

☐ Job Creation

Programme	Contract Periods	Impact
Alien Vegetation programme	2 years (2022/23-2023/24)	75 community workers
River rehabilitation	2 years (2022/23-2023/24)	75 community workers
Graduate program	2 years (2023/24-2024/25)	20 graduates



TRANSFORMATION

- ❑ CSI - Ward 2 and 3 in Tonga in the Nkomazi Local Municipality and Dr Pols in the Mkhondo Local Municipality
- ❑ HDI empowerment workshops
- ❑ Water Use Authorization workshops
- ❑ Resource protection roadshows to empower HDIs



TRANSFORMATION

- ❑ The IUCMA's strategic outcome in 2023/24 target is 40% of total spending allocated to B-BBEE suppliers
- ❑ The Agency will in the financial year continue to conduct free seminar workshops targeting SMMEs in collaboration with key strategic partners



2023.24 PERFORMANCE TARGETS

OUTPUT INDICATORS	ANNUAL TARGET	QUARTERLY TARGETS			
	2023/24	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Percentage implementation of a stakeholder management plan	100%	-	100%	100%	100%
Percentage implementation of a communication plan	80%	20%	20%	20%	20%
Percentage implementation of human Resource management plan	80%	20%	20%	20%	20%
Percentage implementation of the ICT strategy	30%	-	10%	20%	30%
Percentage of identified COBIT gaps addressed	100%	25%	25%	25%	25%
Working ratio (cash based)	≤80%	≤80%	≤80%	≤80%	≤80%
Wastewater collection ratio: Healthy book	65%	15%	30%	45%	65%
Wastewater collection ratio: Toxic book	6%	1.5%	3%	4.5%	6%
Debtors' payment period in days (Healthy book)	D&I: ≤ 100 days Irrigation: ≤540 days Forestry: ≤540 days	D&I: ≤ 100 days Irrigation: ≤540 days Forestry: ≤540 days	D&I: ≤ 100 days Irrigation: ≤540 days Forestry: ≤540 days	D&I: ≤ 100 days Irrigation: ≤540 days Forestry: ≤540 days	D&I: ≤ 100 days Irrigation: ≤540 days Forestry: ≤540 days

2023.24 PERFORMANCE TARGETS

OUTPUT INDICATORS	ANNUAL TARGET	QUARTERLY TARGETS			
	2023/24	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
ent Ratio	≥1:1	≥1:1	≥1:1	≥1:1	≥1:1
source Quality (Quality, Quantity and BIOTA) s report	Annual resource quality status report	1X Quarterly resource quality status report 1X Annual Resource quality (Quality, Quantity & BIOTA) status report	Quarterly resource quality status report	Quarterly resource quality status report	Quarterly resource quality status report
centage monitoring of compliance to source Quality Objectives	≥90%	≥90%	≥90%	≥90%	≥90%
centage monitoring of compliance to national obligations	≥90%	≥90%	≥90%	≥90%	≥90%
centage of planned inspections for quality ed uses	≥90%	≥90%	≥90%	≥90%	≥90%
centage of planned inspections for quantity ed uses	≥90%	≥90%	≥90%	≥90%	≥90%
centage of enforcement action taken against compliant users	≥90%	≥90%	≥90%	≥90%	≥90%
centage of approved water use orizations registered on WARMS	≥90%	≥90%	≥90%	≥90%	≥90%
centage of water use authorizations essed within the regulated timeframe	≥80%	≥80%	≥80%	≥80%	≥80%

FINANCIAL ESTIMATES FOR THE PERIOD 2023/24



ECONOMIC VIABILITY OF THE CMA

The economic viability and profitability of the IUCMA is predominately dependent on the IUCMA's ability to:

- i. Effectively recover from its water users' full cost attributable to the delivery of water resource management;
- ii. Receive a consistent allocation appropriated by parliament;
- iii. Effectively apply debt management; and
- iv. Effectively contain operational costs.



OVERVIEW

The budget as presented has applied the following rationale:

- ❑ Alignment to the DPME reporting framework which requires a 7-year presentation of budget information;
- ❑ PFMA and National Treasury prescripts;
- ❑ Zero-based budgeting principles;
- ❑ Support to ensure the continuation of cost containment mechanisms;
- ❑ Support to ensure full protection of the resource;
- ❑ Prioritisation of financial resources towards identified and approved performance outcomes; and
- ❑ Budget has been computed from the initial budget requests of R174 million in 2021.22. This amount was subsequently downward adjusted following limited funding.

FINANCIAL PERFORMANCE & BUDGET 2023/24

SOURCE OF FUNDING	Audited Outcome 2019/20	Audited Outcome 2020/21	Audited Outcome 2021/22	Applied Budget 2022/23	Proposed Budget 2023/24	%	Proposed Budget 2024/25	Proposed Budget 2025/26	Proposed Budget 2026/27
MAIN ACCOUNT	80,357,470	84,375,000	88,861,371	89,394,000	128,234,765	69%	129,857,935	137,231,169	141,684,900
WTE- IUCMA	50,086,018	47,193,285	49,702,637	55,485,141	54,042,511	29%	57,189,336	60,524,887	64,060,859
ACCUMULATED SURPLUS	95,368,447	-	-				-	-	-
INTEREST RECEIVED	-	1,100,000	1,145,060	3,000,000	3,270,000	2%	3,564,300	3,885,087	4,234,745
TOTAL FUNDING SOURCES	225,811,935	132,668,285	139,709,067	147,879,141	185,547,276	100%	190,611,571	201,641,142	209,980,504

✓ Water resource management charges

- ❑ Water resource management has been projected utilising proposed tariffs as well as registered volumes as of September 2022.
- ❑ Sectorial performance has seen a huge fluctuation in this type of revenue stream owing to the correction of volumes, license expiry as well as voluntary surrender of licenses. It is anticipated that actual performance will closely mirror projected performance given the reported 79% completion rate of the verification and validation exercise.

✓ Interest

- ❑ Interest has been projected utilising prevailing interest rates that have been applied to expected revenue streams in 2023/24.

✓ Allocation appropriated by parliament

- ❑ The amount projected as revenue from DWS is required to augment the budget when considering all other revenue streams noted above. The amount has also corrected the trajectory of grant funds considering huge reductions experienced in 2021.22 and 2022.23 worth 22% and 29% respectively.

FINANCIAL PERFORMANCE FOR 2023.24 - EXPENDITURE

DESCRIPTION	AUDITED BUDGET			APPROVED BUDGET 2022/23	ADJUSTED APPROVED BUDGET 2022/23	PROPOSED BUDGET 2023/24	%	PROPOSED BUDGET		
	BUDGET 2019/20	BUDGET 2020/21	BUDGET 2021/22					BUDGET 2024/25	BUDGET 2025/26	BUDGET 2026/27
SALARIES AND WAGES	86,125,956	89,197,705	96,939,142	96,890,322	104,090,322	114,864,901	62%	121,757,783	129,063,250	136,807,045
GOODS AND SERVICES	122,938,857	40,387,580	38,567,426	47,940,819	40,714,655	65,339,931	35%	63,472,372	66,833,777	68,266,299
REPAIR AND MAINTENANCE	1,714,056	453,000	518,850	348,000	375,182	667,445	0%	714,166	764,157	817,649
CAPITAL OUTLAY	11,983,031	630,000	1,573,650	200,000	198,982	2,000,000	1%	1,805,000	1,917,350	812,522
BOARD RELATED COST	3,050,034	2,000,000	2,110,000	2,500,000	2,500,000	2,675,000	1%	2,862,250	3,062,608	3,276,990
GRAND TOTAL	225,811,935	132,668,285	139,709,068	147,879,141	147,879,141	185,547,276	100%	190,611,571	201,641,142	209,980,504

✓ Salaries and Wages

- ❑ Management is mindful of the need to carefully manage the cost of employment, especially considering that other elements of the Remuneration Strategy are pending implementation. To this effect, management is proposing a conservative budgeted increment of 4,5% in the next financial year which equates to a total spend of R114,9mil.

✓ Operational Costs

Operational costs have been computed using the following principles:

- ❑ In instances where costs are attached to contracts, the value of the contracts has been used taking into consideration contractual annual increments; and in instances where there are no prevailing costs, costs have been reviewed to ensure contribution towards the IUCMA's outcomes. Market-related costs have also been used and extrapolated in the outer years using 7%. Total amounts earmarked for operating costs amount to R68mil.

Board members' expenditure has been presented utilising the following principles:

- ❑ Fully fletched board and its sub-committees; and travelling costs for attendance of meetings and special events were warranted. Board members' expenses have been provisioned at R2,5mil.

SUMMARY OF BUDGET PER PROGRAMME STRUCTURE

The proposed budget has been presented indicating costs per program.

- ❑ 53% of the budget has been allocated to Water Resource Management,
- ❑ 26% to has been allocated to Human Resources and Business Support
- ❑ 13% has been allocated to Finance; and
- ❑ 8% has been allocated to Administration and Governance.

FUNCTION	AUDITED OUTCOME 2020/21	APPROVED BUDGET 2021/22	APPLIED BUDGET 2022/23	ADJUSTED BUDGET 2022/23	PROPOSED BUDGET 2023/24	% Allocation	PROPOSED BUDGET 2024/25	PROPOSED BUDGET 2025/26	PROPOSED BUDGET 2026/27
Administration & Governance	*	R12 006	R8 998	R12 120	R15 240	8%	R16 855	R17 723	R18 638
Board	R2 000	**	**	**	**	**	**	**	**
Office of the Chief Executive Officer	R7 264	****	****	****	****	****	****	****	****
Water Resource Management	R76 453	*****	*****	*****	*****	*****	*****	*****	*****
Protection and Use of Water Resources	*****	R73 303	R69 013	R73 878	R98 556	53%	R99 897	R102 691	R103 784
Governance & Support	R46 951	***	***	***	***	***	***	***	***
Human Resource an Business Support	****	R35 467	R46 492	R44 558	R48 463	26%	R50 060	R57 227	R62 835
Finance	****	R18 933	R23 376	R17 323	R23 288	13%	R23 800	R24 000	R24 724
Total	R132 668	R139 709	R147 879	R147 879	R185 547	100%	R190 612	R201 641	R209 981

* Reported separately as Board and Governance & Support

** Amalgamated with Administration & Support

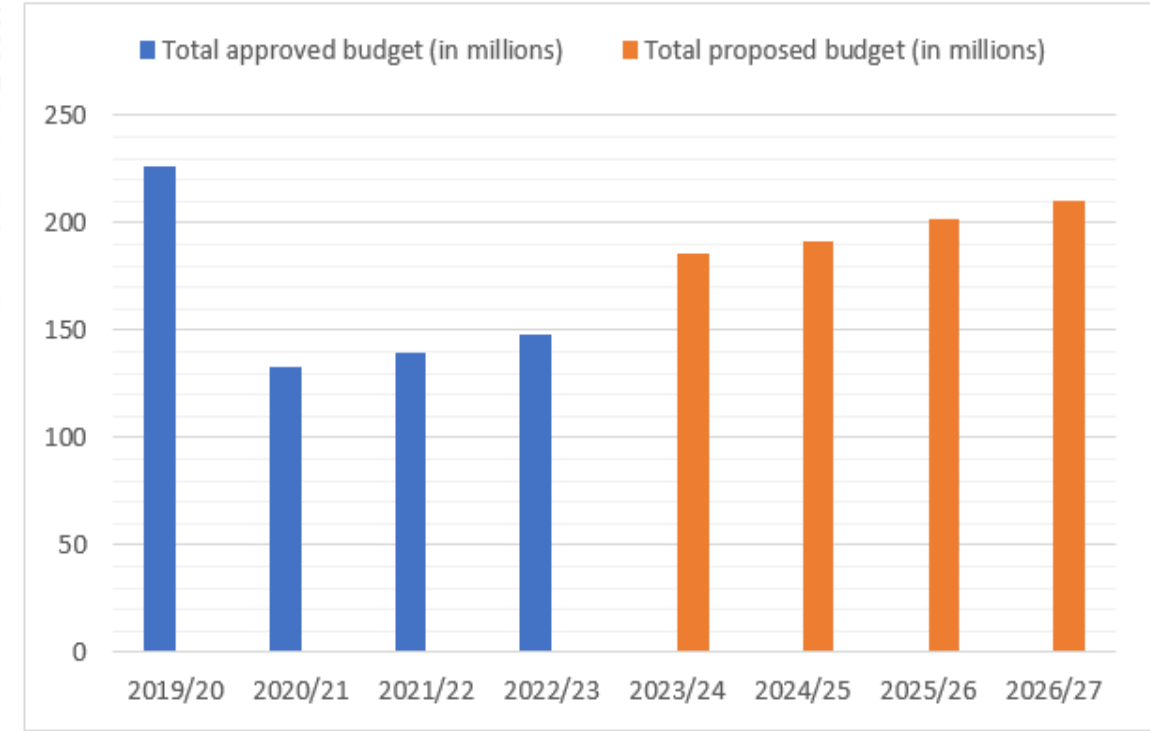
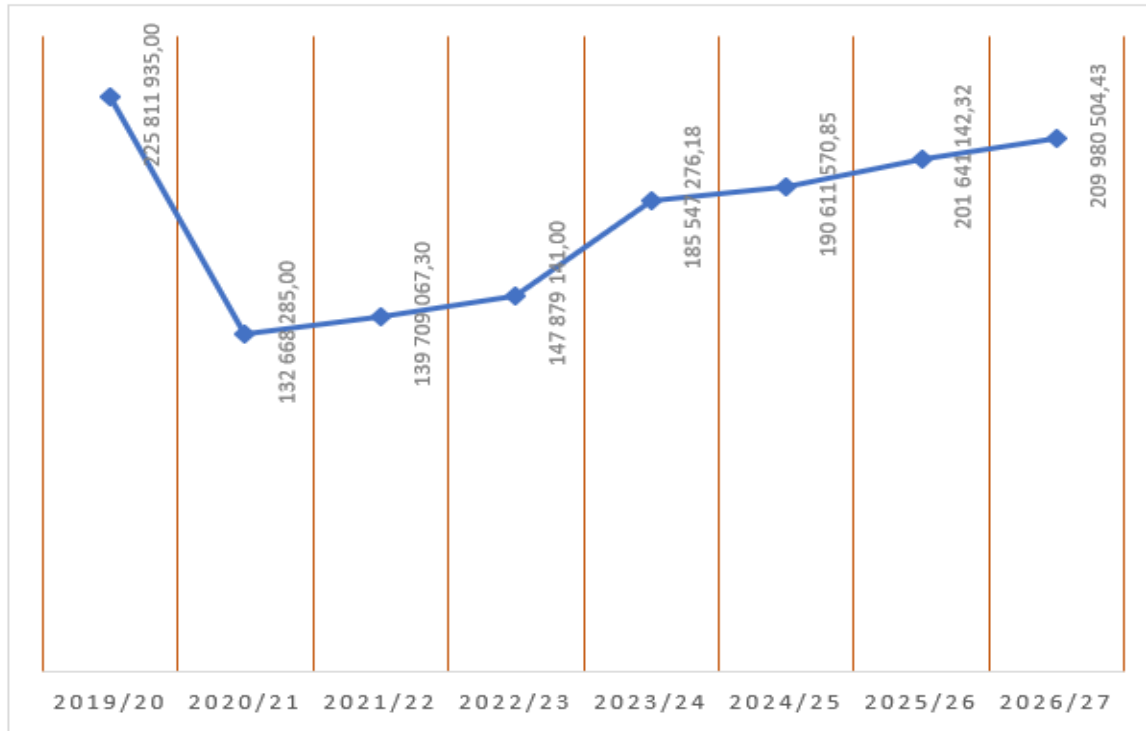
*** Governance amalgamated with Board. Support split between Financial Management and Corporate Services

**** Included in Governance & Support

***** Changed to Protection and Use of Water Resources

8 YEAR FINANCIAL PERFORMANCE ANALYSIS

- ❑ The budget as presented indicates upward trends which signal both changes in the economy in South Africa as well as increased activity of the Agency in response to operational requirements.
- ❑ The budget highlights huge downward adjustments in the years 2020.21 which the proposed budget now seeks to normalise.



CHALLENGES & RECOMMENDATIONS

CHALLENGES	RECOMMENDATIONS
Water demand growing fast.	It is recommended that a mix of adaptive surface and groundwater management options and water conservation and demand management measures be implemented for the stressed areas/catchments
Shortages compounded by pollution	Increased enforcement and prosecution mechanisms.
Insufficient budget allocation that meets organisational priorities	Consider other revenue streams for sustainability
	Efficient management of costs

**THANK YOU
SIYABONGA
RE YA LEBOGA
RI A LIVHUWA**

