**Report of the Portfolio Committee on Water and Sanitation on Budget Vote 41 Annual Performance Plan of the Department of Water and Sanitation and Entities for the 2023/24 Financial Year, Dated 9 May 2023**

The Portfolio Committee on Water and Sanitation (the committee) met with the Department of Water and Sanitation (the department) and Entities (Water Research Commission (WRC), Trans-Caledon Tunnel Authority, Breede-Gouritz and Inkomati-Usuthu Catchment Management Agencies undertaking work on its behalf on 3 and 4 May 2023, to receive briefings on Budget Vote 41, Strategic Plan and Annual Performance Plans, and reports as follows:

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**1. Introduction**

South Africa faces a multitude of challenges when it comes to water security. The external environmental impacts include recurrent droughts driven by climatic variations, inequities in access to water and sanitation, ageing infrastructure, inadequate infrastructure, poor water quality, poor maintenance in water and sanitation infrastructure, increasing water demand, declining supply, deterioration of water ecosystems, weak regulation of the water and sanitation sector, and inequitable water distribution.

The current challenges raised by the committee related to vandalism and criminal activities, such as stealing water and sanitation infrastructure and the impact of load shedding on crucial infrastructure. The committee maintained that these challenges often result in significant damages, leading to costly repairs and maintenance that could have been allocated to other essential development projects.

The internal environmental impacts related to the current work of the department in its work on organisational alignment on water resources management and water services functions, managing data and information, and funding of the water sector, which comprises capital for infrastructure development, operation and maintenance along the water supply chain, and optimising revenue management.

The Department of Water and Sanitation acknowledges the challenges and works with relevant stakeholders to balance addressing the challenges with limited financial resources. To achieve its mandate of ensuring the efficient, sufficient and sustainable provision of water and sanitation services in South Africa while promoting the equitable and effective management of water resources, the department has several priorities and goals, including:

* Increasing access to essential water and sanitation services to all South Africans, particularly those disadvantaged, upholding the principles of equity, social injustice, and environmental sustainability. To achieve this mandate, the department implements various programmes, policies, and strategies to improve water and sanitation infrastructure, increase access to these services, promote water conservation and management, and enhance the skills and capacity of water and sanitation professionals.

**2. Constitutional prescripts, State of the Nation Address imperatives, mandate and legislation underpinning the work of the Department of Water and Sanitation**

The work of the Department of Water and Sanitation is underpinned by the prescripts of the Constitution and Bill of Rights[[1]](#footnote-1), imperatives noted in the State of the Nation addresses, the transformation agenda directed by the National Development Plan South African Vision 2030: and the Outcomes-based Approach found in the Medium-Term Strategic Framework (MTSF), National Water and Sanitation Master Plan, the African Union’s Vision 2063, as well as the United Nations Sustainable Development Goals – Goal Number 6 (SDG-6) impacting on the delivery of water and sanitation.

**2.1 Constitutional and 2023 State of the Nation Imperatives**

Section 27(1) of the Constitution of the Republic of South Africa, 1996 guarantees everyone the right of access to sufficient water and requires the state to adopt reasonable legislative and other measures to realise the right within its available resources progressively.

As noted in the revised Strategic Plan 2020/21 to 2024/25, various challenges threaten compliance with constitutional imperatives, and they include, amongst others: [[2]](#footnote-2)

* The poor construction and maintenance of water and sanitation infrastructure in homes and communities lead to the lack of access to services.
* A lack of monitoring of the completion of the quality-of-service delivery projects tasked to external contractors that were paid for their services.
* Poor or lack of maintenance of water treatment and wastewater treatment infrastructure.
* Degraded water-related ecosystems and water scarcity caused by climate change.
* Underinvestment in water and sanitation.

**The 2023 State of the Nation Address water and sanitation imperatives** highlighted investment in infrastructure, fast-tracking of the Lesotho Highlands Water Project – Phase2, the completion of the Umzimvubu Dam, plans to increase the capacity of major dams in the country, streamlining the process for water use licence application. Accordingly, the Department of Water and Sanitation, in responding to the 2023 imperatives, undertook the following:

**The reliable water supply for the well-being of people and the economy’s growth**

To ensure water security for current and future use, the department will lead the process of investing in significant infrastructure projects across the country.

**Completion of Phase 2 of the Lesotho Highlands Water Project**

The full-scale construction works for the Lesotho Highlands Water Project are critical for ensuring the security of water supply to Gauteng, Free State, Mpumalanga, North West and Northern Cape.

**Umzimvubu Water Project**

After several decades of delays to the Umzimvubu Water Project, the department will begin the project in the next financial year. This phase, which involves the construction of the Ntabelanga Dam, irrigation infrastructure and water distribution to communities, will be financed by the government. The next phase will be the construction of the Lalini Dam, which will include a hydropower station.

**Projects to increase the capacity of dams**

Major projects to increase the capacity of the Clanwilliam Dam, Hazelmere Dam and Tzaneen Dam will improve the water supply to the West Coast, eThekwini and the eastern part of Limpopo.

**Streamlining the water use application process.**

A comprehensive turnaround plan to streamline the water use license application process is vital to enable greater investment. The department, to date, has cleared the backlog of water use licenses and reduced the turnaround time for applications to 90 days.

**2.2 Legislative mandate and policy framework**

The Department of Water and Sanitation mandate is set out in the National Water Act (1998) and the Water Services Act (1997), and the Water Research Act (1971). The department’s legislative mandate is to ensure that the country’s water resources are protected, managed, used, developed, conserved and controlled by regulating and supporting the delivery of effective water supply and sanitation. This is done in accordance with the requirements of water-related policies and legislation that are critical in delivering on people’s rights to have enough food and water, growing the economy and eradicating poverty. The Water Research Act establishes the Water Research Commission and the Water Research Fund. It thus promotes water-related research and water use for agricultural, industrial, or urban purposes. The Minister appoints members of the WRC and therefore exercises oversight over the Commission.

The policy framework underpinning the work of the department includes the following – the National Water Policy Review (2013), National Sanitation Policy, the White Paper on Water Supply and Sanitation (1994), White Paper on National Water Policy for South Africa (1997), White Paper on Basic Household Sanitation (2001), Strategic Framework for Water Services (2003), National Water Resources Strategy – 3rd edition, and Water and Sanitation Climate Change Policy (2017).

**2.3 Delineation of programmes within Budget Vote 41**

To ensure its obligations, the Department of Water and Sanitation appropriates funds through Budget Vote 41 to attain its purpose and mandate. Vote 41 ensures the availability of water resources to facilitate equitable and sustainable socio-economic development and provide universal access to water and sanitation services. The Department delineates its work through three (3) programmes – Administration, Water Resources Management and Water Services Management.

**3. Institutional policies and strategies over the five-year planning period aligned to the Medium-Term Strategic Framework, 2019 to 2024**

The National Development Plan predicts that before 2030, all South Africans will have reliable, affordable access to sufficient, safe water and hygienic sanitation. In support of the NDP, the Medium-Term Strategic Framework, 2019 to 2024, seeks to address unemployment, inequality and poverty. However, the MTSF indicates that significant work still needs to transform the status quo into a new developmental trajectory.

The department’s strategy is to realise the three key outcomes to achieve the priorities set out in the MTSF. These relate to Outcome 1 – Water Security: Contribution to GDP growth by increasing infrastructure investment by both the public and private sectors, Outcome 2 – Improved Ecological Infrastructure: natural resources are managed, and sectors and municipalities can respond to the impact of climate change, and Outcome 3 – Access to essential services: improved access to safe drinking water and access to adequate sanitation and hygiene, and ensuring wastewater treatment works are operational.

The priorities of the department aligned to the Medium-Term Strategic Framework incorporate the following:[[3]](#footnote-3)

***Water quality regulation and access***

The department enforces regulatory measures that ensure the provision of safe water and the effective

management of wastewater. To this end, it implements the green and blue drop certification programmes, which are incentive-based regulatory tools that measure water service institutions' capacity and environmental, financial, technical and quality compliance. The department plans to assess 1 004 wastewater systems in 2023/24 for compliance with the green drop regulatory requirements and 1 035 water supply systems in 2024/25 for compliance with the blue drop regulations. To improve equitable access to water resources, the department plans to finalise 80 per cent of water use authorisation applications within 90 days of application. Expenditure for these activities is within the Water Resources Regulation subprogramme in the Water Resources Management programme. The subprogramme has a total budget of R694.1 million over the next three years.

***Integrated water resource management***

To ensure water security, the department will continue to adopt an integrated approach to maintaining existing water resource infrastructure, supplying bulk water to strategic users such as large industrial companies through the Water Trading Entity, and supporting the long-term sustainability of water resources. As such, the department will consider the impact of climate change, the role of ecosystems, rainwater runoff and storage, other water resources such as groundwater and aquifer systems, water conservation and water demand management plans. The department also plans to implement and monitor the river eco-status monitoring programme in 221 rivers and implement five catchment plans for mine water and wastewater management. These activities are carried out in the Integrated Water Resources Planning, Water Resources Infrastructure Management and Water Ecosystems Management subprogrammes in the Water Resources Management programme. Allocations to these subprogrammes amount to R15.2 billion over the MTEF period.

***Improving water services***

To improve water services over the medium term, the department plans to ensure reliable water and sanitation by overseeing 25 large bulk infrastructure project phases and 14 small regional infrastructure project phases. The Water Services Management programme is allocated R48 billion over the next three years to achieve this.

**4. Key Departmental Strategic Priorities for the 2023/24 Financial Year**

The introductory section of the departmental presentation on Budget and Vote 41 and the 2023/24 Annual Performance Plan, on 2 May 2023, provide the key priorities identified for the year under review. The department will continue accelerating the implementation of significant projects to augment national bulk water resource infrastructure, for example, the Lesotho Highlands Water Project, Phase 2, and the umKhomazi and Umzimvubu projects. To increase the development of alternative water resources, groundwater solutions and desalination approaches will be undertaken. Finally, the department will work to strengthen its role in regulating, supporting and intervening in municipalities where municipal water and sanitation services are deteriorating. Further initiatives for the 2023/24 financial year include:

* Strengthening regulatory interventions to address pollution of the environment and communities from wastewater.
* Increasing participation of private sector finance and skills in the water sector.
* Continuing to improve water-use license turnaround times and promote transformation in water use.
* Guiding and leading increase water-use efficiency, demand, and conservation management, including addressing non-revenue water at the municipal level.
* Improving billing and revenue collection across the water value chain.
* Establishing remaining catchment management agencies.
* Transforming Irrigation Boards into Water User Associations.
* Completing reconfiguration of water boards.
  1. **Internal strategic priorities**

The internal strategic priorities of the department incorporate the following – complete implementation of a new structure, with the development of a new Water Services Branch, improve infrastructure procurement, eradicate under-expenditure, maintain strengthened financial and human resources controls, continue to ensure progress with all financial misconduct disciplinary cases, continue to pursue condonation of historic irregular and unauthorised expenditure and strengthen external communications.

* 1. **Filling of critical positions**

Significant progress has been made in filling senior posts over the past financial year. The Director-General and Deputy Director-General posts (except one) are all filled. The DDG: Infrastructure Management post became vacant in November 2022 due to the dismissal of the previous incumbent. The filling of this position is currently on hold, pending the establishment of the National Water Resource Infrastructure Agency.

**5. Overview of the 2019/20, 2021/22 and 2022/23 Financial Status of the Department**

The Portfolio Committee on Water and Sanitation in 2019/20 and 2021/22 raised several issues on the financial status of the Department of Water and Sanitation in terms of accruals and payables, underspending, and fruitless and wasteful expenditure. The Department acknowledged these challenges in strengthening its financial capabilities. But maintained, as it does in the Annual Performance Plan, that this component of their work has improved since the implementation of the financial recovery plan in 2019 and has since achieved the following – maintained a positive bank balance with the accruals and payables being continuous managed every month to ensure that it does not over-commit available budget.

Explanations for the underspending of 14.7 per cent in the 2020/21 financial year were mainly due to underspending on Compensation of Employees due to funded vacant posts across all programmes. In addition, underspending on capital payment resulted from the government-enforced Covid-19 lockdown restrictions, which impacted the implementation of the projects and some disputed invoices.

The Department noted that senior management posts had been filled in the 2021/22 financial year. This includes the post of Director-General and Chief Financial Officer. In addition, all regional heads positions are filled.

Presentations by the department on the 2023/24 annual performance plan and quarterly briefing sessions on the financial and non-financial performance of the department to the committee placed significant emphasis on responding to the historical challenges in previous years. In addition, a timeframe of interventions presented during the quarterly briefings to the committee on issues linked to underperformance, allegations of corruption, and investigations by the Special Investigating Unit, reflected the accountability and transparency of the new administration under the current Minister, Mr S Mchunu.

As part of its measures to prevent underspending, the department has reprioritised budgets between projects with supporting acceleration plans. As a result, acceleration plans are being implemented on critical projects with the capacity to absorb additional funds, which include, amongst others, the Thembisile Water Scheme (Loskop), Madibeng Bulk Water Supply, Giyani Water Reticulation Project and the extension of the George water treatment capacity.[[4]](#footnote-4)

The department is implementing a turnaround and financial recovery plan which incorporates stabilisation of the department (leadership, ethics and organisational culture, staff training and development), improvement of systems of internal controls, and preventative measures against unauthorised, irregular, fruitless and wasteful expenditure. As a result, a trend analysis of improper expenditure reflects a decline in irregular, fruitless and wasteful expenditure.

There are no new incidents of unauthorised expenditure. Preventative control measures are in place to eliminate irregular, fruitless and wasteful expenditure. An exit strategy on irregular contracts is also being implemented to ensure that the current incidents of irregular expenditure resulting from prior periods of contracts are terminated. Progress has been made on disciplinary and investigative matters, including continued engagement with various law enforcement agencies. The Department is collaborating with the Special Investigating Unit to investigate the old, unauthorised, irregular expenditure. In some cases, this has resulted in the department recovering substantial amounts of money; for example, R413.121 million was retrieved from the SAP contract. The company, EOH, has agreed to pay back R191.883 million, including interest, over 36 months.

Lastly, the streamlined and integrated water sector value chain support and intervention measures by the department are also part of service delivery implementation plans.

**6. Overview of the 2023/24 Budget and Medium-Term Estimates**

The following sections will provide an overview of the 2023/24 budget and medium-term estimates with concomitant outputs, output information and annual targets for the three (3) programmes.

**6.1 Expenditure Overview – Main Account and Water Trading Entity[[5]](#footnote-5)**

The Department of Water and Sanitation operates two financial accounts: The Main Account and the Water Trading Entity. The Main Account is funded by the fiscus (Vote 41). The Water Trading Entity account mainly receives voted amounts from the Main Account toward implementing infrastructure and generating revenue through bulk water sales. Over the medium term, the department will continue to focus on: improving the regulation of water quality; implementing the integrated water resource management approach aimed at the protection, use, development, conservation, management and control of water resources while supporting the government’s developmental priorities; and facilitating the improved management of municipal water services.

Expenditure is expected to increase at an average annual rate of 11.7 per cent, from R18.6 billion in 2022/23 to R25.9 billion in 2025/26, mainly due to an additional R12.4 billion over the Medium-Term Expenditure Framework period intended for water resources and bulk water infrastructure projects. The additional allocation of R12.4 billion over the MTEF period through the Budget Facility for Infrastructure has significantly increased the departmental budget allocations.

The additional allocations will be used as follows: R692 million in 2023/24, R673 million in 2024/25 and R557 million in 2025/26 to Magalies Water Board to implement the Moretele North Klipvoor Bulk Water supply scheme. R608 million annually over the MTEF to Magalies Water to implement Phase 2 of the Pilanesburg Bulk Water Supply Scheme. R150 million in 2023/24, R600 million in 2024/25 and R3.6 billion in 2025/26 to the Water Trading Entity to implement the uMkhomazi Water Project – Raw Water Component (uMWP-1). R305 million in 2023/24, R250 million in 2024/25 and R390 million in 2025/26 to Nelson Mandela Metropolitan Municipality to implement the Water Security Programme. R86 million in 2023/24, R492 million in 2024/25 and R574 million in 2025/26 to Sol Plaatjie Local Municipality to implement the Integrated Bulk Supply System Intervention.

An estimated 63 per cent (R46.6 billion) of the department’s budget over the MTEF period is for transfers and subsidies to municipalities, public corporations and departmental agencies. Spending on the compensation of employees of the department’s 3 873 employees is expected to increase at an average annual rate of 2 per cent, from R1.8 billion in 2022/23 to R2 billion in 2025/26.

**6.1.1 Main Account**

The Department has been allocated R72.322 billion over the Medium-Term Expenditure Framework (MTEF) – R22.257 billion in 2023/24, R24.180 billion in 2024/25 and R25.855 billion in 2025/26. Table 1 below highlights the delineation of allocations across the three programmes.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programmes** | **Medium-term expenditure estimates** | | | **Total** |
| **2023/24** | **2024/25** | **2025/26** |
| **R'000** | **R'000** | **R'000** | **R'000** |
| Administration | 2 047 590 | 2 121 617 | 2 210 167 | 6 379 374 |
| Water Resources Management | 4 625 521 | 5 628 142 | 7 649 678 | 17 903 341 |
| Water Services Management | 15 584 195 | 16 430 305 | 16 024 706 | 48 039 206 |
| **Total programmes** | **22 257 306** | **24 180 064** | **25 884 551** | **72 321 921** |
| **Economic classification** |  |  |  |  |
| **Current payments** | **3 545 317** | **3 731 269** | **3 897 065** | **11 173 651** |
| Compensation of employees | 1 790 160 | 1 869 110 | 1 951 378 | 5 610 648 |
| Goods and services | 1 755 157 | 1 862 159 | 1 945 687 | 5 563 003 |
| Interest and rent on land | - | - | - | - |
| **Transfers and subsidies** | **14 061 490** | **15 617 501** | **16 939 728** | **46 618 719** |
| Province and municipalities | 7 360 565 | 8 137 847 | 8 264 540 | 23 762 952 |
| Departmental agencies and accounts | 3 376 090 | 4 322 528 | 6 284 643 | 13 983 261 |
| Foreign governments and international  Organisations | 256 985 | 268 525 | 280 555 | 806 065 |
| Public corporations and private enterprises | 3 032 960 | 2 852 278 | 2 072 177 | 7 957 415 |
| Non-profit institutions | 1 652 | 1 850 | 1 916 | 5 418 |
| Households | 33 238 | 34 473 | 35 897 | 103 608 |
| **Payments for capital assets** | **4 650 499** | **4 831 294** | **5 047 758** | **14 529 551** |
| Buildings and other fixed structures | 4 436 296 | 4 644 645 | 4 852 725 | 13 933 666 |
| Machinery and equipment | 154 647 | 134 278 | 144 584 | 433 509 |
| Software and other intangible assets | 59 556 | 52 371 | 50 449 | 162 376 |
| **Payments for financial assets** | **-** | **-** | **-** | **-** |
| **Total economic classification** | **22 257 306** | **24 180 064** | **25 884 551** | **72 321 921** |

**Source: Presentation by the Department of Water and Sanitation, 2 May 2023**

The allocation per economic classification can be summarised as follows:

**Compensation of employees**

The budget for the compensation of employees over the medium term is R5.611 billion. The baseline increased by R147.568 million compared to the 2022 MTEF baseline of R5.463 billion. The increase in the baseline is mainly due to the allocation of cost-of-living adjustments effected during the 2022/23 financial year.

**Goods and services**

The department received an allocation baseline of R5.575 billion for goods and services over the MTEF, of which the high costs drivers are office accommodation with an R1.748 billion allocation, audit fees with an R144.406 million allocation, business and advisory services of R498.160 million allocation and infrastructure and planning services that received an allocation of R678.842 million.

**Transfers and subsidies**

Over the medium-term period, the department will implement transfers of R6.558 billion to the Water Trading Entity. This amounts to R2.229 billion, R2.329 billion and R1.229 billion for the 2023/24, 2024/25 and 2025/26 financial years, respectively. The allocation seeks to augment projects for designing, constructing, commissioning, and rehabilitating raw water infrastructure, including dams, bulk distribution systems, operations, and maintenance.

The Komati Basin Water Authority has been allocated R797.221 million over the medium term to repay outstanding loans to various financial institutions and operational overheads.

The Regional Bulk Infrastructure and Water Services Infrastructure Grant programmes have been allocated R20.375 billion. This is R6.756 billion, R6.801 billion and R6.819 billion for the 2023/24, 2024/25 and 2025/26 financial years, respectively. The allocation is for implementing various bulk and water services infrastructure by municipalities across the country.

**Capital payments**

The department has been allocated R13.841 billion over the medium term to implement bulk and water services infrastructure through implementing agents. This is R4.413 billion, R4.611 billion and R4.817 billion for the 2023/24, 2024/25 and 2025/26 financial years, respectively.

**6.1.2 Revision of the national priorities with budget programmes**

The department has revised the national priorities to align with the budget programmes as follows:

* **Administration –** improve billing and revenue collection across the water value chain, increase participation of private sector finance and skills in the water sector and fight corruption in the water sector at all levels of government.
* **Water Resources Management –** plan and implement several water resources augmentation infrastructure projects (for example, the Lesotho Highlands Water Project – Phase 2), guide and lead the development of other water resources, for example, groundwater and desalination), establish and transform water resources institutions (for example, the NWRIA, CMAs and WUAs), strengthen regulatory interventions to address pollution of the environment and communities from wastewater and continue to improve water-use licences turnaround times and promote transformation in water use.
* **Water Services Management –** strengthen the department’s role in regulating, supporting and intervening in municipalities where municipal water and sanitation services linked to the reinstated blue, green and no drop regulatory monitoring tools, guide and lead increased water use efficiency and demand and conservation management, including addressing non-revenue water at the municipal level, and transform water services institutions (that is, reconfigure or reorient water boards.

**6.1.3 Budget allocation and targeted outcomes for programmes over the 2023/24 financial year**

This section discusses the respective budget allocations with related planned targets per programme.

**Programme 1: Administration[[6]](#footnote-6)**

This programme aims to provide the department with strategic leadership, management and support services. The programme also promotes international water resource management relations with neighbouring countries.

Within the administration programme, the department has plans to comply with the corporate governance prescripts. This includes fighting corruption in the water and sanitation in water and sanitation at all government levels through collaboration with law enforcement agencies to, among other things, recover funds from previous years’ irregularities. Significant progress has been made in addressing historical improper expenditure challenges affecting the department in recent years. For the 2023/24 financial year, plans are in place to continue implementing the economic and recovery plan. The department also plans to implement an infrastructure procurement strategy to improve its procurement. Another priority is improving billing and revenue collection across the water value chain.

The programme is allocated R2 billion in the 2023/24 financial year. Sub-programme (SP) 3: Corporate Services dominates allocations under this programme, amounting to R899.1 million, followed by Office Accommodation and Financial Management, with allocations of R556.4 and R277.1 million, respectively. These allocations are aligned with the planned targets for the year under review. The corporate services sub-programme provides enterprise-wide support comprising human resources, legal services, communications, the learning and development academy, transformation policy, and coordination. Through this sub-programme, the department aims to implement 98 per cent of the annual communication and public participation programme during the year under review. The department will also keep the vacancy rate for engineers and scientists at less than 10 per cent.

**Programme 2: Water Resource Management**

This programme is responsible for the protection, use, development, conservation, management and control of water resources sustainably for all people and the environment. It provides for developing a knowledge base for proper planning and informed decision-making. It also includes the development of effective policies and procedures as well as oversight of all water resource management institutions.

The water resource management programme includes planning and implementing several water resources infrastructure projects to ensure the country’s water supply security. In addition, the department intends to diversify the water mix by guiding and developing other water sources (for example, groundwater) to reduce the significant reliance on surface water.

For the 2023/24 financial year, the department plans to strengthen regulatory interventions to address the pollution of the environment and communities from wastewater. The regulatory interventions also include the continuous efficiency of water use license turnaround times whilst promoting water use transformation. Another priority for the department is establishing and transforming water resource institutions (for example, the transformation of irrigation boards to water user associations).

The programme is allocated R3.7 billion in the 2023/24 financial year. Expenditure under this programme is dominated by SP 5: Water Resource Infrastructure Management, consuming 78 per cent of the total budget allocated to this Programme, refer to Table 4. This is in line with the Department’s APP, which, among others, aims to prepare four bulk raw water projects for implementation; construct four bulk raw water projects (Foxwood, Coerney, Gcuwa weir, Nwamitwa and Zalu dams); complete 30 dam safety evaluations; and create 419 job opportunities from augmentation projects during the year under review. As indicated earlier, these targets align with the SONA 2023 pronouncements on bulk infrastructure projects.

Sub-programme 4: Water Resources Information and Management receives the second largest allocation in this programme. The Department, through this SP, seeks to review and maintain six water resources monitoring programmes on Ground Water, Surface Water, National Chemical Monitoring Programme (NCMP) and National Eutrophication Monitoring Programme (NEMP), and implement River Eco-Status Monitoring Programmes at 75 rivers during the year under review. In addition, it plans to maintain six water and sanitation information systems (NIWIS, HYDSTRA, NGIS, WMS, GIS, and FMFS) in the current financial year. All these activities entail or hinge on water information management.

Regarding SP 6: Water Resources Policy and Strategy, the Department intends to submit a National Water Act Amendment Bill for Cabinet approval and table the same at Parliament in the 4th quarter. It also wants to finalise the National Water Resources Strategy 3. These targets align with the Framework for Managing Programme Performance Information.

It is worth mentioning that the SONA 2023 pronounced a shortened timeframe for finalising water use authorisation to accelerate service delivery. In this regard, the APP, under SP 7: Water Resources Regulation, stipulates that 80 per cent of the applications for authorisation will be finalised within the stipulated timeframe.

SP 8: Water Resources Institutional Oversight receives the sixth largest budget allocation, R37.9 million. Through this SP, the Department seeks to establish the National Water Resources Infrastructure Agency (NWRIA), announced by SONA in 2022 and 2023. In this regard, the Department aims to gazette the Agency for establishment over the MTEF. Similarly, the Department will also submit a gazette to the accounting officer to approve establishing the Limpopo-Olifants Catchment Management Agency during the year under review.

**Programme 3: Water Services Management**

The programme addresses the water and sanitation services provision across the water and sanitation value chain to support water services authorities. The integration of bulk and retail water services to improve the sector’s coherence and realise economies of scale and efficient use of water. It also provides for developing effective policies, strategies, guidelines, procedures, plans, oversight, and regulation of all water service management institutions.

Within the water services programme, the department plans to strengthen its role in regulating, supporting and intervening in municipalities where water and sanitation services are deteriorating. Poor service delivery and the published 2022 Green Drop Report and Blue Drop Risk Rating Report emphasised the need to prioritise support to failing municipalities. Water use efficiency, demand, and conservation management are other priorities. The reconfiguring of the water boards’ operating areas to support the department in implementing its mandate is another critical priority for the upcoming financial year.

In Programme 3: Water Services Management, the objective of the major grants to municipalities is to assist them in developing water and sanitation distribution infrastructure systems. The grants are not disbursed without any oversight by the Department. The Department’s regional offices work closely with municipalities to carry out feasibility and implementation readiness studies to ensure the effective use of grant transfers, such as the Regional and Water Services Infrastructure Grants.

The Department provided Annexures in the presentation, which provide a breakdown of projects funded by the grants in different provinces. In addition, self-assessment plans with the Municipal Services Strategic Services Assessment (MuSSA) system are one of the tools assisting municipalities in proving the reliability of their services and targets.

This programme receives R15.6 billion in the 2022/23 financial year, constituting 70 per cent of the overall departmental budget. This Programme reflects a nominal rand increase of R2.9 billion compared to the 2022/23 financial year, translating into an actual rand increase of R2.1 billion between 2022/23 and 2023/24. The real increase, in this case, is significant in light of the purpose of this programme. This aligns with the national priority stated during SONA 2023 regarding strategic infrastructure funding and development, such as dams and bulk water projects like Lesotho Highlands Water Project Phase 2. This will go a long way in accelerating water service delivery to communities and businesses. One such project is the uMzimvubu Dam which is supposed to provide water for domestic, agricultural and industrial purposes in the Eastern Cape Province.

SP 3: Regional Bulk Water Grant (RBIG) and SP 6: Water Services Infrastructure Grant (WSIG) dominate the budget allocations under the Programme, consuming 66 per cent and 31 per cent of the overall share, respectively, refer to Table 5 for ranking based on budget allocations. It is worth noting that the majority of these funds will be transferred to municipalities for various bulk water infrastructure projects that district municipalities will carry out. In this regard, 59 large regional bulk infrastructure projects will be under construction at different phases during the year under review, while 500 job opportunities will be created by implementing regional bulk infrastructure projects. These targets align with the SONA 2022 regarding utilising the District Development Model (DDM) to fast-track service delivery. The development of 5-year water and sanitation reliability plans at the district municipalities is one of the examples of DDM initiatives aimed at accelerating service delivery.

The Department intends to eradicate 10 798 existing bucket sanitation systems in formal settlements during the year under review. It also plans to continue implementing the Vaal and Giyani BWS interventions through the WSIG during the year under review. It is worth noting that the Water Service Act Amendment Bill will be submitted to Cabinet for approval during the year under review through SP 5: Water Services Policy and Strategy.

**6.2 Water Trading Entity**

The Water Trading Entity was established in 1983 to manage water infrastructure and resources and the sale of raw water. It was converted into a trading entity in 2008 in terms of the Public Finance Management Act of 1999. Over the MTEF period, the entity will continue to focus on maintaining existing water resource infrastructure, supporting the long-term sustainability of water resources, and supplying bulk water to strategic users such as large industrial companies to stimulate and support economic development. The entity is expected to merge with the Trans-Caledon Tunnel Authority to form the National Water Resources Infrastructure Agency by 2024/25. The merger aims to leverage the entity's assets to finance water resource infrastructure more equitably and efficiently. In supporting the long-term sustainability of water resources, the entity’s delineation of appropriated budget and allocations within specific programmes are highlighted in Table 2 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programmes** | **2023/24** | **2024/25** | **2025/26** | **Total over MTEF** |
|  | **R'000** | **R'000** | **R'000** | **R'000** |
| Administration | 1 213 849 | 1 274 541 | 1 338 268 | 3 826 658 |
| Implementation of water resources management activities | 1 197 864 | 1 257 757 | 1 320 645 | 3 776 266 |
| Operations, maintenance and refurbishment of national water resources schemes | 2 349 760 | 2 467 248 | 2 590 611 | 7 407 619 |
| Financing and investment in raw water infrastructure | 10 098 246 | 11 456 308 | 13 775 174 | 29 133 028 |
| Bulk water supply to strategic users | 3 028 749 | 3 180 187 | 3 339 196 | 9 548 131 |
| Implementation of dam safety projects | 144 772 | 152 011 | 159 611 | 456 395 |
| **Total Programmes** | **18 033 240** | **19 788 052** | **22 523 505** | **54 148 097** |
| **Economic Classification** |  |  |  | – |
| Compensation of employees | 1 608 992 | 1 689 441 | 1 773 913 | 5 072 346 |
| Goods and services | 5 235 866 | 5 497 660 | 5 772 543 | 16 506 069 |
| Depreciation | 3 024 187 | 3 175 396 | 3 334 166 | 9 533 749 |
| Interest, dividends and rent on land | 8 164 195 | 9 425 555 | 11 642 883 | 23 035 933 |
| **Total Economic Classification** | **18 033 240** | **19 788 052** | **22 523 505** | **54 148 097** |

Expenditure is expected to increase at an average annual rate of 11.1 per cent, from R16.4 billion in 2022/23 to R22.5 billion in 2025/26. The entity is expected to generate 78.1 per cent (R53.3 billion) of its revenue over the period ahead from the sale of raw water. As a result, revenue is expected to increase at an average annual rate of 9.8 per cent, from R19.5 billion in 2022/23 to R25.9 billion in 2025/26.

The entity plans to roll out 22 dam safety rehabilitation projects over the medium term. In addition, an additional R4.4 billion is expected to be transferred from the department over the period ahead to implement the raw water component of the Umkhomazi water project.

**7. Overview of the plans and budgets of entities supporting the work of the Department**

As a sector leader, regulator and oversight body of institutions undertaking work on its behalf, the Department has interacted with the Inkomati-Usuthu, Breede-Gouritz Catchment Management Agency, Water Research Commission and Trans-Caledon Tunnel Authority.

**7.1 Catchment Management Agencies**

South Africa’s Catchment Management Agencies were established in terms of section 78(1) of the National Water Act 1998. One of the main principles of the National Water Act is its focus on decentralisation. Decentralisation emphasises public participation in water management and related decision-making processes. Accordingly, two (2) Catchment Management Agencies have been established, the Breede-Gouritz and the Inkomati-Usutu CMAs. Currently and apart from the Breede-Gouritz and Inkomati-Usutu CMAs, the remaining seven CMAs are considered the so-called proto-CMAs since they are in the process of being established. The respective regional offices of the Department manage those proto-CMAs.

Water resource management of the CMAs is aligned with the water management area’s internal strategic perspective. The functions of CMAs are to cooperate and seek agreement on water-related matters amongst various stakeholders and interested parties. CMAs are service delivery agencies listed in the Public Finance Management Act 1999.

The CMAs are also linked to Treasury Regulations to ensure financial viability and good governance. Catchment Management Agencies are Schedule 3A Public Entities and must comply with the Public Finance Management Act. A critical mandate of CMAs is the development of a catchment management strategy. The strategy is to realise the protection, use, development, conservation, management and control of water resources, processing water use applications, recommending to the Department approval or non-approval of respective applications, and setting principles for water allocation in respective water management areas. These measures must be in line with the National Water Resource Strategy.

**7.1.1 Breede-Gouritz Catchment Management Agency**

The agency’s mandate is to protect, conserve and use water resources within the Breede-Gouritz water management area. Over the medium term, the agency plans to continue engaging with users within its area of operation as part of its public participation programme. It plans to do this while monitoring and authorising their water usage and finalising 85 per cent of user registrations.

Total expenditure is expected to increase at an average annual rate of 5.1 per cent, from R82 million in 2022/23 to R95.3 million in 2025/26. The agency is set to receive 52 per cent (R146.1 million) of its revenue over the medium term from water resource management charges and transfers from the department. As a result, revenue is set to increase in line with expenditure.

**7.1.2 Inkomati-Usuthu Catchment Management Agency**

The Inkomati-Usuthu Catchment Management Agency is mandated to protect water resources in Mpumalanga's Inkomati-Usuthu water management area. Its functions include resource allocation, protection, use, conservation, monitoring, planning, development and operations.

Over the medium term, the agency will continue to focus on implementing effective river operations within the water management area to manage floods, droughts and surface and groundwater resources. Additional activities include assessing water use licences and general authorities as delegated by the department and performing more than 90 per cent of inspections and audits on reported incidents of resource pollution each year over the MTEF period. To carry out these activities, the agency’s protection and use of water resources programme is set to receive R301.2 million over the medium term, accounting for 50.8 per cent of the total budget.

Expenditure is expected to increase at an average annual rate of 10.9 per cent, from R147.9 million in 2022/23 to R201.6 million in 2025/26, with compensation of employees constituting 68.3 per cent (R365.8 million) of this spending. The agency derives its revenue mainly through transfers from the department, which increase at an annual average rate of R15.4 per cent from R89.4 million in 2022/23 to R137.2 million in 2025/26. As a result, total revenue is expected to increase in line with expenditure.

**7.1.3 Trans-Caledon Tunnel Authority**

The Trans-Caledon Tunnel Authority (TCTA) is a specialised liability management entity that derives its mandate from the National Water Act of 1998. It is responsible for financing and implementing bulk raw water infrastructure development and providing treasury management services to the Department. The agency is expected to merge with the Water Trading Entity by 2024/25 to form the National Water Resources Infrastructure Agency.

Over the medium term, the authority will continue implementing the Berg-River Voelvlei augmentation scheme, phase 2 of the Mokolo-Crocodile water augmentation project, phase 2 of the Lesotho Highlands Water Project, and phase 1 of the Umkhomazi water project on behalf of the department.

Expenditure is expected to increase at an annual average of 7.5 per cent, from R8.8 billion in 2022/23 to R11 billion in 2025/26. The authority generates revenue through fees for financing and managing projects for the department. Revenue is expected to increase at an average annual rate of 3.4 per cent, from R10.4 billion to R11.5 billion in 2025/26, mainly driven by revenue generated from water infrastructure construction.

**7.1.4 Water Research Commission**

The legislative mandate of the Water Research Commission is set out in the Water Research Act of 1971. Its primary functions include promoting coordination, cooperation and communication in water research and development, establishing water research needs and priorities, enhancing knowledge and capacity building within the water sector, and stimulating and funding priority-based water research.

Over the next three years, the commission plans to support government programmes in the water and sanitation sector. This includes the implementation of the national water resource strategy. In addition, to ensure that water is supplied efficiently and predictably while ensuring transparency, the commission aims to conduct 240-sector-related research products over the period ahead.

Expenditure is expected to increase at an annual average rate of 0.6 per cent, from R414.1 million in 2022/23 to R421.6 million in 2025/26. The commission derives its mandate from water research levies. Accordingly, revenue over the MTEF period is set to increase in line with expenditure.

**8. Responses by the Department and Entities to Committee Observations/Questions**

**8.1 Department of Water and Sanitation[[7]](#footnote-7)**

* **National Water Resource Infrastructure Agency**

In response to the committee’s request for further clarity on the agency, the department noted that it had closed the extended public consultation process of the draft NWRIA Bill that establishes the agency. The National Economic Development and Labour Council (Nedlac) has tasked the team to consult on the bill. Investment partners and lenders to the TCTA requested an independent financial and legal review of the implications of establishing the agency regarding their current loans.

* **Support to municipalities in respect of financing**

In response to the above, the Director-General noted the department’s setting up of the Water Partnership Office, a ring-fenced unit housed within the Development Bank of Southern Africa (DBSA). The office has been set up to support municipalities to partner with the private sector. This is expected to enable more private-public sector investment in water services and to enable municipalities to draw more on the expertise and management capacity in the private sector. Standard partnership programmes are being developed in non-revenue water management, wastewater treatment works, water use and municipal water and sanitation project management. The DWS, DBSA and the South African Local Government Association (SALGA) jointly oversee the office. The recruitment process to appoint a CEO is underway, but DBSA officials currently manage the office.

* **Non-payment of debts to water boards by municipalities**

The committee, once again, expressed concern that municipalities, as of 31 December 2022, still owed water boards R16.1 billion. Although the current financial status of water boards is relatively good, the problem still needs to be addressed. As a result, water boards’ financial stability to undertake their mandate may be compromised in the future. However, the department is consulting municipalities on measures to improve revenue collection by the boards. Interventions include bulk prepaid meters to be installed by water boards for municipalities and the use of legal processes. In addition, the department will enforce water limitations/restrictions for non-paying municipalities and collaborate with National Treasury to withhold equitable share allocations for municipalities not paying their current invoices from water boards.

* **Reliability of supply**

The disconnect and non-alignment of bulk water and sanitation infrastructure, undertaken by the Department of Water and Sanitation, and the reliability of water supply through municipal water distribution services have deteriorated markedly over the last ten years. Although water services infrastructure may be in place, the functionality of schemes due to poor maintenance and operation by municipalities compromises the ability of communities to receive quality water supply optimally. The department works closely with water boards and municipalities to extend water distribution infrastructure to all areas that are not supplied.

The department is working with Lepelle Northern Water Board and the Mopani District Municipality in Limpopo to ensure the installation of distribution of infrastructure to communities in and around Giyani that have never had piped water. The government prioritises these projects through the RBIG and WSIG, which it allocates to municipalities.

* **Strengthening of the regulatory functions**

The department is working on revised norms and standards for these services to strengthen its regulatory functions over municipal water and sanitation services. It is also standardising its response to non-compliance with these norms and standards across all regional offices.

Proposed amendments to the Water Services Act will enable the Minister to intervene more effectively where there is gross and persistent non-compliance with national norms and standards.

* **Establishing an Economic Regulator**

The review of establishing an economic regulator was mooted in the last couple of years by the Department of Water and Sanitation. However, the department’s strategic plan, specifically the Foreword by Minister Mchunu, maintains that strides have been made in establishing a Regulator Commission to create a degree of independent oversight over the regulation work of the department and to create a degree of separation between the policy, regulation and implementation functions of the department. The plan goes further on to say that establishing the Regulator Commission aligns with the National Development Plan, 2030, which identified the need to develop an Independent Economic Regulator to oversee all water trading services. The Regulator Commission oversees and guides the regulation work of the department. Further, it enables a degree of independence and autonomy to be introduced to the setting of the water tariffs, which will ensure that, as a sector, the department continuously and sustainably equitably provides water.

* **Role of the national department in flood management to protect bulk water infrastructure**

The country has experienced, in the last two years, more incidences of flooding, mainly affecting water services infrastructure, with considerable damage to water and sanitation services infrastructure in eThekwini, particularly during the Kwazulu-Natal floods in 2022.

National water resource infrastructure such as dams has withstood floods. The department released water from the dams to protect them as required regarding the hydrological rules governing such releases.

* **Water use licenses**

The department has to date, cleared the backlog in issuing water licenses within 90 days, as highlighted by President Ramaphosa in the 2023 State of the Nation Address. This was achieved through cooperation between the department and Operation Vulindlela[[8]](#footnote-8), which provided technical support to implement a plan to grant water-use licenses within reduced timeframes.

The department is advertising and recruiting more staff for water use licensing, which will enable it to process closer to 100 per cent of new applications within 90 days.

* **Impact of vandalism and criminal activities related to water and sanitation infrastructure**

Repairs to water and sanitation infrastructure can be costly and time-consuming, increasing maintenance costs. Vandalism and theft of water infrastructure such as water pumps, pipes, and reservoirs can reduce clean water supply to affected areas. This can have consequences on the health and environment, leading to the contamination of water sources and an increase in the prevalence of water-borne diseases.

* **Impact of load-shedding on water and sanitation infrastructure, with related environmental and health consequences**

The committee stressed the importance of the department in addressing the impacts of load shedding on critical water and sanitation infrastructure. The committee argued that load-shedding, the planned power outage implemented by the power supplier, Eskom, due to insufficient electricity supply, significantly impacts water and sanitation infrastructure. Load shedding can pose a significant challenge to the maintenance of infrastructure. The repeated disruptions and stop-start nature of load-shedding can cause damage to the mechanical and electrical components of water schemes.

**8.2 Trans-Caledon Tunnel Authority**

* **Challenge of securing investment into the water sector**

In recent years, investment in water and sanitation infrastructure stood at approximately R57 billion per annum, compared to a capital investment requirement of R90 billion for new-build projects, upgrades and rehabilitation. Therefore, the annual deficit of R33 billion could be made up of debt funding or private sector investment through a public-private structure. However, the caveat is that there should be underlying bankable projects.

* **Infrastructure investment imperative**

The South African water sector needs help with infrastructure funding. Recent estimates from the Master Plan indicate a first-order estimate investment requirement of approximately R900 billion over ten years. Of the total investment required, about 42 per cent would be for building new infrastructure, 15 per cent for upgrading existing infrastructure, and 43 per cent for rehabilitating existing infrastructure.

**8.3 Water Research Commission**

The Water Research Commission relies heavily on government funding, which needs to be increased for the commission to plan and carry out long-term research initiatives.

**8.4 Catchment Management Agencies**

* **Challenges experienced by catchment management agencies in the validation and verification of users**

There are several challenges facing catchment management agencies (CMAs) in their validation and verification of water users in South Africa. This relates to the following;

* *Lack of accurate data*: many water users in South Africa are not correctly registered or have inaccurate data in the National Water Information System (NWIS), making it difficult for CMAs to verify and validate their water usage. CMAs face challenges in obtaining accurate and up-to-date data on water use, particularly in rural areas. This is because many water users in these areas do not have formal water use licenses and may not be registered with the CMA.
* *Limited resources*: CMAs often have limited resources to carry out validation and verification exercises, which can be time-consuming and requires significant numbers of people with relevant experience.
* *Conflicting legal and policy frameworks*: There may be conflicting legal and policy frameworks at different levels of government, which can create confusion and uncertainty for CMAs and water users.
* *Inadequate monitoring and enforcement*: Even after water users are validated and verified, there may be insufficient monitoring and enforcement mechanisms to ensure compliance with water use regulations.
* *Limited public awareness*: Many water users may not be aware of the need for validation and verification or may not understand the implications of non-compliance. This can make it difficult for CMAs to engage with water users and encourage them to participate in validation and verification exercises.

**8.5 CMA budget allocation for compensation of employees**

The committee maintained that the budget allocation for the compensation of employees exceeded 50% of the proposed budget. The committee sought reasons for the excessively high salaries and raised concerns that critical operational matters might be compromised. CMA responded that the agencies’ mandate is service-orientated and requires personnel with specialised technical skills. Scientists and engineers deliver the services. The agencies acknowledged that employee costs could be perceived as a problem and suggested that a system review might be needed.

**9. Recommendations**

**9.1 Support to Municipalities**

Although the Department of Water and Sanitation supports municipalities, there is a need for relevant water sector stakeholders to develop a formal, comprehensive plan to improve water and sanitation services infrastructure in municipalities. The plan should involve funding, technical assistance, and training to build capacity among municipal staff. The department should also work with municipalities to develop sustainable water management plans, including identifying alternative water sources, waste-water reuse, and water infrastructure. The program should address municipalities’ current challenges, such as ageing infrastructure, inadequate funding, and limited technical expertise. The department should collaborate with municipalities to identify their water needs and provide them with the necessary resources to upgrade their water infrastructure, including the installation of new pipelines, water treatment plants, and storage facilities. The department should also provide training and capacity-building initiatives to help municipalities manage and maintain their water infrastructure effectively.

**Recommendation: The Department of Water and Sanitation, the Development Bank of Southern Africa, and the South African Local Government Association should provide briefings or written responses to the Portfolio Committee on its joint initiative, such as the establishment of the Water Partnership Office in supporting municipalities in their undertakings to improve the challenges listed above.**

**9.2 Increasing the Use of Groundwater**

The Department of Water and Sanitation has developed a strategy to increase groundwater use in South Africa. However, the country's limited surface water resources cannot meet the growing demand for water from urbanisation, agriculture, mining, and industry. Therefore, the department should encourage using alternative water sources, such as groundwater, to supplement the country's water supply. The department should conduct surveys to identify potential aquifers, implement guidelines and regulations for groundwater use, and provide technical and financial assistance to promote the development of groundwater resources.

**Recommendation: The Department should brief the Portfolio Committee on its current initiatives and interventions to implement the guidelines and regulations for groundwater use.**

**9.3 Strategies to Reduce Debt Owed by Municipalities to Water Boards**

Many municipalities in South Africa owe significant amounts of money to water boards for water supply services. This debt has a negative impact on the financial sustainability of water boards and limits their ability to invest in new infrastructure and expand services. The Department of Water and Sanitation should develop strategies to reduce the debt owed by municipalities to water boards. The department should work with municipalities to improve their financial management practices, develop payment plans for outstanding debt, and provide financial incentives to encourage timely payment.

**Recommendation: The Department of Water and Sanitation, as part of the Inter-Ministerial Task Team, should provide timeframes and action plans, with consequence management strategies, to address serious legal contraventions by non-complying and non-paying municipalities.**

**9.4 Ensuring Long-term Reliability of Water Supply in South Africa**

South Africa is experiencing a growing water crisis, with the country facing water scarcity due to droughts, climate change, and population growth. The Department of Water and Sanitation should ensure the long-term reliability of the country's water supply by developing a comprehensive strategy to address the water crisis. The strategy should include improving water conservation and efficiency, reducing water losses, promoting alternative water sources, and investing in new water infrastructure. The department should also work with other stakeholders, such as municipalities, water boards, and the private sector, to implement the strategy and ensure the sustainable management of water resources.

**Recommendation: The Department of Water and Sanitation, the Water Research Commission, and Catchment Management Agencies should undertake detailed studies on implementing departmental strategies to ensure the long-term reliability of water supply in South Africa and provide the findings to the committee.**

**9.5 Establishment of an Independent Economic Regulator**

In light of the statement made by Minister Mchunu of the department establishing a Regulator Commission to oversee and guide the regulation work and setting of water tariffs, **the committee requests that a briefing be provided on the modalities of the Regulator Commission.**

**9.6 Enhancing the validation and verification of water users by CMAs**

As future options to enhance the challenges posed by the validation and verification of water users, CMAs can invest in technology such as remote sensing and satellite imagery to create a database of water users and their activities. This will enable them to monitor water usage remotely and identify illegal use and wastage. The technology can also help technology: The adoption of modern technology can facilitate the accurate tracking of water usage and the identification of unauthorised water usage. In addition, using smart meters, satellite imagery, and automated reporting systems can help detect water theft, illegal connections, and suspicious activities, allowing CMAs to take necessary action.

CMAs should collaborate with relevant stakeholders, such as water user associations, municipalities, and law enforcement agencies, to gather relevant data and improve the validation of water users. This will lead to a more comprehensive understanding of the catchment area's various water uses, making it easier to identify violators and take corrective actions.

CMAs should regularly monitor and evaluate water use patterns to ensure compliance with the set regulations. This will enable identifying water users who use water beyond their allocated quota or those who contribute to water pollution.

Regarding financial constraints, CMAs can leverage partnerships with the private sector to access the necessary funding. CMAs can leverage partnerships with the private sector to access the required funding. For example, partnering with private companies interested in promoting sustainable water usage can help CMAs secure funding for critical projects.

The Department of Water and Sanitation should review the user fees charged by CMAs by different water users such as agriculture, forestry and domestic.

**Recommendation: As part of its quarterly committee briefings, the Department of Water and Sanitation should provide progress reports on challenges and mitigating measures to address challenges confronting CMAs.**

**9.7 Increase funding to support the work of the WRC**

**Recommendation: The Department of Water and Sanitation should increase allocations to the WRC to ensure substantive research and technological innovations are developed to address current challenges such as climate change, floods, and disasters, amongst other issues.**

9**.8 Addressing the impact of vandalism, theft and load-shedding of infrastructure**

**Recommendation: The Department of Water and Sanitation, in conjunction with the Department of Cooperative Governance and Traditional Affairs and the South African Local Government Association, should brief the committee on strategies and plans to mitigate the impact of vandalism, theft and load-shedding of critical water and sanitation infrastructure.**

**9.9 Establishment of the National Water Resources Infrastructure Agency (NWRIA)**

**Recommendation: The Department of Water and Sanitation, Nedlac, and TCTA should provide the committee with a written report on the current initiatives and foreseeable challenges in establishing the NWRIA.**

**9.10 Amendments to water and sanitation-related pieces of legislation**

**Recommendation: The Department of Water and Sanitation should provide a substantive report on amendments to the National Water Research Act, Water Services Act and National Water Act, with related timeframes for the tabling of amended legislation in Parliament.**

**Report to be considered.**

1. Section 24 of the Bill of Rights proclaims that all citizens have a right to an environment that is not harmful. [↑](#footnote-ref-1)
2. Revised Strategic Plan of the Department of Water and Sanitation, 2021/22 to 2024/25. [↑](#footnote-ref-2)
3. Source: 2023 Estimates of National Expenditure, Vote 41; Department of Water and Sanitation [↑](#footnote-ref-3)
4. Presentation by the Department of Water and Sanitation on the 2022/23 quarter 3 analysis report for the period 1 October to 31 December 2022. [↑](#footnote-ref-4)
5. The information that follows was sourced from the National Treasury Estimates of National Expenditure, Budget Vote 41: Water and Sanitation, 2023/24. [↑](#footnote-ref-5)
6. Sourced from the Department of Water and Sanitation Annual Performance Plan, 2023/24 to 2025/26, Vote 41. [↑](#footnote-ref-6)
7. The following information is based on responses by the department to issues raised by the committee on 2 May 2023 and an article entitled, “The quest to better South Africa’s water sector is in progress” by the Green Building Africa, 4 May 2023. The organisation, Green Building Africa, interviewed the Director-General, Dr S Phillips, to provide further details on the Department of Water and Sanitation work, as detailed in SAnes.gov.za. [↑](#footnote-ref-7)
8. Established in October 2020, Vulindlela aims to deliver far-reaching economic reform agenda for the country to shift its economic growth trajectory and enable investment and job creation. The operation is a joint initiative of the Presidency and National Treasury to accelerate the implementation of structural reforms. [↑](#footnote-ref-8)