

## **Report of the Portfolio Committee on Water and Sanitation on Its Activities Undertaken During the 6<sup>th</sup> Parliament (May 2019 – March 2024), Dated 12 March 2024**

The Portfolio Committee on Water and Sanitation (the Committee), having considered and adopted its report on its activities conducted during the 6<sup>th</sup> Parliamentary terms, reports as follows:

### **1. INTRODUCTION**

At the inception of the 6<sup>th</sup> Parliament in 2019, the formulation of the Portfolio Committee on Human Settlements, Water and Sanitation emanated from a Presidential Proclamation, which combined the two portfolios, human settlements and water and sanitation, under one Ministry, with two distinct departments managing their respective sectors. The interconnectedness of water and sanitation made the merger a strategic move to address these issues in a more integrated manner. The merging of the Departments of Human Settlements and Water and Sanitation was seen as a bold move by the government to deliver on a core function for the people. Subsequently, the following reasons prompted the shift to a separate Ministry for the two departments:

- Given the enormity of South Africa's water challenges and the fact that water management goes beyond human settlements, it was believed that two sets of expertise would better handle these challenges.
- Water security is fundamental to people's lives and health, the stability of the economy, and the economy's growth and sustainability.

As a result, the Rules Committee of the Parliament of the Republic of South Africa proposed and adopted the establishment of a new Portfolio Committee on Water and Sanitation. This report captures the work undertaken by Members of the Committee on Human Settlements, Water and Sanitation under the leadership of the Honourable Mrs Semanya, MP, between 2 July 2019 and 30 August 2021, with the current Chairperson of the Portfolio Committee on Water and Sanitation, the Honourable Mr R Mashego, MP between 31 August 2021 and end-May 2024.

## **2. KEY HIGHLIGHTS: REFLECTION OF COMMITTEE PROGRAMME IN THE 6<sup>TH</sup> PARLIAMENT**

### **2.1 Achievements**

Over the last five years (2019-2024), the Committee achieved the following:

- Completed three (3) training workshops facilitated by the Department of Water and Sanitation, National Treasury, Auditor-General South Africa, and the Department of Performance Monitoring and Evaluation. The training provided addressed the following broad areas: Introduction to the water and sanitation sector in South Africa, Introduction to budgeting processes, the Public Finance Management Act and National Treasury Regulations, Auditing Terminology and Processes to include new powers introduced through the amendments to the Public Audit Act, and Money Bills and other Related Matters Act, 2009.
- Engaged timeously with the tabled Budget Votes, Strategic Plans, Annual Performance Plans (APP), and Annual Reports, including audited financial statements and non-financial performance of the Department and its Entities.
- With systematic oversight of the Department's financial and non-financial performance, the Department of Water and Sanitation improved its overall performance. The Department was struggling to maintain its going concern position due to, among others, a high vacancy rate at the senior management level (Director-General and Deputy Director-Generals), scientists and engineers; high accruals and payables; significant underspending; bank overdraft; high irregular expenditure; unauthorised, fruitless, and wasteful expenditure.
- The Committee recommended that the Ministry of Water and Sanitation reintroduce and publish the Blue, Green and No-Drop reports, last published in 2013. These reports are critical in

protecting, operating, maintaining, developing and managing water resources and wastewater. The reports were all published in 2023.

- Oversaw the publication of the National Water Resources Strategy 111 (NWRS 111) (third edition), which was reviewed in 2023. The NWRS 111 dictates that water must be protected, used, developed, conserved, managed and controlled sustainably and equitably. Water and sanitation must support the development and the elimination of poverty and inequality and contribute to the economy and job creation.
- Sustained focus on addressing water and sanitation services delivery within the Intergovernmental Relations Framework and the District Development Model through its oversight mechanisms. Members noted that the department had improved its intergovernmental relations for water resources management (a function of the national department) and water services provision (local government) by intervening where municipalities were failing to deliver water services. This has entailed ensuring cooperation and coherence, service delivery, and providing water security and human rights to water.

## **2.2 Focus Areas**

The Committee's focus areas of work during the 6<sup>th</sup> Parliamentary period comprised the following:

- Special Investigating Unit (SIU) investigation and Internal Disciplinary Cases emanating from financial and non-financial transgressions in the Department and its Entities.
- Budget Vote 41 – Water and Sanitation and associated plans, for example, Strategic Plans, Annual Performance Plans, etc.
- Tracking of audit outcomes over the five (5) years of the Department and its Entities.
- Assessment of wastewater treatment plants and water treatment schemes in all provinces.
- Financial and non-financial performance of the Department and its Entities (Evaluation of Annual Reports).
- Supply chain management and procurement across the water value chain.
- Water Allocation Reform (Water Use Authorisation).
- Water Pricing (Tariffs Determinations).
- Key Priority Water and Sanitation Infrastructure Projects such as the Bucket Eradication Programme, Giyani Water Project, Mzimvubu Dam, etc.
- Grant spending such as the Regional Bulk Infrastructure and Water Services Infrastructure Grant.
- COVID-19 and Floods Disaster Relief.

## **2.3 Key findings**

The Committee, in its oversight of the water and sanitation sector in South Africa in the period under review, initially highlighted the following challenges inherent in the sector, but sustained oversight on these aspects resulted in improvements in several areas within the sector:

- Transformation of the water sector – issuing water use licences for the previously disadvantaged.
- Access to water and sanitation remains challenging as it has stagnated at about 90% and 80%, respectively, with the most underserved communities residing in rural areas.
- Lack and delay in the implementation of consequence management in the department.
- Sustainable infrastructure development with emphasis on operations and maintenance of wastewater and water treatment plants/schemes.
- Poor implementation of the Bucket Toilet Eradication Programme.
- Strengthening institutional capacity to undertake the work of the Department and its Entities.
- Challenges in inter-sectoral cooperation in regulation, institutional reform and support for effective water services delivery.
- Some municipalities cannot fulfil their water service delivery mandate due to a lack of capacity and instability in municipal councils.
- Pollution of water resources (rivers, aquifers, wetlands, etc.) by dysfunctional wastewater treatment systems.
- Lack of debt management for bulk water supply among the different role-players.
- Challenges encountered in implementing the Regional Bulk Infrastructure and Water Services Infrastructure Grants.

- Equitable share is not used to fund water services in municipalities, resulting in a huge gap in funding for water services delivery at the local government level.

## 2.4 Key areas for future work

In the 7<sup>th</sup> Parliament, the Committee should continue monitoring, tracking and overseeing the following initiatives undertaken by the Committee in the 6<sup>th</sup> Parliament, with specific emphasis on the italicised issues highlighted below:

- Allocation and spending of the Regional Bulk Infrastructure and Water Services Infrastructure Grants.
- *Amendments to the relevant pieces of water legislation – the National Water Act and Water Services Act. Pay attention to the role of the National Department of Water and Sanitation and Provincial Spheres of Government concerning interventions when municipalities cannot.*
- *Continue addressing prosecuting and charging implicated individuals and companies in transgression within the entire water and sanitation value chain.*
- *Implementation of the National Water Resources Infrastructure Agency.*
- Track water and sanitation infrastructure projects with related costs and timeframes.
- Dysfunctional wastewater treatment and water supply works lead to pollution (Rooiwal Wastewater Treatment Works, Sedibeng Regional Sanitation Scheme (includes Vaal River Interventions).
- Debt management of bulk water provision between spheres of government – legislative compliance (Municipal Water Debt to Water Boards).
- Water Boards: Risks associated with the financial sustainability of water boards and progress on the realignment of water boards.
- Phase 2 of the Lesotho Water Highlands Water Project.
- Bucket Toilets Eradication Programme.

## 3. DEPARTMENT AND ENTITIES FALLING WITHIN THE COMMITTEE PORTFOLIO

### 3.1 Department of Water and Sanitation

The core mandate of the Department of Water and Sanitation (the Department) is derived from its legislative and policy mandate, which seeks to ensure that the country's water resources are protected, used, developed, conserved, managed and controlled through regulating and supporting the delivery of adequate water supply and sanitation. The Department and the sector derive its mandate from the Constitution and the following legislation: the National Water Act, 1998 (Act No 36 of 1998) as amended, and the Water Services Act, 1997 (Act No 108 of 1997). In addition to the National Development Plan (2030), the water and sanitation sector is also guided by the Medium-Term Strategic Framework and the United Nations (UN) Sustainable Development Goals 2030 (SDGs), amongst others.

The Department's five-year strategic goals are to be an efficient, effective and development-oriented sector leader, provide equitable and sustainable raw water provision, provide equitable and sustainable water services of acceptable quantity and quality, and protect freshwater ecosystems. The Department's work was initially organised into six programmes, as depicted in Budget Vote 36: Water and Sanitation, and subsequently reduced to three, as depicted in Budget Vote 41. The Department also revised its national priorities to align with the following budget programmes:

**Programme 1: Administration** provides strategic leadership, management and support services to the Ministry and Department through various activities such as financial management, shared corporate support services, and the coordination of water resources between neighbouring countries. The revised priorities under this programme relate to improving billing and revenue collection across the water value chain, increasing participation of private sector finance and skills in the water sector, and fighting corruption in the water sector at all levels of government.

**Programme 2: Water Resources Management** 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 resources management institutions. The revised priorities under this programme: plan and implement water resources augmentation infrastructure projects (for example, 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 National Water Resources Infrastructure Agency (NWRIA), Catchment Management Agencies (CMAs), and Irrigation Boards to Water User Associations, strengthen regulatory interventions to address pollution of the environment and communities from wastewater and continue to improve water-use licence turnaround times and promote transformation in water use.

**Programme 3: Water Services Management** addresses the water and sanitation services provision across the water and sanitation value chain in support of water services authorities, integrating bulk and retail water services to improve the coherence of the sector 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. The revised priorities: strengthen the Department's role in regulating, supporting and intervening in municipalities where municipal water and sanitation services are deteriorating linked to the reinstated blue, green and no-drop regulatory tools; guide and lead increased water-use efficiency and demand and conservation management; including addressing non-revenue water at municipal level, and transform water services institutions (that is, reconfigure or reorient water boards).

The budget estimates for the period under review are depicted in the table below:

Programme	Audited outcome			Adjusted appropriation	Medium term expenditure estimates		
	2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Administration	1 624 281	1 846 031	1 716 499	2 019 933	2 047 590	2 121 617	2 210 167
Water Resources Management	3 310 047	3 198 981	3 499 861	3 818 520	4 625 521	5 628 142	7 649 678
Water Services Management	10 283 278	9 657 601	9 987 154	12 716 557	15 584 195	16 430 305	16 024 706
<b>Total</b>	<b>15 217 606</b>	<b>14 502 613</b>	<b>15 203 514</b>	<b>18 555 010</b>	<b>22 257 306</b>	<b>24 180 064</b>	<b>25 884 551</b>

### 3.2 Entities

- The Trans-Caledon Tunnel Authority (TCTA) was established in 1986 as a state-owned entity specialising in project financing, implementation and liability management.
- The Water Research Commission was established in 1971 to generate new knowledge and to promote the country's water research.
- Catchment Management Agencies were established to delegate water resource management to the regional or catchment level and involve local communities within the national water resource strategy framework.
- Other institutions supporting the work of the Department: Water Boards are state organs established by the Minister to provide bulk water services to other water services institutions within a specific area. In 2023, water boards were aligned, with some disestablished and others merged.

### 3.3 Challenges highlighted by the Committee in undertaking its oversight mandate over the

#### Department and its Entities in the period under review

For the period under review, Members of the Portfolio Committee noted the following challenges concerning water resources management and water services provision in South Africa:

#### 3.3.1 Department of Water and Sanitation and Entities

**Sustainability and benefit of bulk water and sanitation infrastructure projects for specific sectors of the South African population:** Members raised concerns about the sustainability of water and sanitation infrastructure (both new and ageing) and noted that not all poor households benefit from large-scale built water and sanitation infrastructure as a result of a large number of poorly functioning systems in rural areas, lack of reticulation systems, and restricted access in urban areas as a result of affordability or technical problems at the local government level. Many rural water supply schemes are not fully functional, maintenance budgets are inadequate, and many ventilated pit latrines are not being emptied. Many wastewater treatment works are operating over capacity and performing poorly. The total costs of providing water services are often not fully accounted for.

Insufficient resources are available to the sector, from user fees and government grants to maintain services over time. In addition, there are governance failures within local government, the tier of government responsible for water services provision to households in terms of the Constitution.

**Transformation of the water sector – issuance of water use licences:** Although the Committee acknowledged renewed focus on transformation with the water and sanitation sector to unlock the potential of previously disadvantaged citizens, the Committee argued that the slow pace of issuances of water use licences for economic development disadvantaged resource-poor farmers.

**Access to water and sanitation:** The Committee noted that over the medium term, the Department needed to ensure that the limited resources were maximised to the fullest to provide safe drinking water and dignified sanitation for most of the populace.

**Ongoing oversight of consequence management:** Implementing consequence management for officials who caused substantial financial losses to the Department needed serious attention. In addition, the internal processes and work of the Special Investigating Unit (SIU) must be finalised, and reports must be submitted to the Committee.

**Sustainable infrastructure development with emphasis on operations and maintenance of wastewater and water treatment plants/schemes:** Infrastructure development will continue to be essential to the Department's work. This is essentially true considering that 56 per cent of wastewater treatment works and 44 per cent of water treatment works are in poor condition, with 11 per cent ultimately dysfunctional. The Blue and Green Drop initiative must be provided with the necessary budgetary and human resources to undertake this crucial work component to improve compliance with wastewater and water supply standards.

**Strengthening institutional capacity to undertake the Department's and its Entities' work:** The Committee questioned whether the Department used the limited institutional capacity to excuse the weakness and failures of its plans and programmes. The Department must seriously address providing employees with the necessary skills and advanced training.

**Progress report on concluding amendments to the National Water Act and Water Services Act:** Initially, the Department proposed that the National Water Act and Water Services Act would be consolidated to address anomalies with pieces of legislation and ensure reform in the water sector. However, in the 2020/21 financial year, the Department explained to the Committee that this was unfeasible and amendments to the two pieces of legislation would be undertaken.

**Challenges in intersectoral cooperation in regulation, institutional reform and support for effective water service delivery:** Despite the political will to devolve the management of water resources to the local level, numerous challenges forced the state to play the role of initiator, facilitator, referee and regulator in the current system. Some of the difficulties reviewed in the devolution of this shift encompass the following: Severe backlogs in service provision in many municipalities; basic principles such as equity and efficiency in water distribution and allocation are not effectively implemented; the need to balance water use between socioeconomic uses to maintain ecological integrity and the needs of the citizens must be effectively worked on; clarification of the role of government, civil society and the private sector in the water and sanitation space, advancement of women in water and sanitation projects at a national, provincial and local level and clarity on conflicting water use rights.

**The mandate of municipalities in water service delivery:** The Committee noted that there is a need to relook at the ability of some municipalities to operate as water user authorities or water services providers. The crux of this debate was whether these functions should be taken away from certain municipalities as the conditional grant is not optimally used for intended purposes or whether these grants should be ring-fenced to ensure compliance by municipalities. Another point was that the National Treasury, in monitoring and evaluating spending trends on water services in municipalities, will not issue any enforcement against a particular municipality for using the ring-fenced equitable share for other purposes. There is, therefore, a need to bring about more stringent accountability measures against non-performing municipalities.

**Pollution of rivers and streams:** The Committee continuously reiterated their concerns on health-threatening environmental issues such as a lack of safe water, inadequate sanitation, poor wastewater management, and environmental degradation, as well as their impact on specific communities in South Africa.

**Challenges encountered in implementing the Regional Bulk Infrastructure and Water Services Infrastructure Grant:** The implementation of the Water Services Infrastructure and Regional Bulk Infrastructure Grants in South Africa faced several challenges and must be continuously monitored by the National Treasury and the Department of Water and Sanitation. These challenges are related to the following: Poor planning procurement processes leading to project delays and poor performance by contractors; the lack of effective project and contract management; the alignment between raw, bulk, and reticulation infrastructure is often suboptimal, leading to vandalism and repeated repair work; the absence of an infrastructure management system, the lack of a prioritisation plan for Regional Bulk Infrastructure projects; corruption challenges affecting the success of the financing of water infrastructure projects; and hostility towards private participation on water and sanitation infrastructure projects.

**Audit Findings: Improvement over Administration Term:** While the Committee noted the devised turnaround strategies and advisory committees established by previous Administrations, it reinforced sustained oversight of the Auditor-General's responses to the Committee's 2022/23 Budgetary Review and Recommendation Report. AGSA highlighted the following, in a detailed briefing document, a graphic representation of audit outcomes of improvement over different administrative terms:



The overview of AGSA findings (2022/23 financial year) on the work of the Department of Water and Sanitation, the Water Trading Entity, Trans-Caledon Tunnel Authority, and the Water Research Commission, in its presentation to the Committee reflected the following:

### Department of Water and Sanitation and Entities

DWS received an unqualified audit outcome with findings on predetermined objectives and compliance. Controls around the preparation of accurate performance reports should be strengthened. Audit action plans should be monitored effectively to prevent repeat findings. Financial statements and annual performance reports should be reviewed for material misstatements. Delays in investigating irregular expenditure and allegations against officials led to delays in implementing consequence management. DWS has improved compliance with legislation compared to the prior year.

The trading entity's internal control environment stayed the same as the previous year, resulting in unchanged audit outcomes with an unqualified opinion but findings on compliance with legislation. The entity corrected all significant errors during the audit but still had non-compliance issues. While some internal control aspects were maintained, management needed to implement sufficient preventative measures to prevent non-compliance with legislation in financial statements, expenditure management, consequence management, procurement, and contract management. In particular,

inadequate preventive controls like a compliance checklist led to irregular and wasteful expenditures totalling R26 million and R70 million, respectively, in the current year.

The Trans-Caledon Tunnel Authority received an unqualified audit outcome with compliance findings, highlighting the need to strengthen controls around legal compliance, monitor audit action plans effectively to prevent recurring issues and ensure financial statements are thoroughly reviewed for accuracy before submission. While some progress has been made in implementing consequence management, further action is required to address historical irregular expenditure in line with treasury guidelines and organisational policies, as the slow implementation continues to impact audit results.

On the other hand, the Water Research Commission maintained an unqualified audit outcome with no findings on predetermined objectives or compliance with legislation. The entity demonstrated a robust internal control environment for financial and performance information recording and reporting and strict adherence to relevant laws. This resulted in a clean audit for the 2022-23 financial year.

#### 4. Functions and Mandate of the Committee

The Committee is mandated to monitor the financial and non-financial performance of the Department of Water and Sanitation and its Entities to ensure that national objectives are met, that legislation is processed and passed, and that public participation in Parliament relating to oversight and legislation is facilitated. The Committee carries out its mandate through:

- Monitoring the Department and its Entities' financial and non-financial performance to ensure service delivery and legislative implementation.
- Consider and process legislation and statutory instruments referred to it.
- Consider and process international agreements and petitions referred to it.
- Facilitating public participation where stakeholders, citizens and experts can make submissions on issues of oversight and legislation.
- Considering all issues referred to it for consideration and report.

##### 4.1 Key Statistics

The table below provides an overview of the number of meetings held, legislation processed, and the number of oversight trips and study tours undertaken:

Activity	2019	2020	2021	2022	2023/24
Meetings held	22 (combined with Human Settlements)	54 (combined with Human Settlements)	28 (combined with Human Settlements)	29	32
Legislation	0	0	0	0	1
Oversight trips	1	1	1	2	2
Study tours	0	0	1	0	0
Petitions considered	0	3 (combined with Human Settlements)	0	1	3

##### 4.2 Briefings and Public Hearings

This section provides a synopsis of formal briefings held by the Committee, listed as 4.2.1 below, and more detailed information, listed in sections 4.2.2 to 4.2.5, on critical matters that required sustained turnaround strategies by the Department to address these. Detailed information was provided to the Committee, which related to ongoing work on internal investigations and Proclamations issued for the Special Investigation Unit to undertake transgressions within the Department; the Department's ability to address challenges relating to audit findings related to its ability as a 'going concern', irregular, fruitless and wasteful expenditure, increased amounts of accrual and payables over the years; provincial initiatives to address water and sanitation issues within their implementation plans, debt

owed for water service provision at all spheres of government. **Please note that all briefing documents are available for further perusal by Members of the 7th Parliament.**

#### **4.2.1 Overview of Formal Briefings**

Several formal briefings from respective stakeholders were undertaken by the Committee, which emphasised the mandatory component of work, such as interrogating the Budget Vote, Annual Performance Plans and Annual Performance Plans of the Department and its Entities, with its sustained oversight on the findings of the Auditor-General South Africa. Other important briefings related to assessing the financial and non-financial performance on crucial priority infrastructure projects across the country. The Committee raised several issues on the Department's financial status regarding accruals and payables, underspending, irregular expenditure and fruitless and wasteful expenditure.

Other areas of formal briefings of oversight undertaken by the Committee:

- The challenges relating to vandalism and criminal activities, such as stealing water and sanitation infrastructure and the impact of load shedding on crucial infrastructure.
- Progress report on the Bucket Eradication Programme, with an oversight visit to the Free State Province.
- Regulatory measures to protect built and ecological resources, such as protection of water sources (rivers, streams, weirs, etc.) and assessing compliance to requirements contained in the Blue, Green and No-Drop regulatory standards.
- Preliminary briefings were held on water and sanitation legislation revisions, such as the National Water Act of 1998 and the Water Services Act of 1997. The two pieces of legislation aim to ensure that the country's resources are protected, managed, used, developed, conserved and controlled,
- Water Use Authorisations to ensure that 80 per cent of applications to authorise water use are finalised within 90 days.
- The efficacy of initiatives by the three spheres of government to ensure water security in the country through increased water use efficiency and conservation management was a significant topic for the Committee in light of the analysis of the water sector with the culmination of the National Water and Sanitation Master Plan. The Plan will guide the water sector with investment planning for developing water resources and delivering water and sanitation services until 2030 and beyond. However, the Department and the Committee acknowledged the National Infrastructure Plan 2050 warning that tackling South Africa's water management problems will become more challenging due to increasing water demand from economic growth and urbanisation.

#### **4.2.2 Finalisation of internal departmental arrangements and Special Investigating Unit (SIU) interventions to address financial and non-financial transgressions in the Department and its Entities.**

The Committee held several meetings with the Department and the Special Investigating Unit (SIU) between 2019 and 2023 to receive detailed progress reports on various investigations undertaken to examine misconduct within the Department. These reports include all internal investigations against departmental officials and progress by the SIU on proclamations issued by the Presidency. The Committee made the following recommendations to the Minister of Water and Sanitation:

- To fast-track and complete internal investigations of financial and non-financial transgressions by employees across the water and sanitation sector.

#### **4.2.3 Briefing by provincial departments of water and sanitation on district implementation plans for the 2020/21 financial year – financial and non-financial challenges impacting service delivery**

The Committee conducted a series of briefings between 5 June and 16 October 2020 to assess the effectiveness with which concurrent human settlements and water and sanitation functions are implemented, aligned, and integrated into various provincial strategic plans aligned with national policies for the 2020/21 financial year. Briefing sessions were held with the Department of Water and



Sanitation, water boards and provincial departments from Kwazulu-Natal, Western Cape, Northern Cape, North-West, Free State and Eastern Cape. The following recommendations underpinned the briefings as mentioned above:

- Strengthen institutional reform and realignment to ensure synergy between water resources management (undertaken by the national) and water service delivery (local level).
- Develop an institutional framework or guidelines that clearly define roles, responsibilities and accountability within the entire water and sanitation value chain.
- Support municipalities in building sufficient economies of scale to be efficient and financially resourced to employ skilled managers and professional staff, raise sufficient capital funds for investment in essential water infrastructure, specifically operations and maintenance, and find solutions for areas with less developed economies.
- Promote good governance in the water sector institutions, thereby ensuring separation of policymaking, shareholding and regulatory functions.
- Evaluating and managing concurrent functions within the water and sanitation sector across spheres of government concerning the inability of some municipalities to execute concurrent functions between national and provincial governments.
- The Department fully utilises the District Development Model to support and assist municipalities in discharging their water and sanitation service delivery responsibilities and align provincial water plans to the national water and sanitation master plan.

Specific concerns were raised around provincial efforts to deal with the provinces' wastewater treatment plants, such as the Tshwane Municipality, where 15 plants had been flagged for non-compliance. Other issues related to progress on resolving challenges associated with the Vaal River System, delays in the implementation of Phase 2 of the Lesotho Highlands Water Project, debt management, and accountability by municipalities to spend grant funding such as the Regional Bulk Infrastructure Grant and Water Services Infrastructure Grant.

The Committee made the following **recommendations** to the Minister of Water and Sanitation and provincial departments:

- Engage the Tshwane Municipality to address the 15 wastewater treatment plants for non-compliance.
- Address the serious shortcomings in managing the integrated Vaal River System.
- Provide progress reports on mitigation measures to address Acid Mine Drainage in Gauteng.
- Provide a progress report on the number of directives or notices the department issued to municipalities for non-compliance regarding pollution of water sources.
- Rigorously oversee the grant funding by municipalities on water and sanitation infrastructure projects.
- The Department should regularly ensure that the respective municipalities provide the interventions for the Blue, Green, and No-Drop assessments.
- The Departments of Water and Sanitation, Cooperative Governance and Traditional Affairs and the South Local Government Association engage with the National Treasury on a collaborative review of infrastructure grants to improve the grant structure for water and sanitation infrastructure, improving asset management and define more exact roles for national and local departments in the management of grant systems. The Department should provide progress reports on the various stages of project processes, including budget challenges, and monitor and strengthen RBIG and WSIG spending in provinces.
- On debt management at all levels of government within the water sector, the enforcement of the proposed Inter-Ministerial Task Team (IMTT) recommendations and remedial action on debt recovery should be prioritised.
- Assist in strengthening the work of Water Services Authorities and Water Services Providers.
- Fast-track the verification and validation of lawful water use in all water management areas; ensure a speedy water allocation reform to address historically excluded and vulnerable groups' water needs. The department should provide quarterly progress reports on water allocation reform across all water management areas.

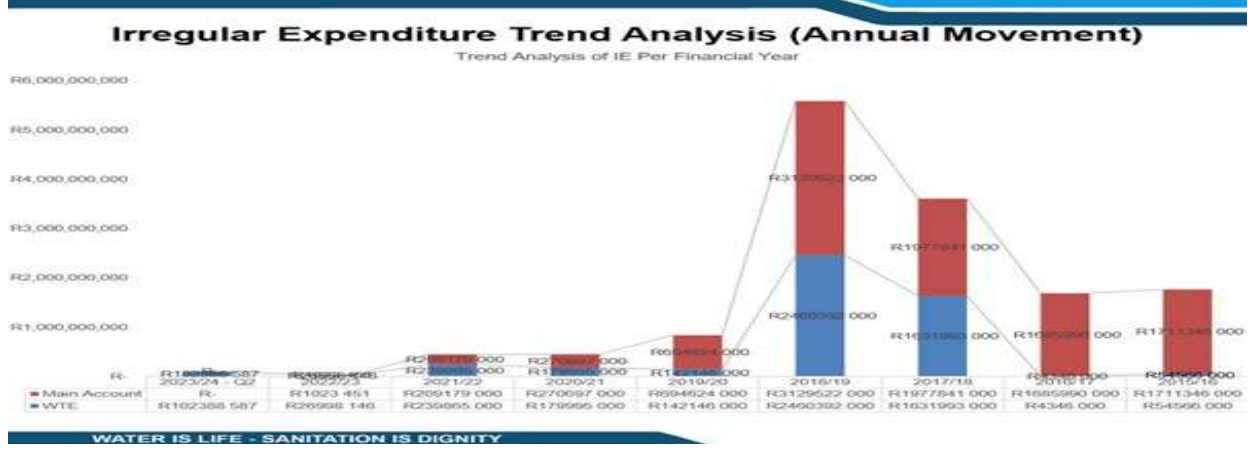
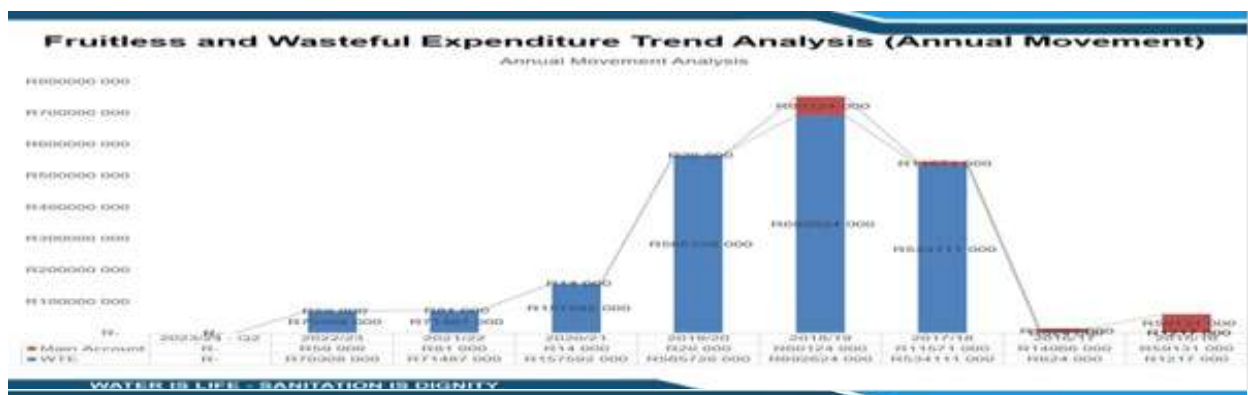
In response to **recommendations**, the Department noted the following:

- Money had been ring-fenced to deal with refurbishing the Vaal River System.
- The Department had taken legal action against perpetrators who refused to follow directives.
- The Department of Cooperative Governance and Traditional Affairs and the Department of Water and Sanitation worked on an initiative to address financial problems.
- Ensuring that municipalities pay Rand Water to strengthen its debt management plan.

**Status of report: Adopted and tabled.**

#### 4.2.4 Audit findings on accruals and payables, under-expenditure, fruitless and wasteful expenditure and irregular expenditure

The Committee reiterated their continuous and ongoing oversight mandate in holding the Department accountable for audit outcomes related to increased transgressions during a specific period. This is related to audit findings on accruals and payables, under-expenditure, fruitless and wasteful expenditure and irregular expenditure. The graphs below best illustrate the improvement, over time, made by the current department in resolving the financial challenges incurred by previous administrators:



#### 4.2.5 Water Boards: Debt Management of Bulk Water Provision between Spheres of Government – Legislative Compliance

The Committee stressed the importance of complying with section 51(1)(b) of the Public Finance Management Act, which requires that accounting authorities of public entities take effective and appropriate steps to collect all revenue due to the public entity concerned to settle all contractual obligations and pay money owing, including intergovernmental claims, within the prescribed and agreed period. The committee further noted that any measures preventing water boards from collecting revenue in conflict with the Public Finance Management Act pose financial risks if municipalities default on contractual obligations. The Committee recommended that the Minister of Water and Sanitation and Minister of Cooperative Governance and Traditional Affairs undertake the following:

- Support water boards in implementing the credit control measures, including the measures outlined in section 4(5) of the Water Services Act (which outlines procedures for water restriction) where necessary.

### 4.3 Legislation

The following piece of legislation was referred to the committee and processed during the 6<sup>th</sup> Parliament:

- **National Water Resources Infrastructure Agency Bill [B 24-2023] (National Assembly)**

The Portfolio Committee on Water and Sanitation (the Committee), having considered the National Water Resources Infrastructure Agency SOC Bill [B24 - 2023] (National Assembly – section 75), referred to it and classified by the Joint Tagging Mechanism (JTM) as a section 75 Bill, completed its deliberations on the Bill on 12 March 2024.

The National Water Resources Infrastructure Agency SOC Bill [B24 - 2023] (“the Bill”) was introduced in the National Assembly (proposed 75 Bill), with the explanatory summary of the Bill and prior notice of its introduction in Government Gazette No. 49063 of 2023. The Bill was tabled and referred to the Committee on 25 August 2023. (The English text is the official text of the Bill). The Bill seeks to provide for the establishment of the South African National Water Resources Infrastructure Agency as a state-owned company and major public entity; to provide for the objects and functions of the Agency; to provide for the governance of the Agency by the appointment of the Board of the Agency; to provide for the appointment of the Chief Executive Officer and Chief Financial Officer of the Agency; to provide for the funds of the Agency, financial reporting and accountability of the Agency; to provide for the transfer of the national water resources infrastructure; to provide for the transfer of the Trans-Caledon Tunnel Authority to the Agency; to provide for the disestablishment of the Trans-Caledon Tunnel Authority; to provide for the powers of the Minister in relation to the Agency; to provide for the making of regulations and to provide for matters connected in addition to that.

On 19 September 2023, the Department of Water and Sanitation briefed the Committee on the Bill in a virtual meeting. In facilitating effective public participation in the Bill, the Committee published a call for public comments, with the comment period lapsing on 4 November 2023. The Committee received 120 submissions, 90 (75%) of which did not support the Bill, while 10% of the submissions supported it. There were various reasons for full support, partial support, and complete rejection of the Bill.

Many of the comments from the general public that did not support the Bill were not specific to the content of the Bill but related to the intent of the Bill, which is the establishment of the Agency. These individuals believed there was no need to establish a new agency – the government should hold the existing institutions accountable and capacitate them to provide these services. They also indicated that creating the Agency would unnecessarily increase the cost of water and privatise water services and their supply. In addition, they were concerned that the Agency would provide a conducive environment for corruption, cronyism and maladministration. In summary, the total number of public comments depicts a loss of confidence in the government’s ability to establish an agency to improve water infrastructure development and provide water services.

However, two substantive written submissions were received from the South African National Biodiversity Institute (SANBI) and the Western Cape Provincial Government (WCPG). SANBI supported the Bill but did not wish to make an oral submission, while the WCPG did not support the Bill. Oral submissions were received by the National Economic Development and Labour Council (Nedlac), the South African Local Government Association (SALGA), the National Treasury and the Congress of South African Trade Unions (COSATU). The Department of Water and Sanitation responded to the issues raised during the public hearings on 28 November 2023. The committee made amendments in the form of an A list and B version of the Bill and submitted a report to be tabled in the ATC.

**Status of report: Adopted and tabled.**

### 4.4 Oversight trips (domestic and international (Lesotho))

Please note that whilst this section provides a comprehensive summation of the oversight visits undertaken by the Committee over the period under review, substantive information is contained in the adopted and tabled reports in the Parliamentary publications: Announcements, Tablings and Committees, for ease of reference in the 7<sup>th</sup> Parliament.

#### **4.4.1 Oversight Visit to Limpopo and Gauteng, 20 January to 7 February 2020**

The objectives of the oversight were to receive briefings and undertake site visits on initiatives to ensure water and sanitation delivery through sustainable infrastructure development, specifically bulk water projects and wastewater treatment works in Limpopo and Gauteng. The Capricorn District Municipality, Limpopo, provided a briefing on Polokwane's water and sanitation status. These included site visits to assess progress on access to water from the Giyani Bulk Water Project in surrounding communities. The Gauteng oversight included site visits to assess the pollution issues at the Rooiwal Wastewater Treatment and meeting with officials from the City of Tshwane and Rand Water Board to assess the spillages into the Vaal River System in Gauteng.

The Committee made the following **findings**:

- The presentation by the Mopani District Municipality in relation to access to water for 55 villages was inadequate as no budget and expenditure on the project from inception was provided, no solutions provided for identified challenges, the criteria used to select 55 villages for water services provision amongst all villages in Giyani was not offered, lack of operations and maintenance budget, no indication of community involvement in the project, and the roles, responsibilities and mandate of the Mopani District and Giyani Local Municipality was not clearly outlined.
- Other concerns raised on the water supply to 55 villages – illegal connections, vandalism of infrastructure, inadequate capacity by the municipality to support maintenance and operations, and slow pace of reticulation networks.
- In Polokwane, Limpopo, the Committee was concerned about the untreated water dumped into streams and rivers.
- The Committee was seriously concerned about the communities in Hammanskraal's lack of access to water. The City of Tshwane was advised to fast-track the infrastructure challenges, specifically those associated with the Rooiwal Wastewater Treatment Works.

The Committee **recommended** the following:

- The deteriorating and ageing infrastructure and lack of maintenance of the underground pipes had resulted in significant water losses and contamination of water sources, and this required urgent intervention by all water and sanitation institutions at all levels of government.
- Some municipalities mandated as Water Services Authorities were the highest polluters; thus, they needed to reconsider their mandates as they failed to run wastewater treatment plans and water treatment plants. Some municipalities were dumping untreated water into river streams, and directives and notices to be issued by the Department must impose heavy penalties on transgressors.

#### **Status of report: Adopted and tabled.**

At a follow-up meeting on 10 September 2020, the Committee received inputs on the Human Rights Commission's findings on the quality of water supplied by the City of Tshwane and the challenges still faced by the Hammanskraal Residents' Forum. The South African Human Rights Commission further recommended that the Hammanskraal water crisis be declared a disaster as the contaminated water served more than 50 villages. More funds should be allocated to upgrade the Rooiwal Water Treatment Plant, rehabilitate the Apies River, dredge Leeukraal Dam, and check the underground ageing water infrastructure. However, presentations highlighted the short, medium and long-term interventions to address the seriousness of the issue. However, challenges to date persist.

Following the February 2020 oversight visit by the Committee to assess water and sanitation infrastructure in Giyani and Polokwane, the Committee called the National and Limpopo Department of Water and Sanitation to provide a progress report on addressing the challenges within the water and sanitation sector in Limpopo, specifically via Nandoni and De Hoop Dams. The Department noted that although some bulk infrastructure had been put in place, reticulation has remained an ongoing setback. Reticulation is a municipal function, but municipalities have failed to develop the needed reticulation infrastructure to pump water to villages. Reticulation is a COGTA mandate; therefore, both departments must address this challenge.

#### 4.4.2 Lesotho Highlands Water Project, May 4 – 8, 2021

The Lesotho Highlands Water Project, under the auspices of the Trans-Caledon Tunnel Authority (an entity of the Department of Water and Sanitation), is critical as it falls within the oversight mandate of the committee. The visit aimed to assess progress, strengthen oversight over the project, and meet the Lesotho Committee delegation. The LHWP is a bi-national water transfer and hydroelectricity generation project between the Kingdom of Lesotho and the Republic of South Africa established through a treaty signed in 1986. The project generates hydroelectricity for the sole benefit of Lesotho citizens while water is transferred to meet the water needs of South Africans. The project benefits 60% of Gauteng's water demands. The committee underlined the strategic importance of the project for the socio-economic prospects of both Lesotho and South Africa. The project is a flagship of the Southern African Development Community (SADC Revised Protocol), premised on regional economic integration for peace and prosperity. The committee met the Natural Resources Cluster Committee of the National Assembly of Lesotho on 5 May 2021. The joint meeting focused on oversight of the LHWP and its benefits to both countries. The committee agreed on a collaborative oversight effort over the project to maximise project benefits for both countries and to share knowledge and learn from each other.

The Committee **recommended** the following:

**The treaty between the Republic of South Africa and the Kingdom of Lesotho on the Lesotho Highlands Water Project** - The Committee resolved that a virtual meeting should be arranged with the Lesotho Parliamentary Committee to consider the Treaty and identify areas that need to be amended to align the Treaty with the current socioeconomic needs of the two countries. The Department and TCTA should provide a detailed briefing on the Treaty, which should reflect deeply on each of the clauses or provisions that deal with operation and maintenance, sharing of benefits (contracts, employment opportunities, etc.), payment of royalties, and taxes, among others. This would enable the Committee to make recommendations about areas for improvement on the Treaty if there are any.

**Impact of tourist boats and vessels** - The Committee recommended that the impact of tourist boats and vessels on water quality and general dam infrastructure be investigated and managed to prevent water pollution and damage to the dam infrastructure.

**Namibian No-objection Letter** - The Committee noted the delay in the Namibian government's issuing a no-objection letter to support the South African funding application for LHWP and that this issue is being handled at the highest level by the South African and Namibian governments. In this regard, the Committee recommended that the Department provide a progress report when it briefs the Committee on this project.

**Status of report: Adopted and tabled.**

#### 4.4.3 Eastern Cape Province

The Committee conducted an oversight visit in the Eastern Cape from January 24 – 27, 2022. The visit's objectives were to assess water and sanitation challenges, incorporating inspections of existing bulk water projects, such as dams, the scope, nature and efficacy of existing desalination plants and eradication of the bucket system.

The Committee noted the challenges and **recommended** the following:

Notwithstanding the challenges such as those posed by COVID-19, which halted work on undertaking bulk water projects, the Portfolio Committee acknowledges the ongoing work by the Department of Water and Sanitation and the Eastern Cape Regional Office on finding solutions to address water shortages in the province. Members of the Committee, on observing the following critical challenges (spending on grant allocations, non-compliance to contractual obligations, procurement issues, delays in payment of invoices, poor planning and delays in finalising of projects) in respect of the site visits in the Eastern Cape, resolved that the Minister, through the Department of Water and Sanitation, should:

- Provide concrete measures on the water and sanitation sector to develop an implementation model that factors in the operations and maintenance of schemes, whereby unspent or poorly spent government grants can be managed on behalf of the Water Services Authorities. Water Boards or other service providers used on behalf of the municipalities monitor and evaluate the progress of projects at every stage (inception to completion).
- The Ndlambe Bulk Water Supply Project should be more aggressively managed to ensure equitable and accessible potable water for communities without this project service. This concerns the Alexandrian communities, which will not be supplied with water during the present phase. The risks highlighted in this project must be resolved, and the department should urgently address the poor performance of the Amatola Water Board on this project.
- The regional office should undertake concrete targets in monitoring and evaluation oversight functions to address the increases in costs due to delays in payment of Professional Service Providers and contractors. The Department of Water and Sanitation should urgently prioritise challenges associated with procuring contractors who do not complete projects or meet standards. Tighter oversight and improvement of monitoring and evaluation systems must be strengthened in contractual obligations and agreements between parties.
- The OR Tambo Bulk Water Project aims to expand the existing Mthatha Bulk Water Project and unlock regional housing and commercial development. The provincial water department should present the risks hampering the project to the national department. Furthermore, prioritising strategic community involvement in this project is critical.
- On the Umzimvubu Water Project, focusing on providing water to communities and stimulating development in the area, the risks highlighted by the presenters should be translated to proper interventions, which should be presented to the Committee for progress assurance. In addition, the legal battles over this project have been resolved. The national department effectively addresses the pending court order by communities, and communities are appraised of the developments on the matter. To mitigate future land-use challenges, the department should work closely with responsible chiefs so that the project is not further delayed or compromised.
- Regarding the Nooitgedacht project, the Department should develop a strategy with the Amatola Water Board to improve the timeframes for work payment to contractors.
- Regarding the Ngqamakhwe water project, the Department should develop a strategy to address challenges associated with SMMEs, community protests, and greater communication with affected communities, which must be closely monitored.
- A need exists for the Department to seriously negotiate with the National Treasury on budget funding of projects, emphasising the need for highly technical bulk infrastructure development to address current and future water security issues in South Africa.
- The Department needs to strengthen its oversight of community members' job creation if and when utilising private sector services.
- Mitigating strategies to address future impacts of climate change on current and future projects should be factored into bulk water infrastructure development to ensure the sustainability of built infrastructure.

**Status of report: Adopted and tabled.**

#### **4.4.4 Oversight Visit to the Vhembe District Municipality, Limpopo, from 28 to 29 October 2022**

The Committee undertook an oversight visit to Limpopo from 28 to 29 October 2022. The visit focused on engaging substantively with the complaints highlighted in a petition submitted to Parliament by the Nandoni Complaints Resolution Commission. The Committee assessed the departmental commitment to constructing, refurbishing or augmenting bulk water and sanitation infrastructure to address water challenges in Giyani. The focus was on whether the Department had progressed in its objectives of transferring water from Nandoni Dam to augment the Nsami and Middle Letaba water treatment works systems. The Committee made the following recommendations:

- Ensure the obligations of the Office of the Public Protector are timeously conducted to oversee the implementation of previous and current remedial actions on all matters raised in the petition and provide a handover report to affected parties.
- Strengthen trust and accountability by incorporating decision-making and solution-driven outcomes between the national, local and affected communities.

- Restructuring or revisiting the current structure of the technical committee to include the two representatives, Mr Baloyi and Mr Netshivambe, who serve the affected communities around the Nandoni Dam, traditional councils and officials of the Vhembe District Municipality, and the Department of Water and Sanitation to ensure that decisions taken are effectively communicated to all affected parties.
- The Committee resolved that the money budgeted for the project at its inception must be audited to ascertain whether there were fruitless and wasteful expenditures and, if so, whether consequence management of any evidenced transgression would be investigated.
- The newly established technical steering committee should report on progress made on further remedial actions and whether these were adequately addressed. The Department of Water and Sanitation will relay this information by August 2023.

**Status of report: Adopted and tabled.**

#### **4.4.5 Oversight Visit to the Free State Province, 29 – 31 March 2023**

The oversight visit sought to assess the implementation of the Bucket Eradication Programme in the Free State Province, ascertain the extent of eradication, and confirm and verify the achievements of targets communicated to the committee.

The Committee recommended the following:

- The Department should provide written monthly project progress reports to Parliament starting June 2023. The Committee will host monthly virtual meetings on BEP from September 2023 to assess progress towards completion dates as presented during the oversight and agreed to by all stakeholders.
- The Department, working with the relevant municipalities, should secure all wastewater treatment plants and related infrastructure. To this end, the Department should provide a security report to Parliament by June 2023 detailing security provisions at these projects.
- The Department should engage with the South African Police Service and other security agencies through DDM and other intergovernmental relations processes to address the threats and risks associated with the construction mafia or business form and provide a report to Parliament by July 2023.
- The Department should enforce its directives to all municipalities discharging untreated sewage into rivers, such as the Sesotho Local Municipality. By July 2023, it should provide a report on implementing these directives, including, but not limited to, interventions by polluting municipalities and consequences for continuous pollution of rivers and other water resources.
- The Department should intervene when contractors are not paying the workers on time, work with the municipalities to find a way to get the workers paid and ensure that there are consequences for contractors who fail to pay their workers on time.
- The transfer of assets to municipalities after completion should consider the municipality's capacity to operate and maintain them. Where more capacity is needed, the Department should delay handover while assisting the municipality in developing internal capacity by training existing staff or appointing people with the requisite technical skills.
- The Department should find ways to improve municipalities' technical and skills capacity to deliver water services better. The Department should provide a report on skill development support by August 2023.
- The Department should report the consequences to the Housing Development Agency (HDA) for failing to implement the Bucket Eradication Programme and irregular appointment of contractors by August 2023.
- The contractors should appoint a stand-in site manager to avoid project implementation delays while the injured site agent recuperates.
- The abandoned old wastewater treatment plant should be revamped to augment the existing plant to accommodate increased sewage volumes. The Department should submit a report on the repairs on this plant, which should indicate the timeframes, budget allocations, and any other related matters by November 2023.

**Status of report: Adopted and tabled.**

#### 4.4.6 Giyani Bulk Water Project, Limpopo Province

The Committee undertook a follow-up visit to the Limpopo Province from April 18 – 19, 2023, to assess progress on the Giyani bulk water project. The focus of the April 2023 oversight was to assess departmental commitments to constructing, refurbishing or augmenting bulk water and sanitation infrastructure to address service challenges in Giyani. The Committee **recommended** the following:

- The Committee called for consequence management against those who have defrauded the state, negatively impacting the project's implementation. ***In its Legacy Report, the committee will urge the Portfolio Committee on Water and Sanitation in the 7th administration to ensure focused oversight on the investigation and prosecution of perpetrators.***
- Monitor timeframes with respect to the completion of different phases of the project and leverage technology for sustainable water management at bulk infrastructure projects.
- The Department of Water and Sanitation and Mopani District Municipality should explore ways to speed up the construction process using modern technology, such as solar panels to generate electricity for water treatment plants and digital construction planning. Additionally, project managers should work closely with suppliers and contractors to ensure timely delivery of materials and equipment to avoid unnecessary delays.
- Water and sanitation bulk infrastructure project planners should identify and solve design and construction conflicts beforehand by implementing a robust project management plan and effective stakeholder coordination to minimise delays.
- The Department of Water and Sanitation and Mopani District Municipality should factor in increased security measures to protect costly infrastructure, such as boreholes and bulk and sanitation, against vandalism and theft.
- Optimise the functionality of wastewater treatment works by following standards and ensuring systematic operations and maintenance with funding.
- The Committee recommended that the Minister, through the Department and Entities, work together with all three spheres of government and optimally use the parameters of the District Development Model to devise short (3 months), medium (6 months), and long-term (6 months) solutions to facilitate action on pollution challenges in the country.
- Address the capabilities and capacities of water services authorities to take over bulk water and sanitation infrastructure to ensure sustainability.
- The Committee recommended that the Department undertake more work on Mopani District Municipality's ability to sustain bulk water infrastructure projects, such as wastewater treatment plants and water treatment works in Nsame, so that no duplication of work is undertaken. Guidance and interventions to assist the district municipality are strongly recommended.
- Public-private partnership to assist with operations and maintenance of bulk water and sanitation infrastructure to avoid project cost overruns.
- The Department and water services authorities must conduct a detailed cost-benefit analysis and risk assessment to identify potential cost overruns and develop a contingency plan upfront. The team should also explore using sustainable and cost-effective construction materials and technologies to reduce project costs. Additionally, the project team can engage with the local community and other stakeholders to secure funding or investment for the project.
- To avoid technical complications, the project team must engage with technical experts and specialists to conduct thorough feasibility studies and detailed design and engineering analysis to identify potential technical challenges upfront. Project teams must also communicate extensively with all stakeholders, especially the local community, to gain valuable input and insights into the project's technical requirements. Furthermore, the project team should establish a working relationship with the local authorities and government agencies responsible for water resources management to obtain necessary permits and approvals.
- The Department should provide systematic bi-monthly progress reports on the contractors used to facilitate the reticulation of potable water for the 24 villages (either virtual or written) in respect of funding, names of contractors and timeframes, with additional information once other contractors are appointed to reticulate other villages.

**Status of report: Adopted and tabled.**

#### 4.5 Petitions



Between 2019 and 2023, the committee received several petitions, which comprised:

#### **4.5.1 Banaero Park Petitions, 12 February 2021 and 28 May 2021**

The Committee received two petitions – (1) Meeting held on 12 February 2021 related to residents in Banaero Park complaints about sewage spills affecting their lives, and (2) the other held on 28 May 2021 related to sewage spills in the area. The Banaero Park petition had been submitted in 2020 and highlighted the plight of the Banaero Park residents who were desperate for an improvement in their living conditions. A blockage in the sewer system had caused the pipelines to overflow, which posed serious health risks to the residents. The environmental impact was severe as it destroyed bird life in the wetland. The City of Ekurhuleni had a panel of consultants and contractors available to undertake the maintenance work, but funds were lacking.

The Committee made the following recommendations:

- The Department of Water and Sanitation will submit a report within 14 days on interventions by the City of Ekurhuleni to mitigate the impact of sewage spillages in Banaero Park.
- The City of Ekurhuleni assist the communities with interim solutions to reduce the health risks.

**Status of report: Adopted and tabled.**

#### **4.5.2 Petition from the Nandoni Complaints Resolution Commission**

The Nandoni Complaints Resolution Commission submitted a petition, tabled on 13 April 2022. The submission highlighted the challenges experienced by communities displaced by the Nandoni Dam's construction by the then Department of Water and Forestry in 1998.

**Status of report: Adopted and tabled.**

#### **4.5.3 Petition from the residents of Northern and North-Eastern suburbs of Rustenburg, North-West Province**

Petition from the residents of the northern and North-Eastern suburbs of Rustenburg, North-West Province, tabled on 7 June 2023. The committee considered the petition and published its report in the Announcements, Tablings and Committee Reports (ATC) on 27 October 2023.

The petition related to residents' complaints that reservoirs were insufficiently filled and could not supply certain areas with water. The lack of sufficient water supply to the residents was due to inadequate maintenance, insufficient tools and equipment, lack of staff, lack of expertise within the staff component, and an outdated manual system to manage the waterworks. This resulted in insufficient water in the reservoirs and continuous breakdowns. Other issues impacting access to water for this community related to:

- The state of the municipal administration, which currently did not have a municipal manager, with most of the directors in the municipality in acting positions.
- The underlying challenges encountered in the municipality resulted in the lack of treated water to fill the reservoirs due to limited or no supply of technical tools and skilled personnel to manage the manual operations of the water supply system. Inadequate maintenance resulted in significant leaks in the system. The Committee made the following recommendations:
- The petition should be referred to the Department of Water and Sanitation and the Department of Cooperative Governance and Traditional Affairs for their responses. A joint meeting with the departments and petitioners would be called thereafter, as the matter needed to be expedited.
- The Chairperson write to the National Assembly Table, or the Unit charged with referrals of petitions to the respective Committee to ensure the correct procedure is followed in assigning petitions. This is related to the continuous referral to the Portfolio Committee on Water and Sanitation on petitions highlighting the challenges communities face in access to water services provision. The Committee stressed that water services provision falls within the mandate of the

Portfolio Committee on Cooperative Governance and Traditional Affairs, and incorrect referrals result in delays in processing the petitions.

**Status of report: Adopted and tabled.**

#### **4.5.4 Petition from the residents of Warrenton, Northern Cape**

A petition from residents of Warrenton, Northern Cape, was tabled on 11 June 2023. The committee considered the petition and published its report in the ATC on 24 October 2023.

The issues in this petition pertained to communities in Warrenton not receiving water for months and, in some places, for years. Incomplete infrastructure projects and a subsequent flood in the area had caused a lack of water supply. Political favouritism and lack of response to the community's pleas had left them in dire straits. Other significant challenges encountered and listed in the petition included:

- Poor political leadership resulted in a breakdown of trust between residents and the municipality, resulting in social unrest and legal action by the municipality.
- A water treatment project initiated in 2018, with a completion date set for June 2021 and a funding allocation of R90 million, was incomplete and at a standstill. The estimated cost to date is approximately R94 million.
- A bulk water supply pipeline with a budget of R18 million and a completion date of 2021 is incomplete. The new internal water reticulation project, valued at R22.8 million, is under construction.
- The February floods and challenges caused by project non-completion and poor operational infrastructure maintenance left communities without water for seven (7) months.
- The inconsistent water supply, owing to breakdowns, resulted in the area receiving water tankers worth R1.9 million. However, selective allocation due to 'political favouritism' forced the most vulnerable to use water from the river or buy water per litre.
- Emergency interim pipeline restoration after the floods was set for completion in May, but this was delayed with no explanation provided.
- Other concerns raised by community members included the lack of transparency in procurement and contract management, the lack of implementation of audit plans and corrective measures, the lack of technical capacity and expertise, ageing infrastructure, and the incomplete projects that impeded service delivery to the communities of Magareng.

The Committee made the following recommendations:

- The petition should be referred to the Department of Water and Sanitation and the Department of Cooperative Governance and Traditional Affairs for their responses. A joint meeting with the departments and petitioners would be called thereafter, as the matter needed to be expedited.
- The Chairperson write to the National Assembly Table, or the Unit charged with referrals of petitions to the respective Committee to ensure the correct procedure is followed in assigning petitions. This is related to the continuous referral to the Portfolio Committee on Water and Sanitation on petitions highlighting the challenges communities face in access to water services provision. The Committee stressed that water services provision falls within the mandate of the Portfolio Committee on Cooperative Governance and Traditional Affairs, and incorrect referrals result in delays in processing the petitions.

**Status of report: Adopted and tabled.**

**Challenges concerning petition referrals to committees: The Portfolio Committee reiterated its recommendation that petitions on water service provision should be referred to the Portfolio Committee on Cooperative Governance and Traditional Affairs, as they fall within the competency of local government.**

#### **4.6 Other matters referred by the Speaker/Chairperson**

None.

#### **4.7 Obligations conferred on Committee by legislation:**

Section 5(1) of the Money Bills Amendment Procedure and Related Matters Act (Act No. 9 of 2009) provides for the National Assembly, through its committees, to assess each national department's performance and its entities annually. The Committee considers the departments and their entities' performance annually. The Budgetary Review and Recommendations Report assesses service delivery performance, given available resources, and the efficiency and effectiveness of resource use and forward allocation.

Section 10(c) of the Money Bills Act stipulates that updated strategic plans must be tabled in Parliament after adopting the fiscal framework. Thus, the Committee considered the budget allocation of Vote 36 and, subsequently, Vote 41 of the Department of Water and Sanitation.

Key recommendations to the Minister of Water and Sanitation and other role-players in the water and sanitation sector for the period under review (2019 - 2024) are as follows:

- The Department develops internal controls and instruments to monitor and eliminate irregular, wasteful, and fruitless expenditures to reduce inefficiencies. The Committee will continue to monitor budgets and request quarterly reports on consequence management (for non-compliance with the PFMA regulations).
- The Department implements the auditor general's findings and provides written reports on strategies to address findings.
- Effective data management is needed to improve the Office of the Auditor-General's recurring findings on the quality and reliability of performance information. The Committee will monitor this aspect quarterly.
- The Department and other critical stakeholders in the water value chain ensure that water services authorities devise effective operation plans to manage schemes sustainably. Short-term measures that can help alleviate this pressure include enforcing water conservation and demand management approaches, improving coordination of planning for water and sanitation through the use of the DDM platforms, taking into account the local municipality level as the main focus point for service delivery, encouraging proper integrated asset and operations management and maintenance through innovative PPPs; and ensuring that service level choices are appropriate to avoid unnecessary and irregular expenditure. The issue must be addressed by reviewing mandates and policies related to water infrastructure management and available capacity.
- The Department should fast-track and finalise the investigations, apply consequence management on those officials found transgressing, and provide progress reports to the committee in the first quarter of 2024.
- The Water Trading Entity must hasten to remedy operations and maintenance concerns concerning infrastructure to ensure adequate repair and maintenance.
- The Department will develop a national action plan to address water losses.
- The Department will enhance wastewater reuse efforts to meet water demand and conservation objectives and reduce pollutant loads. Implementation and monitoring must be enforced.
- The Department to continue implementing interventions to achieve the 90-day target of issuing water use licences, including improving the capacity of the unit performing water use authorisation functions,
- The Department revises and drafts new timelines to eradicate bucket systems and adhere to these timelines.
- The Department will provide progress reports on the modalities it intends to use for the National Water Resources Infrastructure Agency's financial modelling, staff transfer, and institutional set-up.

#### **a) Challenges emerging**

- Lack of responses from the Department on previous BRRR and budget vote recommendations.

#### **b) Issues for follow-up**

The 7<sup>th</sup> Parliament should consider following up on the following concerns that arose:

- The department's budget spending is not in line with service delivery performance; there are high budget expenditures but poor performance against set targets in some programmes.
- Quality and reliability of performance data.
- Consequence management for poor performance and transgressions.

#### **4.8 Recommendations to strengthen Committee work in the 7<sup>th</sup> Parliament**

- There is a need for a systematic and standard mechanism to ensure that all issues raised are addressed and detailed responses are presented in the reports to the Committee once they have been addressed within the requested timeframe.
- Strengthen links and close working relationships with other Parliamentary Committees.
- Create a fixed time in the parliamentary programme for strategic planning sessions for committees.
- Hold midterm strategic planning sessions to review/or amend the committee's strategic plan.
- Training Committee members and staff is essential to refresh and enhance skills for effective oversight.
- Regular Committee management meetings will strengthen the Committee's regular planning and communication.

#### **4.9 Committee strategic plan**

A three-year strategic plan was submitted for consideration. Due to time constraints, a strategic planning workshop could not be held. Instead, the Committee opted to run training and developmental workshops for Members on sector-specific work.

**4.10 Master attendance register:** Available from the Committee Secretary on request.

**Report to be noted.**