



Parliamentary Portfolio Committee: Water & Environmental Affairs

24 October 2012

Enhancing the response of Private Sector water users to shared water risks

This presentation will highlight

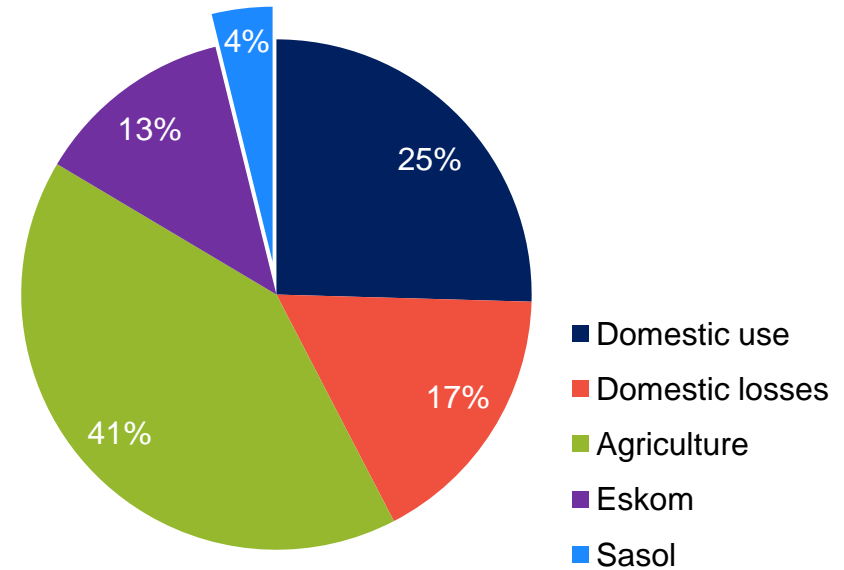


- The importance of water for Sasol
- Opportunities for Private Sector water users to collaborate in reducing water losses
- How Private Sector water user's response to shared water risks can be enhanced

Sasol is dependant on reliable supply from the Vaal River system



Vaal system water demand per sector



Source: DWA Vaal System annual operating analyses

Sasol operations (Secunda and Sasolburg) account for 4% of Vaal River system demand

Sasol's contribution to mitigate water risks

Internal measures:

- Strong focus on treatment and re-use of effluents
- Internal water efficiency targets for Secunda and Sasolburg operations
- Development of new water and effluent treatment technologies

Measures “beyond the factory fence”:

- Partnerships with local Municipalities on water conservation & demand management (Emfuleni, Govan Mbeki, Metsimaholo)
- Repair of leaks in schools in Metsimaholo Municipality and partnership with DWA on water education and awareness at schools (2020 Vision for Water Education)
- Training of irrigation farmers to improve water use efficiency and exploring opportunities to reduce losses in the Agricultural sector
- Technology development collaboration with Water Research Commission and Universities

Sasol is endorsing the UN Global Compact CEO Water Mandate and a member of the SA Strategic Water Partnership Network

Response by DWA to address water security risks

- Implementing water use efficiency measures:
 - › Reduce municipal water losses by 15%
 - › Developing water use efficiency regulations for mining and industry
- Eradicating illegal irrigation water use
- Implementing Phase 2 of Lesotho Highlands Augmentation scheme
- Implementing solutions to address legacy Acid Mine Drainage (AMD)
- Water policy and regulatory reform – including pricing strategy, independent regulator, infrastructure asset management

How can emerging Private Sector response to the shared risk be enhanced?

Reducing municipal water losses presents a typical opportunity for Private Sector involvement

Municipality	Non-revenue water %	Volume mil.m ³ /a
City of Johannesburg	38	192
City of Tswane (Pretoria)	27	70
Ekurhuleni (East Rand)	39	123
Emfuleni (Vaal Triangle)	52	42
Total		427
Total Sasol and Eskom water use		480



Source: DWA Vaal River Strategy Steering Committee

***Public and Private Sector's collective response:
e.g. Project "Boloka Metsi" in Emfuleni Municipality***

“Project Boloka Metsi” typical focus areas



Collective response can deliver on objectives of NWRS

- 40 000 houses targeted in Sebokeng/Evaton (Phase 1)
- First savings achieved = **100 000 m³**
- Targeted savings = **12 mil.m³/a (R60 mil/annum)**
- 54 local Water Warriors and Plumbers employed
- Community training, education and awareness

An Olympic task..!



100 000 m³ = 50 Olympic pools



A water off-setting policy can enhance Private Sector response

Example of quantity Off-setting:

Industry water saving targets achieved through credited external water savings

Also applicable to water quality



Proposal: Include a water off-setting policy as part of NWRS

Summary

- Assurance of water supply is critical for Sasol and business growth in South Africa
- Private Sector water user's response to shared water risks can be enhanced
- A water off-setting policy could support several of the objectives of the NWRS:
 - › Incentivise Private Sector water users to invest in addressing shared water risks
 - › Achieve more cost effective water savings and quality improvements
 - › Maintain assurance of supply to existing users by making water available for growth and historically disadvantaged, small scale users

Together we can achieve more