

CIRCULAR 30 / 2022
NATIONAL WATER RESOURCES INFRASTRUCTURE AGENCY BILL

FROM : LANCE JOEL
ACTING CHIEF EXECUTIVE OFFICER

TO : MUNICIPAL MANAGERS
EXECUTIVE DIRECTORS / HEADS / DIRECTORS / MANAGERS: WATER AND
SANITATION SERVICES

DATE : 25 AUGUST 2022

URGENT REQUEST FOR MUNICIPAL COMMENTS ON THE DWS NATIONAL WATER
RESOURCES INFRASTRUCTURE AGENCY BILL

1. OBJECTIVE OF THE CIRCULAR

To invite municipalities to submit written inputs on the Department of Water and Sanitation's (DWS) National Water Resources Infrastructure Agency Bill.

2. BACKGROUND

DWS in its efforts to give effect to the 2030 vision articulated in the National Development Plan (NDP), is currently in the process of drafting a National Water Resources Infrastructure Agency (NWRIA) Bill. The Bill is intended to address issues relating to water security as well as socio-economic growth and development, which are, *inter alia*, dependent on the development, operation, and maintenance of national water resources infrastructure. Recognising the direct and indirect

impact of this Bill on Local Government, and in line with the principles of intergovernmental relations; DWS is requesting formal inputs from Local Government on the NWRIA Bill.

3. DISCUSSION

The NWRIA Bill is the founding legislation for the lawful establishment of the National Water Resources Infrastructure Agency and does not replace or supersede the National Water Act (Act 36 of 1998) nor the Water Services Act (Act 107 of 1997) but is read in conjunction with these and other relevant legislation. The Bill will not cause any institutions emanating from the National Water Act or Water Services Act to be replaced.

Currently, DWS cannot raise capital directly on the financial markets and is therefore reliant on special purpose vehicles such as the Tran-Caledon Tunnel Authority (TCTA), to finance and implement viable economic projects. DWS is of the view that the current national water resources infrastructure base if properly managed and maintained, can be leveraged to fund and develop the infrastructure requirements identified in the National Water Master Plan (NWMP).

The establishment of the NWRIA has the potential added advantage of separating the policy development and regulatory responsibilities of the DWS, from the infrastructure management (planning, development, operation, and maintenance) responsibilities. The Bill seeks to incorporate and establish the NWRIA as a juristic person, that is wholly owned and controlled by the State. The NWRIA is to be registered as a state-owned company in terms of the Companies Act (Act 71 of 2008) and listed as a major public entity in terms of Schedule 2 of the Public Finance Management Act (PFMA). The TCTA and part of the Infrastructure Branch of DWS and national water assets will be transferred to the NWRIA.

The specific objectives of the NWRIA Bill are therefore to:

- a) Ensure a sustainable, equitable, and reliable supply of water from national water resources infrastructure;
- b) Meet the Constitutional obligations set out in Section 10, 11, 24, 27(1)(b) and 27(2) and national and regional social and economic objectives of national policy;
- c) Utilise the DWS's asset base and cash flow to raise funds to develop infrastructure for social and economic development purposes;
- d) Fund the costs of national water resource infrastructure development, operations, and maintenance; and
- e) Perform the Treaty and non-Treaty functions currently being performed by the TCTA.

Noting the above, SALGA requests urgent written inputs from Local Government by 6 September 2022. The Draft Bill (Annexure A) and the Business Case (Annexure B) are attached.

Should you have any queries or require more information please do not hesitate to contact Mr Lubabalo Luyaba at LLuyaba@salga.org.za or 076 294 1540.

Yours Faithfully,



LANCE JOEL

ACTING CHIEF EXECUTIVE OFFICER