

Budget Vote No. 34
Speech by Ms BP Sonjica, MP, Minister of Water Affairs and Forestry
National Assembly
17 June 2004

Chairperson
Honourable Members

The achievements of the past ten years, including those of my Department, reflect the consistency of the ANC's policies, which date as far back as 1955 when the Congress of the People adopted the Freedom Charter. We have seen the values of the Freedom Charter enshrined in the Constitution. They formed the bedrock of our Reconstruction and Development programme and the Freedom Charter remains a living document with its values reflected in all our policies.

The values of the Freedom Charter are those of a caring society, a society, which recognises every citizen's right to a better quality of life.

My Department's core function is to ensure that all South Africans have equitable access to water and sanitation and that our water resources and forests are managed sustainably in the interests of all.

The delivery of water services is the constitutional mandate of local government and we are making progress in implementing that vision as illustrated by major changes in this year's budget. In terms of the Division of Revenue Act passed by this House in February, funds for water supply and sanitation investment, previously managed by our Department will now be allocated to local government.

The funds will be transferred through the Municipal Infrastructure Grant (MIG) administered by the Department of Provincial and Local Government. The water services budget of the Department is thus reduced from R2 608 million to R1 334 million.

The way we work to achieve government's targets will therefore change. The Water Services Strategic Framework, approved by Cabinet in 2003, gives the department the job of leading, regulating and supporting the water services sector. The budget provides increased funds for support to our municipalities.

So we will continue to promote the targets set out in the President's State of the Nation address to:

- provide basic sanitation services to 300 000 households this year
- celebrate the delivery of safe water to 10 million people since 1994
- eradicate the water supply backlog within five years
- ensure that all schools have adequate water supplies and sanitation.

We will work with the Department of Provincial and Local Government to ensure that the Municipal Infrastructure Grant is properly utilised and that the change to the MIG does not slow down the pace of delivery. There is

therefore no reason why the targets for the current financial year should not be reached.

We will also approach our stakeholders to come up with creative ideas to ensure that the interventions we make in supplying water to schools and clinics are sustainable. Some stakeholders have already begun to do so and we encourage such noble gestures within the confines of the existing policies.

Mawethu, wonke ubani uyayazi into yokokuba urhulumente sele ehambe umgama ekucutheni inani labantu abangenawo amanzi acocekileyo, kangangokuba kulo nyaka sizakube sifinca izigidi ezilishumi zabantu abazakube bexhamla.

Siyayivuyela ke loo nto, kwaye sinethemba lokuba kubekho utshintsho ebomini babantu.

Kodwa kwicala lee nkonzo zangasese sisasilela singurhulumente. Usemde umgama ekusafuneka siwuhambile. Kwaye kufuneka sigxanye kuba lo mbandela uphuca isidima sabantu.

Imithetho esinayo okwakaloku nje isangqamene nokunika ezona nkonzo zikumgangatho okwizinga elinganeno kwelo urhulumente azimisele ukunika lona uluntu – ezizinto ke kuthiwa zii VIP toilets.

Noxa oludidi lwamkelekile emaphandleni ngenxa yokuqelelana kwemizi, alulungi ncam kwindawo zasezidolophini ezishinyeneyo ingakumbi kwiilokishi zakudala ezakhiwa nangaphambi kokufika kwe apateyiti.

Siyathethana ke no Minister Mufamadi, umphathiswa wezamaphondo noomasipala, ukuba iindawo ezise zidolophini ezisasebenzisa amabhakethe masizinike iinkonzo ezikudidi oluphezulu. Kungoku nje senza uphando lokuba zingaphi iindawo ezisasebenzisa amabhakethe kwaye nexabiso lokufakela iitoilets eziflashwayo.

Siyacinga ukuba noko elixabiso alingebulali kuba sele ikhona imibhobho ekufutshane.

[While we have made excellent progress with water supply, and will be celebrating the 10 millionth person to receive safe water through the Department's programmes later this year, the same cannot be said for sanitation. Improving sanitation is a major challenge and one on which I am going to concentrate during my term of office.]

Our current policy focuses on firstly achieving the very basic levels of service – usually VIP toilets. While these are perfectly adequate in the rural areas, I am not convinced that they are appropriate in urban areas.

In areas next to existing suburbs and townships where there is already water borne sanitation, it is both socially and politically difficult to give people what

they see as a second-best solution. Moreover, in areas close to existing infrastructure, the additional cost may well be less than for an entirely new system.

Minister Mufamadi and I are working together on a study to determine alternative strategies for reaching the sanitation targets and providing water borne sanitation in urban and peri-urban areas. We will make an announcement, with regards to this in due course]

As a people-centred government, a government with a 70% mandate from the electorate, we are morally and politically bound to give people the level of service that restores their dignity.

I know that the funding currently available for sanitation is not adequate for us to achieve our targets if we want to provide water borne sanitation in these areas. We will need more investment funds and also to ensure that municipalities can pay for the operating costs, for water to flush toilets, for the staff, chemicals and electricity needed to run the wastewater treatment plants so that we do not pollute our rivers. Free basic water without free basic sanitation will not enable those targeted to enjoy the healthy environment promised by our Constitution.

Concerns have been raised about the ability of local government to supply water reliably. As part of our monitoring, we have conducted a large national survey with the Human Sciences Research Council to find out what is actually happening.

The survey asked about the reliability of supply and the vexed question of water cut-offs. 63% of households said that their water supply had not been interrupted for more than a day during the previous year. 16% were interrupted once or twice, 15% several times.

Cut-offs for non-payment were not the main reason for the supply interruptions. Only 7.5% of people whose supply was interrupted said that it was for non-payment. 39% said that it was for repairs and a similar number did not know the reason.

On the interview day, only 2% had not used their normal source; those most affected normally used free public taps. The poorest members of society in rural and informal urban settlements were least affected by cut-offs for non-payment.

While more work will be done, the results suggest that the main problem affecting peoples' water supplies is not cut offs for non-payment but the ability of service providers to keep the water running. To address these challenges, R265 million is on this year's budget for local government support and capacity building and this will be supplemented by generous donor funding.

Water Resources

Our water agenda goes beyond taps and toilets. Water is central to our life, an indispensable resource for growth and development. As custodians of this national resource, we all have a responsibility to support water conservation, in the spirit of a people's contract, to ensure that water is available to meet our peoples' needs and support their social and economic development.

From the Department, we will continue our review of water-saving sanitation systems in support of the vision of access to water and sanitation for all. We hope that everybody will lend a hand and support campaigns of water conservation in the spirit of a people's contract.

In this regard, I would like to commend caring citizens like Charl Fourie from Blouberg Strand who drew attention to three faulty taps in Langa that were wasting water. These are the kind of incidents that must be addressed by our water conservation campaign.

YOU magazine of 27 May 2004 had an impressive educational article on environmental protection, especially the pollution of rivers and dams. Keep up your good work, responding to the people's contract to build a caring society and contributing to a sustainable development. Other publications should follow your example because water is everybody's business!

Our approach is set out in the National Water Resource Strategy, due for publication well before the end of this year. The Strategy includes investment in water infrastructure – dams, pipelines and canals – to ensure that South Africa and our neighbours' water needs are met in a sustainable manner. Projects are underway from the Berg River in the Western Cape to the Olifants River in Limpopo province, and we are cooperating with our neighbours through joint projects on the Orange-Senqu and Komati rivers.

Financial assistance to "resource poor farmers"

We have also developed a strategy with the Department of Agriculture to address the Second Economy. We are creating opportunities for poor farmers on irrigation schemes, giving them access to water for high value crops and food production. Water is available to irrigate 12 000 ha in the Eastern Cape, Free State and Northern Cape and we are working with Provincial and National Departments of Agriculture to implement schemes to use these allocations.

Financial assistance is given to emerging farmers for water infrastructure as well as operation and maintenance with 458 farmers receiving financial support from the Department for the first time last year. R28,4 million has been budgeted in 2004/2005 to assist another 4 500 historically disadvantaged households.

This will include support for household rainwater harvesting storage tanks, acquisition of water entitlements to promote equity, training in water management and help for viability studies to enhance the sustainability of future schemes.

This demonstrates how water resource management can support the development of the Second Economy. We will continue to work closely with the National and Provincial Departments of Agriculture and Land Affairs so that our programmes complement their farmer support activities.

Through Water User Associations, we will also ensure that irrigation schemes once exclusively for white commercial farmers are shared more equitably by all users and also support their communities, contributing to Local Economic Development.

Trading Account

We run a large business as a branch within the department. Its assets are worth over R50 000 million and its cash income is over R2 300 million a year. Its investments over the next five years will exceed R8 000 million. The management of this operation is a major challenge and has not always complied with the PFMA. The Department has implemented improvements required by the Auditor General and, as part of the government's review of State Owned Enterprises, we will also develop proposals on how best to organize our water resource infrastructure.

Catchment Management Agencies (CMAs)

The National Water Act requires the establishment of Catchment Management Agencies to undertake regional water resource planning and management and ensure that water users become part of the process.

Four CMAs will be established during this financial year, in the Inkomati, Umvoti/Mzimkhulu, Breede and Crocodile West/Marico water management areas. The Department will devolve administration to the local water users and communities, accompanied by vigorous capacity building so that historically excluded communities can participate in water management. R28 million has been budgeted for this in 2004/2005.

Water users must contribute to the costs of secure water access. So I was concerned that a representative of Forestry South Africa should tell Parliament that they may refuse to pay the water resource management charges, which are essential for the CMAs' success.

When state forestry was restructured, we agreed to "cap" the water charge for forestry at R10 per hectare. This amounts to only R15 million for all plantation forests in the country. Since the turnover of the industry is over R20 billion and the profits of just one company's local division were over R300 million, we do not believe that this is excessive.

The charges are being phased in as we implement the new CMA functions and not imposed unilaterally. We have already invited forestry and other water users such as agriculture, industry and local government to join us to review the Pricing Strategy. A new strategy could be in place for the 2006/2007 season and I will be meeting with Forestry South Africa and other stakeholders to ensure that we reach a consensus.

Forestry

Of course, DWAF's role in commercial plantation forestry covers far more than environmental management, which is what the water charges and licenses are about. With direct management of both plantation and indigenous forests transferred to other agencies, the department is increasingly focusing on the regulation of the institutions, which actually manage our forests to ensure that forestry contributes more to the development of the Second Economy in rural areas.

We have made progress as attested to by the R45 million rental income held in Trust for the communities in the Eastern Cape and KwaZulu-Natal from the first phase of forestry restructuring. However, we still need to keep our focus on practical results. So I have set specific targets for promoting plantation forestry in the Eastern Cape. And I want to see more poor rural communities benefit from forestry.

We must make sure that our rural families can cook their food at night and keep warm in winter. Wood is the principal source of energy for 25% of the population and we are not yet doing enough to help them meet their needs. So we will cooperate actively with the Department of Minerals and Energy to develop a rural energy policy to meet the needs of the poorest of the poor.

Conclusion

The Department is also growing its human resources for the future, developing the next generation of professionals and managers. This year we have placed 35 interns and will shortly appoint another 15 across the country. 20 of our 79 external bursars joined the Department after completing their degrees while the Water Research Commission helped 428 young professionals, 66% from historically disadvantaged communities, to gain post graduate qualifications and high level technical experience.

Over the next few months I will be visiting all the provinces and would like to invite all stakeholders to attend the sector imbizos that we will be organising. We need to work together, grow our capacities together, if we are to achieve our common goals. My Department and I are committed to ensuring that, with your help, the Peoples' Contract becomes a reality in creating a better life for all.

I thank you.