

Keynote Address at the 50th Anniversary of the Midvaal Water Company
Ms Buyelwa Sonjica, Minister of Water Affairs and Forestry
Klerksdorp
13 August 2004

The Premier of North West Province, Ms Edna Molewa
MECs, Mr Dikoko
The Honourable Mayor of the Southern District Municipality, Mr. Sebusengwe
Acting Mayor of the City Council of Klerksdorp
Chairperson and Members of the Board of Directors of Midvaal Water Company
The General Manager of Midvaal Water Company, Mr Khan
Chief Executives of the Water Boards
Senior Government Officials present here
Distinguished guests
Ladies and Gentlemen.

It gives me great pleasure to congratulate Midvaal Water Company on its 50th Anniversary. The period of half century definitely represents a long experience and relevant expertise. It is encouraging to be associated with 50 years of providing a reliable operation and maintenance service at competitive costs to improve the quality of life of our people.

Programme Director, this sustainability of services on an independent and self-financing basis is a shining beacon of an institutional set up and it bodes well for the future successes and modelling of institutional reform. Our Department is currently writing a policy that will guide the institutional reform process, as all of us know, it is a consequence of the transfer of functions from DWAF to local government. This process of writing a policy for refocusing is complex and as DWAF we cannot do it alone but we are collaborating with all relevant stakeholders. We also call upon the support of all the stakeholders to monitor and guide the process as much as you can.

We acknowledge with appreciation the expertise and experience that our public utilities have accumulated over time, especially the older ones and all the utilities have undoubtedly given our country a sterling service in the past ten years.

This is my second visit to the KOSH region. As most of you are aware, I visited this region following the outbreak of cholera in Kanana, which indeed gave me the opportunity of making a first-hand assessment of the situation prevailing in this region. I also witnessed the vulnerability of the people in the wake of impacts arising from HIV/Aids and real suffering and setbacks also resulting from unsafe living conditions.

It is therefore my hope that the 50 years experience of the Midvaal Water Company has produced a suitably qualified, trained and competent workforce to meet these challenges in a cost effective and innovative manner.

The occasion of celebrating 50 years of the Midvaal Water Company gives all of us an opportunity to look back with pride at our track record as South Africa for having delivered clean running water to our most needy communities, especially during the last ten years of our democratic governance. We have therefore every reason to celebrate the 50th birthday of Midvaal Water Company in the spirit of celebrating our successful first decade of democratic rule in South Africa.

I have no doubt that as we celebrate 50 years of the life of Midvaal Water Company; we are also launching a new programme for the company, a programme that will form an integral part of the broader programme of government for the second decade of democracy. A programme that supports the Millennium Development Goals. A programme that supports our own (government's) 2014 vision as well as the targets that the President pronounced in his State of the Nation Address for the current financial year.

Although there is an urgent need to accelerate water service delivery to 6.5 million people, there is even a bigger challenge to provide sanitation to more than 18.1 million people. By

now it should be a known fact that I personally take the challenge of sanitation delivery very seriously. I would therefore spare no effort to ensure that the objectives set and the aspirations of the people in this regard are achieved in a sustainable and affordable manner. In my view the delivery of sanitation has not only been slow but the service standards have been politically and morally unacceptable. I hold a view that the bucket system needs to be completely eradicated and be replaced by a water-borne system. Incidentally I discovered that we ourselves have written in our policy documents the need to consider all technology options available for the provision of sanitation. This policy statement made me very comfortable about the choice of a water borne system in urban areas where you have high density.

To be specific – page 30 of a “Strategic Framework for Water Services” which is a joint publication of DWAF, DPLG, SALGA, SAAWU and National Treasury – outlines these choices of technologies that the water services authorities should address and there is recommendation for water borne sanitation in urban areas with high residential densities and business. With the launch of the MIG programme yesterday by the Minister of Provincial and Local Government, we need to make sure that we are all on board about what service level we are providing to the people out there. This invitation needs to be extended to the Department of Housing, as they are also involved in the provision of water services and sanitation. We need to be consistent and go out to the people as one government and not have polarised approaches to the implementation of our policies.

All these are insurmountable challenges that bring to the fore a requirement for augmenting all round capacity of the water services authorities and providers in order to accelerate and improve service delivery.

My predecessor articulated the water ladder concept to give impetus to service delivery. I again would like to reiterate that as a Department we are fully committed to the provision of at least basic water and sanitation service to all South Africans. Government is also committed to make adequate funds available to make this possible within the next few years including grant funding to enable households to step up the water ladder. The improvement in the basic level of services is concomitant with the step up of the ladder is also part of the renewed objectives and commitments.

As government we invite all to the party and be part of the commitment. Your company supplies potable water to an area of about 900km² and this covers the greater municipality of Klerksdorp as well as the mining and industrial undertakings. In the North West Province alone the backlog is huge –

- the basic water services are required to be delivered to over 231 000 households by the year 2006,
- the sanitation services are to be delivered to over 368 000 households along with the delivery of 155 000 housing units.

These are stringent and challenging targets, but are achievable, provided there is unflinching commitment and concerted and coordinated effort from all concerned to make this a reality. On the part of Government, as I mentioned earlier, financial support is made available in the form of increased equitable share and grant funding to obviate the possibility of failure due to inadequate financial resource provision.

However, I note with appreciation that the levels of backlog in the KOSH region are relatively smaller and manageable when viewed in a wider national and provincial context. I am made to understand that there is backlog in basic water delivery to around 8 000 households at a cost of around R 20 million, where the City Council of Klerksdorp is busy with its delivery plans in terms of the deadline of 2006. Another 18 500 households need basic sanitation delivery. In this case, the City Council of Klerksdorp has budgeted R147 million approximately over the few years for sewer reticulation and construction of the toilets in the KOSH region.

As a Department we are fully aware of the sanitation delivery needs in the North West Province in general and KOSH region in particular. As a sector leader, we will be working

closely and in conjunction with the Department of Provincial and Local Government; with the water services authorities and providers, and other stakeholders to make sure that the anticipated targets are realised in a sustainable manner.

However one important area we need to focus on should be the health education, as the provision of infrastructure alone is not sufficient to ensure the improvement of the health of our people. Coupled with the provision of sanitation, the need for healthy living and hygiene will be highly emphasised so that the people could gain the benefits of improved standards of living; free from diseases such as cholera, diarrhoea etc. This is particularly important in the wake of the outbreak of cholera in Kanana that was experienced a few months ago. As a Department, we supported the efforts of the Joint Operations Team (JOT) in curbing the epidemic by addressing health and hygiene issues and putting in place the WASH CAMPAIGN and the distribution of soap as part of it.

When the Director-General of our Department visited the area in April 2004, he assured me that the water supply in the area in which outbreak of cholera occurred was acknowledged as regular and of good quality. The taps serving one informal community on the edge of the township had been stolen and all the taps were closed when the outbreak began. The households were receiving a free basic water allocation, but this could be exceeded if too many families used the same tap.

Ladies and gentlemen, the very crucial aspect of vandalising the infrastructure by the communities should be dealt with harshly. However, we need to balance this with vigorous education and awareness campaigns. We need to embark on water conservation campaigns with the aim of educating our communities and raise awareness about the importance of maintaining the water resource infrastructure and that this is the responsibility of all of us.

At the same time, proper management and maintenance of the systems in place is equally important and urgent. When I visited Klerksdorp, it was reported to me that the buckets were not emptied regularly before the outbreak. The City Council of Klerksdorp moved in quickly to improve their bucket management system. However, such interventions become too late and I would emphasise the need for regular monitoring and effective management of all the existing systems and improved sustainability thereof.

The Strategic Framework for Water Services I referred to earlier creates challenges for the water service authorities to be accountable to their citizens; to have adequate capacity; to make wise choices related to water service provision and develop the ability to regulate water services provision effectively. It also creates challenges for the water services providers to be accountable, cost-effective, efficient, and viable and implement appropriate employment and gender equity policies.

In this context, the aspect of institutional reform becomes imperative in view of the constitutional responsibility of the water service authorities to provide basic services, combined with the transfer of water services infrastructure from national government to the water service authorities. This therefore emphasises the need –

- to review the institutional arrangements at all levels to improve financial viability and financing;
- to tackle under investment and enhance capacity;
- to remove inefficiencies coupled with improved corporate governance, regulation and accountability;
- to achieve economies of scale in the best interest of the end users and inculcate efficiency of water use.

All this will be done through appropriate leadership initiatives from our Department and following a bottom up process. In terms of these objectives, a National Task Team has already been constituted and has started making progress with the speed this matter deserves. Since this is an emotive issue and could impact on jobs of existing employees, I wish to point out that a comprehensive, elaborate and appropriate reform strategy will be developed through the engagement and consultation processes and taking a holistic view

that could handle the diverse situations and intricate cases in the best possible manner, thereby creating the intended capacity.

Although this has to be achieved in a phased manner, there is a need to do it right the first time and set an exemplary record in this matter.

Now I wish to draw our attention to some of the specific situations in KOSH region as far as challenges pertaining to water quality, microbiological monitoring and water hyacinths are concerned.

When the Director-General visited Midvaal Water Company, he noted that the quality of Vaal River has deteriorated over time requiring the introduction of extremely expensive treatment facilities. The Department is taking serious note of the submissions received from Midvaal Water Company and other users downstream and discussions will continue with the Treasury, DPLG and others about the need to support water quality interventions in the upper Vaal.

I will also give priority attention to the implementation of Waste Discharge initiatives so that the polluters are held responsible for payment in fair, just and equitable manner.

The Department has also taken note of the worsening water hyacinth problem, which is a consequence of increased organic pollution. A review and rationalisation of the department's prioritisation and implementation approaches has been suggested by the Director-General and would be undertaken in consultation with the relevant role players.

The management arrangements for the department's hyacinth control programme will be reviewed in order to give clear guidance and accelerate the pace of control activities, including the involvement of local agencies and Midvaal Water Company in such control activities. Similarly, microbiological monitoring systems are under review to rationalise approaches in this regard. Monitoring has also commenced through the Bloemfontein Regional Office and the stakeholders are being involved in the decision making process.

The Department is aware that as a consequence of the decline of local mining industry and increased water use efficiency of the mines, the sales of Midvaal Water Company have dropped substantially and there is a need to seek expansion opportunities.

Evidence points to the fact that Midvaal Water Company represents an important regional capacity and should be supported as public regional water services provider. I also support this view and also note that the financial viability of Midvaal Water Company is important to the water service authorities and should be monitored along with the review of expansion opportunities.

I also wish to emphasise the need of ensuring the provision of free basic water and sanitation. I understand that the City Council of Klerksdorp has implemented the indigent policy, which is a move in the right direction. However, the scope of this provision needs to be continuously monitored and expanded. At the same time, there is an equally important need to ensure payment for services by all those who can afford to pay.

The City Council of Klerksdorp's debt of over R 430 million, which is growing on a monthly basis, does not augur well for continued provision of services on a sustainable and viable basis. The need for improving collection and implementation of effective credit control policies is imperative and the capacity of the water service authorities also needs to be built to achieve appropriate levels of debt management and recoveries.

Lastly, I would like to say that your 50-years existence and experience has undoubtedly contributed to the first decade of our democratic government. We further hope that you are still going to be an integral part of the programme of the second decade of our programme central to which is the development of our second economy. As a Department, we hope that you will be part of making sure that we realise our vision of ensuring that all people in South

Africa have access to an appropriate, acceptable, safe and affordable basic water supply and sanitation service, with improved levels of services over time.

Please enjoy the rest of the evening.

I THANK YOU.