

Policy Review Debate on Budget Vote 34: 2007/8
Speech by Mrs LB Hendricks, Minister of Water Affairs and Forestry
National Council of Provinces, Cape Town
24 May 2007

Honourable Chairperson of the National Council of Provinces
Premiers here present
Honourable Members
Members of the Executive Councils here present
Ladies and Gentlemen

1. Introduction

I stand before you today in my first policy review debate in the NCOP as the Minister of Water Affairs and Forestry.

Over the past 12 months that I have been Minister of Water Affairs and Forestry, my department has accomplished a great deal in creating a better life for our people.

2. Highlights from 2006/7 and projects for 2007/8

Some of the highlights over the past year and plans for this year include:

- Last year 1.2 million people received access to basic water, contributing to our target of eradicating the backlog of people without access to water by 2008 and an additional 250 000 households received access to basic sanitation. We plan to intensify our efforts this year to achieve a greater impact.
- 74 000 buckets were eradicated during the past year, with the remaining buckets in the formal established settlements set to be eradicated by the end of this year. I reported to the National Assembly last week that we have 106 000 buckets remaining in these settlements and that I have held sanitation summits in those provinces most affected by the bucket system, they are the Free State, Eastern Cape, and North West provinces; and I would like to thank the Premiers of all three provinces for their presence at these summits and the commitment shown by them, their MECs, and Mayors to eradicating buckets. We look forward to these buckets being eradicated by our target date of December 2007.
- 76% of households benefiting from Free Basic Water. Some areas have experienced problems with Free Basic Services and we have seen a proactive response by Mpumalanga which has programmes involving communities to address the operations and maintenance problems that negatively affect Free Basic Water provisioning.
- During the past year we have also embarked on an extensive process of water use verification in a number of catchments in each province. As you know, illegal water use is a threat to our allocation programme. Our Free State office has developed a fully functional enforcement and compliance unit to deal with people who steal our water.
- In the Limpopo province we have started work on the De Hoop Dam, which will ultimately bring water to 800 000 people and unlock the mining potential in that region.
- The Limpopo province will also see the completion of the water treatment works for the Nandoni Dam, which at a cost of R389 million will see over 700 000 people being given access to water, with many more people benefiting in the future from our plans to extend this project. This project is due for completion during this financial year.
- We are supporting the planned power station in Lepalele in Limpopo and this financial year we will be completing the feasibility study for the pipeline to take water to the power station.
- In Mpumalanga our plans to support electricity generation and the liquid fuels industry will see the completion of the Vaal Augmentation pipeline during this financial year.
- The Injaka water purification and distribution works as well as the pipeline that will take water for domestic use to the rural villages of Ackornhoek in Mpumalanga will also be completed during this financial year.
- Work on the Berg River Dam in the Western Cape has been ongoing; and the project, which will increase the water availability for the Western Cape, will be completed during this financial year.
- In KwaZulu-Natal the Hluhluwe regional water works will almost be completed by the end of this financial year. This project will be providing rural communities in Northern KZN with water for domestic use.
- In the Northern Cape province we have a R22 million water pipeline that we are constructing from the Orange River to Colesberg.

- In Gauteng we are rehabilitating the Vlakfontein Canal, as part of the Usutu Vaal Scheme, and will be rehabilitating and refurbishing our water and waste-water treatment works in the Vaal River system, amongst others.
- Draft regulations for support to resource poor farmers were published and we should start to increase our support to these farmers during this financial year. Already we have supplied rain water harvesting tanks to these farmers, and have plans to extend this programme with a further 200 rain water tanks this year in Limpopo, Free State, and Eastern Cape and a 1000 of the smaller 'Jojo' water tanks in Thaba Nchu in the Free State.
- The North West province will be installing early warning systems in the ground water aquifers in the Vryberg area so that we are able to detect levels of groundwater and thereby make better use of this water source.
- During the past year we also raised our profile in the international community and hosted an international conference on earth observation technology for use in obtaining water related information. DWAF officials have also presented papers at international conferences. South Africa is increasingly seen as a leading light in addressing the pressing water and sanitation challenges faced by the poor and by people living in rural areas; a view which was supported during the launch of the 2006 UNDP Human Development Report (held in the Western Cape). During this financial year we will be hosting two international events; the UNESCO symposium on hydrological issues in November 2007 (Gauteng) and the second, which I am pleased to announce today, is the AFRICAN SAN Conference; this conference will be held in KZN in February 2008 and will see the attendance of African Ministers to discuss critical issues on sanitation. We have also agreed to participate in the 'water and sustainable development' exhibition to be held in Zaragoza, Spain during 2008.
- African co-operation has also remained very high on our agenda during the past year. In addition to our participation in the African Ministers' Council on Water (AMCOW) we have been active in watercourse commissions that were established to manage the rivers we share with our neighbouring countries (Lesotho, Swaziland, Namibia, Mozambique, Botswana, and Zimbabwe).
- During the past year I approved a National List of protected tree species under the National Forests Act, 1998 (Act 84 of 1998) and the department developed guidelines for the use of these trees to ensure the continued benefits they offer to the people of the country both economically and ecologically.
- For the first time ever in South Africa, I published a list of 21 Champion Trees which are also protected under the National Forests Act, but which are not necessarily indigenous trees. These trees are classified as Champion trees due to their national importance based on cultural and historical significance, size, age, aesthetic and economic value.

There were also a number of challenges faced by the water and forestry sectors over the past year, these include the ongoing delays in the issuing of the water licences for afforestation, pollution in dams and rivers, the need to ramp up delivery of access to water and sanitation, capacity of certain municipalities to deliver services, overburdened waste water infrastructure arising from increased number of users, and the drought that hit our country this past summer. The Department of Water Affairs and Forestry also has a number of internal challenges, particularly our ongoing restructuring and our qualified audit; I have committed to dealing with both issues, and in particular have a clean audit by the end of my term of office.

3. DWAF Regional Offices

Chairperson, honourable members, the Department of Water Affairs and Forestry has a strong provincial focus with a regional office in each of the nine provinces. These offices are an important part of DWAF as they deal with the day to day water issues of provincial and local government as well as provincial forestry activities. For example, they support municipalities in their day to day water and sanitation service delivery by providing guidance and planning, and intervene in cases where there is a crisis. Our Northern Cape Regional office recently launched a very interesting programme on training and supporting municipalities on operations and maintenance of infrastructure. This initiative involved development of training manuals that guide municipalities on how to manage their infrastructure.

Our regional offices also provide support and oversight over the institutions we have in provinces, such as Water User Associations, Water Boards, and Catchment Management Agencies (CMAs). Importantly, our regional offices are responsible for maintaining good relationships with various stakeholders in the province, and many are involved in Provincial Government structures dealing with water and sanitation delivery. They are also the first port of call when applying for a water use or forestry licence, and in co-operation with Water Services Authorities and Water Boards are involved in monitoring the quality of drinking water.

4. DWAF Budget 2007/8

Out of a total budget of R5.3 billion, R3.1 billion (or 58% of the budget) will be allocated to our regional offices during the 2007/8 financial year. The budget I table before you today will support our efforts to grow the forestry sector, as well as address the basic water and sanitation needs of our people, contribute to infrastructure development, regulate and monitor the water sector, and build capacity - both within DWAF and in municipalities in order to effectively deliver water services.

I would like to outline some of the key issues that will face the Department of Water Affairs and Forestry over the 2007/8 financial year.

5. Water and Sanitation Services

Honourable Members, one of the most important areas of our work during this financial year is to ensure that we meet the sanitation targets for bucket eradication in the formal established settlements, and make substantial progress in eradicating the backlog of access to water by 2008.

Our biggest challenge over the next four years is to address the sanitation backlog by the end of the 2010 financial year. We have identified the backlog in each province and municipality, and for example in Limpopo we still have approximately 800 000 households without adequate sanitation, and KZN is also faced with a significant backlog with over 700 000 households not having access to adequate sanitation. Already provinces such as Mpumalanga, as well as, individual municipalities like Maquassi Hills in North West and Elundini Municipality in the Eastern Cape have already eradicated 100% of their bucket backlog. They are to be congratulated.

A significant increase in the water and sanitation budget of 19.9% for this financial year will help in addressing some of these backlogs but it is clear that additional resources will be required given the magnitude of the backlog.

Municipalities play a critical role in addressing the backlogs and we are continuing with our programme of deploying engineers to municipalities that require additional capacity. This support will see us strengthen our collaboration with the Development Bank of Southern Africa (DBSA) Siyenza Manje initiative, the Department of Provincial and Local Government's Project Consolidate, and Provincial Government; we are also looking at continuing to bring in international expertise.

Part of our support to local government includes running a councillor induction programme to empower them with an understanding of the water sector and legislation, as well as the different role-players and their responsibilities within the sector; we will be strengthening the programme this year. We are also reviewing and improving over 150 Water Services Development Plans. DWAF has developed a checklist which is used by water services authorities; municipalities responsible for the provision of water services, as a tool to identify capacity constraints and areas of intervention in the provision of effective water services.

6. Water Resources

Honourable members, in ensuring that there is some water for all, my department has the dual responsibility of promoting water conservation and water demand management on the one hand, and on the other hand responsible for the construction and upgrading of infrastructure to meet the increasing demand of water. While it is critical that we promote these two approaches so that we maximize how we utilize our available water resources before embarking on new water resources infrastructure development projects, we recognise the need to capture and store water.

I have already mentioned the De Hoop dam, one of our leading infrastructure projects, as well as several other infrastructure projects; we have infrastructure refurbishment, rehabilitation, operations and maintenance programme in each province.

Most of the Department's current water resources infrastructure development projects are implemented in rural areas, particularly in the Limpopo, KwaZulu-Natal, Mpumalanga and Western Cape provinces. For new projects a provisional sum of money is identified for spending on training of the labour force, and targets are set to ensure the involvement of women and youth in these projects.

The Honourable Chairperson of the Select Committee on Land and Environmental Affairs will be pleased to hear that in the North West Province we will be undertaking a water quality remedial project for the Hartebeespoort Dam, with the assistance of Rand Water.

On water conservation and water demand management we have supported very successful pilots in municipalities like Mangaung, Cape Town, and Emfuleni.

7. Forestry

Chairperson, as with water, we need to acknowledge the crucial role already being played by Provincial and Local government in the national forestry agenda. Many provinces and municipalities are aware of the benefits of forestry, not just for the social and aesthetic benefits which trees and forests provide, but more importantly for the livelihood support and economic benefits which they provide.

In terms of the economic growth and development which forestry offers, we are working closely with other government structures in the Eastern Cape and KwaZulu-Natal to fast track the afforestation licensing process, which involves support from a number of other provincial departments.

These new forestry areas will be singularly important in the transformation and growth of the forestry sector and as such, afforestation forms an important part of the Broad-Based Black Economic Empowerment Charter which has been completed and agreed with the sector.

In addition, the Charter, which I plan to launch next month, captures all the key national priorities for the sector reflected in the Accelerated and Shared Growth Initiative for South Africa (Asgi-SA), the associated Joint Initiative on Priority Skills Acquisition (JIPSA) and the last two State of the Nation addresses by President Mbeki, which called for a strategy for the forest, timber, pulp and paper sectors.

The department has worked closely with other departments on the process of reducing the administrative burden on forestry development. Applications for afforestation have increased dramatically from 800 hectares in 2004 to 5500 hectares this year and under the Charter we are aiming to process in the order of 15000 ha per year for the next ten years, with the intention of getting a net increase in forestry of about 10 000ha per year. We have also managed to almost halve the original time of about 18 months to process a licence application and have plans in place to further reduce this timeframe. We are also planning to use the progressive provisions in the National Forests Act to provide direct support to communities in this and other forest enterprise areas. Strategic interventions such as the establishment of the special purpose vehicle ASGISA Eastern Cape (Pty) Ltd will assist in driving the implementation of the forestry program in these key areas.

Afforestation will take place in rural areas where there are few other viable opportunities for job creation and economic activity. The development of these additional raw material resources will attract greater processing capacity in the form of sawmills, board mills, chipping plants and treatment plants. All these will lead to broad economic growth. For example, through this afforestation an additional R500million per annum could be generated on the plantations part of the industry, which had a turnover of R32 billion last year; and add in excess of R1,5 billion per annum in the value adding processes.

8. Water for Economic Growth and Water for Poverty Eradication

Honourable Members, DWAF also has an important role to play in using water for both economic growth and in contributing towards poverty eradication - it is therefore necessary that during the coming year we use our budget towards achieving these broader government objectives. Through current initiatives such as the Masibambane Programme, our greening programme, and our support programme to resource poor farmers, we will be contributing towards poverty alleviation. This support will be provided by running projects such as food gardens, planting of fruit trees, rain water harvesting, skills development for rural women, as well as other projects that can bring food to the table of the poor using water as a strategic resource.

We are also implementing the Working for Water Programme in collaboration with other departments. The majority of the Working for Water budget allocation of R387 million in the 2007/8 financial year will be spent in provinces.

Chairperson, during this year we will be identifying how we can increase our support to further add to our contribution towards job creation, poverty eradication, and economic growth.

9. Conclusion

To conclude, I would like to thank the Director-General of the Department of Water Affairs and Forestry, Mr Jabu Sindane for his support, and to the staff in the department for their hard work and commitment. I would

also like to thank the Select Committee on Land and Environmental Affairs for the important oversight work that it does.

Chairperson, honourable members I request the House to support my department's budget of R5.3 billion.

I thank you.