# SPEECH BY THE MINISTER OF WATER AFFAIRS AND FORESTRY,

# MR RONNIE KASRILS MP

# POLICY DEBATE ON BUDGET VOTE NO 33

NATIONAL COUNCIL OF PROVINCES,

# WATER AFFAIRS AND FORESTRY, APPROPRIATION BILL NO 33

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#### INTRODUCTION

"Of all things soft and tender there is nothing like water. It alone can wear away the hardest rock" – to quote a Chinese sage of 2,500 years ago.

Water is also hard and violent, and can sweep away all in its path.

It is the lifeblood of our planet and of every community. Humanity has always sought to control its flow, and all civilisations, all societies owe their existence to this precious resource.

Amanzi ayimpelo – water is indeed life.

Having already addressed the National Assembly I do not intend a re-run of that speech here in the NCOP, but certain highlights do bear repeating.

# 1. THE IMPORTANCE OF WATER RESOURCES

Every year, South African rivers receive 50 billion cubic metres of water with a further six billion cubic metres available from underground aquifers.

Of this 56 billion cubic metres, 21 billion is utilised. Of this volume 52 percent is used for agriculture and irrigation, eight percent for forestry, 11 percent for

industry, 10 percent for domestic use, with 19 percent reserved to ensure a sustainable environment.

While the department is working tirelessly to manage our water resources for the future, no simple task in this drought-prone country of ours - the immediate priority is the supply to all South Africans of safe clean water.

# 2. COMMUNITY WATER DELIVERY PROGRAMME

Since 1994 my department has served 6,5 million people at a cost of R4,4 billion, 5.6 million to full RDP standards; a further 800 000 already have bulk schemes still awaiting final reticulation. This brings the total benefitting to 7.3 million.

In KwaZulu/Natal 1,3 million have been served; In the Eastern Capel 1,1 million; In the Northern Province 980 000 and in the North West 1,2-million.

854 000 people benefitted in Mpumalanga, 535 000 in the Free State, 219 000 in the Northern Cape and 122 000 in the Western Cape.

Over the next three years in KwaZulu/Natal, Eastern Cape and Northern Province – where 80% of the backlog exists - 2,4 million people will be serviced with water – with government's budget supplemented by aid from the European Union and other donors.

Within the next seven years, we will be able to celebrate finally reaching virtually all our people with safe drinking water. The pledge of our government to provide all with clean water, will have been achieved.

# 5. FREE BASIC WATER

We have come to a historical stage, where a basic amount of 6 000 litres of clean water can be provided to all our people free. Many municipalities are already implementing the free basic water programme, such as Humansdorp and Port Elizabeth, De Wetsdorp in the Free State, Cape Town, Kenhardt in the Northern Cape, Durban, Kokstad and Greytown in KwaZulu/Natal, Delmas in Mpumalanga and Lichtenburg in the North West.

The Johannesburg Metropolitan Council is to follow suit next month as are Tshwane/Pretoria, Kimberley and others.

User-friendly implementation guidelines have been developed for local government and these are being explained to councillors and officials at provincial workshops. While not all municipalities will be able to implement a free basic water policy from 1 July this year, I expect that at least 20 million South Africans will be covered by then.

This will include over five million people in rural areas currently served by my Department. Other rural areas with limited capacity and opportunity for cross subsidisation may have to adopt a phased approach and will be the subject of special attention.

The provision of free basic water and cost recovery are by no means mutually exclusive. In order to provide free basic water, cost recovery will be intensified from those using more than the basic amount.

## 3. CHOLERA

Although we are justifiably proud of our record in delivering water, we cannot be complacent. The past summer's cholera outbreak in KwaZulu/Natal was a wake up

call to us all. To date it has affected nearly 100 000 people with 207 deaths and, while receding at present, may well flare up again next summer.

The Department of Health was in the forefront in dealing with those stricken with the disease and responded magnificently, rehydrating the victims and keeping the fatality rate down to under half a percent, a tremendous achievement by international standards.

My Department assisted by distributing bleach for household water purification and delivering safe water by tankers as well as establishing temporary water tanks in the affected areas. We participated in the health education programme and reallocated R35-million to KwaZulu/Natal to fast track water and sanitation improvements.

We repaired disused boreholes and protected springs. We provided 97 000 people with safe water, and 52 000 people with 6 000 ventilated pit latrines in record time. In combating the epidemic, my Department spent R46 million in KwaZulu/Natal, R1,8-million in the Northern Province and R1-million in the Eastern Cape.

I also announced that my department would spend R100-million annually for the next three years to speed up water and sanitation provision in the cholera-affected communities of KwaZulu/Natal. During this year alone, 99 water and sanitation projects in KwaZulu/Natal, Mpumalanga, Eastern Cape and the Northern Province have been prioritised at a cost of approximately R60-million.

But the cholera outbreak taught us other things. It taught us to be prepared – and this year, the Joint Operational Centres will be mobilised before summer starts. It also taught us that the provision of safe water is not enough; personal health and hygiene education on a mass scale and adequate sanitation is vital to combat this scourge. This adds up to a three-pronged approach to eradicating water-borne diseases.

As a nation, we must now concentrate on sanitation!

# 4. <u>SANITATION</u>

We are preparing to speed-up our sanitation programme. It is estimated that the backlog we face is over three million households or approximately 18 million people.

But let us get the picture clear. Over 80 percent of our people have some form of rudimentary do-it-yourself toilets. If we are going to deal with the enormous backlog in the very different conditions across our country, we must base our strategy on realities. We must help our people to improve their home-built toilets so that these are more adequate, environmentally friendly and hygienic. Where appropriate, we will focus high impact government interventions. And one target must be the 420,000 households in municipalities where the bucket-system still exists.

We admit that previous efforts to improve our peoples sanitation needs have not been adequate which is why I have instituted a review programme to get our strategy and planning right. My department has conducted a number of workshops and studies, and consulted widely both at an inter-departmental level and with the NGOs.

I will be taking the new sanitation policy as well as a detailed implementation strategy to Cabinet shortly. I want to pledge that getting to grips with the sanitation problem will be prioritised.

# 7. POLLUTION

The rural areas are not the only places facing sanitation challenges. In addition to pollution from mines and industry, ailing or non-existent urban sewerage systems are a major source of the pollution of our rivers.

While pollution in rivers is monitored by the Department, we cannot escape the crucial – indeed the constitutional - role of local government in this regard.

I have extensive reports of sewer spillages from over 95 local authorities. Some of these incidents result from floods, some from less excusable problems such as poor maintenance and lack of repairs. While in all cases reported to the department, officials have investigated the problems and recommended remedial action to the local authorities concerned yet the response is often inadequate. I will be following this matter up with the relevant local government MEC's as well as the municipalities themselves.

With the assistance of the Danish Co-operation for the Environment and Development, the Department is also addressing pollution in informal settlements. The problems found include human waste and sullage, dirty washing water running into nearby rivers, as well as inadequate rubbish removal. The programme which introduces practical measures to deal with these problems, is being piloted in Phagameng near Nylstroom, Monnakato near Rustenburg, Cairn near Nelspruit, Kliptown in Soweto, Phuthadijhaba in the Free State, Masizakhe near Colesberg, Burlington Halt near Durban, Rini near Grahamstown and Kaya Mandi near Stellenbosch.

To support pollution control activities during this year, the Department will spend R9-million in the Western Cape, R8-million in the Northern Province, R19-million in KwaZulu/Natal, R6-million in North West, R6-million in the Eastern Cape, R4-

million in the Northern Cape, R4-million in the Free State, R3-million in Mpumalanga and R13-million in Gauteng.

# 6. LOCAL GOVERNMENT CAPACITY

Our experience highlights the critical role of local government. We are moving towards a situation in which newly elected local governments are progressively taking responsibility for all basic services, a process which my department fully supports.

Municipalities can choose to deliver water services using in-house municipal water departments, create utilities run and owned by the municipalities, contract international companies or use existing public sector utilities such as Water Boards to deliver these services.

## 8. WATER BOARDS

Skills, expertise and "know-how" are a key requirement. Since many of our municipalities lack these resources, we are fortunate to have a family of Water Boards, established by government, which can offer assistance and I would like to highlight their role.

The oldest such utility, Rand Water, has supplied the needs of Gauteng and surrounding provinces for nearly a hundred years, without a cent in support from government. It, and other Water Boards are at the service of municipalities.

These Boards (or Public Sector Water Utilities as we should call them) are truly a public sector alternative for municipalities which need help to provide water services and we should not under-estimate their capacity which is admired worldwide.

Water Boards cannot solve all the problems of local government. Options such as private sector contracts must also be considered but they are not cure-alls, as we have learnt from recent experiences in Nelspruit and the Dolphin Coast.

For this reason, I am anxious to conclude the Regulations governing contracts between municipalities and service providers – public or private – which are currently delayed in a NEDLAC consultation process.

Beyond this, we need to begin a dialogue on how we can fashion existing and capable public sector utilities into delivery systems which can be a real service to municipalities. We need to ensure that Water Boards reinvent themselves as utilities which municipalities will regard as THEIR utilities, working in their service, and providing a full range of water services, i.e. bulk and retail water and waste water services under contract to the municipality.

To achieve this, I am committed to maintaining sound governance arrangements, a matter to which I am currently giving attention in the context of recent concerns in regard to Umgeni Water and about which I will be making announcements within the next few days. Critically, we must develop a relationship of trust in which the public sector water utilities keep open books with their municipal clients, and are subject to regulation and audit on their performance.

In this context, I am encouraging SALGA and the South African Association of Water Utilities (formerly Water Boards) to meet soon to explore these possibilities.

# 9. <u>INTEGRATED RURAL DEVELOPMENT STRATEGY & EMERGING FARMERS</u>

The Department works for the economy as a whole, not just for domestic water users. It is obviously committed to supporting equitable social development and eradicating poverty, especially in rural areas.

In this context, the implementation of the Integrated Rural Development Strategy is of great importance to my Department. I will be visiting Pietersburg next week to discuss with the political leadership of the province and local government our progress in ensuring that the programmes of my Department and national government generally reflect and reinforce the local priorities and development strategies.

A key element of government's rural strategy is the provision of support to emerging farmers. The good news for this vital community is that the Department has developed a financial assistance policy for emerging farmers who are members of water user associations.

Farmers on government water schemes managed by Water User Associations, will be subsidised for five years. This programme will eventually assist 8 010 emerging farmers on 21 375 hectares of irrigated land, 3 000 in the Eastern Cape, 1 530 in the Northern Province and 1 170 in the Western Cape.

Further, capital cost subsidies will be paid for the construction of new or the rehabilitation of existing irrigation schemes owned by Water User Associations. In this year's budget, R20-million has been allocated to ensure affordable access to productive water for at least 400 emerging farmers.

# 10. GROUND WATER

We must make sure that we make full use of all of our water resources, and not forget the 'hidden treasure' found in many areas of our water stressed country. This treasure is groundwater: while it accounts for only 15% of our water resources, it is widely distributed in the aquifers that underlie our land, and has historically served farmers and many of our rural communities.

I was amazed to see the water treasures of an aquifer revealed by a deep borehole at Citrusdal in the Western Cape. Groundwater scientists believe that the Table Mountain Group aquifer is a significant resource for the region. Conservative estimates indicate that it could yield as much as 100 million cubic metres water annually for Cape Peninsula area and 45 million m³ annually in the Olifants-Doring Water Management Area.

This will be taken into account in our planning to meet the economic and social requirements of the region. Specifically, in line with our policy for an integrated approach to water supply my Department will consider the conjunctive use of surface water and groundwater to increase supply security to Cape Town, as well as confirming the potential yields and investigating the environmental impacts of large scale exploitation of groundwater.

An important benefit of groundwater is that it is protected to some extent from pollution by the soil and rock under which it is found. During the recent cholera outbreak in KwaZulu/Natal, some communities were successfully served with new wells and boreholes, funded by the Red Cross and other NGOs, providing safe, uncontaminated groundwater.

When considering how best to meet the needs of those without adequate water supplies, I am encouraging all concerned to carefully assess groundwater options. In Northern Province for instance, a recent assessment found that groundwater could more cheaply provide more water for local communities than the raising of the Glen Alpine dam.

In the most arid province, the Northern Cape, careful management and monitoring of groundwater use has ensured that it can successfully sustain many communities, although high levels of minerals limit its use in some areas. With groundwater as with other sources, good management is critical. In the Eastern Cape, and KwaZulu/Natal numerous homeland groundwater schemes failed because of poor

management and the failure to engage the communities in the process. This problem is being addressed through a programme, supported by the Norwegian Government, to build local understanding of, and capacity to manage, this important resource.

#### 11. **FORESTRY**

Our forests are a great national heritage but their importance is perhaps felt more profoundly at rural community level. Our indigenous forests are a great store of our nation's history and spiritual life. They are a source of healing in the form of traditional medicine and play an important role in everyday life, especially in the Northern Province, Mpumalanga, KwaZulu/Natal, the Eastern Cape and parts of the Western Cape.

We are now managing these forests in a more participatory way. The UK and Danish governments are assisting us to retrain our foresters as well as community leaders and we have seen the results in many parts of the country with much greater community cooperation in areas such as Ngome in KwaZulu/Natal, Dwesa-Cwebe in the Eastern Cape and Tathe Vondo in the Northern Province.

We also seek to end the fragmented way in which conservation is managed. In the Knysna area for example, four different government conservation agencies manage different pieces of land within a radius of 150km. Here we may suggest that the National Parks Board takes management responsibility.

Similarly, Minister of Environment Affairs and Tourism Valli Moosa and I are working with the MEC for Environment and Tourism in the Eastern Cape to conduct a feasibility plan for a consolidated Pondoland Park in the Wild Coast region of the Eastern Cape. In the Northern Province, Mpumalanga, KwaZulu/Natal and the Western Cape, I am meeting with the relevant MEC's to discuss new arrangements for the management of state forests in these provinces.

Some members of this house have taken a great interest in the restructuring of the commercial forests. I am especially pleased that 164 communities in the Eastern Cape have formed the Singalanga Trust, to take 10 percent of the shares in the Singisi Forest Products company, which is buying this important asset.

Community arrangements have also been put in place in the KwaZulu/Natal package which is being bought by the Siyaqhubeka Consortium. In addition, the Department is involved in discussions with three communities in Northern KwaZulu/Natal, regarding the possible leasing out of the Mbazwana and Manzengwenya plantations.

# 12. WORKING FOR WATER PROGRAMME

A flagship initiative of the Government, the Working for Water programme, cleared more than 350 000 hectares of invasive vegetation over the past year.

In the process, temporary employment was created for 22 000 people, drawn primarily from the poorest of the poor and primarily in rural areas. Almost 60 percent of the employment opportunities went to women, 24 percent to the youth and 1,5 percent to people with disabilities. Five hundred positions were allocated to integrating ex-offenders.

Broken down regionally, 7 043 jobs were created in KwaZulu/Natal, 3 690 in the Western Cape and 2 182 jobs in the Eastern Cape. The programme also created 1 638 jobs in the Northern Province, 1 380 in North West and Gauteng, 965 in the Northern Cape and 1 101 in Mpumalanga.

#### 14. **BUDGET FIGURES**

This year's exchequer budget amounts to R3 279,030-million and is an increase of R405 million over last year's initial appropriation. It has been augmented by allocations from the Treasury's poverty and infrastructure funds and further boosted by donor funding, including a massive R500-million grant from the European Union for our water and sanitation programme, to be spent over the next three years. This grant reflects a resounding vote of confidence in my department and our government.

I have therefore been able to announce that for the first time since 1997/98 we have over R1 billion available this year for our community water and sanitation programme, and this will be the case for the next three years. This is in addition to the R690 million spent on operating water services schemes.

For the rest of the budget R880 million is for Water Resources, R336 million for Forestry, and R203 million for administration. An additional R1 696 million will be spent on operating water resources infrastructure, funded from income received.

I ask the NCOP to support this allocation and thank you for your keen interest in Water Affairs and Forestry. Pula Nala Kgotso!