

**ADDRESS BY THE MINISTER OF WATER AFFAIRS AND FORESTRY,  
MR RONNIE KASRILS, MP  
NATIONAL COUNCIL OF PROVINCES  
ON THE POLICY DEBATE FOR THE  
BUDGET VOTE NO. 34: WATER AFFAIRS AND FORESTRY  
3 June 2003**

**Embargo: 15:30**

Chairperson of the National Council of Provinces, honourable Members.

While I formally present my budget to the National Assembly on Friday, I am always happy to speak in this house and indeed, many of the issues faced by my Department relate to matters of provincial government competence.

Thus water resource management is a national competence but agriculture, which uses the most water, is a provincial responsibility. Regulation of commercial forestry is national but provinces have specific responsibilities for nature conservation, particularly the administration of our indigenous forests. And when local government has difficulty with water services, it is the provincial government that must intervene first.

**Water services – Delivery**

Starting with water services, more money than ever has been allocated to my Department for new projects - one billion, two hundred and five million, two hundred and eighty seven thousand rands (R1 205 287 000) which will be topped up to over 1,5 billion rands through the generous assistance of donors, notably our European Union partners.

In terms of the Division of Revenue Act, this will be distributed as follows:

Western Cape	R 16 424 000
Northern Cape	R 47 673 000
Eastern Cape	R238 866 000
Free State	R 51 240 000
KwaZulu Natal	R277 818 000
Mpumalanga	R115 318 000
Limpopo	R255 704 000
North West	R 87 600 000
Gauteng	R 11 080 000

Next month, we will celebrate the nine millionth person to gain access to safe water through this programme.

Providing infrastructure is not enough – it must be effectively managed. The grant to fund the operations and maintenance done by my Department in providing water through over 1544 schemes across the country has also been increased substantially, by R296 million to R996 million. This “grant in kind” to local government, in addition to the equitable share of revenue in the budget of my colleague Minister Sydney Mufamadi, enables us to fund free basic water in the poorest communities of the country.

## **Transfers**

One of the conditions for using these funds, spelt out in the Division of Revenue Act is that, over the next three years, the water and sanitation schemes operated by my Department should be transferred to 84 municipalities, 2 metros, 18 District Municipalities and 64 local municipalities. 1544 schemes will be transferred comprising in total 27 249 separate “elements” of infrastructure, pipelines, pump stations, treatment works etc with a replacement value of R9.95 Billion.

The transfer process is being managed by a team including National Treasury, the Department of Provincial and Local Government, my Department as well as SALGA. This team will establish policies for the transfer, guide local level transfer negotiations and ensure that services are maintained during the process.

8 453 elements of infrastructure will be refurbished before transfer at a cost of R710 million with R116 million budgeted for the current year. Much of the refurbishment is required because of normal ageing although some maintenance has been delayed due to budget constraints. I regret to say however that vandalism and theft has also been a substantial problem and I appeal to members to help us build a culture of respect for public property in our communities. But the refurbishment requirements have now been clearly identified and their completion will ensure that fully functional schemes are transferred.

Negotiations are also underway for the transfer of the 8094 Departmental staff who operate the schemes. Surveys have been done of the staffing requirements and any overstaffing will be dealt with in terms of current agreements on the restructuring of the public service. There is budget provision to protect the conditions of employment of the people concerned.

Mr Speaker, while this transfer is a major challenge for the municipalities, we established them to provide these services and the Department, working under the umbrella of DPLG, will continue the intensive capacity building work that is already underway. They are already implementing the powers and functions for water supply and sanitation that become effective on 1 July 2003 and I believe that it makes sense to do the transfers at the same time and get it over with.

Our programme is to complete all transfers by June 2005, 90 schemes during this financial year, with all conditional grants (subsidies) phased out by June 2011 at which stage the conditional grants will be incorporated into the equitable share allocations to local government.

## **Municipal Infrastructure Grant (MIG)**

We are also working out management arrangements for the consolidation of infrastructure grants to local government into a single Municipal Infrastructure Grant (MIG). In terms of the Division of Revenue Act, this new conditional grant, which will be phased in over the next three years, will fall under the Department of Provincial and Local Government.

My mandate and that of the Department will still be to ensure that the basic water supply and sanitation needs of our people are met sustainably, affordably and as soon as possible and I will use all the instruments at my disposal to achieve our agreed national goals for provision of clean water to all by 2008 and provision of basic sanitation to all by 2010. We will also seek to ensure that projects continue to

use labour based approaches which last year generated over 25 000 person years of employment.

## **Sanitation**

During 2002/03 financial year R221 446 000 was spent on the Sanitation Programme and 65 105 household toilets constructed. Health and Hygiene Education, an integral part of sanitation programme, was provided to approximately 390 630 people with the Department of Health playing a crucial role. Taking into account the programmes of the Department of Provincial and Local Government (DPLG) and of Housing, 376 666 toilets were constructed, reducing the national backlog to 16,7 million people.

For the coming financial year, the Department of Water Affairs and Forestry has allocated R321 million to local government for sanitation. Our target is to build 120 000 toilets as part of the national target of 300 000 per annum by government as a whole. If we can achieve this rate of delivery, we should be able to reach our target by 2010. The R321 million will be allocated as follows:

Western Cape	R 3 147 000
Northern Cape	R17 936 000
Eastern Cape	R71 056 000
Free State	R44 284 000
KwaZulu Natal	R60 662 000
Mpumalanga	R37 252 000
Limpopo	R36 254 000
North West	R44 629 000
Gauteng	R 5 962 000

As in previous years, priority will be given to areas where there have been cholera outbreaks. Contrary to those who allege that cholera has been caused by water pricing and cut-offs, it is clear that it occurs generally through the wetter and warmer areas of our country in poor communities without basic water and sanitation services and without the knowledge of the good hygiene practices that can protect them which is why we focus on health education as well as on toilet construction.

We are working as a team with DWAF leading and supporting other Departments, notably Health, Education, DPLG and Housing. Thus National Treasury has allocated R40 million to DWAF for clinic sanitation and R150million to DPLG for labour based school sanitation projects. The National Sanitation Task Team is helping to prioritise needy schools within local Integrated Development Planning processes.

In addition to addressing the original sanitation backlog, the Department is facilitating the eradication of the bucket system currently used in nearly 500 000 households. R61 780 000 is allocated this year as follows

Free State	R23 110 000
Northern Cape	R 9 943 000
North West	R 8 811 000
Eastern Cape	R 7 950 000
Gauteng	R 5 962 000

with smaller amounts for the remaining provinces. With the sterling support of the Premiers and MECs concerned, I am sure we will achieve our target date of 2006 for eradicating the buckets.

## **Water services, water pollution and conservation**

Sanitation is closely linked to pollution control and the protection of our water resources. Although Provinces have concurrent responsibility for the environment, my Department is responsible for water quality management since rivers do not respect provincial boundaries. But pollution often comes from activities over which provinces have mandates such as urban waste water for which local governments are responsible.

While local governments usually understand the cost of the water used to flush toilets, they often do not consider the expensive business of treating and disposing of it. This often costs more than providing clean water and must be paid for by local government and the users themselves since flush toilets are a higher level of service than national government currently subsidises.

If waste water is not properly managed, we will continue to face problems such as that which recently arose in Hartebeespoort Dam, where nutrients from waste water “feed” troublesome smelly algae particularly in hot dry weather. To remedy the problem, we must look not just at Johannesburg’s treatment works but also at fertiliser pollution from farms and golf courses, septic tanks of local households and waste water from high-density settlements. Investment in sanitation in Alexandra and Diepsloot may well be the best way to improve water quality in urban rivers and I am working with the relevant Departments and municipalities to encourage appropriate solutions.

## **Water Use Control Drought and WUA challenges**

We must also ensure that water users do not take more than their fair share of water, particularly in years of drought. Last year I warned that we were monitoring illegal water use and, using data from the “Eye in the Sky”, the Department has begun legal processes against such people. Directives have been issued which will be followed by prosecutions where unlawful actions are not stopped although I am pleased to say that many water users stop their illegal activities once confronted with the satellite evidence. The process of verification and enforcement of water use is a protracted one often requiring follow up by field investigations but it is now picking up pace.

The current drought in some areas highlights the need for discipline in the use of water and control must go hand in hand with improved management. This is why we have transferred responsibility for agricultural scheme operation and maintenance to water user associations. It is easier for people who are in the fields by the river at six in the morning to ensure that water is being used efficiently and in accordance with the rules than for a distant bureaucracy.

But the process of transforming water user associations reflects the challenges facing the farming communities throughout the country. Current water users are still largely white commercial farmers although the associations now include representatives from local government and black farmers. We encourage water users to take over scheme management but this must be done in a way that reflects the values of the new South Africa. I certainly will not tolerate continuation of human rights abuses from our apartheid past in any organisation for which I am responsible. And we must support poor and vulnerable rural communities to participate effectively in Association business, not simply to sit in as spectators.

Accordingly, I have instructed my Director General to strengthen Departmental oversight of the Water User Associations and ensure that their human resources and procurement policies are in line with government policy. We will also encourage them to find ways to contribute to the transformation of the commercial farming community.

### **Agriculture and helping small gardeners**

The National Water Policy commits government to ensure that water management helps to right the inequities of the past and contributes to economic and social development. Since farming uses the most water, we continue to seek ways to promote equity and economic development in agriculture.

Since 1998, the Department has provided financial assistance to emerging farmers, with capital subsidies of R47,74 million given for 867 new small scale farmers and 506 women (in respect of food gardens) on a total irrigated area of 4 680 ha. A further R630 000 was paid as operating subsidies to 104 farmers irrigating a total of 897 ha.

New farmers need support and guidance – and commercial farmers who are already organised to manage water are often more than willing to assist. An example of what can be done comes from the Impala Water User Association which is working with community groups and traditional organisations in the Pongola, Simdlagentsha and Hlobane areas to use water from the new Bivane dam.

There are now over 60 black farmers growing sugar in the area who, in their first season, sold cane worth almost R9 million. That is real empowerment, through water development. The income was shared through the creation of 200 jobs. A further 47 farmers are due to be established and the area for emerging farmers expanded to 1200 hectares. The dam made expansion of commercial farming possible creating a further 700 jobs as well as supplying a water scheme that serves 50 000 people in the surrounding villages.

This is the kind of investment we need to empower our people and create jobs and we aim to help 500 farmers annually and have budgeted accordingly. I will also continue to interact with my colleague the Minister of Agriculture to ensure that our support is part of Government's overall farming support package.

All over the country, groups of poor unemployed people, mainly women, have come together to grow vegetables on small plots of land to provide food for their families and a little income when they produce extra.

In some areas, I hear that they are being discouraged by agricultural officials who tell them that they cannot take water from streams or boreholes for their gardens. This is not true. The National Water Act says that water for domestic gardens can be taken without a license except where there is an acute shortage. Certainly, no-one using a hand driven pump or carrying water in buckets need be concerned. The law is there to prevent a few people gaining control over the nation's precious water not to stop people from feeding their families.

### **Forests**

The restructuring of the Department's plantation forests has continued. The large plantations have either been transferred to new operators or incorporated into SAFCOL until SAFCOL's disposal is finalised. As a result, the Department's forestry trading account has been closed.

The restructuring is already bearing fruit. We were delighted to learn that Mondi South Africa is investing R2 billion to expand its mill in Richards Bay to export an additional R500 million worth of pulp per year. R800 million of the investment will be spent in South Africa, benefiting local businesses and their employees and Mondi will expand procurement from black-owned businesses.

Much of the timber will come from Siyaqhubekha Forests the empowerment company took over management of the forests around Richards Bay. We should celebrate these developments that the restructuring has unlocked as well as Mondi's commitment to investment in South Africa.

### **Forestry Development in the Eastern Cape**

I want to see similar development in the Eastern Cape, the one area in the country with significant potential to expand forestry. 60 000 hectares of new forestry could be added over the next 20 years, creating 3 000 direct jobs, bringing development to the rural poor, and alleviating poverty. Industry believes that new plantations would allow further expansion of processing facilities in the province, adding value to the raw timber.

We can ensure that benefits are equitably shared with the communities whose land will be used for growing trees as we are doing in the Singisi area, where after forestry restructuring, there is already R25.6 million of rental income awaiting distribution. Because so much money is involved, the legitimate land owners need to be identified through a thorough land claims process, and DWAF is working closely with the Land Authorities to finalise this. Meanwhile, the Singalanga Trust which owns shares in the Singisi operating company is already receiving dividend payments.

My Special Advisor Prof. Dennis Goldberg has met with industry stakeholders, political leaders and the affected communities and found keen interest in forestry as a vehicle for economic development. Turning this potential into a reality will be a high priority for the Department in the coming year.

There has also been progress in the conservation of our country's indigenous forests, which provide fuel, building materials, food and medicines. Gathering and sale of these forest products generates much informal employment particularly for rural women. We continue to work with communities to protect both the forests and the livelihoods they provide. The Participatory Forest Management approach involves stakeholders in decision-making regarding forests and we have forums in which communities participate on all forest estates managed by my Department. We have completed a number of economic feasibility studies around selected forests and identified projects that could provide useful economic returns for communities.

This is a tough job as we know from the rehabilitation of the Dukuduku forest but we have seen good progress in other areas with the imminent transfer of the Knysna indigenous forests into an expanding Garden Route National Park. I am also in discussions with the Minister of Environmental Affairs and Tourism and the Eastern Cape Government and hope that we will shortly announce plans for the wonderful indigenous forests of Pondoland and the establishment of the Pondoland National Park.

## **Working for Water**

The Working for Water programme of the Department also supports the nature conservation responsibilities of provinces. Last year, the programme cleared more than 230 000 hectares and did follow up on over 460 000 hectares. The 305 projects created approximately 14 000 person years of employment and plans to do as much again this year.

The future of Working for Water is currently being reviewed with National Treasury considering how such poverty relief programmes should be funded in future. I believe that Working for Water has an excellent track record of poverty alleviation in those parts of the country where alien vegetation poses a particular challenge although there is always room for improvement. So I am sure we will find ways to continue the programme as a vital contribution to nature conservation.

## **Conclusion**

We have made much progress across all fronts but clearly there are many challenges and much remains to be done. Nevertheless, I have noted that some critics of government have found it necessary to invent statistics with which to attack us. I will go into more detail about this in the Assembly on Friday but if our critics have to invent problems, we must be making some progress in tackling the real issues.

So I want to conclude by thanking my Department, Director General Mike Muller and his able team as well as my Special Advisor Dennis Goldberg for all the hard work and commitment they have shown to ensuring that our water and forests contribute to a better life for all. My thanks to Premiers, MECs and you, Members, for your support.