

Programme 3 : Water Services

State of Water Services Report

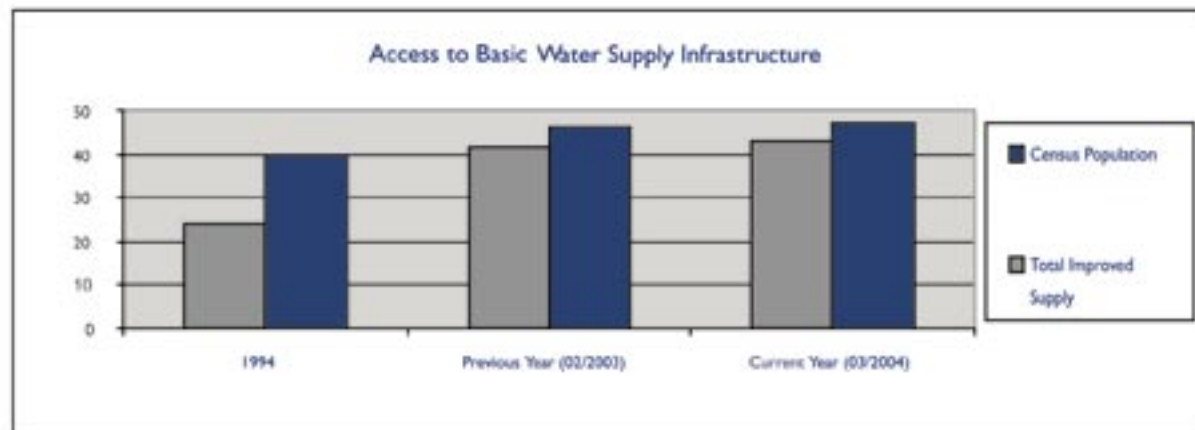
In its role of regulator of water services, the Department collates service provision data which reflects the State of the Sector.

i) Access to Basic Services

During the year under review, water supply was provided to a further 1,65 million people, and sanitation to a further 1 million people. There are currently 4.4 million people with no access to basic water supply, and a further 5,7 million who have access to a water supply that does not meet the RDP service levels. There are still 17,1 million people without access to basic sanitation infrastructure.

Table I.1 Access to Basic Water Supply Infrastructure (millions)

| Period | Census Population | Total Improved Supply | With Access to Infrastructure at Basic level or Higher | With Access to Basic Services but below RDP service levels | No Access to Infrastructure | % Access to services |
|-------------------------------------|-------------------|-----------------------|--|--|-----------------------------|----------------------|
| Current (03/2004) | 47.4 | 43.0 | | 5.7 | 4.4 | 91% |
| People served April '03 - March '04 | | 1.65 | 0.85 | 0.4 | 0.4 | |
| Previous Year (03/2003) | 46.4 | 41.5 | | 6.1 | 4.9 | 89% |
| People served 1994 - March 2004 | | 13.4 | 4.4 | 4.0 | 5.0 | |
| 1994 | 39.8 | 23.9 | | | 15.9 | 60% |



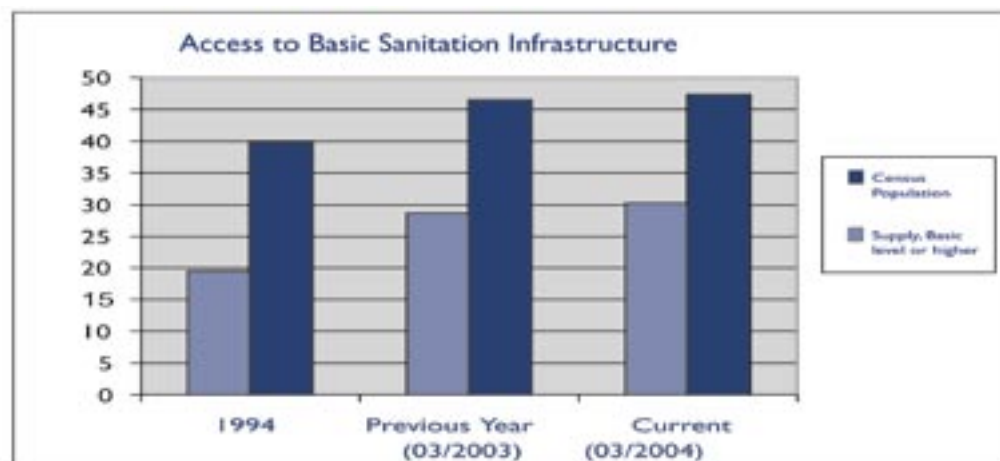
Please note that the 2003/2004-year figures in this report differ from the figures as per the Annual Report 2002/2003 as an adjustment was made based on the Census 2001 results

Comments:

- Water Supply backlog & people served figures were re-adjusted based on Census 2001 results.
- Population figures given are based on Statistics South Africa (STATS SA) mid year estimate (July 2003) of 46.4m and have been adjusted by 2% to reflect annual population growth
- Information provided is based on data from DWAF, Department of Housing, DPLG & estimates from NGO's & Local Government
- Access to basic water supply services improved from 60% of population in 1994 to 91% of population in March 2004
- Figures reflect infrastructure provided and do not reflect availability of service. (See service quality data below.)

Table 1.2 Access to Basic Sanitation Infrastructure (millions)

| Period | Census Population | Supply, Basic level or higher | No Access to Infrastructure | % Access to services |
|-------------------------------------|-------------------|-------------------------------|-----------------------------|----------------------|
| Current (03/2004) | 47.4 | 30.3 | 17.1 | 64% |
| People served April '03 - March '04 | | 1.0 | | |
| Previous Year (03/2003) | 46.4 | 28.6 | 17.8 | 62% |
| People served 1994 - March 2004 | | 6.9 | | |
| 1994 | 39.8 | 19.4 | 20.4 | 49% |



Comments:

- Sanitation Supply backlog figures were re-adjusted based on Census 2001 results
- Population figures given are based on STATS SA mid year estimates (July 2003) of 46.4m and include growth at a rate of 2% per annum
- Information provided is based on data from DWAF, Department of Housing, DPLG & estimates from NGO's & Local Government
- Access to services improved from 49% of population in 1994 to 64% of population in March 2004
- Figures reflect infrastructure provided and do not reflect actual use of service provided.

Table I.3. Affordable Access to Water (Free Basic water)

| Institution | Total WSA's | Total Population (millions) | WSA's Providing Free Basic Water | Population with Free Basic Services (millions) | Population with Access to Infrastructure with Free Basic Water (%) |
|---------------|-------------|-----------------------------|----------------------------------|--|--|
| Eastern Cape | 17 | 6.8 | 16 | 2.8 | 91.0 |
| Free State | 21 | 2.7 | 20 | 2.8 | 54.0 |
| Gauteng | 13 | 9.7 | 12 | 8.0 | 72.0 |
| KwaZulu-Natal | 14 | 10.0 | 14 | 5.8 | 98.0 |
| Limpopo | 12 | 5.5 | 12 | 2.7 | 75.0 |
| Mpumalanga | 23 | 3.3 | 16 | 1.4 | 60.0 |
| North West | 18 | 3.8 | 17 | 2.4 | 99.0 |
| Northern Cape | 31 | 0.8 | 31 | 0.6 | 43.0 |
| Western Cape | 30 | 4.8 | 29 | 3.9 | 46.0 |
| National | 170 | 47.4 | 161 (95%) | 30.5 (65.6%) | 73.0 |



Comments:

- Reporting is focussed on the municipalities that are Water Services Authorities (WSA) and have been allocated the water and sanitation function which includes the responsibility of implementing Free Basic Water, rather than municipalities in total (284).

ii) Service Quality

Table 2: Service quality as reported by local government

| Perspective | National |
|--|----------|
| Percentage Municipalities Meeting Service Quality | 72% |
| Percentage Municipalities achieving Reliability of Service | 69% |
| Percentage Municipalities adhering to Water Quality Requirements | 43% |

Comments:

- It is a matter for concern that only 43% of Local Government report that they are adhering to Water Quality Requirements as per SABS241 (class I - Green)
- Information is based on feedback from 65% (155) of 237 Municipalities. At this stage it reflects the perceptions of municipalities rather than a comprehensive external survey. However the figures for water quality show a good correlation with information from other surveys.
- "Reliability of service" refers to the achievements of the standards set out in the Strategic Framework for Water Services and relevant regulations.
- "Service Quality" refers to the municipality's ability to respond to customer's complaints e.g. help desk.

iii) Economic and Financial Indicators

Table 3.1. Water Tariffs

| Perspective | Tariff 20-60 kl | | | Tariff > 60 kl | | | Target Sample Size | % Returns | Comments |
|---------------|-----------------|--------|---------|----------------|--------|---------|--------------------|-----------|-------------------------|
| | Average | Min | Max | Average | Min | Max | | | |
| RSA | R 3.60 | R 0.00 | R 15.57 | R 3.94 | R 0.00 | R 15.57 | 237 | 65% | |
| Eastern Cape | R 2.89 | R 0.59 | R 4.79 | R 3.07 | R 0.59 | R 6.84 | 39 | 64% | |
| Free State | R 4.45 | R 1.41 | R 13.71 | R 4.59 | R 1.51 | R 12.70 | 20 | 80% | See Note (2) |
| Gauteng | R 5.71 | R 1.82 | R 11.15 | R 6.87 | R 5.39 | R 8.79 | 12 | 75% | |
| KwaZulu-Natal | R 4.12 | R 0.00 | R 15.57 | R 4.46 | R 0.00 | R 15.57 | 51 | 67% | See Note (3) |
| Mpumalanga | R 3.55 | R 0.00 | R 11.40 | R 4.03 | R 0.00 | R 11.40 | 19 | 79% | |
| Northern Cape | R 2.75 | R 0.00 | R 5.70 | R 2.87 | R 0.00 | R 6.38 | 26 | 73% | See Note (2) |
| Limpopo | R 2.86 | R 0.00 | R 5.80 | R 3.19 | R 0.00 | R 6.98 | 24 | 58% | See Note (4) & Note (5) |
| North West | R 4.79 | R 2.05 | R 7.10 | R 5.18 | R 2.71 | R 7.35 | 21 | 52% | See Note (1) & (5) |
| Western Cape | R 3.45 | R 0.91 | R 7.41 | R 3.96 | R 1.32 | R 9.55 | 25 | 84% | |

- The tariffs reported here are Population Weighted Averages of Municipal Retail Tariffs adjusted/escalated to 2004

Comments:

- 1 Changes in target sample size have affected the calculation of average tariffs. See also Note (3) below.
- 2 2003 (May) Survey has not captured latest Tariff increases. Information is currently being updated.
- 3 Current Survey has been expanded to include new roles and responsibilities of Local Government. Previous Survey focussed on Regional Councils only.
- 4 Many Rural Communities in former homeland areas are still being served by DWAF schemes at no charge. This influences the average tariff of specific provinces (e.g. Limpopo Province)
- 5 Increased Mining demands and related infrastructure expansion have increased bulk supply tariffs (e.g. NW)
 - INDUSTRIAL TARIFFS
 - a No average Industrial Tariffs are presented since comprehensive surveys are still being conducted.

Table 3.2. Capital Expenditure on basic services infrastructure (R millions)

| Program | Water | | Sanitation | |
|-----------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Projects 1994 to 2004 - Budget | Projects 2003 / 2004 - Budget | Projects 1994 to 2004 - Budget | Projects 2003 / 2004 - Budget |
| DWAF-CWSS | R 6,350.4 | R 780.1 | R 910.2 | R 351.4 |
| DPLG-CMIP | R 3,578.8 | R 759.0 | R 1,264.5 | R 277.0 |
| DH-Housing | R 1,219.5 | R 188.0 | R 1,238.5 | R 207.0 |
| DPW-Schools & Clinics | R 107.7 | R 2.2 | R 142.7 | R 5.2 |
| TOTAL SECTOR | R 11,256.4 | R 1,729.3 | R 3,555.9 | R 840.6 |

Comments:

- Figures are based on the assumption that 75% of CMIP funding is allocated to basic services and 25% for the provisioning of Higher Levels of Service than basic.
- Figures are based on the assumption that 50% of Housing funding is allocated to Higher Levels of Service than basic.

Table 3.3 Estimated Water Services Operating Expenditure (R millions) by National, Provincial and Sector

| Perspective | Total Domestic Water Services Operating Expenditure | |
|-----------------------------------|---|----------------|
| | March 2004 | March 2003 |
| TOTAL SECTOR | R 9,679 | R 9,218 |
| Self-Funded Operating Expenditure | R 8,612 | R 8,201 |
| National Grants | R 1,067 | R 1,017 |
| PROVINCIAL | R 9,679 | R 9,218 |
| Eastern Cape | R 731 | R 696 |
| Free State | R 644 | R 614 |
| Gauteng | R 3,336 | R 3,177 |
| Kwazulu Natal | R 1,111 | R 1,058 |
| Limpopo | R 735 | R 700 |
| Mpumalanga | R 367 | R 350 |
| Northern Cape | R 159 | R 152 |
| Western Cape | R 1,603 | R 1,526 |
| North West | R 993 | R 945 |
| Sector | R 9,679 | R 9,218 |
| Metropolitan Councils | R 5,548 | R 5,284 |
| Local Authorities | R 1,056 | R 1,005 |
| Water Boards | R 2,198 | R 2,093 |
| DWAF | R 877 | R 836 |

Comments:

- Municipal figures have been estimated and are not actual expenditure records (most municipalities do not yet have clear accounting of expenditure for each of their services)
- Estimation is based on water consumption and tariffs of respective municipalities and Metropolitan Councils, assuming actual cost to be 70% of charged consumption
- Inflation of 13% is assumed for calculation of previous year cost of Non-DWAF services
- Non-DWAF sanitation expenditure is based on number of households using flush and chemical toilets at an average municipal rate (70% of household sewage tariff)
- Split of operating cost for rural towns (excluding main towns and Metros) is based on population served
- Water Boards expenditure is mostly derived from payment by Municipalities and these are not shown under the respective municipalities to avoid double counting.

Table 4. Water Boards for the reporting period

| Water Boards: Income and Expenditure Data (in R'000s) | | | | | | | | | | | | | | | | |
|---|------------------|------------------|---------------------|---------------|----------------|---------------|-----------------------|---------------|------------------|---------------|------------------|------------------|---------------|-----------------------------|-----------------|------------------------|
| Name of Water Board | Revenue | | Capital Expenditure | | | | Operating Expenditure | | | | | Fixed Assets | External Debt | Population Served in 2002/3 | Number of Staff | Personnel Costs 2002/3 |
| | 2001-02 | 2002-03 | 2001-02 | | 2002-03 | | 2001-02 | | 2002-03 | | | | | | | |
| | Actual | Projected | Amount | % of Total | Amount | % of Total | Amount | % of Total | Amount | % of Total | | | | | | |
| Albany Coast | 2,115 | 1,968 | 1,358 | 0.2% | 1,966 | 0.3% | 1,448 | 0.1% | 1,347 | 0.1% | 180 | 2 256 | 10 | 6 | 447 | |
| Amatola | 54,321 | 62,139 | 5,252 | 0.9% | 13,989 | 2.1% | 30,378 | 1.6% | 45,462 | 2.2% | 253 080 | 21 911 | 1 200 | 231 | 25 832 | |
| Bloem Water | 92,692 | 114,656 | 4,750 | 0.8% | 2,300 | 0.3% | 55,798 | 3.0% | 69,156 | 3.4% | 344 819 | 343 352 | 800 | 223 | 24 731 | |
| Botshelo | 79,907 | 85,000 | - | 0.0% | - | 0.0% | 80,077 | 4.3% | 82,000 | 4.0% | 10 683 | 0 | 821 | 388 | 32 892 | |
| Bushbuckridge | 9,351 | 102,901 | 44,916 | 7.6% | 22,856 | 3.4% | 15,962 | 0.9% | 38,095 | 1.9% | 47 355 | 0 | 1 200 | 262 | 9 022 | |
| Ikangala | 1,920 | 79,869 | - | 0.0% | 56 | 0.0% | 2,054 | 0.1% | 79,749 | 3.9% | 38 306 | 0 | 1 530 | 6 | 1 080 | |
| Lepelle | 132,431 | 135,146 | - | 0.0% | - | 0.0% | 73,382 | 4.0% | 79,565 | 3.9% | 393 298 | 353 486 | 1 000 | 261 | 22 088 | |
| Magalies | 86,818 | 86,132 | - | 0.0% | 27,400 | 4.1% | 37,957 | 2.1% | 46,720 | 2.3% | 483 643 | 146 895 | 800 | 281 | 14 504 | |
| Mhlathuze | 124,166 | 144,200 | 60,500 | 10.3% | 119,600 | 17.9% | 84,842 | 4.6% | 101,600 | 5.0% | 159 011 | 205 248 | 380 | 147 | 28 895 | |
| Namakwa | 8,866 | 9,753 | - | 0.0% | - | 0.0% | 6,769 | 0.4% | 7,446 | 0.4% | 92 266 | 12 259 | 45 | 26 | - | |
| Overberg | 12,284 | 14,206 | 512 | 0.1% | 1,172 | 0.2% | 11,435 | 0.6% | 12,290 | 0.6% | 38 574 | 8 389 | 62 | 70 | 6 093 | |
| Pelladrift | 5,149 | 5,786 | - | 0.0% | - | 0.0% | 5,045 | 0.3% | 5,774 | 0.3% | 9 200 | 674 | 7 | - | - | |
| Rand Water | 2,513,342 | 2,616,000 | 276,100 | 47.0% | 266,400 | 39.8% | 1,031,534 | 55.9% | 1,077,400 | 52.9% | 3 721 738 | 1 935 817 | 10 000 | 3 108 | 469 700 | |
| Sedibeng | 239,631 | 260,053 | 1,857 | 0.3% | 11,103 | 1.7% | 122,712 | 6.6% | 143,162 | 7.0% | 278 841 | 277 449 | 1 600 | 595 | 15 755 | |
| Umgeni | 738,503 | 802,446 | 192,266 | 32.7% | 202,248 | 30.2% | 287,414 | 15.6% | 247,848 | 12.2% | 2 844 555 | 2 182 800 | 4 302 | 1 098 | 165 215 | |
| Total | 4,101,496 | 4,520,255 | 587,511 | 100.0% | 669,090 | 100.0% | 1,846,806 | 100.0% | 2,037,614 | 100.0% | 8 715 549 | 5 490 536 | 22 227 | 6 702 | 816 254 | |

Purpose: Ensure that effective, efficient, sustainable and affordable water and sanitation services are provided to the people of South Africa, as well as economic users.

3.1. Main Achievements

Once again, the Department managed a very successful CAPEX programme to provide infrastructure for the supply of water for basic needs in rural areas. This programme which had an all time high allocation of R1 498 million including draught allocations and donor funding. By the end of the year the total number served with safe drinking water since 1994 was approaching 10 million.

The Department placed a high priority on sanitation and allocated an amount of R347 million for this purpose, the highest ever, for basic sanitation. Of this, R319 million was spent and 97135 households were provided with sanitation services, and 510 337 people benefited from the health and hygiene programme which goes hand in hand with the provision of the infrastructure.

The year (2003/04) marked the first year of implementation of the programme to replace the bucket system of sanitation with a more appropriate type of service. R62 million has been allocated to pilot bucket eradication programmes in some regions. Implementation of some of these projects has just started and there has not been separate reporting between bucket eradication and household programmes. Households are being provided with a more acceptable service that vary from VIPs to full water borne sanitation. The challenge ahead is to eradicate approximately 430 000 bucket systems during the next three to four years.

This reporting period (2003/04) was the last year in which DWAF had direct responsibility for the capital programme. In future, capital funds for basic services will be allocated directly to municipalities under the Municipal Infrastructure Grant (MIG). The basic principles for the MIG programme were approved in March 2003 and during the course of the year DWAF negotiated details and conditions of the grant as well as the strategy for its implementation. The Department as well as other sector departments will be responsible to ensure compliance with the water and sanitation conditions, and to ensure that municipalities maintain their focus on ending the water supply and sanitation backlog.

Good progress was also made to transfer departmental water services schemes to the relevant municipalities. These comprised treatment plants, and other bulk and reticulation infrastructure. In most cases staff were also transferred to Local Government or relevant service providers institutions.

These transfers take place within a transfer policy framework developed jointly by DWAF, DPLG, the South African Local Government Association (SALGA) and National Treasury (NT).

As the Department is moving out of direct implementation and operations it can in future focus on its future role as the national institution responsible for policy, regulation, information and support.

The collation, analysis and dissemination of information on the state of water services at national, provincial and municipal level will be a high priority for

DWAF as responsibility for the operational function Information Services (IS) transferred to municipalities.

The Strategic Framework For Water Services (SFWS) was approved by Cabinet on 17 September 2003 after extensive consultation with relevant sector stakeholders. The 1994 White Paper on Community Water Supply & Sanitation played a key part in creating an enabling policy framework, but since 1999 the municipal context has changed significantly. This is reflected in the Strategic Framework which provides a comprehensive policy summary with respect to the total water services sector in South Africa and sets out the framework for its implementation over the next ten years. The key challenges are to address inequality where it still persists, the provision of basic services, providing higher levels of service and sustainable provision of services (including sustainability of the institutions responsible). The Strategic Framework is forward looking, setting out the vision, targets and policy framework for the next ten years. The development process is seen as an excellent example of cooperative governance between all the major sector stakeholders and is therefore a sector framework.

Following the approval of the Strategic Framework for Water Services by the Cabinet, DWAF and SALGA had a very successful water summit in October 2003 where a joint declaration was signed committing both parties to co-operate to give effect to the SFWS. Work has commenced on various, more detailed strategies to give effect to the implementation of the SFWS, including:

- Institutional Reform Strategy
- Regulatory Strategy
- Legislative review (amendments to the Water Services Act, 1997)
- "Strategic Assessment of the sector" reporting.

This institutional reform is important to ensure that the capacities of regional service providers such as the water boards are optimally used in delivering efficient water services.

The implementation of FBW services went well and approximately 95% of municipalities are providing FBW either in total or to part of their municipal population. Approximately 66% of the national population now benefits from Free Basic Water. Further policy development has taken place and all municipalities have been provided with copies of the revised policy, guidelines and tools necessary for the provision of Free Basic Water. The Department has also appointed provincial support units to assist municipalities with the implementation of the policy.

The joint programme with other role players such as the Department of Health to combat the spread of water borne diseases such as cholera has contributed to the decline of the epidemic. The number of cases and deaths has decreased relative to previous years.

3.2. Key Outputs & Service Delivery Trends

| KEY FOCUS AREA | OUTPUTS | SERVICE DELIVERY INDICATORS | ACTUAL PERFORMANCE |
|--|--|---|--|
| Ensure provision of basic Water Supply and Sanitation for improved quality of life and poverty alleviation | Backlog of 6 million people without water services reduced by 1m | Reliable monthly Monitoring & Evaluation (M&E) reports. | The basis for identifying backlog in the country for 2003/04 was the 2001 census. |
| | Sustainable water supply delivered through effective management & financial accountability of delivery programs. | Donor funding sought and committed | The department implemented 577 water supply projects through Water Services Authorities (WSA) and Implementing Agents. When completed these projects will serve 1 261 659 people to RDP standard and 310 000 people below RDP standard |
| | Sufficient resources allocated in all Govt. spheres to meet the basic water supply needs of the country (at least R 2 billion per annum in all spheres) | Adequate Government budget allocation to Basic Water Supply | Budget for DWAF WSS infrastructure R1 498 million in 2003/4 |
| | | Adequate Govt Budget allocation to Basic Water Supply | 95% of municipalities now have a FBW policy but FWB only reaches 30 million people (66% of population) |
| | FBW policy implemented by 70% of municipalities | FBW monthly reports | MIG Framework negotiated and included in DoRA (2004) |
| | 300 000 households provided with basic sanitation | Reliable monthly M&E reports to MANCO (DWAF & other govt. depts.) | The Sanitation backlog was addressed by implementing 440 projects and delivering 97 100 VIP's, 1 400 toilets were upgraded. Through health and hygiene education, 510 000 people were impacted. 9 100 Bucket type toilets were replaced by either VIP's or water borne units in the Free State Clinic sanitation programme delivered 76 toilet blocks translating to 330 toilet seats. Farm dweller sanitation pilots in the Western cape delivered 1 150 toilet units. |
| Ensure effective & sustainable delivery of water services to underpin economic & social development | Finalise WS Strategic framework as comprehensive sector policy. Co-ordinate with other national dept's and sector stakeholders and align policies within sector. | Policy documents approved | Strategic Framework for Water Services as policy for the water services sector approved by Cabinet. Work was started on strategies to give implementation the Strategic Framework as well as a joint communication process with SALGA. |
| | Institutional clarity & formal understandings with other role players | Agreements, approvals & confirmation of alignment of policies; agreed at DG level | The improved co-ordination between sector players in water services has been one of the main achievements of the past year. Engagements at local, provincial and national task team levels have taken place to clarify, debate and jointly agree on implementation. The joint National Water Summit between DWAF and SALGA was an example of one of these initiatives. |



| KEY FOCUS AREA | OUTPUTS | SERVICE DELIVERY INDICATORS | ACTUAL PERFORMANCE |
|---|--|--|--|
| | Improve quality of 20 district WSDP's in order to meet key objectives and give written reports to all 20 councils. WSDPs developed as part of the IDPs in 47 district municipalities and 6 metropolitan councils. Promote development of planning culture in LG, project planning and programmes | Monitoring system in place, regular reports. WSDPs submitted to DWAF Projects in local Govt. sphere reflect sustainable WS business approach | Out of a total of 170 Water Service Authorities (WSA) 153 had developed their water services development plans although 93 are still in draft form. 60 have had the plans formally approved by council. Other specific outputs include the alignment of WSDPs to IDPs including memoranda of understanding on sanitation project implementation. |
| | Design of regulatory framework completed and approved. | Approved by DG and Minister | A dedicated directorate was created in the Policy and Regulation branch to take full time responsibility for Water Services Regulation. A framework for regulation was approved as part of the WS Strategic Framework. |
| | State of the Water Services Sector report completed. | Report published | Summary "State of Sector" report produced and quality of information improved and more accessible |
| | Well populated Macro Management Information Systems (MIS) Phase 2 developed & maintained | System in place and information accessible | |
| Ensure effective Water Institutions | Improved monitoring of Water Boards performance | Annual report submitted to Minister | The monitoring and oversight role of DWAF for Water Boards continued through a formal evaluation process including appraisal of Policy Statements and Business Plans |
| | DWAF WS restructured to fulfil long term custodian role | Stage of restructuring | Restructuring 80% complete. A dedicated directorate was created in the Policy and Regulation branch to take full time responsibility for Water Services Sector Development. |
| | DWAF to support municipalities | Annual reports submitted | Many activities related to support happened over a range of focus areas |
| | Identify key competencies needed for DWAF WS staff. After restructuring. | Spend at least 5% of personnel budget on training | Training of staff took place in all provinces to maintain the core competencies of WS within the department. |
| Ensure effective local-level operations and management of DWAF water services schemes | Fully inclusive transfer policy (incl. Assets, resources and responsibilities) reviewed & amended as necessary | Policies accepted & implemented by stakeholders. | To ensure an enabling environment, the fully inclusive transfer policy was reviewed and amended as necessary and was approved by the Inter Departmental Transfer Committee. |
| | HR strategy dealing with affected staff reviewed and amended as necessary | Agreements with Bargaining Chamber and Unions on staff transfer issues & labour mechanisms established. | The HR strategy for dealing with affected staff was reviewed and amended as necessary. A draft policy position for dealing with any potential excess staff once transfer process is completed prepared for DPSA consideration. |

| KEY FOCUS AREA | OUTPUTS | SERVICE DELIVERY INDICATORS | ACTUAL PERFORMANCE |
|---|---|---|--|
| | DORA Framework 2004-5 on Water Services operating subsidy agreed | Gazette DORA Framework 2004-5 | The transfer of Water Services schemes to WS institutions continued in line with the approved policy and framework developed for the Division of Revenue Act. 67 schemes with a present day value of R 848 million, in most cases with the associated staff have been transferred together with some 394 completed Water Service projects. 17 transfer agreements were concluded with a further 14 in progress. |
| | 90 Schemes Transferred to WSI's according to plan (30%) | Transfer progress reported | Ongoing support was provided to WS institutions to ensure the continuity of effectiveness and efficiency of services. The transfer process was monitored and evaluated and there were significant improvements in cost recovery for schemes on the operating subsidy. |
| | Improved efficiency and management achieved on schemes operated by DWAF in terms of WSP agreements and measured against KPI's in annual water audit | Annual evaluation of schemes based upon KPI's as reflected in annual audit. | There was improved efficiency on schemes operated by DWAF in terms of WSP agreements. |
| | 90 DWAF Schemes Rehabilitated to meet minimum safety requirements and achieve 100% functionality | Evaluation based upon details in agreement of transfer | 90 schemes were rehabilitated to meet minimum safety requirements and achieve 100% functionality as part of the process to facilitate and strengthen the efficiency and effectiveness of WS providers. |
| Promote and support sound policy and practice of WS to achieve a millennium targets in Africa | Develop plan on participation in activities to share knowledge, experiences and lessons with other developing countries especially in Africa | Plan developed and approved by Minister. | Negotiations started on three focus areas for greater integration in the SADC Water Division: To promote the use of Best Practice for sustainable water supply and sanitation projects within the SADC Region; To promote Capacity Building of NGOs/CBOs in Water and Sanitation Sector in SADC; To promote Capacity Building of technicians, technologists and professionals in Water & Sanitation Sector in SADC; |

3.3. Regional Operations and Water Trading Account

The Water Trading Account covers many of operational activities in Water Resources Management (sub accounts 1-3) and Water Services (sub account 4)

3.3.1 Water Trading sub -Account 1: Integrated Catchment Management

Aim / Objective

To promote the equitable allocation, beneficial use and sustainability of water resources and to develop and implement catchment management plans, thereby ensuring the effective integration of water quality, water utilisation and water conservation objectives.

Policy Implementation

Work continued with the establishment of Catchment Management Agencies (CMAs). Proposals for the establishment of the Nkomati CMA have been approved and the implementation phase will be rolled out during 2003/04. Proposals for the establishment of Crocodile West/ Marico and the Mvoti / Mzimkulu are still under consideration.

Draft Proposals for the establishment for the Breede and Gourits Water Management Areas are complete. The proposals for the Olifants - Doorn CMA will be completed during the next financial year as part of the Integrated Water Resources Management (IWRM) projects, which is well advanced in this catchment. A directorate, has been established to take the lead in developing processes and procedures for compulsory licensing.

Water Quality Management

A key function is the development and implementation of water quality management plans to regulate water quality and waste management for surface and ground water resources.

Dedicated attention has been given to the monitoring and control of pollution and other measures related to water quality management. Support was given in the Eastern Cape, Northern Cape and Kwazulu-Natal to Cholera control programmes from December 2002 until March 2003.

Water Utilisation

Implemented Strategies for equitable allocation, efficient and sustainable utilisation of water resources in the agricultural, industrial and municipal sectors. This role is critical for facilitation of water user registration.

Water Conservation and Working for Water

Great strides have been made in implementing strategies aimed at reducing water demand. The operational activities of the Working for Water (WfW) Programme, which, inter-alia, focuses on the eradication of invasive plants, accounts for the bulk of expenditure in the sub account.

266,147 hectares of invading alien plants have been cleared and 523,613 hectares were revisited for follow up activities.

Dam Safety Control

Annual and quarterly dam safety inspections are carried out to ensure good monitoring of structures are carried out. Operation and Maintenance manuals and Emergency Preparedness Plans for various dams have been produced, and we are continuing with dam classification and registration.

3.3.2 Water Trading Sub-Account 1: Integrated Systems

Aim:

To manage, operate and maintain Government Water Schemes of National importance e.g. for the transfer of water from donor catchments to supplement the water resources in recipient catchments.

Policy Implementation

The Regions infrastructure is operated to ensure that water is available at acceptable levels of assurance.

The Integrated Systems Programme consists of:

Operations and Maintenance

This unit is responsible for:-

- Supplying treated and untreated water to users in bulk e.g. Sasol, Eskom etc., other bulk or reticulation suppliers such as water boards and municipalities or other users.
- Supplying raw water in bulk to WUAs and existing irrigation boards for distribution to individual irrigators.

Betterment Works and Flood Control

This unit is responsible for the upgrading or improvement of water supply works, water control works, flood monitoring, as well as the repair of flood damages. The abnormal drought conditions caused the dam level in the supply system to Eskom and Sasol to drop to unacceptably low levels, and the risk of not being

able to meet the demands became very high. Steps had to be taken to construct an improved supply link between Morgenstand and Jericho dams. The actual construction will be completed during the new financial year.

Drought relief funds were also provided to a large number of Municipalities which were severely effected by the drought to prevent a breakdown in water service delivery.

3.3.3 Water Trading Sub-Account 3: Bulk Water Supply

Aim:

To manage, operate and maintain Regional Bulk Water Supply Infrastructure.

Policy Implementation

Section 98 of The National Water Act makes provision for the establishment of Water Users Associations (WUAs) and Regions have been tasked to convert existing irrigation boards into WUAs, which are intended to be more representative of the communities being served. It is also the intention to transfer the Operations and Maintenance (O&M) functions of certain bulk water schemes to WUAs and good progress is being made in this regard.

There are currently 285 Irrigation Boards Water User Associations, of which 38 rely on government owned infrastructure for the distribution of bulk water. The remainder have developed their own infrastructure. There are also still 21 government water schemes, where the management of the maintenance functions is being transferred to WUAs.

Transfer has already been implemented on the Oranje Riet, Lower Olifants River, Vaalharts, Boegoeberg and Kakamas schemes; The latter three having taken place during 2003/04 In the case of Boegoeberg, Kakamas and Vredendal, staff have not yet been transferred. Interim contracts for the maintenance of infrastructure are also in place.

Since the infrastructure of certain WUA's remains state-owned, a systematic process of monitoring and oversight is being established as an exchequer-funded activity.

The Bulk Water Supply Programme consists of:
Operation and Maintenance

The responsibilities of this unit are:-

Supplying bulk raw water to WUAs (irrigation boards) for distribution to individual irrigators within an irrigation district as defined by the National Water

Act, and the supply of raw water to individual irrigators within Government Water Schemes.

Betterment Works, Flood Control and Drainage

The responsibilities of this unit are:-

- Upgrading or improvement of water supply works, water control works purification works and related structures.
- Flood monitoring, flood control activities, flood warnings, and the repair of flood damages to government water works.
- Constructing or improving water drainage works and related structures.

The extensive and very severe drought compelled the department to introduce water restrictions for irrigation purposes which varied between from the low of 5% in the Umgeni area to a high of 100% restrictions in the Bronkhorstspruit river. The restrictions had to be introduced in Limpopo, Mpumalanga, KZN and Free State Provinces. These restrictions not only caused hardship to the customers we serve, but also had a negative effect on the collection of revenue due to reduced water sales.

The drought also had a severe impact on the supply of water for basic human needs. The Department was forced to introduce drastic measures to curb usage through an extensive demand management programme in the Western Highveld area of Mpumalanga. The construction of an emergency scheme to augment the existing supply from Bronkhorstspruit dam to this area was initiated. Water obtained from Rand water in Mamelodi will be used to augment the existing supplies to parts of Nokeng, Tembisile, Kungwini and other municipalities.

3.3.4 Water Trading Sub-Account 4: Water Services

Aim:

To manage, operate and maintain Regional Water Services infrastructure.

The Water Services Programme consists of:

Operation and maintenance

It is responsible for:-

- Operating and maintaining the infrastructure necessary to supply potable water to consumers.
- Operating and maintaining the infrastructure for the treatment of sewage.
- Supplying bulk (raw and treated) water to Water Services Institutions, other bulk suppliers or other water users.

Betterment

Is responsible for:-

- Upgrading or improvement of water supply works, water control works sewage work, purification works and related flood damages to government water structures.
- Flood monitoring, flood control activities, flood warnings and the repair of works

Crisis intervention

Is responsible for:-

- Providing alternative water supply in case of water supply failure or due to lack of infrastructure. E.g. provision of water tankering services.

Transfers

The Department is implementing a comprehensive programme to transfer the water services works (comprising wastewater treatment plants, and other bulk and reticulation infrastructure) that it currently owns and/ or operates to the relevant water services authorities/institutions. These transfers take place within a transfer policy framework developed jointly by DWAF, DPLG, the South African Local Government Association (SALGA) and National Treasury (NT). In terms of the programme which is included in a framework of the Division of Revenue Act, all transfers will be effected by June 2005 with all conditional grants (subsidies) phased out by June of 2011 at which stage the conditional grants will be incorporated into the equitable share allocations to local government. Provision is also made for the funding of the refurbishment of infrastructure as a component of the transfer agreements.

Good progress was made on the transfer programme with 17 agreements being concluded since inception of the programme. Assets with a present day value of R846 million have been transferred. In most cases associated staff were also transferred or seconded to Local Government or relevant receiving institutions. A further 67 agreements have to be concluded by June 2005.



REGIONAL OPERATIONS - EXCHEQUER FUNDED

| | North West | Limpopo | Mpumalanga | KwaZulu-Natal | Free State | Eastern Cape | Western Cape | Northern Cape | Gauteng | TOTAL |
|--|------------------------|---------|------------|---------------|------------|--------------|--------------|---------------|---------|---------|
| Management | | | | | | | | | | |
| Strategic Plans per Region | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 9 |
| Hydrometry | | | | | | | | | | |
| Data collection at gauging stations | Done by Gauteng Region | 319 | 132 | 195 | 137 | 342 | 319 | 105 | 243 | 1792 |
| Data sets processed | | 460 | 132 | 247 | 196 | 366 | 360 | 72 | 360 | 2193 |
| Operate and maintain gauging stations | | 313 | 120 | 195 | 137 | 326 | 297 | 56 | 243 | 1687 |
| Construction of New gauging stations | | 3 | 0 | 3 | 3 | 3 | 0 | 0 | 1 | 13 |
| Flood repairs to gauging stations | | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Survey Services | | | | | | | | | | |
| Geodetic Surveys | Done by Gauteng Region | 240 | 4 | 8 | 7 | 13 | 26 | 0 | 0 | 298 |
| Hydrographical surveys | | 11 | 9 | 2 | 6 | 8 | 2 | 0 | 17 | 55 |
| Cadastral surveys | | 182 | 6 | 2 | 2 | 0 | 3 | 0 | 1 | 186 |
| Topographical surveys | | 50 | 40 | 21 | 4 | 4 | 2 | 0 | 18 | 139 |
| Photogrammatic ground surveys | | 0 | 1 | 1 | 1 | 13 | 0 | 0 | 3 | 19 |
| Water Drilling Services | | | | | | | | | | |
| Boreholes drilled | N/A | 204 | 16 | 17 | 0 | 22 | 14 | 119 | 0 | 392 |
| Geotechnical Drilling Services | | | | | | | | | | |
| Drilling in meters | N/A | 1693 | 1152 | 552 | 0 | 0 | 1755 | 9536 | 0 | 14688 m |
| Geotechnical Services | | | | | | | | | | |
| Monitoring and siting of boreholes | 0 | 166 | 80 | 53 | 160 | 61 | 3736 | 540 | 234 | 5030 |
| Assessment and licensing of landfill sites | 0 | 5 | 0 | 0 | 20 | 3 | 11 | 7 | 7 | 53 |
| Compile hydro-geological maps | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 2 |

| Regional Water Services Planning | North West | Limpopo | Mpumalanga | KwaZulu-Natal | Free State | Eastern Cape | Western Cape | Northern Cape | Gauteng | TOTAL |
|--|------------|---------|------------|---------------|------------|--------------|--------------|---------------|---------|---------|
| WSA authorities with draft WSDPs | 10 | 7 | 12 | 3 | 20 | 1 | 18 | 16 | 6 | 93 |
| WSA with approved WSDPs | 1 | 5 | 5 | 11 | 0 | 14 | 8 | 16 | 0 | 60 |
| Implementation of Water Services Projects | | | | | | | | | | |
| Projects implemented | | | | | | | | | | |
| Water Supply | 24 | 79 | 65 | 215 | 10 | 169 | 8 | 7 | 0 | 577 |
| Sanitation | 18 | 14 | 33 | 166 | 30 | 156 | 11 | 6 | 6 | 440 |
| People served with water RDP standard | 60870 | 26505 | 20269 | 412762 | 0 | 718617 | 2748 | 2360 | 0 | 1261659 |
| Below RDP standard | | | | 304702 | | 25595 | | | | 310021 |
| People Served with sanitation | 71149 | 43227 | 50498 | 206800 | 56148 | 172350 | | 18980 | 16200 | 656550 |
| People reached by improved health through sanitation and hygiene awareness campaigns (People impacted by Health & Hygiene) | 70 | 150917 | 37103 | 106754 | 4320 | 177837 | 6912 | 26424 | 0 | 510337 |
| Completed VIP's/Latrines | | | | | | | | | | |
| Toilets build | 13735 | 6932 | 4316 | 27114 | 9092 | 25103 | 1197 | 5841 | 3805 | 97135 |
| Upgraded | 94 | 150 | 22 | 47 | 0 | 0 | 0 | 1073 | 0 | 1386 |
| Implementation of cholera projects | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Sustainable Development | | | | | | | | | | |
| Improved knowledge and skills at local government level | 20 | 9 | 17 | 14 | 15 | 38 | 5 | 9 | 0 | 127 |
| Capacity building of communities | 0 | 109 | 80 | 406 | 28 | 210 | 6912 | 43 | 0 | 7788 |
| Transfer of schemes/projects to local government | 15 | 68 | 74 | 0 | 26 | 178 | 19 | 13 | 1 | 394 |

WATER TRADING SUB ACCOUNT I
INTEGRATED CATCHMENT MANAGEMENT

| Planning & Implementation of Catchment Plans | North West | Limpopo | Mpumalanga | KwaZulu-Natal | Free State | Eastern Cape | Western Cape | Northern Cape | Gauteng | TOTAL |
|--|------------|---------|------------|---------------|------------|--------------|--------------|---------------|---------|-------|
| Catchment Liaison Forums | 8 | 1 | 3 | 10 | 4 | 2 | 44 | 30 | 26 | 128 |
| Water User Associations created | 0 | 0 | 2 | 0 | 1 | 0 | 24 | 4 | 0 | 31 |
| Dam Safety | | | | | | | | | | |
| Dam safety routine inspections on State dams | 90 | 36 | 15 | 4 | 22 | 82 | 288 | 42 | 145 | 724 |
| Operational manuals prepared for state dams | 26 | 1 | 3 | 68 | 4 | 20 | 31 | 1 | 9 | 163 |
| Dams registered for dam safety purposes | 0 | 3 | 0 | 2 | 15 | 21 | 25 | 23 | 0 | 89 |
| Water Quality Management | | | | | | | | | | |
| Licenses issued | 3 | 2 | 8 | 50 | 3 | 20 | 0 | 0 | 10 | 96 |
| Discharges registered | 0 | 0 | 47 | 16 | 0 | 20 | 0 | 0 | 20 | 103 |
| Old mines properly maintained | 0 | 0 | 15 | 2 | 0 | 0 | 0 | 0 | 1 | 18 |
| Monitoring of ground water and river sites | 450 | 0 | 248 | 28 | 195 | 182 | 1890 | 98 | 255 | 3346 |
| Water Allocation | | | | | | | | | | |
| Water use licenses assessed | 20 | 24 | 30 | 22 | 11 | 91 | 211 | 201 | 100 | 710 |
| Identify unlawful water users | 10 | 12 | 25 | 123 | 2 | 25 | 11 | 17 | 100 | 325 |
| Water accounts sent out | 4490 | 0 | 14400 | 18672 | 1035 | 9000 | 16000 | 8769 | 20800 | 93166 |
| Water Use Control | | | | | | | | | | |
| Water use registration forms completed | 4636 | 0 | 4129 | 1063 | 1889 | 500 | 9700 | 2204 | 200 | 24321 |

WATER TRADING SUB ACCOUNT 2
INTEGRATED SYSTEMS

| | North West | Limpopo | Mpumalanga | KwaZulu-Natal | Free State | Eastern Cape | Western Cape | Northern Cape | Gauteng | TOTAL |
|--|------------|---------|------------|---------------|------------|--------------|--------------|---------------|---------|-------|
| O&M | | | | | | | | | | |
| The operation and maintenance of schemes in line with national standards for raw water | 0 | 6 | 0 | 6 | 2 | 7 | 5 | 0 | 6 | 32 |
| Maintenance of pump stations | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 17 | 20 |
| General maintenance of km's canals | 0 | 145 | 0 | 1 | 0 | 140 | 0 | 0 | 100 | 386 |
| General maintenance of km's pipelines | 0 | 6 | 0 | 30 | 85 | 25 | 20 | 0 | 550 | 716 |
| Dam inspections carried out for the year | 0 | 24 | 0 | 26 | 10 | 170 | 20 | 0 | 29 | 279 |
| Betterment Works | | | | | | | | | | |
| Upgrading of houses | 0 | 0 | 0 | 2 | 14 | 0 | 0 | 0 | 20 | 36 |

WATER TRADING SUB ACCOUNT 3
BULK WATER SCHEMES

| | North West | Limpopo | Mpumalanga | KwaZulu-Natal | Free State | Eastern Cape | Western Cape | Northern Cape | Gauteng | TOTAL |
|--|------------|---------|------------|---------------|------------|--------------|--------------|---------------|---------|-------|
| O&M | | | | | | | | | | |
| The operation and maintenance of schemes in line with national standards for raw water | 27 | 16 | 7 | 5 | 53 | 89 | 28 | 0 | 2 | 227 |
| Maintenance of pump stations | 1 | 0 | 92 | 2 | 0 | 6 | 2 | 9 | 0 | 112 |
| General maintenance of km's canals | 760 | 123 | 0 | 0 | 731 | 207 | 40 | 0 | 70 | 1931 |
| General maintenance of km's pipelines | 210 | 0 | 800 | 14 | 22 | 84 | 0 | 427 | 0 | 1557 |
| Dam inspections carried out for the year | 0 | 64 | 15 | 20 | 56 | 285 | 132 | 0 | 2 | 574 |
| Betterment Works | | | | | | | | | | |
| Upgrading of houses | 5 | 0 | 12 | 2 | 45 | 0 | 0 | 0 | 0 | 64 |

WATER TRADING ACCOUNT 4 WATER SERVICES

| Functional Support | North West | Limpopo | Mpumalanga | Kwazulu-Natal | Free State | Eastern Cape | Western Cape | Northern Cape | Gauteng | TOTAL |
|--|------------|---------|------------|---------------|------------|--------------|--------------|---------------|---------|-------|
| Schemes and Water Works transferred to Local Government | 1 | 24 | 0 | 44 | 1 | 0 | 0 | 0 | 0 | 70 |
| O&M | | | | | | | | | | |
| The operation and maintenance of schemes in line with national | | 79 | 7 | 44 | 0 | 123 | 3 | 0 | 1 | 257 |
| Maintenance of pump stations | | 1545 | 92 | (incl) | 0 | 82 | 0 | 0 | 2 | 1721 |
| General maintenance of km canals | | 284 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 284 |
| General maintenance of km pipelines | | 4363 | 800 | 0 | 0 | 1710 | 0 | 0 | 5 | 6878 |
| Scheme inspections carried out for the year | | 1973 | 12 | 45 | 0 | 36 | 3 | 0 | 12 | 2081 |
| Betterment Works | | | | | | | | | | |
| Upgrading of houses | | 12 | 8 | 0 | 0 | 96 | 0 | 0 | 0 | 108 |



Programme 4: Forestry

4.1. State Of Forestry Sector Report

As part of its regulatory role, the Department is required under the National Forests Act, 1998 (Act No 84 of 1998), to provide an overview of the state of the forestry sector in South Africa. The State of the Forests report, which is required under the National Forests Act, has been in draft for some time and is available, but as from 2004-2005, will be generated against the Criteria and Indicators for sustainable forest management. This will provide understandable and useful information for monitoring, assessment, and management, and furthermore provide a standardised framework, against which year on year comparisons can be made more clearly.

Table 6. Commercial Plantations

| Period | Extent Public Ha | Extent Private Ha | Total Ha | Sustainable Forestry Certification | Number of people directly employed in plantation sector ⁵ |
|------------------------|----------------------|-------------------|------------------------|------------------------------------|---|
| 2001-2002 ¹ | 322 525 ⁷ | 1 028 877 | 1 351 402 ⁶ | 1 006 500 ha | 164 800 ⁴ |
| 2000-2001 ² | 380 663 | 971 097 | 1 351 760 | 1 006 500 ha | 164 800 |
| 1995 ³ | 421 100 | 1 065 900 | 1 487 000 | - | Figures not comparable – employment data does not include former homeland areas |

Comments:

- ¹ 2001-2002 Timber and Roundwood Statistical returns, DWAF 2003
- ² 2000-2001 Timber and Roundwood Statistical returns, DWAF 2002
- ³ National Forestry Action Plan State of Forestry Report, DWAF 1997
- ⁴ LHA – Sector Survey 2003
- ⁵ Four additional service and support jobs are created for each person in direct employment meaning 490 000 jobs in service and support to commercial forestry in this reporting year.
- ⁶ Total Plantation Forest areas have decreased due to the effect of improved environmental management, conversion to other land uses and fires.
- ⁷ DWAF managed forest areas have decreased due to conclusion of plantation transfers

Table 7. Natural Forest and Woodland Areas

| Period | Natural Forests Extent | | Natural Woodlands Extent | | No of people employed in State forest and woodland management |
|----------------------|-------------------------|-------------------------------|--------------------------|-----------------------------|---|
| | State | Privately or Communally owned | State | Private or Communally owned | |
| 2003/04 ¹ | 287 845 ³ ha | 245 824 ha | 6 956 152 | 22 346 164 | 5 000 ⁴ |
| 2002/03 | 287 845 ha | 245 824 ha | 6 956 152 | 22 346 164 | 5 000 |
| 1994 ² | | | 6 956 152 | 22 346 164 | Figures not comparable – employment data does not include former homeland areas |

Comments:

- ¹ Due to the high costs involved, national surveys of the extent of forest and woodlands cover occur only every 5 to 10 years.
- ² No national data collection had occurred in 1994: only data for former RSA was available
- ³ Natural Forests area extent is based on the latest National Forest Inventory data and the National Forest Type Classification
- ⁴ Includes DWAF and other State institutions involved in natural forest and woodland management. The State establishment for natural forest and woodland management has not changed over the past 24 months.

Table 8. Lease Areas

| Period | No | Extent | Rentals | Money Distributed To Land Owners |
|---------|---------|-----------------|---------------|----------------------------------|
| 2003/04 | Tenants | 106 333.0500 ha | 11 223 616.80 | None ¹ |
| 2002/03 | Tenants | 106 333.0500 ha | 10 932 271.05 | |
| 1994 | SAFCOL | - | - | |

Comments:

- ¹ Money held in trust pending the clarification of tenure through the land reform process

Lease areas Specified:

1. Siyaqhubeka (KwaZulu-Natal)
2. Singisi (Eastern Cape North)

Comments on change in extent of areas or management regimes:
SiyaQhubeka lease was entered 1 October 2001 and Singisi 1 August 2001. These plantations were managed by SAFCOL prior to the entering of the leases.

Other leases to be entered include:

- Amatole (Eastern Cape South)
- Komatiland (Limpopo & Mpumalanga)
- MTO (Western & Southern Cape)

Note: These figures are collated from the DWAF 2003 Annual Statistical Returns from the Commercial Forest Industry. They are conservative, as many smaller growers and small processors are not yet reporting.

Table 9. Value of Timber and Timber Product Sales (Millions of Rand)

| Product | 2000/1 | 2001/2 |
|-------------------------------------|-----------|-----------|
| Sawn and Planed Timber | 2 078.72 | 1 867.73 |
| Wooden Poles | 246.81 | 164.37 |
| Mining Timber | 140.77 | 108.47 |
| Wood-based Panel Products | 626.38 | 594.67 |
| Wood pulp, Paper and Paper Products | 6 838.37 | 8 641.73 |
| Firewood | 0.13 | 0.10 |
| Wood Chips | 1 248.13 | 1 479.36 |
| Mill residues | 23.06 | 28.73 |
| Charcoal | 64.74 | 101.03 |
| Other Products | 599.33 | 820.56 |
| Total | 11 866.33 | 13 806.75 |
| Unprocessed Roundwood sales | 4 147.79 | 6 277.91 |

Table 10. Capital Invested in Primary Round wood Processing Plants (including pulp & paper, board and panel manufacturing, chipping plants)

| Period | Capital Invested |
|--------|----------------------|
| 2003/4 | R 18 597 000 000 |
| 2002/3 | R 17 831 000 000 |
| 1994 | No records from 1994 |

Comments of Forestry Sector

- In recent years the rate of new afforestation in South Africa has declined considerably due to a number of factors, such as suitable forestry land becoming increasingly less available and a tightening of the procedures for the granting of the necessary water licences. A reported 6500 ha of new planting occurred during 2001-2002.
- However, this was counteracted by conversion of existing plantations to other land uses. A large portion of the area converted from timber to agriculture and other uses relate to the introduction of environmental audits, FSC certification, etc. which ensures that riverine areas, river valleys and wetlands are restored to their natural vegetation.
- The private sector was responsible for 90 % of the reported new afforestation. 54% of the newly afforested area comprised areas planted to Eucalyptus trees, 31 % to softwoods, 11% to wattle trees and the balance of 4 % to other hardwood species.

National Veld & Forest Fire Act

Table 11. Number of registered FPA's.

| Period | No of FPA's Registered fully | No of FPA's Currently being evaluated | No of FPA's Deregistered | Extent of area over which a FPA is operated |
|--------|---------------------------------------|---------------------------------------|--------------------------|---|
| 2003/4 | 4 | 10 ¹ | 0 | 711 700 |
| 2002/3 | 0 | 0 | 0 | 0 |
| 1994 | FPA Legislation did not exist in 1994 | | | |

Comments:

¹ DWAF has received over 120 intentions for registration as FPAs. Most of these are currently drawing up their business plans (containing veldfire management strategies), which are required for registration purposes

Impact of veldfires on commercial forestry sector to 1 September 2003

- Loss of plantation area: 30 176 hectares.
- Loss in plantation production: 4,5 million tons.
- Value of plantation loss: R695,7 million.
- Value of timber products loss: R3 billion.
- Additional costs (e.g. firefighting): R227 million.
- Loss of life: 1 Forester.

Comments On Veld & Forest Act Implementation

There is no National database for veldfire incidents in the country at this point in time. DWAF is now in the process of developing this database as the National Veldfire Information System (NVIS). National veldfire statistics will only be available for all areas once the development of NVIS is completed and the system is fully operational. The Development phase is expected to be completed by December 2004.

4.2. Main Achievements

The Forestry function in the Department is in the process of transition; from being the manager of commercial plantations and indigenous forests, to being the regulator of the forestry sector in South Africa. This process will see the transfer of all forests and plantations out of the Department to other authorities including the private sector. Internal restructuring has positioned the Department well to take on the increasing role of regulator and promoter of the forestry sector.

To this end a new Vision for Forestry has been developed and approved and focuses on the department's long term role and puts people at the centre of forestry. A change management process and structures are in place to implement the changes necessary to achieve this vision. The process of transfer of the category A plantations (or large, commercially viable estates) has been largely completed. Preparations are now in place for the transfer of the remaining smaller estates, either to commercial enterprises or to local communities or authorities.

The transfer of indigenous forests has been slower due to necessary negotiations between national and provincial Departments of Environment and Conservation, but a number of transfers are now ready to take place. Management of the remaining plantations has been reinforced after an independent review analysing problems areas and possible solutions, although management reporting is not yet adequate. The finalisation and roll-out of the criteria and indicators for sustainable forest management, and the development of the forests information system, are important steps in the development and monitoring of a sustainable forest sector.

The key focus areas of the forestry programme are:

KFA 1: Ensure the sustainable development and management of plantation forestry to optimise equitable economic benefit, particularly in rural areas.

KFA 2: Ensure the sustainable development and management of indigenous forests to optimise their social, economic and environmental benefits

KFA 3: Ensure sustainable forest management in South Africa by developing effective oversight of the sector and facilitating co-operative government.

KFA 4: Promote sustainable forest management in Africa and internationally.

KFA 5: Ensure that communities and disadvantaged groups are empowered to make use of tree and forest resources to support sustainable livelihoods.

DWAF has contributed and played a leading roles in international processes relating to forestry and particularly in SADC and Africa generally.

Forestry has been identified as a development focus for the first time in the Eastern Cape and Limpopo Provincial Growth and Development Strategic/Plan.

Many of the licensing backlogs which were restricting expansion of forestry, particularly by small growers in the Eastern Cape and Kwazulu-Natal have been dealt with. Policies for the transfer of DWAF managed forests and for forestry expansion have been developed and approved. Linkages with the private sector, through which the increased participation of historically disadvantaged groups in forestry, can best be mobilised, have been strengthened.



4.4. Key Outputs And Actual Service Delivery Trends

| Key Focus Areas | Strategic Objective | Output | Measures | Actual achievements |
|---|--|--|--|---|
| 1. To ensure the sustainable development and management of plantation forestry to optimise equitable economic benefits, particularly in rural areas | 1.1 To manage DWAF's remaining plantation forests and processing plants effectively | Current planting backlog reduced by 1 500 Ha | Quarterly reports to Forestry Management Committee | Delegations were revised, plants were ordered and delivered and contracts in place for planting. |
| | | 270 000 m3 roundwood, 4 500 sawn timber sold at market related prices; | Quarterly reports to Forestry Management Committee | Targets exceeded in terms of volumes due to increased volumes from fire-damaged timber. |
| | | Fire damage limited to max. of 5% of planted area; | Quarterly reports to Forestry Management Committee | 10% of total commercial estate burnt. Highest in Mpumalanga and KZN, due largely to extreme fire danger (worst year in 20 yrs in places) and possible staff insecurities brought about through external restructuring. |
| | | 200 hectares of Category C restocked; 20 km of roads upgraded . | Quarterly reports to Forestry Management Committee | 122 ha re-planted in the E Cape. Roads target exceeded. |
| | | Existing legal disputes resolved with minimal cost to DWAF; | Quarterly reports to Forestry Management Committee | One arbitration settled in favour of DWAF in the order of R2,5 million. Another arbitration ruling against DWAF in the order of R37 million (claimant was seeking R119m) |
| | | Routine operations maintained according to prescribed standards | Quarterly reports to Forestry Management Committee | Annual Plans of Operation's in place for most estates. A comprehensive analysis was completed for commercial forestry operations, with concrete recommendations to address the problems, which are currently being implemented. |
| | 1.2 To transfer plantations to beneficiaries through public private partnerships and other instruments | One third of Cat B plantations transferred with labour agreements in place 10% of C plantations transferred | Transfers approved by Director General Transfers approved by Director General | Policy position for the transfer of Category B and C plantations under review. Progress made on a joint DLA/DWAF process to identify beneficiary communities and prepare for community consultations. No Category B or C transactions finalised. Advanced stage of negotiations for two estates in KZN comprising 26 000 ha. Clear felling of 9 000 ha of forest in progress in Lowveld to be returned to natural state by 2006. |



| Key Focus Areas | Strategic Objective | Output | Measures | Actual achievements |
|--|---|---|--|--|
| 2. Ensure the sustainable development and management of indigenous forests to optimise their social, economic and environmental benefits | 2.1 To ensure that indigenous forests are managed sustainably in a participatory manner | Management plans developed for 80% of estates | Quarterly reports to Forestry Management Committee | Plans in place on all estates. Quarterly meetings held regularly. |
| | | PFM forums established in 80% of estates | Quarterly reports to Forestry Management Committee | Forums in place for participation by communities and other stakeholders in management and benefit sharing on all estates |
| | | Infrastructure backlog reduced by 15% | Quarterly reports to Forestry Management Committee | 80% of housing and office backlog reduced in KZN plus some extension done. 25% of backlog reduced in Eastern Cape |
| | | Weeding backlog reduced by 10% | Quarterly reports to Forestry Management Committee | 20% of weeding backlog reduced. |
| | | Rehabilitation of 15% of degraded areas | Quarterly reports to Forestry Management Committee | No figures available. |
| | 2.2 To transfer the management of DWAF indigenous forests (plus plantations for conversion) to specialised national and provincial conservation agencies in consultation with Department of Environmental Affairs and Tourism | 40% of DWAF managed forests transferred | Transfer approved by Director General | Policy on transfer of natural forests and non-forest state forest land finalised. Delegation approved for the transfer of management functions for 97 000 in the Southern Cape (Knysna). Transfer of functions not effected due to labour dispute. Negotiations in progress for assignment of 413 000 ha of state forests to Eastern Cape Province. Department legally responsible for land originally assigned to provincial authorities, assignments repealed in terms of Constitution in 1994. Negotiations in progress for the re-assignment of approximately 733 000 ha of state forest land and Wilderness areas to the Western Cape Provincial conservation agency. |

| Key Focus Areas | Strategic Objective | Output | Measures | Actual achievements |
|--|--|--|--|---|
| 3. Ensure sustainable forest management (SFM) in South Africa by developing effective oversight of the sector and facilitating co-operative government | 3.1 To report accurately on the state of forestry to support local and international forest monitoring processes | Forest Information System (FIS) live and accurate; | System used by department and relevant stakeholders; | FIS architecture completed and roll-out in clusters in progress. Criteria and Indicators framework has been incorporated into Forestry Information System. Commercial timber resources and roundwood processing statistics published with great improvement of report returns from sector. |
| | | Work on State of Forest Report initiated; | Criteria and indicators in use; | Contract signed for production of State of Forestry pilot report for KZN and work commenced. |
| | | Criteria and indicators of sustainable forest management published | Criteria and indicators in use; | Criteria and indicators published and piloted in range of forests of different scale, type and ownership. Roll-out underway in all DWAF managed forests. Legal opinion on publication imperatives has been received. |
| | 3.2 To ensure that management agencies manage relevant forests in an effective and sustainable manner | 100% of leased plantation forests managed in terms of lease; | Annual reports from relevant managers; | Clause 15 reports received and analysis of performance of lessees done. Audits of lessees completed in all cases. |
| | | 100% rentals collected; | Management reports obtained from agencies and corrective actions implemented | 100% collected (+/- R40 million) |
| | | Timeous payments to land claim beneficiaries; | Management reports obtained from agencies and corrective actions implemented | Not yet possible - land reform process still in progress, but funds held in suspense account pending the outcome of land rights enquiry. NFA is currently being amended to provide for a Trust which will hold such rentals pending identification of beneficiaries. |
| | | 90% delegated indigenous forests managed in terms of agreements | Management reports obtained from agencies and corrective actions implemented | Not yet applicable - no indigenous forest areas transferred (see2.2) |



| Key Focus Areas | Strategic Objective | Output | Measures | Actual achievements |
|-----------------|--|---|------------------------------------|---|
| | 3.3 To ensure optimal sustainable management of forest sector as a whole | Regulations and support strategies for community management of indigenous forests developed and communicated | Regulations published; | Ready to be published, but an amendment to the principal Act is deemed necessary before publication. Terms of Reference drafted for a PSP to investigate mechanisms for implementing community management. Extensive collaboration with National Treasury on establishment of PPP's is ongoing. |
| | | National system developed to regulate utilisation including licensing, prosecutions of offences, access arrangements, with training offered to relevant institutions. | Applications processed timeously | Applications processed timeously, national system developed to regulate utilization. Licence application forms developed and awaiting publication. Draft list of Protected Trees in place. Criteria and nomination forms for declaring Champion Trees is in place. Recommendation have been made for national Forest Protected Areas. Draft enforcement policy has been developed. Maps and rules for access under the NFA in place for all DWAF managed State Forests and leased State Forests. Training provided to 240 forest officers in DWAF and provincial agencies. Training on rights given to communities. Training on project management provided to communities and DWAF staff. Lessees and National Forestry Advisory Council trained in provisions of NFA. |
| | 3.4 To contribute to the prevention of wild fires in non-urban forest and non-forest areas | Fire Danger Rating system and firebreak regulations developed | Regulations published | Fire Protection Association regulations published Fire Danger Rating System developed, implementation plan in place and implementation taking place. |
| | | 60 Fire Protection Associations registered | Registration completed for 60 FPAs | 4 FPA's registered: 120 applications received which require amendment to meet required standards for registration. |
| | | Statistical reporting system developed | Statistical system in place | Prototype of system developed. Implementation plan in development. |
| | | | | |

| Key Focus Areas | Strategic Objective | Output | Measures | Actual achievements |
|---|---|--|---|--|
| 4. Promote sustainable forest management in Africa and internationally | 4.1 To ensure that forestry contributes to sustainable development internationally and particularly in Africa | Co-operation with SADC formalised. | SADC protocol signed and adopted | <ul style="list-style-type: none"> • Protocol ratified by Parliament. • DWAF hosting Forest Governance Learning Group to investigate issues of mutual interest and concern in Africa. • DWAF participated in, -the World Forestry Congress VI held every 6 years. -United Nations Forum on Forests, Technical Committee -UNFF Global Workshop on the Transfer of Environmentally Sound Technologies and Capacity Building for SFM. (DWAF co-sponsored this global workshop.) |
| 5. Ensure that communities and disadvantaged groups are empowered to make use of tree and forest resources to support sustainable livelihoods | 5.1 To promote expansion of forestry where appropriate in consultation with other players | Strategy for expansion of forestry in Eastern Cape developed; | Strategy approved by relevant management structures | Strategy approved |
| | | Three pilot wattle jungle projects licensed; | Licences approved | Guidelines for approval, endorsed by provincial competencies, which lays the foundation for accelerated license approvals Wattle management plan for a pilot catchment done and approved by the LAAC. |
| | | Three pilot community afforestation projects licensed | Licenses approved; | 70 license applications received and 30 licenses approved |
| | 5.2 To promote forest and tree based enterprise development in rural areas | Eastern Cape Forest Enterprise Development Initiative 30% initiated | Reports from relevant managers | Policy for new afforestation approved. |
| | | Integration of forestry into local planning processes | Forestry featured in IDP's and PGDS's | Appointment of PSP to conduct S.E.A. in E Cape approved. Support to small millers initiated. Inclusion of forestry as a development node in both the EC and Limpopo PGDS/P. |
| | | Agreements reached for DWAF support to Food and Tree for Africa (FTFA) projects; Mine Workers Development Agency (MDA) Marula project, mine dump greening; | Agreements signed | Food and Trees for Africa (FTFA) projects: agreements signed; Marula project and mine dump greening: work ongoing Support secured from mining sector. Community nursery established. Trials of indigenous and exotic species established for appropriate site-species matching on dumps. |

| Key Focus Areas | Strategic Objective | Output | Measures | Actual achievements |
|-----------------|---|--|---|---|
| | 5.3 To support urban greening | Workshops on urban greening held in 2 districts per province | Urban greening support activities initiated in targeted districts | National preparatory planning workshops held with local government in Free State as pilots for national roll-out. |
| | 5.4 To provide support for firewood strategies in rural areas | Report on policy and support gaps with recommendations on DWAF's role. | Report adopted by Forestry Management Committee | Not yet adopted, work in progress |