



Programme 3:

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.

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.

ACCESS TO BASIC SERVICES

During the year under review, water supply was provided to a further 1,51 million people, and sanitation to a further 1,3 million people. There are currently 3,7 million people with no access to basic water supply, and a further 5,4 million who have access to a water supply that does not meet the RDP service levels. There are still 16,0 million people without access to basic sanitation infrastructure.



Table 7: Access to Basic Water Supply Infrastructure (population, millions)

Period	Census Population	Total Improved Supply (not only RDP)	With Access to Basic Services but below RDP service levels	No Access to Infrastructure	% Access to services (infrastructure)
Current (04/2005)	48.1	44.4	5.4	3.7	92%
People served April '04 - March '05		1.51*	0.6	0.7	
Previous Year (03/2004)	47.4	43.0	6.0	4.4	91%
People served 1994 - March 2005		15.0*	4.4	5.7	
1994	39.8	23.0		15.9	59%

Notes for clarification:

- * Total improved supply also includes people served to higher than RDP levels of service
Figures only reflect infrastructure provided and do not reflect quality of ongoing service provision
People with access to basic services, but below the RDP service level, was erroneously reported as 5, 7m (03/04) instead of 6.0m
To the 23 million people served in 1994, 15.0 million "new" people were served (as reflected in table) as well as an estimated population growth of 6.4 million "additional people living in already serviced households and areas" (not reflected in table above) to give the total of 44.4 million people, i.e.
 $23+15+6.4 = 44.4$

Comments :

- Water Supply backlog figures are Census 2001 based and updated by DWAF using the result of implemented projects across the sector
- Population figures given are based on STATS SA mid year estimates and has been adjusted by 2% to reflect annual population growth
- People served Information provided is based on input from DWAF, Housing, DPLG & estimates from NGO's & Local Government
- Access to basic (RDP) services improved from 59% of population in 1994 to 82% of population in March 2005. In total, 92% of the population now have access to improved services

Table 8: Access to Basic Sanitation Infrastructure (population, millions)

Period	Census Population	Supply, Basic level or higher	No Access to Infrastructure	% Access to services
Current (04/2005)	48.1	32.1	16.0	67%
People served April '04 - March '05		1.3		
Previous Year (03/2004)	47.4	30.3	17.1	64%
People served 1994 - March 2005		8.2		
1994	39.8	19.4	20.4	49%

Notes for clarification:

Figures only reflect infrastructure provided and do not reflect quality of ongoing service provision

To the 19.4 million people served in 1994, 8.2 million "new" people were served (as reflected in table) as well as an estimated population growth of 4.5 million "additional people living in already serviced households and areas" (not reflected in table above) to give the total of 32.1 million people, i.e. $19.4 + 8.2 + 4.5 = 32.1$

Comments:

- Sanitation supply backlog figures are Census 2001 based and updated by DWAF using the result of implemented projects across the sector
- Population figures given are based on STATS SA mid year estimates and has been adjusted by 2% to reflect annual population growth
- People served Information provided is based on input from DWAF, Housing, DPLG & estimates from NGO's & Local Government
- Access to services improved from 49% of population in 1994 to 67% of population in March 2005

Table 9: Affordable Access to Water (Free Basic Water (FBW))

Period	Total WSA's	Total Population (millions)	WSA's Providing Free Basic Water	Population with access to FBW (millions)	Populaion with Infrastructure and FBW (%)
Current (04/2005)	170	48.1	162 (95%)	31.9 (66.3%)	75%
Previous Year (03/2004)	170	47.4	161 (95%)	30.5 (65.6%)	73%

Comments:

- Reporting is focussed only on municipalities which are Water Services Authorities (WSAs) that are implementing Free Basic Water, rather than municipalities in total
- Free Basic Sanitation policy has not been established and the associated programme has not been implemented

Table 10: Poor people that benefit from Free Basic Water (FBW)

The following table reflects the status of FBW as at the end of March 2005.

	Population (millions)
Poor people (household income less than R1 000/month) that receive FBW via formal infrastructure and a formal administrative system	17.0
Poor people that receive FBW but no formal administrative system (e.g. standpipes)	4.0
Poor people that receive FBW but at a level below basic supply	2.0
Total number of poor people that share benefits from FBW	23.0
Total number of poor people	29.0



Table 11: Service Quality as reflected by Local Government

The following results are based on a Local Government "self assessment" that reflects their views on Service Quality and Drinking Water Quality Management currently being provided. The figures quoted for both Service Quality and Drinking Water Quality Management reflect a combination of outcomes and not just the adherence to standards alone.

Perspective	Municipalities reporting acceptable service quality	Municipalities reporting acceptable Drinking Water Quality Management Standards
National	34%	37%
Eastern Cape	35%	13%
Free State	31%	95%
Gauteng	53%	58%
KZN	28%	39%
Limpopo	33%	32%
Mpumalanga	41%	23%
North West	26%	29%
Northern Cape	29%	29%
Western Cape	42%	52%

Comments:

- Results are based on feedback from 85% (176) of 207 Local Government Institutions (all WSAs and in some cases Local Municipalities on behalf of District Municipalities)
- This year's assessment of "Service Quality" includes indicators of "existence of a customer service system, levels of staffing, equipment, resources, funding and most importantly the capability to respond within 24hrs to call outs"
- The methodology of analysing the adherence to Drinking Water Quality Requirements has been improved since last year. This indicated that only 37% of Local Government adhered to Drinking Water Quality Requirements as per SABS241 (class 1 - Green). This shows a good correlation with information from other surveys. Applying this to last years' information there has been a 10% improvement in compliance

Water Tariffs

Table 12: Domestic tariffs: Various national weighted perspectives

Unit of analysis	Tariff 6-20kl			Tariff 20-60kl			Tariff >60kl			Target Sample Size	Percentage Returns	Comments
	Average	Min	Max	Average	Min	Max	Average	Min	Max			
Municipal-weighted	R3.95	R0.00	R11.65	R4.59	R1.09	R22.80	R5.24	R1.78	R27.09	237	82%	See Comment
Population-weighted	R5.09	R0.00	R11.65	R6.43	R1.09	R22.80	R7.29	R1.78	R27.09			See Comment
Volume-weighted	R5.37	R0.00	R11.65	R6.98	R1.09	R22.80	R7.84	R1.78	R27.09			See Comment

Comments

- 1 Tariff survey focused on all 170 WSA's, but also obtained tariffs for some underlying LM's (195 of 237 LM's = 82%)
- 2 These figures present averages in line with previous Annual Reports using Local Government institutions as the unit of analysis (the summation of each tariff block for all the municipalities divided by the total number of municipalities). This allows statistical comparison
- 3 A population-weighted average considers the number of people affected by individual tariffs
- 4 A volume-weighted average considers people and their service levels, thus presenting the average value of 1kl of water used

Tariff Increases

Survey obtained tariffs for 4 years from 2002/2003 to 2005/2006 to confirm annual increases and trend analysis. Tariff increases vary significantly between blocks indicating refinement of financing strategies and cross-subsidisation. 27% of the 6-20kl block increases were within the CPI; 2% decreased, 53% exceeded CPI by up to 5% and further 18% by > 5%. 27% of the 20-60kl block increases were within the CPI; 5% decreased, 48% exceeded CPI by up to 5% and further 21% by > 5%. 26% of the > 60kl block increases were within the CPI; 2% reduced; 45% exceeded CPI by up to 5% and further 27% by > 5%.



Table 13: Domestic tariffs: Rural, urban and provincial perspectives

Perspective	Tariff 6-20kl			Tariff 20-60kl			Tariff >60kl			Target Sample Size	Percentage Returns	Comments
	Average	Min	Max	Average	Min	Max	Average	Min	Max			
Rural (Average tariff in rural LM's)	R3.74	R1.48	R6.82	R4.46	R1.48	R22.80	R4.67	R1.78	R22.80	114	66%	See Comment
Urban (Average tariff in urban LM's)	R4.08	R0.00	R11.65	R4.67	R1.09	R13.70	R5.60	R1.82	R27.09	123	98%	See Comment
Eastern Cape	R3.51	R1.93	R5.61	R3.80	R1.93	R5.64	R4.10	R1.93	R7.32	39	72%	See Comment
Free State	R4.54	R1.49	R11.05	R5.19	R1.54	R13.70	R5.76	R1.78	R14.63	20	100%	
Gauteng	R6.40	R2.34	R11.65	R6.92	R2.34	R9.80	R7.80	R2.34	R10.72	12	100%	
Kwa-Zulu Natal	R4.44	R2.28	R7.75	R4.99	R2.69	R10.81	R5.29	R2.69	R12.36	51	67%	See Comment
Limpopo	R3.25	R1.55	R5.67	R4.14	R1.61	R7.98	R4.68	R2.05	R11.40	19	79%	See Comment
Mpumalanga	R3.38	R1.55	R6.82	R4.05	R1.61	R7.40	R4.39	R2.05	R8.46	26	69%	See Comment
Northern Cape	R3.30	R0.96	R6.70	R3.65	R1.82	R7.10	R4.92	R2.05	R27.09	24	100%	
North West	R4.41	R1.48	R8.14	R4.74	R1.48	R8.44	R5.24	R1.88	R8.73	21	86%	
Western Cape	R3.28	R0.00	R5.68	R4.95	R1.09	R22.80	R5.93	R2.05	R22.80	25	92%	

Comments

- 1 Tariff survey focused on 170 WSA's, but also obtained tariffs for some underlying LM's (195 of 237 LM's = 82%)
- 2 These figures present averages in line with previous Annual Reports using Local Government institutions as the unit of analysis. This allows statistical comparison

- 3 Reduced tariffs in rural areas are partly due to many of the former homeland schemes receiving subsidies
- 4 Provinces with DMs as WSA's show a low LM response, but mostly achieved high DM returns (38 of 47 DM's = 81%)

Table 14: Commercial and industrial tariffs: National perspectives

Perspective	Tariff 6-20kl			Tariff 20-60kl			Tariff >60kl			Comments
	Average	Min	Max	Average	Min	Max	Average	Min	Max	
Commercial	R4.09	R1.09	R11.05	R4.57	R1.09	R22.80	R4.92	R1.72	R22.80	See Comment
Industrial – potable	R3.84	R1.09	R15.96	R4.07	R1.09	R20.52	R4.24	R1.82	R20.52	See Comment
Industrial - bulk & raw water	R3.56	R0.27	R10.76	R3.70	R0.27	R10.76	R4.52	R0.27	R27.09	See Comment

Comments

- 1 These figures present averages in line with previous Annual Reports using Local Government institutions as the unit of analysis. This allows statistical comparison

Table 15: Capital Expenditure on basic services infrastructure (R millions)

Program	Water		Sanitation	
	1994 to 2004/5 - Budget	2004/2005 - Budget	1994 to 2004/5 - Budget	2004/2005 - Budget
DWAF-CWSS	R7, 130.5	R84.8	R1, 261.6	R41.1
DPLG-CMIP/MIG	R4, 337.8	R1, 502	R1, 541.5	R792.4
DH-Housing	R1, 408	R137	R1, 446	R148
DPW-Schools & Clinics	R109.9		R147.9	
TOTAL SECTOR	R12, 985.7	R1, 723.0	R4, 396.5	R981.5

Comments:

- Figures are based on DWAF, MIG and Housing budgets
- Figures exclude Local Government own capital budgets
- Figures are based on the assumption that 50% of Housing funding is allocated to Higher Levels of Service

Table 16: Estimated Water Services Operating Expenditure (Rmillions)

Perspective	Annual Water Services Operating Expenditure			Comments
	Water Supply	Sanitation	Total for 2004/2005	
National Funding	R10, 900	R5, 787	R16, 687	Comment (1)
National Revenue from User Charges	R8, 449	R4, 741	R13, 190	Comment (2)
National Conditional Grants	R634	R271	R905	Comment (3)
Equitable Share (water services portion)	R1, 817	R775	R2, 592	Comment (4)
Provincial Expenditure	R10, 900	R5, 787	R16, 687	Comment (5)
Eastern Cape	R723	R754	R1, 477	
Free State	R991	R779	R1, 770	
Gauteng	R3, 950	R990	R4, 940	
Kwa-Zulu Natal	R1, 873	R633	R2, 506	
Limpopo	R554	R223	R777	
Mpumalanga	R553	R364	R917	
Northern Cape	R222	R169	R390	
North West	R631	R437	R1, 068	
Western Cape	R1, 403	R1, 438	R2, 841	
Local Authority Overview	R10, 900	R5, 787	R16, 687	Comment (6)
Metropolitan Councils	R5, 415	R2, 875	R8, 290	
Local Municipalities	R2, 574	R1, 367	R3, 941	
District Municipalities	R2, 911	R1, 545	R4, 456	

Comments :

- Figures are modelled estimates and include both water supply and sanitation operating accounts (previously only water)
Operating expenditure is calculated using the Municipal Services Model, and various other information sources (e.g. Census2001, DoRA, Municipal budgets, National Treasury) and specific case studies undertaken for DWAF
- Revenue estimates are based on the analyses of national accounts (2001/2002) and subsequent sampling of selected municipalities and comparison to the municipal expenditure budgets. Cross-subsidization, equitable share allocation and other grants is also included
- The total figures were derived from DoRA Schedule 7 and thereafter proportioned to water supply and sanitation based on historical expenditure
- The figures were derived from the total free basic services element of the equitable share and a "S" grant portion of 10%. The formula uses R800 per month as the poverty threshold
- The expenditure can be split between distribution services (R8b; 48%), bulk services (R6b; 36%) and capital charges for maintenance (R2, 5b; 16%)
- The split of total operating expenditure between authority types is derived from water supply revenues as the actual expenditures (e.g. salaries) are not ringfenced by most municipalities

Water Boards

Table 17: Water Boards: Medium-term Income & Operating Expenditure (in R'000s)

Period under review: 2003/04

Name of Water Board	Revenue				Operating Expenditure			
	2003-04 (Actual)		2004-05 (Projected)		2003-04 (Actual)		2004-05 (Projected)	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Albany Coast	3, 482	0.1%	3, 656	0.1%	1, 666	0.1%	1, 749	0.1%
Amatola	75, 371	1.4%	84, 608	1.5%	78, 976	3.2%	64, 292	2.5%
Bloem Water	137, 143	2.6%	140, 342	2.5%	84, 135	3.4%	102, 954	4.0%
Botshelo	55, 180	1.1%	95, 000	1.7%	68, 811	2.8%	73, 000	2.8%
Bushbuckridge	33, 756	0.6%	76, 676	1.4%	33, 373	1.3%	44, 018	1.7%
Ikangala	1, 301	0.0%	-	0.0%	3, 570	0.1%	-	0.0%
Lepelle	157, 794	3.0%	153, 096	2.7%	82, 287	3.3%	72, 622	2.8%
Magalies	176, 784	3.4%	131, 656	2.3%	98, 336	4.0%	89, 693	3.4%
Mhlathuze	131, 545	2.5%	145, 092	2.6%	84, 527	3.4%	110, 346	4.2%
Namakwa	7, 321	0.1%	7, 687	0.1%	7, 032	0.3%	7, 384	0.3%
Overberg	16, 130	0.3%	17, 676	0.3%	14, 737	0.6%	16, 148	0.6%
Pelladrift	5, 882	0.1%	6, 176	0.1%	5, 911	0.2%	6, 207	0.2%
Rand Water	3, 258, 055	62.4%	3, 581, 491	63.8%	1, 326, 278	53.5%	1, 428, 868	54.8%
Sedibeng	257, 411	4.9%	280, 074	5.0%	157, 772	6.4%	176, 339	6.8%
Umgeni	906, 107	17.3%	887, 600	15.8%	432, 657	17.4%	412, 078	15.8%
Total	5, 223, 262	100.0%	5, 610, 830	100.0%	2, 480, 068	100.0%	2, 605, 697	100.0%

Note

1 In cases where no data was available from water boards such as Albany, Namakwa and Pelladrift, a 5% escalation on prior years' revenue and operating expenses were added using FY2003/04 as the base year

2 "-" indicates figure not available

3 Financial year for Water Boards end in June. Audited financial statements only available end of September 2005

Table 18: Water Boards: Medium-term Capital Expenditure (in R'000s)

Period under review: 2003/04

Name of Water Board	Capital Expenditure			
	2003-04 Actual		2004-05 Projected	
	Amount	% of Total	Amount	% of Total
Albany Coast	–	0.0%	–	0.0%
Amatola	1, 936	0.6%	22, 283	3.1%
Bloem Water	15, 300	4.5%	17, 800	2.5%
Botshelo	–	0.0%	–	0.0%
Bushbuckridge	3, 360	1.0%	3, 357	0.5%
Ikangala	–	0.0%	97, 000	13.5%
Lepelle	3, 290	1.0%	3, 855	0.5%
Magalies	40, 691	11.9%	41, 260	5.7%
Mhlathuze	16, 630	4.8%	53, 208	7.4%
Namakwa	–	0.0%	–	0.0%
Overberg	733	0.2%	6, 310	0.9%
Pelladrift	–	0.0%	–	0.0%
Rand Water	227, 373	66.3%	418, 205	58.1%
Sedibeng	2, 664	0.8%	10, 020	1.4%
Umgeni	31, 000	9.0%	46, 896	6.5%
Total	342, 977	100.0%	720, 194	100.0%

Note

- 1 In cases where no data was available from water boards such as Albany, Namakwa and Pelladrift, a 5% escalation on expenditure using FY2003/04 as a base year
- 2 Msinsi Holdings which is Umgeni's Subsidiary is excluded from all Umgeni projections

- 3 Financial year of Water Boards ends in June 2005-Audited Financial Statements will only be available in September

Table 19: Water Boards: Fixed Assets and External Debt (in R'000s)

Period under review: 2003/04		
Name of Water Board	Fixed Assets R'000	External Debt R'000
Albany Coast	233	1, 912
Amatola	245, 948	18, 762
Bloem Water	385, 127	331, 663
Botshelo	9, 725	0
Bushbuckridge	40, 967	0
Ikangala	19	0
Lepelle	386, 661	310, 198
Magalies	522, 916	153, 275
Mhlathuze	206, 851	173, 605
Namakwa	92, 597	12, 150
Overberg	38, 469	9, 873
Pelladrift	9, 201	0
Rand Water	3, 650, 407	1, 839, 889
Sedibeng	274, 409	264, 085
Umgeni	2, 720, 504	3, 273, 033
Total	8, 584, 034	6, 388, 445

Table 20: Water Boards: Population ('000), Staff and Personnel Cost Data (in R'000s)

Period under review:2003/04			
Name of Water board	Population Served ('000s)	Number of Staff	Personnel Costs 2003-04
Rand Water	10, 000	3, 104	523, 957
Umgeni Water	4, 302	893	146, 721
Sedibeng Water	1, 600	611	76, 792
Lepelle Northern	1, 000	270	23, 352
Mhlathuze Water	380	151	29, 821
Bloem Water	800	212	25, 790
Ikangala Water	1 530	6	793
Botshelo Water	821	388	35, 961
Amatola Water	1, 200	232	29, 671
Bushbuck Ridge	1, 200	262	11, 669
Magalies Water	800	305	33, 732
Overberg Water	62	67	6, 658
Pelladrift Water	7	–	–
Namakwa Water	45	26	2, 123
Albany Coast Water	10	6	514
Total	22, 227	6, 533	947, 554

Notes:

1 Personnel costs denotes total remuneration of Personnel

Main Achievements

During this period the Department achieved an important milestone in service delivery – the provision of safe drinking water to the 10 millionth person since 1994. The sector has also achieved the Millenium Development Water Supply Goal by halving the backlog since 1994. It was also the first year that the bulk of the capital funds for basic services were allocated directly to municipalities through the Municipal Infrastructure Grant (MIG) - the MIG allocation being R 2.3 billion (R1.5 billion allocated for water supply and R0.8 billion for sanitation). The Department has thus focused on its new role of sector leader with responsibility for policy, regulation, information and support.

Regarding the capital program, DWAFs core focus was to ensure municipal compliance to MIG project conditions, to support municipalities in the eradication of service backlogs and the provision of sustainable services. The strategic objectives for the year were achieved by the sector through the provision of an improved water supply to 1.5 million people and improved sanitation services to 1.3 million people (more than 300 000 households).

The Department continued to promote the eradication of the bucket system and to replace it with more dignified and appropriate types of sanitation services. R1.2 billion, in addition to the existing MIG allocation, has been negotiated and committed over the next three financial years to ensure that the bucket system is eradicated completely. 231 000 households will be provided with a level of service that varies from VIP's (Ventilated Improved Pit Latrines) to full water borne sanitation.

Good progress was made on implementing the Strategic Framework for Water Services (SFWS), as approved by Cabinet on 17 September 2003 especially on the development of Institutional Reform and Regulatory strategies. A process was also initiated to review the sector legislation and ensure SFWS alignment within the sector and a first draft Water Services Revision Bill has been produced.

During the development of the SFWS a number of sensitive issues were identified that needed extensive discussions with sector role-players especially South African Local Government Association (SALGA) and South African Association of Water Utilities (SAAWU). As expected, the process of Institutional Reform has proved to be especially challenging.

The new Water Services Regulation Directorate produced a first draft of the National Water Services Regulation Strategy which will be put through a rigorous internal and external consultation process during the next period. In order to raise the public profile and debate on regulation a successful international conference was hosted in February with partners such as Johannesburg Water and the National Electricity Regulator. As part of the Regulatory Strategy, a National Drinking Water Quality Management Strategy was developed with participation of sector stakeholders and will be implemented during 2005.

As reported in the State of the Water Services Sector, there is justified concern over the quality of water supply and sanitation services at municipal level, especially around drinking water quality and reliability of service. This highlights the importance of the regulatory function and systems.

The implementation of Free Basic Water (FBW) services programme went well. Approximately 95% of municipalities are now supplying FBW to all or part of their municipal population. This translates to 69% of the total RSA population. The programme is making a huge difference to the poor (households with less than a R1000 income/month). 17 million poor people receive FBW via formal infrastructure, and a further 4 million, although they do not yet have a formalised FBW administrative system in place, are getting their water for free. There are also additional 2 million poor that receive water from infrastructure below the basic RDP service level who get their water free. In total, 23 million of the 29 million poor get their basic water free of charge. The Department's provincial support units (PSU's) are still assisting municipalities with the implementation of the policy.

A Free Basic Sanitation (FBS) policy has been drafted and it is hoped that, as soon as it is approved, a formal FBS programme will be rolled out.

Health and Hygiene education and promotion continued to be part of the Department's Water and Sanitation programme and efforts were made to embed it into the MIG projects implemented at municipal level. Health and Hygiene promotion is also in the process of being incorporated in the Housing Programme. The Departments of Health, Housing and DWAF have developed a health and hygiene package that will now be part of Housing Customer Care programme.

Health and hygiene programmes were incorporated into the school curricula for Grades 0 to 6 and learners were encouraged to develop an interest in health and hygiene through the Baswa le Meetse competitions that took place in 9 provinces and nationally.

Regional Operations

The Department's Regional Offices received a small capital budget to complete projects initiated before the funding were transferred to the MIG programme. A donor allocation was utilised for water sector support and institutional support to sector department, WSAs and WSP. A drought relief allocation was also received and managed by Regional Offices.

National Treasury has made a grant of R130 million to Emfuleni local government for all services, water and sanitation being two of the services. DWAF drafted KPI's to monitor performance in order to agree on payments to the municipality.

Transfers continued to take place within the Joint Policy position and there has been consistency in the implementation of the policy since adopted by the Inter Departmental Transfer Committee. Good progress was made on the transfer programme with a further 8 out of a potential 55 agreements concluded. Assets with a present day value of R1250 million have been transferred since the inception of

the programme. In most cases associated staff were also transferred or seconded to Local Government or relevant receiving institutions. A further 30 agreements have to be concluded by March 2006.

The oversight role played by the South African Local Government Association (SALGA) DWAF, DPLG and National Treasury helped to ensure that transfers happen within the agreed framework. In terms of the programme which is included the Division of Revenue Act, all transfers should be effected by 30 March 2006 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.

The Department of Public Service and Administration (DPSA) issued a circular on the transfer framework to facilitate the transfers (mobility) of personnel between spheres of Government. A principle decision has been taken by the DPSA that all staff transfers must take place within the ambit of section 197 of the Labour Relations Act. A joint negotiating team has been established with the South African Local Government Association (SALGA) and a Memorandum of Understanding (MOU) will be concluded in June 2005.

DWAF is working on a number of initiatives to ensure that the transition period following a transfer is as smooth as possible, including the drafting of an "after-care" framework for staff who were transferred from DWAF. This framework should be completed by August 2005.

National Treasury requested transferring departments to monitor the capacity of municipalities in spending the funds transferred as contained in the Transfer agreement. This includes that measures must be put in place if transferred funds are not spend due to lack of capacity.

Table 21: Key Outputs & Service Delivery Trends

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 10 Ensure provision of sustainable basic Water Supply and Sanitation for improved quality of life and poverty alleviation	<p>Increased access to sustainable basic water supply – backlog reduced by a further 1, 5 million people (sector target) DWAF monitor and support municipalities to achieve target</p> <p>Sector Target: Sanitation backlog reduced by a further 240 000 households. DWAF monitor and support municipalities to achieve target</p> <p>At least R2 billion allocated in all government spheres to meet the basic water needs of the country and R500 million to meet the basic sanitation</p> <p>Replace bucket system of 12, 000 households (sector target)</p> <p>Health and hygiene programmes incorporated into school curricula Target: Grades 0-6</p> <p>Free Basic Water accessible to 75% of people served</p>	<p>Reliable sector reports indicating people served measured against agreed KPIs</p> <p>Quarterly monitoring and evaluation reports to DWAF and sector</p> <p>Annual Exchequer Budget allocation and donor funding for Basic Water Services</p> <p>Monthly National Sanitation Task Team (NSTT) and sector monitoring and evaluation reports</p> <p>Health and hygiene in school curricula</p> <p>Free Basic Water reporting from PSUs (Provincial Support Units)</p>	<p>Basic water supply were provided to 1.51 million people</p> <p>Sanitation facilities were delivered to 1.3 million people (more than 300 000 households)</p> <p>The MIG allocation for water supply amounted to R1 501 million and the DWAF Water Services Supply budget was R352 million. The MIG allocation for Sanitation services amounted to R778 million</p> <p>9 100 Bucket type toilets were replaced by either VIP's or water borne units in the Free State. R1.2 billion, in addition to the existing MIG allocation, has been negotiated and committed over the next three financial years to ensure that the bucket system is eradicated completely</p> <p>Health and hygiene programmes incorporated into school curricula for Grades 0-6</p> <p>95% of municipalities have reported the implementation of a FBW policy and FBW reaches 75% of the population served by infrastructure</p>
KFA 11 Ensure effective and sustainable delivery of water services to underpin economic and social development	<p>Gap analysis for both policy and legislation completed Water Services Amendment Bill put to the Minister by March 2005</p>	<p>Amendment Bill Published</p>	<p>First draft of Water Services Revision Bill produced and discussed within DWAF</p>

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 11 Ensure effective and sustainable delivery of water services to underpin economic and social development	Strategies for Water Services Support, Monitoring and Evaluation, Regulation, Institutional Reform and higher levels of service (water services ladder) in place by March 2005	Draft strategies, frameworks and guidelines	Sector Monitoring and Evaluation Framework developed First draft of National Services Regulation Strategy has been completed (see KFA 12 for Institutional Reform Strategy report)
	Water Services Development Plans developed as part of the IDP in all 155 water services Authorities Level 1 and 2 of received WSDPs assessed and quality improvement quantified in report by March 2005	Water Services Development Plans submitted to DWAF and status report submitted to Water Services Functional Management Committee	Out of a total of 155 Water Service Authorities (WSAs) that need to develop WSDPs, 154 are actively working on the plans
	Alignment of DWAF actions to support ISRDP and URP nodes	Alignment with other planning initiatives (IDP, IRDP, UR Water Resource, etc)	A local government reference framework structure is in place that includes all planning initiatives and data requirements. Nodes are supported in WS planning
	Key information accessible and key reports produced	"State of the Sector" input to Annual Report produced, quality of information improved and more accessible. Additional KPIs used	Maintenance and progressive further development of National Information System Sector Monitoring and Evaluation Framework drafted, workshopped and communicated to sector
	Internal and external stakeholders informed of water services legislation, policies and programmes	Campaigns held and plans, materials and reports developed, stakeholders reached and Water Services Information Centre established	Technical guidelines compiled and water services web page established for technical innovation and technical guidance
	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
	30% of Water Services Authorities functioning effectively	Set of basic KPIs	34% of municipalities meet with service quality performance indicators

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 12 Ensure effective Water Services Institutions	<p>National institutional reform strategy developed by all participating parties by June 2004 and two fore-runners embarked upon during 2004/5</p> <p>Local government support strategy developed and aligned with DPLG by June 2004</p> <p>Overall water services support strategy by April 2005 agreed to by all key stakeholders</p> <p>MOU between DWAF, DPLG and LGWSETA June 2004 for collaborative implementation of sector skills development plan</p> <p>DWAF, SALGA and SAAWU collaboratively driving program and informing members</p>	<p>Strategy approved by sector Forerunners implemented Lessons documented</p> <p>Water Services support strategy in place for the sector</p> <p>NQF compliance and improved sector skills plan</p> <p>Communications materials, reports and monitoring and evaluation developed</p>	<p>Third version of the Institutional Reform Strategy has been drafted and extensively discussed in sector</p> <p>Sector Support Strategy in progress, discussed at session of sector leadership group and due to be finalised in June 2005</p> <p>Due to the restructuring of the LGWSETA over the past year, the sector could not proceed with the MOU</p> <p>Amalgamation of the Water Chamber into the Energy SETA completed end of March 2005</p> <p>Constant stakeholder consultations in the form of meetings and bi-laterals have been conducted and are on-going with all the stakeholders</p>
KFA 13 Ensure effective local-level operations and management of DWAF water services schemes	<p>Fully inclusive transfer policy (including assets, resources and responsibilities) reviewed for continued alignment</p> <p>HR Strategy dealing with affected staff reviewed and amended as necessary</p>	<p>Policy accepted by Inter-Departmental Transfer Committee and implemented by stakeholders</p> <p>Staff transferred in terms of agreements and applicable labour legislation</p> <p>DBC to take final resolutions on staff transfers to effect transfers</p>	<p>The transfer policy had been adopted and is in the process of being implemented</p> <p>The HR strategy for dealing with affected staff was reviewed and amended where necessary. The DBC agreed in principle that staff negotiations should happen at local level and that the Chamber will take a resolution to affect staff transfer</p> <p>A draft policy position for dealing with any potential excess staff once transfer process is being considered by the DPSA</p> <p>The DBC receives monthly progress report on Water Service Transfers</p>

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 13 Ensure effective local-level operations and management of DWAF water services schemes	DoRA Framework 2005-6 on Water Services operating subsidy agreed	DoRA allocations and Framework compliance submitted in time to National Treasury	<p>The DBC issued a transfer framework to facilitate transfers (mobility) of personnel between spheres of Government</p> <p>An in principle decision has been reached at the DPSA that staff transfers must happen using section 197 of the Labour Relations Act</p> <p>The DoRA figures for 2004/05 were revised, communicated to the regions and incorporated into transfer agreements</p>
	Development and Implementation of communication plan (WSI are informed)	84 receiving WSIs, 8 Water Boards and all affected staff	<p>The DoRA amounts for 2005/06 and water services operating framework was gazetted</p> <p>A communication plan had been developed and implemented according to schedule, reaching all the intended stakeholders</p> <p>Staff transfer road shows were conducted with specific attention being paid to staff in the Limpopo Province</p>
	Provincial Transfer plans developed in collaboration with DPLG, SALGA and receiving municipalities for 30% of schemes amended	1 March 2004 revised transfer plan in place	25 transfer agreements out of a total of 55 had been concluded so far and are being implemented by the Department's regional offices
	At least 30% of DWAF schemes (with budgets and assets) transferred	30% of Schemes, assets & budgets transferred to WSI's according to plan	<p>Water schemes had been transferred in the following cases:</p> <ul style="list-style-type: none"> • West Coast District Municipality • Cederberg Local Municipality • Oudtshoorn Local Municipality

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 13 Ensure effective local-level operations and management of DWAF water services schemes	<p>At least 30% of DWAF schemes (with budgets and assets) transferred</p> <p>WSI's that have taken transfer supported and monitored to ensure that services are rendered in compliance with norms and standards for applicable service</p> <p>Compliance ensured on transferred schemes with applicable norms and standards</p> <p>Targeted WSI's capacitated to take transfer of remaining schemes in order to fulfil services</p> <p>Schemes scheduled for transfer rehabilitated to Joint Policy standards</p>	<p>30% of Schemes, assets & budgets transferred to WSI's according to plan</p> <p>Completed WSDPs as linked with IDPs</p> <ul style="list-style-type: none"> • Compliance with transfer agreements • Compliance with water services act • Compliance with the provision of annual DoRA <p>Compliance ensured on transferred schemes</p> <p>Targeted WSI's capacitated to take transfer and fulfil services as per provincial transfer plans</p> <p>Implement and Information Management System</p>	<ul style="list-style-type: none"> • Moshaweng Local Municipality • Bohlabela District Municipality • Madibeng Local Municipality • Nkomazi Local Municipality • Ga-Segonyane Local Municipality • Phokwane Local Municipality • Lephalale Local Municipality • Kannaland Local Municipality <p>A total of R42 112 206 for O&M, R36 319 265 for Refurbishment and R31 582 031 for HRis to be transferred on a quarterly basis as per the signed transfer agreement</p> <p>The DM's in the Eastern Cape and one LM in Limpopo that took transfer of water schemes had been visited and found to be managing the operations according to the transfer agreement</p> <p>Monitoring and Reporting system is placed to ensure compliance as per Transfer Agreement and annual DoRA</p> <p>Service delivery is monitored through the spending of Conditional Grants contained in the Transfer Agreement and capacity to deliver water services</p> <p>Staff that had been transferred together with the schemes, augments the capacity of the WSA to deliver water services</p> <p>118 schemes rehabilitated as per Joint Transfer Policy Position with a total of R114 Million spend and/or transferred to Water Services Authorities</p>

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 13 Ensure effective local-level operations and management of DWAF water services schemes	<p>Schemes scheduled for transfer rehabilitated to Joint Policy standards</p> <p>Operation and maintenance plans for each water services works/schemes 70% complete</p> <p>Infrastructure maintained to 100% compliance in accordance with completed O&M plans</p>	<p>Transferred schemes rehabilitated to Joint Transfer Policy standards</p> <p>O&M plans 70% complete</p> <p>100% maintenance compliance on 50% of schemes</p>	<p>Mopani DM was given direct support by the Department to complete the section 78 assessment with the intention to facilitate transfers and ultimate service delivery</p> <p>Municipalities in the Western Highveld viz: Kungwini, Dr. JS Moroka and Thembisile, were given direct support to undertake s78 (1) the outcomes of which were accepted by their respective Councils</p> <p>A team of specialist consultants was put in place to give strategic, oversight, direct and indirect support to the municipalities taking transfer</p> <p>The O&M plans were completed. Work on further plans are ongoing</p> <p>Annual audit against maintenance procedures had been completed and is ongoing in respect of further audit work</p>
KFA 14 Promote and support sound policy and practice of water services to achieve water services and sanitation Millennium Development Goals and WSSD targets in Africa	<p>Plan developed and approved by Minister for participation in activities to share knowledge, experiences and lessons with other developing countries especially in Africa</p> <p>Inputs delivered to World Water Assessment and report published</p>	<p>Millennium target progress reports</p> <p>Reporting Framework</p>	<p>Participated in SADC and international sessions to share lessons with others. Compiled the MDG country report on MDG targets 10 and 11 regarding water and sanitation</p> <p>Compiled draft World Water Assessment Report to be published in 2005</p>

Regional Operations and Water Trading Account

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

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.

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.

Water Trading Sub Account 2: Integrated Systems

Aim:

To manage, operate and maintain Government Water Schemes of National importance to ensure that water is available at acceptable levels of assurance and quality.

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.
- Supplying raw water to GWS not as yet transferred to WUAs.

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 assurance of supply to Eskom and Sasol to drop to unacceptably low levels. An improved supply link between Morgenstond and Jericho dams is now operational. An emergency pumpstation was constructed at the Fika Patso Dam to ensure continued water supply to the Phuthaditjhaba area. Drought relief funds were also provided to a large number of Municipalities which were severely affected by the drought to prevent a breakdown in water service delivery.

New Works

The TCTA has been instructed to construct the Vaal River Eastern Sub-system Augmentation scheme consisting of a pipeline from the Vaal Dam to Secunda. The pipeline should be operational by July 2007. This scheme will augment existing schemes supplying water to Eskom and Sasol (Secunda).

Refurbishment of Water Resources Infrastructure in ex-homelands

This unit is responsible for the refurbishment and improvement of water supply work and water control works which fell into disrepair in previous ex-homeland schemes, supplying water to resource poor farmers like the Theyfu Irrigation Scheme (Fish River).

Water Trading Sub Account 3: Bulk Water Supply

Aim:

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

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.

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.



Table 22: 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	145	184 (Monthly)	195	137	342	319	105	250	1677
Data sets processed		460	2532 (Annually)	247	196	366	360	72	363	4596
Operate and maintain gauging stations		135	171	195	137	326	297	56	250	1687
Construction of New gauging stations		0	2	3	3	3	0	0	0	11
Flood repairs to gauging stations		0	3	0	0	2	0	0	0	5
Survey Services										
Geodetic Surveys	Done by Gauteng Region	0	4	8	7	13	26	0	0	254
Hydrographical surveys		20	9	2	6	8	2	0	9	56
Cadastral surveys		102	6	2	2	0	3	0	1	116
Topographical surveys		15	40	21	4	4	2	0	43	129
Photogrammatic ground surveys		32	1	1	1	13	0	0	4	20
Water Drilling Services										
Boreholes drilled	N/A	248	16	17	18	22	14	91	0	426
Geotechnical Drilling Services										
Drilling in meters	N/A	1300	1152	552	0	0	1755	9401	0	14160 m
Geotechnical Services										
Monitoring and siting of boreholes	0	285	80	53	160	61	3736	590	389	5354
Assessment and licensing of landfill sites	0	142	0	0	20	3	11	4	0	1460
Compile hydro-geological maps	0	0	0	0	0	0	1	0	0	1

	North West	Limpopo	Mpumalanga	KwaZulu-Natal	Free State	Eastern Cape	Western Cape	Northern Cape	Gauteng	TOTAL
Regional Water Services Planning										
WSAAuthorities with draft WSDPs	10	6	12	3	20	1	18	16	9	953
WSA with approved WSDPs	1	6	5	11	0	14	8	16	0	61
Implementation of Water Services Projects										
Projects implemented										
Water Supply	7	46	5	89	3	20	3	4	0	177
Sanitation	5	11	2	65	4	33	0	0	1	121
People served with water RDP standard	34, 029	141, 727	100, 558	94, 276	27, 762	384, 215	1, 900	0	0	*784, 467
Below RDP standard	48, 398	0	0	500	0	7, 869	0	0	0	56, 767
Water Drilling Services										
Boreholes drilled	N/A	248	16	17	18	22	14	91	0	426
People reached by improved health through sanitation and hygiene awareness campaigns (People impacted by Health & Hygiene)	41, 300	216	6, 981	585, 517	0	117, 153	6, 912	9, 896	59, 000	826, 975
Completed VIP's/Latrines										
Toilets build	104	4, 671	12, 882	30, 513	10, 011	25, 244	1, 262	5, 758	6, 281	96, 726
Toilets Upgraded	0	0	0	32	0	0	0	70	0	102
Implementation of cholera projects	-	-	-	-	-	2	-	-	-	2
Sustainable Development										
Improved knowledge and skills at local government level	20	10	17	14	15	38	5	13	0	132
Capacity building of communities	0	80	80	406	28	210	6912	43	0	7759
Transfer of projects to local government	15	24	74	0	26	178	19	22	1	359

* Note:

R534 million was transferred to the District Municipalities during the 2003/04 financial year and the implementation took place during the 2004/05 financial year. This is why more people were served with water and sanitation in comparison with the figures to the 2004/05 budget allocation.

Table: 23: Water Trading Sub Account 1

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	7	3	10	4	2	44	39	26	143
Water User Associations created	0	1	2	0	1	1	24	0	0	29
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	11	3	68	4	0	31	1	9	153
Dams registered for dam safety purposes	0	4	0	2	15	13	25	23	0	82
Water Quality Management										
Licenses issued	3	4	8	50	3	9	0	2	8	87
Discharges registered	0	0	47	16	0	16	0	4	20	103
Old mines properly maintained	0	0	15	2	0	0	0	0	0	17
Monitoring of ground water and river sites	450	70	248	28	195	181	1890	106	264	3432
Water Allocation										
Water use licenses assessed	20	36	24	22	11	61	211	54	19	512
Identify unlawful water users	10	18	7	123	2	1	11	0	250	422
Water accounts sent out	4490	5945	14400	18672	1035	9000	16000	439	21000	90542
Water Use Control										
Water use registration forms completed	4636	450	4129	1063	1889	500	9700	1786	130	24283

Table 24: Water Trading Sub Account 2

Integrated Systems

	North West	Limppo	Mpumalanga	KwaZulu-Natal	Free State	Eastern Cape	Western Cape	Northern Cape	Gauteng	TOTAL
O&M										
Operation and maintenance of schemes	0	5	0	6	2	4	5	0	6	29
Maintenance of pump stations	0	0	0	2	1	1	0	0	17	21
Maintenance of canals (kms)	0	145	0	1	0	140	0	0	100	386
Maintenance of pipelines (kms)	0	6	0	30	85	25	20	0	550	716
Dam inspections carried out	0	20	0	26	10	36	20	0	29	141
Betterment Works										
Upgrading of houses	0	0	0	2	14	0	0	0	30	46

Table 25: 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										
Operation and maintenance of schemes	27	17	7	5	53	89	28	0	2	228
Maintenance of pump stations	1	0	92	2	0	6	2	9	0	112
Maintenance of canals (kms)	760	141	0	0	731	207	40	0	70	1949
Maintenance of pipelines (kms)	210	0	800	14	22	84	0	427	0	1557
Dam inspections carried out	0	668	15	20	56	356	132	0	2	1249
Betterment Works										
Upgrading of houses	5	2	7	2	45	0	0	0	0	61

Table 26: 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	0	9	6	0	1	0	3	3	0	22
O&M										
Operation and maintenance of schemes	29	184	15	43	5	35	3	4	2	320
Maintenance of pump stations		1630	92	0	0	82	0	0	2	1806
Maintenance of pipelines (kms)		6900	800	0	0	1710	0	0	5	9415
Scheme inspections carried out		2089	12	45	0	100	36	0	12	2294
Betterment Works										
Upgrading of houses		2	20	0	0	70	96	0	0	188