

MEDIA RELEASE



Viva Water Pure and Clean *Viva Forests Rich and Green*
Department of Water Affairs and Forestry - Chief Directorate: Communication
Services

MEDIA STATEMENT BY THE MINISTER OF WATER AFFAIRS AND FORESTRY, MR RONNIE KASRILS

3 April 2001

Embargo: 2pm

Following detailed discussions with the Chairman and management of Umgeni Water and a briefing by the investigators reviewing the Board's Treasury operations, Minister of Water Affairs and Forestry Ronnie Kasrils has indicated that he is satisfied with the progress made to date.

Specifically, he noted that the cancellation of the contract with the service provider had paved the way for a systematic process of restructuring the Board's treasury operations to ensure quality services at economic prices in a manner which would protect the interest of both Umgeni's consumers and its investors. He hoped that further information would be forthcoming and that all persons involved in a fiduciary capacity would comply with their responsibilities by full and frank disclosure.

Any further procurement of external Treasury services would be through equitable and transparent tender processes, he said. The public would be regularly briefed on both the ongoing investigation as well as new management initiatives in this regard.

On other issues of governance, Minister Kasrils indicated that the Board was responsible for ensuring compliance with organisational policy and procedures on matters such as corporate travel and executive remuneration. In view of the complaints he had received, he would undertake a review to ensure that these policies were compatible with good practice for a parastatal organisation such as Umgeni.

Since many of the complaints had originated with Umgeni's labour unions, he had also initiated a process of discussion with top union leadership. "It is important to draw a distinction between whistle-blowing which I support whole-heartedly and management, for which the Board and the management team are responsible" he said.

**Contact: Thami Mchunu
 082 806 6575**