

A breakdown of the 51 percent – or 23 million people – show that 12 million people live in Metro areas supplying free water, five million in other local government areas and six million are provided free basic water through departmental water schemes.

A provincial breakdown of the 51 percent shows that 82 percent of people living in Gauteng is provided with free basic water, 78 percent in the Western Cape, 68 percent in the Free State, 54 percent in Mpumalanga, 52 percent in the Northern Cape, 42 percent in the Northern Province, 36 percent in the Eastern Cape, 35 percent in KwaZulu/Natal and 23 percent in North West.

A further 34 percent of the total population live in areas where water infrastructure exists but where municipalities are still in the process of implementing the policy. The big thrust of Government's support teams will be to assist these municipalities in implementing the policy and we will continue to record these successes as they occur.

For the 15 percent or seven million people without access to water, my Department is continuing to provide water through our capital programme, which is R1,1-billion annually for the next three year. It is anticipated that at the current level of expenditure, this shameful backlog would have been eradicated by 2008/09. These people can obviously only be given free basic water once the infrastructure has been installed in their areas.

In terms of the problems in implementing the free basic water policy, the key issue is demarcation. In many areas restructuring of local government must be completed before new budgets – and new tariffs – can be introduced.

The use of the Equitable Share of Revenue is also proving problematic for some local governments. There are some which already use it for other purposes. In others, it is still being phased in – or out. In some cases one category of municipality provides the service, another gets the grant. These are issues I am discussing with Minister Sydney Mufamadi and Minister Trevor Manuel. We will also consider whether the equitable share is adequate for its purposes.

In cases where municipalities are supplied by bulk water suppliers, their prices have a substantial impact. Similarly, some bulk suppliers also supply consumers directly but get no help from local government. This matter is under discussion with Minister Mufamadi and Minister Manuel.

The support team's efforts will be focusing on assisting the local authorities which are still to implement the free basic water policy. They

will be taking them through the implementation guidelines which have already been distributed as well as explaining the financial models developed to enable them to implement the policy.

To help anticipate issues arising out of the implementation, the Department has also initiated four pilot projects with typical rural municipalities in order to learn from their specific problems and to refine its assistance.

Finally, in a major boost to the implementation of the free basic water policy, the Development Bank of Southern Africa has indicated that as much as R800-million will be available in loans to local authorities to install water meters, and establish billing systems.

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