



# **WATER SERVICES REGULATION**

## **PROGRESS REPORT TO MCC**

**06 Feb 2008**



## Our Mission

To develop an effective and efficient regulatory framework that will enable us to balance and protect the interest of all citizens, providers and the government through ensuring:

- **Compliance** with minimum national norms and standards;
- **Good performance** and **efficient** use of scarce resources; and
- **Good contracting** practices.



## OUR SCORE CARD

1. Facilitate the development of the Water Sector Regulation Framework  
(starting with the WS Regulation Strategy and aligning with Water Resources Regulation Framework);
2. Monitor the performance and enforce compliance of Water Services Institutions (WSI) in terms of Section 9,10 & 19 Regulations; including:
  - Drinking Water Quality standards;
  - WSA/WSP contracting standards;
  - Key Performance Indicators as per the SFWS & RPMS;
  - Effluent standards.



## OUR SCORE CARD (cont....)


3. Create mechanisms to facilitate active involvement of the citizens and public in WS regulation;
4. Promote knowledge sharing and learning through participation in the African Forum For Water Utility (AFUR) Network, WIN-SA, IMESA, WISA, NBI and other institutions and initiatives;
5. Provide strategic leadership, talent development and retention on regulation competencies and critical skills within the sector;
6. Build foundations for effective regulation in the water sector through developing regulatory performance systems and creating a culture of accountability and good performance.





## Issues for Quarter 3

# Progress on WS Regulation Strategy

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- Policy Board –Minister support it in principle with the following issues :
    - Separate Support from Regulation.
    - Strengthen compliance and enforcement.
    - Enforcement Protocol –organs of state
    - Institutional Form of Regulation will require cabinet decision.
  - Citizens Voice
    - Use of Citizen instead of consumer in the strategy.
    - Sanitation Chapter –weak
    - Mechanism for citizen participation in regulation.



- **DWAF Task Team :**

- Recommended a Water (WS/WR) Regulatory Framework.
- DWAF Sanitation revising sanitation chapter.



- **WRC :**

- Weak sanitation Chapter
- Strategy too strong on economic regulation.

- **SALGA :**

- Need more time to deliberate on the strategy. June 2008.
- Concerned about more emphasis on enforcement and not support.
- Concerns around indecisiveness on the institutional model of WS regulation.
- Minimum competencies at municipal level.

# NATIONAL DRINKING WATER QUALITY – DECEMBER 2007

PROVINCE	WSAs Registered	TEST RESULTS		
		Total Tests	Tests Complying	Failing
Eastern Cape	17/17	1 267	1 228	69
Free State	20/21	132	132	0
Gauteng	10/12	5 816	5 789	27
Kwazulu Natal	14/14	1 767	1 761	6
Limpopo	11/11	907	887	20
Mpumalanga	19/19	1 146	1 096	50
Northern Cape	30/32	813	778	35
North West	10/13	735	716	19
Western Cape	30/32	2 197	2 118	79
<b>TOTAL</b>	<b>161/169</b>	<b>14 780</b>	<b>14 475</b>	<b>305</b>
<b>%</b>	<b>95</b>		<b>98</b>	<b>2.06</b>

# Waste Water Treatment Works

- Have identified 30 treatment works not complying.
- Enforcement Protocol tested on Percy Stewart Waste Water Works.



## STATUS QUO ON WSA/WSP CONTRACTS

- ❖ Section 19(6) of the WSA (Act 108 of 1996) provides that a copy of a Water Services contract be sent to the Minister – not all the Municipalities comply with this provision.
- ❖ Only 26 % of contracts have been received by the regulator.
- ❖ Most of the contracts are not complying – common reasons for not complying are;
  - some were entered into prior to 1994
  - discord between Municipalities and Water Boards.

# Economic Regulation : Dispute between Umgeni Water and Msuinduzi Municipality

- Dispute over surplus earned by Umgeni Water.
- Regulator mediating between the two and Independent Auditor appointed to establish the nature of the surplus.
- Two parties might go for arbitration if not satisfied with the outcomes.

# Citizen Participation in Regulation

- Citizen Voice Reference Group established to discuss mechanism for citizen participation in regulation.
- Implementation of citizen's voice in regulation has started in Ekurhuleni Metro and the next project is Msunduzi Municipality in KZN.
- Planned Learning Journey to Zambia .

## Plans for Quarter 4

- Finalise the WS Regulation Strategy .
- Commence with financial Ringfencing study at WSAs.
- Hold the National Benchmarking Conference (end Feb 08)
- Pilot the Regulatory Performance Measurement System
- Hold Workshop on the Role of Regions in Regulation (12 Feb 2008).
- Facilitate appointment of contract staff for Technical Regulation.
- Finalise guideline on regulation of water boards.
- Finalise paper on minimum competency requirements for Water Managers at municipal level.