

WSSLG 21 – 22 November 2006

WS/WR Interface Issues

4 Initial Issues identified (for breakaway sessions):

- **Planning Interface:** IDP/WSDP/CMS/PGDS
- **Regulation** Coordination
 - we need 1 regulator (SALGA);
 - who gets license? – Act to address
 - Role of DWAF – DWAF has too many functions (SAAWU)
 - Water is public good (SAWC)
 - rights of citizens (not “consumers”)
 - regulator needs to ensure affordability
 - Distinguish between regulation & oversight (ICMA)
 - Information – accurate & representative is challenge – how do we est mechs for getting appr info?
 - Capacity to regulate – where is it/will it be built
- **Sector collaboration** – extending Masibambane to WR?
- **Water for Growth & development**
 - MUS – international and local initiatives
 - Water for recreational purposes (peri-urban & rural) – people willing to pay for it

Issues raised during discussion:

- **Definitions:**
 - terminology “Integration / Coordination / Interface”
 - LG role (responsibility & Functions) in WRM
 - Responsibility: Planning coordination; applying for licences
 - Functions: managing storm water, streams, urban impoundments, WDM
 - Role of Province - PGDS
 - Institutional Cooperation
- **WDM (&WC)** major strategic issue
 - SFWS requires it and saving water
 - WDM fund – purpose / accessing?
 - **Alternative Sources** - See effluent/waste/mine water as source
 - Asset replacement & sustainable management
 - Water savings at household level – not addressed in model bylaws (SALGA)?
- **Tariff & pricing chain** linkages; supply and cost chain
 - SFWS requires funding structure in WSDP – WSAs done it?
 - cost ringfencing in WSAs – to be regulated (SAAWU)
 - WBs and WSAs should make surplus to reinvest in infrastructure – is this surplus, or planned part of tariff? (SAAWU)

Comment: Lack of understanding – complexity of WR issues; LG is sphere of govt - not just another user; importance of sector collaboration

Regulation Breakaway Group

1. Adopt holistic approach – look at total water cycle. Any segmentation needs to be clearly defined:
 - CMAs will perform part of Water Resources regulation – issue water abstraction & disposal licences
2. Define purpose of regulation:
 - Regulation means assessing compliance: define developmental regulation - Is there such a thing? Purpose of regulation is to:
 - Protect citizen's interest
 - Balancing interests of various parties/institutions
 - Balancing interests of various user groups (incl env)
 - Distinguish between national and local regulatory functions and roles of various stakeholders in these
3. Regulation has different domains (number not agreed on yet) – existing document mentions 5:
 - Social – access to basic services, etc
 - Environmental health – discharges, standards, etc
 - Economic – this should be entire tariff cycle
 - Drinking Water Quality
 - Water Resources (CMA) – in issue of licences it will assess allocation of resources; reserve determination

Domains must be defined better (in matrix format)

 - Determine which of these is national or local
 - Determine who (institution) will do what
4. Who should regulate?
 - DWAF should not do economic regulation due to conflict of interest (short to medium term). *Economic regulation fully integrated WR&WS*
 - DWAF should do social regulation – mostly WS (from now to long term)
 - Strategy needs to address DWAF's changing role, sector expects clarity on intentions. DWAF is transferring:
 - licencing to CMAs
 - WS operation and implementation to WSAs
 - National water resources infrastructure to NWRIA)
5. Distinguish between regulation and oversight roles (Matrix should address). This is a big debate that must still happen. Approach must foster sector collaboration.
 - Regulation is assessment of compliance with set norms & standards
 - Oversight includes establishment, board appointment, effectiveness of institutions through “shareholders’ compact” (performance agreement)
 - Grey area is institutional performance – how to distinguish between these? Where is accountability?
 - Who regulates DWAF's oversight of institutions?
 - These will vary between domains
 - Once regulatory regime is in place, dispute mechanisms must be revised to place dispute resolution at right place
6. Information requirements
 - Ringfencing is critical – how do we get this

- Every WSP should plan to generate sufficient funds to ensure proper life cycle management
 - Regulator must have power to determine how surpluses (above budget) should be applied
7. Capacity to regulate
- Need to be addressed
8. Powers of Regulator(s)
- Who takes legal action
 - Who should support – not regulator