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| **WATER SERVICE INSTITUTIONS** |
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| The following are the key institutions in water service provision**Water Boards:** Government-owned Water Boards play a key role in South African water sector. They operate dams, bulk water supply infrastructure, some retail infrastructure and some wastewater systems. Some also provide technical assistance to municipalities. Through their role in the operation of dams they also play an important role in water resource management. The water boards report to the Department of Water Affairs. There are 15 Water Boards in South Africa. The three Largest Water Boards-[Rand Water](https://www.dwa.gov.za/io/wsi.aspx) in Gauteng Province, [Umgeni Water](https://www.dwa.gov.za/io/wsi.aspx) in Kwazulu Natal Province and [Overberg Water](https://www.dwa.gov.za/io/wsi.aspx).**Water Service Authority (WSA):**A Water Service Authority, defined as any municipality responsible for ensuring access to water service in the Act, may perform the functions of a Water Service Provider, and may also form a joint venture with another water services institution to provide water services. In providing water services, a water services authority must prepare a water service development plan (WSDP) to ensure effective efficient, affordable and sustainable access to water services. The WSDP should be in line with the catchment management strategy of that water management area. The plan provides a linkage between water services provision and water resources management.**Water Service Provider (WSP):**The main duty of a water service provider is to provide water services in accordance with the constitution, the [Water Services Act](https://www.dwa.gov.za/io/wsi.aspx) and by-laws of the water services authority and in terms of any specific conditions set by the water services authority in a contract.The main objectives of the Water Services Act (Act 108 of 1997) incorporate providing for the right of access to basic water supply and sanitation necessary to secure sufficient water and an environment not harmful to human health or well-being. Act also establishes the institutional arrangements for water services provision, and sets out the responsibilities for each of the institutions.**WATER BOARDS****A) Enabling Legislation*** Water boards are created through Chapter 6 of the Water Services Act, 1997 (Act No. 108 of 1997).
* A water board is a body corporate and has the powers of a natural person of full capacity (except those which by their nature can attach only to natural persons, or are excluded by or inconsistent with the Act.
* A water board is subject to the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and is characterised as a schedule 3B entity: National Government Business Enterprise.

**B) Mandate*** The primary activity of a water board is to provide water services (bulk and reticulation) to other water services institutions (WSI).
* It may also undertake other activities but only if:
	1. it is not likely to limit the water board’s capacity to perform its primary activity;
	2. it is not likely to be to the financial prejudice of itself, any WSI, existing consumers, and other users serviced by it within its service area;
	3. it is in accordance with its board’s policy statement; and
	4. it is provided for in its business plan

**C) Reporting Mechanisms*** The Minister must table in the National Assembly the water board’s annual report, financial statements and the audit report on those financial statements.
* In terms of section 39(1) of the Water Services Act, every water board must prepare and adopt a policy statement. A policy statement may be amended from time to time, and must be revised at least every five years.
* In terms of the Water Services Act, a water board must, not later than one month before the commencement of each financial year, submit a business plan relating to the following five financial years.
* In terms of the PFMA, a water board must submit the following to the DG of DWA and to the National Treasury at least one month, or another period agreed with the National Treasury, before the start of its financial year: a projection of revenue, expenditure and borrowings for that financial year in the prescribed format; a corporate plan in the prescribed format covering the affairs of that public entity or business enterprise for the following three financial years; and, if it has subsidiaries, the affairs of the subsidiaries.

**D) Governance & Terms of Office*** A member of a water board is appointed for a period of office determined by the Minister, which may not exceed four years.
* The Minister may require a water board to constitute a selection panel to recommend persons for appointment as members of a water board.
* S45(2) of the Water Services Act empowers the Minister to appoint a person to investigate the affairs and financial position of a Water Board. Should the outcomes show that the board has failed to carry out its fiduciary duties, then the Minister may terminate the term of office of the Board and replace it with other Board members.
* Terms of Office: DATABASE

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| **WATER BOARD** | **NEW BOARD APPOINTED** | **END OF TENURE** | **COMMENTS** |
| Amatola Water |  | 31 Dec 2012 |  |
| Bloem Water |  | 28 Feb 2013 |  |
| Bushbuckridge Water |  | 2 Feb 2014 |  |
| Botshelo Water |  | 31 Dec 2010 |  |
| Lepelle Northern Water |  | 31 Oct 2010 |  |
| Magalies Water |  | 31 may 2013 |  |
| Mhlathuze Water |  | 12 Jan 2014 |  |
| Overberg water |  | 7 Sept 2013 |  |
| Pelladrift Water |  | 31 March 2011 |  |
| Rand Water |  | 31 March 2013 |  |
| Sedibeng Water |  | 31 July 2010 |  |
| Umgeni Water |  | 30 June 2013 |  |

**E) Funding; Budget & Subsidies*** In terms of s32(b) of the WSA, a water board must enter into written contracts when performing its primary and other activities. These contracts form the basis of funding for a water board.
* A water board must set conditions for the provision of services in relation to the determination and structure of tariffs; and the payment and collection of money due to the water board ss33(1)(c);(d)).
* Reviews of remuneration within water boards are set to take place. This process will take account of performance and regulation of performance bonuses.
* The remuneration of water boards’ Chief Executives will be reviewed annually.

**Budget (Operating Exp & Capex):**

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| **WATERBOARD YEAR ENDED JUNE 2009** | **REVENUE** | **OPERATING EXPENSES** | **CAPEX** |
| **AMOUNT (R’000)** | **% TOTAL** | **AMOUNT (R’000)** | **% TOTAL** | **AMOUNT (R’000)** | **% TOTAL** |
| Albany Coast | 3 363 | 0.04% | 4 503 | 0,11% | 1 630 | 0,11% |
| Amatola | 250 549 | 3.05% | 216 072 | 5.06% | 41 363 | 2,89% |
| Bloem Water | 225 422 | 2.73% | 168 592 | 3.94% | 21 099 | 1,47% |
| Botshelo | 89 102 | 1.07% | 54 711 | 1,28% | 390 | 0,03% |
| Bushbuckridge | 88 713 | 1.08% | 71 004 | 1.66% | 370 | 0,03% |
| Lepelle | 272 044 | 3.30% | 236 913 | 5.01% | 21 097 | 1,47% |
| Magalies | 284 449 | 3.45% | 247 783 | 5.81% | 19 992 | 1,40% |
| Mhlathuze | 171 814 | 2.09% | 137 759 | 3.23% | 51 214 | 3,59% |
| Namakwa | 11 488 | 0.13% | 25 267 | 0.59% | 2 269 | 0,16% |
| Overberg | 26 958 | 0.33% | 22 138 | 0.52% | 6 538 | 0,46% |
| Pelladrift | 7 056 | 0.08% | 6 434 | 0.15% | 784 | 0,05% |
| Rand Water | 4 817 300 | 58.45% | 2 012 891 | 47.18% | 905 205 | 63, 4% |
| Sedibeng | 468 882 | 5.61% | 257 617 | 6.04% | 21 459 | 1,50% |
| Umgeni | 1 524 395 | 18.49% | 804 727 | 18.86% | 334 457 | 23,42% |
| **TOTAL** | **8 241 535** | **100.0%** | **4 266 411** | **100.0%** | **1 427 667** | **100%** |

**Subsidies:**

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| **WATERBOARD** | **2009 – (R’000)** | **2008 – (R’000)** |
| Botshelo Water | R 0 | R 37 876 |
| Namakwa Water | R 4 269 | R 0 |
| Sedibeng Water | R 13 257 | R 26 188 |
| Umgeni | R 1 264 | R 1 092 |
| **TOTALS** | **R 18 790** | **R 65 156** |

 **WATER RESEARCH COMMISSION** **A) Enabling Legislation** * The Water Research Commission (WRC) was established in terms of the section 2 of the Water Research Act 34 of 1971 (WRA).
* The WRC is a body corporate, capable of suing and being sued in its own corporate name.
* The WRC is subject to the PFMA and is categorized as a Schedule 3A entity: National Public Entity.

  **B) Mandate*** Its purpose is to co-ordinate, promote, encourage and undertake research in relation to water matters, within the parameters as set out in section 3 of the WRA.

  **C) Reporting Mechanisms*** In terms of Treasury Regulations 26.1.2., the Board must quarterly report to the Minister on the extent of compliance with the PFMA and its regulations.
* Any non – compliance must be reported together with reasons.
* Must approve any acquisition, alienation, or letting of immovable property by the WRC.
* In relation to the submission of financial documents (Annual Reports, forecasted Income & Expenditure Statements, etc) to the Minister for approval in terms of ss13(5) and 14(2) of the WRA: the WRC’s Accounting Authority (its Board) must report to the Executive Authority (Minister), in consultation with the Minister of Finance.

**D) Governance & Term of Office*** S4(3):The Minister may determine the period of office and conditions relating thereto, for a member of the WRC (except in the case of the D-G and Executive Director).
* The Minister may further terminate such period of office if in her opinion there are good reasons for doing so.
* The Minister appoints the 7 WRC members, and designates who is to be chairperson and vice-chairperson and determines their remuneration, in consultation with the Minister of Finance
* Appoints the Executive Director, after consultation with the Commission
* Appoints the Executive Director, after consultation with the Commission
* Must give approval on the Executive Director’s, officers’ and employees’ conditions of service, with concurrence of the Minister of Finance
* Must approve all grants (and conditions) before they may be made to any person or institution by the WRC
* Board Term of Office: 01 May 2005 to 31 June 2008

**D) Funding & Budget*** In terms of s12 of the WRA, a Water Research Fund has been established, into which all monies payable to the WRC must be deposited.
* The fund comprises monies appropriated by Parliament for the benefit of the Fund; rates and charges levied under s11 (see below); donations, bequests or contributions which the WRC may receive from any other source.
* The Minister must approve the WRC’s statement of estimated income and expenditure for the following financial year, in consultation with the Minister of Finance
* The Minister may, in consultation with the Minister of Finance, determine how to invest unexpended monies of the WRC (should the WRC decide not to invest such monies with the Public Debt Commission)
* Budgeted Revenue (2005-06): R 122.177 (1.6%)
* Budgeted: Operating Expenses (2005-06): R 2.478, 519 (48.6%)

The WRC Act is currently undergoing revision.**TRANS-CALEDON TUNNEL AUTHORITY****A) Enabling Legislation** * International water management bodies are established under Chapter 10 of the National Water Act (36 of 1998).
* The TCTA is such a body, established by the Minister, in consultation with the Cabinet, and by notice in the Gazette (Notice No. 2631 of 12 December 1986), to implement international agreements. In the case of the TCTA it was specifically established to implement an international agreement between the South African Government and the Government of Lesotho over the Lesotho Highlands Water Project
* The TCTA is a body corporate and has the powers of a natural person of full capacity (except those which by their nature can attach only to natural persons, or are excluded by or inconsistent with the NWA or the relevant international agreement).
* The TCTA is subject to the Public Finance Management Act (1 of 1999) and is categorized as a Schedule 2 entity: Major Public Entity.

**B) Mandate*** In terms of s102, the TCTA was established to implement any international agreements entered into by the South African Government and a foreign Government (Lesotho) relating to: investigating, managing, monitoring and protecting water resources, regional co-operation on water resources, acquiring, constructing, altering, operating or maintaining a waterwork, or the allocation, use and supply of water
* Under s103, if the Minister is satisfied that it will not prejudice the capacity of the body to perform the functions for which it was established, she may direct the body to perform additional functions
* The TCTA may perform its functions outside the Republic (s103(3)).

**C) Reporting Mechanisms*** S106 of the NWA provides that, unless the international agreement provides otherwise, the TCTA must report to the Minister on its performance within 3 months after the end of its financial year. The report must be accompanied by audited financial statements for that year end.

**D) Governance & Term of Office*** The Minister appoints the Board members of TCTA in terms of Notice No 277, dated March 2000.
* The Minister may also terminate the terms of office of the Board members should they under-perform.
* Board Term of Office: 01 July 2006 to 30 June 2009

**E) Funding & Budget*** The TCTA generates revenue from project contracts undertaken
* TCTA also procure funding from development funding institutions
* Concessionary funding may be procured, where accessible for possible socioeconomic benefits from the projects
* The bulk of TCTA funding is likely to be raised in local capital markets.
* Budgeted Revenue (2005-06): R 1.961, 092 (26.2%)
* Budgeted Operating Expenses (2005-06): R 2.478,519 (48.6%)
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