



# **REGULATION IN THE SOUTH AFRICAN WATER SECTOR**

**WORKSHOP ON REGULATORY  
FRAMEWORKS FOR CORE  
ECONOMIC SECTORS**

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# BACKGROUND



- Water is both a social and economic good
- Access to water a human right in terms of the SA Constitution
- Water Allocation Reform- essential to redress imbalances of the past.
- Water essential for economic development- water resources developed in time to support growth and development
- Water services must be effective at municipal level to support local economic development
- Policies and regulations on basic services tested in courts (Mazibuko case)



# CURRENT DEVELOPMENTS

THUS FAR.....

DWAF fulfils the role of  
National Regulator of the  
Sector



# CURRENT DEVELOPMENTS



## DEVELOPMENTS IN WATER RESOURCES

- Authorisation guidelines
- Dam safety (including approval of engineers for dam safety work)
- Registration of plant operators at treatment works
- Registration of discharges into the water resource for waste discharge charge systems
- Oversight over institutions
- Compliance monitoring and enforcement



# CURRENT DEVELOPMENTS

## DEVELOPMENTS IN WATER SERVICES

- National Norms and Standards gazetted in 2001.
- WS Regulation Strategy
- Drinking Water Quality regulation started and First Blue Drop Certification Program implemented- Report released as a public document
- Electronic drinking water quality monitoring system developed
- Assessment of Waste Water Treatment works started- Green Drop Report soon to be released
- Annual Consumer Satisfaction Survey conducted for 07/08.
- Regulatory Performance Measurement System





# CURRENT DEVELOPMENTS



## DEVELOPMENTS IN WATER SERVICES

- Audit of WSA/WSP Contracts conducted.
- Several disputes between WSAs and WSPs mediated – e.g. monies owed by municipalities to Water Boards
- Tariff analysis done where complaints reached DWA via toll free .
- Intervened and facilitated report on water cut-offs in City of Cape Town
- Citizens Voice Project established and implemented in eg. City of Cape Town



# SPLIT BETWEEN POLICIES AND REGULATION

## *Policy, strategies and legislation*

(This function is about development of policies & regulations i.e. determining the rules and considering the impact of the rules)

A clear distinction between this & the regulatory domains agreed



## REGULATORY DOMAINS



### ***Economic regulation***

- Consumer Protection
- Economic Services
- Pricing Regulation
- Service Standards

### ***Social Regulation***

- Access to affordable basic water supply & sanitation
- Provision is included in the Bill of Rights (Regulator to protect the poor)

### ***Water Use Authorisation***

This pertains to authorising in terms of policy and regulation of particular sectors or activities with conditions that are informed by norms and standards etc

- Schedule 1, GA's, ELU's & Licenses (Section 21)
- Dam Safety

### ***Drinking Water Quality & Waste Water Services***

- Enforce water services legislation





# Current thinking

- Short-term: Re-align and ring-fence the various functions within the Department into policy development & regulation, authorisation, compliance monitoring & a dedicated enforcement team.
- Better integration between Environment and Water Affairs
- Medium-term: Consolidate and strengthen the regulatory capacity in the department whilst considering/evaluating new models such as an Independent Regulator (in line with the Presidency initiative)



# International networks and partnerships

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- Work with UK Drinking Water Inspectorate and OFWAT on WS
  - Engaged with Dutch and UK Environmental Agency on WR
  - Partner in the International Network of Drinking Water Regulators under auspices of the WHO
  - Member of the Network of African Utility Regulators
  - International Agreements on trans boundary rivers



# Issues for water regulation

- Agreement on separation of policy and regulation
- Lack of resources-finances and skills
- Sufficient and credible Information to regulate
- Delay in Catchment Management Agencies (CMA) establishment
- Good legislation-challenge to implement-Priorities
- Tariffs – whole value chain and roles
- Communication with public



## Issues for water regulation (2)

- Tariffs set by municipalities and current legislation gives DWA no mandate- only guidelines
- Currently tariffs too low for a sustainable service- lack of maintenance
- Penalties too low?
- Water quality a major issue- both DWQ and resource water quality