

Media release

Water crisis in South Africa: are we making progress?

Johannesburg, 24 October 2022 - Under global development goals agreed in 2015, governments pledged to provide access to clean water and sanitation for all by 2030. In SAICA's view, the biggest risk to achieving these goals is a lack of accountability and enforcement of consequence management.

In a submission by SAICA, in response to the 2022 Budget speech, the Government was urged to:

- urgently prioritise funding for water and sanitation projects; and
- give urgent attention to fixing the collapsing sewage systems as the infrastructure is imploding and access to drinkable water is becoming more problematic.

According to SAICA, it was doubtful that the additional budget allocation of R2.3 billion over the next three years would be sufficient. In fact, SAICA had already raised its concerns in its 2021 MTBPS submission:

- *“The Government has been warned for many years of an impending water crisis, yet it seems such warnings have been ignored. This has resulted in a very high price that is still today being paid by South African society, not only in costs, but also in water supply shortages as has been experienced in parts of Gauteng recently”.*

Events after the 2022 Budget Speech

The abovementioned concerns have since continued in Gauteng, where Rand Water continues to implement stage two restrictions, and residents are urged to reduce their water consumption. The City of Tshwane says restrictions will remain in place until reservoir storage is back at 60 percent. In an attempt to prevent the water system from collapsing, [Rand Water took full control](#) of flow management at its reservoirs in Gauteng because it could not rely on [residents to reduce water usage](#) by themselves.¹

With respect to the expected publication of the Green Drop Report, and based on the results of the report, the Department of Water and Sanitation was to prioritise medium-term projects for implementation in the water services infrastructure grant. The Green Drop Report details factors like municipal capacity of wastewater management and process controllers to operate and maintain sewage treatment.

According to the report that was published after March 2022, more than a third (334 wastewater treatment works (39%) out of 955 systems) are classified as critical. This is an increase since the 2013 report, when the number of critical systems was 248 (29%). Additionally, the risk classification of municipal treatment works deteriorated from medium (65.4%) to high risk (70.1%) between 2013 and 2021. It also revealed that municipalities are battling with addressing issues of wastewater management. Weak management, a lack of competent and experienced technical staff, and very low levels of revenue collection are said to be the issue.

In the Annual Report for the 2021 / 2022 year of the Department of Water and Sanitation, it is reported that:

- The existing infrastructure needs maintenance, and the country is already experiencing challenges with a lack of focus on sustainable asset management. Funding pressures, however, prevent the Operations and Maintenance unit to receive the required allocation as per the charges posed on the users.
- There is a significant and growing backlog in the maintenance and refurbishment of national water resources infrastructure. The inadequate ring-fencing of budgets poses a significant challenge to infrastructure management and has contributed to a refurbishment, renewal, and maintenance backlog of R36 billion.
- A financially downscaled Operations and Maintenance function will have a detrimental impact on the national economy. The strategic users such as ESKOM and SASOL are heavily dependent on the services of this unit (as per signed user agreements), and any failure in this regard could lead to *inter alia* energy and fuel shortages. In addition, if the operating rules are not adhered to there is a long-term impact on water resource management.

An example of the above concerns is another sewage spillage that is threatening more than just the residents and the ocean in Umhlanga. [According to some residents](#), this is an ongoing issue in the area and frustrations are reaching peak levels.

Conclusion

The perilous state of SOEs and municipalities, are seriously concerning and access to clean water is under threat, yet many of these concerns have not or were only partially addressed in the Budget. It is hoped that this will be addressed in the medium-term budget.

Unfortunately, it does not seem as if the Department of Environmental Affairs has done much to address this destruction of our river systems and COGTA has not acted against municipalities breaking the law.

It was stated in the 2022 Budget that the budget for municipal water and sanitation is expected to increase from R11.6 billion in 2021/22 to R13.9 billion in 2024/25. That may be insufficient to address the water crisis in South Africa. SAICA has thus proposed that the National Water and Sanitation Master Plan allocate responsibilities and quantify financial resources required at all three tiers of government where the primary responsibilities lie. It is recognised that this may require public and private partnerships as communities have already started taking over maintenance and repair functions.

ENDS

About SAICA

The South African Institute of Chartered Accountants (SAICA), South Africa's pre-eminent accountancy body, is widely recognised as one of the world's leading accounting institutes. The Institute provides a wide range of support services to more than 50 000 members and associates who are chartered accountants (CAs[SA]), as well as associate general accountants (AGAs[SA]) and accounting technicians (ATs[SA]), who hold positions as CEOs, MDs, board directors, business owners, chief financial officers, auditors and leaders in every sphere of commerce and industry, and who play a significant role in the nation's highly dynamic business sector and economic development.

Chartered Accountants are highly valued for their versatile skill set and creative lateral thinking, that's why all of the top 100 Global Brands employ Chartered Accountants.

SAICA Media Contacts

Kgauhelo Dioka, kgauhelod@saica.co.za

073 398 8633

Project Manager: Communications

SAICA Brand Division

Renette Human, renetteh@saica.co.za

Project Director: Communications

SAICA Brand Division