



Building a Better post-COVID Water Sector

Advisory Note 2: The State of water services in South African Municipalities

Introduction

There are 278 municipalities in South Africa, of which 144 are Water Services Authorities (WSA's), with the responsibility for ensuring the provision of water supply and sanitation services within their areas of operation through Water Services Providers (WSP's).

The most recent Municipal Strategic Self-Assessment (MuSSA), that was carried out in 2019, paints a very concerning picture of the state of municipal water services provision in South Africa, based on the views of municipal WSA's themselves.

To give some examples of the situation, 40% of WSA's are rated as extremely vulnerable and another 38% as highly vulnerable. Only 6% have a low level of vulnerability. 54% of all WSA's rely on grant funding for more than 90% of their capital expenditure, 58% collect less than 70% of billed revenue and 42% have a non-revenue water value of more than 40%. While water supply infrastructure has been provided to serve almost 95% of the population, only around 65% have access to *reliable* services.

Why are municipal water services failing?

The reasons for this situation can be attributed to

- weak management,
- a lack of competent and experienced professional and technical staff,
- political interference in the day to day operations, and
- poor oversight resulting from the limited separation of powers between the political policy makers and the executive management in WSA's.

SAAE Fellows have observed cases where politicians have offices in the engineering departments of their municipalities and issue instructions to staff. Management problems are compounded by the fact that many of the WSA's are not financially sustainable because of a limited revenue base from which to derive cross subsidies and operating subsidies that are currently inadequate, even if revenue collection was at an acceptable level. In addition, the absence of a sufficiently large and functional municipality with conditions of service that might attract the much needed professional staff aggravates the lack of amenities in many small municipalities.

When WSA's were first established at the beginning of a democratic South Africa in the mid 1990's, the economic landscape in South Africa was very different compared to the situation today. Mining production was not in decline and the urban population had just passed 50% of the total population. Today, the urban population is fast approaching 70% of the total and mining output is in rapid decline. This means that many municipalities that were once viable are now heavily dependent on subsidies and the urban areas have become ghost towns and unattractive to reside in.

Research by SAAE Fellow Dr Allyson Lawless and others has shown that engineering professionals do not regard municipalities as employers of choice because of weak management, political interference and high levels of corruption.

The way forward

SAAE recommends urgent action to address the following focus areas:

Reduce the number of WSA's: As a first step, the proclamation that established WSA's needs to be revised and the number of authorities reduced to take account of the changed economic circumstances. These authorities should be centred on the metropolitan areas as well as the so-called secondary cities, with boundaries that include an adequate number of customers who are able to pay the full cost of providing water and sanitation services. Given that only 30 WSA's are currently viable, no more than 50 WSA's are envisaged after re-demarcation.

Develop competent water services directors: A management development programme, based on a block release approach over a two year period, is needed to develop a cadre of Directors of technical services in municipalities. Possession of this qualification should be a prerequisite for the appointment of persons to these positions. A similar approach has already been legislated for municipal managers and chief financial officers.

Upskill competences, employ and support young professionals: The absence of experienced in-house engineering professionals results in very poor levels of service delivery. This is felt in operations and maintenance as well as in the upgrading and development of essential infrastructure. Total reliance on consultants without experienced in-house technical capability is not a healthy situation for the long-term sustainability of water and sanitation services in a municipality. There needs to be a significant country-wide drive to upskill municipal staff and recruit young professionals and technical staff, providing the necessary support and mentoring programmes to them to reach higher levels of competence in technical operations as well as contract and project management.

Reintroduce skill-based apprenticeship programmes: At the other end of the scale there is a need for about 30 000 skilled artisans and 30 000 competent treatment plant operators in our municipalities. A decision was taken years ago by the SETA's to abandon apprenticeships and replace them with learnerships. We need to return to skills based apprentice training supported by classroom learning.

Incentivise and enable cost-effective management: To achieve financially viable water and sanitation service delivery within South African municipalities, the cost effective procurement of infrastructure that is fit for purpose and not over-elaborate, is essential if these services

are to be affordable. This requires skilled in-house engineering professionals who are able to manage consultants and contractors and to issue comprehensive project briefs and documents that are of an acceptable standard.

Albert Einstein defined insanity as 'doing the same things repeatedly and expecting a different result' – we need to do things differently and address the core issues, rather than merely repeat the mistakes of the past but under a different name, be it Siyenza Manje, Project Consolidate, Back to Basics or the latest Khawuleza initiative.

The South African Academy of Engineering stands ready to assist in the establishment of the management development programme and processes for mentoring engineering professionals as well as address the other challenges identified.



Dr TT Goba
President, South African Academy of Engineering
22 June 2020