

Water price hike looms

R60bn needed to fix infrastructure

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CONSUMERS face water price hikes way above the inflation rate to recoupan estimated R60 billion needed to fix creaking infrastructure throughout the country.

The Water Affairs annual report for 2009/10 revealed that a backlog had developed in regional bulk water and sanitation infrastructure owned by municipalities, including water treatment and waste-water treatment plants.

It said the R60bn was arrived at via surveys done jointly with local authorities.

This emerged a week after Umgeni Water announced it would impose a 6.2 percent tariff increase on bulk water to its customers, including eThek-wini Municipality, next year.

The inflation rate is presently at a five-year low of 3.2 percent.

The KwaZulu-Natal water supplier also warned that a double-digit tariff rise was in the pipeline to fund future infrastructure development projects such as the building of the Spring Grove Dam in Mooi River.

Umgeni Water chief executive, Mzimkulu Msiwa, said the parastatal had committed R3bn

to infrastructure development – 35 percent of it for rural development, 32 percent on expansion and growth areas, including developments such as King Shaka International Airport, and 25 percent on asset upgrades and rehabilitation.

eThekwini's treasurer, Krish Kumar, said Durban residents would be informed of the new charges by the end of March.

Earlier this year eThekwini's head of water and sanitation, Neil Macleod, said the city was investing R37.3 million in various water loss reduction projects, including replacing pipes.

Replacement

Macleod told a media briefing that another R65m had been budgeted for the current year.

The pipe replacement project had cost R1.6bn, with the new pipes expected to provide at least 50 years of leak-free service to the municipality.

The pipes had been reaching the end of their lifespan, and currently leaked 90 000 kilolitres daily, said Macleod.

At a cost of R3 a kilolitre, the losses were significant.

The national Water Affairs department disclosed yesterday it had budgeted R5.4bn over the next four years to relieve

the backlog, excluding the budgets of local government.

And, in an attempt to tackle the estimated refurbishment backlog of R10bn, the government plans major investment in bulk water infrastructure, to increase the number of dam rehabilitation and water conveyance projects, and to establish a water regulator.

But tariff caps and exemptions led to the inefficient use of water, the medium-term budget policy statement released yesterday said, and a review of pricing was being done.

Prices that reflected actual costs would help "moderate demand, ensure the long-term sustainability of water-related infrastructure and preserve the natural environment".

In rural municipalities, the major challenge was to step up delivery of bulk infrastructure, especially for water and sanitation.

The statement said better planning was needed to align the building and maintenance of reticulation systems by municipalities with the provision of bulk services by national departments.

Only one out of 12 projects had achieved its target in the implementation of new bulk-water infrastructure to meet social water needs, economic growth and development.

