

## Challenges in Meeting the Regulatory and Commodity Imperatives of Water Supply

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### Executive Summary

The study investigated the challenges of the water sector value chain at Chris Hani District Municipality (CHDM). The investigation was necessitated by water shortages and the poor quality of potable water in the municipality and other parts of the country. The findings reveal a potential lack of compliance with certain regulations set forth by the Water Services Act (108/1997) within CHDM. The continuation of the non-payment culture by some water consumers due to poor affordability, resistance, and municipal billing challenges requires a multi-pronged policy approach that addresses structural, systemic, and human factors. Regarding the interplay between water as a constitutional right and water as a business, generally, there is consensus that water should be paid for by the consumers; affording consumers should pay, and the indigent should be subsidised by the government. Given the infrastructural challenges, a policy framework is recommended that would enable bulk water supply to be upgraded, delapidated infrastructure to be replaced, revenue collection to be improved, and revenue for the provision of water services to be ring-fenced.

### What is the issue?

Many South African communities experience water supply challenges of poor quality potable water and water shortages for drinking, household use, and commercial use. This is a serious challenge because it can lead to loss of life, loss of revenue, and poor sanitation. The different forms of water challenges have ripple effects because poor sanitation consequences include dangerous water-borne illnesses. The other challenge with the effects of water challenges is that some of them are rather insidious, while others manifest immediately with varying levels of severity. Some of the insidious effects manifest many years later.

As water is a constitutional right, the provision of water services is regulated in South Africa through several Acts and policies. These regulatory instruments, however, are sometimes not adhered to. This policy brief then explores ways to realign the stakeholders' practices with the regulatory framework.

### Water as a Constitutional right

The South African Constitution (1996) notes that each and every person has the right to enough food and water. To ensure access to water for all South Africans, the country adopted the Indigent Policy, which offers free basic services (water, electricity, and solid waste collection) to eligible citizens. There are, however, many factors that compromise the successful delivery of water services to many communities around the country, hence the many service delivery protests.



*File picture: Brendan Magaar/African News Agency*

According to regulations made under the Water Services Act (108/1997), a minimum of 25 litres of drinkable water per person per day or 6 kilolitres per family per month is needed for the basic delivery of water services:

- within 200 meters of a household,
- at a minimum flow rate of ten litres per minute or higher, and
- sufficient to guarantee that no consumer has a supply shortage for longer than seven consecutive days in any given year.

### **What have we learnt?**

Regarding the payment of water services by consumers, there is generally consensus that they should be paid for. This is because of the high costs of providing water as well as the logic of consumers paying for what they consume so as to contribute towards the sustainability of water infrastructure and water services. The costs incurred by the municipality for which consumers have to pay include water purification (including chemicals and electricity), infrastructure (including pipes to different communities and homes), machinery, and personnel. This is echoed by Pongoma (2022), who sought to clarify the misunderstanding that people are paying for water. His explanation is that people do not pay for water. Instead, they pay for the service, which includes extracting water from the river and pumping, cleaning, and piping it into their homes. Given that this service has a financial component, it is therefore charged for.

of CHDM households that have shared piped water that is more than 200 meters away from the residence and households with no formal piped water indicates that the CHDM is falling short of the minimum requirement for water supply services as per the Water Services Act (108/1997). Some residents reported being without water for varying extended periods in their respective communities. This underscores the CHDM's violation of the Water Services Act (108/1997), which requires water services to be sufficient to guarantee that no consumer has a supply shortage for longer than seven consecutive days in any given year.

### **Meeting the regulatory requirements for the provision of water services**

It is reported that some of the regulations for water supply services are not adhered to in some parts of the CHDM. In some cases, the people must rise as early as three in the morning to fetch water because the taps flow for roughly an hour per day and some of the reservoirs are kept dry for several months (Sizani, 2023). The considerable number

According to SALGA (2011), the water and sanitation departments experience difficulties because of poor capital investment in cases where the activities for the provision of water services are not ringfenced. Furthermore, the lack of financial independence of the water and sanitation departments in some of the municipalities is identified by SALGA (2011) as one of the factors contributing to the infrastructure challenges because these departments receive their share of

budgetary allocations from the Council's pool. These departments then face competition from others for their budgetary allocation, thereby jeopardising the respective municipalities, as neglected upkeep and growth of water and sanitation infrastructure is one of the problems resulting from the lack of ringfenced funding for these departments.

### **Main hindrances to CHDM's efficient and effective water supply**

The reasons given for the causes of the non-payment culture by some consumers included poor provision of water services to communities as sometimes there is inconsistent supply in some areas, high cost of living, poor affordability considering the high unemployment rate, continuation of the toyi-toyi culture from the refusal to cooperate with the state during apartheid times, and billing challenges.

The inconsistent water supply in some areas is partly attributed to the high demand due to population increase, mushrooming of new unplanned settlements, and load shedding since some pumps run on electricity. This translates to the unhappiness of consumers, who then resort to non-payment of services as a demonstration of their dissatisfaction.

The billing challenges seem to be a considerable deterrent to some of the consumers, as the municipality does not regularly send invoices and many bills are disputed. The general lack of consequences for non-payment means that the non-payment culture is unlikely to stop. This aggravates the municipality's revenue collection challenges and consequently undermines service delivery efforts. Effective systems should, therefore, be put in place to encourage and/or force consumers to pay for water services.

### **What are the policy options?**

- ✓ While the municipality receives the Municipal Infrastructure Grant (MIG), Water Services Infrastructure Grant (WSIG), and Regional Bulk Infrastructure Grant (RBIG), these fall below the required financial resources considering the volume of infrastructure that requires replacement, hence the backlogs are not getting successfully cleared. As the availability of resources to meet all the needs is not yet possible, it is recommended that innovative ways be explored to supplement the current resources so that a lot more can be achieved with less.
- ✓ Despite the capacity and expertise that many water boards have, which exceed those of many municipalities, their services are limited to bulk water supply and not reticulation. Many municipalities could benefit if the mandate of the water boards could be extended beyond bulk water supply to also cover reticulation. Although some water boards are involved in reticulation maintenance through operations and maintenance contracts with particular municipalities, these kinds of services should be extended to be a permanent feature of the water boards, including wastewater treatment works, as water, in general, is the water boards' area of specialisation. Instead of a piecemeal approach to the provision of water services by various stakeholders, the recommended vehicle is an all-encompassing one that includes bulk water supply, reticulation, and wastewater management and treatment. With ring-fenced funding for water services, the municipalities would then continue with their revenue collection role, albeit in a more effective manner than it is currently happening.
- ✓ The water challenges are due to structural, systemic, and human factors. Regarding structural factors, particularly poverty, this is one of the factors that contributes to the non-payment of services by consumers and the concomitantly compromised delivery of water services by the municipality. This underscores the fact that job creation must be prioritised. The several job creation initiatives at CHDM have had mixed results; however, they have not managed to substantially change the municipality's economic outlook. To improve job creation at CHDM, the municipality's competitive advantages should be considered. Given that CHDM's main economic sectors are community services (52%), trade (15%), finance (14%), transport (6%), manufacturing (4%), agriculture (4%), and electricity (2%) (CHDM, 2020), this requires serious structural and systemic changes given the municipality's competitive advantages such as agriculture (e.g., huge arable land), youthful population, etc. The most dominant sector, community services (52%), is not income-generating and does not directly contribute to economic development.

- ✓ Regarding the systemic factors that include billing challenges, it is important for the CHDM to review the efficiency and effectiveness of its systems, including its performance management system. Part of the review process should include an examination of internal and external CHDM communication, implementation of policies, consequence management, standard operating procedures, induction programs, and compliance (financial, technical, and legal). It is unfortunate that municipalities sometimes have to rely on other stakeholders for their effective delivery of services. For instance, the billing challenges are, to some extent, aggravated by the inefficiencies in the South African Post Office because the municipalities use it, among other means, to send monthly statements to consumers. Some consumers are not yet optimally using digital communication services like electronic mail and thus cannot receive their monthly statements if the Post Office is unable to send them.
- ✓ Regarding the human factors that include rebellion, it is important for the CHDM to restore its authority and respect. CHDM officials and customers should have genuine care, respect, and trust in the municipality, and this could be done, among others, by having the municipality lead in this regard by being exemplary in its services. Given that positivity attracts positivity and negativity attracts negativity, the municipality's positive portrayal through its services will probably lead to customers realising that they are getting value for their money as they will be receiving services for which payment is required. Of course, this will not work for all consumers, so appropriately customised strategies should be considered, such as the legal route, where appropriate.
- ✓ The water infrastructure challenges at CHDM require a speedy resolution as there are water leaks, broken meters, and regular bursts in the water pipelines. CHDM needs to deal with theft of water infrastructure by closely working with community members and South African Police Services (SAPS) to curb this challenge. As water services are a key factor in determining (attracting or discouraging) investments in an area, it is crucial for the CHDM to prioritise excellence in this area, as that could potentially translate to increased investments and job creation. It also needs to conduct an infrastructure audit and collaborate with the private sector on the refurbishment of existing infrastructure. The CHDM should invest in an asset management system that is connected to an operations and management system so that periodic infrastructure checks and/or services could be undertaken over time.

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