water & sanitation

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INTERNET ARTICLE

Pricing Strategy to monitor industrial water waste

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Recovery of costs for water resource management and sustainable infrastructure asset management protection of the poor against unaffordable tariffs as a result of infrastructure development are some of the challenges faced by the Department of Water and Sanitation in its Pricing Strategy

Addressing a two-day workshop in Pretoria on Wednesday, the Acting Chief Director of Economic and Social Regulation, Moshidi Sizani, said since the introduction of the Pricing Strategy in 2007 there had been significant developments and a number of challenges in the water sector which warranted the review of the strategy.

She said among the issues that will be investigated further or require policy, changes included the revision of price capping for the agricultural sector and water for fracking, acid mine drainage and bio fuels.

Speaking on changes from the previous version of the Pricing Strategy, Sizani said the water use categories were: (1) agriculture, which used up to 62 percent of water for irrigation of crops; and (2) municipalities, which accounted for 24 percent of water consumption. Other categories of water users were: industry and mining, hydropower (for non-consumptive use based on a combination of fixed and variable charge) and stream flow reduction activities such as afforestation.

The hydropower charge will be levied on all existing and new hydropower plants as this is a critical component of power generation but has a significant impact on water resource. The Pricing Strategy aims to provide a greater degree of transparency on how raw water is priced in the country and the following principles apply –

- Hybrid tariff approach – Provides for a combination of national and water management specific charges to facilitate development of affordable tariffs to all users. Elements of water charge will be –
    - Levied on basis of a national charge for a particular sector(s)
    - Based on Scheme or catchment level charge

- User pays and recovery of costs – Provide for full recovery of costs associated with management, use, conservation and development of water resources and associated administrative and institutional costs
    - Users must pay for costs of water use given the need for targeted subsidies where users are not able to afford costs resulting from full application of these principles.

Addressing delegates, the Director of Water Resource Planning in DWS, Patrick Mlilo, said South Africa was a water scarce country where 5,3 million houses (35%) still do not have access to reliable clean drinking water. However, despite the staggering figure, the per capita water use in South Africa was 2,75% and the department is trying to bring it down to 1,75% in line with the international requirement for countries that did not have sufficient water.

Mlilo painted a gloomy picture of the country's water situation that was caused among others by adverse climate change and the population explosion.

"As a country we are moving expansionism to the mature phase of development."

He pointed to a host of factors that contributed to water reduction, such as pollution from agriculture, mining, industry, energy and sanitation. The inefficient water management practices, lack of infrastructure maintenance that leads to unaccounted for water and weak governance also contributed to water scarcity.

"Water scarcity could deteriorate rapidly as the supply contracts and demand escalate due to growth, urbanization, inefficient use, degradation of wetlands, water losses and reduction in yield due to climate change," Mlilo said.

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