



## **Confrontative Dialogue**

**How do we ensure affordable water to all?**

### **One position:**

The starting point ought to be the fact of South African wealth, not poverty. Water and sanitation problems could have been resolved long time ago if, for instance, they had the same priority as the 2010 football jamboree or Gautrain!

The South African Constitution undeniably recognises the right to water and this is a right that has to be respected. Municipal finances do not feature as a major priority for National Treasury-- pressure has to be placed on it to review this. Insisting that municipalities provide more free water in instances where they simply cannot is nonsensical. However, in instances where they can, the necessary regulation needs to be put in place to make this happen.

### **Another position:**

More grant funding is required for municipal water systems, including larger national-local subsidies in most municipalities, and a more redistributive (steeper and concave) tariff curve within the municipalities. Such a tariff curve makes large users pay much more, in part to achieve conservation and limit future bulk water infrastructure investment costs. As it stands, wealthy people barely notice increases in water price, compared to poor people who cut back dramatically when prices rise. And cross subsidisation should be not only from the rich to the poor, but also from large industrial and agricultural users.

Free Basic Water of at least 50 litres per person per day-- with some arguing for considerably more-- should be provided to individuals, not to households, given that poor households tend to be larger. Indigent registers are used to stigmatise people, divide the community, and are terribly unreliable given authentication difficulties. The majority of people who need free services are often not registered.

### **Another position:**

Many municipalities need better revenue collection and management—not only more funds. Free basic services should be targeted to ensure that they reach the most needy and vulnerable. Universal provision is far easier to administer, but the cost is enormous, and requires extensive cross-subsidisation from large volume users. Arguably, by targeting free basic water to those who need it, resources will be released to fund a significant increase in the amount of water provided free. At issue is how to strengthen cross-subsidy mechanisms without constraining consumption by big users to the point that funding to cross-subsidise low income households is jeopardised. Particularly in municipalities with a low revenue base and extensive poverty, additional subsidies are needed from the fiscus.