

# Umgeni creates R527 mln in surplus

UMGENI Water created a surplus of R527 million in the 2008/2009 financial year, despite tough global economic difficulties.

From an organisational performance perspective, 2008/2009 ended on a positive note for Umgeni Water, said its board chairman, Andile Mahlulutye, during the presentation of the water utility's annual report in Durban yesterday.

The R527 million surplus will be used to reduce the utility's debt and to soften the impact of the recession, he said.

The surplus increased by 34%, largely as a result of higher volumes of water sold and prudent cost management and controls, Mahlulutye said.

"It will also be used for capital infrastructure investment to sustain our infrastructure programme, which aims to assist municipalities, eliminate water backlogs, and to ensure that our bulk water tariff is kept affordable."

During the 2008/2009 financial year, Umgeni Water intensified its campaign and investments to accelerate sustainable water provision to municipalities, to contribute to the elimination of backlogs.

He said it is disheartening that there are still significant numbers of people in KwaZulu-Natal who do not have acceptable access to safe drinking water.

"[A] Stats SA survey in 2007 showed that up 61% of households in KZN still receive their water from streams and rivers. This anomaly is being addressed by state enterprises, such as Umgeni Water, through its bulk potable water supply." — Sapa.