

Prepare to pay more for services

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Cash-strapped eThekweni ratepayers are likely have to pay more for services with additional tariff increases being tabled in Thursday's municipal 2012/13 draft budget report.

Electricity charges are expected to go up by 11 percent, less than 2011's 19.8-percent hike.

The city's increases were adjusted in accordance with Eskom's reduced tariffs.

The National Energy Regulator of SA (Nersa) recently approved a 16 percent tariff increase for Eskom.

Nersa had initially approved a 25.9 percent increase for this financial year, after a 24.8 percent and 25.8 percent increase over the past two years.

The draft budget will be tabled during Thursday's executive committee meeting and then at the full council meeting later in the day before it is released to the public for comment.

Water tariffs for residents are expected to go up by 12.5 percent, an increase from 7.5 percent last year and businesses are likely to pay 15.5 percent, a three percentage point increase from 2011's tariffs.

In the 2011/12 financial year, rates for residential and business properties increased by 6.5 percent. While it is understood that the rates increase will be less than 10 percent, how this would affect ratepayers would only be revealed on Thursday when the rates randage is released.

The council is expected to also propose a seven percent increase for refuse removal and 6.5 percent for sanitation and sewerage. The sewerage tariffs would be based on water consumption.

The increases come two weeks after the city announced that bus fares were likely to rise by 8 percent, further squeezing Durban residents.

Lilian Develing of the Combined Ratepayers' Association of Durban said she understood that the rates increases would be in line with inflation.

"We are holding our breath and don't know what to expect from the new budget."

Develing said soaring water increases were expected with Umgeni Water increasing their bulk tariffs.

"Water will go up but the question is: Why must the municipality and end-users pay?"

The city has also factored in the increase in water tariffs from Umgeni Water.

But residents could pay significantly more for water in years to come with the construction of the Spring Grove Dam which is under way on the Mooi River.

Department of Water Affairs spokesman Mava Scott said Umgeni Water proposed a bulk water tariff increase of 6.1 percent, which is linked to the consumer price index, for eThekweni which is Umgeni Water's biggest customer as well as the other five water services authorities because of a unitary tariff approach.

He said according to Umgeni Water their customers were aware of the cost drivers such as raw water cost, energy and staffing.

In addition to the 6.1 percent bulk increase for all municipalities there is also a capital unit charge of R0.408 for the Spring Grove Dam.

"This means that the tariff will increase from R3.622 a kilolitre to R4.890 a kilolitre for eThekweni metro..." he said.

Scott said the capital unit cost was necessary to fund the capital investment for the additional future security of supply from Spring Grove Dam.

He said the project was to ensure water security for the population relying on the uMgeni system for its water requirements.

"The project is being developed for the benefit of water users of the uMgeni system and consequently, as is the norm, the cost of augmenting the water supply will be borne by the users," he said. - The Mercury