The state of and sustainability of municipally-owned water services infrastructure in South Africa

This item was submitted to Loughborough University's Institutional Repository by the/an author.


Additional Information:

- This is a conference paper.

Metadata Record: [https://dspace.lboro.ac.uk/2134/30438](https://dspace.lboro.ac.uk/2134/30438)

Version: Published

Publisher: © WEDC, Loughborough University

Rights: This work is made available according to the conditions of the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0) licence. Full details of this licence are available at: [https://creativecommons.org/licenses/by-nc-nd/4.0/](https://creativecommons.org/licenses/by-nc-nd/4.0/)

Please cite the published version.
The state of and sustainability of municipally-owned water services infrastructure in South Africa

K. Wall, South Africa

The paper assesses the state of and sustainability of municipally-owned water services infrastructure in South Africa. It discusses some issues of concern that can be ascribed to infrastructure management policies and practices not meeting acceptable standards. The way forward is shown to legislative, financial accounting and other measures that would assist in greatly improving municipal infrastructure asset management.
Africa (IMESA) undertook a survey of infrastructure management. Seven of the larger authorities (five municipalities and two water utilities) were visited, in order to determine their appreciation and application of infrastructure management. The pertinent findings of the survey can be summarised as follows:

- In respect of many of the aspects of infrastructure management surveyed (such as knowledge of assets, demand analysis, asset creation and disposal, asset utilisation and asset operation and maintenance), the South African authorities compare very unfavourably with the benchmark (New Zealand authorities).
- However in respect of other aspects (in particular strategic planning, asset accounting, and planning and making financial provision for improvement of infrastructure), the South African authorities compare very unfavourably with the benchmark.

The latter is in large part ascribable to the fact that in New Zealand these kinds of provisions are required by national legislation.

The IMESA survey also identified the following threats to infrastructure management, as seen by the officials interviewed at the authorities:

- Loss of key technical staff.
- Lack of suitable and trained professional staff in the job market.
- Insufficient understanding by local authority politicians of the importance of maintenance, and the consequent under-provision of maintenance budgets. This is sometimes exacerbated during the course of a financial year by reallocation of some of the maintenance budget to other purposes.

A less in-depth questionnaire survey by the IMESA team of a much wider sample of municipalities indicated a far lower level of infrastructure management capability. Also, whereas a high percentage indicated that they prepared the Water Services Development Plans (WSDPs) required by national government, anecdotal evidence and the general level of capability identified by the questionnaire survey suggested that these plans were not supported by sound analysis of infrastructure needs or definition of service levels.

Whereas these surveys are still the most comprehensive overview available of the state of services infrastructure management in South Africa, the current author investigated selected municipalities in more depth.

Much encouraging practice was found. For example:

- Good rapport between councillors and officials in respect of infrastructure management.
- Asset registers that held information really useful to infrastructure asset management.
- The making of improved financial provision for renewal of infrastructure. And, although budgets remained inadequate, instances were found (for example) of understanding that expenditure on infrastructure management can, by reducing water losses, save other expenditure many times over.
- The attempt being made before purchasing infrastructure to project the operations and maintenance requirements into the foreseeable future -- and in some instances changing new works infrastructure plans in the light of these projections.

On the other hand, some current practices were discovered that can only be described as blindness to the long term view, with actions dictated by short-term gain. (An example is one large municipality’s decision to extend free basic services, to “go easy” on a property rates increase, and to halt retrenchment, while at the same time cutting budgets for infrastructure refurbishment and renewal.) This cannot only be ascribed to decision-makers focusing on the forthcoming (April 2004) elections -- there were also for example disheartening signs of politicians’ at times intense mistrust of officials.

In between were examples of municipalities for the first time realising that it is all very well to enjoy good infrastructure management practice in individual sectors of their organisations, but that a comprehensive infrastructure management approach, with adequate budgets, is now necessary. In part this change of heart is dictated by the improving statutory and regulatory environment towards infrastructure management. In part also it is in response to pressure from their constituencies (such as consumers expressing dissatisfaction with service, and especially dissatisfaction with perceived or real declining reliability of service). However, encouragingly, this change of heart is also due to greater understanding, not confined to engineers, of all of the following and more:

- How great the backlog in maintenance and refurbishment has become, and how close key facilities are to failure.
- How demand has grown faster than has the provision of new infrastructure (especially bulk infrastructure), and thus how little spare capacity there now is in some key facilities. And how this manifests itself -- for example in that it has become impossible to close elements down for their routine maintenance because, if they were to be closed down even for the period of maintenance, acceptable limits of customer service would be breached.
- How targeted investment in specific facilities or areas can significantly reduce risk and/or can produce spectacular financial rates of return.
- How necessary it is to improve management across all parts of a system -- for example that it is no good just looking after assets in the form of physical infrastructure, if equivalent attention is not paid to personnel (the “intellectual assets”), for example by career path planning and succession planning.

The need for a catalytic framework
Some research work has already been done in the area of public sector infrastructure asset management in South Africa, and there have been a number of initiatives aimed at addressing specific aspects, or the needs of specific owners of infrastructure assets. Consultants offer a variety of infrastructure management manuals and (IT and other) systems.

The Council for Scientific and Industrial Research (CSIR) identified that, whereas these manuals and systems are very useful to the better-resourced municipalities, they are much less useful to the great majority of municipalities. Also, it would appear that a great deal more than manuals and systems is needed, if infrastructure management is to be adequate -- inter alia: a suitable legislative framework; convincing those responsible for budgetary allocation (without the political will to allocate adequate budgets, the beneficial impact of any manuals or systems will be limited); skills training; the buy-in by national government and other big spenders on or funders of public infrastructure; alternative delivery models and delivery agents for infrastructure management; and the determination of norms, standards, levels of service, and key performance indicators.

The above need to be identified, and then tied together in some way yet to be determined, in a more proactive or “catalytic” framework. This framework would:

- Outline how infrastructure management must be incorporated into: agendas of programmes and plans such as the WSDPs; the culture of organizations such as the South African Local Government Association (SALGA); the lending practices of major funders; and the budgeting practices of all municipalities, and national and provincial departments with major infrastructure assets.
- Outline the legislation, IT systems, budgets, incentives and guidelines and norms etc necessary to ensure that this incorporation takes place.

A report motivating and setting out in some detail the rationale for, the environment of, and steps towards identifying the components of such a framework, could serve several purposes. Not the least important of these purposes is that the report could be used as a vehicle for advocacy to those who have the greatest power at national level to improve municipal infrastructure management in South Africa. These could include, but might not be limited to, the National Treasury Department, National Department of Provincial and Local Government, and SALGA. Of course, it is hoped that the CSIR report would also inform and influence municipalities directly.

The CSIR investigation

Accordingly, early in 2003 CSIR commenced a two-year investigation of the “gap” between much of current South African municipal infrastructure management practice and the current environment of infrastructure management, on the one hand, and acceptable practices and a more “catalytic” environment on the other hand. The investigation also has the objective of formulating this more catalytic environment.

Briefly, the first phase has in hand or has completed the following:

- Formulated an infrastructure management framework as a theoretical construct.
- Established links with key stakeholders, even if only informal (among them, National Treasury and SALGA), and started a process designed to achieve their buy-in.
- Undertaken a first level study (that is, trying to gain an overall rather than detailed impression - relying on available information rather than commencing new investigations), of the following with respect to the South African municipal sector -
  - the status of infrastructure, with respect to its current serviceability, and with respect to management budgets and other resources that are programmed;
  - current infrastructure management norms and practices;
  - some other issues that may lie behind serviceability, such as levels of service, usage/loading, and maintenance practice;
  - capital programmes at national level responsible for infrastructure delivery (e.g. by DWAF), their quantum and characteristics, and the provision they make (or do not make) for on-going operation and maintenance of the infrastructure that is delivered;
  - legislation (including WSDPs, the Generally Accepted Municipal Accounting Policies (GAMAP) and the Municipal Financial Management Act (MFMA) of 2004);
  - infrastructure management manuals and IT systems available commercially, and their use and usefulness; and
  - the norms, standards, levels of service and key performance indicators for performance-based sustainable infrastructure services – what they should or could be.
- Undertaken a study of equivalent issues, but outside of the South African public service sector.

The findings thus far

Selected findings are:

- Whereas there is much guidance available on how to do life-cycle planning, and how to use life-cycle plans of technological alternatives in order to decide between them prior to commencement of initial capital works, there is a dearth in the literature of public sector worked examples. It is at least possible that the reason for this is that in practice life-cycle planning is not made that much use of, or it lacks credibility. In turn it is at least possible that the reason for this is recognition of the great uncertainty surrounding assumptions of the operations
and maintenance regime into the future -- and should these assumptions prove incorrect, this would negate the care put into the life-cycle planning.

• South African legislation (such as the MFMA and statutes and regulations relating to WSDPs), where it relates to infrastructure management, sets very broad parameters. As a result, whereas legislation creates a conducive climate, it does not compel a municipality to perform adequate infrastructure management.

• GAMAP, for example, requires municipalities to depreciate assets, but does not prescribe that a depreciation model must be used that will determine adequately the funding to be put aside each year to meet future liabilities for infrastructure renewal. Nor does it prescribe that the money actually be put aside. However there is no sensible alternative to South African municipalities being required to put this funding aside, as is the requirement in New Zealand.

• GAMAP requires that an asset register be drawn up, but does not specify that the register should record the capacity, condition, importance and risk, and other factors essential to the register being of use to infrastructure management.

• South African legislation is less than satisfactory on defining “value”. In particular, in terms of GAMAP, valuation is determined on the basis of historical cost adjusted by depreciation and expenditure on refurbishment. Which is not of much assistance to infrastructure management.

• A section of the CSIR investigation reviews the history of infrastructure in each of a small sample of areas over a couple of decades -- paying attention to (inter alia) construction practice and choice of materials, usage/loading and maintenance practice, and skills and management quality in the area. Of particular interest are those areas formerly administered by the apartheid-era “Black Local Authority” systems, with their chronic parlous financial status at the time. Clearly, their political legacy was the dominant factor determining their past infrastructure management regime.

• A review of a sample of infrastructure management IT systems available commercially in South Africa reveals that:

  • a certain level of capacity is needed within a municipality to justify even an entry-level IT infrastructure management package;

  • a number of IT systems are commercially available in South Africa -- all of them working on the basis of integrating a number of functionally specialised software packages (for sectors such as roads and water supply), functioning through a set of related integrated management systems and linkages with conventional database and GIS software systems, to provide an infrastructure management system tailor-made to the client’s requirements. Usually the database and GIS facilities are shared with other applications to serve the various other needs of the client; and

• a municipality that purchases an IT package needs to commit substantial in-house resources to collecting and verifying data.

• Finally, a section of the investigation reviews infrastructure management by a selection of parastatals and private sector infrastructure owners in South Africa. Much good practice that is useful as a source of information or comparison for municipal policy and practice is discovered. For example in terms of keeping adequate asset registers; doing life-cycle projections of alternative equipment or processes and using these projections to decide between the alternatives; and linking part of the bonus system of all staff to a single performance measure, to the achievement of which all can contribute and that is linked to the service’s availability and reliability.

Conclusion
The investigation by the CSIR has found gross shortfalls in management policies and practice. The sustained provision of services from a significant proportion of the municipal infrastructure is under threat.

During the current financial year (2004/2005), the CSIR has begun to focus on:

  • expanding the body of case study research into both good and bad practice -- with a view to in due course systematising the experience gained, and disseminating the results; and

  • identifying the authorities at national level that are in the most powerful position to influence policy and practice improvement at the level of municipal government, discussing what each could do, and strongly advocating to each of them that they take appropriate action.

It is early days yet, but initial responses by key officials to the CSIR’s advocacy are very encouraging. It is clear that these officials have themselves become aware of the shortcomings of current management, and the work by the CSIR on what needs to be done is being welcomed.

Contact address
Kevin Wall
CSIR
PO Box 395
Pretoria 0001
South Africa
Email: kwall@csir.co.za