

Investigating Willingness to Pay for Water Services in a Newly Established Municipality in Malamulele, Vhembe District Municipality, South Africa

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Abstract : Currently South Africa is facing a triple challenge of poverty, unemployment and inequality. As such, communities have limited access to basic municipal services such as water, sanitation and electricity. Citizens such as those residing at Malamulele Township will be responsible to pay for the cost of water services that they consume instead of having the costs subsidised by the newly formed Municipality. The question on whether Malamulele residents would be willing to pay for water services provided for them need to be investigated. This study was conducted in Malamulele Township and surrounding villages. The article is based on a survey of 500 randomly selected households from township and villages surrounding Malamulele. The study uses the contingent valuation method to determine households' willingness to pay for water services as well as the consequences they possibly will encounter in case their response is negative. The obtained results can be used by the Municipality and other Government Departments in order to better identify the affordable rates and the quantity of water service to be provided. Thus, it will make Municipality water supply services stable and sustainable. It will also be used as a tool to provide inform decisions about a range of infrastructure to enhance water supply systems.

Keywords : willingness to pay, contingent valuation method, water supply systems, Malamulele

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