

Is water affordable? ...in Budapest

Gábor Till



**BUDAPEST
WATERWORKS**

Worldwide
Water Solutions

You will be informed about...

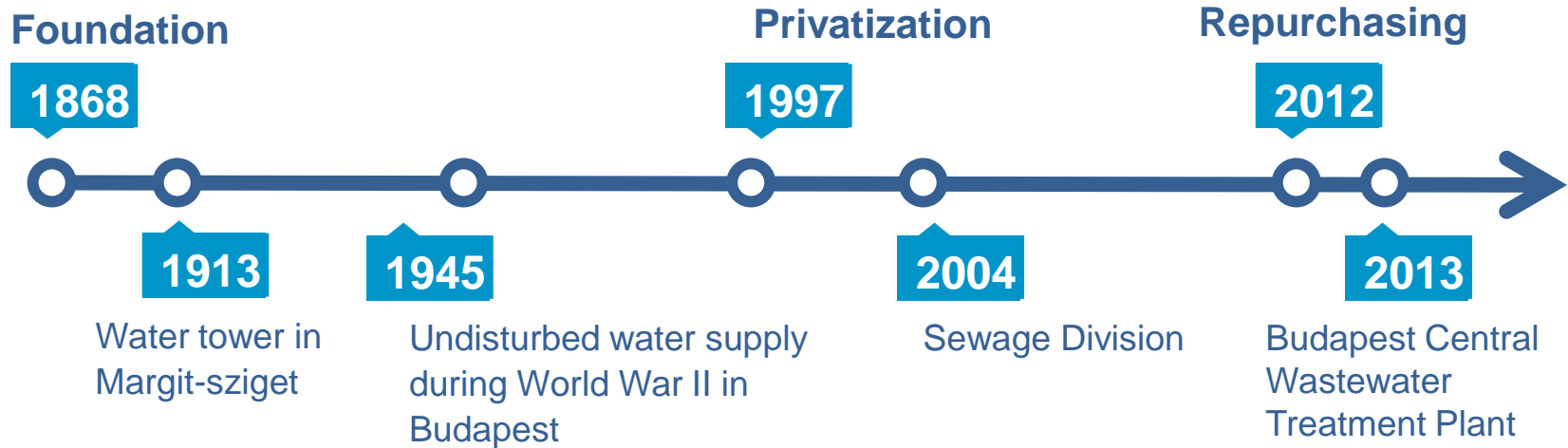
1. The company
2. Legal environment
3. Tariffs & consumption
4. Affordability
5. What to do?



quindici minuti

Budapest Waterworks – History

Traditions and innovation



Budapest Waterworks - key indicators



Drinking water

- **2** water treatment plants
- **5380 km** water network
- **1 million m³** daily capacity
- **766** wells



Sewage

- **6 wastewater** treatment plants
- **94 million m³/year** treatment
- **370 000 m³** daily capacity
- **550 km** sewer network



Clients, headcount

- **2 360 000 FE** population served
- **1 770 number** of employees*



Income

- 140 million USD*** revenue, of which:
- **82 million USD** potable water
 - **27 million USD** wastewater
 - **31 million USD** export and other

*2016.

Legal environment – basics

Constitution – right to water

Act on Water Utilities

Supply responsibility

Public duty – quantity & quality

Cost recovery principle

Tariff decrease + freeze in – 2013 😊 ☹️

Legal environment – limited usage

Service interruption

6 / 12 / 24 hours

10 / 20 / 30 litres/cap/day

Flow limitation – no disconnection allowed

20 litres/cap/day

within 150 metres

max. 4 floors...

Tariffs & Consumption

Solidarity principle – pricing at different water utilities

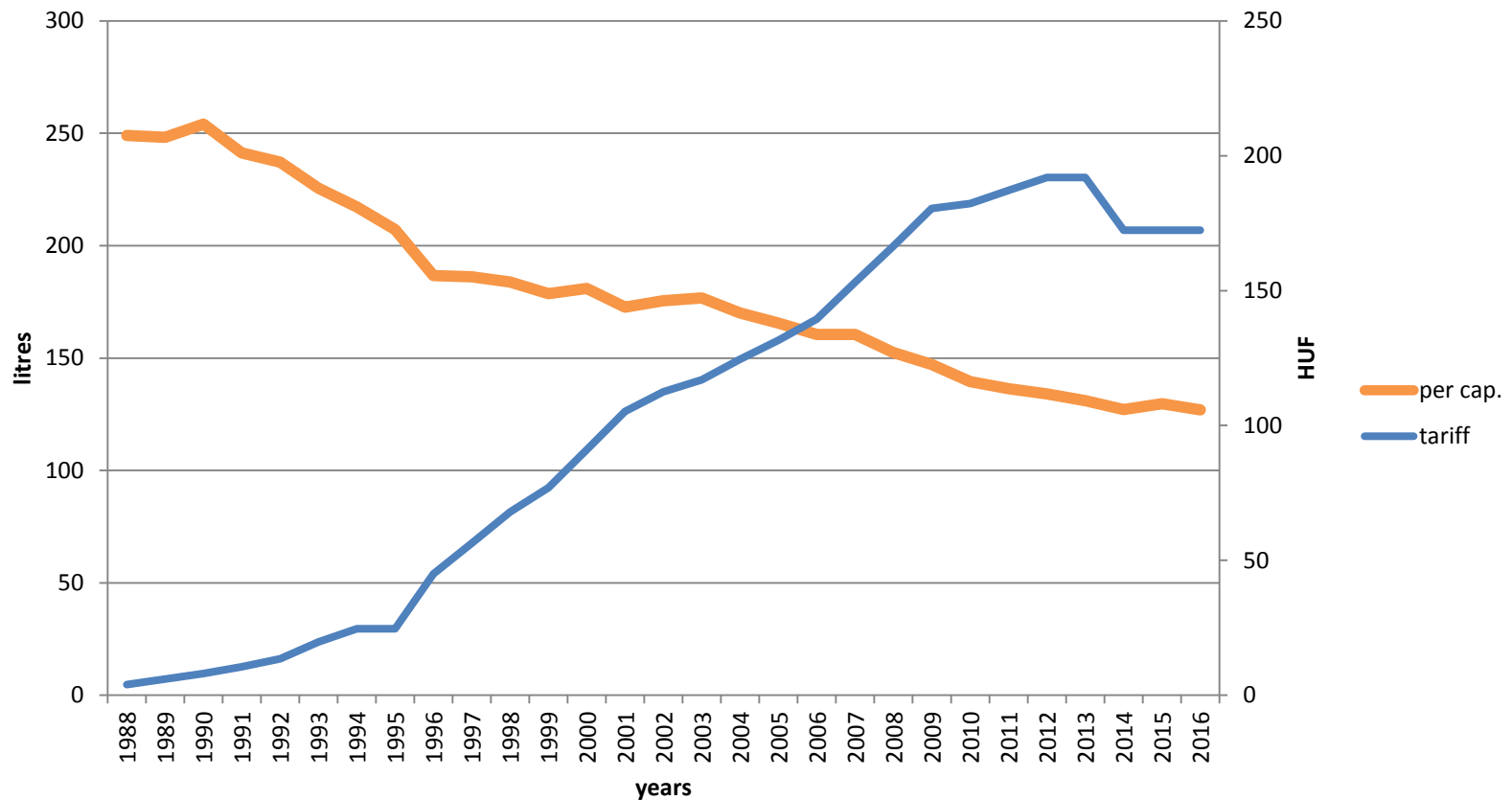
Tariff calculation = cost recovery + solidarity

Tariffs = basic fee + consumption fee
(obligations + usage)

VAT = 27% 😊

Tariffs & Consumption

Water consumption in Budapest



Tariffs & Consumption – Metering

Since 1921

Today

- ca. 100% at private consumers – metering obligation
- ca. 99% at non-private – public taps

Smart metering



Affordability in Budapest

The Budapest tariff is affordable – for the public

172,4 HUF + 27% VAT = 218,9 HUF
600 HUF incl. sewage (*ca. 1,9 EUR*)

Net avg. income

... m³ water

130 l/cap/d

Affordability – we lose water

NRW 16%

high/low/optimal?

Physical loss (aged infrastructure,
technology...)

Illegal water use

- Construction industry
- Large volume consumptions

Affordability – publicly sensitive

Public taps – non-metered, paid by the responsible supplier

Re-hydrant taps

Supplier compensation:
above critical own costs



Affordability – socially sensitive

- Private debts > 60 days
instalments, delayed payment, pre-paid meters (incl. debts), legal actions
- Flow limitation
- Non-private debts – disconnection

Outstanding debts < 10%

Write-off < 0,3%

Affordability in Budapest

The Budapest tariff is *hardly affordable* –
for the utility

- NRW – ‚social’ part
- Tariffs
- Taxes
- Hydrants
- Infrastructure

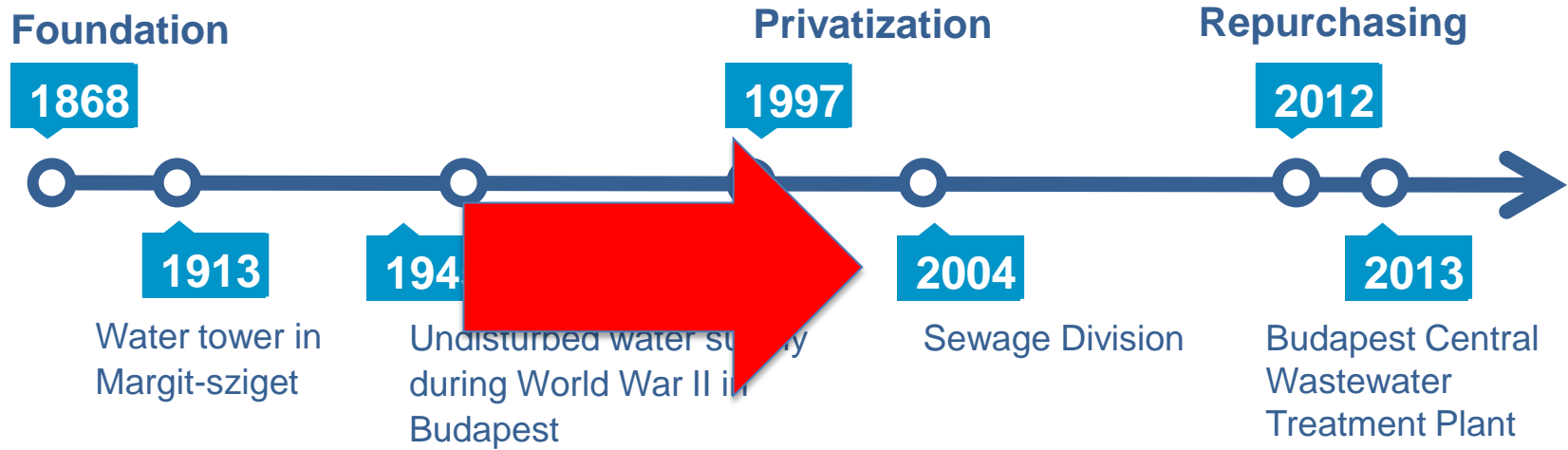
Affordability in Budapest

What do we do?

Keep alive with black figures...



What do we do?



What do we do?



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What do we do?



Water is affordable in Budapest

...since we continuously use food for



- car-wash
- toilet flush
- gardening
- street cleaning & cooling
- etc.



Budapest Waterworks thanks for your attention

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