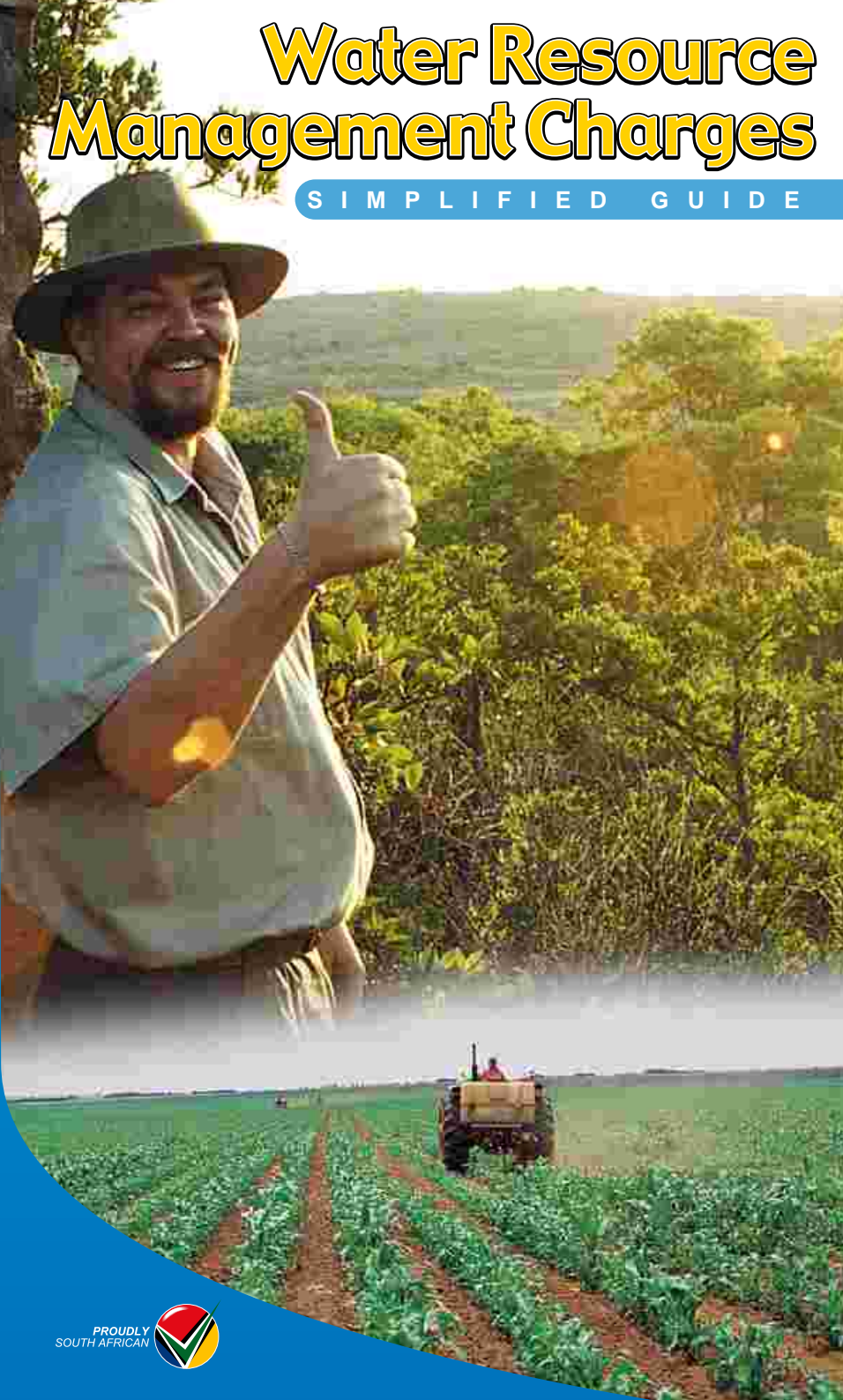


WATER RESOURCE MANAGEMENT CHARGES

# Water Resource Management Charges

SIMPLIFIED GUIDE



Department: Water Affairs and Forestry

Your partner  
in building a  
better life  
for all

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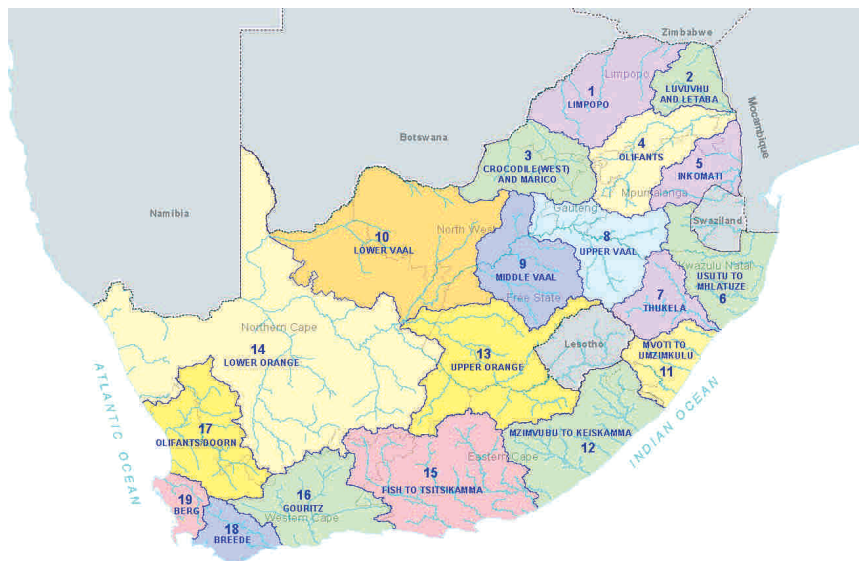
## Why such a charge?

South Africa does not have enough water. We need to plan carefully to ensure that all water users have adequate resources. Water resource management will ensure that you, together with the Department of Water Affairs and Forestry as well as eventually Catchment Management Agencies will be able to plan water management in such a way that all will have some.

As from 1 April 2002 a water resource management charge has been introduced to cover some of the costs for water management. Everyone with registered water use within a catchment - industries, mines, water providers, irrigators, domestic users and foresters will pay water resource management charges.

# 2002 April

M	T	W	T	F	S
		1	2	3	4
6	7	8	9	10	11
13	14	15	16	17	18
20	21	22	23	24	25
27	28	29	30	31	



*The money that water users pay for water resource management charges will be used to benefit them directly in their Water Management Area (WMA).*

## Who will benefit from the charges?

You will benefit by paying because it gives you a right to protected water resources. All the costs recovered will be used within the Water Management Area (WMA) where the water use takes place. Money paid in one WMA will not be used in another WMA (except where water is transferred from one water management area to another and where the beneficiaries will have to pay for this privilege). In this way, the money water users pay will be used to benefit them directly.



## What is water resource management?

To manage water resources properly, a water resource management charge was introduced which will contribute amongst others towards:

- water abstraction control to ensure that all get their fair share of water,
- monitoring and pollution control to keep our rivers healthy,
- planning for development of new schemes and to extend existing schemes,
- clearing of invading alien plants which consume water that should be available for our use.

## Who will be billed?

The Raw Water Pricing Strategy, which was published in 1999, provides for each of the eleven defined water uses to be chargeable. However, initially only water users involved in significant consumptive water use, in two specific water uses, will be billed. It is planned to roll the billing out over time to other water uses in accordance with the provisions of the Raw Water Pricing Strategy.

The two water uses which are now subject to billing are:

- Taking water from a water resource (groundwater or surface water)
- Engaging in a stream flow reduction activity - commercial afforestation.



*Water resource management charges will be charged for taking water from a water resource and engagement in a stream flow reduction activity.*



## Who will not pay?

Water users will not be billed by the Department if they:

- Receive their water under an arrangement with a water service provider (such as a municipality) as they are already paying for their water in terms of such an arrangement;
- Are Schedule 1 users in terms of the National Water Act, (Act no 36 of 1998). An example of such a user would be a person using water directly from a water resource for household use, water for gardens and stock (for non-commercial purposes), storing and using rainwater from a roof.



*Water for household use will not be charged for water resource management.*

## How much are the Water Resource Management Charges?

Water resource management charges are calculated from the actual costs of water resource management activities within the water management area, per unit (cubic metre) of water that is used.

In WMAs which are short of water the relative management cost is higher than WMAs which have a greater amount of water available. In the 2003/04 financial year the maximum cost of water management is 3.16 cents per cubic metres. The minimum cost is 0.27 cents per cubic metre. The cost to irrigated agriculture does not exceed 1.07 cent per cubic metre.

The table on the next page lists the water resource management charges per cubic meter of water, according to the three main sectors (domestic/industrial, irrigation and forestry) per Water Management Area.



WATER MANAGEMENT AREA		SECTORAL UNIT COST IN C/M <sup>3</sup>		
No	Water Management Area	Domestic/ Industrial	Agriculture: Irrigation and watering livestock	Forestry
1	LIMPOPO	0.92	0.58	0.54
2	LUVUVHU AND LETABA	1.33	0.78	0.70
3	CROCODILE (WEST) AND MARICO	0.82	0.63	0.61
4	OLIFANTS	0.89	0.75	0.70
5	INKOMATI	0.85	0.63	0.57
6	USUTU TO MHLATHUZE	0.30	0.30	0.28
7	THUKELA	0.33	0.33	0.31
8	UPPER VAAL	0.96	0.78	0.78
9	MIDDLE VAAL	1.07	1.07	N/A
10	LOWER VAAL	0.59	0.50	N/A
11	MVOTI TO UMZIMKULU	0.81	0.78	0.74
12	MZIMVUBU TO KEISKAMMA	0.85	0.67	0.56
13	UPPER ORANGE	0.38	0.38	N/A
14	LOWER ORANGE	0.49	0.40	N/A
15	FISH TO TSITSIKAMMA	0.89	0.50	0.27
16	GOURITZ	2.36	0.67	0.47
17	OLIFANTS / DOORN	1.77	0.65	0.51
18	BREEDE	2.23	0.58	0.39
19	BERG	3.16	0.70	0.54
	<b>Average</b>	<b>1.11</b>	<b>0.61</b>	<b>0.42</b>

ALL CHARGES EXCLUDE VAT

C/M<sup>3</sup> (cent per cubic metre)



## What about the other charges and levies that are payable?

The existing **Water Research Commission** levy that many water users pay, will still be payable as always. In future the levy may be incorporated into a single bill together with the consumptive charges and water resource management charges.

**Consumptive charges** which are already being collected, will be billed through invoices for water use that takes place within government water schemes. Farmers outside of schemes do not have this charge.

The existing **Trans Caledon Tunnel Authority** (TCTA) charge will be billed through the invoices for water users to whom it is applicable.

## Where do I pay my bill?

Bills may be paid at any Post Office country-wide, any Department of Water Affairs and Forestry Office or through the following banks: FNB, ABSA and Standard Bank. Details on these arrangements appear on each invoice.

## When can I expect the invoices?

As a general rule invoices to irrigation farmers will be sent every 6 months. The first invoices to irrigation farmers with the water resource management charge included, were distributed in December 2002.

## What will happen if I do not pay?

Non-payment is a serious matter, and you will be prosecuted if you do not pay. A water user can also have his entitlement suspended or withdrawn.



## Questions and Answers:

### Why must I start paying for water use? Is this fair?

Revenues collected from the existing taxation system are already earmarked for specific purposes concerned with the administration of the country and provision of services. The pressing need to effectively manage the national water resource is an “over and above” matter and is structured to target those whose water use is the most costly in terms of management and in terms of its impact or potential impact on the environment and other users.

### What functions are performed that I'm paying for?

The broad functions of water resource management include the spectrum of investigation, monitoring and planning, determining the need for infrastructure and the development of new schemes or the extension thereof, pollution control, the clearing of invading alien plants and the protection of water resources.

### How much will I have to pay? How is this decided?

Inevitably, the costs associated with water management vary from WMA to WMA and from sector to sector (domestic use, agriculture, forestry, industries), and according to local circumstances. Catchment Management Agencies will eventually exist in each of the nineteen Water Management Areas and will be responsible for setting charges for management of the water resource. A table detailing the charge per cubic metre of registered water use for the 2003/04 financial year appears in this brochure. Until such time that Catchment Management Agencies exist, the Department of Water Affairs and Forestry and its regional offices will perform the duties of a Catchment Management Agency.

### Are quantities of water used agreed upon and verified before payment takes place?

Invoicing for irrigation use is based on the figures supplied and confirmed per signed declaration when each particular water use was registered or in terms of a licence issued by this Department. Water usage is not measured or calculated according to actual use on a month-to-month basis.



## **Questions and Answers: (continued)**

### **What if I registered for more water than I actually use – and now find I’m paying for the full amount I registered?**

When you initially registered your water use you signed a declaration declaring that the water use figures submitted were accurate. At the time, your estimate was accepted as accurate. It is on these figures that your billing is based.

Nonetheless, should your water use circumstances have changed - or should you feel that a mistake was made - it is possible to change the information. Please contact your nearest Departmental office. You will be provided with the relevant forms and advised as to how to proceed.

### **When will Water Resource Management charges increase?**

The charges will be reviewed annually by the Department of Water Affairs and Forestry.

### **For more information, contact your nearest office of the Department of Water Affairs and Forestry.**

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