

WATER RESOURCE MANAGEMENT CHARGES

Foresters

**UNDERSTANDING
WHAT YOU PAY FOR**



Department: Water Affairs and Forestry

**Your partner
in building a
better life
for all**

**PROUDLY
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Why do I have to pay Water Resource Management Charges?

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 for water 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 significant water use within a catchment – industries, mines, water providers, irrigators and foresters will pay water resource management charges.

Who will not pay?

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

- Receive 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;
- All 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.



Why do foresters need to pay this charge?

In South Africa, afforestation has been declared as a stream flow reduction activity (SFRA), regulated by means of a licensing system in terms of chapter 4 and Section 36 of the National Water Act (Act no 36 of 1998). This licensing system has replaced a permit system that has been in use since 1972 and which was regulated under the now repealed Forest Act, 1984. The licensing system is required because:

- Industrial forestry is concentrated on 10% of the land area that produces 60% of this country's water resources.
- Commercial afforestation is, to all intents and purposes, a permanent change of land use from relatively low water use veld, to a higher water use crop. This higher water use (= runoff reduction) therefore demands a proper control in a water scarce country.

A SFRA is any dryland land use practice, which reduces the yield of water (with reference to yield from natural veld in undisturbed conditions) from that land to downstream users.

The costs for water resource management are set out in terms of the National Water Act, Raw Water Pricing Strategy, published in 1999 after consultation with major stakeholders. According to the Pricing Strategy water resource management charges will be paid by significant water users who take quantities of water from the country's water resources. Declared activities that would significantly reduce stream flow will be regarded as a water use. Afforestation has been declared as such an activity and commercial foresters will also pay the water resource management charge.



You will benefit from the charge

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. 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.

How much do I pay for water resource management?

Water resource management charges are calculated from the actual costs of water resource management activities within the catchment, 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 2002/03 financial year that the new water resource management charge is introduced, foresters will pay a maximum cost of one cent per cubic metre and a minimum of 0,20 cents per cubic meter.



The table below lists the water resource management charges per cubic metre of water according to the three main sectors (domestic/industrial, irrigation and afforestation) per Water Management Area.

Water Management Area		Sectoral unit cost in C/M ³		
No	Water Management Area	Domestic/ Irrigated	Industrial Agriculture	Forestry
1	LIMPOPO	1.60	0.56	0.43
2	LUVUVHU AND LETABA	1.17	0.64	0.57
3	CROCODILE (WEST) AND MARICO	0.91	0.66	0.63
4	OLIFANTS	2.08	1.00	1.00
5	INKOMATI	0.92	0.70	0.59
6	USUTU TO MHLATHUZE	0.32	0.32	0.31
7	THUKELA	0.43	0.43	0.41
8	UPPER VAAL	0.75	0.62	0.62
9	MIDDLE VAAL	1.07	1.00	N/A
10	LOWER VAAL	0.49	0.48	N/A
11	MVOTI TO UMZIMKULU	0.86	0.83	0.81
12	MZIMVUBU TO KEISKAMMA	0.62	0.47	0.36
13	UPPER ORANGE	0.38	0.38	N/A
14	LOWER ORANGE	0.38	0.36	N/A
15	FISH TO TSITSIKAMMA	0.84	0.44	0.20
16	GOURITZ	2.37	0.59	0.38
17	OLIFANTS / DOORN	1.67	0.54	N/A
18	BREEDE	2.80	0.55	0.30
19	BERG	3.37	0.55	0.38
	Average	1.55	0.48	0.32

When can I expect an invoice?

As a general rule invoices to foresters will be sent every six months. The first invoice to foresters will be distributed during January 2003. This invoice will bill you from 1 April 2002, when the charge was introduced.

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.



Questions and Answers:

Why must I start paying for water resource management? 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 resources 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, afforestation, 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 2002/03 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.



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 at a cost. 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.

Limpopo Regional Office
Mr Stephen Musetsho
Tel: (015) 290 1216

North West Regional Office
Mr Chedwick Lobakeng
Tel: (018) 384 3270-6

Eastern Cape Regional Office
Mr Zolile Keke / Mr Dewald Coetzee
Tel: (043) 643 4352

Northern Cape Regional Office
Mr L. J Snyders
Tel: (053) 831 4125

Western Cape Regional Office
Mr Rashid Khan
Tel: (021) 950 7100

Mpumalanga Regional Office
Mr Johan Van Aswegen
Tel: (013) 755-1674-7

Free State Regional Office
Mr Tseliso Ntli
Tel: (051) 430 3134

KwaZulu-Natal Regional Office
Mr J.G.G Hansmann
Tel: (031) 336 2700

Gauteng Regional Office
Mr Hennie Smit
Tel: (012) 392 1301

