



## INTERNET ARTICLE

### **Engaging water users on the 2020/21 budget and raw water tariffs in the Olifant's catchment**

16 July 2019

The Department of Water and Sanitation (DWS) is currently engaging water users and stakeholders in the Olifant's catchment on the budget and proposed raw water tariffs for the 2020/21 financial year to fund water resource development. The consultations commenced on 12 July in Tzaneen, followed by Emalahleni on 16 July and will end in Burgersfort on 18 July 2019.

Sections 56 – 60 of the National Water Act (NWA) 36 of 1998 empowers the Minister of Water and Sanitation to establish a pricing strategy for setting water use charges, and to determine water use charges for funding of water resource development and use of water works to achieve equitable and efficient allocation of water. Section 80(e) of the NWA 36 of 1998 requires the Catchment Management Agency (CMA) to promote community participation in IWRM (?) within the Olifants water management area (WMA).

The stakeholder consultation sessions are meant to provide feedback on the Olifants performance for the 2018/2019 financial year. It is also to present both the CMA and National Water Resource Infrastructure (NWRI) proposed budget and tariffs for the Olifants. The consultation was also a platform to obtain the inputs, comments and buy-in from the stakeholders and institutions on the proposed raw water tariffs for 2020/21 to fund water resource development and use of water works.





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Mr Stanford Macevele presented the feedback on issues raised in the previous consultation session. Mr Sydney Nkuna outlined the progress made from the previous financial year and Ms Reneilwe Mogane outlined the proposed budget and tariffs for the 2020/21 financial year.

In his presentation, Mr Nkuna outlined water quality management challenges as mining related impacts, pollution from sewage works by certain municipalities and pollution from certain agricultural return flows. He also stated that there are plans to address the pollution challenges, which include strengthening water quality management functions and coordination by strengthening the role for the implementing the various measures as per the plan. There are also plans to improve information management system to enable a more integrated approach of collecting and storing data from different sources, mobilizing the various sectors and developing stewardships or partnerships, continuing and strengthening compliance monitoring and enforcement.

Mr Kobus Pretorius from the Northern Operations presented the tariffs for infrastructure. He outlined the methodology for determining the tariffs, budget and expenditure, revenue and bad debt and took the stakeholders on a practical example of calculating the tariffs. He outlined different types of charges of water resource management, water resource infrastructure, water research levies and waste discharge charging system.

In relation to infrastructure, the water resource infrastructure charges apply to government water schemes. The charge is divided into three components; the depreciation component for the purposes of funding refurbishment costs, return on assets component for the purposes of funding development and betterment of waterworks and operation and maintenance component which is charged pro-rata on estimated annual water use.





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Mr Pretorius also outlined the reasons for the tariff increases as the vacancy rate which necessitates the filling of all critical posts, the increase in return on assets (ROA) and depreciation. Capping of tariffs in the past which has delayed full cost recovery, theft of steel and copper at dams and expensive security services at dams were also highlighted as the cause for tariff increase. Stakeholders raised concerns for not receiving invoices on time or not receiving at all. The Department noted the concern and stated that the challenge is that the bills are sent through the post which might be creating the challenge. However, the community was encouraged to engage the Department and provide their e-mail addresses for ease of communication.

**Themba Khoza**

