

Raw water charges proposed for 2018/2019 Financial Year

The Department of Water and Sanitation recently held a national consultation on the proposed raw water charges for the 2018/2019 financial year. The Raw Water Pricing Strategy first developed in 1999 in terms of the National Water Act, provides for levies to be split between:

- Water Resource Management (WRM) charges; and
- Water Resource Infrastructure (WRI) charges.

The former includes all charges relating to the management of water resources including the institutional and administrative costs of the institutions tasked with doing so. It includes water use authorizations, administration costs of the Catchment Management Agencies, institutional development etc. The second charge is self-explanatory and comprises of two elements, namely capital costs (depreciation) and operational and management costs.

The proposed charges for the 2018/2019 financial year for agriculture are as follows:

Water Resource Management Charges:

- Irrigation sector charges be capped by April PPI (4.6%) for charges that exceeds 1.5 c/m³ from the previous financial year (2016/2017)
- The increases will therefore range between 4% and 14.6%

Water Resource Infrastructure Charges:

- For irrigation, the Depreciation charge will be capped at 1.5 c/m³ plus PPI whilst the operation and maintenance cost increases are limited to 50% per annum.
- The tariff increase therefore ranges between 0% and 14.6%.

The Water Research Commission furthermore proposed fixing the increase for the Water Research Levy at 10% year on year for 3 years.

The full presentations delivered by the Department of Water and Sanitation as well as the Water Research Commission at a public consultation held on the 25th of August are linked below:

[Presentation on proposed raw water tariff increase](#)

[Presentation on proposed water research levy increase](#)

ENQUIRIES:

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