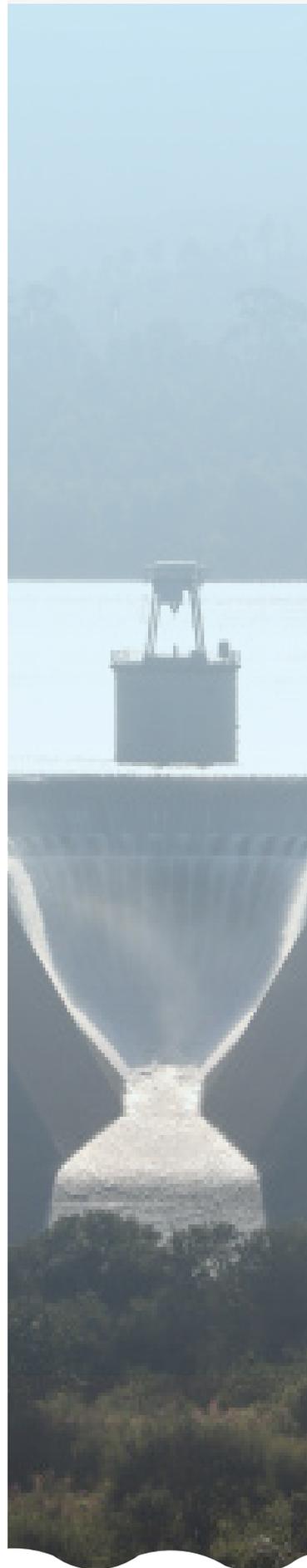




INKOMATI-USUTHU
CATCHMENT MANAGEMENT AGENCY

ANNUAL 2025/26 TARIFF CONSULTATIONS

**SABIE
&
SAND**



ANNUAL 2025/26 TARIFF CONSULTATIONS PROGRAMME

STAKEHOLDER CONSULTATION MEETING ON ANNUAL PERFORMANCE PLAN AND TARIFF SETTING FOR 2025/26 FINANCIAL YEAR

Date: 02 July 2024 | Time: 10:00 to 14:00

Venue: Sabie & Sand Sub-Catchment

Programme Facilitator: Mr. Hasani Makhubele
(Manager: Institutions & Participation)

Item:	Proposed Time:	Person Responsible:
Registration and Morning Tea	9:30 – 10:00	All
Opening and Welcome	10:00 – 10:10	Governing Board Member: Ms S Chiloane- Nwabueze
Annual Performance Plans for 2024/25	10:30 – 10:50	Acting Chief Executive Officer : Dr N Mhlanga-Ndlovu
Water Resources Status	10:50 – 11:10	Acting Executive Water Resource Management: Mr M Selepe
2025/26 Proposed Budget and Tariff	11:10 – 11:30	Chief Financial Officer : Ms S Mabunda
Infrastructure Tariffs for 2025/26	11:30 – 12:00	Department of Water and Sanitation
waste Discharge Charge System	12:00 – 12:20	Department of Water and Sanitation
Question and Answers	12:20 – 12:50	All
Closure	12:50 – 13:00	Governing Board Member: Ms S Chiloane- Nwabueze
Lunch	13:00 -14:15	All

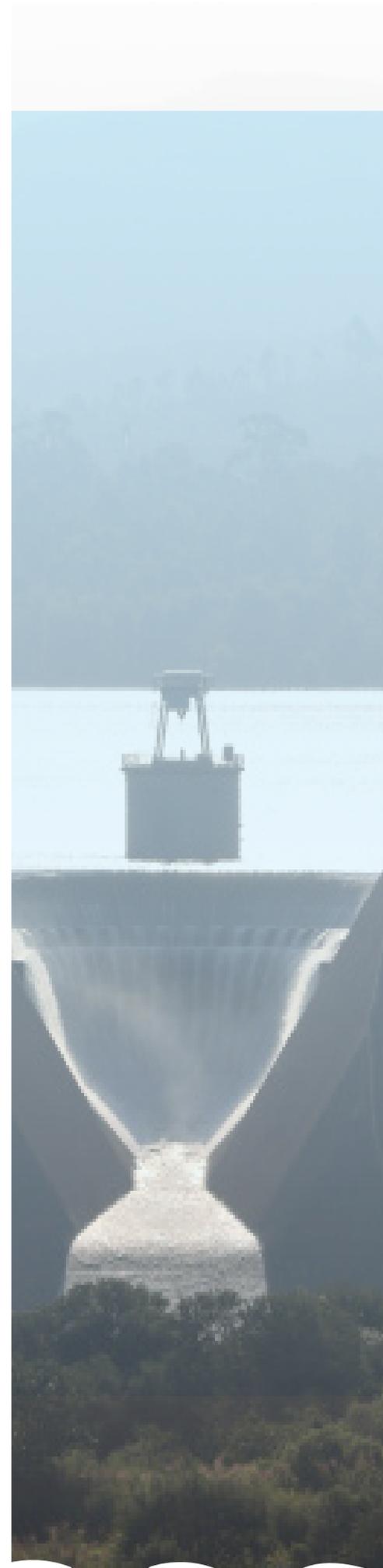




TABLE OF CONTENT

- Purpose
- Introduction
- Legislative Framework
- Vision, Mission and Values
- Outcomes
- Optimal operating model design
- Outcomes Alignment
- 2024/25 Performance targets

PURPOSE

The purpose of this presentation is to outline the Annual Performance Plan of the IUCMA for 2024/25 financial year.

INTRODUCTION

- Established in terms of Section 78 of the National Water Act 36 of 1998.
- The IUCMA is mandated for the protection, conservation, development, use and management of the water resources at a localised area.
- Stakeholders are considered a critical component of decentralised water resources management.
- Water use activities include: Strategic use (ESKOM and Sasol Secunda Complex), Transboundary International Obligations (Mozambique and eSwatini), Agriculture, Forestry, Mining, Industry, Domestic, and Tourism.
- Funded through Parliamentary Grant and Water Resources Charges.
- The IUCMA is Schedule 3A Public Entity.

LEGISLATIVE FRAMEWORK

ACTIVITIES	NWA REFERENCE
Prevention and remedying of water resource pollution	Section 19
Management of emergency water resource pollution incidents	Section 20
To surrender an entitlement to facilitate a particular water use	Section 25(28-3).
Assessment of the water uses as part of the Water Use Authorization Application	Section 21
The verification of Existing Lawful Water Use (ELU)	Sections 33 and 35
Administrative function of the water use authorization for recommendation to the Responsible Authority	Section 40
Compulsory license application	Section 43
Late applications	Section 44
Proposed Allocation Schedules and Preliminary Allocation Schedules	Section 45 and 46
Publishing a Gazette stating that a preliminary allocation schedule has become a final allocation schedule	Section 47
Procedure for earlier renewal or amendment of licence condition	Section 52
Rectification of contraventions	Section 53
Implementation of the inherent functions: investigate and advise all interested persons regarding management of water resources	Section 80
-Development of CMS	
-Co-ordinate related activities of water users and water management institutions in area-	
Promote community participation in water resource management	
Appointment of authorised persons to implement inspections related to compliance with the NWA	Section 125
Make information available to the public regarding floods, droughts, failing or potential failing water works, levels of flood water, risks posed by water quality to life, health or property and any other matters	Section 145

VISION, MISSION AND VALUES

VISION

Sufficient, equitable and quality water resources for all in the Inkomati-Usuthu Water Management Area

MISSION

To efficiently manage water resources by empowering our stakeholders in our quest to contribute towards transformation by promoting equal access to water and protecting the environment

VALUES

Integrity
Batho Pele (Stakeholders Orientation)
Accountability
Diversity
Transparency



THE OPTIMAL OPERATING MODEL DESIGN

The optimal operating model design was adopted, to streamline efficiency on the reporting of performance and implementation of the IUCMA strategy, as follows:

- Programme 1: Administration and Governance, aligned to Outcome 1, 2, and 3.
- Programme 2: Water Resource Management, aligned to Outcome 4

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OUTCOMES ALIGNMENT

Outcome	Programme	Output	Output Indicators
Outcome 1: Increased stakeholder satisfaction Outcome 2: Enhanced human resources and business capabilities Outcome 3: Maintain financial sustainability	Programme 1: Administration	Programme 1: 1. Annual stakeholder management programme implemented 2. Compliance with corporate governance regulatory prescripts 3. Targeted procurement supporting SMMEs 4. Financial recovery and cost control	Programme 1: 1. Percentage implementation of stakeholder engagement plan 2. Percentage compliance with Approved Audit plan 3. Percentage implementation of Strategic risk register action plans 4. Percentage implementation Risk Management plan. 5. Percentage implementation of Human Resource Plan 6. Percentage implementation of the ICT strategy 7. Percentage targeted procurement supporting SMMEs 8. Working ratio (cash based) 9. Debt collection ratio: Healthy book 10. Debt collection ratio: Toxic book 11. Debtors' payment period in days (Healthy book and waste discharge charge) 12. Current Ratio
Outcome 4: Protection and use of water resources	Programme 2: Water Resource Management	Programme 2: 1. Water resource classes and Resource Quality Objectives determined and monitored 2. Water resource institutions established 3. Water resource institutions' compliance implemented 4. Regulatory compliance and enforcement	Programme 2: 1. Percentage monitoring compliance of Resource Quality Objectives 2. Percentage monitoring compliance of International obligations 3. Number of irrigation boards transformed into water user associations 4. Number of institutional annual performance plans evaluated 5. Number of institutions assessed per quarter 6. Number of institutional annual reports evaluated 7. Percentage of planned inspections for related uses of various sectors 8. Percentage of enforcement action taken against non-compliant users 9. Percentage of approved water use authorisations registered on WARMIS 10. Percentage of water use authorisations processed within the regulated timeframe

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2024/25 PERFORMANCE TARGETS

OUTPUT INDICATORS	ANNUAL TARGET	QUARTERLY TARGETS			
	2024/25	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Percentage implementation of a stakeholder management plan	100%	100%	100%	100%	100%
Percentage implementation of a Human Resource plan	80%	20%	20%	20%	20%
Percentage implementation of the ICT strategy	60%	10%	20%	20%	10%
Percentage implementation of Strategic risk register action plans	90%	30%	30%	20%	30%
Percentage implementation Risk Management plan.	100%	30%	30%	20%	20%
Percentage compliance with Approved Audit plan	≥80%	≥80%	≥80%	≥80%	≥80%
Percentage of debt collection ratio: Healthy book	65%	15%	30%	45%	65%
Percentage of debt collection ratio: Toxic book	8%	2%	4%	6%	8%
Number of debtors' payment period in days (Healthy book)	D&I: ≤ 100 days Irrigation: ≤270 days Forestry: ≤270 days	D&I: ≤ 100 days Irrigation: ≤270 days Forestry: ≤270 days	D&I: ≤ 100 days Irrigation: ≤270 days Forestry: ≤270 days	D&I: ≤ 100 days Irrigation: ≤270 days Forestry: ≤270 days	D&I: ≤ 100 days Irrigation: ≤270 days Forestry: ≤270 days
Number of Current Ratio	≥1:1	≥1:1	≥1:1	≥1:1	≥1:1
Percentage of debt Working Ratio (cash based)	≤80%	≤80%	≤80%	≤80%	≤80%
Percentage of targeted procurement budget spent on SMMEs	40%	40%	40%	40%	40%
A Women	40%	40%	40%	40%	40%
B Youth	30%	30%	30%	30%	30%
C People with a disabilities	7%	7%	7%	7%	7%

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2024/25 PERFORMANCE TARGETS

OUTPUT INDICATORS	ANNUAL TARGET	QUARTERLY TARGETS			
	2024/25	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Percentage monitoring of compliance to Resource Quality Objectives	≥90%	≥90%	≥90%	≥90%	≥90%
Percentage monitoring of compliance to International obligations	≥90%	≥90%	≥90%	≥90%	≥90%
Percentage of planned inspections for related uses of various sectors	≥90%	≥90%	≥90%	≥90%	≥90%
Number of irrigation boards transformed into water user associations	3	-	-	-	3
Number of institutional annual performance plans evaluated	3	-	-	-	3
Number of institutions assessed per quarter	3	-	-	-	3
Number of institutional annual reports evaluated	3	-	-	-	3
Percentage of enforcement action taken against non-compliant users	≥90%	≥90%	≥90%	≥90%	≥90%
Percentage of approved water use authorisations registered on WARMIS	≥90%	≥90%	≥90%	≥90%	≥90%
Percentage of water use authorisations processed within the regulated timeframe	≥90%	≥90%	≥90%	≥90%	≥90%

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THANK YOU SIYABONGA RE YA LBOGA RI A LIVHUWA

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INKOMATI-USUTHU
CATCHMENT MANAGEMENT AGENCY

SABIE SAND CATCHMENT
TARIFF CONSULTATION MEETING
JULY 2024

PRESENTATION BY: MR. MM SELEPE
(ACTING EXECUTIVE: WATER RESOURCES MANAGEMENT)

WATER RESOURCES MANAGEMENT

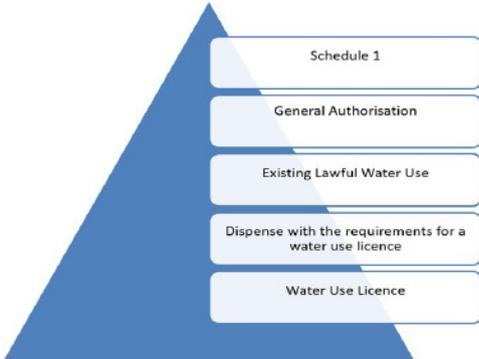
PRESENTATION CONTENT

1. Water Use Authorisation
2. Existing Lawful Use Verification
3. Water Availability
4. Water Quality Monitoring
5. Compliance Monitoring and Enforcement
6. Institutions and Participation




WATER USE AUTHORIZATION

TYPES OF AUTHORISATIONS



- Schedule 1
- General Authorisation
- Existing Lawful Water Use
- Dispense with the requirements for a water use licence
- Water Use Licence



TYPES OF WATER USES

s21(a)	taking water from a water resource;
s21(b)	storing water;
s21(c)	impeding or diverting the flow of water in a watercourse;
s21(d)	engaging in a stream flow reduction activity (currently only commercial afforestation);
s21(e)	engaging in a controlled activity – activities which impact detrimentally on a water resource (activities identified in s37(1) or declared as such under s38(1)) namely: <ul style="list-style-type: none"> irrigation of any land with waste or water containing waste which is generated through an industrial activity or a waterwork; an activity aimed at the modification of atmospheric precipitation; a power generation activity which alters the flow regime of a water resource; or intentional recharge of an aquifer with any waste or water containing waste
s21(f)	discharging waste or water containing waste into a water resource through a pipe, canal, sewer, sea outfall or other conduit;
s21(g)	disposing of waste or water containing waste in a manner which may detrimentally impact on a water resource;
s21(h)	disposing in any manner of water which contains waste from, or has been heated in, any industrial or power generation process;
s21(i)	altering the bed, banks, course or characteristics of a watercourse;
s21(j)	removing, discharging or disposing of water found underground if it is necessary for the efficient continuation of an activity or for the safety of people; and
s21(k)	using water for recreational purposes

SABI WULA SUMMARY

- TOTAL - 09
- LICENCE ISSUED : 01
- CONFIRMED GENERAL AUTHORISATION: 08
- UNDER ASSESSMENT : 0
- Declined: 0
- CLOSED APPLICATIONS : 0
- WITHDRAWAL APPLICATIONS: 0
- Await Confirmation: 0



SAND WULA SUMMARY

TOTAL - 08

LICENCE ISSUED : 0

CONFIRMED GENERAL AUTHORISATION: 08

UNDER ASSESSMENT : 0

Declined: 0

CLOSED APPLICATIONS : 0

WITHDRAWAL APPLICATIONS: 0

Await Confirmation: 0



ELU VERIFICATION AND WATER ALLOCATIONS REGISTER UPDATE



ELU WATER USE VERIFICATION PROGRESS.

Catchment	ELU Verification	Total identified	Percentage
Usuthu	841	1437	58,5
Upper Komati	210	606	34,7
Lower Komati	331	409	80,9
Crocodile	2422	3201	75,7
Sabie	263	335	78,5
Sand	119	179	66,5



WATER USE ALLOCATIONS REGISTER

SECTOR	Usuthu Volume (m3/a)	Upper Komati Volume (m3/a)	Sabie Sand Volume (m3/a)	Crocodile Volume (m3/a)	Lower Komati Volume (m3/a)
AGRICULTURE - Irrigation	25 520 153	62 094 669	58 743 648	507 570 656	373 525 393
SFRA	169 252 485	58 523 816	71 462 311	121 068 397	5 909 679
INDUSTRY	38 372 582	134 215 788	2 311 203	38 017 712	3 003 697
MINING	1 132 583	14 483 535	195 250	3 924 380	1 185 271
WATER SUPPLY SERVICE	15 484 206	20 284 372	126 378 742	53 746 138	31 135 957
OTHER (Non-Billable)	325 913	469 529	204 147	1 789 819	273 100
TOTAL	250 087 922	290 071 709	259 295 901	726 117 103	415 033 297
Percentage	12,89%	14,95%	13,36%	37,42%	21,39%



WATER USE INFORMATION UPDATE AND WASTE DISCHARGE CHARGE SYSTEM NOTICE

1. Government Gazette 48187, Notice # 3137 of March 2023

Critical to update and/ or amend water use/rs

- Continuous update and/or amendment of all water user's personal/juristic contacts details and water use/s allocation information.

2. Government Gazette 48187, Notice # 3138 of March 2023

- Notice to register information on wastewater related water uses for ss 21 (e,f,g,h and j), see next slide for more details
- **Excluded:** Schedule 1 & Irrigation Board/ Water User Association water users

3. Consequences of failure to comply with the regulation

- Any person who fails to comply with this notice will be guilty of an offence

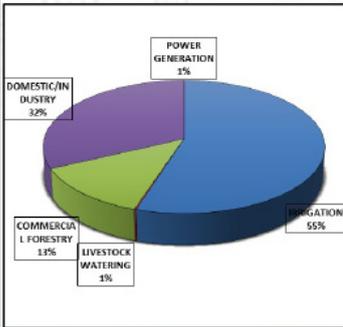


SURFACE AND GROUNDWATER QUANTITY STATUS

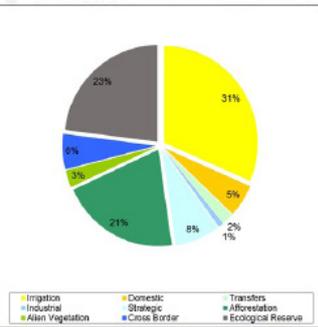


SECTORAL WATER ALLOCATION

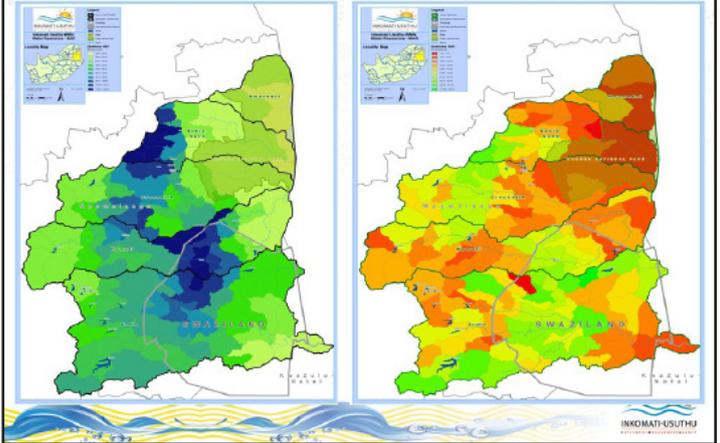
MPUMALNGA PROVINCE



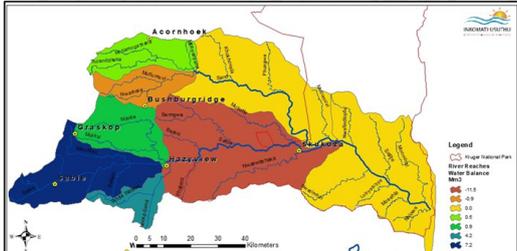
INKOMATI-USUTHU WMA



DISTRIBUTION OF MEAN ANNUAL RAINFALL AND MEAN ANNUAL RUNOFF IN THE WMA

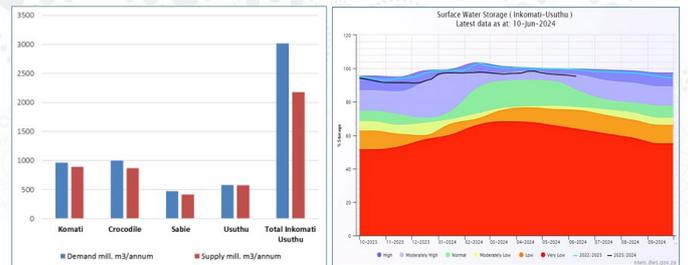


SABIE-SAND SURFACE WATER BALANCE



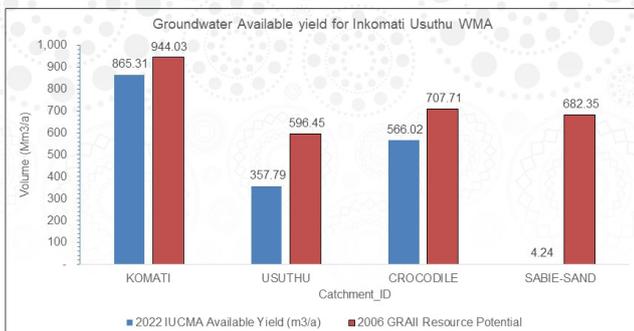
River Reach/Tributary	Water available at mixed assurance	Transfers Out	Transfers In	Water requirement	Balance
Upper Sabie	56.2			46.9	9.3
Mante	33.4	25.0		12.4	-4
White Waters	39.0			29.2	9.8
Middle Sabie	26.0		4.5	35.5	-9.5
Klein Sand	10.0			14	0.5
Matlamuva	9.7		20.5	31.1	-9.9
Sand	0.0			46.9	9.3
Lower Sabie	0.0			12.4	-4
Total	174.3	25	25	0	5.2

SURFACE WATER RESOURCES STATUS



- All dams were above normal, an indication of excess water in the system for annual allocations to different sectors through to next rain season.
- However, those who rely on river flows will still be affected as the river levels are dropping until next rainy season.

GROUNDWATER RESOURCES STATUS



- Crocodile is 566 Mm³/a and Sabie-Sand is 4 Mm³/a.
- Since 2006 estimates (GRA II), Sabie-Sand is characterised by the highest (678 Mm³/a) decline whilst Crocodile declined by 239 Mm³/a.

SURFACE WATER QUALITY STATUS



WATER QUALITY DATA REPORTED

- The data reported for Sabie Sand Catchment ranges between April 2023–March 2024 (2023/2024 Financial year) within the WMA.
- The compliance of these indicator variables tabulated were compared with South African Water Guideline using the Targeted Water Quality Ranges (TWQR).
- The selected indicator variables are tabulated:

Classified Water quality variables	Indicator Variables	Statistical analysis of data
System variable	pH	Average
Salts	Electrical Conductivity	Average
Nutrients	Phosphate	Median
Microbial	<i>E coli</i>	Average



WATER QUALITY STATUS : SABIE SAND CATCHMENT

Classified Water quality variables	Indicator Variables	Areas of concern
Acidity and Basicity	pH	None. Compliant with RQOs, Eco spec and TQWR throughout the catchment.
Salts	Electrical Conductivity	None. Electrical Conductivity (EC) complied with RQOs throughout the catchment, except for two sites at Bejani River and Ngwenyameni River (Mkhuhlu area).
Nutrients	Phosphate	None. Phosphate complied with the RQOs throughout the catchment, except Klein Sabie River (Sabie area) and Langspruit (Hazyview area)
Microbial	<i>E coli</i>	See water quality status map(s) below, Microbial pollution is due to effluent discharge from WWTWs and intensive residential runoff pollution (stormwater runoff from rural and urban settlements, including direct disposal of domestic refuse, grey water, seepage from latrines, human and animal excrement, as well as sewer overflows).



MAP SHOWING WATER QUALITY STATUS: *E COLI*

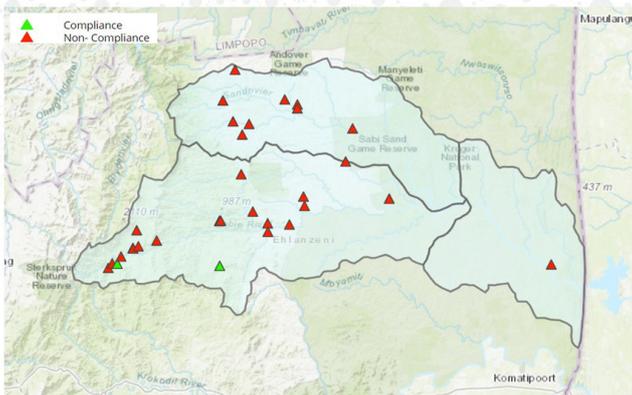
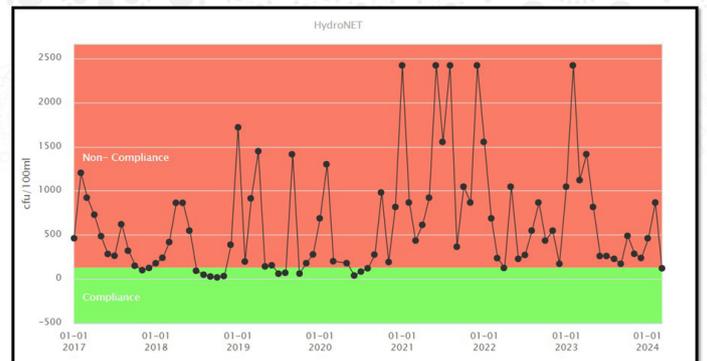
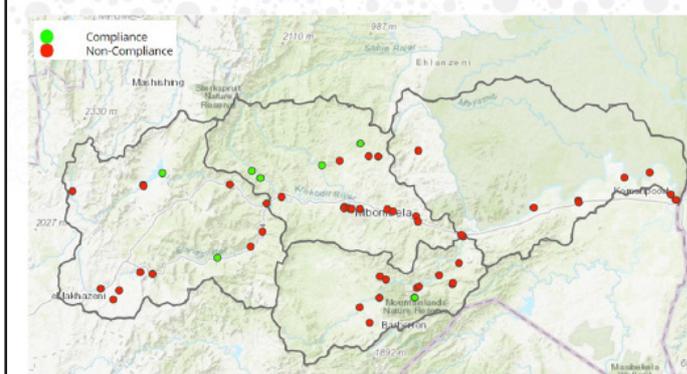


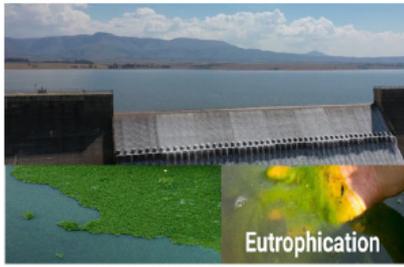
CHART SHOWING E COLI TRENDS: SABIE RIVER@HOXANI



MAP SHOWING WATER QUALITY STATUS: *E COLI*



EUTROPHICATION STATUS OF THE MAJOR DAMS WITH THE WMA



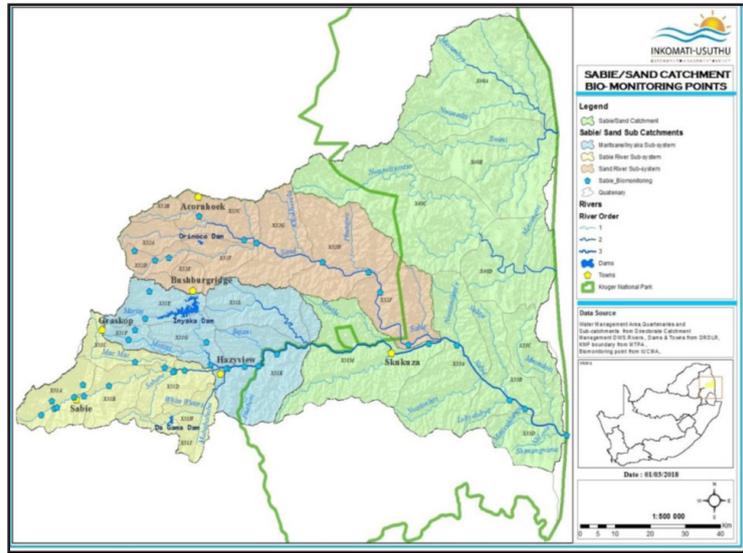
EUTROPHICATION STATUS: INJAKA DAM

Injaka Dam

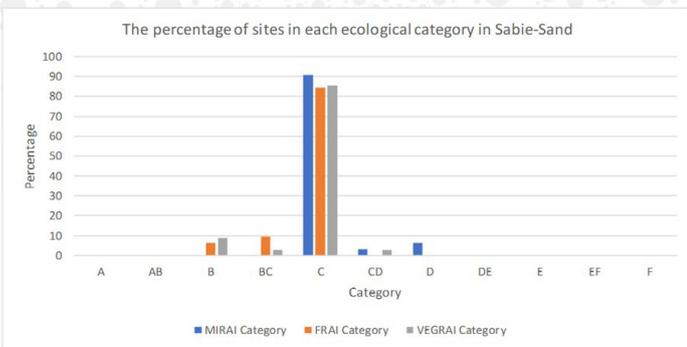
Cyanobacteria and algal levels are low. Last Updated: Tuesday, 18 June 2024

CYANOBACTERIA RISK LEVEL* LOW < 24 000 cells/mL*	CYANOBACTERIA CELL COUNT* 0 cells/mL	CYANOBACTERIA COVERAGE 0 %
CYANOBACTERIA BIOVOLUME 0 mm ³ /L	CHLOROPHYLLA 1 µg/L Low: 1 µg/L High: 1 µg/L	TURBIDITY 9 NTU Low: 7 NTU High: 11 NTU
COLOR 15 FU	ADVISORY: PARTIAL CONTACT 	ADVISORY: FULL CONTACT
TROPHIC STATUS OLIGOTROPHIC < 10 µg/L chlorophyll-a		

AQUATIC BIOTA STATUS (REMP)



EUTROPHICATION STATUS: INJAKA DAM



COMPLIANCE, MONITORING AND ENFORCEMENT



COMPLIANCE MONITORING & ENFORCEMENT

- 48 Planned compliance inspections were conducted for water quality related use.
- 48 Planned compliance inspections were conducted for water quantity related use.
- > Fifty investigations/complaints/follow ups were attended to.
- >20 pollution incidents were attended, and out of these, nine (09) pollution incidents were resolved while a few remain unresolved.
- >Seven directives were issued.
- >Fourteen notices of intention to issue a directive were issued.
- A criminal case was finalized by the Directorate of Public Prosecutions CAS 03/02/1020 Against Mamokebe (Pty) Ltd for the pollution of the resource for the financial year 2023/2024.
- The accused in representative capacity pleaded guilty and sentenced. The IUCMA continues to monitor the Rehabilitation of the site.

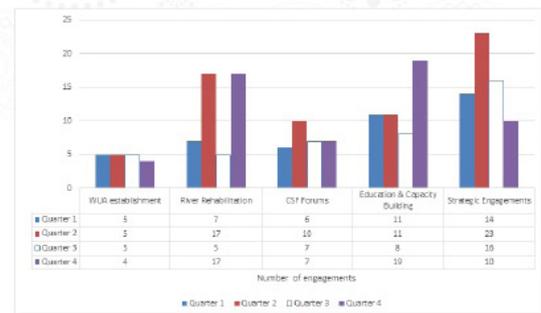


FUNCTIONS OF THE INSTITUTIONS & PARTICIPATION SECTION

1. Establishment, Transformation and Support of Water Management Institutions in the Inkomati Usuthu Water Management Area i.e *Transformation of Irrigation Boards into Water User Associations*
2. Implementation of Sustainable River Rehabilitation and Adopt a River Programmes.
3. Interaction with stakeholders through the co-ordination of Catchment Stewardship Forum (CSF) meetings in the 6 sub-catchments of the water management area.
4. Stakeholder Empowerment through Capacity Building Workshops, Education and Awareness initiatives targeting commercial and emerging/historically disadvantaged (HDI) water users, Traditional Authorities, Local Government and other spheres of government and the private sector. i.e *CMS development, principles of the Pricing Strategy and Tariff determination, NWRS development,*
5. Facilitating the IUCMA's participation in Local, Transboundary and International integrated water resources management (IWRM) engagements and other environmental related platforms/fora. (*Komati Joint Operations Forum, Inco-Maputo, ARaSu, SWADE, KOBWA, Blue Deal, WISA, etc*)



STAKEHOLDER ENGAGEMENTS WERE ACHIEVED THROUGH DIFFERENT PLATFORMS TO REALISE THE FIVE (5) KEY PERFORMANCE INDICATORS (KPIs) OF THE I&P AS PER THE OPERATIONAL PLAN 2023/24 AS INDICATED IN THE GRAPH BELOW



RIVER REHABILITATION PROGRAMME IN THE WMA



River Rehabilitation Teams at work

- The Sustainable River Rehabilitation Programme (SRRP) is implemented in the six sub-catchments where 6 project sites were identified in the water management area from
- 90 people participating Community Groups involved in the River Rehabilitation Programme during 2023/24
- This programme contributes to income generation and unemployment reduction within the rural communities (especially amongst the youth and women) in the WMA.



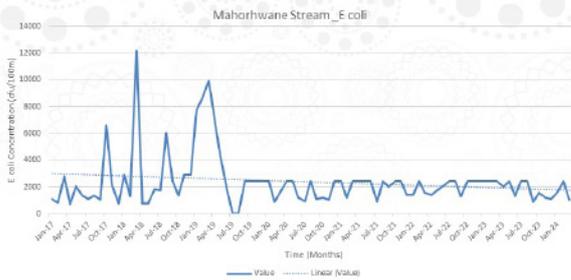
MOHHORHWANE STREAM IN RELATION TO SRR PROJECT



Figure 3: Mohhorhwane stream before cleaning commenced in August and the stream after it was cleaned in November 2023.



IMPACTS OF THE RIVER REHABILITATION PROGRAMME: REDUCTION OF E.COLI LEVELS



SCIENCE SCHOOLS PROJECTS



- The Science Schools projects presented by learners in the 2024 Competitions which are conducted during the annual National Water Month in March
- A water supply and purification supply system model designed by learners presented during the Science Schools Competition in March 2024



SCIENCE SCHOOLS PROJECTS

MPUMALANGA PROVINCE INKOMATI-USUTHU WMA



- The IUCMA engaging Learners from Sibahle Primary School during the Mkhondo Arbor Day Celebrations 07/09/2023.
- The IUCMA conducting a HDIs farmers during water use authorization workshop as part of the Education and Awareness programmes in the Sand Sub-catchment 21/09/2023



CONCLUSIONS AND RECOMMENDATIONS

- The verification and validation initiative will be continued as a very important measure in addressing water allocation management in the WMA.
- Water Quality in the upper Komati is generally good but punctuated by microbial (E. coli) pollution) and Salts (EC and Sulphate) which indicated non-compliance at various sites due to WWTWs & its associated infrastructure and mining activities. **The IUCMA is working on implementing a mining impact management plan.**
- The IUCMA will continue to monitor compliance to licence conditions and apply enforcement to address land use activities impacting on water resources (**Source Directed Controls**) as per the provision(s) of the NWA.
- The **River Rehabilitation** Programme is implemented and is to be continued in areas where some of the municipalities are not providing waste removal services as part of addressing water quantity and quality improvement in the WMA. The IUCMA is engaging these Municipalities to conclude service level agreements.
- The IUCMA will continue to pursue the Ministerial Directive through Gazette No. 48483 Notice No. 3355 dated 28 April 2023, a notice of intention to **transform Irrigation Boards into Water User Associations (WUAs)** as a means of ensuring equitable access to water.



THANK YOU





INKOMATI-USUTHU
CATCHMENT MANAGEMENT AGENCY

CATCHMENT TARIFFS CONSULTATION FOR 2025/26 FINANCIAL YEAR

Presented by: Ms. Sandra Mabunda - CFO

LEGISLATIVE MANDATE

The purpose of the meeting is to consult with stakeholders on the proposed water resource management charges for the 2025/26 financial year as per the following legislation:

- ✓ Section 57 of the National Water Act 36 of 1998
- ✓ Pricing Strategy of April 2007*
- ✓ Public Finance Management Act (PFMA) 1 of 1999
- ✓ National Treasury Regulations 2005

* Strategy undergoing review

OUTCOME OF TARIFF CONSULTATION

- ✓ **Tariff determination cycle:**
 - The tariff consultations within the Catchment Management Area (CMA) of the IUCMA serve as the first process in tariff determination.
 - Following catchment-based sessions, the IUCMA will participate in sectoral tariff consultations where tariffs will be further deliberated.
 - All recommendations from (i) and (ii) will be formally submitted to the Minister of Water and Sanitation as the final determiner of applied tariffs for 2025/26.
- ✓ **Tariffs, as presented today, are influenced by the following factors:**
 - Water Pricing Strategy;
 - Proposed budget for 2025/26; and
 - Currently registered water volumes.

PROJECTED BUDGETED EXPENDITURE BY NATURE FOR 2024/25

- ✓ The budget has been formulated to respond to strategic outcomes identified by costing-associated cost drivers.
- ✓ The projected budget for 2024/25 is presented with a 9% increase based on the budget approved and applied for 2023/24.
- ✓ The proposed budget of the IUCMA is made up of the following expenses by nature of expenditure:
 - 71% (R110,2 million) allocated to salaries and wages for key positions that are deemed critical for the delivery of the overarching mandate;
 - 25% (R39million) allocated to goods and services;
 - Less than 1% (R714k) allocated to repairs and maintenance as well a capital outlay; and
 - 1,8% (R2,7 million) allocated to board-related costs.

DESCRIPTION	APPLIED BUDGET	PROPOSED BUDGET	MOVEMENT	
	2024/25	2025/26	Rand	%
Salaries and Wages	107,005,603	110,215,771	3,210,168	3%
Goods and Services	29,949,572	39,454,543	9,504,971	32%
Repairs and Maintenance	450,000	463,500	13,500	3%
Capital Outlay	200,000	206,000	6,000	3%
Board Related Costs	2,691,050	2,707,581	16,531	1%
GRAND TOTAL	140,296,224	153,047,395	12,751,170	9%

WATER PRICING STRATEGY

- 1. FORESTRY (capped by pricing strategy)**
The application of the strategy requires the Agency to apply the following computations:
✓ Capped at R10 per hectare. The Agency has not yet reached this tariff therefore any increment is applicable. The Agency has reviewed 4-year trend and found that a 21% increment is within acceptable limits given the projected registered volumes.
- 2. IRRIGATION (capped by pricing strategy)**
The application of the strategy requires the Agency to apply the following computations:
✓ Capped at 1,5c per cubic meter. The Agency has reached the cap therefore the applicable increment rate should be PPI of 5.5%.
- 3. DOMESTIC INDUSTRY (not capped by pricing strategy)**
The Agency has reviewed 4-year trend and found that the application 11% is within acceptable limits given the projected registered volumes.
- 4. WASTE DISCHARGE CHARGE**
The Department of Water and Sanitation implemented waste discharge charge as per Water Pricing Strategy as of 01 April 2024. The department issued a government notice No. 3138 of 2023 to notify all water users to register water use especially section 21 (e) (f) (g) (h) and (j). The agency is therefore proposing an increase of 7% of the 5.07c tariff approved in the current year.

REGISTERED VOLUMES

- ✓ The Agency is continuously reviewing the correctness of its registered volumes and as such the volumes are prone to adjustments.
- ✓ Additional notable changes to volumes include the voluntary surrender of water rights as well as the conversion of land use that impacts volumes per sector.
- ✓ The Agency's largest allocation remains under Irrigation (50%).
- ✓ This sector whilst consuming the most volumes has the lowest assurance. The low assurance inadvertently reduces results in the 2nd lowest tariff being applied.
- ✓ An increase of 4% on registered volumes has been recorded in the projections of 2025-26 FY

Sectors	Registered Volumes 2024-25	Registered Volumes 2025-26	Movement	2025-26 Projected Allocation in %
Domestic & Industry	434,551,561	445,835,179	11,283,618	21%
Irrigation	1,016,907,245	1,051,304,638	34,397,393	50%
Forestry	424,141,080	425,962,037	1,820,957	20%
Waste Discharge Charge	154,225,563	180,176,555	25,950,992	9%
Total: Registered Volumes	2,029,825,448	2,103,278,408	73,452,959	100%



PROPOSED TARIFFS FOR 2025/26

- ✓ The Agency has proposed tariff increments that are aligned with the Pricing Strategy.
- ✓ Proposed increments range from 5,5% to 21% across the 3 sectors
- ✓ The Agency has implemented the Waste Discharge Charge System in the current year.
- ✓ Proposed tariffs are deemed to support economic activities in the catchment whilst supporting the Agency to attract sufficient funding to protect the resource.

Sectors	Domestic/Industrial c/m3	Irrigation c/m3	Forestry c/m3	Waste Discharge Charge c/m3
Proposed 2025/26 Tariffs	5,64c	2,70c	2,41c	5,45c
% Increments	11%	5,5%	21%	7%
Capping Policy Applications as per Pricing Strategy	D&I - no capping applicable	Irrigation – Base year x PPI of 5% as per Water Pricing Strategy	Cap has not yet been reached. No capping applicable	Cap has not yet been reached. No capping applicable

Sectors	Registered Volumes 2025-26	Proposed Tariffs	Percentage Increase	Projected Revenue
Domestic & Industry	445,835,179	5,64	11%	25,145,104
Irrigation	1,051,304,638	2,70	5,5%	28,385,225
Forestry	425,962,037	2,41	21%	10,265,685
Total: Abstraction	1,923,101,853			63,796,014
Waste Discharge Charge	180,176,555	5,45	7%	9,819,622
Total Projected Revenue: 2024-25	2,103,278,408			73,615,637



PROPOSED FUNDING STREAM BY NATURE FOR 2024/25

The Agency's funding stream comprises the following major streams per the National Water Act.

- 49% (R75,5 million) is expected to be received as a grant appropriated by parliament;
- 48% (R63,8 million from abstraction & streamflow reduction and R9,8 million from water discharge charges) is expected to be billed to lawful water users in the catchment with a recoverability of 70% in 2025/26, and
- 2.5% (R3,9 million) funded through interest received.

SOURCE OF FUNDING	APPLIED BUDGET	PROPOSED BUDGET	MOVEMENT	
	2024/25	2025/26	Rand	%
Augmentation	72,306,000	75,545,000	3,239,000	4%
Water Resource Charges - Abstraction & Streamflow reduction	56,606,688	63,804,533	7,197,845	13%
Water Resource Charges - WWDC	7,819,236	9,812,775	1,993,539	25%
Interest Received	3,564,300	3,885,087	320,787	9%
GRAND TOTAL	140,296,224	153,047,395	12,751,171	9%

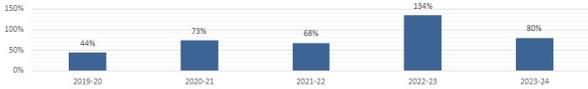


DEBTORS PERFORMANCE FOR 2023/24

- ✓ Collection rates have improved over the years as noted by the five-year analysis
- ✓ Collections have increased from 44% to 80% over the last five years due to increased strategic engagements as well as the implementation of a responsive debt management strategy.
- ✓ There is a slight decrease in terms of collection rate in the 2023-24 compared to 2022-23 FY due to an increase in actual billables.

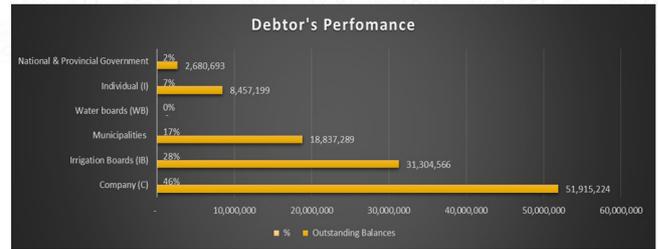
Period	Projected Billing	Actual Billing	Actual Payments	Collection Rates
2019-20	51,967,518	47,601,490	20,845,686	44%
2020-21	42,139,663	44,897,733	32,880,946	73%
2021-22	55,485,141	34,894,114	23,614,065	68%
2022-23	54,425,408	40,350,434	54,214,046	134%
2023-24	64,425,924	55,902,181	44,617,161	80%

Collection Rates



DEBTORS PERFORMANCE FOR 2023/24

- ✓ Total debt owed year to date amounts to R113,1 mil.
- ✓ The highest debt is owed by companies, Irrigation Boards and Municipalities at 46%, 28% and 17% respectively.
- ✓ Of the reported debt outstanding, 76% of the debt is older than 180 days and 24% ranges between 120 days to the current.



FUTURE PLANS ON IMPROVING THE FINANCIAL POSITION OF THE AGENCY

The Agency continuously assesses opportunities to improve its economic viability by the development and identification of innovative solutions.

i. Implementation of a responsive and measurable debt management strategy that ensures:

- ✓ Customer data integrity
- ✓ Legal action against non-paying customers
- ✓ Increased engagement at strategic levels

ii. Implementation of cost containment strategy

- ✓ The Agency has already seen material savings under goods and services in financial year 2023/24.

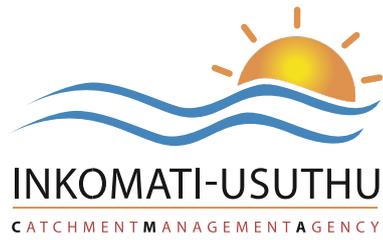
iii. Identification of alternative funding streams to augment the currently strained revenue streams

- ✓ Management has identified areas worth exploration. Management is now actively working on a concept document that hopes to see a change of how CMA's are funded and managed.



THANK YOU





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