



INKOMATI-USUTHU

CATCHMENT MANAGEMENT AGENCY

ANNUAL 2024/25 TARIFF CONSULTATIONS

Sabie & Sand





INKOMATI-USUTHU
CATCHMENT MANAGEMENT AGENCY

ANNUAL 2024/25 TARIFF CONSULTATIONS PROGRAMME

STAKEHOLDER CONSULTATION MEETING ON ANNUAL PERFORMANCE PLAN AND TARIFF SETTING FOR 2024/25 FINANCIAL YEAR

Date: 24 July 2023 | Time: 10:00 to 14:00

Venue: Sabie & Sand Sub-Catchment

**Programme Facilitator: Advocate MB Shabangu
(Executive Corporate Services)**

Item:	Proposed Time:	Person Responsible:
Registration and Morning Tea	9:30 – 10:00	All
Opening and Welcome	10:00 – 10:10	Governing Board Chairperson: Mr S Mthembu
Annual Performance Plans for 2024/25	10:30 – 11:00	Chief Executive Officer
Water Quality and Quantity Status Report	11:00 – 11:30	Executive Water Resource Management
2024/25 Proposed Budget and Tariff	11:30 – 12:00	Chief Financial Officer
Infrastructure Tariffs for 2024/25	12:00 – 12:30	Department of Water and Sanitation
Question and Answers	12:30 – 13:00	All
Closure	13:00 – 13:10	Governing Board Member: Ms LC Zulu
Lunch	13:15 -14:15	All





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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 .

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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



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OUTCOMES



Outcome 1:
Increased stakeholder satisfaction



Outcome 2:
Enhanced human resources capabilities



Outcome 3:
Maintain Financial Sustainability



Outcome 4:
Protection and use of water resources



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OUTCOMES ALIGNMENT

Outcome	Programme	Output	Output indicators
Outcome 1: Increased stakeholder satisfaction	Programme 1: Administration and Governance	Stakeholder satisfaction	Percent implementation of a stakeholder engagement plan
Outcome 2: Enhanced human resources capabilities	Programme 2: Human Resources and business support	Employee safety Optimal employee retention	Disabling Injury Frequency Rate Rate of Employee turnover
Outcome 3: Maintain financial sustainability	Programme 3: Finance	Cost control Revenue enhancement	Working ratio Debt collection ratio
Outcome 4: Protection and use of water resources	Programme 4: Water resource management	Effective resource management Water use authorisations Regulative compliance	Percent compliance to Resource Quality objectives Percent compliance to international obligations Percentage of water use authorisations processed within the regulated timeframe Percent of reported cases of non-compliance cases investigated

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2023.24 PERFORMANCE TARGETS

OUTPUT INDICATORS	ANNUAL TARGET	QUARTERLY TARGETS			
	2023/24	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Percentage implementation of a stakeholder engagement plan	100%	-	100%	100%	100%
Percentage implementation of a communication plan	80%	20%	20%	20%	20%
Percentage implementation of human Resource implementation plan	80%	20%	20%	20%	20%
Percentage implementation of the ICT strategy	30%	-	10%	20%	30%
Percentage of identified COBIT gaps addressed	100%	25%	25%	25%	25%
Working ratio (cash based)	≤80%	≤80%	≤80%	≤80%	≤80%
Debt collection ratio: Healthy book	65%	15%	30%	45%	65%
Debt collection ratio: Toxic book	6%	1.5%	3%	4.5%	6%
Debtors' payment period in days (Healthy book)	D&I: ≤ 100 days Irrigation: ≤540 days Forestry: ≤540 days	D&I: ≤ 100 days Irrigation: ≤540 days Forestry: ≤540 days	D&I: ≤ 100 days Irrigation: ≤540 days Forestry: ≤540 days	D&I: ≤ 100 days Irrigation: ≤540 days Forestry: ≤540 days	D&I: ≤ 100 days Irrigation: ≤540 days Forestry: ≤540 days

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2023.24 PERFORMANCE TARGETS

OUTPUT INDICATORS	ANNUAL TARGET	QUARTERLY TARGETS			
	2023/24	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Ratio	≥1:1	≥1:1	≥1:1	≥1:1	≥1:1
Resource Quality (Quality, Quantity and BIOTA) status report	Annual resource quality status report	1X Quarterly resource quality status report 1X Annual Resource quality (Quality, Quantity & BIOTA) status report	Quarterly resource quality status report	Quarterly resource quality status report	Quarterly resource quality status report
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 quality used	≥90%	≥90%	≥90%	≥90%	≥90%
Percentage of planned inspections for quantity used	≥90%	≥90%	≥90%	≥90%	≥90%
Percentage of enforcement action taken against non-compliant users	≥90%	≥90%	≥90%	≥90%	≥90%
Percentage of approved water use authorizations registered on WARMS	≥90%	≥90%	≥90%	≥90%	≥90%
Percentage of water use authorizations processed within the regulated timeframe	≥80%	≥80%	≥80%	≥80%	≥80%



**THANK YOU
SIYABONGA
RE YA LBOGA
RI A LIVHUWA**





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CATCHMENT MANAGEMENT AGENCY

WATER QUALITY AND QUANTITY STATUS
SABIE/SAND CATCHMENT
TARIFF CONSULTATION MEETING
24 JULY 2023

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RESOURCE QUALITY MONITORING OBJECTIVES

- **IUCMA** has the following Monitoring Programme(s):
 - ❖ Water Quantity
 - ❖ Water Quality
 - ❖ River Eco-status Monitoring programme (REMP)
- IUCMA conducts regional monitoring within the Inkomati-Usuthu WMA which feeds into the national monitoring system.
- Regional resource monitoring objectives is to **measure, assess** and **report** on water resource compliance status and trends.
- Relating to **quantity, quality** and **aquatic ecosystem** in a manner that support balanced decision-making and planning for management, protection and sustainable use of water resources.




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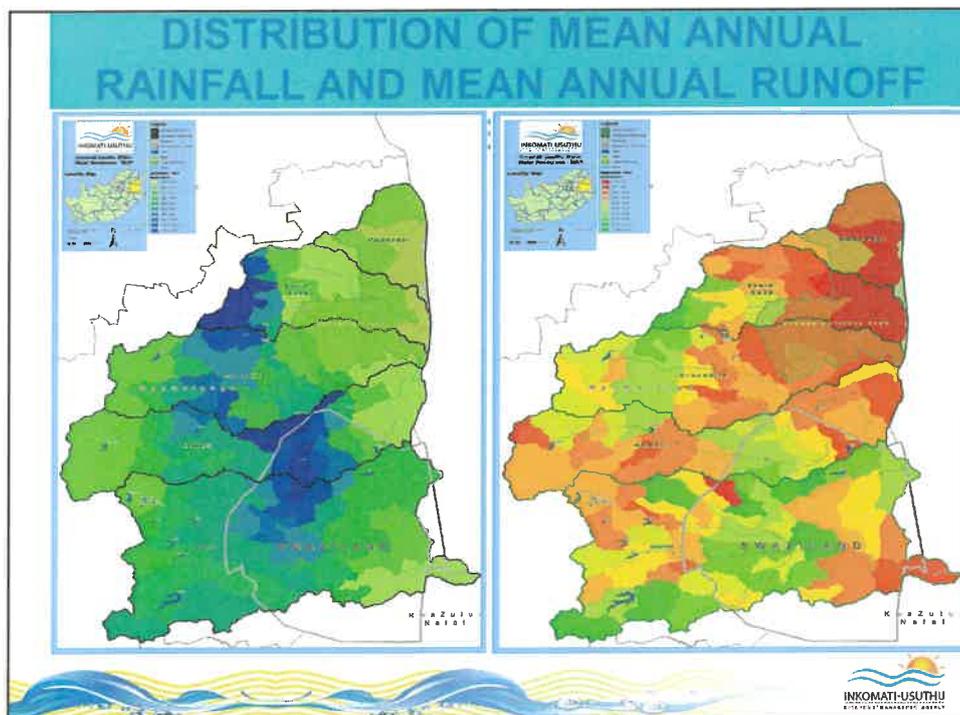
RESOURCE AVAILABILITY STATUS

Surface and Groundwater Quantity Status

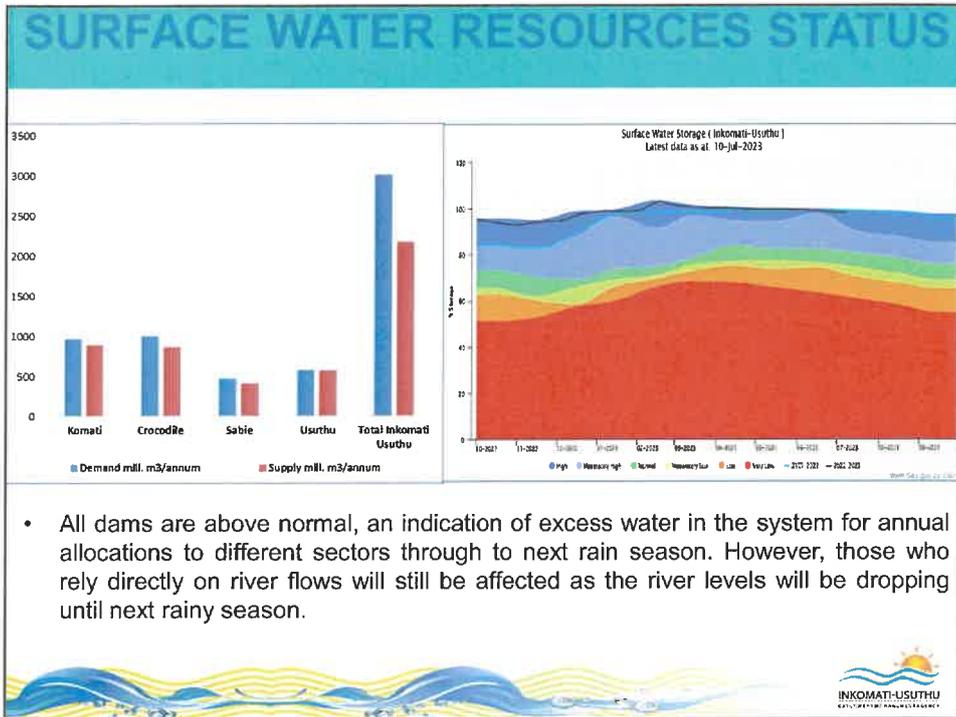



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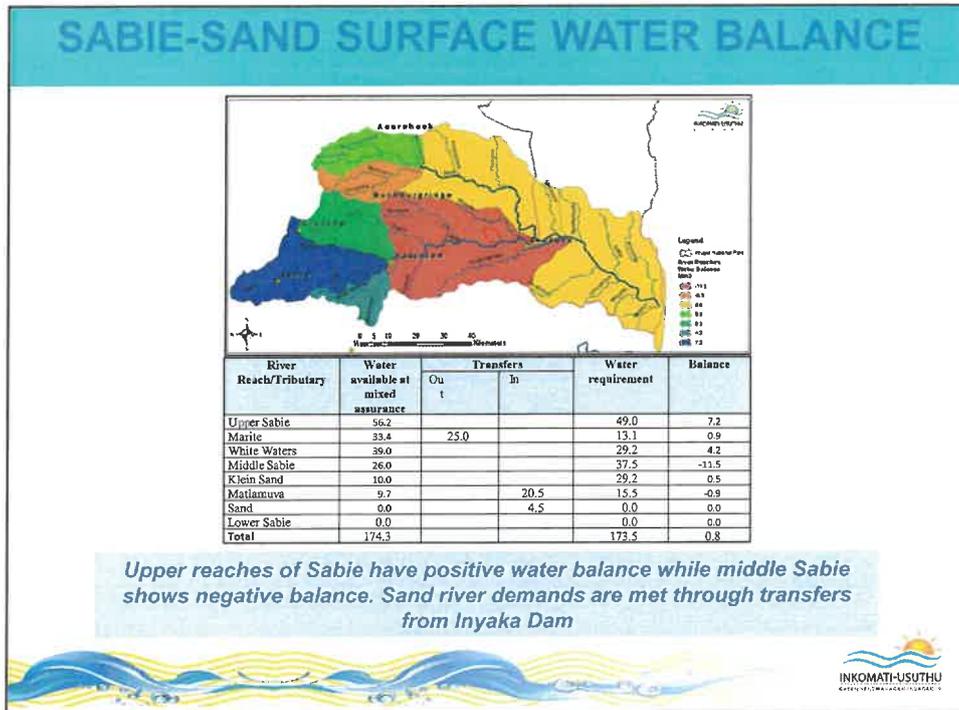
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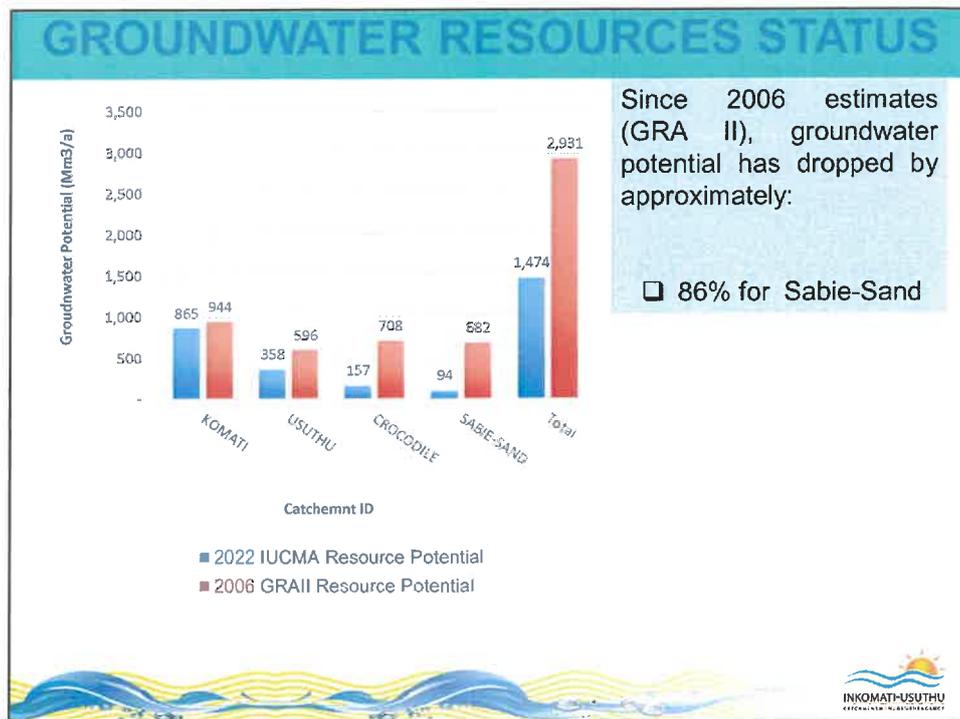
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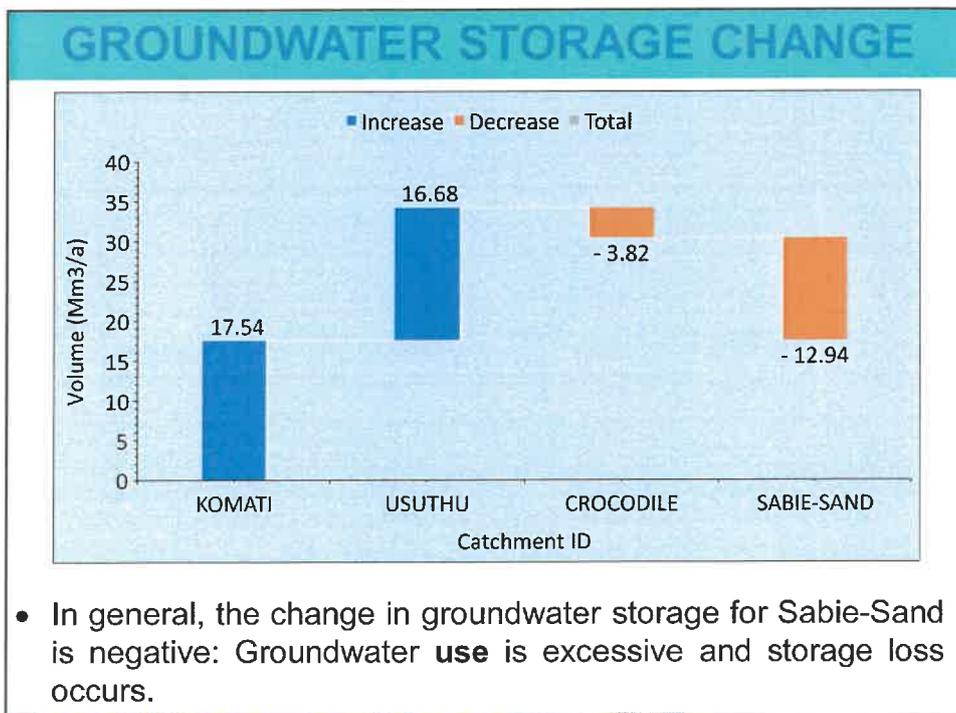
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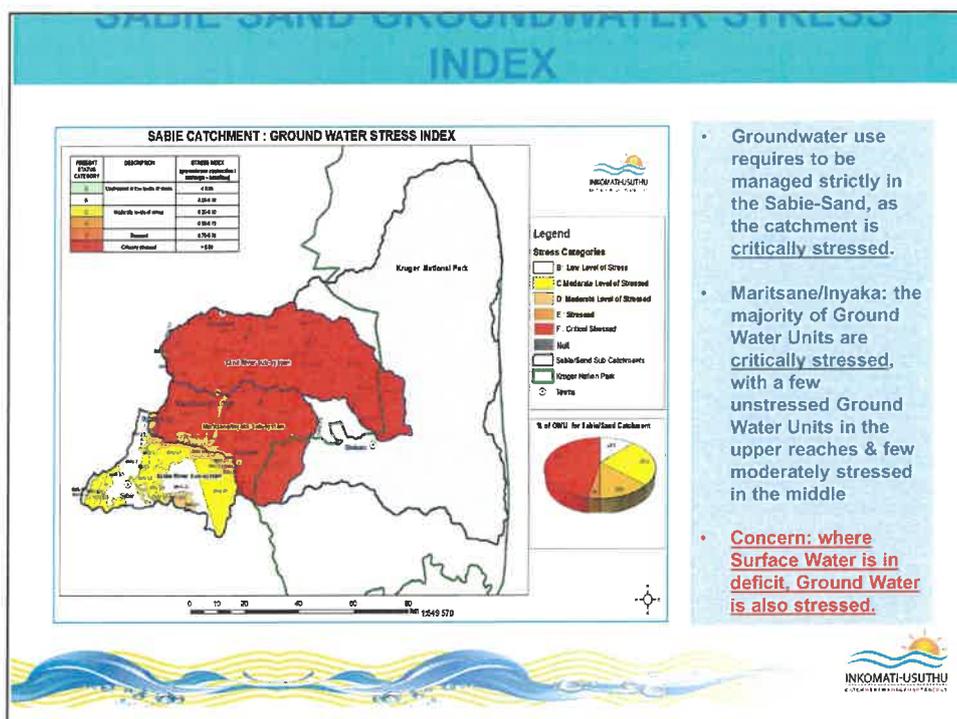
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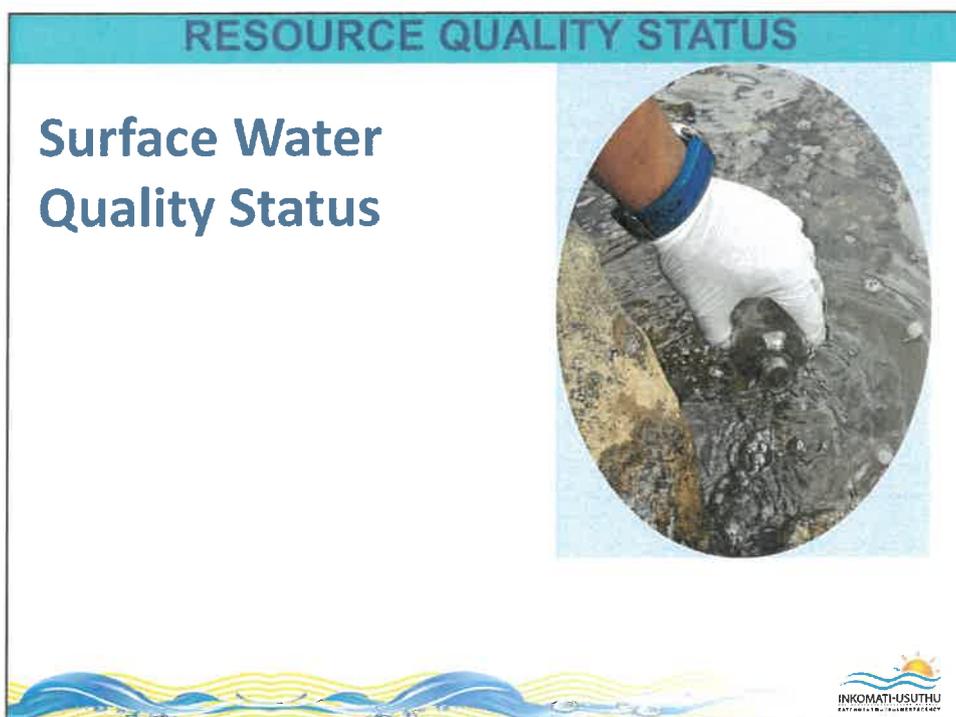
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WATER QUALITY DATA REPORTED

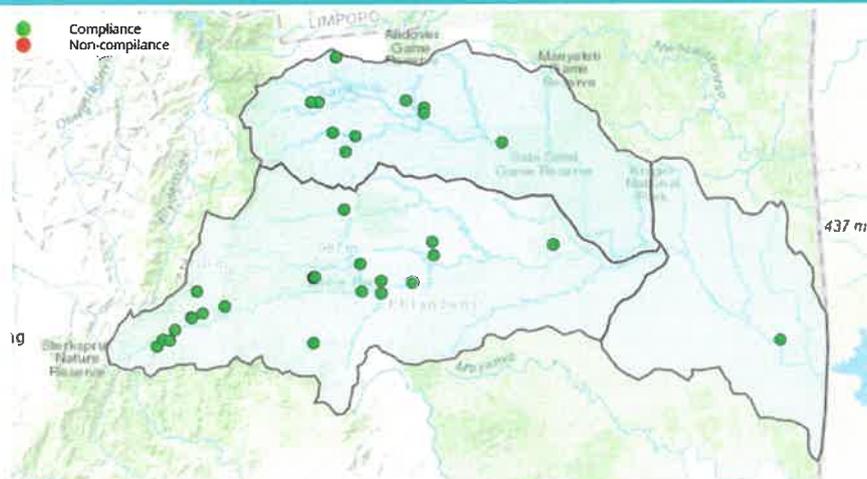
- The data reported for Sabie Sand Catchment ranges between April 2022–March 2023 within the WMA.
- The compliance of indicator variables tabulated were compared with Resource Quality Objectives (RQOs) published in a Government Gazette dated 30 December 2016, and where RQOs were not available TWQG were used.
- The selected indicator variables are as tabulated below:

Classified Water quality variables	Indicator Variables	Statistical analysis of data
System variable	pH	Average
Salts	Electrical Conductivity	Average
Nutrients	Phosphate	Median
Microbial	E coli	Average
Eutrophication	Chlorophyll-a and Total Phosphorus	Median

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KwaZulu-Natal Department of Environmental Affairs

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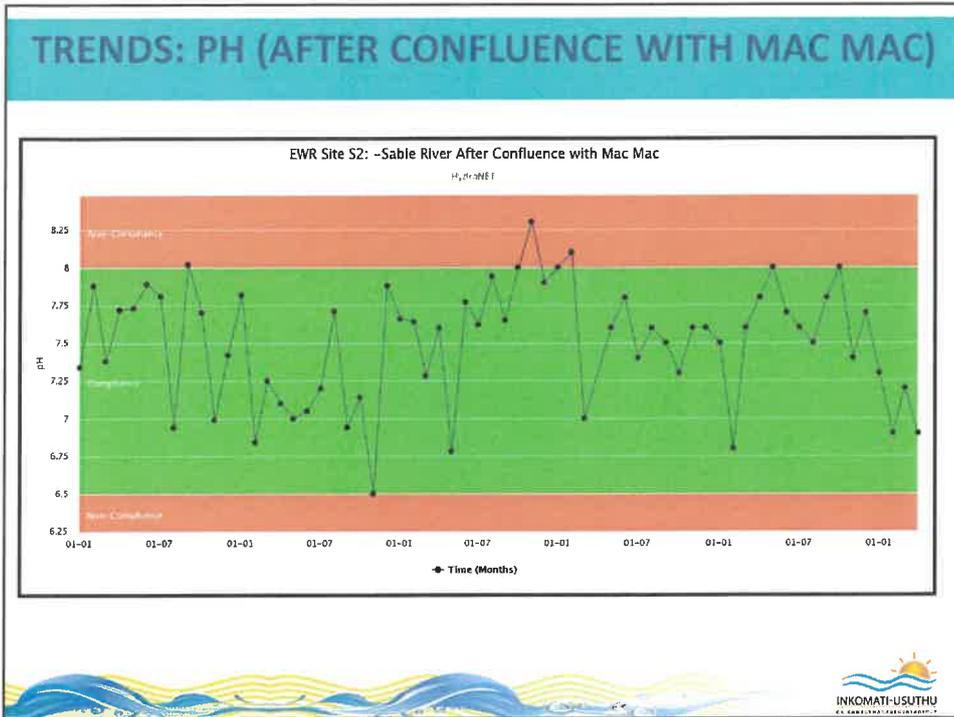
WATER QUALITY STATUS: PH



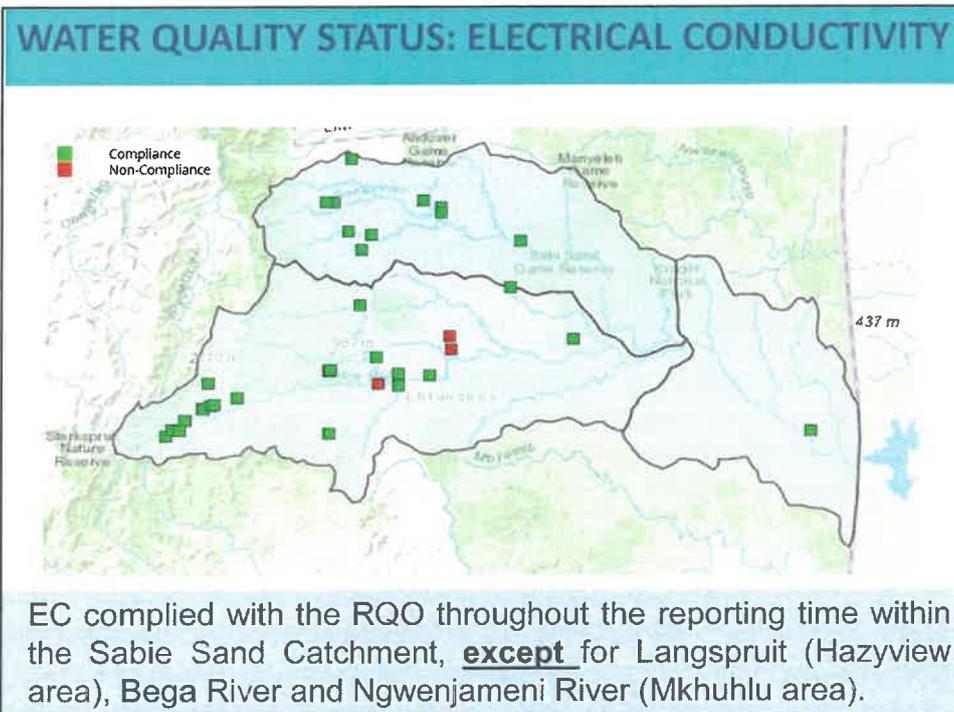
pH complied with the TWQG throughout the reporting time within the Sabie Sand Catchment.

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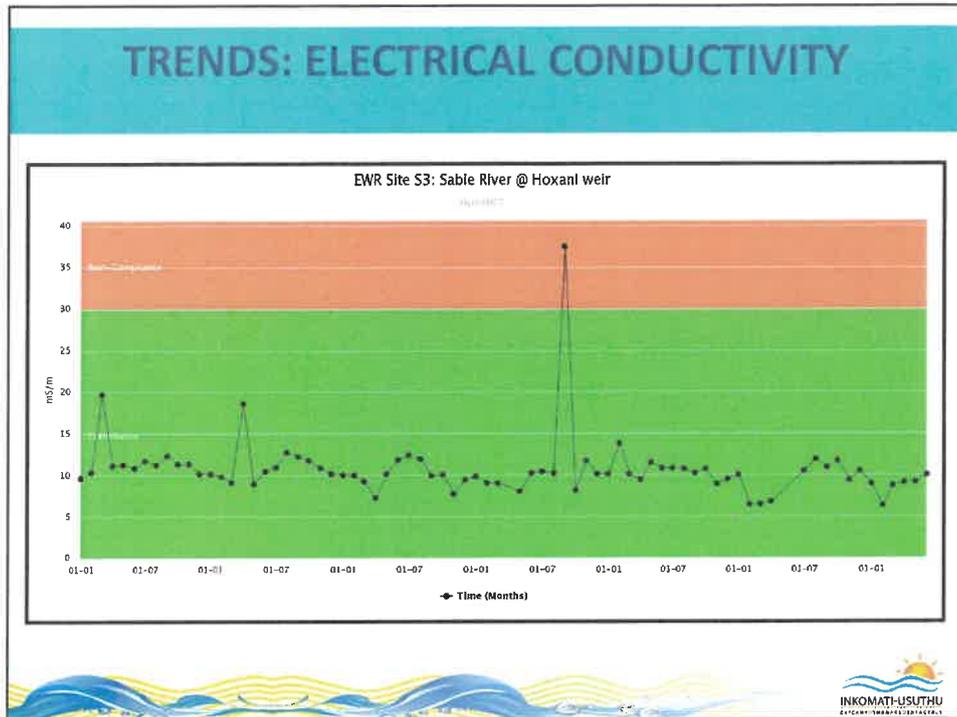
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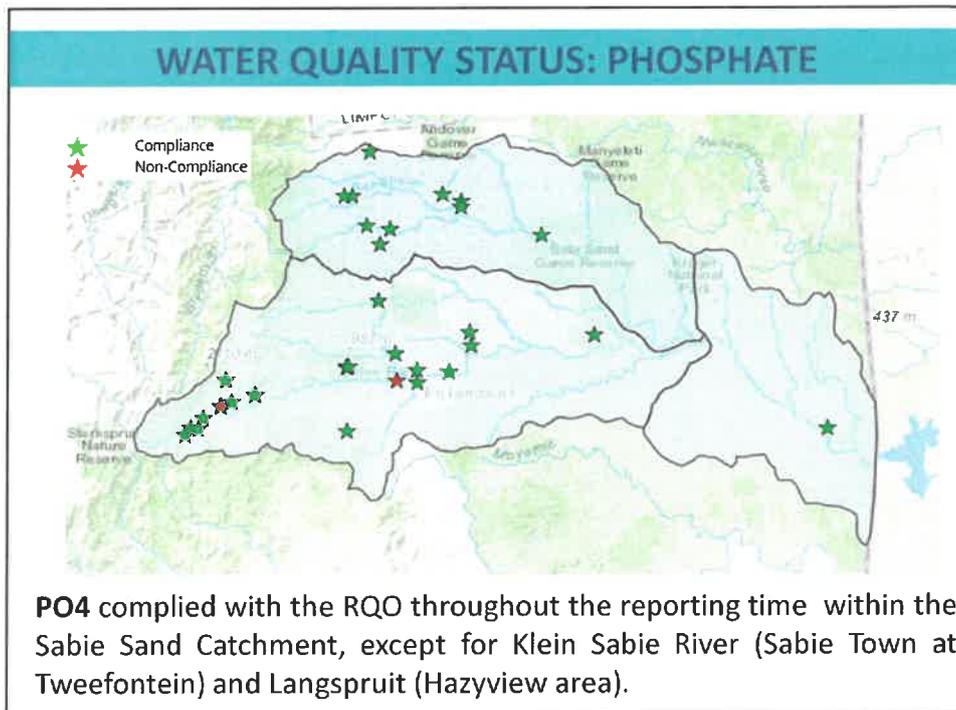
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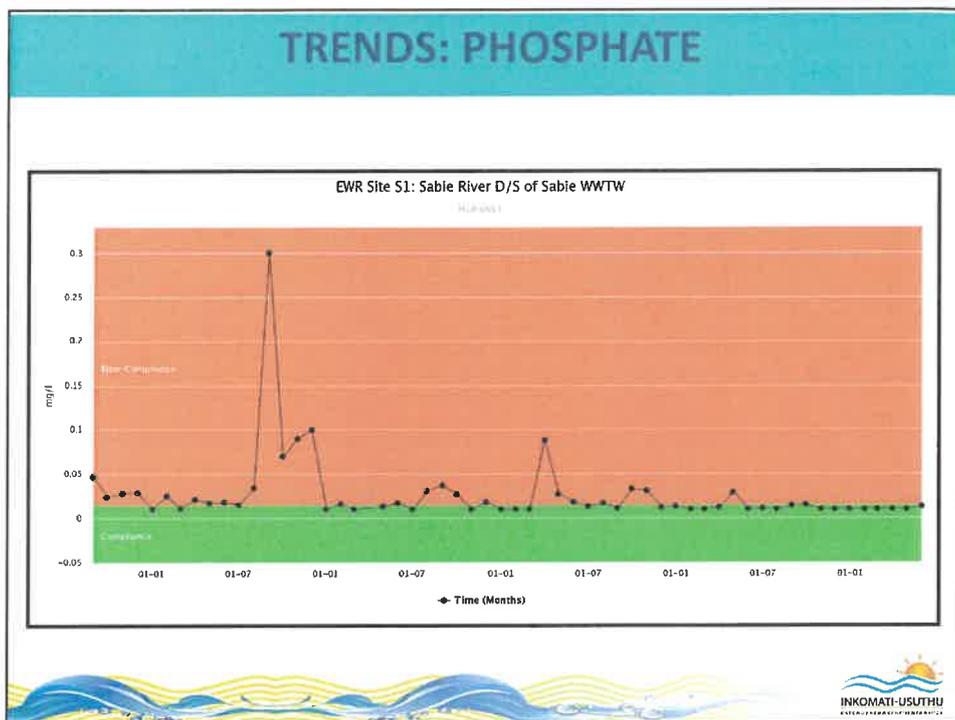
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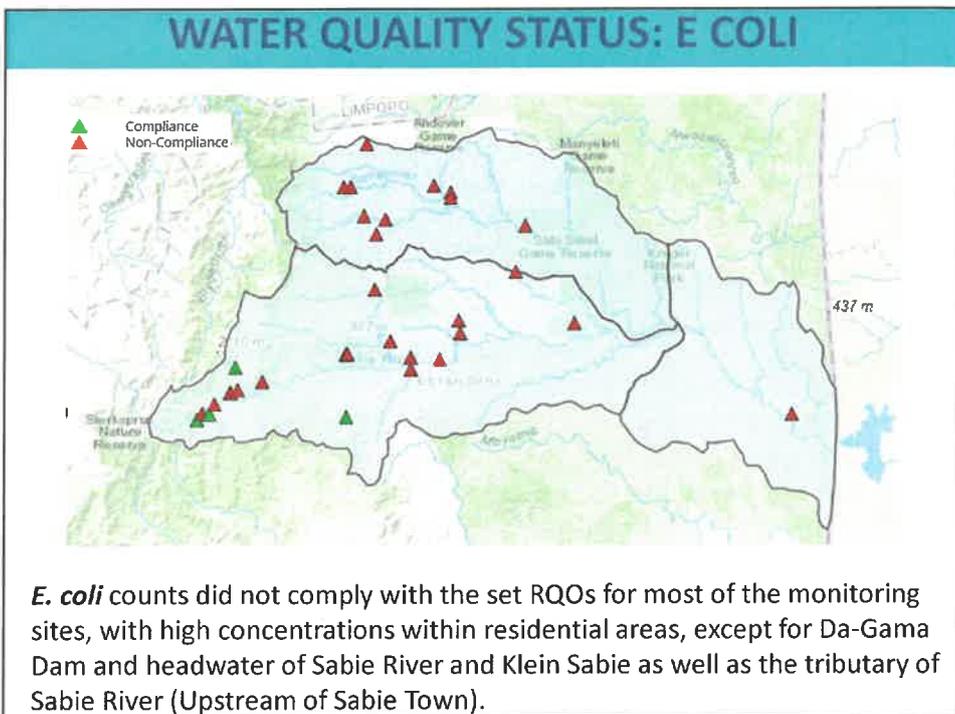
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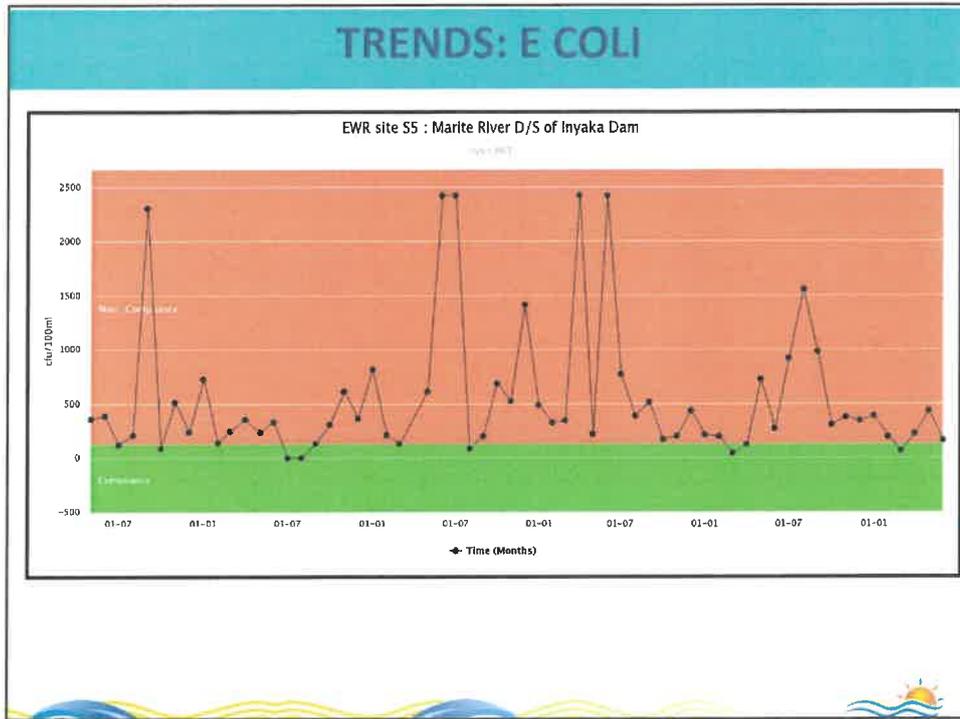
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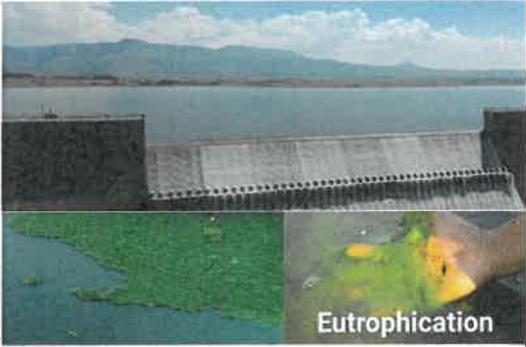
WATER QUALITY DATA FOR KOMATI EWR SITES

EWR Site	Turbidity (NTU)		EC (mS/m)		PO ₄ (mg/l)		E coli (cfu/100ml)		Ammonia		Flows (m ³ /s)	
	RQO	Results	RQOs	Results	RQOs	Results	RQOs	Results	RQOs	Results	RQO	Compliance %
EWR S-1	NR	8.52	30	10.8	0.015	0	130	1641	0.015	0.663	1.0	100
EWR S-2	NR	9.16	30	10.1	0.015	0	130	885	0.015	0.120	0.93	100
EWR S-3	NA	7.83	30	9.9	0.015	0	130	830	0.015	0.880	3.2	100
EWR S-4	NA	6.25	40*	10.3	0.025*	0.01	130*	834	0.015*	0.138		VA
EWR S-5	NR	8.37	30	15.21	0.015	0	130	274	0.015	0.875		VA
EWR S-6	NR	27.68	55	12.3	0.125	0.02	130	853	0.015	0.276		VA
EWR S-7	NA	16.66	42	8.0	0.125	0	130	1228	0.015	0.891		VA
EWR S-8	NR	41.34	40*	17.3	0.125	0.04	130	1608	0.015*	0.162	0.35	100

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RESOURCE QUALITY STATUS

EUTROPHICATION STATUS OF THE MAJOR DAMS WITHIN THE WMA





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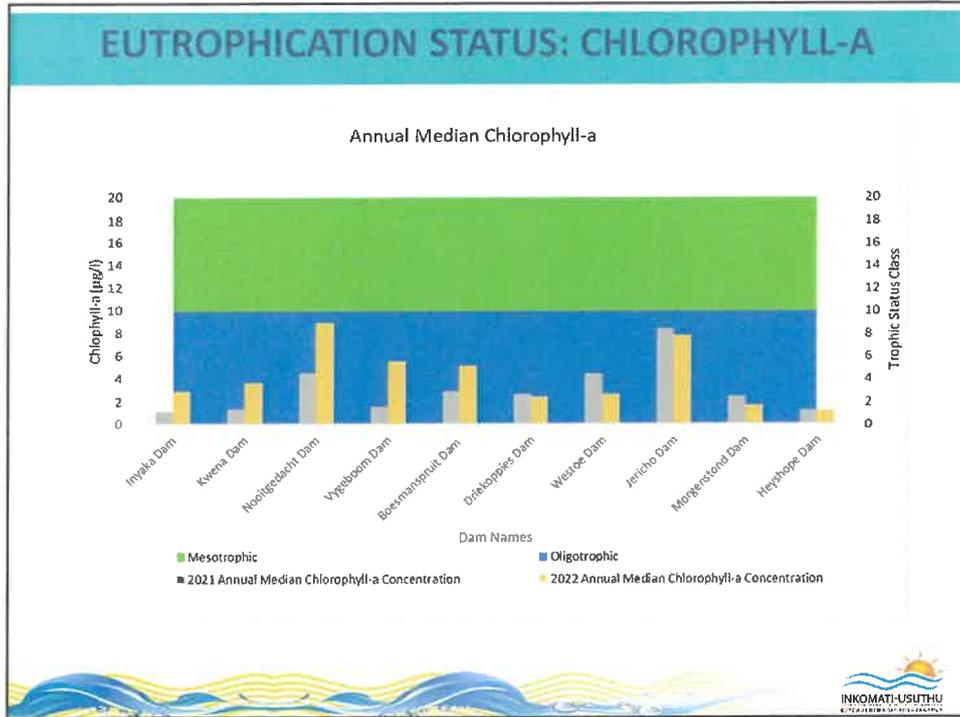
TROPIC STATUS

- Trophic Status** is the degree of nutrient enrichment and of the associated eutrophication problems of an aquatic ecosystem.
- Trophic status classes used for assessment of dams in South Africa.

1. Oligotrophic	low in nutrients and not productive in terms of aquatic and animal plant life;
2. Mesotrophic	intermediate levels of nutrients, fairly productive in terms of aquatic animal and plant life and showing emerging signs of water quality problems;
3. Eutrophic	rich in nutrients, very productive in terms of aquatic animal and plant life and showing increasing signs of water quality problems; and
4. Hypertrophic	Very high nutrient concentrations where plant growth is determined by physical factors. Water quality problems are serious and can be continuous.



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KEY ISSUES RAISED BY STAKEHOLDERS: CMF 2022/23 SABIE/SAND

No.	Issue raised	Sub-catchment	Proposed Action	Progress and recommendations
1.	Disparity between the forestry tariff seen to be lower than domestic while forestry is consuming a lot of water e.g. Eucalyptus over planted in the Sabie-Sand sub-catchment	Sabie and Sand	The matter to be kept on the rudder and engage the DWS for consideration during the initial stages of the Pricing Strategy and consultation processes for tariff determination.	Engagements with the Mpumalanga Water Caucus were initiated by the IUCMA and advice from the DWS was sought. The SA Forestry and DWS Court Judgement was also an impediment on the final resolution of this matter. The historical documents regarding the old Ministerial (Kader Asmal) Directive to reduce the plantations along the riparian zones could not be found since the forestry mandate is now with a new ministry.
2.	Water users in the Sabie and Hoxani requested to have their own canal because they were not getting enough allocation from the Sabie River. A similar request from water users in Saringwa Scheme are also requesting to have their own canal for irrigation water supply.	Sabie and Sand	The IUCMA (RPO & WUA) are engaging other relevant departments such as the DWS and Department of Agriculture to explore support mechanism on infrastructure development and plans in place.	There are ongoing interactions between the IUCMA and DARDLEA where an MOU has been signed and support programmes identified as action plans.

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KEY ISSUES RAISED BY STAKEHOLDERS: CMF 2022/23 SABIE/SAND				
No.	Issue raised	Sub-catchment	Proposed Action	Progress and recommendations
3.	Stakeholders have been requesting the Bushbuckridge Local Municipality Waste Management Division to share their service provision plans in the Municipal jurisdiction.	Sabie Sand	The IUCMA to engage the Municipal Manager's intervention	A commitment was made to make the information available in the CMF meetings going forward
4.	Compliance issues regarding the Bushbuckridge clay bricks company next to Casteel Dam.	Sabie Sand	The IUCMA was to investigate compliance with regulations on the facility.	The investigation was conducted, and operations had ceased at the facility.
5.	Invitation of Traditional Authorities to attend the CMF meetings	Sabie Sand	Invitations should be extended to the traditional leaders who were not represented.	Rotational holding of CMF meetings at Traditional Councils should be revived as it was done in the past before the Covid 19 outbreak.
	A concerned stakeholder reported an alleged illegal construction of a canal by some farmers and put a pipe near the Hebron Forestry station to divert water out of the river to farm.	Sabie Sand	The issue was referred to CME on 27/10/2022	CME has investigated the matter and the findings were that the Brooklyn community project was stopped because no consultation was done with the Craigieburn community. Basically, this matter has been resolved and reported back to the concerned stakeholder who reported the matter.

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CONCLUSIONS AND RECOMMENDATIONS	
<p>Water Quantity:</p> <ul style="list-style-type: none"> • The Sabie-Sand catchment is in balance. • The water resource lies mostly in the Sabie River with the Inyaka Dam providing high assurance yield and releasing water to meet the EWR. • Most of the high assurance yield from the Inyaka Dam is transferred to the Sand River catchment, without which the catchment would be in deficit. • In the Sabie-Sand Catchment there is no more water available for new allocations. The underlisted measures require to be considered to enhance the yield of the catchment: <ul style="list-style-type: none"> I. WC/WDM; II. Development of groundwater (Sabie town); III. New Regional Dam; and IV. Reduction of lawful forestry (SFRA) and conversion of Streamflow Reduction to other use. This will normally need to be accompanied by off-channel storage. • Groundwater development in the Sabie-Sand catchment to be controlled. 	

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CONCLUSIONS AND RECOMMENDATIONS

Water Quality:

- ❑ Water Quality in the Sabie Sand is generally good but punctuated by microbial (*E. coli*) pollution) which indicated non-compliance at various sites due to WWTWs and its associated infrastructure and urban/rural settlement.
- ❑ Eutrophication status for all the dams within the WMA is good.
- ❑ It is recommended that the land use activities impacting on water resources quality be efficiently controlled through Source Directed Controls (SDC) as per the provision(s) of the NWA.
- ❑ Key stakeholders encouraged to address poor operation and maintenance of WWTW's and its associated infrastructure i.e., sewer pump stations, manhole etc.
- ❑ Municipalities to provide sustainable and adequate waste management and sanitation services to urban and rural settlement

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THANK YOU

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CATCHMENT MANAGEMENT AGENCY



**CATCHMENT TARIFFS CONSULTATION FOR 2024/25
FINANCIAL YEAR**

Presented by: Ms. Sandra Mabunda - CFO

1

LEGISLATIVE MANDATE

The purpose of the meeting is to consult with stakeholders on the proposed water resource management charges for the 2024/25 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



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OUTCOME OF TARIFF CONSULTATION

✓ **Tariff determination cycle:**

- i. The tariff consultations within the Catchment Management Area (CMA) of the IUCMA serve as the first process in tariff determination.
- ii. Following catchment-based sessions, the IUCMA will participate in sectoral tariff consultations where tariffs will be further deliberated.
- iii. 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 2024/25.

✓ **Tariffs, as presented today, are influenced by the following factors:**

- i. Water Pricing Strategy;
- ii. Proposed budget for 2024/25; and
- iii. Currently registered water volumes.



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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 7% 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 8.6%.

3. DOMESTIC (*not capped by pricing strategy*)

The Agency has reviewed 4-year trend and found that the application 13.6% is within acceptable limits given the projected registered volumes.



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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 at an amount 0.1% less than the budget approved and applied for 2023/24.
- ✓ Major movements are reported under projects and goods & services at 11% and 12% lower than last year respectively.
- ✓ The proposed budget of the IUCMA is made up of the following expenses by nature of expenditure:
 - i. 66% (R121,7mil) allocated to salaries and wages for key positions that are deemed critical for the delivery of the overarching mandate;
 - ii. 31% (R58,2mil) allocated to goods and services
 - iii. Less than 1% (R714k) allocated to repairs and maintenance as well as capital outlay
 - iv. 1,5% (R2,8mil) allocated to board-related costs

DESCRIPTION	APPLIED BUDGET 2023/24	PROPOSED BUDGET	
		BUDGET 2024/25	% Movement
Salaries and Wages	114,864,901	121,757,783	6%
Goods and Services	65,339,930	58,257,181	-12%
Repairs and Maintenance	667,445	714,166	7%
Capital Outlay	2,000,000	1,805,000	-11%
Board Related Costs	2,675,000	2,862,250	7%
GRAND TOTAL	185,547,276	185,396,380	-0.1%



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BUDGETED EXPENDITURE BY PROGRAM

The budget when viewed per program shows the following trends:

- ✓ 51% (R94,7mil) was allocated to the delivery of water resource charges.
- ✓ 27% (R50mil) allocated to human resources and business support
- ✓ 13% (R23,8mil) allocated to finance
- ✓ 9% (R16,9mil) allocated to administration and governance

The above allocation is indicative that the Agency continuously prioritises all activities supporting the preservation of the water resource.

FUNCTION	AUDITED OUTCOME 2021/22	AUDITED OUTCOME 2022/23	AUDITED ADJUSTED OUTCOME 2022/23	APPLIED BUDGET 2023/24	PROPOSED BUDGET 2024/25	% ALLOCATION	PROPOSED BUDGET 2025/26	PROPOSED BUDGET 2026/27
Administration & Governance	R12,006	R8,998	R12,120	R15,240	R16,855	9%	R17,723	R18,638
Board	**	**	**	**	**	**	**	**
Office of the Chief Executive Officer	****	****	****	****	****	****	****	****
Water Resource Management	*****	*****	*****	*****	*****	*****	*****	*****
Protection and Use of Water Resources	R73,303	R69,013	R73,878	R98,556	R94,681	51%	R102,691	R103,784
Governance & Support	***	***	***	***	***	***	***	***
Human Resource an Business Support	R35,467	R46,492	R44,558	R48,463	R50,060	27%	R57,227	R62,835
Finance	R18,933	R23,376	R17,323	R23,288	R23,800	13%	R24,000	R24,724
Total	R139,709	R147,879	R147,879	R185,547	R185,396	100%	R201,641	R209,981



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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 (40%).
- ✓ This sector whilst consuming the most volumes has the lowest assurance. The low assurance inadvertently reduces results in the 2nd lowest tariff being applied.

ANALYSIS OF REGISTERED VOLUMES				
Sectors	Registered Volumes 2022-23	Registered Volumes 2023-24	Movement between years	2024-26 Projected Allocation in %
Domestic & Industry	448,718,101	427,187,328	-21,530,773	18%
Irrigation	1,089,877,740	1,046,586,033	-23,291,708	40%
Forestry	428,320,284	424,141,080	-4,179,204	18%
Waste Discharge Charge	0	712,231,191	712,231,191	27%
TOTAL	1,946,916,125	2,610,145,632	663,229,506	100%

^{***} New charge that is being introduced in 2024/25



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PROPOSED TARIFFS FOR 2024/25

- ✓ The Agency has proposed tariff increments that are aligned with the Pricing Strategy.
- ✓ Proposed increments range from 7% to 13,6% across the 3 sectors
- ✓ The Agency will see the introduction of a new charge in 2024/25 - WWDC
- ✓ 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 2024/25 Tariffs	5,39c	2,57c	1,95c	5,07c
% Increments	13,6%	8,6%	7%	N/A
Capping Policy Applications as per Pricing Strategy	D&I - no capping applicable	Irrigation - Base year x PPI of 13.1% as per Water Pricing Strategy	SFRA - R10 per hectare [10,000c/m3] + Base year x PPI of 13.1% as per Water Pricing Strategy	No capping applicable

Sectors	Registered Volumes 2024-26	Percentage Increase	Proposed Tariffs	Projected Revenue
Abstraction and Streamflow reduction				
Domestic & Industry	434,551,561	13.6%	0.053	R23,031,233
Irrigation	1,016,907,245	8.6%	0.026	R26,134,518
Forestry	424,141,080	7%	0.026	R8,270,751
Waste Water Discharge Charge	712,231,19	n/a	0.051	R36,110,121
TOTAL				R93,546,621



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PROPOSED FUNDING MODEL

The budget as presented will be funded using the following major income streams if the proposed tariffs are approved:

- ✓ 48% (R88,3mil) will be requested from the Department of Water and Sanitation as a grant appropriated by parliament. Reliance on grant has reduced by 45% due to the introduction of WWDC;
- ✓ 31% (R57 mil) expected billables from current and new water users (*collection rate targeted for 70% for the year*).
- ✓ 19% (R36,1mil) will be for the newly introduced charge - Water Discharge Charge and
- ✓ 2% (R3,5mil) expected to be received as interest earned on receipts

Sources of Funding	Applied and approved budget 2023/24	Proposed Budget 2024/25	% Movement
Grant	R128,234,765	R88,188,662	-45%
Water resource charges - abstraction and streamflow reduction	R54,042,511	R57,827,596	7%
Water resource charges - WWDC	R0	R36,110,121	100%
Interest received	R3,270,000	R3,270,000	0%
TOTAL	R185,547,276	R185,396,379	-0.1%

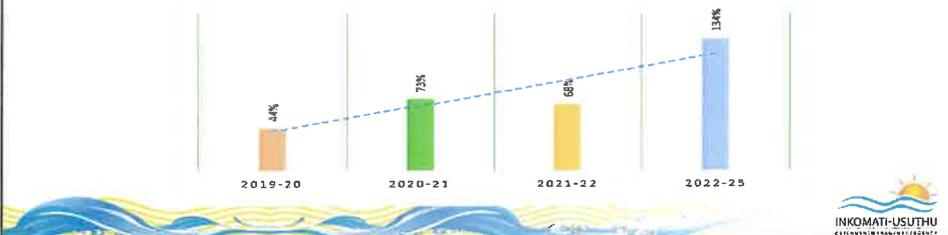


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DEBTORS PERFORMANCE FOR 2022/23

- ✓ Collection rates have improved over the years as noted by the four year analysis
- ✓ Collections have increased from 44% to 134% over the last four years due to increased strategic engagements as well as the implementation of a responsive debt management strategy.
- ✓ However; the sector remains definitive of slow paying customers as good performance is due to responsiveness of less than 15% of customers in the sector.

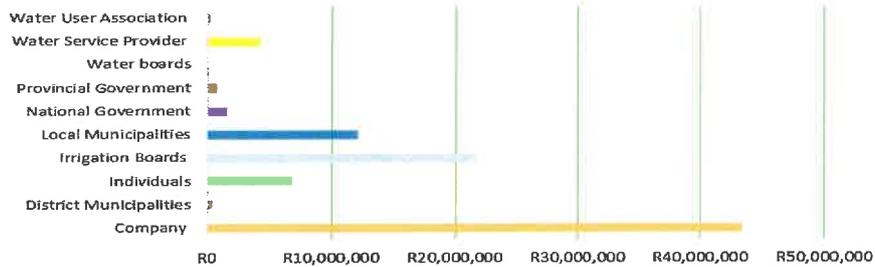
Period	Projected Billing	Actual Billing	Actual Payments	Collection Rate
2019-20	R51,967,518	R47,601,490	R20,845,686	44%
2020-21	R42,139,563	R44,897,733	R32,880,946	73%
2021-22	R55,485,141	R34,894,114	R23,614,065	68%
2022-23	R54,425,408	R40,350,343	R54,214,046	134%



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DEBTORS PERFORMANCE FOR 2023/24

- ✓ Total debt owed year to date amounts to R91mil.
- ✓ The highest debt is owed by companies and Irrigation Boards at 46% and 25% respectively.
- ✓ Of the reported debt outstanding, 82% of the debt is older than 180 days and 18% ranges between 120 days to the current.



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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

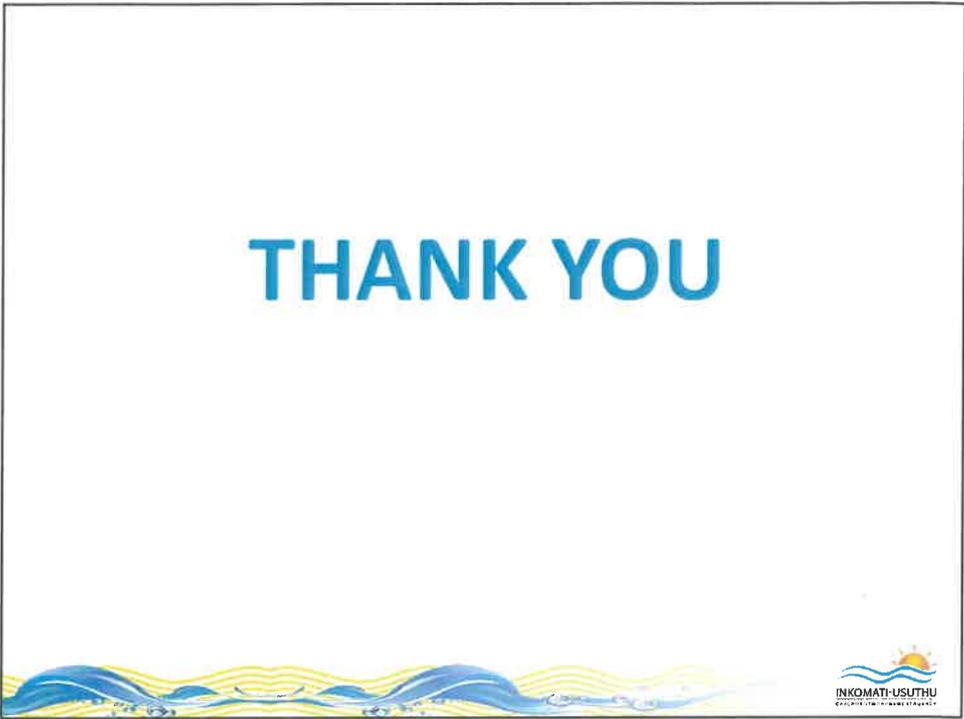
ii. Implementation of cost containment strategy

- ✓ The Agency has already seen R17million savings under goods and services in financial year 2022/23

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.

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RAW WATER TARIFF CUSTOMER CONSULTATION FOR INFRASTRUCTURE

Presented by: INFRASTRUCTURE OPERATIONS AND MAINTENANCE

Office: Groblersdal Area Office

Directorate: Northern Operations

Date: 14 and 24 July 2023

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water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA



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RAW WATER TARIFF CUSTOMER CONSULTATION

TABLE OF CONTENT

1. Purpose
2. Introduction & background
3. Methodology for determining tariffs
4. O&M Budget and Expenditure for 2022/23
5. Economic Classification for 2023/24 and 2024/25 Financial Years
6. Maintenance
7. Proposed 2024/25 Raw Water Tariffs
8. Revenue and Bad Debt

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Purpose

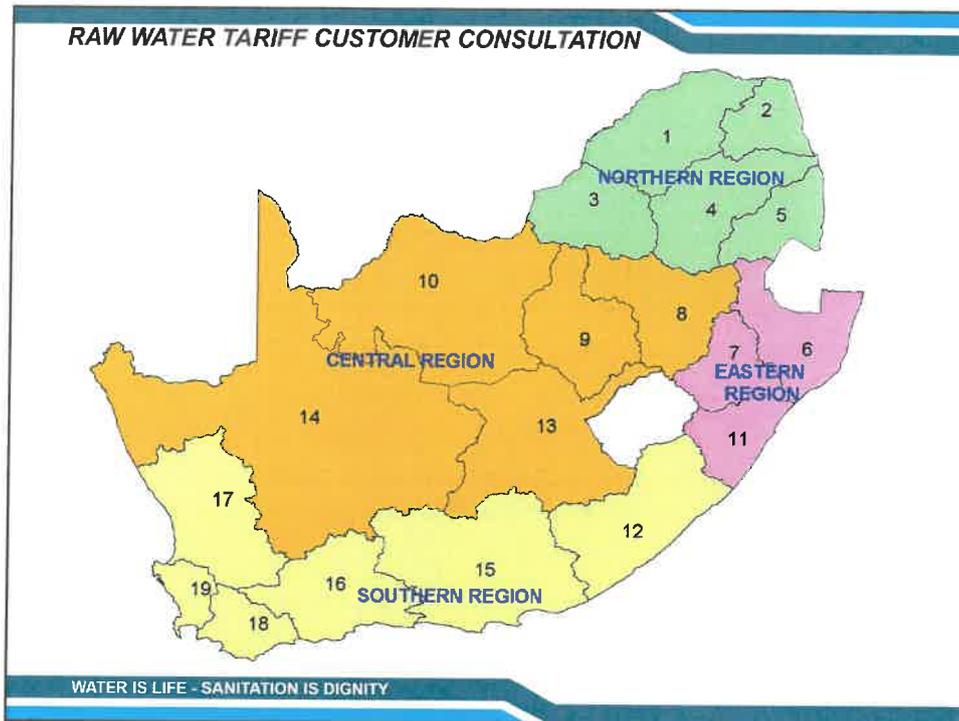
- To consult users on the proposed raw water use charges for National Water Resource Infrastructure (WRI) schemes for the 2024/25 financial year.
- To consider the comments/inputs of users before tariff proposals are tabled at the sector specific and national consultations and the Ministerial approval.

3

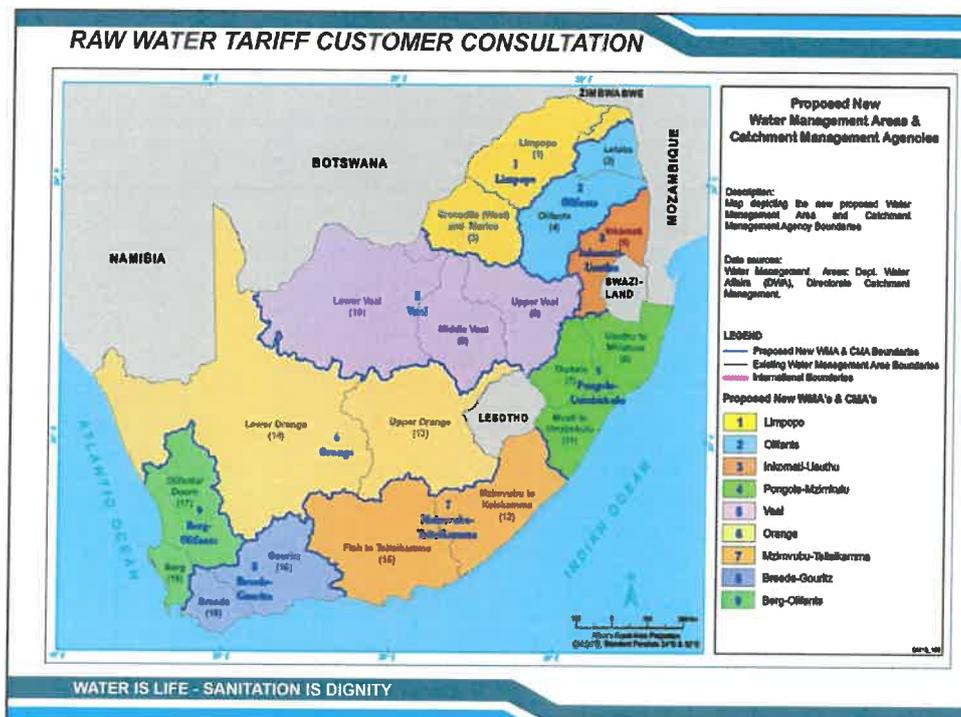
Background of the Cluster

Northern Operations is strategically positioned in ensuring that the existing Water Resources Infrastructure in Limpopo, Mpumalanga and North West are operated, maintained, rehabilitated and refurbished to provide effective and efficient supply of Bulk Raw Water for Economic growth, social development and poverty eradication.

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Methodology for determining raw water tariffs

Legislative Framework

- Legislative mandate: Sect 56-60 of NWA
- Raw Water Pricing Strategy established in Nov 1999
- First draft revision published in 2005
- Approved revision published on 16 March 2007
- Currently under review

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Types of Pricing

- Water Resource Management Charges
- **Water Resource Infrastructure Charges**
(Responsibility of Infrastructure Branch)
- Water Research Levies
- Waste Discharge Charging System

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RAW WATER TARIFF CUSTOMER CONSULTATION

Summary of Increases & Capping on Raw Water Charges for 2024/25

- **Water Resource Infrastructure Charges:**
 - **Domestic & Industrial:**
 - Annual increase is limited to PPI (April 8,6 %) plus 10% up until the target for development charge (**full cost recovery**) is achieved on state GWS
 - Tariffs increase range from: 0% to 18,6%
 - **Irrigation charges:-**
 - Operation and maintenance cost increases limited to 50% p.a. (capping)
 - Tariffs increase range from: 0% to 50%

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RAW WATER TARIFF CUSTOMER CONSULTATION

Overhead costs and O&M costs

- Overhead costs
 - ❖ Direct Overhead costs of Area Office:
 - Functional Support
 - Civil Maintenance
 - Mechanical & Electrical Maintenance
 - ❖ Indirect Overhead costs for Directors Office
 - ❖ Indirect Overhead costs for Head Office
NOT INCLUDED
- O & M budgets for schemes

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RAW WATER TARIFF CUSTOMER CONSULTATION

Allocation of components of charge between Water Use Sectors

Costs are divided between Sectors in Proportion to Assurance of Supply

Sector	% of sectoral allocation	Calculation of Sectoral allocation %
Irrigation	91%	(100%quota@70% + 70%quota@30% of the time)
Domestic, Industrial & Mining	97%	(100%quota@70% + 90%quota@30% of the time)
Strategic Industrial	100%	No water restrictions

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RAW WATER TARIFF CUSTOMER CONSULTATION

BUDGET AND EXPENDITURE

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**RAW WATER TARIFF CUSTOMER CONSULTATION
Budget and Expenditure for 2022/23**

Funds Center/Commitment Item	Budget	Expenditure	Available Amount	% Spend
FdsCtr/CommtItem	94,797,331	82,803,847	11,993,485	87%
130260 AREA MANAGER GROBLERSDAL	4,276,387	3,130,438	1,156,943	73%
130300 MAINTENANCE GROBLERSDALE	21,420,796	16,318,670	5,102,126	76%
130426 FINANCESADMIN SUPPORT	14,289,850	12,293,024	1,996,826	86%
130577 BRUGSPRUIT PURIFICAT	5,484,567	5,176,463	307,919	94%
130416 OPERATIONS MANAGER	600,482	533,059	70,200	88%
130301 KWENA DAM (20)	3,380,772	2,716,257	664,516	81%
130302 WITKLIP DAM (110)	2,184,063	1,538,023	646,040	71%
130303 INJANADAM (352)	3,510,281	2,853,390	656,891	81%
130304 KOMATI RIVER GWS (OR)		85,313	85,313	0%
130306 OHRIGSTAD DAM (RT)	2,616,627	788,196	1,828,427	30%
130307 BLYDERRIVERS-POORT DAM (8)	3,541,780	2,502,444	1,039,336	71%
130508 TOURS DAM (309)	408,871	201,050	207,821	52%
130309 KLASERIE RIVER DAM	1,200		1,200	0%
130311 MIDDLE OLIFANTS FLAG	4,290,031	3,777,168	512,863	88%
130312 DE HOOP DAM	5,127,168	4,064,276	1,062,892	79%
130313 BUFFELSKLOOF DAM (107)	2,631,293	1,704,895	896,208	65%
130314 TONTELDODS & VLUGKRA	3,324,346	2,008,359	1,290,027	60%
130316 BUFELSDORN/MOKOTSWAN		0,258	0,258	0%
130317 PIET GOUW DAM LEBOWA	93,698		93,698	0%
130327 G OUYARS DER BROEKEN	28,150		28,150	0%
130329 BRONGHORSTSPRUIT DAM (11)	1,449,088	615,949	833,140	43%
130330 LOSKOP DAM (68)	2,923,220	3,007,080	28,855	101%
130331 RUST DE WINTER DAM (28)	3,737,116	3,193,168	544,521	85%
130332 NKOMBO (RHEOCSTERKOP) (316)	1,056,374	688,064	407,310	65%
130419 CROCODILE SABIE AREA		36,715	36,715	0%
130420 BUSHBUCKRIDGE	746,932	384,862	361,070	52%
130422 LOWER OLIFANTS	468,588	266,220	212,318	57%
130500 ORWERF-20	6,457,181	13,042,123	6,584,942	202%
130418 UPPER OLIFANTS	618,633	1,49,685	79,348	24%

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RAW WATER TARIFF CUSTOMER CONSULTATION

**Approved Operational Budget and Expenditure
Summary For 2022/23 Financial Year**

Cost Elements	Plan Costs	Act. Costs	Var/ (Abs.)	Var. (%)
Compensation Of Employees	36,751,903	33,670,052	3,081,851	92%
Goods & Services	54,900,568	47,736,501	7,164,067	87%
Movable Assets	3,144,860	1,397,294	1,747,567	44%
Total	94,797,331	82,803,847	11,993,485	87%

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RAW WATER TARIFF CUSTOMER CONSULTATION

ECONOMIC CLASSIFICATION BUDGET 2024-25 FY % INCREASE/DECREASE

DETAILS	2023-24	2024-25	% Increase
COE	56,302,459	53,768,086	-4.50%
G & S	44,988,723	79,537,880	76.80%
ASSETS	3,066,877	3,220,221	5.00%
TOTAL	104,358,060	136,526,187	30.82%

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RAW WATER TARIFF CUSTOMER CONSULTATION

Reasons for the O&M budgets Increase

- The provision made for the vacant positions that have already been advertised
- CPI Adjustment on certain Goods & Services and Assets
- Anticipation of the continuous planned and unplanned maintenance on various schemes
- Mechanical/Electrical Term Contract appointed for the maintenance and refurbishment of the infrastructure.

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Staff Establishment

- Total Establishment = 254
- Current Establishment = 108
- Post filled in 2022/23 = 4
- Post in process of being filled this financial year = 36
- Post to be filled in 2024/25 = 35

OPERATIONS AND MAINTENANCE

RAW WATER TARIFF CUSTOMER CONSULTATION

Performance

OPEX PROJECTS COMPLETED FOR 2022/23 FINANCIAL YEAR

Maintenance Projects Completed for Q1	Maintenance Projects Completed for Q2	Maintenance Projects Completed for Q3	Maintenance Projects Completed for Q4
Repair of brush cutter at Injaka dam	Fixing a leaking pipe at Kwena dam	Groblersdal - Supply and deliver LED lights for various dam galleries	Groblersdal Area Office : Service and Maintenance of cameras and beams at Injaka dam
Repair of tractor at Injaka dam	Cleaning and lubrication of sleeve valves at Witklip	Groblersdal - Installation of submersible pump at Kwena Dam Gallery (Mech)	Groblersdal Area Office : Replacement of damaged gate valve at Tours dam
Repair of tractor at Witklip dam	Cleaning and lubrication of sleeve valves at Kwena dam	Groblersdal - installation of pump sleeve hood at Kwena Dam (Mech)	Groblersdal Area Office : Repair gear lever of the tractor at Witklip dam.
Repairing faulty pump stop valve at Blyderiverspoort Dam		Groblersdal- Repair of sieve hood and concrete work in Kwena Dam (Civil)	Groblersdal Area office : Repair of damaged pipe for submersible pump.at Blyde dam
Repairing of submersible pumps in Kwena Dam		Groblersdal - Fixing the raw water pipeline from the dam to reservoir in Kwena Dam	Groblersdal Area Office : repair and or Replacement of brush cutters

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RAW WATER TARIFF CUSTOMER CONSULTATION

Performance

PLANNED MAINTENANCE PROJECTS FOR 2023/24 FINANCIAL YEAR

Planned Maintenance Projects Completed for Q2	Planned Maintenance Projects Completed for Q3	Planned Maintenance Projects Completed for Q4
Crocodile River GWS (Kwena Dam)- Servicing of brush cutters and chain saw	Sand River GWS (Witklip Dam)-Annual Mechanical section routine maintenance (as per logbook)- Witklip Dam	Sand River GWS (Witklip Dam)-Servicing of a tractor and ride on lawn mower
Crocodile River GWS (Kwena Dam)- Servicing of tractor and TLB	Crocodile River GWS (Kwena Dam)-Repair and load test of crane	Sable River GWS (Inyaka Dam)-Servicing of brush cutters and chain saw
Sand River GWS (Witklip Dam)-Servicing of brush cutters and chain saw	Sand River GWS (Witklip Dam)-Repair of leaking pipes to the reservoir	Sable River GWS (Inyaka Dam)-Repair and load test of crane
Crocodile River GWS (Kwena Dam)-Repair of TLB	Sand River GWS (Witklip Dam)-Corrosion protection of hand rails	Crocodile River GWS (Kwena Dam)-Servicing of standby generator
Sable River GWS (Inyaka Dam)-Repair and service of hydraulic Systems.	Sand River GWS (Witklip Dam)-Manufacture & install security door on the left bank	Crocodile River GWS (Kwena Dam)-Installation of submersible pump
Sable River GWS (Inyaka Dam)-Servicing of brush cutters and chain saw	Sable River GWS (Inyaka Dam)- Repair and Servicing of a tractor	Sand River GWS (Witklip Dam)-Servicing of brush cutters and chain saw
Sand River GWS (Witklip Dam)-Servicing of a tractor and ride on lawn mower	Sand River GWS (Witklip Dam)-Supply and installation of 3KVA solar system for Witklip dam office	Tours Dam-Annual Electrical section routine maintenance (as per logbook)- Tours Dam
Sand River GWS (Witklip Dam)-Repair and service hydraulic Systems.	Sable River GWS (Inyaka Dam)-Supply and installation of 3KVA solar system for Inyaka dam office	Sable River GWS (Inyaka Dam)-Annual Electrical section routine maintenance (as per logbook)- Inyaka Dam
	Crocodile River GWS (Kwena Dam)-Annual Electrical section routine maintenance (as per logbook)- Kwena Dam	Sable River GWS (Inyaka Dam)-annual testing of earth leakage and socket outlet at Inyaka Dam houses and offices
	Sand River GWS (Witklip Dam)-Annual Electrical section routine maintenance (as per logbook)- Witklip Dam	

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RAW WATER TARIFF CUSTOMER CONSULTATION

Performance

2023/24 PLANNED CAPEX PROJECTS

Project	Implementing Agent
Witklip dam-Upgrade lighting system at Witklip dam	Term Contractor
Kwena dam-Upgrade lighting system at Kwena dam	Term Contractor

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RAW WATER TARIFF CUSTOMER CONSULTATION

2024/25 TARIFF PROPOSALS

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RAW WATER TARIFF CUSTOMER CONSULTATION

2024/25 Proposed D&I Tariffs

PROPOSED DOMESTIC & INDUSTRIAL - RAW WATER TARIFFS 2024/25 FY

Regional Office	Scheme ID	Scheme Description	SMP ID	SMP Description	Sector	APPROVED 2021/22 Charge (c/m ³)	APPROVED 2023/24 Charge (c/m ³)	O&M c/m ³	DEP c/m ³	ROA c/m ³	Proposed 2024/25 Charge (c/m ³)	Full Cost 2024/25 Charge (c/m ³)	% INCREASE
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	495	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO TVL SUGAR CORPORATION LIMITED	D&I	38,04	45,35	7,82	2,34	38,24	49,40	45,35	8,94%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	496	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO MUNICIPALITY OF MALELANE	D&I	38,04	45,35	7,82	2,34	38,24	49,40	45,35	8,94%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	497	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO LOCAL AREA COMMITTEE OF HEKTORESRUIT	D&I	38,04	45,35	7,82	2,34	38,24	49,40	45,35	8,94%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	498	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO FORMER KANGWANE GOVERNMENT SERVICES	D&I	38,04	45,35	7,82	2,34	38,24	49,40	45,35	8,94%
Mpumalanga	110	SAND RIVER (WITKLIJ DAM)	203	FROM THE DAM	D&I	98,72	98,72			105,05	105,05	105,05	8,74%
Mpumalanga	50	DRIEKOPPIES	161	RAW WATER FROM DAM	D&I	32,79	38,50	12,88	1,82	26,35	40,88	40,88	6,12%
Mpumalanga	50	DRIEKOPPIES	782	FROM THE DAM: COMMERCIAL USERS ON LOMATI	D&I	32,79	38,50	12,88	1,82	26,35	40,88	40,88	6,12%

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RAW WATER TARIFF CUSTOMER CONSULTATION

2024/25 Proposed Irrigation Tariffs

PROPOSED IRRIGATION - RAW WATER TARIFFS 2024/25 FY

Regional Office	Scheme ID	Scheme Description	SMP ID	SMP Description	Sector	APPROVED 2021/22 Charges (c/m ³)	APPROVED 2023/24 Charges (c/m ³)	O&M c/m ³	DEP c/m ³	Proposed 2024/25 Charges (c/m ³)	Full Cost 2024/25 Charges (c/m ³)	% INCREASE
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	57	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO OTHER CONSUMERS	IRR	6,82	8,17	7,82	1,20	9,02	49,40	10,47%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	496	RAW WATER FROM CROCODILE RIVER (KWENA DAM) UPSTREAM OF KROKODILPOORT	IRR	6,82	8,17	7,82	1,20	9,02	49,40	10,47%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	500	RAW WATER FROM CROCODILE RIVER (KWENA DAM) DOWNSTREAM OF KROKODILPOORT (INCLUDING KROKODILPOORT MALELANE CANALS)	IRR	6,82	8,17	7,82	1,20	9,02	49,40	10,47%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	501	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO DEPT OF AGRICULTURE	IRR	6,82	8,17	7,82	1,20	9,02	49,40	10,47%
Mpumalanga	110	SAND RIVER (WITKLIJ DAM)	206	FROM THE DAM	IRR	32,75	37,04	36,53	8,22	44,76	116,38	20,83%
Mpumalanga	110	SAND RIVER (WITKLIJ DAM)	506	FROM THE DAM: E.J. KAY	IRR	32,75	37,04	36,53	8,22	44,76	116,38	20,83%
Mpumalanga	110	SAND RIVER (WITKLIJ DAM)	507	FROM THE DAM: AVELON FARMS	IRR	32,75	37,04	36,53	8,22	44,76	116,38	20,83%
Mpumalanga	352	SABIE RIVER (BJAKA DAM)	756	RELEASES FROM THE DAM TO DOWNSTREAM RIVER USERS	IRR	10,45	11,44	10,25	2,69	13,14	67,69	14,78%
Mpumalanga	352	SABIE RIVER (BJAKA DAM)	757	SUPPLY DIRECTLY FROM THE DAM PUMP STATION	IRR	10,45	11,44	10,25	2,69	13,14	67,69	14,78%
Mpumalanga	309	TOURS DAM	540	FROM THE DAM	IRR	35,01	43,65	65,33	0,00	65,33	117,99	33,33%
Mpumalanga	50	KOMATI RIVER (DRIEKOPPIES DAM)	524	RAW WATER FROM DAM	IRR	10,04	12,49	12,88	1,82	14,51	40,88	16,17%
Mpumalanga	50	KOMATI RIVER (DRIEKOPPIES DAM)	782	FROM THE DAM: COMMERCIAL USERS ON LOMATI	IRR	10,04	12,49	12,88	1,82	14,51	40,88	16,17%
Mpumalanga	50	KOMATI RIVER (DRIEKOPPIES DAM)	783	FROM THE DAM: RESOURCE POOR FARMERS ON LOMATI	IRR	10,04	12,49	12,88	1,82	14,51	40,88	16,17%
Mpumalanga	50	KOMATI RIVER (DRIEKOPPIES DAM)	161	FROM THE DAM: COMMERCIAL USERS ON KOMATI	IRR	10,04	12,49	12,88	1,82	14,51	40,88	16,17%

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RAW WATER TARIFF CUSTOMER CONSULTATION

REVENUE PERFORMANCE FOR 2022/23

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RAW WATER TARIFF CUSTOMER CONSULTATION

Billing Management 2022/23

Projections	R 115 600 121
Billing	R 115 685 769
Difference	R 85 648

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RAW WATER TARIFF CUSTOMER CONSULTATION

Revenue Collection 2022/23

Region	April 2021 - March 2022	April 2022 - March 2023	Difference
Mpumalanga	R 120 730 992	R 139 918 481	R 19 187 489

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RAW WATER TARIFF CUSTOMER CONSULTATION

**Hall of Fame/ Major Contributors (Million) for 2022/23
Deserve a Round of Applause**

WATERVALS RIVER IRRIGATION BOARD

BOOYSENDAL PLATINUM PTY LTD

LEBALELO WATER USER ASSOCIATION

HEREFORD IRRIGATION BOARD

LOSKOP IRRIGATION BOARD

LOWER BYDE WATER USER ASSOCIATION

KOMATI RIVER IRRIGATION BOARD

EMALAHLENI MUNICIPALITY

LEPELLE NORTHERN WATER

OTHER WATER USERS BELOW R1M

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RAW WATER TARIFF CUSTOMER CONSULTATION

Hall of Shame/Total Outstanding Debt as at 31 March 2023 (Pleading for Payments to Reduce Outstanding Debt)

Sector	Amount
Municipalities	R 250 383 913
Company	R 411 075 505
Water boards	R 217 825 751
Farmers/ Individuals	R 101 478 491
Government Departments	R 43 459 129
Irrigation Boards	R 292 427 093
Total Outstanding	R 1 316 649 882

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RAW WATER TARIFF CUSTOMER CONSULTATION

Customer Relations

- AMBITION TO RESOLVE ALL QUERIES
- CUSTOMER VISIT
- REPAYMENT PLAN AND INCENTIVES
- LITIGATION
- IMPLEMENTATION OF SECTION 59 OF NWA (RESTRICTION OF WATER)

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RAW WATER TARIFF CUSTOMER CONSULTATION

COMMENTS CAN BE SENT TO:

NAME	E-MAIL ADDRESS	TELEPHONE NUMBER
Mr. Siphon Ngobe	NgobeS@dws.gov.za	082 320 7249
Ms. Siphesihle Ngcobo	NgcoboS@dws.gov.za	082 382 2801

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THE END/THANK YOU

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WASTE DISCHARGE CHARGE SYSTEM OVERVIEW

Presented by: Dikeledi Baloyi
Directorate: Water Resource Regulation
Date: 24 July 2023

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water & sanitation
Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA



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WASTE DISCHARGE CHARGE SYSTEM PRESENTATION OUTLINE

1. Introduction
2. Methodology
3. Legislative Mandate
4. Charges
5. Calculation of charges
6. Benefits to the user

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WASTE DISCHARGE CHARGE SYSTEM

INTRODUCTION (1)

WDCS: Framework for charging for the discharge of waste into water resources.

- Developed around the *"Polluter Pays Principle" (PPP)* and Adoption of economic instruments with the aim to;
 - Promotes sustainable development and efficient use of water resources,
 - Promote the internalization of environmental costs by polluters,
 - Use water resources in a more optimal way and to recover costs associated with mitigating WQ impacts of waste discharge

3

WASTE DISCHARGE CHARGE SYSTEM

INTRODUCTION (2)

WDCS is an economic measure

- Improve water quality,
- Achieve water quality objectives.
- Through waste load reduction.
- Reduction either at source or in the resource.

There are five categories of charges in the Pricing Strategy, two of which apply to waste discharge:

1. Water Resource Management Charge for waste related water use and the
2. Waste Mitigation Charge.

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WASTE DISCHARGE CHARGE SYSTEM

INTRODUCTION (3)

Water Resources Management Charge funds the water resource management activities related to the protection, allocation, conservation, management, and control of all the nation's water resources.

- Payment for the day-to-day management of water resources such as the authorisation of waste discharge activities etc.

Waste Mitigation Charge aims to finance strategic interventions to address specific issues targeted in threatened areas to mitigate pollution.

- Instrument for recovering costs of mitigation in the resource

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WASTE DISCHARGE CHARGE SYSTEM

LEGISLATIVE MANDATE (NWA)

- Section 56 (2) (a) (iv) of NWA-The Pricing Strategy may contain a strategy for setting water use charges:
- Water resources protection, including the discharge of waste and the protection of the Reserve.
- Section 56 (5) -The Pricing Strategy may provide for differential rate for waste discharges
- Section 56 (6)-In setting the Pricing Strategy for water use charges the Minister must consider the class and Resource Quality Objectives (RQOs)
- Section 57 (1) (a) (i) Water use charges may be made within a specific WMA
- Charges made within a specific WMA may be made by and are payable to the relevant WMI [section 57(2)].

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WASTE DISCHARGE CHARGE SYSTEM

CHARGES

Aspects	Water Resource Management Charge (waste related activities)	Mitigation Charge
Calculation of Tariff	Volume Based	Load based (Volume & Concentration)
Area	WMA based	Catchment based
Finances:	Day to day management requirements	A specific mitigation measure required
Water Uses	21 (e), (f), (g), (h)	
Implementation date	2023/24 – Priority catchments 2024/25 – Country wide	2025/26 – Catchments were is needed

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WASTE DISCHARGE CHARGE SYSTEM

SECTION 21 WASTE RELATED WATER USES

- *Section 21 (e): engaging in a controlled activity.*
- *Section 21 (f): discharging waste or water containing waste into a water resource.*
- *Section 21 (g): disposing of waste in a manner which may detrimentally impact on a water resource.*
- *Section 21 (h): disposing of water which contains waste from, or which has been heated in, any industrial or power generation process.*

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WASTE DISCHARGE CHARGE
SYSTEM

WATER RESOURCES MANAGEMENT CHARGE

- User charge established in terms of the Pricing Strategy.
- Follows the same principles for WRM Charge for abstraction
 - Unit Cost/Tariff = $\frac{\text{Cost of Operation / Budget (WMA)}}{\text{Total Discharge Volume WMA}}$

WASTE DISCHARGE CHARGE
SYSTEM

WASTE MITIGATION CHARGE

- User charge that will be established in terms of Pricing Strategy under the Act.
 - Dischargers only pay according to proportional contribution to the problem.
 - May influence users to reduce discharge loads.
 - The WDCS Formula will be used to calculate the Waste Mitigation Charge.
 - i.e Removal of Phosphates in the downstream dam

WASTE DISCHARGE CHARGE SYSTEM

WASTE MITIGATION CHARGE

Box 1: Mitigation Charge Rate Formula

$$CM_{xjk} = RM_{xjy} \cdot [(Cd_{jk} \cdot V_{dk}) - (Ca_{jk} \cdot V_{ak})]$$

CM_{xjk} = Waste Mitigation Charge for discharger k, mitigation measure x and water quality variable j

RM_{xjy} = constant charge rate for mitigation measure x and variable j for a period y

Cd_{jk} = discharge concentration of variable j (registered) from discharger k

Ca_{jk} = abstraction concentration of variable j (registered) for discharger k

V_{dk} = discharge volume (registered) from discharger k

V_{ak} = abstraction volume (registered) for discharger k

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WASTE DISCHARGE CHARGE SYSTEM

BENEFITS TO THE USER

- All water users will pay for Management of water resources
- Since we all live downstream of a water user-the water management must control the impacts on others within the catchment
- Improve water quality in the water resources.

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