

IMPACT OF WATER TARIFF ON JOBURG RESIDENTS

A "tariff" means a service charge that the City charges for the use of services it renders such as water and electricity. The prices of these services should be affordable to the people who use the services, and to the City itself.

The more electricity or water the consumer uses in a month, the more expensive it is per unit. Other City's tariffs are also called "rates". The consumer's municipal bill usually includes a monthly property rate based on the municipal value of the consumer's house again, the more consumer's house is worth, the more you will pay in rates.

Important: It must be noted that the City has introduced a step tariff for electricity and water services, which implies that the more electricity or water the consumer uses, the more they will pay, with a view to reduce electricity consumption and benefiting lower consumption users.

A tariff structure is a set of rules and procedures that determines how we charge different categories of consumers. In this example we show the practical calculations and impact for two households who consume different kiloliters of water over the City's two financial year periods.

The following shows the calculation of the step tariff on water consumption for a single dwelling (i.e. using 19 kiloliters and 32 kiloliters as the total consumption of water in a month for two households.)

The City of Johannesburg Municipality charges the following tariffs for domestic water usage in 2017 - 2018 (From 1st July 2017 – June 2018 financial year) to 2018/19 (From 1st July 2018 – June 2019 financial year).

Domestic Water Tariffs – Metered Areas

Financial year 2017- 2018

Financial year 2018- 2019

| Kilolitres per connection per month | 2017/2018 tariff (R/kl) Price per kilolitre, excluding VAT | Kilolitres per connection per month | 2018/2019 tariff (R/kl) Price per kilolitre, excluding VAT | Percentage increase |
|-------------------------------------|---|-------------------------------------|---|---------------------|
| 0 kl to 6 kl | R7.14 | 0 kl to 6 kl | R8.28 | 15.9% |
| From 6 kl to 10 kl | R7.58 | From 6 kl to 10 kl | R8.79 | 15.9% |
| From 10 kl to 15 kl | R13.17 | From 10 kl to 15 kl | R15.00 | 13.9% |
| From 15 kl to 20 kl | R19.63 | From 15 kl to 20 kl | R21.83 | 11.2% |
| From 20 kl to 30 kl | R26.96 | From 20 kl to 30 kl | R29.98 | 11.2% |
| From 30 kl to 40 kl | R29.22 | From 30 kl to 40 kl | R33.22 | 13.7% |
| From 40 kl to 50 kl | R37.11 | From 40 kl to 50 kl | R42.42 | 14.3% |
| More than 50 kl | R38.72 | More than 50 kl | R45.19 | 16.7% |

CALCULATIONS OF CUSTOMER'S CONSUMPTION

Calculations of customer's consumption cost for the financial year 2017- 2018

1. **Zweli** monthly water consumption is 19 kl. Let's calculate his monthly water costs, excluding VAT.

Answer:

1. To calculate **Zweli's** total water costs, we break up his usage into the different tariff categories:
In the 0 kl - 6 kl category, he used 6 kl of water, the first kilolitres of water is no more free.

In the 0 kl - 6 kl category, he used 6 kl of water
In the 6 kl - 10 kl category, he used 4 kl of water
In the 10 kl - 15 kl category, he used 5 kl of water
In the 15 kl - 20 kl category, he used 4 kl of water

Now we calculate how much the number of kilolitres used in each category cost:

6kl x R7.14 = R42.84
4 kl x R7.58 = R30.32
5 kl x R13.17 = R65.85
4 kl x R19.63 = R78.52

Next we add these four subtotals together:

R42.84+ R 30.32 + R60.35 + R70.60 = R 217.53
So his water usage for the month would cost R 217.53, Demand Management Levy of R20.00
Total cost for **Zweli** in 2017/2018 = R217.53 + R20.00 + (14% Vat) R33.25 = **R270.78**

Calculations of customer's consumption cost for the financial year 2018- 2019

1. **Zweli** monthly water consumption is 19 kl. Let's calculate his monthly water costs, excluding VAT.

Answer:

1. To calculate **Zweli's** total water costs, we break up his usage into the different tariff categories:
In the 0 kl - 6 kl category, he used 6 kl of water, the first kilolitres of water is no more free.

In the 0 kl - 6 kl category, he used 6 kl of water
In the 6 kl - 10 kl category, he used 4 kl of water
In the 10 kl - 15 kl category, he used 5 kl of water
In the 15 kl - 20 kl category, he used 4 kl of water

Now we calculate how much the number of kilolitres used in each category cost:

6kl x R8.28 = R49.68
4 kl x R8.79 = R35.16
5 kl x R15.00 = R75.00
4 kl x R21.83 = R87.32

Next we add these four subtotals together:
R49.68+ R 35.16 + R75.00 + R87.32 = R 247.16
So his water usage for the month would cost R 247.16, Demand Management Levy of R22.64 + VAT@15% (R40.47)
Total cost for **Zweli** in 2018/2019 = R247.16 + R22.64 + R40.47 = **R310.27**

| Kilolitres per connection per month | 2017/2018 tariff (R/kl) Price per kilolitre, excluding VAT | Consumption of 19 Kilolitres of water | Calculation Cost Per Rand | Kilolitres per connection per month | 2018/2019 tariff (R/kl) Price per kilolitre, excluding VAT | Consumption of 19 Kilolitres of water | Calculation Cost Per Rand | % increase |
|-------------------------------------|---|---------------------------------------|---------------------------|-------------------------------------|---|---------------------------------------|---------------------------|------------|
| 0 kl to 6 kl | R7.14 | 6 | 42.84 | 0 kl to 6 kl | R8.28 | 6 | 49.68 | 15.9% |
| From 6 kl to 10 kl | R7.58 | 4 | 30.32 | From 6 kl to 10 kl | R7.79 | 4 | 35.16 | 15.9% |
| From 10 kl to 15 kl | R13.17 | 5 | 65.85 | From 10 kl to 15 kl | R15.00 | 5 | 75.00 | 13.9% |
| From 15 kl to 20 kl | R19.63 | 4 | 78.52 | From 15 kl to 20 kl | R21.83 | 4 | 87.32 | 11.2% |
| From 20 kl to 30 kl | R26.96 | 0 | 0 | From 20 kl to 30 kl | R26.22 | 0 | 0 | 11.2% |
| From 30 kl to 40 kl | R29.22 | 0 | 0 | From 30 kl to 40 kl | R29.22 | 0 | 0 | 13.7% |
| From 40 kl to 50 kl | R37.11 | 0 | 0 | From 40 kl to 50 kl | R37.11 | 0 | 0 | 14.3% |
| More than 50 kl | R38.72 | 0 | 0 | More than 50 kl | R38.72 | 0 | 0 | 16.7% |
| Total Cost on Kilolitres | | | R217.53 | | | | R247.16 | |
| Water Demand Management | | | R20.00 | Water Demand Management | R22.64 per month | | R22.64 | |
| Sub Total Cost | | | R237.53 | | | | R269.80 | |
| VAT | @14% | | R33.25 | | | | R40.47 | |
| Total Cost | | | R270.78 | | | | R310.27 | |

CALCULATIONS OF CUSTOMER'S CONSUMPTION

Calculations of customer's consumption cost for the financial year 2017- 2018

1. **Patricia's** monthly water consumption is 32 kl. Let's calculate her monthly water costs, excluding VAT.

Answer:

1. To calculate **Patricia's** total water costs, we break up her usage into the different tariff categories:

In the 0 kl - 6 kl category, she used 6 kl of water
 In the 6 kl - 10 kl category, she used 4 kl of water
 In the 10 kl - 15 kl category, she used 5 kl of water
 In the 15 kl - 20 kl category, she used 5 kl of water
 In the 20 kl - 30 kl category, she used 10 kl of water
 In the 30 kl - 40 kl category, she used 2 kl of water

Now we calculate how much the number of kilolitres used in each category cost:

6kl x R7.14 = R42.84
 4 kl x R7.58 = R30.32
 5 kl x R13.17 = R65.85
 5 kl x R19.63 = R98.15
 10kl x R26.96 = R269.60
 2kl x R29.22 = R58.44

Next we add these six subtotals together:

R42.84 + R30.32 + R65.85 + R98.15 + R269.60 + R58.44 = R565.20. So her water usage for the month would cost R565.20, excluding VAT
 So her water usage for the month would cost R565.20 including VAT@14 (R81.93)+ Demand Management Levy of R20.00
 Total cost for **Patricia** in 2017/2018 = R565.20 + R20.00 + R81.93 = **R667.13**

Calculations of customer's consumption cost for the financial year 2018- 2019

1. **Patricia's** monthly water consumption is 32 kl. Let's calculate her monthly water costs, excluding VAT.

Answer:

1. To calculate **Patricia's** total water costs, we break up her usage into the different tariff categories:

In the 0 kl - 6 kl category, she used 6 kl of water
 In the 6 kl - 10 kl category, she used 4 kl of water
 In the 10 kl - 15 kl category, she used 5 kl of water
 In the 15 kl - 20 kl category, she used 5 kl of water
 In the 20 kl - 30 kl category, she used 10 kl of water
 In the 30 kl - 40 kl category, she used 2 kl of water

Now we calculate how much the number of kilolitres used in each category cost:

6kl x R8.28 = R49.68
 4 kl x R8.79 = R35.16
 5 kl x R15.00 = R75.00
 5 kl x R21.83 = R109.15
 10kl x R29.98 = R299.80
 2kl x R33.22 = R66.44

Next we add these six subtotals together:

R49.68+ R35.16+ R75.00+ R109.15+ R299.80+ R66.44 = R635.23. So her water usage for the month would cost R645.23, excluding VAT
 So her water usage for the month would cost R635.23 including VAT@15 (R98.68) + Demand Management Levy of R22.64
 Total cost for **Patricia** in 2018/2019 = R635.23 + R22.64 + R98.68 = **R756.55**

| Kilolitres per connection per month | 2017/2018 tariff (R/kl) Price per kilolitre, excluding VAT | Consumption of 32 Kilolitres of water | Calculation Cost in Rands | Kilolitres per connection per month | 2018/2019 tariff (R/kl) Price per kilolitre, excluding VAT | Consumption of 32 Kilolitres of water | Calculation Cost in Rands | % increase |
|-------------------------------------|---|---------------------------------------|---------------------------|-------------------------------------|---|---------------------------------------|---------------------------|------------|
| 0 kl to 6 kl | R 7.14 | 6 | R42.84 | 0 kl to 6 kl | R8.28 | 6 | R49.68 | new tariff |
| From 6 kl to 10 kl | R 7.58 | 4 | R30.32 | From 6 kl to 10 kl | R8.79 | 4 | R35.16 | 6.2% |
| From 10 kl to 15 kl | R 13.17 | 5 | R65.85 | From 10 kl to 15 kl | R15.00 | 5 | R75.00 | 9.1% |
| From 15 kl to 20 kl | R 19.63 | 5 | R98.15 | From 15 kl to 20 kl | R21.83 | 5 | R109.15 | 11.2% |
| From 20 kl to 30 kl | R 26.96 | 10 | R269.60 | From 20 kl to 30 kl | R29.98 | 10 | R299.80 | 12.2% |
| From 30 kl to 40 kl | R 29.22 | 2 | R58.44 | From 30 kl to 40 kl | R33.22 | 2 | R66.44 | 13.2% |
| From 40 kl to 50 kl | R 37.11 | 0 | 0 | From 40 kl to 50 kl | R37.11 | 0 | 0 | 18.0% |
| More than 50 kl | R 38.72 | 0 | 0 | More than 50 kl | R42.42 | 0 | 0 | 20.0% |
| Total Cost on Kilolitres | | | R565.20 | | | | R635.23 | |
| Water Demand Management | | | R20 | Water Demand Management | R22.64 per month | | R22.64 | |
| Sub TotalCost | | | R585.20 | | | | R657.87 | |
| VAT | @14% | | R81.93 | | | | R98.68 | |
| Total Cost | | | R667.13 | | | | R756.55 | |

BUSINESS WATER TARIFFS

INSTITUTIONAL WATER TARIFFS

| Kilolitres per connection per month | 2017/2018 Tariff (R/kl) | % Increase | 2018/2019 Tariff (R/kl) |
|-------------------------------------|-------------------------|------------|-------------------------|
| Consumption up to 200kl | 23.92 | 20.00% | 28.70 |
| Consumption exceeding to 200kl | 25.86 | 20.00% | 31.03 |

INDUSTRIAL/COMMERCIAL WATER TARIFFS

| Kilolitres per connection per month | 2017/2018 Tariff (R/kl) | % Increase | 2018/2019 Tariff (R/kl) |
|-------------------------------------|-------------------------|------------|-------------------------|
| Consumption up to 200kl | 33.91 | 13.2% | 38.39 |
| Consumption exceeding to 200kl | 35.77 | 13.2% | 40.49 |

INDUSTRIAL/COMMERCIAL WATER TARIFFS (PRE-PAID)

| Kilolitres per connection per month | 2017/2018 Tariff (R/kl) | % Increase | 2018/2019 Tariff (R/kl) |
|-------------------------------------|-------------------------|------------|-------------------------|
| Consumption up to 200kl | 33.91 | 13.2% | 38.39 |
| Consumption exceeding to 200kl | 35.77 | 13.2% | 40.49 |

WATER TARIFFS FOR INDIGENTS AS PART OF THE EXPANDED SOCIAL PACKAGE

| Indigent Category | Score on Prevailing CoJ Poverty Index | Allocation of additional free water per person per day (litres) | Monthly allocation cap of free water per household in which at least 50% of registered social package recipients qualify for the band in question (Kilo-litres) |
|-------------------|---------------------------------------|---|---|
| Band 1 | 1-34 | 25l. | 10kl. |
| Band 2 | 35-70 | 35l. | 12kl. |
| Band 3 | 71-100 | 50l. | 15kl |



- Band 1** refers to individuals / households within the vulnerability range defined by the approved CoJ Poverty index of the expanded social package policy.
- Band 2** refers to individuals/ households with some formal income that nonetheless falls below the survival range threshold set by the approved CoJ Poverty index of the expanded social package policy.
- Band 3** refers to individuals/ households with no formal income from either grants or employment, or incomes below the individual survival level as set by CoJ Expanded Social Package policy.