

# IMPACT OF WATER TARIFF INCREASE ON JOBURG RESIDENTS

2019/2020

Effective 1 July 2019 - 30 June 2020

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 charged the following tariffs for domestic water usage in the year 2018/2019 (From 1 July 2018 - 30 June 2019). The current financial year 2019/2020 (From 1 July 2019 - 30 June 2020) the following tariffs will apply:

## Domestic Water Tariffs – Metered Areas

Kilolitres per connection per month	2018/2019 tariff (R/kl) Price per kilolitre, excluding VAT	Kilolitres per connection per month	2019/2020 tariff (R/kl) Price per kilolitre, excluding VAT	Percentage increase
0 kl to 6 kl	R8.28	0 kl to 6 kl	R 9.10	9.9%
From 6 kl to 10 kl	R8.79	From 6 kl to 10 kl	R 9.66	9.9%
From 10 kl to 15 kl	R15.00	From 10 kl to 15 kl	R 16.49	9.9%
From 15 kl to 20 kl	R21.83	From 15 kl to 20 kl	R 23.99	9.9%
From 20 kl to 30 kl	R29.98	From 20 kl to 30 kl	R 32.95	9.9%
From 30 kl to 40 kl	R33.22	From 30 kl to 40 kl	R 36.51	9.9%
From 40 kl to 50 kl	R42.42	From 40 kl to 50 kl	R 46.62	9.9%
More than 50 kl	R45.19	More than 50 kl	R 49.66	9.9%

## CALCULATIONS OF CUSTOMER'S CONSUMPTION

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

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

**Answer:**

1. To calculate **Funzi'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.

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:**

6 kl 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 + R35.16 + R75.00 + R87.32 = R247.16  
So his water usage for the month would cost R247.16 plus Demand Management Levy of R22.64 which is equal to R269.80 + VAT@ 14% (R37.77)  
Total cost for **Funzi** in 2018/2019 = R247.16 + R22.64 + R37.77 = **R307.57**

Calculations of customer's consumption cost for the financial year 2019 - 2020

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

**Answer:**

1. To calculate **Funzi'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.

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:**

6 kl x R9.10 = R54.60  
4 kl x R9.66 = R38.64  
5 kl x R16.49 = R82.45  
4 kl x R23.99 = R95.96

Next we add these four subtotals together:

R54.60 + R38.64 + R82.45 + R95.96 = R271.65  
So his water usage for the month would cost R271.65 plus Demand Management Levy of R24.88 which is equal to R296.53 + VAT@ 15% (R44.48)  
Total cost for **Funzi** in 2019/2020 = R271.65 + R24.88 + R44.48 = **R341.01**.

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	Kilolitres per connection per month	2019/2020 tariff (R/kl) Price per kilolitre, excluding VAT	Consumption of 19 Kilolitres of water	Calculation Cost Per Rand	Percentage increase
0 kl to 6 kl	R8.28	6	R49.68	0 kl to 6 kl	R9.10	6	R54.60	9.9%
From 6 kl to 10 kl	R8.79	4	R35.16	From 6 kl to 10 kl	R9.66	4	R38.64	9.9%
From 10 kl to 15 kl	R15.00	5	R75.00	From 10 kl to 15 kl	R 16.49	5	R82.45	9.9%
From 15 kl to 20 kl	R21.83	4	R87.32	From 15 kl to 20 kl	R 23.99	4	R95.96	9.9%
From 20 kl to 30 kl	R29.98	0	R0	From 20 kl to 30 kl	R 32.95	0	0	9.9%
From 30 kl to 40 kl	R33.22	0	R0	From 30 kl to 40 kl	R 36.51	0	0	9.9%
From 40 kl to 50 kl	R42.42	0	R0	From 40 kl to 50 kl	R 46.62	0	0	9.9%
More than 50 kl	R45.19	0	R0	More than 50 kl	R 49.66	0	0	9.9%
<b>Total Cost on Kilolitres</b>			<b>R247.16</b>				<b>R271.65</b>	
Water Demand Management	R22.64 p/m		R22.64	Water Demand Management			R24.88	
<b>Sub Total Cost</b>			<b>R269.80</b>				<b>R296.53</b>	
VAT	@14%		R37.77	@15%			R44.48	
<b>Total Cost</b>			<b>R307.57</b>				<b>R341.01</b>	

# CALCULATIONS OF CUSTOMER'S CONSUMPTION

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

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

### Answer:

1. To calculate **Thuli'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:

6 kl 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  
 10 kl 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 R635.23 plus Demand Management Levy of R22.64 which is equal to R657.87 + VAT 14% (92.10)  
 Total cost for Thuli in 2018/2019 = R635.23 + R22.64+ R92.10 = **R749.97**

## Calculations of customer's consumption cost for the financial year 2019 - 2020

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

### Answer:

1. To calculate **Thuli'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:

6 kl x R9.10 = R54.60  
 4 kl x R9.66 = R38.64  
 5 kl x R16.49 = R82.45  
 5 kl x R23.99 = R119.95  
 10 kl x R32.96= R329.50  
 2kl x R36.51 = R73.02

Next we add these six subtotals together:

R54.60+ R38.64+ R82.45+ R119.95+ R329.50+ R73.02 = R698.16. So her water usage for the month would cost R698.16 plus Demand Management Levy of R24.88 which is equal to R723.04 + VAT 15% (108.46)  
 Total cost for Thuli in 2019/2020 = R698.16 + R24.88 + R108.46 = **R831.50**

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	Kilolitres per connection per month	2019/2020 tariff( R/kl) Price per kilolitre, excluding VAT	Consumption of 32 Kilolitres of water	Calculation Cost in Rands	% increase
0 kl to 6 kl	R8.28	6	R49.68	0 kl to 6 kl	R9.10	6	R54.60	9.9%
From 6 kl to 10 kl	R8.79	4	R35.16	From 6 kl to 10 kl	R9.66	4	R38.64	9.9%
From 10 kl to 15 kl	R15.00	5	R75.00	From 10 kl to 15 kl	R16.49	5	R82.45	9.9%
From 15 kl to 20 kl	R21.83	5	R109.15	From 15 kl to 20 kl	R23.99	5	R119.95	9.9%
From 20 kl to 30 kl	R29.98	10	R299.80	From 20 kl to 30 kl	R32.95	10	R329.50	9.9%
From 30 kl to 40 kl	R33.22	2	R66.44	From 30 kl to 40 kl	R36.51	2	R73.02	9.9%
From 40 kl to 50 kl	R37.11	0	0	From 40 kl to 50 kl	R46.62	0	0	9.9%
More than 50 kl	R42.42	0	0	More than 50 kl	R49.66	0	0	9.9%
<b>Total Cost on Kilolitres</b>			<b>R635.23</b>				<b>R698.16</b>	
Water Demand Management	R22.64 p/m		R22.64	Water Demand Management			R24.88	
<b>Sub TotalCost</b>			<b>R657.87</b>				<b>R723.04</b>	
VAT	@14%		R92.10	@15%			R108.46	
<b>Total Cost</b>			<b>R749.97</b>				<b>R831.50</b>	

# BUSINESS WATER TARIFFS

## INSTITUTIONAL WATER TARIFFS

Kilolitres per connection per month	2018/2019 Tariff (R/kl)	% Increase	2019/2020 Tariff (R/kl)
Consumption up to 200kl	R28.70	12%	R32.14
Consumption exceeding to 200kl	R31.03	15%	R35.68

## INDUSTRIAL/COMMERCIAL WATER TARIFFS

Kilolitres per connection per month	2018/2019 Tariff (R/kl)	% Increase	2019/2020 Tariff (R/kl)
Consumption up to 200kl	R38.39	9.9%	R42.19
Consumption exceeding to 200kl	R40.49	9.9%	R44.50

## INDUSTRIAL/COMMERCIAL WATER TARIFFS (PRE-PAID)

Kilolitres per connection per month	2018/2019 Tariff (R/kl)	% Increase	2019/2020 Tariff (R/kl)
Consumption up to 200kl	R38.39	9.9%	R42.19
Consumption exceeding to 200kl	R40.49	9.9%	R44.50

# SANITATION TARIFF: SEWERAGE

## SANITATION TARIFFS: Block of flats and Multiple dwelling

Descriptions	Sewerage per unit
Sewerage basic price-Block of flat	R250.00
Sewerage consumption price-Block flat per Kl	R25.08/Kl
Sewerage basic price- Multiple dwelling	R416.47
Sewerage consumption price- Multiple Dwelling per Kl	R31.54

# 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)
<b>Band 1</b>	1-34	25l.	10kl.
<b>Band 2</b>	35-70	35l.	12kl.
<b>Band 3</b>	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.