



BREED-GOURITZ
CATCHMENT MANAGEMENT AGENCY

RAW WATER SERVICES CHARGES 2021/22 FINANCIAL YEAR

Presentation to Stakeholders

June 2020

2021/22 TARIFF STRUCTURE OUTLINE OF PRESENTATION

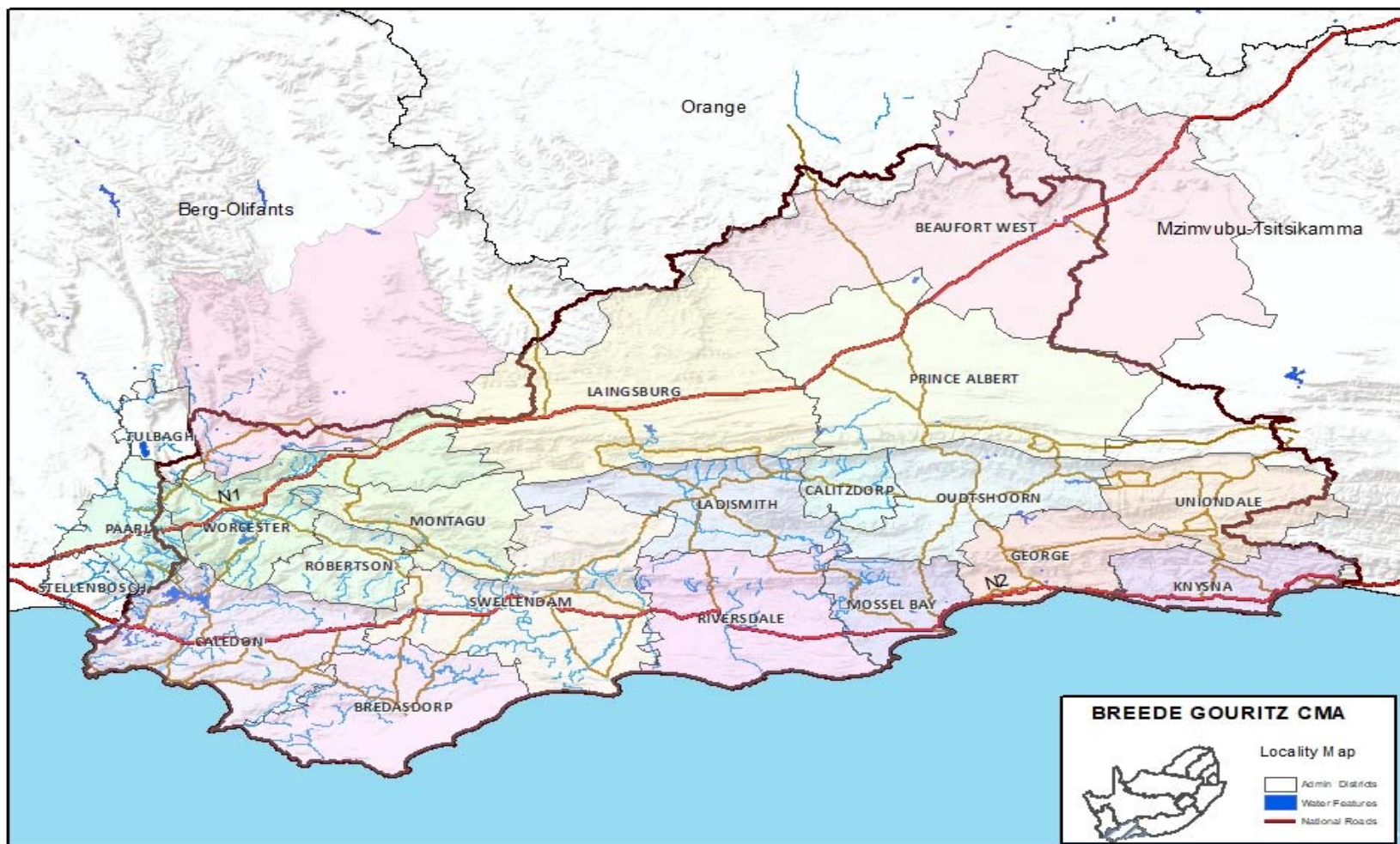
- Introduction
- Operational area
- Operational Capacity
- Strategic Priorities
- Staff compliment
- Tariff Process
- Budget 2021/22
- Proposed Tariffs
- Conclusion

2021/22 TARIFF STRUCTURE

INTRODUCTION

- The purpose of the meeting is to consult with stakeholders on the proposed Water Resource Management Charges for the 2021/22 financial year as per s(57)(1)(a)(i) and (2) of the National Water Act.
- The Breede-Gouritz Catchment Management Agency (BGCMA), established in terms of Section 78 of the National Water Act 36 of 1998 (NWA), performs water resource management in the Breede-Gouritz Water Management Area (WMA) as contemplated in the National Water Act.

BGCMA WATER MANAGEMENT AREA OF OPERATION



OPERATIONAL CAPACITY

The BGCMA has the following inherited functions in terms of section 80 of the National Water Act:

- Investigate and advise interested persons on water resource management
- Compilation of the Catchment Management Strategy
- Co-ordinate related activities of water users and WMIs
- Promote co-ordination of implementation of any applicable development plan
- Promote community participation in water resource management

STRATEGIC PRIORITIES

The BGCMA has 7 Programmes that support the Strategic outcomes of the BGCMA:

- Water resources planning
- Water use management
- Institutional and Stakeholder relations
- Water allocation reform
- Resource protection
- Strategic support, which includes finance, human resources and administration
- Management & governance

STAFF COMPLIMENT

- Senior Management: 2
- Professional Qualified: 62
- Semi-Skilled: 1
- Total staff compliment: 65

TARIFF PROCESS

BUDGET PLANNING PROCESSES :

- Aligned to National Treasury regulations – MTEF/ENE
- Cost of activities are based on zero based budgeting and economic fundamentals (such as CPI, PPI etc.)

PRICE SETTING PROCESS.

- Considers demand, registered volumes, yield volumes, assurance, prior years tariff capping and budgeted costs
- Consultation process

Sector Consultation - 07th August 2020

National Consultation – 20TH August 2020

- Approval by Minister of Water and Sanitation in consultation with the Minister of Finance.

ESTIMATED EXPENDITURE PRE-ECONOMIC CLASSIFICATION

BREEDE GOURITZ CATCHMENT MANAGEMENT AGENCY						
ECONOMIC CLASSIFICATION	UNAUDITED BUDGET	ACTUAL EXPENDITURE	CURRENT BUDGET	BUDGET INCREASE (comparison)	MEDIUM TERM EXPENDITURE ESTIMATES	MEDIUM TERM EXPENDITURE ESTIMATES
	2019/20	2019/20	2020/21	%	2021/22	2022/23
EMPLOYEE RELATED COST	41 838 909	43 886 211	44 218 337	15.81%	51 212 393	54 080 287
GOODS AND SERVICES	23 085 354	19 038 181	21 876 956	5.60%	23 102 066	24 395 781
REPAIRS AND MAINTENANCE	43 084	0	53 239	5.60%	56 220	59 369
CAPITAL OUTLAY	1 553 014	1 917 457	1 100 000	5.60%	1 161 600	1 226 650
BOARD RELATED COSTS	979 639	726 672	850 000	5.60%	897 600	947 866
TOTAL BUDGET	67 500 000	65 568 520	68 098 532	12.23%	76 429 879	80 709 952

BREDE GOURITZ CATCHMENT MANAGEMENT AGENCY

SOURCES OF FUNDING

OPERATIONAL ACTIVITIES	UNAUDITED FIGURES	CURRENT BUDGET	INCREASE	MEDIUM TERM EXPENDITURE ESTIMATES	
	2019/20	2020/21	%	2021/22	2022/23
AUGMENTATION – GRANT	36 848 000	29 857 620	10,52	32 997 185	33 334 485
WATER RESOURCE CHARGES - BGCMA (WMA)	22 651 200	29 408 532	14,16	33 573 239	35 565 340
AUGMENTATION - (Water transferred to the Berg-Olifants Water Management Area).	8 000 000	8 832 380	11,63	9 859 455	11 810 127
TOTAL SOURCE OF FUNDING	67 500 000	68 098 532	12,23	76 429 879	80 709 952

REASONS FOR BUDGET INCREASE

- EMPLOYEE COSTS
 - Provision is being made for the appointment of a permanent CEO and the employment of additional staff in both the areas.
- GOODS AND SERVICES
 - The BGCMA is moving to new premises late in 2020.
 - This has an effect of increases in Rent, Moving costs, IT expenses for cabling and installation of servers.
 - An increase in Projects and Public participation projects are planned.
- CAPITAL EXPENDITURE
 - As a result of the move to new premises, expenditure on furniture, IT equipment and Office equipment is planned.

WATER RESOURCE PLANNING PROJECTS INCLUDED IN GOODS AND SERVICES


- River Rehabilitation project (Removal of invasive alien clearing) R2 281 536
- Rain Water Harvesting Tanks R2 000 000 (285 Water Tanks to be installed)
- Verification and validation of water use (finalisation stage) R 877 128

PROPOSED TARIFFS

Tariffs			
	Domestic and Industrial	Agriculture	Forestry
2020/21 Tariff	5.44	2.46	1.15
Proposed Increase (CPIX 4.6%)	0.25	0.11	0.05
2021/22 Proposed Tariff	5.69	2.57	1.20
% Contribution to Income	16.28%	83.23%	0.49%
Cost Covering Tariff	5.48	5.48	5.48
Volumes Cubic Metre	165 865 961	1 333 520 674	15 864 292
Total Volumes Cubic Metre	1 515 516 751		

CONCLUSION

- The Breede Gouritz Catchment Management Agency is proposing an average increase of 4.6%.
- The Agricultural and Forestry sectors are subsidised by Government to the rate of 53.10% on Agriculture and 78.10% on Forestry.
- In the calculations the limitations and restrictions for increases are considered as stipulated in the pricing strategy.



THANK YOU
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SIYABONGA

Please email all your concerns and questions to:

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OR

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