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PROPOSED TARIFF INCREASES FOR 2020/21

JOHANNESBURG WATER
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Proposed Tariff Increases For 2020/21

First 6 kl to be provided for free for residential customers

Residential post-paid and prepaid water and sanitation tariffs to be increased on average by 8,6%

Institutional tariffs to be increased by 10,7% for Consumption up to 200kl and Consumption exceeding 200kl by 13.7%

Industrial/Commercial tariffs to be increased by 8.6%

Demand Levy to be increased by 8.6%

All other tariffs to be increased by an average of 8.6%



Proposed Water Cost For The Next Three Years- Residential Post-paid

Consumption Level	2019/20	% increase	2020/21	2021/22	2022/23
6kl	54.60	-100%	-	-	-
10kl	93.24	-14%	79.96	86.84	94.30
15kl	175.69	4%	181.96	197.61	214.60
20kl	295.64	9%	320.91	348.51	378.48
30kl	625.14	13%	704.91	765.53	831.37
40kl	990.24	15%	1 134.91	1 232.51	1 338.51
50kl	1 456.44	15%	1 674.81	1 818.84	1 975.26
60kl	1 953.04	15%	2 252.71	2 446.44	2 656.84



Proposed Water Cost For The Next Three Years- Residential Pre-paid

Consumption	2019/20	2020/21	2021/22	2022/23
6kl	49.92	-	-	-
10kl	83.20	71.36	77.50	84.16
15kl	136.60	167.11	181.48	197.09
20kl	235.90	303.11	329.18	357.49
30kl	551.30	656.61	713.08	774.40
40kl	893.20	1 029.21	1 117.72	1 213.85
50kl	1 342.90	1 518.91	1 649.54	1 791.40
60kl	1 838.90	2 058.81	2 235.87	2 428.15



Proposed Water Cost For The Next Three Years – Institutional

Consumption	2019/20	2020/21	2021/22	2022/23
100kl	3 214	3 558	3 939	4 360
200kl	6 428	7 116	7 878	8 720
400kl	13 564	15 230	17 104	19 210
600kl	20 700	23 344	26 330	29 700

- **Surcharge**

2% surcharge is levied on business customers (Institutions, Commercial and Industrial).



Proposed Water Cost For The Next Three Years – Industrial/Commercial

Consumption	2019/20	2020/21	2021/22	2022/23
100kl	4 219	4 582	4 976	5 404
200kl	8 438	9 164	9 952	10 808
400kl	17 338	18 830	20 449	22 208
600kl	26 238	28 496	30 947	33 608

- **Surcharge**

2% surcharge is levied on business customers (Institutions, Commercial and Industrial).



Proposed Sewer Tariffs For The Next Three Years – Residential

ERF Size (m ²)	2019/20	2020/21	2021/22	2022/23
	Tariff (R/erf/month)	Tariff (R/erf/ month)	Tariff (R/erf/ month) *	Tariff (R/erf/ month)
Up to and including 300m ²	213.94	232.34	252.32	274.02
Larger than 300m ² to 1000m ²	416.47	452.29	491.19	533.43
Larger than 1000m ² to 2000m ²	630.05	684.23	743.07	806.97
Larger than 2000m ²	907.80	985.87	1 070.65	1 162.73



Proposed Sewer Tariffs For The Next Three Years – Residential Pre-paid

Consumption	2019/20	2020/21	2021/22	2022/23
6kl				
10kl	82.10	89.20	96.90	105.20
15kl	134.05	145.60	158.15	171.70
20kl	196.75	213.70	232.10	252.00
30kl	382.85	415.80	451.60	490.40
40kl	568.95	617.90	671.10	728.80
50kl	755.05	820.00	890.60	967.20
60kl	941.15	1 022.10	1 110.10	1 205.60



Proposed Sewer Tariffs For The Next Three Years - Non Residential

- **Surcharge**
2% surcharge is levied on business customers (Institutions, Commercial and Industrial).
- **Institutional Buildings**
 - For the provision of sewerage service to Institutional Buildings will be charged at R27.24/kl
- **Industrial / Commercial Pre-paid**
 - For each kilolitre or part thereof of the metered or estimated water consumption: R 34.25/kl
- **Mixed used**
 - Where water consumed in all such units is metered by one meter supplied by Johannesburg Water, for any quantity of water supplied to the premises, for each kilolitre or part thereof of the metered or estimated water consumption: R 34.25/kl.
- **Other classes of property**
 - All classes of property other than those specified in clauses 2.1 to 2.9 above: For each kilolitre or part thereof of the metered or estimated water consumption: R 34.25/kl.



Domestic - Monthly Billing Comparisons Per Metro

Municipalities	6 kl		10 kl		15 kl		20 kl		30 kl		40 kl		50 kl		60 kl	
	2019/20	Rating	2019/20	Rating	2019/20	Rating	2019/20	Rating	2019/20	Rating	2019/20	Rating	2019/20	Rating	2019/20	Rating
Johannesburg	54,60	1	93,24	1	175,66	1	295,62	1	625,10	3	990,19	3	1 456,38	4	1 953,02	4
Tshwane	69,66	2	135,90	2	234,27	2	349,84	2	623,04	2	933,84	2	1 262,08	2	1 594,68	2
Ekurhuleni	70,44	3	147,80	3	244,50	3	362,95	3	599,85	1	894,55	1	1 223,65	1	1 587,15	1
Cape Town	89,48	4	174,31	5	320,43	5	470,99	5	772,12	5	1 253,30	5	1 914,51	6	2 575,73	6
Buffalo City	93,36	5	156,80	4	266,95	4	377,10	4	662,70	4	1 021,10	4	1 379,50	3	1 737,90	3
Ethekweni	128,34	6	229,54	6	356,04	6	482,54	6	777,54	6	1 297,34	6	1 842,99	5	2 414,49	5

Rand Water	64,92		108,20		162,30		216,40		324,60		432,80		541,00		649,19	
	193,38		322,30		483,45		644,60		966,90		1 289,20		1 611,50		1 933,80	

- COJ is the only metro charging less than rand water for the first 10kl.
- COJ is the cheapest for the first 20kl.

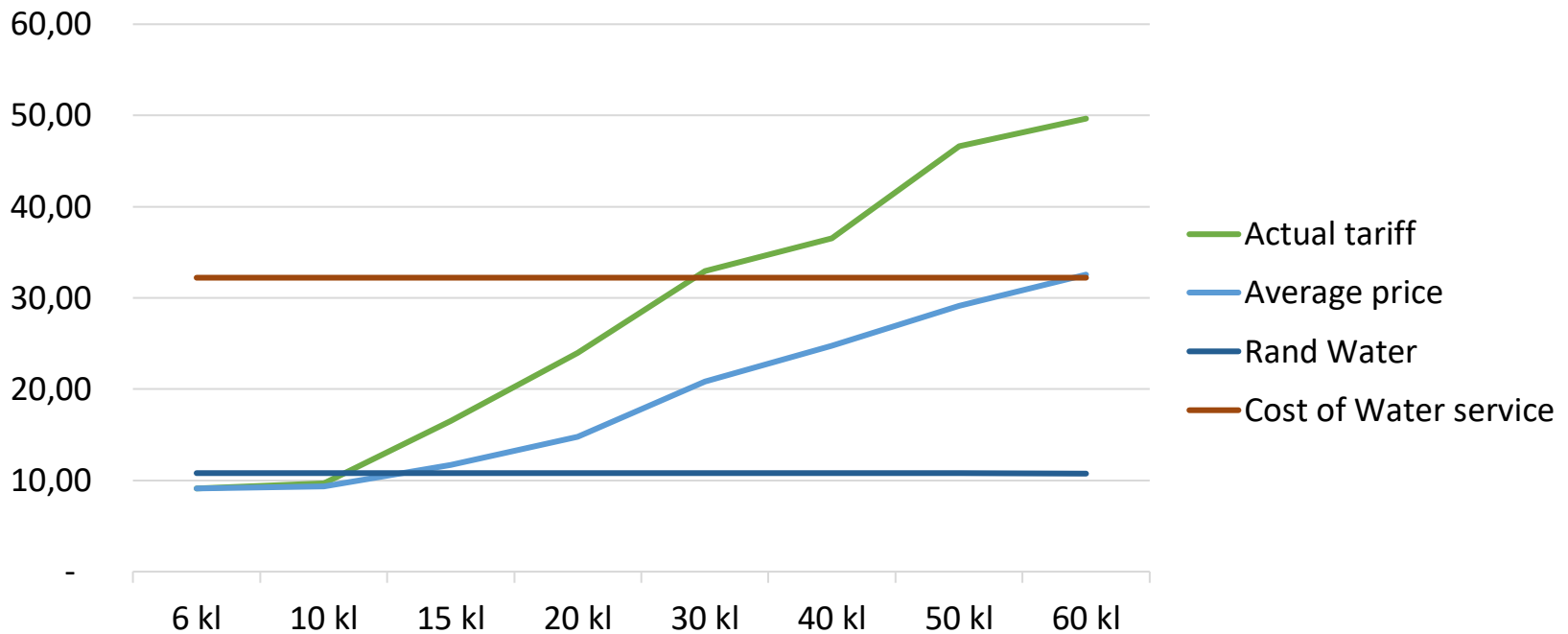


Business - Monthly Billing Comparisons Per Metro

Municipalities	200kl		400kl	
	2019/20	Ranking	2019/20	Ranking
Mandela Bay	2 956,00	1	5 912,00	1
Ekurhuleni	3 950,00	2	8 318,00	2
Buffalo City	4 362,00	3	8 724,00	3
Tshwane	4 902,00	4	9 804,00	4
Ethekwini	7 670,00	5	15 340,00	5
Johannesburg	8 438,00	6	17 338,00	6



Tariff per Consumption Level 2019/20



- JW currently charges the first 10kl below the rand water cost.
- The tariff is currently charged is below the cost of providing the service for the first 30kl consumed.
- The average price charged under each consumption level is below the cost of providing water to consumers.



Water Service - Profitability

	2019/20 Budget	2020/21 Budget	% increase
Total Revenue	7 888 029	8 629 504	9.4%
Consumption growth	-		0.8%
tariff increase- Proposed increase			8.6%
Bulk Water Purchases	-5 910 579	-6 531 536	10.5%
<i>Rand water increase</i>			6.6%
<i>Population growth</i>			0.8%
<i>Non revenue water</i>			3.1%
Gross Margin	1 977 450	2 097 968	6.09%
Operating expenses	-1 402 943	-1 664 627	18.7%
Gross Margin after Operations Cost	574 507	433 341	-24.6%
	-		
Other Income		102 932	
	-		
PBIT Before Bad debt Provision	574 507	536 273	-7%
Net Bad Debt Provision	-1 347 367	-1 791 210	33%
PBIT	-772 860	-1 254 936	62%
Net Interest Paid	-52 063	-47 949	-8%
Profit/(Loss)	-824 923	-1 302 885	58%
	0		
Depreciation included	136 952.40	141 069.76	3%
Capex for Water at 40% of total water budget	-288 109.60	-288 109.60	0%
Funding shortfall on water service	-976 080	-1 449 925	49%