**MEDIA STATEMENT**

**COMMITTEES REJECT WATER TARIFF INCREASE PROPOSALS AND CALL FOR FURTHER CONSIDERATION OF ISSUES**

**Parliament, Tuesday, 28 July 2020 –**A joint meeting of the Portfolio Committee on Human Settlements, Water and Sanitation and the Portfolio Committee on Cooperative Governance and Traditional Affairs (Cogta) today rejected a reconsidered presentation from the Department of Water and Sanitation and the South African Local Government Association (Salga) on proposals for the 2020/21 water tariff increase.

While the committees note the movement in finding common ground between the department, representing water boards, and Salga, the committees believe that the impact of Covid-19 on households has not been taken into enough consideration in the scenarios presented. As a result, both committees resolved that a downward adjustment in the proposed tariffs should be considered. The committee is aware of the impact this will have on municipal budgets, which have already been passed, but called for municipalities to undertake budget adjustment processes as has happened in other levels of government.

“The undeniable fact is that Covid-19 has had a negative impact on the ability of households to pay for services. A further increase in tariffs will cause far-reaching damage, both to households and municipalities. This is the reason the committees view it as necessary to revise the proposed tariffs downwards,” said Ms Faith Muthambi, the Chairperson of the Portfolio Committee on Cogta.

Both committees highlighted their concerns about the impact of the proposed increases on the end user, especially the poor in the context of the challenges facing the country, which are exacerbated by Covid-19. While the committees acknowledge that bulk water tariff increases are required to ensure that water boards remain financially sustainable, they believe a holistic solution is required.

Both committees have also emphasised the urgent need to engage the executive authority regarding water tariffs. “The committees will urgently write to the Minister Sisulu to arrange a meeting where the committees’ concerns will be ventilated with the aim of finding common ground,” said Ms Machwene Semenya, the Chairperson of the Portfolio Committee on Water and Sanitation.

Meanwhile, the committees welcome the assurance that the department will initiate the process to establish a water sector regulatory mechanism to impartially manage disputes between parties. Successive committees have called for the establishment of such mechanisms to insulate the department against being both a referee and a player in the tariff determination process.

The committees also believe that consultation with Parliament should happen earlier to accommodate Parliament’s views at a more appropriate time in the process of determining tariff increases.

A further joint meeting will be arranged to consider the proposed tariff increases.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, WATER AND SANITATION, MS MACHWENE SEMENYA, AND THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MS FAITH MUTHAMBI.**