

## PROVISION OF FREE BASIC WATER SUPPLY SERVICES POLICY

Item A-F (23-2018) CM 24/5/2018	<b>REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP), MEDIUM - TERM REVENUE AND EXPENDITURE FRAME WORK (MTREF) AND BUILT ENVIRONMENT PERFORMANCE PLAN (BEPP): 2018/2019 TO 2020/2021</b>
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### Resolved:

5. That to guide the implementation of the municipality's annual budget, the Council of the City of Ekurhuleni **APPROVES** the policies as set out in the following Annexures of this document.

<b>Annexure D1</b>	Medium-term Budget Policy Statement (reviewed)
<b>Annexure D2</b>	Pricing Policy Statement (reviewed)
<b>Annexure D3</b>	Property Rates Policy (reviewed)
<b>Annexure D4</b>	Provision of Free Basic Electricity Policy (reviewed) & Provision of Free Basic Water Supply Services Policy (reviewed)
<b>Annexure D5</b>	Waste Management Services Tariff Policy (reviewed)
<b>Annexure D6</b>	Consumer Deposit Policy (reviewed)
<b>Annexure D7</b>	Indigent Policy (reviewed)
<b>Annexure D8</b>	Credit Control & Debt Collection Policy (reviewed)
<b>Annexure D9</b>	Provision for Doubtful Debtors and Debtors Write Off (reviewed)
<b>Annexure D10</b>	Budget Implementation and Monitoring Policy (reviewed)
<b>Annexure D11</b>	Municipal Entity Financial Support Policy (reviewed)
<b>Annexure D12</b>	Accounting Policy (reviewed)
<b>Annexure D13</b>	Electricity Metering for Residential and business Customers (reviewed)
<b>Annexure D14</b>	Policy for the Vending of Pre-Paid Electricity (reviewed)
<b>Annexure D15</b>	Policy for Correction of Meter Reading and Billing Data (reviewed)
<b>Annexure D16</b>	Electricity Tariff policy (reviewed)
<b>Annexure D17</b>	Virement Policy (reviewed)
<b>Annexure D18</b>	Consumer Agreement Policy (remains unchanged)
<b>Annexure D19</b>	Supply Chain Management Policy (remains unchanged)
<b>Annexure D20</b>	Treasury Policy (new – Consolidation of various policies)
<b>Annexure D21</b>	Allocation for Grants-in-Aid Policy (new)

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# PROVISION OF FREE BASIC SERVICES - WATER AND WASTEWATER

## 1. APPLICATION AND SCOPE

This policy is applicable to households with property values not exceeding R750 000 and approved indigents residing within the City of Ekurhuleni.

The policy will be effective from 1 July 2018.

## 2. OBJECTIVES OF THE POLICY

The objectives of the policy are -

- To realize everyone's constitutional right of access to sufficient water
- To grant households with property values not exceeding R750 000 an equitable and affordable basic (free) portion of the water and wastewater services
- To support the poor, approved as Indigents in terms of the Council's relevant policy, with a basic (free) portion of the water and wastewater services
- To ensure compliance to the applicable terms of the Constitution of the Republic of South Africa, Act 108 of 1996, the Local Government Municipal Systems Act 32 of 2000 and the Municipal Budget and Reporting Regulations contained in General Notice 393 in Government Gazette 3241 of 17 April 2009.

## 3. LEGISLATIVE FRAMEWORKS

### 3.1 CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, ACT 108 OF 1996

Section 27 (1) (b) determines –

*“Everyone has the right to have access to sufficient food and water”*

### 3.2 LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 32 OF 2000

Section 74 (2) (c) of the Local Government Municipal Systems Act; 32 of 2000 determines:

*(c) poor households must have access to at least basic services through –*

- (i) Tariffs that cover only operating and maintenance cost,*
- (ii) Special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service: or*
- (iii) Any other direct or indirect method of subsidization of tariffs for poor households”*

### 3.3 NEW MUNICIPAL BUDGET AND REPORTING REGULATIONS EFFECTIVE FROM 1 JULY 2009: GENERAL NOTICE 393 IN THE GOVERNMENT GAZETTE 3241 OF 17 APRIL 2009

In terms of the above mentioned General Notice, new Municipal Budget and reporting regulations came into effect as from 1 July 2009. Section 7 of these regulations determines:

*“The Municipal Manager of a Municipality must prepare, or take all reasonable steps to ensure the preparations of the budget-related policies of the Municipality, or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the Municipal Council by the applicable deadline*

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*specified by the Mayor in terms of Section 21(1)(b) of the Act (Municipal Finance Management Act 56 of 2003)."*

### 4. FREE BASIC SERVICES PRINCIPLES

#### 4.1 THE RIGHT OF ACCESS TO BASIC WATER AND WASTE WATER (SANITATION):

Everyone has the right to have access to sufficient water and the CoE is committed to promote the realisation of this right. The CoE will therefore provide a basic (free) portion of the water and waste water services to poor households (registered indigent households) and households with property values not exceeding R750 000.

#### 4.2 CONSUMER RESPONSIBILITIES

The right to basic water supply and waste water services comes with a corresponding responsibility to use water and waste water services responsibly and with due care. The responsibilities of the consumer are stipulated in the Water Supply and Wastewater By-Laws.

#### 4.3 USER CHARGES (RETAIL)

Charging for water and waste water services is essential in order to generate sufficient funds for operating, maintaining and investing in water and waste water systems but at the same time recognizing the need for affordability. Sound business principles within a sound subsidy framework are therefore essential. This includes good governance, sound accounting, adequate provision for depreciation, adequate spending on maintenance and replacement of assets, effective and efficient use of resources and income (including subsidies) which covers expenses.

### 5. APPLICATIONS AND IMPLEMENTATION

#### 5.1 SIX KILOLITRE FREE PER MONTH

The block tariff adopted by Council for the use of the water and waste services exclusively for household purposes, provides for household with a property value not exceeding R750 000 to receive 6 kilolitre - free water and wastewater services per month. This also includes –

- a) Hostels and old age homes where every 4 beds are deemed to be a residential unit.
- b) Where the City's Human Settlement Department accommodates two or three beneficiaries (families) per stand, each beneficiary (family) is deemed to be a residential unit.
- c) A small business conducted as a primary right in terms of a Town Planning Scheme, or a home enterprise conducted in terms of the relevant Council Policy, from a property used for household purposes and the connection size is either a 15 mm or 20mm connection.
- d) Spaza Shops, defined as an area of a dwelling unit and or associated immovable outbuilding no more than 20m<sup>2</sup> in extent, used by the occupant of such a dwelling unit for the purposes of selling basic household goods.

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Households with property values exceeding R750 000 shall no longer receive 6 kilolitre free water and wastewater services per month.

### 5.2 NINE KILOLITRE FREE PER MONTH

From the 2006/2007 financial year the Council approved the provision of 9 kilolitre free water and wastewater services per month for Registered Indigents qualifying in terms of the Councils approved Indigent Policy. The basic (free) portion of the water and wastewater services is financed by means of the equitable share received from National Government and cross subsidized by means of a Council adopted block tariff. Payment is required for consumption in excess of the basic (free) water and wastewater supply service to ensure sustainability of the services.

