

Item A-F (17-2023) CM 26/05/2021	MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) FOR 2023/24 TO 2025/26 AND THE REVISED 2022/2023 TO 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)
-------------------------------------	--

Resolved:

4. To guide the implementation of the municipality's annual budget, the Council of the City of Ekurhuleni **APPROVES** the amended policies and By-laws as contained in **Annexure E.**

POLICIES

- Annexure E1** Medium-term Budget Statement Policy (Reviewed)
- Annexure E2** Pricing Policy Statement (Reviewed)
- Annexure E3** Property Rates Policy (Reviewed)
- Annexure E4.1** Provision of Free Basic Electricity Policy (Reviewed)
- Annexure E4.2** Provision of free Basic Water supply services (Reviewed)
- Annexure E5** Waste Management Tariff Policy (Reviewed)
- Annexure E6** Consumer Deposit Policy (Reviewed)
- Annexure E7** Indigent Support Policy (Reviewed)
- Annexure E8** Credit Control & Debt Collection Policy (Reviewed)
- Annexure E9** Provision for Doubtful Debtor and Debtor Write-Off Policy (Reviewed)
- Annexure E10** Budget Implementation and Monitoring Policy (Reviewed)
- Annexure E11** Municipal Entity Financial Support Policy (Reviewed)
- Annexure E12** Accounting Policy (Reviewed)
- Annexure E13** Electricity Metering for Residential and business Customers (Reviewed)
- Annexure E14** Policy for the vending of pre-paid electricity (Reviewed)
- Annexure E15** Policy for Estimation and Correction of Energy or Demand Meter Reading and Billing Data (Reviewed)
- Annexure E16** Electricity Tariff policy (Reviewed)
- Annexure E17** Virements Policy (Reviewed)
- Annexure E18** Consumer Agreement (Reviewed)
- Annexure E19** Supply Chain Management Policy (Reviewed)
- Annexure E20** Treasury Policy (Reviewed)
- Annexure E21** Funds Transfer Policy (Reviewed)
- Annexure E22** Assets Management Policy (Reviewed)
- Annexure E23** Cost Containment Policy (Reviewed)
- Annexure E24** Policy for the wheeling of Electricity Ekurhuleni (Reviewed)
- Annexure E25** Policy for Embedded generation (Reviewed)
- Annexure E26** Ekurhuleni Community Enterprise Development Fund Policy (Reviewed)
- Annexure E27** Long Term Financial Strategy 2020/21-2029/30 (Reviewed)
- Annexure E28** Expanded Public Works Programme Policy (Reviewed)

CONTENTS

1. APPLICATION AND SCOPE.....	2
2. OBJECTIVES OF THE POLICY.....	2
3. LEGISLATIVE FRAMEWORKS.....	2
4. FREE BASIC SERVICES PRINCIPLES.....	3
5. APPLICATIONS AND IMPLEMENTATION.....	4
6. DEVIATION FROM THE FREE BASIC WATER SUPPLY SERVICES POLICY.....	4

PROVISION OF FREE BASIC SERVICES - WATER AND WASTEWATER

1. APPLICATION AND SCOPE

This policy is applicable to approved indigents residing within the City of Ekurhuleni. The policy will be effective from 1 July 2023.

2. OBJECTIVES OF THE POLICY

The objectives of the policy are -

- To realize everyone's constitutional right of access to sufficient water
- 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.
- To ensure "the right of access to basic water supply and the right to basic sanitation necessary to secure sufficient water and an environment not harmful to human health or well-being;"

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 Water Services Act no 108 of 1997

The Section 3 of the Act states that;

"Everyone has a right of access to basic water supply and basic sanitation.

Section 4 of the Act further stipulates that *"Every person who uses water services provided by a water services provider does so subject to any duplicable condition set by that water services provider"*

National Norms & Standards for domestic Water and Sanitation Services

The National norms and standards prescribes the minimum standards for the provision of Free Basic Water and Sanitation services to all households registered as indigents

3.3 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”

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

3.5 Local Government Water services Act 108 of 1997

Every water services institution must take reasonable measures to ensure *“Everyone has a right of access to basic water supply and basic sanitation”* in terms of the Water services Act 108 of 1997.

4. FREE BASIC SERVICES PRINCIPLES

4.1 The Right of Access to Basic Water and Wastewater (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 wastewater services to poor households (registered indigent households).

Free basic water services is intended to support poor households who cannot afford to pay for services and therefore not intended for use for business and/commercial purposes

This Free basic Water Supply is provided in line with the City’s Water Services By-law, and as set out in the National Norms and Standards for domestic water and sanitation services.

4.2 Consumer Responsibilities

The right to basic water supply and wastewater 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.

Consumers are required to abide by the City’s Water Conservation and Demand management guidelines as provided in the City Water Service By-laws

4.3 User Charges (Retail)

Charging for water and wastewater services is essential in order to generate sufficient funds for operating, maintaining and investing in water and wastewater 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

Council has approved the provision of 6 kilolitre free water and wastewater services per month for Registered Indigents qualifying in terms of the Councils approved Indigent Policy, as from

the 2022/23 financial year. 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.

Only households which are registered as indigents as prescribed in the City’s Indigent Support Policy shall receive 6 kilolitre free water and wastewater services per month.

This 6KI amount is regarded as sufficient water necessary to ensure sufficient supply needed to meet all domestic purposes as defined in the City’s Water Service By-laws mainly; drinking, cooking, washing; laundry etc.

To ensure sustainable water services, all consumers are encouraged to use water sparingly and to report any leaks/water losses/illegal connections to the City as required.

All indigents’ households using free basic water for purposes other than domestic use mainly; business/ commercial use will regarded as in violation of this policy and may be prosecuted in line with the City’s Water Services By-laws

The City has the right to request documents to verify and confirm the particulars of an indigent household as per the requirements of the City’s Indigent policy

Where the City has found false documentation used to register as an indigent, it has the right to remove such households from the registered indigents list.

The City has a right to prosecute all households found to be in violation of this policy in line with the City’s Water Service Bylaws.

6. DEVIATION FROM THE FREE BASIC WATER SUPPLY SERVICES POLICY

Any deviation from the free basic water supply services policy must be approved in writing by the Chief Financial Officer.

NOTE: The reference to “they” in the above sentences is a reference to the department concerned and its personnel
The term “shall” is used throughout this document to indicate those provisions which, are considered to be mandatory.
The term “should” is used to indicate those provisions which, although not mandatory, are provided as a recognized means of meeting the requirements.
The term “may” is used to indicate something which is permitted.
The term “can” is used to indicate a possibility or a capability.

