

FREE BASIC SERVICES AND INDIGENT SUPPORT POLICY



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POLICY ON FREE BASIC SERVICES FOR INDIGENTS

1. Policy Vision and Statement

1.1 Vision

- to ensure access to basic services for all indigent persons in terms of the South African Constitution.
- to reflect the true extent of indigency.
- to determine a level of affordability by Council for the supply of free basic services.
- to prevent the escalation of debt on the accounts of consumers not in the position to pay.
- to restrict the level of utilisation of consumer services for the people who cannot afford to pay.
- to determine the total value for free basic services in a way that it can be recovered from the available portion of the Equitable Share.
- to regulate the access of consumers to free basic services and to maintain a ledger of such indigents.

1.2 Statement

Where as the true reflection of the extent of indigency is of vital importance, the private household sector of debtors is by far the highest contributor to monthly debt escalation and the consumption of metered services by indigent households must be lowered to improve the affordability of service charges, therefore it is imperative that the policy below is made applicable:

2. Register of Indigent Households

2.1 Monitoring

Whereas the Council does not have a Social Welfare Division to keep register of and to evaluate all applications for indigent support, a control system linked with the demand for electricity current (circuit breaker size) must be operated and maintained, meaning that all residential consumers for whom it is possible to receive electricity current limited to and controlled by a 20 ampere circuit breaker, qualify for the free services as mentioned in this policy.

2.2 **Applications**

- on application an applicant has to prove ownership and that he is the full time occupant of the related premises
- support is also given to child-headed households for as long as the unfortunate situation exists.
- an approved enlisted applicant remain enlisted until he applies to be delisted or be requested to apply to be delisted from the indigent register.
- should an applicant in his application present any fraudulent statement he will be denied enlistment or, if he had already been enlisted, he immediately be delisted. He will also be held responsible for the refund of the benefits received at the ordinary rates for the period between when the fraudulent presentation is detected and when it arose.

2.3 **Re-evaluation**

The decision whether an indigent household remain satisfied with the restriction to the supply of free basic services lies solely with the member of the household responsible for the payment of services.

Regular physical inspections will be carried out at the premises of each of the registered indigents to ensure that the supply installations including the supply limitation applications are intact.

2.4 **Communication**

The policy must be communicated with ward councillors, ward committees and through ward meetings with the inhabitants of the suburbs as mentioned for indigent support by Council's resolution C69/05/2002.

3. Service levels and tariffs for registered indigents

3.1 **Electricity**

- free basic electricity of 50 kWh (units) per month is available to registered indigents.
- the current limited supply will be set at 20 amperes and the prepaid dispensers at each home will be set accordingly.
- the necessary activating number (pre-paid token) to the value of 50 kWh will be obtained from a municipal paypoint on monthly basis.
- the free issue will be limited to 50 kWh (units) per month and unclaimed issues cannot be carried forward to a following month.

- any requests for prepaid electricity in excess of 50 kWh must be purchased at the applicable lifeline electricity tariff.
- for conventional consumers a credit of 50 kWh electricity will be entered to their monthly consumer services account.
- any free basic electricity for indigent consumers outside the supply area of the Municipality and supplied by a different service provider such as Eskom will be compensated to the service provider at its price for 50kWh per household per month actually consumed.
- upon the discovery and confirmation of any tampering to electricity supply equipment or electricity theft, the registration as indigent will be cancelled.

3.2 **Water**

- consumption is charged at the normal household tariff, which already includes ten (10) kilolitre of free water per month.
- a restriction at 15 kilolitres per month shall be applicable to registered indigents. Where a restriction of 15 kilolitres per month is exceeded repeatedly for a period exceeding three consecutive months in a calendar year a restricted metered service will be installed to limit water consumption to required levels.
- consumers will be informed of the adopted service levels and how to use a limitation system when installed.
- the supply of water by means of a tanker service communal stand pipes, or any other service where there is no reticulated distribution area, will be at no cost to the consumer and recoverable from the Equitable Share provision as free basic service to indigent consumers.

3.3 **Assessment Rates**

- the first R15 000,00 of the property value of residential households is exempted from tax.
- all pensioned aged or disabled owners of residential households are entitled to apply for a 20% rebate in excess of the first R15 000,00 of the property value not subject to tax.
- registered indigents will get 100% rebate on assessment rates.

3.4 **Refuse Removal**

- the discounted rate for indigents is subjected to the indigents' electricity current limited supply to be restricted to 20 ampere.
- the refuse removal rate in respect of indigents will be fully discounted.
- the discount will be shown in the Council's income statement as "*income foregone*" and recovered from the Equitable Share.

3.5 **Sewerage**

- the discounted rate for indigents is subjected to the indigent's electricity current limited supply to be restricted to 20 ampere.
- the sewerage rate in respect of indigents will be fully discounted irrespected whether the indigent uses a waterborne, VIP or biological sewerage system.
- the discount will be shown in the Council's income statement as "*income foregone*" and recovered from the Equitable Share.

4. **Limitations**

- the above free issues or discounts are based on the expected Equitable Share to be paid to the Council by National Treasury annually. The annual adjustment to these benefits is subjected to the increase in the Equitable Share.
- the benefits are reserved for consumers who are prepared to limit their electricity current demand to 20 ampere.
- consumers partaking in this indigent scheme are restricted to total water consumption of 15 kilolitre and the supply to regular or constant transgressors will then be restricted by the installation of a device to limit the water flow.
- consumers partaking in this indigent scheme need not have to be consumers of all four consumer services to qualify for free basic service support.