

FREE BASIC SERVICE POLICY

FOR



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1. Introduction

This policy aims to address the key issues and challenges of consumers who qualify for free basic services. The strategic aim is to create an enabling environment in which the objectives of revenue generation can be realized, given that many of the residents can simply not afford the cost of full provision of services.

2. Background.

In 2000, Government announced policy intent to provide free basic services to poor households. In this regard, water, sanitation and energy were identified as basic services to be supported by Government's programmes in respect of poor households. This policy seeks to address ways and means through which government interventions can bring about relief to poor households and ensure optimal socio-economic.

3. Definitions.

- "Free Basic" means specified free amount of services supply deemed necessary to support the basic need for indigent households as determined from time to time.
- "Indigent Household" means indigent household as identified by the Municipality.
- "FBS" means Free Basic Services, which include Rates, Water, Electricity, Refuse and Sewerage

4. Implementation of Free Basic Services.

Funding is a critical aspect to the successful implementation of any poverty alleviation initiative including Free Basic Services. In line with national government support to its programme, funds are allocated to Municipalities for this programme through the Equitable Share grant disbursed by dplg to local government.

5. Beneficiaries of Free Basic Services.

The sole intention of the FBS policy is to assist in the provision of FBS indigent households. Municipalities are well placed to take a leading role in providing this service as well as identifying the right beneficiaries of FBS.

6 Criteria for the delivering of free basic services.

- 6.1 Households with an income based on combined government pension grant as annually approved by council + 30%.

- 6.2 Application should be made on a prescribed form. A payment arrangement in addition to the grant should be made if account is in arrears. Application shall be made every 12 months.
- 6.3 The grant will take effect from the date of approval of the application.
- 6.4 Owners with more than one property does not qualify.
- 6.5 Proof of unemployment, All Pay pension card or salary advices must be submitted with the application.
- 6.6 The grant period is dependent on the funds available from Government.
- 6.7 The grant is given only if the tenant of municipal property or owner is staying on the premises.
- 6.8 The Equitable Share is only payable i.r.o. of a current account.
- 6.9 The subsidy grant is as annually determined by Council which will be credited towards the current account during the monthly billing.
- 6.10 Farmer's account will be credited with the amount in respect of free units of these farm workers houses in the cases where farm workers houses do not have electrical connection. (Application form per dwelling/unit to be completed)
- 6.11 Pensioners in old age home where the home's sewerage and refuse account will be credited with the prescribed amount as determined by Council per pensioner (room), who qualifies, residing in the old age home after an application form and affidavit is completed stating the number etc.
- 6.12 Individuals who make themselves guilty of any malpractices will forfeit the payment of the grant.

7. Free Electricity and Water

Each household qualifies on a monthly basis for free water up to a certain amount as determined by Council from time to time. Households also qualify for free electricity with a connection of a 20 amps, up to a certain amount as determined by Council from time to time. . That the issue of free electricity (To a maximum limit as prescribed by Council) being extended to indigent debtors, owners with property improvements less than threshold as determined by Council and qualifying pensioners irrespective of their electricity connection (amp). The unemployed indigent households qualify for and additional amount of free electricity, as determined by Council. The farm worker also qualifies for free electricity (To a maximum limit as determined by Council) on application by the farm owner. The allocation of free services may vary on an annual basis depending on tariff structures and availability of equitable share funds.

8. Rates

Property with valuation less than the threshold amount as determined by Council, are exempted from payment of rates. This may also vary depending on annual tariff structure and availability of equitable share.

Verifying of FBS consumers.

9. The Municipality has a duty to ensure that only the indigent households receive FBS. From time to time the Municipality must verify that all beneficiaries are legitimately designated. All indigent households benefiting from the FBS must be registered on the Municipalities Indigent register.