

**MINISTRY**

**COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBY**

**QUESTION FOR WRITTEN**

**QUESTION NUMBER PQ2019/538**

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**538. Ms M S Khawula (EFF) to ask the Minister of Cooperative Governance and Traditional Affairs:**

Has he been informed of the plight of of Ms Florence Xoliswa Nxamashe (details furnished) from Kwamashu in KwaZulu-Natal who, despite being reliant on a SA Social Security Agency pension, has bills from the municipality in excess of R60 000; if not, what steps will he take in this regard; if so, what steps has he taken to assist the specified person to have the bills cancelled?

**NW600E**

**Reply:**

My Department has not been informed about the matter of Ms Florence Xoliswa Nxamashe. This is the first time it is brought to the attention of my Department.

However, based on our preliminary investigations, the eThekhwini Metro was able to confirm that Ms Nxamashe has bills from the Municipality in excess of R61 800. 99. The bill is mainly for water and it accumulated from 2005. It was also confirmed that Ms Nxamashe is a pensioner who is reliant on a SA Social Security Agency pension. The investigations also revealed that irrespective of Ms Nxamashe being a pensioner, she is currently not registered on the indigent register of the eThekhwini Metro, due to the following reasons:

1. The eThekhwini Metro uses a targeted approach to identify indigent households. According to the Indigent Policy of the Metro, the targeted approach is for all customers that own properties valued at R230 000 and below, and do not pay for rates, qualify for prepaid electricity meter without any charges and also qualify for debt relief programme (DRP) for water. The current value of Ms Nxamashe’s property exceeds R230 000. 00 and therefore she does not qualify in terms of the eThekhwini’s Indigent Policy.
2. The Municipal Systems Act (MSA) No. 32 of 2000 under Regulation 10(b), states that the percentage of households earning less than R1 100 per month have access to free basic services”. This is contrary to the Indigent Policy prescripts, which has set a threshold of a combined household income calculated at a minimum of equivalent to 2 (two) state old age pension, and is compulsory for all municipalities.

**Steps taken to address the problem:**

My Department thoroughly engaged the eThekhwini Metro in this regard. On the basis of the engagements, the eThekhwini Metro committed to the following:

1. that the amount of R39 762.27 for water will be reversed out of her account and the balance of R22 038.72 will remain which is a portion of rates she is liable for.  This transaction will be done by the end of March 2019.  She gets a pensioner’s rebate for future rates charges.
2. that Ms Nxamashe will be advised to apply for a prepaid meter on 50/50 basis at the electricity customer services nearest to her property where 50% will go towards the debt of R22 038.72.
3. that a flow limiter will be installed to limit her water consumption to 6 kilolitres per month.  The flow limiter will also be installed by the end of March 2019.
4. The letter to this effect will be sent to Nxamashe on Friday 15 March 2019.

**In addition:**

1. My Department has already initiated a process to amend the MSA Regulation 10(b), to categorically prescribe the set threshold of a combined household income calculated as equivalent to 2 (two) state old age pension as minimum to qualify for free basic services. The amendment will ensure that indigent households are not excluded and are the only bona fide beneficiaries of free basic services.
2. To seek a permanent solution to this problem and similar cases in other municipalities, my Department will conduct in-depth and yet thoroughly informative analysis motivating the cancellation of the Municipal Services Indigent Debt of the citizens of South Africa and pointing out a practical solution and implications thereof. To achieve this, my Department will work closely with the Provincial CoGTA’s and municipalities throughout the country to establish the status quo in regard to indigent households with excess bills and gather information that will be required to determine the indigent debt so that appropriate support is applied to cancel the debt based on merit.

The Free Basic Services Programme is government’s commitment to address the needs of the masses of impoverished South African citizens and to provide basic services to them to ensure that they can begin to live a dignified life. The right of all citizens to have at least a basic level of services is a right that is entrenched within the South African Constitution (Act 108 of 1996). This right has been actualized in government’s commitment towards the provision of free basic water; free basic sanitation, free basic electricity and free basic refuse removal to economically disadvantaged communities (indigents).

The SA Constitution requires municipalities to provide services to local communities in a manner that is sustainable, developmental, and safe and encourages community involvement. Section 74 of the Municipal Systems Act (1998) requires municipalities to develop procedures for revenue management, credit control, as well as to make provision for indigent cases in ensuring that the amount individual users pay for services should generally be in proportion to their use of that service.

Numerous debates have ensued on how best to address the needs of the masses of impoverished citizens of our country, and give effect to the Country’s Constitution (Act 108 of 1996), wherein, even those who are unable to afford services are nevertheless entitled to the basic level of services. The quest for a better life by the poor has placed measures to eradicate poverty high on the priority list of government, nationally. Increasing anti-poverty measures has become associated with both increased access to services and the improvement in the quality of life of the poor.

It is also understood that alleviating poverty will require more than the provision of basic services to the poor, and while economic growth and access to economic opportunities is essential to moving people out of poverty, it cannot on its own be sufficient. This poses a number of political, financial and institutional considerations and challenges for municipalities and government as a whole. Among these is the reality that the burden of economic change in South Africa has fallen greatly upon those who bore the heaviest burden under apartheid. This is illustrated by an analysis of the South African labour market, which has shown, that African workers are a declining proportion of the labour force. For African employees the loss in occupations has been concentrated in the less skilled and lower paid occupations, and the rural poor and migrant labourers often lag in their access to the provision of infrastructure and the social wage.

Cogta, in response to this critical challenge, is working towards initiating a nation-wide study to wipe out the debt owed by the poor to municipalities. The debt write–off will also ensure that the poor municipalities are not further burdened with the debts, which affect their credit ratings and abilities to raise capital for the development of the communities. The very basis of ensuring the sustainability of new poverty initiatives rests on the extent to which communities are able to approach the delivery of these services and programmes from a fresh perspective - thereby, entering into a new contract with a new government, free of the baggage of the past.

The majority of our municipalities provide free basic services to all supposedly indigent households, regardless of their present financial standing or ability to pay for municipal services. This continues to be so despite the fact that government has made it clear in the National Development Plan that free basic services should be provided only to indigent/poor households.

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