

OPERATION GCIN'AMANZI (OGA)
SOUTH AFRICAN REVENUE PROTECTION ASSOCIATION
CONFERENCE 2008



BILLING PROFILE

- Number of Townships/Suburbs 4,522
- Number of Registered Properties 752,500
- Number of metered properties 305,000
- Un-metered properties (deemed) 197,000
- Total prepaid properties in deemed 100,007
- Section Titles Units (Estimate) 150,000

CUSTOMERS PROFILES

Socio Economic Profile	Population	Service	Payment
High/medium Income	±1 Million	Full service / metered	OK
Low income	±1 Million	Full service / not metered	LOW
Informal settlements	±1.2 Million	Basic or below basic	Free services

PREPAYMENT INSTALLATION

AREA	TOTAL NUMBER OF PROPERTIES	TOTAL NUMBER OF METERED PROPERTIES	AREA TYPE
ORANGE FARM	20 441	1 389 (7%)	DEEMED
SOWETO	169 989	98 755 (58%)	DEEMED
COSMO CITY	11500	4 500 (39%)	NEW
LEHAE	3 100	2 000 (50%)	NEW
PENNYVILLE	1 100	700 (18%)	NEW
PG EXT 16	3 500	708 (20%)	NEW
PG EXT 8	1 000	343 (34%)	NEW
TOTAL	210 630	112 895 (54%)	

BACKGROUND TO SOWETO

- 30% of purchased water is supplied to deemed consumption areas (Soweto, Alex, Orange Farm)
- 90% of deemed volume is supplied to Soweto
- Soweto is approximately 100 years old
- Infrastructure over 50 years old – Mild Steel
- Deemed consumption for water and sanitation is billed at 20KI per/m/hh (flat rate) @ R 169 per/m/hh
- 7 Million KI is lost monthly
- Equivalent monetary loss of R 21 Million/month – R250 Million/annum
- Hence, selection of SOWETO as a priority for the birth of OGA in August 2003

PROJECT OBJECTIVES

- Reducing unaccounted for water (UFW)
- Changing customers from deemed consumption to metered consumption
- Upgrading of water infrastructure
- Increasing awareness of water conservation

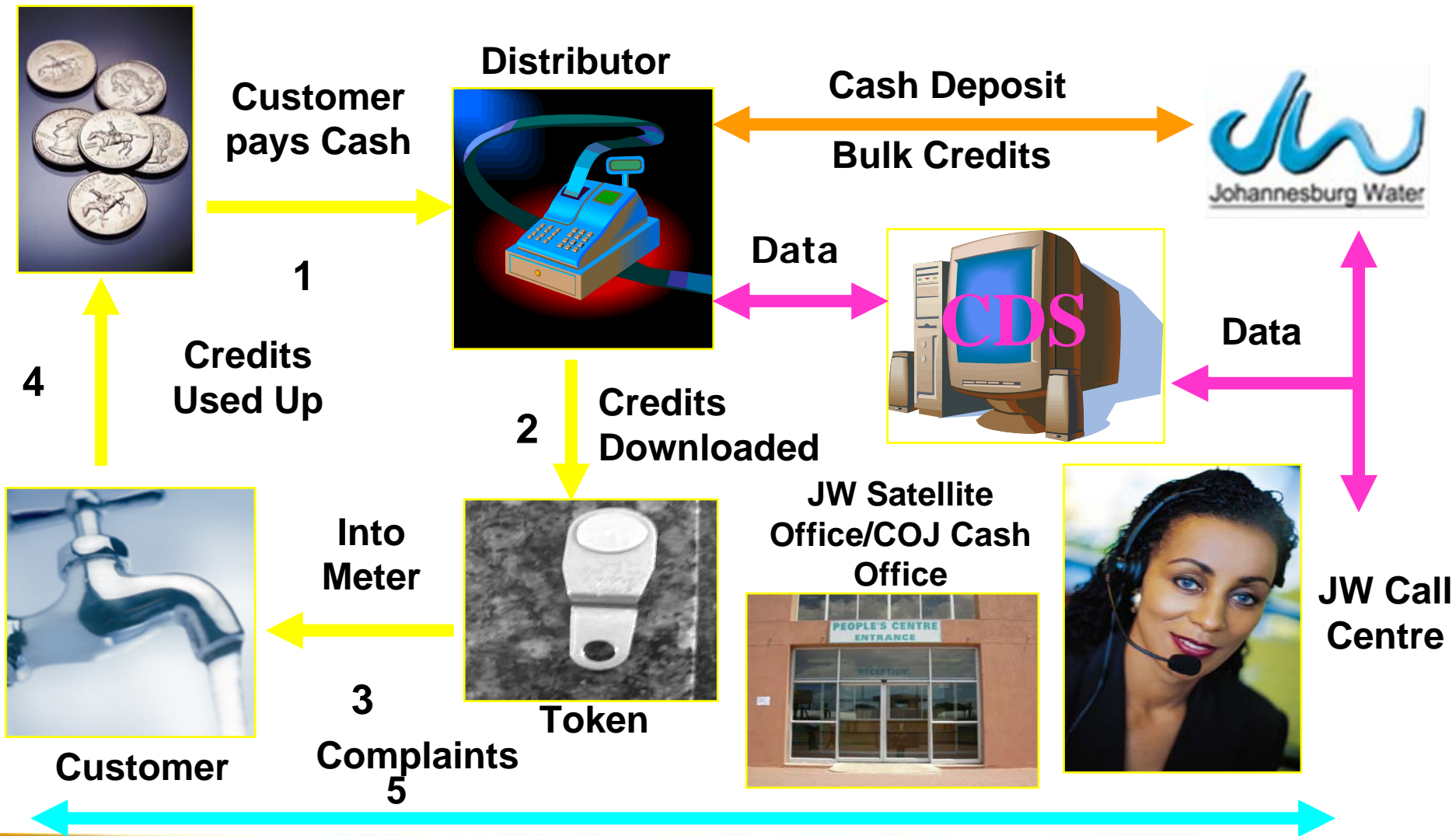
BENEFITS TO THE COMMUNITY

- Once-off repair of household plumbing fixtures, free of charge
- Ownership of consumption
- More affordable services and lowering of billed amounts
- Better, more consistent service delivery
- Eradicating future arrears amounts and Debt Write-Off Policy
- Reduction in credit control action
- Creation of employment opportunities
- Creation of vending opportunities through SMMEs
- Creation of regional economic efficiencies
- Creation of a customer relationship between JW and individual users rather than a one-way consumer relationship

PUBLIC PARTICIPATION

- Ward Committee briefings and workshops
- Public Meetings
- Targeted sectoral information sessions held with sectoral stakeholders
- Consumer education workshops and study tours
- Door-to-door campaign
- Consumer information packs
- Establish and Capacitate Water Committee

CURRENT PREPAYMENT PROCESS



CURRENT HIGHLIGHTS

Pre-intervention water consumption	66 KI per property per month
Post-intervention water consumption	12 KI per property per month
Percentage reduction in water consumption	81%
Percentage topping up (consuming less than FBW)	55%
Average cost of topping up	R 48.08
Pre-intervention deemed consumption billing amount	R 169.00
Total of Reduction in Bulk Purchase to date (within 48 months w.e.f. July 2004)	81 Billion litres
	R 239 Million
	*** R 30 Million

CURRENT HIGHLIGHTS

NON-REVENUE WATER	From more than 69% to 10%
METERS INSTALLED	98,775 out of a total of 169,989 (58% of total)
METERS INSTALLED in year to date (07/08)	23,500 out of a target of 50,000 (47% of target)
NO OF EMPLOYMENT OPPORTUNITIES	20,743 (Since project inception) 1,620 persons (current) 1,104,881 person-days
LOCAL ECONOMIC DEVELOPMENT	R112 Million
NO OF VENDORS @ 2.5km radii	COJ – 17 (CUSTOMER CENTERS) SMME LOCAL BUSINESS – 70
NO OF PLUMBERS	In excess of 1,700
Number of Secondary Mains Installed	116Km of 208Km
PROGRESS ON METER AGREEMENT SIGNAGE	147,657 of 169,989 (86%)

SOCIAL RELIEF MEASURES –

1. FBW

Area	Total Indigents	Upgraded	% upgraded	To Be Upgraded
Phiri	683	635	93.0%	48
Super Block 1	4 122	3 104	75.3%	1 018
Super Block 2	2 514	1 676	66.7%	838
Super Block 3	1 598	970	60.7%	628
Super Block 4	2 012	1 618	80.4%	394
Super Block 5	5 301	3 767	71.1%	1 534
Super Block 6	1 425	1 130	79.3%	295
Super Block 7	1 875	1 001	53.4%	874
Super Block 8	1 876	1 292	68.9%	584
Super Block 12	136	63	46.3%	73
Super Block 13	2 268	1 193	52.6%	1 075
Other	2 348	2305	98%	
Total	26 158	18 754	72%	7 361

SOCIAL RELIEF MEASURES –

2. EMERGENCY WATER

Number of customers registered on Meter Management System	98 755
Total households that have access to E-Water (interim or permanent)	77 990 (79%)
Households still to be given access to E-Water	20 765

3. APPEALS MECHANISM

MAZIBUKO JUDGMENT

- Date of the hearing to the High Court was on 3rd, 4th and 5th December 2007
- The court ruling was provided on 30 April 2008 where a judgment was made against all three respondents (CoJ, JW and DWAF) on almost all accounts
- In essence the ruling can be summarized as follows:
 - The installation of prepayment water meters is unlawful and unconstitutional and is not covered adequately by the City Bylaws
 - The provision of 6000 liters of free basic water per household (25 liters/person for a family size of 8 residents) is not adequate and therefore the provision of 50 liters/per person per day must be made. There is no capping of the monthly volume indicated so it could imply that the allocation would be determined by the number of residents on a property.
 - Customers be provided an option of metering that entailed conventional meters and billing.