



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

Enquiries: L Lusenga
Telephone: 082 658 9265
Reference: 6/2/2/6

NATIONAL ASSEMBLY

FOR ORAL REPLY

QUESTION NO 665

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 07 NOVEMBER 2023
(INTERNAL QUESTION PAPER NO. 42)

★665. Mr L J Basson (DA) to ask the Minister of Water and Sanitation:

What (a) total amount in outstanding debts is owed by municipalities to water boards as at the latest specified date for which information is available and (b) steps has his department taken to mitigate the growing debt crisis to ensure the financial stability and viability of the water supply infrastructure of the Republic?

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MINISTER OF WATER AND SANITATION

- (a) The total amount in outstanding debts is owed by municipalities to water boards and the Department's Water Trading Entity as at the end of September 2023 was R26.7 billion. The Water Boards are currently owed R18.3 billion and the Water Trading Entity is currently owed R8.4 billion by the municipalities.
- (b) Steps taken by the Department to mitigate the growing debt crisis to ensure the financial stability and viability of the water supply infrastructure include the following:
- Development of Standard Operating Processes (SOPs) for debt recovery have been developed, covering both the Water Boards and the Department's Water Trading Entity.
 - A consultation process inclusive of all water sector stakeholders was undertaken on the outstanding debt and the strategy to improve billing and revenue collection for bulk raw water and bulk water services. Stakeholders included 144 Water Services Authorities (WSA's), 9 Members of Executive Councils (MEC's) responsible for Corporate Governance and Traditional Affairs, South African Local Government Association (SALGA) and

Department of Cooperative Governance and Traditional Affairs (COGTA). All the sector stakeholders were given opportunity to comment on SOPs until 24 March 2023.


- On 6 October 2023, the Minister further convened a meeting with all the Water Boards and the SOPs were presented to the Water Boards. The resolution of the meeting was that the Water Boards should submit their comments on the SOPs to DWS by 20 October 2023. Comments were received from the water boards and are in support of the SOPs.

The Minister has now finalized the consultation process. The Department and Water Boards will continue to engage the local government sector through the Intergovernmental Relations Framework (IRFA) provisions to recover the outstanding debt. Should this not result in a solution the department and water boards will implement the following steps in line with the SOPs:


- DWS will collaborate with National Treasury to ensure that equitable share allocations are withheld for municipalities not paying their current invoices.
- Consistent enforcement of water restrictions on non-paying municipalities.
- Legal processes which will result in a judgement against the municipalities and repayment agreements can then be concluded which will be made an order of the court.

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DRAFT REPLY: RECOMMENDED/ NOT RECOMMENDED/ AMENDED


DR SEAN PHILLIPS
DIRECTOR-GENERAL
DATE: 12/11/23

DRAFT REPLY: APPROVED/ ~~NOT APPROVED~~/ AMENDED


MR SENZO MCHUNU, MP
MINISTER OF WATER AND SANITATION
DATE: 17/11/23