



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

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Reference: 6/2/2/6

NATIONAL COUNCIL OF PROVINCES

FOR WRITTEN REPLY

QUESTION NO 527

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 15 JUNE 2023
(INTERNAL QUESTION PAPER NO. 26)

527. Mr M A P De Bruyn (Free State: FF Plus) to ask the Minister of Water and Sanitation:

- (1) Whether any instalment agreements are in place for the current debt of Bloemwater to Eskom; if not, why not; if so, what are the relevant details of such agreements;
- (2) whether such agreements are complied with; if not, why not; if so, what are the relevant details;
- (3) whether Bloemwater has a sustainable future; if not, what is the position in this regard; if so, (a) how and (b) what are the further relevant details?

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MINISTER OF WATER AND SANITATION

- (1) The debt owed to Eskom by Bloem Water relates to debt that was inherited from the former Sedibeng Water Operations, and can be summarised as follows:

Region	Outstanding Amount	Instalment Agreement
Northern Cape	R 25 461 988.33	Settlement by 23 June 2023
Northern Free State	R 42 720 519.24	8 monthly instalments of R 5 340 064.91 commencing end of June 2023

- (2) First Deferred Payment Arrangement conditions were breached by the Northern Free State Region due to the non-availability of resources as Major Municipalities failed to pay. The same shortage of funds led to the non-payment in the Northern Cape Region.
- (3) The disestablishment of the Sedibeng Water and integration into Bloem Water has a serious financial impact with the debtor's book at R6 billion and a creditors book of R 5 billion, while revenue collection from Municipalities is very low, mainly Matjhabeng with an outstanding balance of R5.4 billion. There are no reserve funds and monthly collections does not cover the monthly obligations, further placing a strain on ability to operate in a sustainable manner.

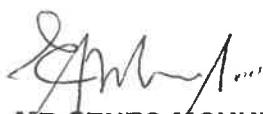
Debt recovery processes are also hampered as payment plans or agreements are not complied with. Forums were also established at provincial level to deal with Municipal accounts, but Inter-Governmental Relations processes are not yielding results. Limited resources were provided by the Department of Water and Sanitation for the integration process, however there is a need for further support as to ensure the sustainability of the Entity.

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DRAFT REPLY: RECOMMENDED / ~~NOT RECOMMENDED~~ / AMENDED


DR SEAN PHILLIPS
DIRECTOR-GENERAL
DATE: 27/06/23

DRAFT REPLY: APPROVED ✓ / NOT APPROVED / AMENDED


MR SENZO MCHUNU, MP
MINISTER OF WATER AND SANITATION
DATE: 30/06/23