



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 675

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 29 SEPTEMBER 2023
(INTERNAL QUESTION PAPER NO. 36)

675. Ms D C Christians (Northern Cape: DA) to ask the Minister of Water and Sanitation:

What steps his department is taking to ensure that municipalities which owe significant amounts in outstanding debt in the Northern Cape meet their financial obligations and contribute to the sustainability of water and sanitation services?

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MINISTER OF WATER AND SANITATION

The Department of Water and Sanitation (DWS) is taking steps to ensure that municipalities that owe significant amounts in outstanding debt enter into payment agreements with the DWS and its entities. In the Northern Cape, a total of R 325 140 519,41 is owed by twenty-three Local Municipalities across the five District Municipalities. DWS has initiated a debt incentive scheme in response to the high outstanding debt with details as follows:

- The DWS is currently offering debt relief in a form of an incentive scheme which is adopted in order for customers to pay up outstanding debt within a reasonable period.
- This is available for the period ending 31 March 2024. All customers are eligible to participate in the scheme.
- The department will freeze the interest when customers join the scheme and honour the agreement.
- The scheme waives interest as per Treasury Regulations 11.4.1.b (iii)

The following are the Incentive Scheme Options available in the sector:

- **Option A:** Full interest write-off will be done where capital balance outstanding is paid in full (Full final settlement)
- **Option B:** Payment of 50% of capital amount as a down payment, then the remaining balance to be divided into monthly instalments of not more than 12 months. Interest will only be written off once the full capital balance is paid-off. This will be indicated in the settlement agreement.
- **Option C:** The down payment of 10% on the total amount owed and the repayment plan is agreed upon to settle for balances which cannot be recovered within 12 months.

Out of twenty-three local municipalities that are enrolled on DWS Incentive Scheme, three municipalities are honouring their payments namely, Sol Plaatje LM, Siyathemba LM and David Kruiper LM.

The DWS is in the process of finalising legislative reforms required to ensure that water service providers are professionally managed, capable, efficient and financially viable institutions that deliver services to the required standards and sustainability of water and sanitation services.

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



DR SEAN PHILLIPS
DIRECTOR-GENERAL

DATE: 18/10/23

DRAFT REPLY: APPROVED/ NOT APPROVED/ AMENDED



MR SENZO MCHUNU, MP
MINISTER OF WATER AND SANITATION

DATE: 24/10/23