



## water affairs

Department:  
Water Affairs  
REPUBLIC OF SOUTH AFRICA

MINISTRY OF WATER AND  
ENVIRONMENTAL AFFAIRS

2011-11-17

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### MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

#### NATIONAL ASSEMBLY: QUESTION 1965 FOR WRITTEN REPLY

A draft reply to the above mentioned question asked by Mr G R Morgan (DA) is attached for your consideration.

Attached are previous questions on money owed by municipalities to water boards as follows:

- Oral 35,
- NA 809 with a follow up question as;
- NA 2331 with a follow up question as;
- NA 3346.

Similar to those, there has also been previous question on money owed by municipalities to the Department as follows:

- NA 1825 with a follow up question as;
- NA 2748.

  
ACTING DIRECTOR-GENERAL

DATE: 17/11/2011.

DRAFT REPLY APPROVED/AMENDED

  
MRS B E E MOLEWA, MP  
MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

DATE: 20/11/2011



NATIONAL ASSEMBLY

FOR WRITTEN REPLY

QUESTION NO 1965

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 28 July 2011  
(INTERNAL QUESTION PAPER NO. 20)

1965. Mr G R Morgan (DA) to ask the Minister of Water and Environmental Affairs:

(a) What (i) total amount of money was owed by municipalities to water boards as at 30 June 2011 and (ii) is the breakdown of this figure in terms of (aa) current debt, (bb) debt in arrears and (cc) money owed by each municipality to each water board and (b) how is the figure for each municipality broken down according to (i) current debt and (ii) arrears?

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REPLY:

(a)(i) R1 891 771 340

(a)(ii)(aa) R 764 341 706

(a)(ii)(bb) R1 127 429 634

(a)(ii)(cc) Eleven out of twelve water boards are owed R1, 1 billion (arrears) by municipalities as at end of June 2011. The highest debt was in three water boards dealing mainly with rural municipalities namely Sedibeng Water is owed R354million, Bushbuckridge Water is owed R230 million and Lepelle Northern Water R319million.

This is not a new trend, similarly in March 2009 and March 2010 the same water boards were the highest owed by municipalities. This relates to structural challenges faced by water boards delivering water services in rural areas where there is little and poor management of consumer demands and payments by municipalities responsible for retail services.

The age analysis indicates that the significant part of the debt is above 120 days and this is mainly due to old debt that is accumulating like Bushbuckridge has been owed by the municipality over two years. There have been a lot of negotiations with all stakeholders involve and the Bushbuckridge municipalities have since acknowledged the debt and committed to pay 50% of the R190 million of the December 2009 outstanding amount. The municipalities have further committed to start paying R5 million towards the committed 50% of the debt from January 2012. Currently there is a sort-term Service Level agreement between the municipality and Bushbuckridge water board.

Water boards annual sales are almost R8 billion and the debt forms about 10% of annual sales to municipalities. The municipalities with the highest debt as at end of June 2011 were Mopani (R204m), Matjhabeng (R289m), Capricorn (R51m), Naledi (R20m), Mafikeng (R27m), Bushbuckridge (R190m), Mbombela (R26m), Emfuleni (R29m), Ba-Phalaborwa(R24m), Ditsobotla(R24m).

The table below gives a summary of monies owed by municipalities to water boards:

No.	(a)(i) Water Board	Number of Municipalities supplied by the Water Board	(a)(ii)(aa) Current debt	(a)(ii)(bb) Debt in Arrears	(a)(ii)(cc) Total Owed by Municipalities
1.	Amatola Water	03	13 271,406	468,215	13 739,621
2.	Bloem water	04	36 440,306	40 669,425	77 109,731
3.	Botshelo water	05	7 614,671	66 934,457	71 549,128
4.	Bushbuckridge water	03	13 946,350	230 591,387	244 537,737
5.	Lepelle Northern water	11	26 882,107	319 890,489	346 772,596
6.	Magalies water	07	9 122,243	14 744,340	23 866,582
7.	Mhiathize water	02	7 869,536	11,225	7 880,761
8.	Overberg water	05	860,341	0	860,341
9.	Pelladrift water	03	97,174	245,950	343,124
10.	Sedibeng water	11	34 473,478	384 109,960	148 583,439
11.	Rand water	19	480 404,993	62 776,933	543 181,926
12.	Umgeni water	07	133 359,101	6 987,253	140 364,354

Refer to **Annexure A** for a detailed breakdown on figures in terms of monies owed by each municipality to water boards.

- (b)(i) The total debt reported includes current debt which is the amount that was billed in June by Water Boards to municipalities. Municipalities have 15 days in which to pay this debt. At the time it is billed it is recorded as current debt until it is paid in case where the debt is not paid within the stipulated time frame of 15 days, the debt then falls under 30 days arrears.

Refer to **Annexure A** for a detailed breakdown on figures in terms of current debt by each municipality.

- (b)(ii) Arrears are all debts 30 days and older including debts that are more than 120 days in arrears.

Refer to **Annexure A** for a detailed breakdown on figures in terms of arrears by each municipality.

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