



water affairs

Department:
Water Affairs
REPUBLIC OF SOUTH AFRICA

EdCM

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MINISTER OF WATER AND SANITATION

NATIONAL COUNCIL OF PROVINCES: QUESTION 4 FOR WRITTEN REPLY

A draft reply to the above mentioned question asked by Ms T G Mpambo-Sibhukwana (DA-WC) is attached for your consideration.

DIRECTOR-GENERAL (Acting)

DATE: 15/08/2014

DRAFT REPLY APPROVED/~~AMENDED~~

**MRS NP MOKONYANE
MINISTER OF WATER AND SANITATION**

DATE: 15.08.14

NATIONAL COUNCIL OF PROVINCES

FOR WRITTEN REPLY

QUESTION NO 4

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 04 JULY 2014
(INTERNAL QUESTION PAPER NO. 1)

4. Ms T G Mpambo-Sibhukwana (DA-WC) to ask the Minister of Water and Sanitation:

- (1) (a) Which municipalities in each province have overdue accounts with (i) Water Services Authorities, (ii) other municipalities and (iii) any other water service providers and (b) what amount in each case;
- (2) (a) what is the outstanding amount in each case as at 31 May 2014, (b) what terms of payment have been negotiated with each municipality and (c) which municipalities are continuous offenders that renegated on previous payment arrangements;
- (3) whether she has a recovery plan to collect funds from indebted municipalities; if not, why not; if so, what will be the (a) monthly payments against debt ratio and (b) period of redemption;
- (4) whether the outstanding debt will have any negative effects on the provision of water in each municipality; if not, what is the position in this regard; if so, what are the relevant details;
- (5) whether the outstanding debt had any influence on (a) service delivery and (b) health issues; if not, what is the position in this regard; if so, what are the relevant details?

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REPLY:

- (1)(2) Refer to table below for the summary of overdue accounts on the outstanding amounts in each case as at 31 May 2014 owed by Municipalities to Water Boards, as Water Services Authorities and Water Services Providers.

No.	Water Board	(1) Overdue amount as at 31 May 2014	(2) Outstanding amount as at 31 May 2014
1	Amatola Water	R 7 598 364	R 27 374 145
2	Bloem Water	R 66 763 464	R 106 927 910
3	Lepelle Northern Water	R 294 352 753	R 324 989 891
4	Magalies Water	R 22 085 049	R 38 643 582
5	Mhlathuze Water	R 174 118	R 7 781 079
6	Overberg Water	-	R 403 457
7	Rand Water	R 27 328 290	R 479 704 157
8	Sedibeng water	R 1 011 687 408	R 1 065 784 317
9	Umgeni Water	R 11 687 149	R 200 032 435

- (3) A task team was formed with representatives from the Department; National Treasury and the Department of Corporate Governance to intervene in dealing with the issues of debt recovery. However, a recovery plan will further be discussed with the recently established Service Delivery Committee.



- (4) Yes, the outstanding debt has serious negative effects on the provision of water services to the municipalities. The Water Boards as Water Services Providers have obligations to honour their monthly payments to the stakeholders or institutions that supply them with resources to make the organisations fully operational, e.g., ESKOM, chemicals, the Department of Water and Sanitation on raw water accounts, the staff, etc, in running of the daily business of the organization.
- (5) Even though the debt impact assessment has not been done yet with respect to service delivery and health issues, there is likelihood that these could be affected depending on the financial viability of the respective water services authority or provider.

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