



## Water & sanitation

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

Enquiries: A Singh/ M Manukuza/ P Nel  
Telephone: 012-336-7531  
Reference: 6/2/26

MINISTER OF WATER AND SANITATION

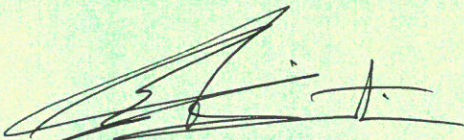
NATIONAL COUNCIL OF PROVINCES: QUESTION ★ 152 FOR ORAL REPLY

A draft reply to the above mentioned question asked by Mr M T Mhlanga (Mpumalanga: ANC) is attached for your consideration.

  
ACTING DIRECTOR-GENERAL

DATE: 17/04/2018

DRAFT REPLY APPROVED/AMENDED

  
NKWINTI GE (MP)  
MINISTER OF WATER AND SANITATION

DATE: 20/04/2018

## NATIONAL COUNCIL OF PROVINCES

### FOR ORAL REPLY

### QUESTION NO ★152

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 11 APRIL 2018  
(INTERNAL QUESTION PAPER NO. 13)

★152. Mr M J Mohapi (Free State: ANC) to ask the Minister of Water and Sanitation:

Whether his department has conducted a comprehensive audit of the total amount that is owed to water boards by government departments and entities; if not, why not; if so, (a) how much is owed by (i) national departments, (ii) provincial departments and (iii) municipalities and (b) what are the main challenges that result in the non-payment of water boards?

CO265E

### REPLY:

- (a) In terms of Section 29 of the Water Services Act 108 of 1997, the primary activity of water boards is to supply water to water services authorities (i.e. municipalities) within their service area.

Section 30 of the Water Services Act also allows water boards to perform secondary activities only if it is unlikely to affect their primary functions and will have no negative financial impact. These secondary activities can be performed with the concurrence of the water service authority (i.e. municipality) having the jurisdiction in the area.

My Department quarterly receives consolidated inputs from water boards on the status of debt owed by water service authorities (i.e. municipalities). The response is only going to concentrate on debt by water service authorities and by the Department of Water and Sanitation.

- (i) The amount owed to water boards by the Department of Water Sanitation is R373 million.
- (ii) As previously mentioned there is no direct debt arising from provincial departments as this is through the water service authorities (i.e. municipalities).
- (iii) As at 28 February 2018, the outstanding debt by water service authorities (i.e. municipalities) to water boards amounted to R 7 billion. Of this outstanding debt, R 5.2 billion was in arrears of more than 120 days.
- (b) Some of the main challenges relating to the non-payment of outstanding debts by the water service authorities (i.e. municipalities) relate to their inability to collect revenue and therefore pay the water boards. Rural municipalities have a low revenue base and therefore cannot pay for bulk services as they are mainly dependant on grant funding.

## In case of a follow up questions

### 1. Which municipalities have the highest outstanding debt:

The top 12 municipalities that have an outstanding more than R 50 million are as follows:

No.	MUNICIPALITY	PROVINCE
1	Mangaung Metropolitan municipality	Free State
2	Naledi Local municipality	North West
3	Mopani District municipality	Limpopo
4	Matjhabeng Local municipality	Free State
5	Mahikeng Local municipality	North West
6	Nama Khoi Local municipality	Northern Cape
7	Ngaka Modiri Molema District municipality	North West
8	Nala Local municipality	Free State
9	Maquassi Hills Local municipality	North West
10	Emfuleni Local municipality	Gauteng
11	Govan Mbeki Local municipality	Mpumalanga
12	Mbombela Local municipality	Mpumalanga

### 2. What is the age analysis of the outstanding debt per water board:

NAME OF WATER BOARDS	OUTSTANDING BALANCE	CURRENT	DAYS 30	DAYS 60	DAYS 90	DAYS 120+	ARREARS
Amatola	82 801 310	30 263 834	423 702	2 042 210	595 427	49 476 137	52 537 476
Bloem Water	867 265 183	64 050 331	81 017 595	20 716 691	27 458 258	674 022 309	803 214 853
Lepelle Northern Water	431 583 435	46 328 981	24 759 773	20 642 936	21 798 875	318 052 870	385 254 454
Magalies Water	102 849 964	32 616 933	13 725 679	2 539 015	3 923 326	50 045 011	70 233 031
Mhlathuze Water	30 313 850	19 038 277	11 213 535	2 101	40 769	19 169	11 275 574
Overberg Water	5 639 756	1 521 255	1 553 509	1 149 498	1 131 194	284 300	4 118 501
Sedibeng Water	2 954 817 349	76 284 982	88 292 157	48 241 271	105 484 532	2 636 514 407	2 878 532 367
Rand Water	2 224 718 395	1 254 033 023	205 221 659	187 624 636	114 666 432	463 172 645	970 685 372
<b>TOTAL</b>	<b>7 090 178 587</b>	<b>1 833 555 337</b>	<b>448 572 625</b>	<b>284 705 659</b>	<b>277 156 648</b>	<b>4 246 188 317</b>	<b>5 256 623 249</b>
<b>DEBTORS AGE ANALYSIS</b>	<b>100.00%</b>	<b>25.86%</b>	<b>6.33%</b>	<b>4.02%</b>	<b>3.91%</b>	<b>59.89%</b>	<b>74.14%</b>