



**MINISTRY:  
HUMAN SETTLEMENTS, WATER AND SANITATION  
REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**FOR ORAL REPLY**

**QUESTION NO ★258**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 12 NOVEMBER 2019  
(INTERNAL QUESTION PAPER NO. 26)**

**★258. Ms E L Powell (DA) to ask the Minister of Human Settlements, Water and Sanitation:**

What is her department doing to address and resolve the R14,9 billion debt owed by municipalities across the Republic to water boards and the Water Trading Entity? NO2789E

---0000---

**MINISTER OF HUMAN SETTLEMENTS, WATER AND SANITATION**

The Department of Water and Sanitation (DWS) is intervening as follows to recover the monies owed by the Municipalities:

- a) There are continuous stakeholder engagement meetings arranged with the various Municipalities to resolve queries, agree on outstanding balances and payment agreements.
- b) The Department also participates in the Inter Ministerial Task Team (IMTT) on Constitutional matters relating to electricity reticulation, distribution, supply and monies owed (Now referred to as the IMTT on Service Delivery at District Level) to Water Trading Entity (WTE) and Water Boards. The IMTT have made the following recommendations:
  - Installation of prepaid/smart meters for Electricity and Water;
  - The appointment of independent revenue collectors for municipalities to collect their debt;
  - A Government wide campaign to encourage a culture of payment for municipal services;
  - Strict management of payment default with firm actions by government before the court process come to effect;
  - Supporting the municipalities to ensure the sustainability of services and finances by improving the quality of human capital in municipalities, improving financial management and improving efficiencies in the collection of revenues. ; and
  - The restructuring of debts.

The total Water debt has increased by R1, 7 billion from March 2018 to Sep 2018 and a further R1,8 billion from Sep 2018 to Sep 2019.

- c) The department also participates in the Provincial Joint Tactical Committee which is comprised of the Financial Heads at the DWS Regional offices. This assists in ensuring that revenue functions are prioritised at the regional offices and enforces accountability for revenue collection. Provincial Joint Tactical Committee assists in ensuring that we can engage more customers in relation to outstanding debt and resolving queries as each finance head is responsible for the customers within their respective regions. It also assists in ensuring that the Department is more accessible to customers at local areas so that queries can be resolved speedily.
- d) The DWS is currently in the process of exploring legal measures to facilitate the top-slicing of Municipal Grants. This would entail diverting a percentage (3% to 5%) of all Municipal grants of Municipalities with arrear debt and diverting this money to DWS to reduce the outstanding debt for water. For the top-slicing to be implemented, Parliament would have to approve the top-slicing of the all municipal grants.
- e) Section 59(3)(b) of the National Water Act allows the Department to restrict or suspend the flow of water to defaulting municipalities until the outstanding debt together with interests, have been paid. The Department has also resolved to take legal action against Municipalities with debt as per PFMA Section 51(1)(b)(i) which states that accounting authorities should take effective and appropriate steps to collect all revenue due. Attached is a list (Annexure A) of all the Municipalities that have been handed over and progress relating to litigation processes.
- f) In total Legal action has been taken against 65 delinquent Municipalities. Judgements have been obtained against the following Municipalities thus far:
  - 1. Emfuleni Local Municipality
  - 2. Letsemeng Local Municipalities
  - 3. Madibeng Local Municipality
  - 4. Mangaung Metropolitan Municipality
  - 5. Nketoana Local Municipality
  - 6. Nkomazi Local Municipality
  - 7. O R Tambo Municipality
  - 8. Phumelela Local Municipality
  - 9. Siyathemba Local Municipality

The fundamental challenge Honourable Members is that 60% of South African households do not pay for water services. In the majority of these cases, household incomes are so low that they would qualify for free basic water as indigents. However, since their consumption is not metered, it is possible that they are using more than the free basic allowance and should be paying for that 'excess' consumption. To address this will require a thorough review of household affordability, indigent registration procedures and financial provision for basic water supply. In addition, a process to insist on payment for consumption over and above the free basic allowance will have to be initiated.

---0000---

Customer Name	Status	General Comments
ABAQULUSI LOCAL MUNICIPALITY	Pre-trial Stage	Pre trial conference 19 September 2019/ a meeting of the parties to a case conducted prior to trial
AMATHOLE DISTRICT MUNICIPALITY	Trial Stage	Pre trial conference on 25 November 2019/ a meeting of the parties to a case conducted prior to trial
BEAUTORT-WEST LOCAL MUNICIPALITY	Pre-trial Stage	Set down for trial on 18 June 2020 /courtroom proceedings
CAMDEBOO MUNICIPALITY	Trial Stage	Set down for trial on 28 July 2020/ courtroom proceedings
DIHLABENG LOCAL MUNICIPALITY	Trial Stage	Set down for an application to transfer / courtroom proceedings
DIKATLONG LOCAL MUNICIPALITY-BARKLY	Pre-trial Stage	Awaiting pre-trial conference date
DIPALASENG MUNICIPALITY	Trial Stage	Matter set down for 23 April 2020
EMALAHLENI LOCAL MUNICIPALITY MP	Pre-trial Stage	Amended Particulars of claim filed in court/ awaiting defendant's Plea
EMFULENI MUNICIPALITY	Trial Stage	#N/A
EMNAMBITHI-LADYSMITH LOCAL MUNICIPALITY	Pre-trial Stage	Awaiting pre trial conference date/ a meeting conducted between the parties prior to trial
GAMAGARA MUNICIPALITY-KATHU	PreTrial Stage	Awaiting return of service
GARIB MUNICIPALITY	Pre-trial Stage	Summons reissued /expecting Defendant's plea on 1 November 2019
GEORGE LOCAL MUNICIPALITY	Pre-trial Stage	Awaiting return of service
GREATER GIYANE MUNICIPALITY	Pre-trial Stage	falls under Vhembe District Municipality
GREATER LETABA MUNICIPALITY	Pre-trial Stage	Awaiting Defendant's Plea
GREATER MARBLE HALL MUNICIPALITY	Trial Stage	Defendant's Index received
GREATER TZANEEN MUNICIPALITY	Trial Stage	Set down for trial on 25 June 2020/ courtroom proceedings
HESSEQUA MUNICIPALITY	Trial stage	Awaiting Defendant's Plea
INTSIKA YETHU MUNICIPALITY	Trial Stage	Set down for trial on August 2020/ courtroom proceedings
INXUBA YETHEMBA MUNICIPALITY	Pre-trial Stage	Declaration of dispute sent/ Summons drafted
KGETLENG RIVER LOCAL MUNICIPALITY	Pre-trial Stage	Summons reissued / expecting Defendant's Plea on 1 November 2019
KING SABATHA DALINDYEBO MUNICIPALITY	Pre-trial Stage	Summons reissued / expecting Defendant's Plea on 1 November 2019
LEKWA LOCAL COUNCIL MORGENZO	Trial Stage	Application for transfer set down for 4th of December 2019
LEKWA LOCAL COUNCIL STANDERTON	Trial stage	Awaiting date for pre trial conference/ a meeting of the parties conducted prior to trial
LEKWA LOCAL COUNCIL STANDERTON	Trial stage	Awaiting date for pre trial conference/ a meeting of the parties conducted prior to trial
LETSEMENG LOCAL MUNICIPALITY	Trial Stage	Court order obtained /default judgment
MADIBENG LOCAL MUNICIPALITY	Trial Stage	Warrant of execusion issued /court order obtained
MAFUBE LOCAL MUNICIPALITY	Trial Stage	Set down for exception
MAKANA LOCAL MUNICIPALITY	Pre-trial Stage	Pre trial conference on 28 October 2019/ a meeting of the parties to a case conducted prior to trial
MAKHADO MUNICIPALITY	Trial Stage	Awaiting dates for set down of an exception

MALUTI A PHOFUNG TOWN COUNCIL HARRI LOCAL AUTHORITY	Trial Stage	Set down for trial on August 2020/ courtroom proceedings
MANGAUNG METRO MUNICIPALITY	Trial Stage	Writ of execution filed
MARLOTH PARK/ MKOMAZI MUNICIPALITY		Finalised
MASILONYANA LOCAL MUNICIPALITY	Trial Stage	Application for transfer set down for 4th of December 2019
MBOMBELA MUNICIPALITY	Trial Stage	Awaiting court order/ re: application for default judgment
METSIMAHOLO LOCAL MUNICIPALITY	Trial Stage	Set down for trial on 30 June 2020/ courtroom proceedings
MNQUMA MUNICIPALITY	Trial stage	Set down for trial on July 2020/ courtroom proceedings
MOPANI DISTRICT MUNICIPALITY	Trial Stage	Pre trial conference on 3rd October 2019/ a meeting of the parties to a case conducted prior to trial
MOQHAKA LOCAL MUNICIPALITY	Trial Stage	Matter set down for 11 June 2020/ courtroom proceedings
MSUKALIGWA MUNICIPALITY	Trial Stage	Application to transfer set down for 25 November 2019/ courtroom proceedings
MUSINA MUNICIPALITY	Pre-trial Stage	Discovery notices served /awaiting trial date/ a meeting of the parties conducted prior to trial
NALEDI MUNICIPALITY	Pre-trial Stage	Awaiting further instructions from DWS
NEWCASTLE LOCAL MUNICIPALITY	Trial Stage	Matter set down for 28 July 2020/ courtroom proceedings
NGWATHE MUNICIPALITY	Trial Stage	Meeting to be held on 7 August 2019
NKETOANA LOCAL MUNICIPALITY	Trial Stage	Supplementary Affidavit received/ Court order obtained
NORTH WEST 405 (POTCHEFSTROOM) MUNICIPALITY	Trial Stage	Awaiting court order/ re: application for default judgment
NTAMBANANA LOCAL MUNICIPALITY	Pre-trial Stage	Amendments effected / awaitng Defendant's Plea
O.R TAMBO MUNICIPALITY		pending/ court order obtained
OUDTSHOON LOCAL MUNICIPALITY	Pre-trial Stage	Declaration of dispute sent/ Summons drafted
PHUMELELA LOCAL MUNICIPALITY	Trial Stage	Writ of execution drafted and sent/ Court order obtained
PRINCE ALBERT LUTHULI MUNICIPALITY	Pre-trial Stage	Awaiting Pre-trial conference date/ a meeting of the parties to a case conducted prior to trial
RENOSTERBERG MUNICIPALITY	Pre-trial Stage	Summons reissued /expecting Defendant's plea on 1 November 2019
RIETFOTEIN HOMELES PEOPLE	Pre-trial Stage	Awaiting Defendant's Plea
SEME MUNICIPALITY	Trial Stage	Awaiting court order/re: application for default judgment
SIYATHEMBA MUNICIPALITY	Pre-trial Stage	Writ of execution drafted and sent/ Court order obtained
SUNDAY'S RIVER VALLEY MUNICIPALITY	Trial Stage	Pre trial conference on 28 November 2019
THULAMELA UNICIPALITY	Trial Stage	Awaiting pre-trial conference date/ a meeting of the parties to a case conducted prior to trial
TSANTSABANE MUNICIPALITY	Trial Stage	Awaiting Pre-trial conference date/ a meeting of the parties to a case conducted prior to trial
UMKHANYA KUDE DISTRICT MUNICIPALITY	Pre-trial Stage	Amendments effected / awaitng Defendant's Plea
UMTSHEZI LOCAL MUNICIPALITY		Disestablished
VENTERSDORP LOCAL MUNICIPALITY	Pre-trial Stage	Awaiting court order/ re: application for default judgment

VHEMBE LOCAL MUNICIPALITY	Trial Stage	Awaiting pre-trial conference date
WEST COAST MUNICIPALITY	Trial Stage	Awaiting Defendant's Plea
ZANDSPRUIT	Pre-trial Stage	Notice of exception received/ Defendant claims the debt has prescibred.
ZULULAND DISTRICT MUNICIPALITY	Trial Stage	Matter set down for 20 February 2020/ courtroom proceedings