



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

Inter-governmental approach needed to Water Debt challenges

09 May 2017

The Minister of Water and Sanitation, Ms. Nomvula Mokonyane, today briefed parliament that the Department of Water and Sanitation was owed R2,7 billion by Water Boards and Municipalities.

Presenting the department's 2017/18 Annual Performance Plan, Mokonyane cited the accruing debt of Water Boards and Municipalities as a major concern for the department and as a threat to its ability to deliver bulk water infrastructure.

"Currently, the department has faced three severe budget cuts over the last financial year, with no new money having been provided for drought interventions and increased demands for the rehabilitation and development of new bulk infrastructure critical for social and economic development. The water debt owed by Water Boards and Municipalities adds further constraint to the department", said Minister Mokonyane.

The above raw water debt has resulted in the department's Water Trading Entity accruing an overdraft of R2,1 billion for which the department has engaged with the National Treasury in an effort to promote revenue enhancement and debt-management measures that are necessary to recover the monies owed.

"Water being a critical and essential service, as a department we cannot switch off water supply as a debt-recovery measure and hence, the need to emphasize on an inter-governmental process that guarantees that those that owe the department, service their obligations accordingly"

The Minister has proposed that the Portfolio Committee on Water and Sanitation invites the department along with National Treasury and the Department of Cooperative Governance and Traditional Affairs to seek lasting solutions to the water debt challenges along with the service delivery interventions that are undertaken by the water and sanitation department to



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

assist and intervene in Municipalities where citizens rights are compromised by a lack of service-delivery.

Minister Mokonyane once again also dismissed suggestions that the department was bankrupt and advised parliament through the Chief Financial Officer, Mr. Sifiso Mkhize, that by 31 March 2017, the department had sufficient funds in its main account to pay salaries and invoices received and verified.

"These allegations of bankruptcy have been continuously bandied about by the media with a reliance on faceless sources; and time and again we have proved to the Portfolio Committee, supported by the National Treasury in a previous sitting, that the department was meeting its financial obligations and spending in line with the annual and quarterly projections" said Minister Mokonyane.

On an allegation by the Democratic Alliance that the department owed Water Boards R482 million, the department clarified that the amount referred to was invoices received as at 28 February 2017 and that these were invoices not older than 60 days and such had since been paid.

"The department pays on average R 1 billion monthly in invoices and 98% of invoices received are paid within a 30 day period. This is again a fact to dispute the allegations made by the DA", concluded Minister Mokonyane.

Issued by the Department of Water & Sanitation

**For more information contact: Mlimandlela Ndamase, Ministerial Spokesperson on
083 480 0014 or NdamaseM@dws.gov.za**

**For media releases, speeches and news visit the Water & Sanitation portal at:
www.dwa.gov.za**