

Portfolio Committee – Human Settlements, Water and Sanitation

The legislative and regulatory mechanisms to address debt owed by government departments to entities and debt owed by municipalities to water boards

Presented by National Treasury | LGBA | 29 October 2019



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Legislative Framework

PFMA:

8.2 Approval of expenditure [Section 38(1)(f) and 76(4)(b) of the PFMA]

- 8.2.3 Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement.

MFMA:

- In the case of the MFMA, section 65(2)(e) all monies owed must be paid within 30 days after receiving the invoice

MSA:

- In terms of the Municipal Systems Act, Chapter 9: Credit Control and Debt Management, S96: Debt collection responsibility of municipalities indicates that municipalities must collect all monies due and for this purpose, must adopt, maintain and implement a credit control and debt collection policy

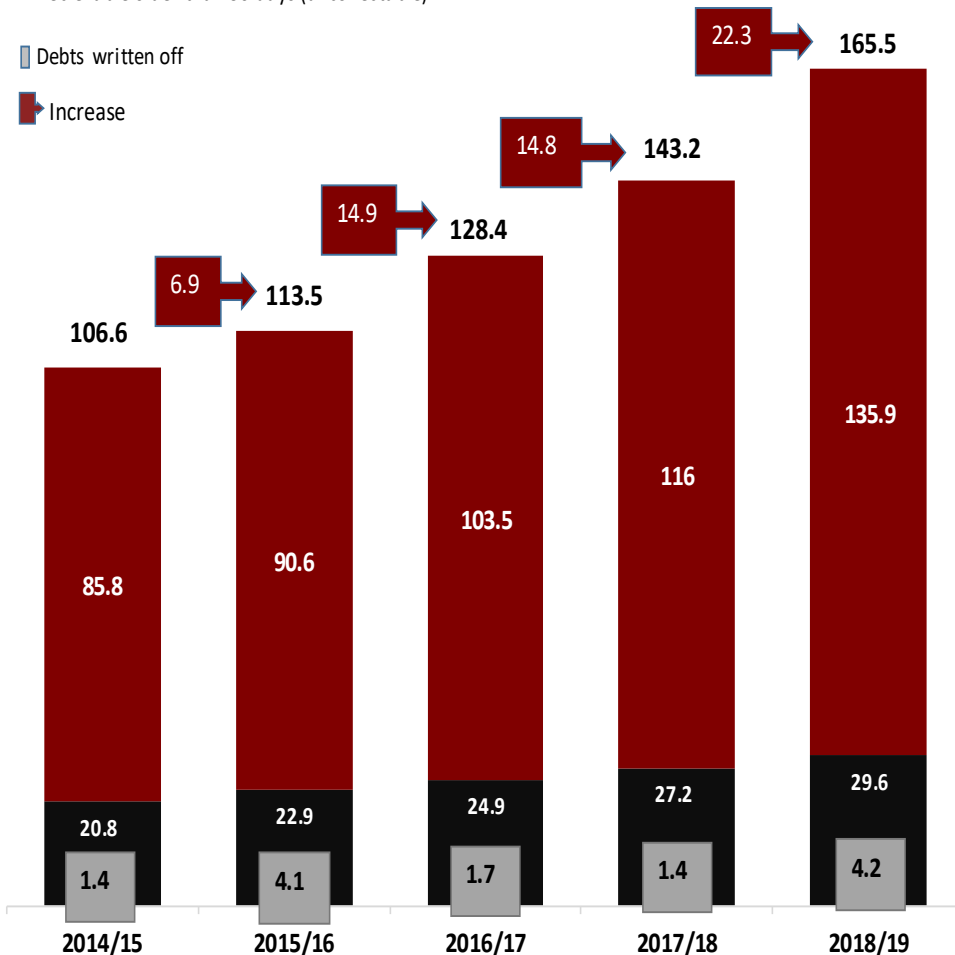
Legislative Framework

Communications to the Water Boards:

- Section 51(1)(b)(i) of the PFMA requires that accounting authorities of public entities take effective and appropriate steps to collect all revenue due to the public entity concerned to settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period. It is therefore important that Water Boards are supported in their efforts to collect revenue which is due to them and for Water Boards to implement the credit control measures, including the measures outlined in Section 4(5) of the Water Services Act (which outlines procedures for the restricting of water) where necessary. Any intervention which prevents Water Boards from collecting revenue is not only in conflict with the PFMA, but may result in a moral hazard effect if municipalities intentionally default on their contractual obligations with the belief that the enforcement of such credit control measures will not be supported politically. Ultimately, this will not be in interests of government's objective of providing services in an efficient and sustainable manner

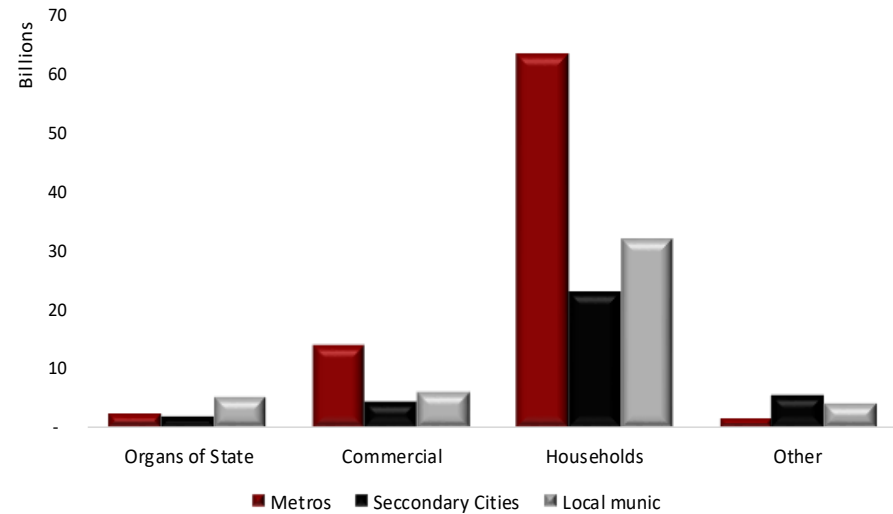
Outstanding debtors as at 30 June 2019

- Receivables less than 90 days (collectable)
- Receivable older than 90 days (uncollectable)
- Debts written off
- ➔ Increase

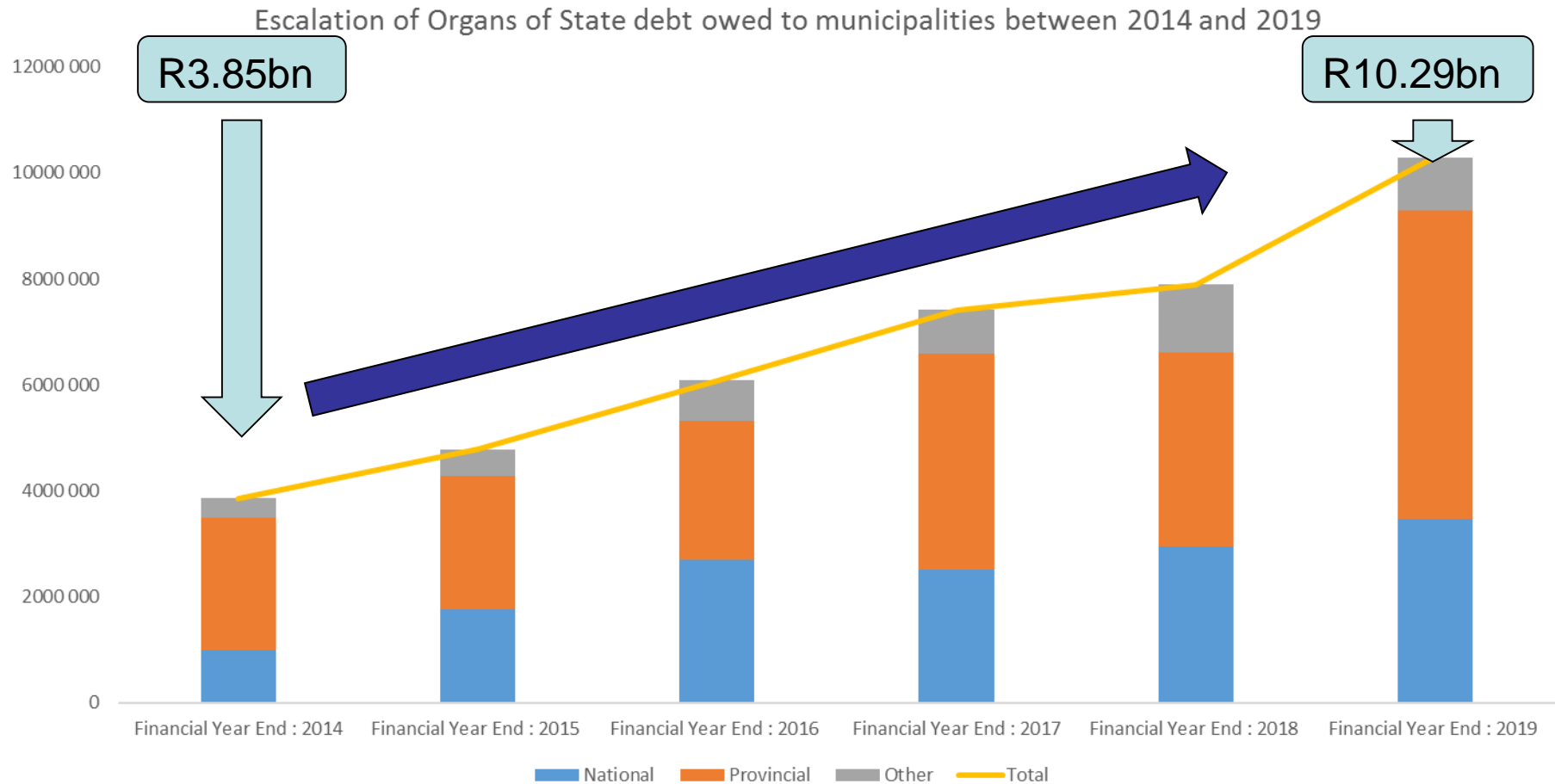


- Aggregate municipal consumer debts is R165.5 billion (Compared to R143.2 billion reported in the same quarter of the previous financial year. The largest component relates to households which accounts for 71.7 per cent or R118.6 billion. The amount for outstanding debtors for government represents 6.2 per cent or R10.3 billion of the total outstanding debtors. Metros consumer debts account for 49.7 per cent of the total consumer debts of R165.5 billion

Debtors by customer group as at 30 June 2019



Escalation of Organs of State Debt owed to Municipalities between 2014 and 2019

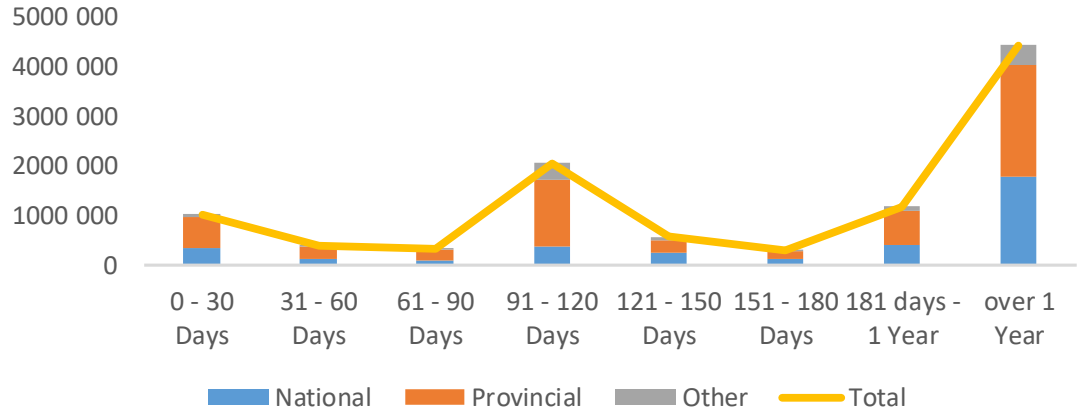


Debtors Age Analysis For Organs Of State

Financial Year End : 2019 Period : Month 12, June (Figures in R'000)
 Published Figures as at 2019/07/31 for Q4

Customer Group	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 days - 1 Year	over 1 Year	Total
National	346 443	120 825	97 158	379 989	234 162	111 207	390 958	1 775 826	3 456 568
Provincial	612 771	243 915	209 233	1 351 502	261 720	173 168	710 015	2 273 672	5 835 995
Other	67 800	34 511	27 022	317 335	67 077	17 994	81 905	384 734	998 377
Total	1 027 013	399 251	333 413	2 048 826	562 959	302 369	1 182 878	4 434 233	10 290 941

Graph 2: Debtors Age Analysis for Organs of State



- National Public works has the largest debt – R3.0 billion of the total R3.4 billion
- Provincial Public works, roads and transport has the largest debt – R3.7 billion of the total R5.8 billion
- Debt over one year is R4.4 billion

Organs of State Debt owed to municipalities – the Challenge

On the side of the Departments

- Ownership challenges can broadly be categorised into the following:
 - Inconsistencies in the immovable asset register
 - Vesting – assigning custodial responsibility to departments
 - State Domestic Facilities uncertainties
 - Lack of proper lease agreements and MOAs
- Many provinces claim that the funding allocation is insufficient to meet the demands of the municipality bill
- Unresponsiveness of the department during the property rates objection process
- Failure of s21 and s14 to pay for municipal services on their school allocations

On the side of the Municipalities

- Sec 71 reports are overstated
- Payments by departments lie in suspense accounts whilst interest is accrued on the other hand
- Incorrect tariffs being applied to the properties
- **Incorrect billing**

Initiatives to address the problem -

The DPW process

- There has been a few hurdles encountered in resolving the debt owed to municipalities and property ownership this has been the largest contributor of the debt spiralling out of control
- In 2004/05 about R600 million was provided by the fiscus for clearing outstanding debts to municipalities, unfortunately, only about R200 million was actually claimed by municipalities
- At the national level an Intergovernmental Debt forum consisting of DPW, CoGTA, NT, DRDLR, SALGA has been established to resolve the organs of state debt issue
- As a result debt forum have been set up in each province to facilitate and resolve disputes between provincial departments and municipalities with the aim of settling arrear debt
- DPW – undertook a verification process to authenticate the debt owed to municipalities, but this process was not completed as the land ownership issues were not resolved.
- At that point in time, municipalities signed off what they reported as arrears, unfortunately, departments did not settle all the amounts confirmed owed
- In 2019 Budget R100 million has been allocated to DPW to finalise the resolution the land ownership challenge with department. This will facilitate accurate billings by municipalities

Initiatives by IMTT

- An Inter Ministerial Task Team has been established (chaired by the Minister of CoGTA) primarily to address the structural and systemic issues relating to electricity distribution and reticulation
- After much pressure, the Task Team agreed to address the organs of state debt owed to municipalities as this was also growing out of control
- Members of the Task Team includes Ministers from CoGTA, NT, DOE, DPE, DHSWS, SALGA and The CEO of Eskom
- A Panel appointed to assist the IMTT with resolutions and recommendations – 54 recommendations
- These recommendations were narrowed down to 7 for purposes of presenting to CABINET

Initiatives by IMTT: Debt Restructure

- NT was tasked with drafting the implementation plans for two of the recommendations of advisory panel:
 - Process to deal with defaulting municipalities
 - Negotiate debt restructure – Eskom and Water Boards
- NT engaged with Eskom with a view to re-negotiate the arrear amounts owed to them by municipalities
- NT will explore a similar process with Water Boards
- The main discussion points included:
 - Ensure funded budgets (includes current account payments religiously)
 - Ring fencing the arrear debt (date must be decided)
 - Stopping the interest from escalating (NT internally discussion with OAG – PFMA custodian, Wavering interest in form of exemption or deviation)
 - Where it is absolutely evident that the municipality will not be in a position to honour its obligation, a possible incentive based debt write-off maybe an option (Eskom's and Water Boards internal process dependent on their policy)
 - Revising payment arrangements currently signed as well as timeframe thereof

Process to deal with Defaulting Municipalities

Enforcing Funded Tabling of Municipal Funded Budgets

- 100 municipalities were identified by NT and PTs that require support/intervention (includes 30 of the 40 municipalities that are currently under intervention)
- The adopted budgets of these municipalities have been re-assessed (independently NT) even though the PT have assessed these budgets
- Those budgets that were found to be unfunded after the re-assessment were required to correct this by revising the budget and re-tabling it at a special council meeting
- Letters signed by our DDG was sent to each of the 100 municipalities informing them of the outcome of the re-assessment
- PTs were requested provide support to these municipalities during the month of October by firstly, engaging with them individually, and secondly, assisting them to realise a funded budget
- To attain a funded state these municipalities may want to revise
 - the original budget assumptions;
 - Reduce the expenditure budget, even to the extend of removing internal fund for the capital programme, cost containment;
 - Develop revenue improvement measures that will increase the collection rate of the municipality
- Restore a culture of payment of current account
- Revise unrealistic and unaffordable payment arrangements

Stronger Monitoring and Oversight

Monitoring these budget implementation

- Stronger monitoring and oversight will be required on the implementation of the budget
- Stronger analysis of the monthly financial report will be required (S71 of the MFMA) (one pager report on the financial progress)
- Progress will be reported to the Budget and Financial Management sub-committee on a regular basis

Recommendations:

It is recommended that the Portfolio Committee – Human Settlements, Water and Sanitation:

- Note the legislative framework (PFMA, MFMA and MSA) that regulates the payments of creditors within 30 days;
- Note the challenges that government is confronted with and is trying to address by exploring options to find a systematic and sustainable solution going forward;
- Note the work with regard to government debt and the progress made by the Department of Public Works in addressing the ownership control issue that will assist with the issuing of correct billing to governments agencies in future;
- Note the initiatives and progress made under the leadership of the IMTT which includes all creditors but with specific focus on Eskom and Water Boards Debt;
- Note the initiatives to restructure municipal debt;
- Note the initiatives to assist municipalities to correct their budgets to accommodate at least the payments of the current account with regard to Eskom and Water Boards.

THANK YOU



For additional information on national and provincial budgets, please visit our new budget data portal: <https://vulekamali.gov.za>

www.municipalmoney.gov.za

open **local government budget** data portal 

Explore easy-to-understand, verified financial information for **every single municipality in South Africa** in one place.

For information on local government finances, please visit: <https://municipalmoney.gov.za>

National Breakdown

Debtors Age Analysis For Organs Of State Financial Year End : 2019 Period : Month 12, June (Figures in R'000) Published Figures as at 2019/07/31 for Q4

National
Public works
has the
largest debt –
R3.0 billion of
the total R3.4
billion

Customer Group	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 days - 1 Year	over 1 Year	Total
National: Agriculture, Forestry and Fisheries	2 445	446	299	269	171	228	3 026	8 548	15 432
National: Arts and Culture	72	63	52	44	44	36	22	46	379
National: Basic Education	6 055	4 723	2 427	9 467	2 382	5 680	13 720	23 261	67 715
National: Communications	0	0	0	0	0	0	0	0	0
National: Cooperative Governance and Traditional Affairs	17	12	6	3	3	3	19	26	90
National: Correctional Services	2 262	1 587	484	272	184	106	219	334	5 447
National: Defence and Military Veterans	6 120	3 921	4 181	4 141	3 714	3 646	21 243	40 066	87 033
National: Economic Development	0	0	0	0	1	5	0	0	7
National: Energy	5 783	310	184	167	-72	229	309	896	7 805
National: Environmental Affairs	-47	3	0	0	0	0	1	0	-43
National: Government Communication and Information System	-1	0	0	0	0	0	-1	-76	-79
National: Health	3 909	2 046	779	683	497	711	1 731	4 302	14 657
National: Higher Education and Training	28 514	134	15	67	35	97	1 213	-619	29 457
National: Home Affairs	4	3	2	2	2	51	10	88	162
National: Human Settlements	466	248	211	211	205	217	1 132	11 893	14 583
National: Independent Police Investigative Directorate	0	0	0	0	0	0	0	0	0
National: International Relations and Cooperation	4 553	76	-104	14	-3	293	-101	2	4 730
National: Justice and Constitutional Development	1 931	465	498	141	286	50	361	1 490	5 221
National: Labour	21	15	11	11	11	224	69	141	504
National: Mineral Resources	110	0	0	0	0	0	1	8	120
National: National Treasury	6 049	123	-2 758	-543	191	69	-852	-3 921	-1 642
National: Parliament	0	17	0	0	0	0	0	0	17
National: Police	864	614	473	878	501	308	1 664	4 988	10 290
National: Public Enterprises	6 250	940	342	125	626	346	2 504	2 160	13 293
National: Public Service and Administration	-137	6	404	968	274	4	902	3 001	5 421
National: Public Works	263 988	100 893	84 438	323 761	219 798	76 262	327 386	1 614 841	3 011 367
National: Rural Development and Land Reform	2 361	1 678	2 324	36 305	1 647	2 461	3 200	21 906	71 883
National: Science and Technology	0	0	0	0	0	0	0	0	1
National: Social Development	459	186	179	359	117	160	250	238	1 949
National: Sport and Recreation South Africa	0	0	0	0	0	0	0	0	0
National: Statistics South Africa	139	3	0	0	0	0	0	0	142
National: Tourism	10	10	10	10	10	11	10	1 260	1 330
National: Trade and Industry	1	1	1	1	1	1	6	19	32
National: Transport	2 599	2 121	2 121	1 942	1 953	19 832	10 182	32 976	73 727
National: Water Affairs	1 648	181	580	687	1 584	176	2 731	7 947	15 534
National: Women, Children and People with Disabilities	0	0	0	0	0	0	1	4	5
Total National	346 443	120 825	97 158	379 989	234 162	111 207	390 958	1 775 826	3 456 568

Provincial Breakdown

Debtors Age Analysis For Organs Of State

Financial Year End : 2019 Period : Month 12, June (Figures in R'000)

Published Figures as at 2019/07/31 for Q4

Customer Group	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 days - 1 Year	over 1 Year	Total
Provincial: Agriculture	10 866	5 285	5 298	6 719	27 708	4 743	19 290	153 892	233 801
Provincial: Education	79 725	24 152	23 219	76 268	18 379	25 545	76 458	203 687	527 434
Provincial: Health	42 833	18 389	15 106	29 483	12 638	7 493	31 908	59 495	217 345
Provincial: Housing and Local Government	12 490	4 740	7 960	31 256	2 863	4 570	18 583	260 851	343 313
Provincial: Office of the Premier	-1 391	-5 111	-37	62	23	25	4 263	26 566	24 400
Provincial: Other Departments	105 852	31 578	16 971	67 577	17 830	12 553	72 155	499 003	823 520
Provincial: Public Works, Roads and Transport	360 776	164 034	140 234	1 137 315	182 027	118 262	486 635	1 067 244	3 656 527
Provincial: Social Development	1 037	729	372	576	227	-28	686	2 386	5 986
Provincial: Sport, Arts and Culture	584	118	108	2 247	24	5	38	546	3 669
Total Provincial	612 770	243 915	209 233	1 351 502	261 720	173 168	710 015	2 273 672	5 835 995

- Provincial Public works, roads and transport has the largest debt – R3.7 billion of the total R5.8 billion

Debt per Province

Debtors Age Analysis For Organs Of State

Financial Year End : 2019 Period : Month 12, June (Figures in R'000)

Published Figures as at 2019/07/31 for Q4

Province	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 days - 1 Year	over 1 Year	Total
EASTERN CAPE	35 454	19 603	28 605	116 350	19 639	26 729	43 878	127 090	417 348
FREE STATE	68 539	60 195	55 716	318 571	42 937	38 584	284 102	673 148	1 541 793
GAUTENG	155 614	40 590	10 058	8 544	14 574	13 593	59 140	139 807	441 920
KWAZULU-NATAL	205 749	59 871	48 638	37 135	43 825	48 519	191 015	521 731	1 156 484
LIMPOPO	12 321	6 990	5 785	8 562	102 376	13 431	31 489	198 580	379 535
MPUMALANGA	12 687	5 369	9 322	19 266	9 967	9 849	20 550	126 228	213 239
NORTH WEST	27 476	20 844	21 812	50 842	18 273	14 185	63 341	435 569	652 341
NORTHERN CAPE	16 946	13 160	11 729	776 398	1 349	1 291	5 337	27 719	853 929
WESTERN CAPE	77 984	17 293	17 567	15 834	8 780	6 986	11 162	23 801	179 407
Total Provincial	612 770	243 915	209 233	1 351 502	261 720	173 168	710 015	2 273 672	5 835 995

- Free State and KZN municipalities have the largest amounts owed

Highlights....S71 reporting 4th Q (2018/19)

Total revenue

R404.7bn – 92.1%

Total expenditure

R391.8bn – 87.9%

- Highest YTD revenue: Gauteng 95.9% followed by Mpumalanga at 94.9%. Lowest reported at Limpopo at 80.1%
- Highest YTD expenditure: Gauteng 94.4% followed by Free State 93.4%.

Capital expenditure

R55.4bn – 75.3%

- Highest capital expenditure: Gauteng 83.9% followed by Mpumalanga at 83.2%
- Free State has the lowest capital spending at 62.7%

Employee expenditure

R105.2bn – 93.1%

- Is on average 32.1% of operational expenditure
- Spending levels in Gauteng – 96.1% followed by KwaZulu-Natal – 95.8% and Eastern Cape 93.9%

Conditional grant spending

R27.2bn – 80.1%

- Highest grant spending – Expanded Public Works Programme Integrated Grant 100%
- Lowest grant spending – Municipal Systems Improvement Grant 17%

Debtors age analysis

R165.5bn

- Government debt – 6.2%, Household debt – 71.7%, Commercial – 14.9%
- 0 – 90 days debt – R29.6bn

Cash position

R50.1bn

- 45 municipalities have negative cash position, increase of 20 municipalities from 3rd quarter

Creditors age analysis

R60.2bn

- Creditors longer than 90 days outstanding: Free State 89.3%, Northern Cape 76.7% and Mpumalanga 75.5% and

Section 71 Publication for 4th Quarter 2018/19 (as at 30 June 2019)

– Revenue performance

- Aggregated billing amounted to 92.1 per cent or R404.7 billion of a total adopted revenue budget of R439.5 billion (total revenue excludes capital transfers)

Collection Rate indicators as at 30 June 2019

- Collection rate average

< 50	50 - 59	60 - 69	70 - 79	80 - 94	>= 95	Unknown
43	15	30	29	52	66	22

• Expenditure performance

- Municipalities in aggregate spent 87.9 per cent or R391.8 billion of the total adopted expenditure budget of R445.7 billion

• Capital performance

- Municipalities capital budgets was R73.6 billion, which is an increase of R2.2 billion when compare to the same quarter in 2017/18 financial year
- Spending levels for capital for the 4th quarter is 75.3 per cent or R55.4 billion

• Conditional grant performance

- Grant expenditure was 80.1 per cent or R27.2 billion of the R33.6 billion transferred

List of municipalities per province that will require support including those under intervention:

List of municipalities per province that will require support excluding those under intervention:

EASTERN CAPE PROVINCE (8)		LIMPOPO PROVINCE (7)	
1. Nelson Mandela Bay Metro	52. Thabazimbi LM	53. Modimolle-Mookgophong LM	
2. Walter Sisulu LM	54. Mogalakwena LM	55. Musina LM	
3. Makana LM	56. Fetakgomo-Tubatse LM	57. Vhembe DM	
4. Sakhisizwe LM	58. Mopani DM		
5. Great Kei LM			
6. Enoch Mjijima LM			
7. Amathlathlath LM			
8. King Sabata Dalindyebo			
FREE STATE PROVINCE (13)		MPUMALANGA PROVINCE (8)	
1. Mangaung Metro	52. Msukaligwa LM	53. Lekwa LM	
2. Maluti-a-Phofung LM	54. Govan Mbeki LM	55. Victor Khanye LM	
3. Mafube LM	56. Emalahleni LM	57. Thaba Chweu LM	
4. Kopanong LM	58. Emakhazani LM	59. Mkhondo LM	
5. Masilonyana LM			
6. Matjhabeng LM			
7. Tswelopele LM			
8. Tokologo LM			
9. Mohokare LM			
10. Letsemeng LM			
11. Ngwathe LM			
12. Mantsopa LM			
13. Nketoana LM			
GAUTENG PROVINCE (7)		NORTHERN CAPE PROVINCE (15)	
1. Emfuleni Local Municipality	52. Nama Khoi LM	53. Ubuntu LM	
2. West Rand District Municipality	54. Emthanjeni LM	55. Kareeberg LM	
3. Merafong	56. Siyancuma LM	57. Renosterberg LM	
4. Rand West LM	58. Tsantsabane LM	59. Joe Morolong LM	
5. Mogale City LM	60. Kgatelopele LM	61. Phokwane LM	
6. Lesedi LM	62. Siyathemba LM	63. Ga Segonyana LM	
7. Sedibeng DM	64. Magareng LM	65. Dikgatlong LM	
	66. Kai Garib LM		
KWAZULU-NATAL PROVINCE (23)		NORTH WEST PROVINCE (11)	
1. eThekweni Metropolitan Municipality	52. Lekwa-Teemane LM	53. Maquassi Hills LM	
2. Msunduzi LM	54. Madibeng LM	55. Kgetlengrivier LM	
3. Mpoofana LM	56. Tswaing LM	57. Ditsobotla LM	
4. uMgungundlovu DM	58. Naledi LM	59. Ramotshere LM	
5. Abaqulusi LM	60. Mamusa LM	61. Dr Ruth Segomotso Mompoti DM	
6. Newcastle LM	62. Mafikeng LM		
7. Ugu DM			
8. uThukela DM			
9. Ulundi			
10. uMkhanyakude DM			
11. Amajuba DM			
12. eDumbe LM			
13. Harry Gwala DM			
14. Zululand DM			
15. uPhogolo LM			
16. Mthonjaneni LM			
17. iMpindle LM			
18. Big Five Hlabisa LM			
19. King Cetshwayo DM			
20. uBulebeze LM			
21. Alfred Duma LM			
22. Dannhauser LM			
23. Nongoma LM			
WESTERN CAPE PROVINCE (6)		WESTERN CAPE PROVINCE (5)	
52. Kannaland LM	40. Beaufort West LM	41. Oudtshoorn LM	
53. Beaufort West LM	42. George LM	43. Knysna LM	
54. Oudtshoorn LM	44. Bitou DM	45. Matzikama LM	
55. George LM	45. Matzikama LM	46. Cederberg LM	
56. Knysna LM			
57. Bitou DM			
58. Matzikama Municipality			
59. Cederberg Municipality			
Total	100	Total	70

EASTERN CAPE PROVINCE (5)		LIMPOPO PROVINCE (5)	
1. Nelson Mandela Bay Metro	40. Thabazimbi LM	41. Mogalakwena LM	
2. Walter Sisulu LM	42. Musina LM	43. Vhembe LM	
3. Makana LM	44. Mopani LM		
4. Sakhisizwe LM			
5. Great Kei LM			
FREE STATE PROVINCE (10)		MPUMALANGA PROVINCE (3)	
1. Mangaung Metro	40. Victor Khanye LM	41. Emakhazani LM	
2. Kopanong LM	42. Mkhondo LM		
3. Matjhabeng LM			
4. Tswelopele LM			
5. Tokologo LM			
6. Mohokare LM			
7. Letsemeng LM			
8. Ngwathe LM			
9. Mantsopa LM			
10. Nketoana LM			
GAUTENG PROVINCE (5)		NORTHERN CAPE PROVINCE (15)	
1. Merafong LM	40. Nama Khoi LM	41. Ubuntu LM	
2. Rand West LM	42. Emthanjeni LM	43. Kareeberg LM	
3. Mogale City LM	44. Siyancuma LM	45. Renosterberg LM	
4. Lesedi LM	46. Tsantsabane LM	47. Joe Morolong LM	
5. Sedibeng DM	48. Kgatelopele LM	49. Siyathemba LM	
KWAZULU-NATAL PROVINCE (19)		50. Ga Segonyana LM	
1. eThekweni Metropolitan Municipality	51. Magareng LM	52. Dikgatlong LM	
2. uMgungundlovu DM	52. Dikgatlong LM	53. Kai Garib LM	
3. Newcastle LM	53. Kai Garib LM	54. Phokwane LM	
4. Ugu DM			
5. Ulundi LM			
6. uMkhanyakude DM			
7. Amajuba DM			
8. eDumbe LM			
9. Harry Gwala DM			
10. Zululand DM			
11. uPhogolo LM			
12. Mthonjaneni LM			
13. iMpindle LM			
14. Big Five Hlabisa LM			
15. King Cetshwayo DM			
16. uBulebeze LM			
17. Alfred Duma LM			
18. Dannhauser LM			
19. Nongoma LM			
NORTH WEST PROVINCE (1)		40. Dr Ruth Segomotso Mompoti DM	
WESTERN CAPE PROVINCE (5)			
40. Beaufort West LM			
41. Oudtshoorn LM			
42. George LM			
43. Knysna LM			
44. Bitou DM			
45. Matzikama LM			
46. Cederberg LM			
Total	70	Total	70

Water Boards

- Specifically, Section 4(3) states
- Procedures for the limitation or discontinuation of water services must—
- (a) be fair and equitable;
- (b) provide for reasonable notice of intention to limit or discontinue water services and for an opportunity to make representations. unless—
- (i) other consumers would be prejudiced:
- (ii) there is an emergency situation; or
- (iii) the consumer has interfered with a limited or discontinued service; and
- (c) not result in a person being denied access to basic water services for non-payment, where that person proves, to the satisfaction of the relevant water services authority. that he or she is unable to pay for basic services

- Section 4(5) states
- (5) Where one water services institution provides water services to another water services institution, it may not limit or discontinue those services for reasons of non-payment, unless it has given at least 30 days' notice in writing of its intention to 50 limit water services or 60 days' notice in writing of its intention to discontinue those water services to—
- (a) the other water services institution;
- (b) the relevant Province: and
- (c) the Minister.