

**MINISTRY**

**PUBLIC WORKS AND INFRASTRUCTURE**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 1166 [NW1248E]**

**INTERNAL QUESTION PAPER NO.: 20**

**DATE OF PUBLICATION: 12 JUNE 2020**

**DATE OF REPLY: 24 JULY 2020**

**1166. Mrs. M B Hicklin (DA) asked the Minister of Public Works and Infrastructure:**

What (a) reporting and accounting systems are in place in her office to ensure that the growing overdraft of the Property Management Trading Entity (PMTE) is serviced and minimised and (b) measures has she put in place to ensure that the (i) Director-General and (ii) acting head of the PMTE ensure that the overdraft is serviced and minimised?

**NW1471E**

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**REPLY:**

1. The Department of Public Works and Infrastructure prepares reports on monthly basis indicating the progress made to minimise the overdraft, however, the operating model that is being utilized by the PMTE makes provision for the entity to have a revolving overdraft of at least R950m per month. The initiatives that have been implemented to minimise the overdraft include the following:

* A letters were sent to National Treasury requesting ring fencing of all clients budget and for clients to pay in advance, the requests are being considered by Treasury;
* On the 1 September 2019, Archibus system was implemented to make payments to the landlords on the 1st of every month instead of the old system that was making payments before the 1st of each month; the system will be enhanced to bill user departments quarterly in advance for leases; and
* The Department has resolved to devolve the devolution of municipal services to the client departments. In this regard DPWI has advised the departments accordingly.

b)(i) and (ii) In line with established inter-governmental framework principles, below are some of the intervention that the Department has in place to recover the outstanding from client departments and hence minimise the bank overdraft:

* Request to National Treasury to intervene on clients that do not pay within 30 days;
* The Director-General wrote letters to his counterparts requesting them to ensure that departments pay the outstanding amounts to the Department;
* Regular Engagements with user departments regarding their obligations to settle outstanding debts in accordance with prescripts;
* An intergovernmental framework on billing and recovery has been communicated to all user departments, the framework agreement focuses on advance billing, disputes resolution and cutting of services in certain instances where user departments do not comply with payment arrangements;
* I have also written to other Ministers to ask for their intervention.