###### National Assembly

###### Question Number: 1819

**Mr M S F de Freitas (DA) to ask the Minister of Transport:**

(1) Whether the Passenger Rail Agency of SA (PRASA) has any creditor payments outstanding for more than 30 days; if not, what is the position in this regard; if so, (a) what are the amounts outstanding to date, (b) how long has each amount been outstanding and (c) by what date will these amounts be settled;

(2) what steps does PRASA take to (a) communicate with suppliers and service providers when they are not paid on time and (b) ensure that suppliers and service providers are paid on time? NW2127E

**REPLY**

(1) Yes, the Passenger Rail Agency of SA (PRASA) has creditor payments outstanding for more than 30 days;

(a) Amounts outstanding to date is R796 million.

(b)



(c) At this stage PRASA is unable to give a firm undertaking as to when the outstanding amounts will be settled, however, PRASA is working tirelessly to ensure that it meets its obligations to its creditors.

(2) (a) PRASA communicates with suppliers where payments cannot be made through e-mails, phone calls and meetings.

(b) As long as PRASA has a cash flow problem, we will be unable to pay service providers on time. The contributory factors of the cash flow challenges include the tough economic climate, the unfunded mandate of Shosholoza Meyl, operational challenges such as the many coaches out of service, train burnings, major service disruptions, fare evasion and vandalism of infrastructure.  The Acting GCEO is leading Management in developing a Turn-Around plan by end October aimed at ensuring that PRASA is run efficiently, coaches out of service are brought back and quality commuter rail services are provided which generate the revenues required to operate the business.