**NATIONAL ASSEMBLY**

**WITTEN REPLY**

**QUESTION 669**

**INTERNAL QUESTION PAPER [No 6-2018 FIFTH PARLIAMENT]  
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**669. Ms E R Wilson (DA) to ask the Minister of Rural Development and Land Reform:**

(a) Why does her department’s outstanding account with the Ba-Phalaborwa Local Municipality amounting to R21,9 million remain unpaid, (b) what is the reason for the arrears, (c) by what date will this account be settled in full and (d) what is the (i) amount owed by her department to each municipality in Limpopo and (ii) total amount of days in arrears of each amount owed? **NW743E**

**THE MINISTER OF RURAL DEVELOPMENT AND LAND REFORM:**

1. According to the Department’s records, an amount of R18 798 186.11 for the period 2008/2009 until 2014/2015 has been paid to the Ba-Phalaborwa Local Municipality. However, invoices to the value of R27 116 178.36 are being disputed based on incorrect billing/invoicing by the municipality for the periods 2015/2016: R8 743 089.18; 2016/2017: R8 743 089.18 and 2017/2018: R9 630 000.00. The Department has since been engaging officials from Ba-Phalaborwa Local Municipality in an attempt to correct the invoices, but with no success to date. The engagements with the municipality on the outstanding invoices date back to middle December 2017 and early March 2018.
2. There is a dispute regarding incorrect billing/invoicing by the municipality for the period 2015/16 to 2017/18.
3. The account will be settled within thirty days of receipt of the correct invoices.
4. (i) Invoices to the value of R46 119 588.59 are still outstanding. The breakdown is as follows: R37 130 096.90 are disputed invoices which have been sent back to municipalities for corrections and re-submission, including the Ba- Phalaborwa one. Invoices to the value of R8 989 491.69 are en route for approval for payment to be effected in the 2017-2018 financial year.

(ii) The arrears periods varies depending on the response of municipalities to the Department’s request for correction and resubmission of invoices e.g. Ba-Phalaborwa case. On average the period in arears for the R8 989 491.69 is 44 days. The Department is committed to finalising these payments before the end of the current financial year, with the cooperation of the relevant municipalities.