

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN**

**QUESTION NUMBER PQ805**

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**QUESTION: PQ805.**

**Ms. D van der Walt (DA) to ask the Minister of Cooperative Governance and Traditional Affairs:**

(1)With regard to the debt owed to Eskom by the (a) Modimolle, (b) Mookgophong and (c) Thabazimbi Local Municipalities in Limpopo, (i) what amount was owed by each specified municipality at the end of each of the past five financial years and (ii) who was the (aa) municipal manager and (bb) chief financial officer in each case; (2) whether any actions were taken to pay the outstanding debts; if not, why was no action taken; if so, what actions were taken;(3) whether any debts owed by the municipalities to Eskom were written off in the specified financial years; if so, what are the relevant details in each case?

**REPLY:**

**(1) (i)** Table 1 presents the total amount owed by Modimolle, Mookgophong and Thabazimbi Local Municipalities in Limpopo at the end of the past four financial years as well as January 2018 as follows:

**Table 1: Total amounts owed:**

|  |  |  |
| --- | --- | --- |
|  |  | ***Financial year*** |
| ***NAME of Municipality*** | ***As at Jan\_2018 (Rm)*** | ***Mar\_2017 (Rm)*** | ***Mar\_2016 (Rm)*** | ***Mar\_2015 (Rm)*** | ***Mar\_2014 (Rm)*** |
| MODIMOLLE LOCAL MUNICIPALITY | 133 677 479 | 89 691 778 | 30 052 581 | 6 216 489 | 5 479 296 |
| MOOKGOPHONG LOCAL MUNICIPALITY | 123 185 380 | 98 353 558 | 64 435 450 | 38 801 446 | 19 079 933 |
| THABAZIMBI LOCAL MUNICIPALITY | 222 470 986 | 208 018 852 | 149 351 611 | 109 226 136 | 63 239 219 |
| **Grand Total** | ***479 333 845*** | ***396 064 189*** | ***243 839 643*** | ***154 244 071*** | ***87 798 449*** |

1. **(ii) (aa)(bb)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2013/14** | **2014/15** | **2015/16** | **2016/17** | **2017/18** |
|  | **MM** | **MM** | **MM** | **MM** | **MM** |
| Thabazimbi | Ntsoane M.E | Ntsoane M.E (Suspended) | Ntsoane M.E (Suspended) | Vacant | T.J. Ramagaga |
| Mookgophong | Magwala N.P | Vacant | Sebola O.P | Sebola O.P | Amalgamation |
| Modimolle | Vacant | Bambo N.S | Bambo N.S | Sebola O.P | Sebola O.P |
|  | **CFO** | **CFO** | **CFO** | **CFO** | **CFO** |
| Thabazimbi | Malema L.C | Malema L.C (Suspended) | vacant | vacant | Mhlanga S.N |
| Mookgophong | Eksteen D | Eksteen D | Eksteen D | Eksteen D | Amalgamation |
| Modimolle | Mathabatha | Mathabatha | Vacant | EKsteen D | vacant |

1. Yes, Eskom was involved in the following actions:
* Various payment arrangements were signed by these municipalities over time, but they were not fully honoured.
* Eskom, with the intervention of national and provincial government (Treasury and CoGTA) have engaged municipalities in order to agree on realistic payment plans.
* Promotion of Administration Justice Act (PAJA) was initiated against the three municipalities in question at different time periods.
* Thabazimbi Municipality entered into several payment arrangements and none were honoured (April 2015, March 2017). Electricity supply was interrupted during October 2017 and November 2017. The municipality has subsequently signed a new payment arrangement with Eskom in December 2017 and it is being honoured monthly.

The municipality is busy with a project of installing smart metering in its residential areas although it is getting resistance from some customers. Upon finalisation of the project, the

smart metering initiative should assist the municipality with its revenue collection efforts.

* Modimolle and Mookgophong Municipalities signed payment arrangements with Eskom in November 2016 and they were not honoured. Thereafter, they signed new payment arrangements in March 2017 and these were also not honoured. PAJA was initiated in November 2017 and the process was suspended after the municipalities entered into new payment arrangements that were signed in November 2017.

They have subsequently failed to honour their agreements and the electricity bulk supplies to the two municipalities are scheduled to be interrupted from 31 March 2018 as published.

1. Eskom has not written off any municipal debt in any of the abovementioned financial periods.