

**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION: 09**

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**QUESTION PAPER NO: 01**

**Mr W W Wessels (FF Plus) to ask the Minister of Communications and Digital Technologies:**

(1)    What is the current outstanding amount owed by the SA Post Office (SAPO) to (a) landlords, (b) municipalities and/or (c) water and electricity suppliers for (i) outstanding rentals, (ii) water and (iii) electricity across all branches of SAPO;

(2)    What are the reasons for the specified amounts owed;

(3     What is the impact of the arrear accounts on the (a) business and (b) daily (i) activities and (ii) responsibilities of SAPO;

(4)    Whether there is a plan in place to pay arrear accounts and mitigate the effect thereof on the daily activities of SAPO branches; if not, why not; if so, what are the relevant details?

 NW12E

**REPLY:**

**I have been advised by the SAPO as follows:**

1. (a) **Landlords**

As at 31 January 2022 an amount of **R304 million** was owed. The amounts owing to landlords include rental and operational/ utilities costs

(b) & (c) **Municipalities & Water and electricity**

The current balance for municipalities as at 10 February 2022 is **R915 000** which is only the current costs for the month.

2.The reason for outstanding rentals is due to SAPO’s constrained cash flow position. SAPO’s costs have continued to exceed revenue resulting in losses for the year ending 31 March 2021 and for the ten months ending 31 January 2022. The losses are unfunded resulting in SAPO having insufficient funds to settle liabilities.

3. (a) Negative impact on customers as branches are closed / locked by landlords.

 (b) Also impacts on revenue not being generated by closure of these branches.

4.SAPO currently does not have the required funds to settle the liabilities. SAPO has developed a revised strategy to improve its operational and financial performance – and is in the process of implementing such. In addition, SAPO has requested funding through the MTEF process.