

NATIONAL COUNCIL OF PROVINCES
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 676 [CW865E]
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676. Mr D R Ryder (Gauteng: DA) to ask the Minister of Finance:

What role has the National Treasury played to date in (a) mediating between the Emfuleni Local Municipality and Rand Water to ensure that the municipality fulfils its constitutional obligations to residents, (b) finding a sustainable solution to the legacy debt to Rand Water and (c) focusing the expenditure of the said municipality on the (i) protection of revenue collections and (ii) reduction of water losses? CW865E

REPLY

- a. The National Treasury has not received a request to mediate between the municipality and Rand Water. Should the parties require this facility then the MFMA Circular No.21 guides them on the process involved. Currently, the National Treasury participates in the discussions when invited, mindful that the municipality is a delegated municipality hence, the Gauteng Provincial Treasury is leading the discussions. From the engagements the National Treasury has participated in, the discussions are at the early stages and the package of support has not as yet been developed. There could be support from other departments, but none has been shared with the National Treasury. Additionally, the municipality has written to the National Treasury requesting an intervention and support following the attachment of its bank account by Rand Water and Eskom. The National Treasury has requested further information from the municipality regarding its creditor list, this information was not received from the municipality.
- b. The Department of Water and Sanitation, to our knowledge is exploring ways to deal with this challenge. These discussions are also at the infant stages.
- c. (i) The National Treasury's debt relief programme as well as the Municipal Finance Improvement Programme that deploys Technical Advisors to advise and support the municipality focus on rebuilding the revenue due to the municipality by analysing the entire revenue value chain which includes the revenue protection initiatives for greater effectiveness.
- (ii) The National Treasury will be issuing a transversal tender to assist municipalities with a smart solution which includes replacement of old and dysfunctional meters with the new smart technology meters. These meters will address electricity losses amongst other smart benefits. The municipality must fund this initiative within their own budget.