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**TO: THE MINISTER**

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| **NATIONAL ASSEMBLY: QUESTION NO. 3504 (Written Reply) Ms A M Van Zyl (DA) to ask the Minister of Public Works and Infrastructure** |

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| **RANK** | **INITIALS AND**  **SURNAME** | **SIGNATURE** | **DATE**  **REFERRED** | **DATE**  **RETURNED** |
| **Chief Financial Officer** | **Mr. M Sithole** |  |  |  |
| **Acting Director-General** | **Dr. A Moemi** |  |  |  |
| **Deputy Minister** | **Ms. N Kiviet, MP** |  |  |  |
| **Minister** | **Ms. P De Lille, MP** |  |  |  |

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**INTERNAL MEMORANDUM**

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| **To:** | **MINISTER OF PUBLIC WORKS & INFRASTRUCTURE** | **Ref:** | **NA PQ No. 3504 (Written Reply)** |
| **From:** | **ACTING DIRECTOR-GENERAL** | **Office:** | **DIRECTOR-GENERAL** |
| **Tel:** | **(012) 406 2028** | **Fax:** | **(086) 699 3998** |

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| **NATIONAL ASSEMBLY: QUESTION NO. 3504 (Written Reply) Ms. A M Van Zyl (DA) asked the Minister of Public Works and Infrastructure:**   1. What (a) total amount does her department owe to the (i) Walter Sisulu Local Municipality and (ii) Senqu Local Municipality and (b) is the age analysis of the monies owed in each case; 2. What (a) are the specific details of the buildings in respect of which her department owes the specified municipalities and (b) is the use of each specified building; 3. Whether her department has any plans to address the debts; if not, why not; if so, what (a) are the details of her department’s plan and (b) is the time frame in which the debts will be settled? **NW4317E** |

**REPLY:**

1. **(a)**
2. **Walter Sisulu Local Municipality (Gqeberha/PE Region):**

As per the age analysis obtained from the municipality as at 30 June 2022 reflects an outstanding amount of R 7,6 million. The Municipality conceded that the said owed amount has some discrepancies and requires a concerted effort from both parties to perform a verification and reconciliation of accounts and amount owed respectively. The amount owed is broken down as follows:

* + - NDPWI accounts: R 5,2 million outstanding amount that will be addressed by NDPWI; and
    - Unknown accounts: R 2,4 million outstanding amount that requires further investigations undertaken that relates to ownership disparities.

**Walter Sisulu Local Municipality (Umtata Region)**:

As per the age analysis obtained from municipalities as at 30 September 2022 reflects an outstanding amount R436 675.32. The amount owed relates to the current month billing for rates and taxes for 2022/2023 financial year (age analysis attached with the confirmation letter from the municipality). The accounts outstanding are current and up to date.

DPWI does not pay annual property rates in advance but pay them programmatically on a monthly basis. While municipalities may be reflecting the annual property rates as due and payable, and invariably overdue, there are few instances where invoices are not paid within 30 days.

1. **Senqu Local Municipality**:

As per the age analysis obtained from municipalities as at 31 August 2022 reflects an outstanding amount of R1,2 million broken down as follows:

* + - Municipal services: R415 217.25 for municipal services (with R349 000 not yet allocated after the payment run).

The remaining balance of R66 217.25 (R415 217.25 – R349 000) is part of the payment that has cleared in September still to be allocated.

* + - Rates and Taxes: R557 505.20 that relates to rates and taxes for 2022/2023 financial year (See confirmation letter from the municipality); and
    - Leased building: R231 285.33 long overdue lease rental accounts that is currently being investigated.

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| **NATIONAL ASSEMBLY: QUESTION NO. 3504 (Written Reply) Ms. A M Van Zyl (DA) asked the Minister of Public Works and Infrastructure:** |

(2)

**Walter Sisulu Local Municipality (Gqeberha)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| # | User Department | Category | No. of Accounts | Mun. Services | Rates & Taxes | Arrear Amount |
| **R** | | |
| 1 | Correctional Services | Known Accounts | 4 | 627 431,55 | 1 985 255,02 | **2 612 686,57** |
| 2 | Justice | Known Accounts | 7 | 305 609,28 | 146 724,28 | **452 333,57** |
| 3 | NDPWI | Known Accounts | 10 | 0,00 | 561 410,18 | **561 410,18** |
| 4 | SANDF | Known Accounts | 6 | 0,00 | 76 882,58 | **76 882,58** |
| 5 | SAPS | Known Accounts | 18 | 72 898,77 | 902 687,41 | **975 586,19** |
| 6 | Water Affairs | Known Accounts | 34 | 0,00 | 510 348,50 | **510 348,50** |
| 7 | Unknown |  | 49 |  |  | **2 418 234,24** |
| TOTAL | | | **128** | **1 005 939,61** | **4 183 307,98** | 1. **607 481,83** |

**Walter Sisulu Local Municipality (Mthatha)**

The Municipality has confirmed that the Mthatha region is up to date with the payments. (See attached letter of confirmation from the Municipality).

**Senqu Local Municipality**:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| # | User Department | Category | No. of Accounts | Municipa Services |
| 1 | Correctional Services | Known Accounts | 4 | 95 281,18 |
| 2 | Justice | Known Accounts | 4 | 55 980.99 |
| 3 | labour | Known Accounts | 2 | 9 850.2 |
| 4 | SAPS | Known Accounts | 12 | 188 569,69 |
| 5 | Home Affairs | Known Accounts | 2 | 65 535,19 |
| TOTAL | | | 24 | **415 217,25** |

* Rates and Taxes: R557 505.20 that relates to rates and taxes for 2022/2023 financial year (See confirmation letter from the municipality); and
* Leased building: R231 285.33 long overdue lease rental accounts that is currently being investigated.

(3)

**Walter Sisulu Local Municipality (Gqeberha)**

NDPWI Gqeberha Regional Office has been in contact with the Municipality and a visitation to perform an extensive reconciliation of the known accounts is arranged for the week of 17- 21 October 2022. The objective is to conclude the reconciliation and settle the reconciled outstanding amount by the end of November 2022.

However, the department will only process the amount due dependent upon the completion of the reconciliations and the submission of accurate invoices and related supporting documents by the Municipality.

Notwithstanding the above, NDPWI made payments of R 734 479, 41 for Rates & Taxes, and R 213 267, 43 for municipal services (utilities) during the month of September 2022. This is a clear demonstration and continuous endeavours by DPWI to ensure that all valid invoices from municipalities – as it is with other creditors – are settled timeously however there are few instances where invoices are not paid within 30 days.

**Walter Sisulu Local Municipality (Mthatha)**

The DPWI has no arrear debt for both municipal services and rates and taxes and it is busy with the current billing.

**Senqu Local Municipality**:

NDPWI Mthathta Regional Office will meet with the Senqo Municipality and perform an extensive reconciliation for the overdue amount relating to the leased building on the 1 November 2022, with the aim to resolve and conclude the matter by 30 November 2022.

The draft reply to Parliamentary Question No. 3504 (Written Reply) is submitted for your consideration.

The input has been provided by the Finance Business Unit.

I hereby attest that the information provided in response to NA PQ 3504 is true and correct, as informed.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**MR. M SITHOLE**

**CHIEF FINANCIAL OFFICER**

**DATE:**

Draft reply supported / not supported/ comments

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**DR. A MOEMI**

**ACTING DIRECTOR-GENERAL**

**DATE:**

Draft reply supported / not supported/ comments

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**MS. N KIVIET, MP**

**DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE**

**DATE:**

Draft reply approved / not approved/ comments

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**MS. P DE LILLE, MP**

**MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE**

**DATE:**



**MINISTRY**

**PUBLIC WORKS AND INFRASTRUCTURE**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 3504 [NW4317E]**

**INTERNAL QUESTION PAPER NO.: 37 of 2022**

**DATE OF PUBLICATION: 30 SEPTEMBER 2022**

**DATE OF REPLY: OCTOBER 2022**

**3504 Ms. A M Van Zyl (DA) asked the Minister of Public Works and Infrastructure:**

1. What (a) total amount does her department owe to the (i) Walter Sisulu Local Municipality and (ii) Senqu Local Municipality and (b) is the age analysis of the monies owed in each case;
2. What (a) are the specific details of the buildings in respect of which her department owes the specified municipalities and (b) is the use of each specified building;
3. Whether her department has any plans to address the debts; if not, why not; if so, what (a) are the details of her department’s plan and (b) is the time frame in which the debts will be settled? **NW4317E**

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**REPLY:**

**The Minister of Public Works and Infrastructure**

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**MS. P DE LILLE, MP**

**MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE**

**DATE:**