

Water and Sanitation in the News

Eskom Mulls Cutting Off Defaulting Municipalities

Eskom says it has notified all parties who are likely to be adversely affected as the company contemplates interrupting bulk electricity supply to the top 20 defaulting municipalities across the country from 5 June 2015. As at 31 March 2015, the total municipal arrear debt greater than 30 days was R4.6 billion. Of this amount, the top 20 defaulting municipalities are currently indebted to Eskom to the amount of R3.68 billion for the bulk supply of electricity.

...Eskom said it recognises that the disconnection of electricity supply may cause undue hardship to consumers and members of the community, and may adversely affect the delivery of other services. However, it said customer disconnection is always the last resort explored. In view of this, Eskom is contemplating a regulated interruption of electricity as indicated below:

Monday to Friday Saturday and Sunday

06h00 - 10h00 07h00 - 10h00

17h00 - 21h00 17h00 - 20h00

A list of defaulting municipalities will be published per province by 30 April 2015 in local provincial media channels. Consumers within the jurisdiction of a defaulting municipality will be given adequate notice in terms of the Promotion of Administrative Justice Act, no 3 of 2000, and will be given the opportunity to make written representations to Eskom.

Source: *AllAfrica.com*, 10 April 2015

Context

The notification of supply interruption by Eskom to the top 20 municipalities, came on the heels of an unprecedented move by National Treasury to withhold the last of three tranches of funding to 60 municipalities due to have been transferred on March 20. The municipalities collectively owe R9-billion to Eskom. In a statement last week, the treasury said consistent failure to pay Eskom and water board bills amounts to financial mismanagement and that the equitable share would not be released to each municipality until formal arrangements have been made with these creditors. The withheld funds, totalling R2-billion according to the treasury, takes the form of each

municipality's equitable share – an allocation intended to assist local government to provide basic services to its poorest households. The municipalities include Mahikeng, Ditsobotla, Tswaing, Phokwane and Matjhabeng, which have had service delivery protests in recent years, raising fears that more protests may follow if the municipalities cut their services.

The South African Local Government Association warned the move will “result in services paralysis”. A number of the local governments who have had allocations withheld have been hot spots for service delivery protests in recent years. Notably, one of the municipalities that has not been paid its allocation is Madibeng, which encompasses Brits, Hartbeespoort, Mooinooi and part of the settlement of Marikana. This area has been hit with numerous, often violent, protests. The local government association said that while local municipalities owe Eskom money, R98-billion is owed to municipalities, with R5.4-billion of this by national government and the balance by households and the commercial sector. It further called on its member municipalities to immediately implement credit control measures to recover the debt from government departments...

Source: *Moneyweb*, 15 April 2015, *Mail & Guardian*, 10 April 2015

At the moment, it is not yet clear what the impact of the electricity interruptions would be on water supply, but judging from the experience of Gauteng at the end of 2014, when cable theft and power problems at pump stations immediately plunged areas in and around Johannesburg in a water supply crisis for days, similar or worse impacts could result in the affected municipalities. While provision of electricity is not a basic right within the constitution, there is an express stipulation for a right to sufficient water in section 27(1)(b) of the constitution. This basic human right could seriously be threatened and affect 3.8 million people in the coming months.

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