

(143) Hon Cowley



Province of the
EASTERN CAPE
COOPERATIVE GOVERNANCE
& TRADITIONAL AFFAIRS

MEMBER OF THE EXECUTIVE COUNCIL

Tyamzashe Building | Civic Square | Bhisho | 5605

P/Bag X0035 | Civic Square | Bhisho | 5605

Tel: +27 (0)40 609 5658 / 5656 | Fax: +27 (0)40 639 2135

ENQUIRIES: Mr S. Mdodi – 066 485 0867

MPL H Sauls-August
The Honourable Speaker
Eastern Cape Provincial Legislature
Independence avenue
Bhisho, 5605

Dear Honourable Speaker

SUBMISSION OF RESPONSES TO IQP 7 WITH QUESTION 143 FOR WRITTEN REPLY

I hereby on behalf of the Department of Cooperative Governance and Traditional Affairs (**CoGTA**) submit the responses to the Internal Question Paper (IQP) 7 with Questions 143 for written reply in terms of Rule 184 (1) of the standing rules of the Eastern Cape Provincial Legislature for your consideration.

I hope that you find the above in order.

X E NQATHA (MPL)
MEMBER OF EXECUTIVE COUNCIL
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 28/08/2019

RECEIVED
HANSARD & LAW - MAKING
DATE: <u>28/08/19</u>
SIGNATURE: <u>[Signature]</u>



TO : HANSARD AND HOUSE BUSINESS

FROM : MEC FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

SUBJECT : RESPONSES TO IQP 7 WITH QUESTION 143 FOR WRITTEN REPLY

143. Ms J Cowley to ask the MEC responsible for Cooperative Governance and Traditional Affairs:

Noting that in Ezibeleni Township of eKomani in Enoch Mgijima Municipality, the supply of electricity is allegedly so unreliable that the clinics and the day hospital are reported to be adversely affected and thus the health of the residents is jeopardised:

QUESTION	RESPONSE
1. What are the main reasons for the alleged malfunctioning of electricity supply to Ezibeleni;	The electricity infrastructure for Ezibeleni is ageing and there has been a lack of maintenance for more than ten years, which has caused the malfunction. .
2. whether his Department intends to put any measures in place with a view to ensuring that electricity supply to the communities of Ezibeleni is restored and remains constant; if so, what measures; if not, why;	The department contacted municipality about the concerned matter and the response was the following: In the IDP there is a budget for refurbishment. This is to upgrade the substations at Ezibeleni for the financial year 2020/21. The upgrade is meant to deal with the challenges experienced at Ezibeleni.
3. whether there is any current debt owed by the municipality to Eskom; if so, a) can he kindly specify the amount of the debt, b) for how long has the debt been there and c) what immediate steps his Department and the administrator anticipate will be put in place with a view to settling the debt?	a.) The amount owed to Eskom by the municipality is currently R 198 802 751,91. b.) Please refer to the below debt age analysis:

QUESTION	RESPONSE																
	<p data-bbox="759 275 1222 309">ENOCH MGJIMA BULK ACCOUNT AGING</p> <table border="1" data-bbox="759 353 1560 792"> <tr> <td data-bbox="759 353 1169 387">Total Debt Due as at 14th August 2019</td> <td data-bbox="1169 353 1560 387">R 198 802 751.91</td> </tr> <tr> <td data-bbox="759 432 1118 465">Balance of Payment Arrangement</td> <td data-bbox="1118 432 1560 465">R 81 963 806.64</td> </tr> <tr> <td data-bbox="759 510 1062 544">Current Account (June 2019)</td> <td data-bbox="1062 510 1560 544">R 28 228 668.11</td> </tr> <tr> <td data-bbox="759 544 882 577">16-30 days</td> <td data-bbox="882 544 1560 577">R 19 789 563.15</td> </tr> <tr> <td data-bbox="759 577 882 611">31-60 days</td> <td data-bbox="882 577 1560 611">R 0.00</td> </tr> <tr> <td data-bbox="759 611 882 645">61-90 days</td> <td data-bbox="882 611 1560 645">R 54 924 103.11</td> </tr> <tr> <td data-bbox="759 645 863 678">>90 days</td> <td data-bbox="863 645 1560 678">R 13 896 610.90</td> </tr> <tr> <td data-bbox="759 745 1342 779"></td> <td data-bbox="1342 745 1560 779">R 116 838 945.27</td> </tr> </table> <p data-bbox="759 857 1560 1025">c.) The municipality has entered into a payment arrangement with the municipality on 14 November 2018, it was noted that municipality has failed to maintain with terms and conditions of the payment arrangement as the debt has escalated.</p> <p data-bbox="759 1025 1560 1232">The department working with National Treasury developed a Financial Recovery Plan with timelines, which is still going to be reviewed. Within this FRP, there are actions to be taken which amongst other things are meant to increase revenue with a view to address repayment of Eskom.</p>	Total Debt Due as at 14th August 2019	R 198 802 751.91	Balance of Payment Arrangement	R 81 963 806.64	Current Account (June 2019)	R 28 228 668.11	16-30 days	R 19 789 563.15	31-60 days	R 0.00	61-90 days	R 54 924 103.11	>90 days	R 13 896 610.90		R 116 838 945.27
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