

With R16.1bn outstanding, reconfigured water boards aim for financial sustainability

The Portfolio Committee on Water and Sanitation says it is hopeful that the reconfiguration of water boards will ensure efficiency and the achievement of targets, translating into water delivery.



Source: Jozsef Szasz-Fabian@ [123RF.com](https://www.123RF.com)

“We are hopeful that the reconfiguration will assist in better economies of scale for water boards, enable better cross-subsidisation and increased financial sustainability as well as enhance market capitalisation for infrastructure projects,” committee chairperson Robert Mashego said.

While commending the progress reported on the reconfiguration of water boards, the committee said it remains concerned that there are still challenges that deny people access to water, and called for solutions to challenges across the water value chain.

“We must caution against cosmetic changes that don’t bring about tangible results and access to water for the people,” Mashego said.

Non-payment by municipality clients

The committee called for improved relationships with municipalities to promote the payment of services as the financial sustainability of the water boards remains critical for their existence.

The committee expressed concerned that the water boards are owed R16.1bn as of 31 December 2022 due to non-payment by municipalities' clients and that negatively impacts the board's ability to raise funds for capital projects.

"The committee remains concerned that five water boards, including Amatola, Bloem, Lepelle, Mhlathuze and Rand Water, are performing below the 80% of planned targets which also directly impacts on their ability to deliver services.

"The committee has urged the water boards to find solutions to the challenges they face to ensure that they have the required capacity to meet their mandate of the delivery of water to the people," Mashego said.

The realignment, which is at various stages, is expected to be completed by March 2023.



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Daniel Steyn 21 Feb 2023



The committee has also called for close collaboration between the water boards and municipalities to improve the operations of the municipalities' wastewater treatment plants to ensure improved quality of discharged water.

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