

# COGTA PRESENTATION NERSA

by Advocate Thebe



cooperative governance  
and traditional affairs

Department of Cooperative Governance  
and Traditional Affairs  
FREE STATE PROVINCE

15 NOVEMBER 2017

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# OVERVIEW

- Free State consists of 4 Districts and 1 Metro namely:
  - Fezile Dabi District
  - Lejweleputswa District
  - Thabo Mofutsanyana District
  - Xhariep District
  - Mangaung Metro



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# OVERVIEW (cont...)

- All 18 Local Municipalities and a Metro (Mangaung) are License holders excluding all 4 District Municipalities
- More than 60% of Townships in the Province are supplied directly by ESKOM, the remaining 40% and Towns/ Suburbs are supplied by Municipalities
- Electrification and Public Lighting is done by Local Municipalities through INEP and MIG respectively
- All Mines are supplied directly by ESKOM



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# DEMOGRAPHICS

- Total Population in the Province as per Stats SA (2016 Census Community Household Survey) 2.8m
- Unemployment rate = 33,9%



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# ELECTRICITY DEBT BY MUNICIPALITIES

- 15 LM's have arrears on ESKOM debt
- The above LM's owes a combined figure of R5,9b
- Current account (October 2017) is R213m
- 3 LM's and Mangaung Metro are up to date on their ESKOM account (Kopanong, Mohokare, Metsimaholo)

# ELECTRICITY DEBT BY MUNICIPALITIES

## 31 October 2017

<b>Municipality</b>	<b>Total Due</b>	<b>Overdue Debt</b>	<b>Current Bills/ acc</b>
Maluti A Phofung	R 2 422 573 424.47	R 2 350 030 935.39	R 72 542 489.08
Matjhabeng	R 1 676 239 858.91	R 1 626 811 144.40	R 49 428 714.51
Ngwathe	R 865 349 233.81	R 841 944 999.75	R 23 404 234.06
Nketoana	R 155 454 517.46	R 150 143 605.48	R 5 310 911.98
Phumelela	R 91 754 608.33	R 91 754 608.33	R 2 982 745.45
Mafube	R 57 489 403.75	R 57 489 403.75	R -
Nala	R 183 831 961.28	R 177 770 252.26	R 6 061 709.02
Mantsopa	R 110 027 795.14	R 105 948 251.51	R 4 079 543.63
Masilonyana	R 42 198 633.55	R 40 052 950.27	R 2 145 683.28
Tokologo	R 35 377 023.86	R 33 534 246.71	R 1 842 777.15
Dihlabeng	R 183 517 854.53	R 170 414 981.59	R 13 102 872.94

# ELECTRICITY DEBT BY MUNICIPALITIES

## 31 October 2017 (cont....)

<b>Municipality</b>	<b>Total Due</b>	<b>Overdue Debt</b>	<b>Current Bills/ acc</b>
Moqhaka	R 220 866 586.55	R 197 631 394.08	R 23 235 192.47
Tswelopele	R 25 930 783.08	R 23 492 813.66	R 2 437 969.42
Setsoto	R 31 809 803.74	R 26 971 861.24	R 4 837 942.50
Letsemeng	R 12 036 957.98	R 10 249 895.63	R 1 787 062.35
<b>Total=</b>	<b>R 6 114 458 446.44</b>	<b>R 5 904 241 344.05</b>	<b>R 213 199 847.84</b>



# ECONOMIC GROWTH (FREE STATE)

- Currently CPIX is 5,42%
- National growth rate is 1.3%
- Contribution of Free State to the GDP is (5,2%)  
R189,1b



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# IMPACT OF APPLICATION APPROVAL OF 27%

- Un-affordable electricity by consumers due to an already constraint economic situation
- Approval of Municipal Budget to accommodate **unrealistic increases** defeating the purpose of Public Participation
- Grant reliant by poor/ indigent (equitable share)
- High rate of illegal connection



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# RECOMMENDATIONS

- Application by ESKOM be reviewed



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# THANK YOU



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