

Emfuleni to pay Eskom debt

The Emfuleni Local Municipality in Gauteng will pay the R50m it owes to Eskom.



Image source: Getty/Gallo

In a joint statement on Wednesday, Eskom and the Gauteng department of Cooperative Governance and Traditional Affairs (CoGTA) said a meeting had resolved on the payment to the power utility.

The decision follows on a meeting between the power utility's delegation led by Group Chief Executive, André de Ruyter and the provincial CoGTA 's delegation led by MEC Lebogang Maile, at the Gauteng Legislature in Johannesburg.

The meeting was convened by Maile following legal action taken by Eskom to attach assets of the Emfuleni Local Municipality to recover R2.3bn in debt due to Eskom.

“The meeting signalled the beginning of the much needed coordination between government and various organs of state to ensure a systematic, holistic approach in resolving issues that might hinder delivery of services to communities,” said the MEC.

Both parties collectively agreed to work closely in promoting a culture of paying for services on time, starting from municipalities, cascading all the way down to communities.

This will accord Eskom, which faces considerable financial constraints, an opportunity to meet its own obligations with its lenders.

In Gauteng alone, Eskom is owed R3.77bn by a number of municipalities, with the exception of Ekurhuleni Metropolitan; City of Johannesburg and Midvaal Local Municipality.

CoGTA will prioritise all efforts in assisting the Merafong Municipality and the Rand West Municipality who have accumulated unpaid debts of R377m and R355m respectively.

Agreement

Both parties agreed to work together in assisting the two municipalities to meet their payment obligations.

In addition, it was resolved that Eskom will suspend the seizure of assets upon receipt of payment. The meeting also resolved that joint teams will work out a feasible, sustainable and affordable payment plan for consideration by both parties.

It was also resolved that Emfuleni will from now on pay Eskom its monthly accounts in full.

“Other matters were deferred to a broader meeting that will be convened in a month’s time wherein progress will be tracked and reflected upon,” said the two parties.

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