

Government Gazette
Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID AFRIKA

Vol. 721 | 11 July Julie | 2025 | No. 52975

ISSN 1682-5845



N.B. The Government Printing Works will not be held responsible for the quality of "Hard Copies" or "Electronic Files" submitted for publication purposes



AIDS HELPLINE: 0800-0123-22 Prevention is the cure

IMPORTANT NOTICE:

THE GOVERNMENT PRINTING WORKS WILL NOT BE HELD RESPONSIBLE FOR ANY ERRORS THAT MIGHT OCCUR DUE TO THE SUBMISSION OF INCOMPLETE / INCORRECT / ILLEGIBLE COPY.

NO FUTURE QUERIES WILL BE HANDLED IN CONNECTION WITH THE ABOVE.

Contents

No.		Gazette No.	Page No.
GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS			
National Treasury / Nasionale Tesourie			
6413	Public Finance Management Act (1/1999):Borrowing Powers of Water Boards listed under Schedule 3 Part B of the Act	52975	3

NATIONAL TREASURY

NO. 6413 **11 July 2025**

PUBLIC FINANCE MANAGEMENT ACT, 1999 (ACT NO 1 OF 1999 AS AMENDED)

BORROWING POWERS OF WATER BOARDS LISTED UNDER SCHEDULE 3 PART B OF THE ACT

I, ENOCH GODONGWANA, MINISTER OF FINANCE, acting in terms of Section 66(3)(b) of the Public Finance Management Act, 1999 (Act No 1 of 1999), hereby authorise the accounting authority of Umngeni-Uthukela Water to borrow money up to the limits and issue guarantees as stipulated below:

UMNGENI-UTHUKELA WATER: BORROWING AUTHORISATION AND RELATED LIMIT	
FINANCIAL YEAR	**INTEREST-BEARING DEBT/ BORROWINGS AMOUNT**
Ending 30 June 2026 Ending 30 June 2027 Ending 30 June 2028	R2.828 billion R4.426 billion R6.508 billion

FINANCIAL YEAR	GUARANTEE
Ending 30 June 2026 Ending 30 June 2027 Ending 30 June 2028	R212 million R212 million R212 million

The borrowing limit reflects the maximum interest-bearing borrowings that Umngeni-Uthukela Water may have at the end of each financial year. The entity's compliance to the relevant limits will be measured at the end of each financial year. Therefore, Umngeni-Uthukela Water interest-bearing borrowings at the end of each financial year should not be higher that the prescribed amounts. A new authorisation will be considered upon expiry, provided Umngeni-Uthukela Water has outstanding interest-bearing borrowings recorded on its financial statements.

The guarantee authorisation in terms of section 66(3)(b) of the PFMA reflects the maximum guarantee(s) Umngeni-Uthukela Water may provide, as required by the entity in carrying out its mandate. The cumulative amount of the guarantee should not in any of the 3 financial years exceed R212 million. Furthermore, this approval is not a section 70 approval but rather an approval for the issuance of guarantees in terms of section 66(3)(b) of the PFMA, which states

that public entities (in this instance, a national government business enterprise) may only through its accounting authority *"borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that public entity to any future financial commitment, subject to conditions that the Minister may impose"*.

The borrowing authorisation and related limit is approved with the following compliance requirements:

1. The outstanding interest-bearing debt must not exceed the authorised borrowing limit at the end of each financial year;
2. A minimum cash interest cover (CIC) ratio of 3 times (cash generated from operations (after changes in working capital) divided by (+) cash finance costs);
3. A minimum debt service cover ratio (DSCR) of 1 time (cash generated from operations (after changes in working capital) divided by (+) total debt service costs (debt capital repayments plus gross interest paid);
4. A gearing limit of 50% (interest-bearing borrowings divided by (+) total equity);
5. Submit bi-annual reports to the ALM division on the progress of major capital expenditure projects and the project plans for the upcoming 6 months; and
6. UUW must submit quarterly progress reports to the ALM division within 30 days after the end of each respective quarter.
7. UUW include information on all its obligations with lenders and noteholders, on a quarterly basis through its reports, (within 30 days after the end of each quarter):
   i. the initial debt amounts;
   ii. the outstanding amounts as at the reporting date;
   iii. related covenants (incurrence and maintenance covenants); and
   iv. the compliance to such covenants in relation to all its existing borrowings.

The issuance guarantee authorisation in terms of section 66(3)(b) of the PFMA has the following compliance requirement:

a. Umngeni-Uthukela Water is required to have at all times, liquid assets (cash and/or marketable securities) to the value of R212 million in relation to the financial years highlighted above.

ENOCH GODONGWANA, MP
MINISTER OF FINANCE
Date: 30/06/2025

Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001
Contact Centre Tel: 012-748 6200. eMail: info.egazette@gpw.gov.za
Publications: Tel: (012) 748 6053, 748 6061, 748 6065

This gazette is also available free online at **www.gpwonline.co.za**