

Van Rooyen takes tough stance on municipal debt

**SIYABONGA MKHWANAZI
AND PATSY BEANGSTROM**
STAFF WRITERS

CO-OPERATIVE Governance Minister Des van Rooyen is cracking down on the rising municipal debt, after it shot up to R117 billion – in Kimberley alone it is almost R2 billion.

Van Rooyen said recently that a task team was working to bring down the debt significantly, while discussions are also being held with government departments who owe municipalities a total of R5.4 billion.

The latest figures provided for Kimberley, show that consumers owed the Sol Plaatje Municipality a whopping R1.868 billion at the end of February. The total collection rate for the city is only 57.4 percent.

Like the rest of the country, most of the city's debts is from households, who owe R893.5 million, followed by government departments who owe R572 million. Businesses owe R186 million, while residential businesses have a debt of R28.8 million.

Nationally, households owe

municipalities more than R62bn, followed by businesses with a debt of R28 billion and government departments owing municipalities R5.4 billion.

According to Van Rooyen, however, his department is also getting municipalities who owe Eskom billions, to pay up.

He said arrangements had been made with Eskom, but municipalities had defaulted because of unrealistic payment arrangements.

He said municipalities wanted to settle the Eskom debt from their equitable share. However, this was not the correct way to do it, he said.

Van Rooyen said municipalities owe Eskom R9.5 billion.

The co-operative governance minister said the task team working on the ballooning debt has made progress in reducing government debt.

"The work of the national task team on government debt is making progress in resolving the historical debt and government departments have made commitments to adhere to their current debt," said Van Rooyen.

He said national departments

owe municipalities R2.3 billion and provincial departments owe municipalities R3.1 billion.

In Kimberley, the national Department of Public Works owes the municipality R31 million, while its provincial counterpart owes a mind-boggling R458 million to the municipality.

They are not the only culprits, however, with the Department of Education owing R12.3 million while the Department of Health has an outstanding municipal debt of R9.5 million.

Sports, Arts and Culture owes around R700 000, Agriculture owes almost R600 000, Social Development owes R386 773 and Housing and Local Government owes R306 000.

Van Rooyen meanwhile also put paid to the issue of councillors who have not been paid their gratuity after they left office last August after the municipal elections.

Councillors have been complaining that they have not been paid their gratuity.

He said more than 5 000 councillors have been paid R260 million.

"Since the local government

elections, we have seen new councillors coming into office to replace approximately 5 000 who did not return. To this effect the majority of the qualifying non-returning councillors were thus far paid their once-off gratuity to an amount of almost R260 million," said Van Rooyen.

But the DA attacked Van Rooyen during the debate in the House on his budget, saying municipalities were crumbling.

Kevin Mileham of the DA said since the launch of the back-to-basics programme three years ago, no assessment has been conducted on the delivery of municipalities.

But a report from one of the institutions, which was released last week, has painted a picture of a dysfunctional municipal system.

The report found that 86 percent of the municipalities were not viable.

Mileham said 205 municipalities relied on conditional grants from National Treasury for their survival.

He said this was not sustainable as municipalities have to generate their own revenue.