

Provincial government owes municipalities R700m

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THE PROVINCIAL government owes Northern Cape municipalities more than R700 million.

According to a recent presentation by National Treasury, the debt owed by provincial government to municipalities in the Province is R708.5 million. This ranks the Province as having the third highest amount of debt owed to local government institutions, which is exceeded only by debt of R919.6 million owed to Free State municipalities and debt of R713.3 million owed to KwaZulu-Natal municipalities.

In Kimberley alone, the provincial Department of Roads and Public Works owed the Sol Plaatje Municipality R642.9 million in January this year, while the Department of Education owes R14.9 million, and the Department of Health R6.97 million. The provincial Department of Sport, Arts and Culture also owes in excess of R1 million to the Sol

Plaatje Municipality.

DA provincial leader, Andrew Louw, pointed out that municipal debt was a major problem and directly affected local government's ability to render services.

"A municipality's ability to function depends on the money it collects from other spheres of government and ratepayers. Without a revenue stream, it cannot deliver services or invest in infrastructure."

Louw stated further that outstanding debt also exacerbated municipalities' inability to pay their creditors, such as Eskom and their respective water boards, "with dire consequences for the provision of electricity and water to residents".

"Roads and Public Works, which is responsible for rates and taxes payments to municipalities on behalf of all government departments, is the main culprit, especially with reference to outstanding debt owed to Sol Plaatje Municipality for the new mental hospital and

the Mittah Seperepere Convention Centre.

"This is an old, unresolved issue that has been brushed aside for years and been allowed to burgeon out of control. The failure of the department to settle these payments has also resulted in long, drawn-out disputes, further compromising municipalities."

Louw said that the DA would submit parliamentary questions to the Northern Cape MEC for Co-operative Governance, Human Settlement and Traditional Affairs (Coghsta), Bentley Vass, to ascertain exactly which departments are responsible for the outstanding debt, how much they owe, which municipalities are affected, as well as what government is doing to solve the problem.

"We are tired of hearing that this matter is being discussed on a 'national level'. This has been the run-of-the-mill response for years. The outstanding total of R708.494 million can make a huge difference in the cash flow of Northern Cape

municipalities and improve their ability to deliver services."

Coghsta spokesperson, Xhanti Teki, said in response that MEC Vass was steadfast in his resolve that municipalities should be assisted in terms of improving their revenue generation in order to honour their payment plan with Eskom.

"Municipalities are a focal point for service delivery, hence the MEC is passionate about improving revenue generation of municipalities which are struggling to deal with their capital debt."

Vass meanwhile yesterday embarked on a series of visits to the five districts in the Province in an effort to familiarise himself with the needs specific to the various communities of the Northern Cape.

Yesterday's first stop saw the MEC, together with the department's senior management team, led by HOD Bafedile Lenkoe, engage with community leaders and residents of the John Taolo Gae-

tsewe (JTG) District.

Next week's itinerary will include visits to the Frances Baard, Pixley ka Seme, ZF Mgcawu and Namaqua districts, from Tuesday to Friday respectively

"The purpose of the district visits is two pronged," Teki explained yesterday. "The first is to introduce the MEC to the political and administrative leadership of municipalities in all districts."

"The MEC will also engage with the traditional leadership, executive mayors, mayors, speakers, chief whips, municipal managers and chief financial officers on the state of municipalities in the Province, coupled with our human settlements regime in districts."

These engagements are intended to give the MEC a purview on the state of Co-operative Governance, Human Settlement and Traditional Affairs in the Province.

"The MEC will also visit housing construction sites in various districts to assess the state of human settlements in the Province."