

■ BILLING

Alarm as residents owe City R8.8bn

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PUNITIVE water charges, high electricity tariffs and billing errors continue to swell the City's debt as Capetonians owe the municipality an alarming R8.8 billion, with arrears debt topping R5.5bn.

Presenting these and other debt and collection figures, the City's revenue chief, Trevor Blake, said there had been an increase of R485 million (6%) in total debt for July in comparison to June.

"This is largely as a result of the increase in billings and the implementation of the new tariffs, as well as the basic water and electricity charges billed to the debtors' accounts," a report undersigned by Blake said.

The total outstanding debt for rates and services owed to the City as at July 31 is R8.833bn.

The figure includes the current amount due, but not yet payable, and the R1bn debts charged on indigent properties, where the Water and Sanitation Department must repair identified water leaks, and install water management devices and prepaid electricity meters. Where applicable, the once-off debt write-off will be implemented.

The total arrears amount at July is R5.575bn.

Blake said letters of demand would be sent out on a monthly basis to debtors whose accounts fall into arrears.

"During the month of July, 23 683 letters of demand were sent out, and 780 debtors were listed for adverse credit listing. A total of 326 electric-

ity prepaid blocking or daily charge collection letters were delivered, and 173 accounts were sent for prepaid electricity purchases collection during the month of July. If, after the actions, debt is still not settled, then these debtors will be handed over for legal actions," Blake said.

Greater Cape Town Civic Alliance secretary Philip Bam said it had become increasingly difficult for residents to pay their accounts.

"But I don't think this report is fair. The City does not want to admit that it has a massive billing problem and therefore pensioners are sitting with bills of hundreds of thousands. That is not the true reflection of the debt.

"Ratepayers are sucked dry because of the mistakes by the City. It is the very same situation with the water and electricity tariffs. The City mismanages, we pay," Bam said.

Stop COCT founder Sandra Dickson said the water tariffs and restrictions should never have been connected.

"That was the wrong move of them. Restrictions should have been there, but tariffs should have been increased in line with the consumer price index. The two should have never been connected, because now we are sitting with a problem. You pay high prices for water, and on top of that, you are restricted. People are struggling out there, and they simply can't pay these extreme prices. We simply can't," Dickson said.

Debt for City staff and councillors is R20.4 million. The figure includes permanent, temporary and Expanded Public Works Programme workers.