

ADM to turn off taps to recover R1bn debt

Government, business and residents to blame

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Cash-strapped and water-scarce Amathole district municipality, owed a combined accumulating R1bn by the government, businesses and residents for water services, is taking drastic measures to recover its debts.

Defaulters' taps – including those of indigents, higher learning institutions and government departments – will run dry as soon as the authority begins a programme of water cuts aimed at prodding default-

ers to pay up. First in line for the district's wrath is the private business sector.

Municipal manager Thandekile Mnyimba said its debts totaled more than R44m for water services alone.

Defaulting residents and over-indulgent indigent residents who used more than the free 6kl provided by the municipality will also not be spared in the pending water cuts, Mnyimba told reporters on Thursday.

"Definitely there will be water disconnections so businesses can come forth and pay what is due, or come forward and make payment arrangements.

"We are now turning our focus to the private sector, which

owes us R44m. The next focus will be residents – those able to pay and our indigent people, who owe a combined R799m.

"Indigent people alone owe us R58m. This is because we provide 6kl of water free of charge, but unfortunately they use more than that," he said.

The district is one of the hardest hit by a severe and multi-year drought engulfing most of the province, with some its local municipalities facing water restrictions.

ADM is the water authority for Mquma, Mbhashe, Great Kei, Amahlathi, Ngqushwa and Raymond Mhlaba local municipalities.

Mnyimba said by December 2018, residents who were able

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to pay, but had not done so, owed R741m.

The latest debt recovery drive comes hot on the heels of the district's push to bring government departments into line and honour their debts.

In the two months from the end of November to the end of January, the district managed to recover more than R33m from a range of state entities.

"It is a pleasure to announce that they all paid [their historic debt] and are now on current debt," Mnyimba said.

ADM spokesperson Nonceba Madikizela-Vuso said the R1bn total debt dated back to 2014.

She said the private sector debt breakdown was:

● Mbhashe: 138 businesses

with a total debt of R6.5m;

● Amahlathi: 113 businesses owe R6.8m;

● Ngqushwa: 21 businesses owe R2.5m;

● Mquma: 183 businesses owe R17m;

● Raymond Mhlaba: 101 firms owe 9m; and

● Great Kei: 81 businesses owe R2.2m.

Despite their payment blitz, by December 31, government departments and institutions of higher learning owed R12m.

Provincial health owed R2m, roads and public works R3m, education R1.6m, rural development and agrarian reform R115,000 and social development R270,000. The national department of public works

owed R2m, University of Fort Hare R746,000 and Eastern Cape Development Corporation R1.8m.

Although the troubled district has adopted an aggressive collection strategy, it, too, is in debt: it owes Amatola Water Board R168,8m.

This includes a historical debt of more than R110m which is accumulating interest and which is now being handled legally, said board spokesperson Nosisa Sogayise.

Sogayise said a payment agreement was reached sometime ago but ADM had struggled to honour it – until December 2018, when it paid R12.5m, and a further R10m in January.