

State debt is growing

DA Cllrs Tammy Colley and Privi Makhan write:

A recent report by the SA Local Government Association indicates that the total debt owed to municipalities is around R165 billion.

While the figure is alarming, even more concerning is that government departments, including the Department of Public Works, owe a staggering R10.3 billion. The amount owed to municipalities is steadily increasing every year.

On a local level, a brief glance at the most recent finance agenda for KDM reveal that both the Department of Public Works and Department of Rural Development owe KwaDukuza municipality about R 5.2 million for services. For any municipalities, the inability to collect debt has a serious impact on providing basic service delivery to residents.

While credit control and debt collection policies are adopted by most councils, the implementation thereof remain a huge challenge. The minister of Public Works expressed concern that the municipalities submit inflated accounts. The onus however should still remain on the debtor to ensure effective reconciliation of any disputes and timeous settlement thereof.

The culture of non-payment which appears to be cascading from state departments needs to be addressed. It is unacceptable that debt owed by state departments is allowed to spiral out of control. We appeal to local and district municipalities to take urgent remedial steps to recover these outstanding amounts.