

Ministers fail to pay heavily subsidised rentals

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Cabinet ministers and their deputies, who each earn up to R2.4m a year and are tasked with driving the government's user-pay principle, are failing to keep up with the cheap rentals for their lavish ministerial homes.

The ministers owe the state a combined R1.3m in outstanding rental payments for state-subsidised houses, according to public works minister Patricia de Lille.

In his medium-term budget policy statement in October, finance minister Tito Mboweni emphasised the need for people to pay for services ren-

dered. The ANC national executive committee (NEC) also resolved to embark on a mass campaign to encourage communities to pay for services.

However, the government and the ANC's efforts could be stillborn as the ministers, most of whom are ANC NEC members, are culprits of non-payment themselves.

The rent for ministerial houses is heavily subsidised, with the tenants only paying about R1,200 a month.

Cabinet ministers receive an annual salary of about R2.4m, while deputy ministers earn almost R2m a year.

However, they are just not paying up.

De Lille revealed in parliament that 43 current and former members of cabinet and their deputies had not paid their rent on time and owed the state R1.3m.

"The department of public works and infrastructure has informed me there are 43 ministers [past and returning members of government] who are in arrears with their payments," De Lille said in response to a question from the DA.

She said letters of demand had been sent to the culprits.

"Some have instituted stop-order payments and we are following up on others.

"If arrangements are not

made and payments have not been received, the account will be handed over to the state attorney for debt collection," De Lille said.

She did not reveal the names of the guilty parties.

Earlier in 2019, De Lille's predecessor, Thulas Nxesi, said the challenge with collecting rental income for ministerial residences was a "systemic one".

He said the big issue was that departments had failed to set up stop orders from ministers' and deputy ministers' monthly income and that the ministers were, largely, not to blame.

"The building up of arrears

is largely not through faults of or negligence by the ministers.

"It would, therefore, be unfair to name which ministers are in arrears," he said then.

He said despite numerous reminders, some departments failed to action the stop orders, leading to escalating debt.

"In the past, I have engaged with members of the executive on the debt owed to the department of public works, and this was done with relative success.

"However, the challenge persists.

"Ministers are always willing to co-operate in terms of paying their monthly rentals.

"The challenge that we must

resolve is a systemic one to ensure that the monthly rentals are collected without fail on an ongoing basis."

The department of public works is also owed R77m in rentals by various entities.

De Lille said in a recent written reply that some of the culprits included SA's biggest fixed-line operator, Telkom, which owed more than R8m in outstanding rental payments.

Another big company, canned-fish brand Lucky Star, owed more than R400,000 in rentals.

The department had spent thousands of rand in legal costs in the 2017/2018 financial year to collect debt. — *BusinessLIVE*