

De Lille's unpaid R3bn bill

PUBLIC WORKS: DEPARTMENT TO FACE PARLIAMENT'S WATCHDOG

» **Soweto rich riding on the backs of non-paying poor residents.**

Eric Naki

Patricia de Lille's department of public works and infrastructure will appear before the parliamentary financial accounting watchdog, Scopa, to answer for not paying a whopping R3 billion municipal bill.

South African Local Government Association (Salga) wants sterner action to force state and business defaulters to pay.

Salga president Thembi Nkadimeng said the municipalities were providing services for which they were not being paid.

A Salga delegation recently urged Scopa to assist in dealing with a root cause pertaining to municipalities' inability to collect the revenue. It said going after municipalities over their nonpayment to Eskom was merely addressing the symptom.

Municipalities reticulated water and electricity services on credit to government, businesses and households.

Salga favoured the cancellation of household electricity debt for certain households that were unable to pay, but insisted that households and businesses that could pay must be forced to.

Nkadimeng said organs of state and businesses should pay their debts first to municipalities.

Municipalities were saddled with a total R165 billion in electricity debt they were owed by state departments, public entities and private businesses. Of this, households owed R118.5 billion, commercial R24.7 billion and government R10.2 billion. The department of public works alone owed R3 billion.

Kevin Naidoo, deputy director-general of institutional development at the department of cooperative governance and traditional affairs, told Scopa municipal debt owed to water boards and Eskom was increasing.

According to Eskom board chairperson Jabu Mabuza, the municipal debt to the power utility had ballooned from R9.8 billion in February 2017, to R19.9 billion in October, with an increase of R6 billion from March to September alone.

Scopa chairperson Mkhuleko Hlenga said De Lille's department would be summoned to appear before the committee about its Eskom debt.

He said all ministers whose departments had outstanding debt would be instructed to submit payment plans by February 2020.

Hlengwa said bailouts to the state-owned entities could not continue indefinitely.

He said the committee needed accountability and commitments to address this.

Salga's Nkadimeng said in areas where municipalities were licensed to provide electricity, collection rates were above 70%,

whereas in areas where Eskom was licensed, collection rates were at 10%.

Eskom predicted it would lose R21 billion after tax in this financial year – yet last week it wrote off R3.6 billion of the spiralling debt owed by Soweto.

Despite the write-off, the cumulative debt of power users in Soweto is R16.1 billion.

Soweto is economically better off than other townships. But the rich from its suburbs such as Pimville and Diepkloof Extension, ride on the backs of nonpaying poor residents who boycotted service payment.

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Power users in Soweto owe R16.1 billion