

Ilembe and KDM owed millions by government departments

Xpress Political Reporter

Ilembe District Municipality and KwaDukuza Local Municipality are collectively owed more than R18 million by government departments, in unpaid services and rates.

KwaZulu-Natal provincial treasury revealed recently in an answer to a Democratic Alliance (DA) question at the provincial legislature that a further R27 million was owed collectively, by government departments, to Maphumulo, Ndwedwe and Mandeni municipalities, for unpaid rates.

Government departments owe iLembe a whopping R16 464 658 for unpaid services, while KDM is owed R1 267 975 and R970 496-00 for unpaid rates and services, respectively. The Department of Public Works has been identified as the biggest rates delinquent, with a staggering R708 million rates debt owed to municipalities across KwaZulu-Natal.

Provincial Treasury said in its legislature reply that it does extend and facilitate mediation between municipalities and wayward departments, to find solutions to the debt crisis.

“The primary goal of the intervention is to facilitate the recovery of rates and services debt due by provincial departments and other organs of state to municipalities with the objective of implementing strategies to manage inter-governmental debt on a sustainable basis,” Provincial Treasury said in its reply.

Treasury did warn, however, that the process of recovering arrear debt was “resource intensive”, particularly in the event where defaulting organs of state faced unique challenges which required tailored recovery strategies.

“The recourse that municipalities have is to pursue the inter-governmental discussion with the relevant departments, failing which they can apply their debt management policies to



DEBT: Chief financial officer Mahendra Chandulal and Municipal Manager at IDM Geoffrey Khumalo

recover the outstanding amounts,” Treasury stated.

However the DA remains unmoved. The party has lashed out at the municipalities for applying stringent policies to collect outstanding debt from cash-strapped residents, while government departments were shown too much leniency.

“Many of KZN’s municipalities have collapsed and service delivery is no longer being rolled out. The lack of capacity, cadre deployment and lack of political will are amongst the biggest causes for this. The failure by Provincial and National Departments to pay their debts is clearly yet another contributing factor to the lack of financial viability of our municipalities.

“The DA will be calling for representatives of the delinquent departments to appear before KZN’s COGTA portfolio committee at a special meeting. They need to explain why they are not paying for rates and services and what mechanisms they are putting in place to ensure that they catch up on arrears,” stated DA provincial spokesperson of COGTA, Chris Pappas.

Intergovernmental forums

Ilembe District Municipality is, however, not in panic mode just yet. The municipality clearly feels the situation is still under control.

The municipality’s chief financial officer, Mahendra Chandulal, said, “The debt owed by government is constantly followed up with the relevant departments using the intergovernmental forums which exist. KwaZulu-Natal Provincial Treasury and the KZN Department of Cooperative Governance and Traditional Affairs assist by engaging with the departments responsible for arrear government debt to municipalities. Ilembe District Municipality has also issued notice to all government departments with arrears to come forward and make payment to settle all arrears”.

At the time of going to press, KDM had not yet commented, despite being requested to do so.