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Author: Luvuyo Mjekula

Provincial departments owe municipalities nearly R1bn

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PE 3 DAY FORECAST

WEDNESDAY	THURSDAY	FRIDAY	SAURDAY
1622	1521	1521	1521
1622	1520	1420	1420
1722	1620	1620	1620
1229	1125	1024	1024
1221	1118	1018	1018
1525	1323	1224	1224
1523	1321	1322	1322

weather yesterday at 2pm

BAROMETER: 1014 hPa
WIND: 15 km/h
HUMIDITY: 51 %
SEA TEMP: 18.8°C
cloudy

Luvuyo Mjekula

Provincial departments owe Eastern Cape municipalities nearly R1bn, according to co-operative governance and traditional affairs (Cogta) MEC Zolile Williams.

At the end of August, the departments owed local municipalities R915m, of which nearly R600m is older than 30 days.

The largest offenders, by far, were the departments of public works, and road and transport, which collectively owed more than R700m, of which more than R132.5m has been owing for more than a year.

Other serial offenders included the departments of health, at R69m, and education, with R54m owed.

The Buffalo City and Nelson Mandela Bay metros are owed the most, at R247,825 and R185,269, respectively.

Williams said budget constraints due to budget cuts as a result of Covid-19 was one of the reasons for the payment delays.

He also attributed the failure to pay to figures disputed by departments, verification and reconciliation of accounts between departments, and municipalities taking longer than expected, as well as negotiations around interest waiver.

"Departments anticipate paying outstanding amounts as soon as [the] challenges [above] have been resolved," Williams said.

However, the DA is calling on Williams to ensure that payment arrangements are made with each department, for all debt older than 30 days, per municipality.

"By failing to pay, these departments are depriving residents of basic services, as municipal cash flows are severely disrupted," DA MPL Dr Vicky Knoetze said.

"Water, sanitation and electrical infrastructure are collapsing as there are no funds available to maintain them, which in the long run results in a lack of investment, job opportunities and poverty."

Earlier this year, a report to the National Portfolio Committee of Co-operative Governance on the State of Local Government revealed that, of the 39 municipalities in the Eastern Cape, 11 were regarded as dysfunctional, 14 as high risk and just 14 as low risk.

"This cannot be allowed to continue," Knoetze said.

"In terms of the Public Finance Management Act (PFMA), departments must settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period."