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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 1175 [NW1315E]**

**INTERNAL QUESTION PAPER NO.: No. 16 of 2017**

**DATE OF PUBLICATION: 16 MAY 2017**

**DATE OF REPLY: MAY 2017**

**1175. Ms S P Kopane (DA) asked the Minister of Public Works:**

(1) Whether any money is owed to his department by other government (a) departments and (b) entities; if so, (i) what amount is owed to his department by other national departments and public entities, (ii) what amount is still outstanding and (iii) what are the reasons for not paying as required;

(2) what appropriate action was taken by his department to recoup the monies owed to it? **NW1315E**

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**The Minister of Public Works:**

**REPLY:**

The Department of Public works manages accommodation requirements of national departments through the Property Management Trading Entity (PMTE). Included in this mandate is the provision of accommodation through state owned and leased properties, construction of new accommodation, major refurbishment of existing properties and management of municipal services.

State-owned accommodation charges are billed quarterly in advance in line with the devolution framework principles developed at the time of establishment of the PMTE. The process that is followed to recover monies relating to private leases, municipal services, Client Infrastructure spending (Capital allocation) and other recoverable infrastructure projects (referred to as PACE and CA) is as follows:

* PMTE pays lessors, contractors and municipalities on behalf of user departments;
* At the end of the month, the recoverable costs are consolidated per client;
* Invoices are then issued to clients in arrears;
* User departments have 30 days to settle debts in terms of the PFMA;
* However, in practice this gives rise to 60 days delay in matching the expense with the revenue.

As at the end of March 2017, R2, 854 billion was outstanding from national departments (Annexure: A) and R195 billion from other organs of state (Annexure: B).

In line with established inter-governmental cooperation principles, the PMTE has regular interactions with user departments for the recovery of outstanding debts and is assisted by the National Treasury where additional funding is required.