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**NATIONAL ASSEMBLY**

**WRITTEN FOR WRITTEN REPLY**

**QUESTION NUMBER 1747**

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**1747. Mr K Ceza (EFF) to ask the Minister of Cooperative Governance and Traditional Affairs:**

What (a) measures has she taken to compel (i) businesses and (ii) government departments who are owing municipal debt to pay the debt and (b) is the envisaged time frame in this regard? **NW1995E**

Reply:

(a)(i) The Minister has no legal authority to compel businesses who are owing municipalities debt to pay that debt to municipalities. Chapter 9 of the Municipal Systems Act and section 28 of the Municipal Property Rates Act have provisions which municipalities can utilise to collect revenue, including debt.

 Section 97(1)(g) of the Municipal Systems Act states that a municipality’s credit control and debt collection policy must provide for *“termination of services or the restriction of the provision of services when payments are in arrears.”*

Section 102 of the Municipal Systems Act allows a municipality to consolidate any separate accounts of persons liable for payments to the municipality; credit a payment by such a person against any account of that person; and implement any of the debt collection and credit control measures provided for (in Chapter 9) in relation to any arrears on any of the accounts of such a person. The application of the word “person” in law goes beyond a natural person.

In its interaction with municipalities, the Department reminds municipalities to implement their credit control and debt collection policies and terminate or restrict services to the property in question and the account be handed over for collection where necessary.

It is also recommended that municipalities issue notices in terms of section 28 of the Municipal Property Rates Act to recover outstanding amounts from the property owners through the attachement of rentals from the tenants of the owing properties.

(a)(ii) Similar to the response to (a)(i) above, the Minister has no legal authority to compel government departments who are owing municipalities debt to pay that debt to municipalities. Municipalities can, where appropriate, use similar measures mentioned in (a)(i) above to compel government departments that are owing debt to municipalities to pay that debt to municipalities.

 Government departments are encouraged to service their municipal debt and where disputes and /or discrepancies arise, make use of the inter-governmental debt forums to resolve those. In the event that government departments continue to not service their debt and there is no justifiable reason, municipalities should implement credit control and debt collection policies.

(b) Based on the response to (a) above, there are no envisaged time frame that can be provided.

**End**