

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NUMBER 2015/3479**

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**Ms J F Terblanche (DA) to ask the Minister of Cooperative Governance and Traditional Affairs:**

(1)   (a) What is the total amount of outstanding debt owed to Northern Cape municipalities, (b) what amount is owed in respect of each municipality, (c) what amount of the specified amounts is owed by (i) households, (ii) businesses and (iii) government departments and (d) what amount of the outstanding debt is older than (i) 30 days, (ii) 60 days and (iii) 90 days;

(2)    in respect of the specified debt owed by government departments, (a) what are the reasons that government departments have not settled the specified outstanding debts and (b) what commitments have been made to the affected municipalities with regard to the specified outstanding debts;

(3)    (a) what total amount of the specified outstanding debt has been written off in respect of each municipality in the past five financial years and (b) what is his department doing to assist municipalities to collect the specified outstanding debts?                                                 NW4140E

**Reply:**

**The following information is supplied by the Northern Provincial Government:**

1. (a)The total amount of outstanding debt owed to Northern Cape municipalities is R2.7 billion as at end of June 2015

(b) The table below specified the amount owed to each municipality



(c ) (i) (ii)& (iii) (d) (i) The amount of debt owed by households amounts to R1.7 billion, organs of state R426 million, commercial R373 million and other category of debt amounted to R191 million. The table below illustrates the debt in terms of consumer types and age analysis.



(2) (a) the reasons for government departments not settling outstanding debt are following:

* Incorrect invoices sent by municipalities to departments;
* Late issuing of invoices to departments;
* Payments made by Departments not using a reference number so municipalities cannot identify payments made;
* Inaccurate billings and interest charged on inaccurate accounts;
* Claims not timeously submitted to National Department of Public Works

(b) The department in collaboration with National Task team on payment of outstanding government debt has appointed a service provider to undertake verification and auditing of outstanding debt in all municipalities for possible payments upon confirmation.

1. (a) The information has been requested from the Province; they are in the process of collecting the information from the municipalities. The information will be forwarded to the honourable member as soon as it becomes available.

(b) The department through Provincial COGHSTA and Provincial Treasury has established Provincial Debt Management Committees to mediate and assist municipalities in collecting outstanding debt. Continuous interaction with sector departments and municipalities to assess and verify correct billing for timeous payments.