

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 3534[NW4238E]

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Mr M Swart (DA) to ask the Minister of Finance:

What steps is the National Treasury taking to assist the 278 municipalities which are owed R62.3 billion in outstanding debts?

NW4238E

REPLY:

The reported R62.3 billion in outstanding debts has been analysed by National Treasury. It has been concluded that:

- a) Some debts are recoverable and National Treasury is helping municipalities to recover this debt. National Treasury puts pressure on entities / organs of the state that owe municipalities money by emphasizing to them the legal / regulatory requirements which oblige them to pay bills on time;
- b) Municipalities must begin to take steps to write-off debts which have been identified as unrecoverable;
- c) Municipalities categorise debt into government, business and residential debt. National Treasury is assisting municipalities to collect government debt while municipalities are going ahead with the necessary steps to recover debt from other users; and
- d) National Treasury is working closely with municipalities to ensure that they improve their billing processes to avoid recurrence of debt accumulation.