

Media Release
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MEC Moiloa vows prudence in municipal financial management during budget vote
During his first tabling of the budget vote since he took office in March this year, MEC Dikgang Moiloa said that prudent financial management remains at the core of the Provincial Government priorities as it speaks directly to good management of the public purse.

"Local government is a sphere that is closest to our people and at the coalface of service delivery", said MEC Moiloa when elaborating on issues relating to the service delivery protests in the province.

The MEC went on to say that this one of the reasons why Local Government is bearing the bulk of the brunt of our people's frustrations. Indeed, this is where people interact with government on a day-to-day basis. It is however unfortunate that some of the people have resorted to violence when expressing their dissatisfaction.

Whilst the right of everyone to protest has to be protected and defended, this does not extend to violent and at times criminal acts in the name of service delivery. During his speech, MEC Moiloa also strongly condemned the acts of violence and criminality that we are experiencing in some communities and urge the law enforcement agencies to bring those responsible to book.

"Indeed, local government is facing a myriad of challenges ranging from capacity or lack thereof to deliver services, corruption and other malfeasances. This is a situation that we are addressing and committed to turn around. As CoGTA in Gauteng, we are continually seized with what must be done to make our municipalities work", Moiloa said.

He continued to indicate that in the past financial year and even before, the department has been implementing a number of interventions to ensure that municipalities are in a position to execute their constitutional mandate of delivering services. It has and it is not easy but progress is being made in turning the situation around.

On the municipal financial situation, the MEC alluded to the following:

It is common cause that challenges relating to non-payment of services has reached unprecedented levels within Gauteng Municipalities. The total debtors' book for Gauteng Municipalities is R56.6 Billion and of that total, R46 billion is over 90 days. What is striking is that of this, a significant R7,697,736 (13.6%) is attributable to business – a sector that has the ability to pay but is not doing so.

Another factor worth noting is that the highest contributor is the Household Customer Group with 46,388,265 (81.8%) of the outstanding debtors. Debt owed by Government Entities contributes 1.4% of the Total Gauteng Municipal Debtors book and this is the reflection of the effort by Debt Management committee established by the Province to assist in resolving this type of debt. Given these challenges, it should therefore not be surprising that some of the municipalities are showing strains. Hence, more effort is needed to assist these Municipalities as they are experiencing cash flow challenges to a point of even being unable to pay Eskom, Rand Water and other crucial service delivery suppliers.

The inability of the municipalities to effectively collect debt owed is caused by a myriad of reasons.

"Some of the challenges are within the municipalities' sphere of influence, while others are beyond the municipalities' control." Said MEC Moilola.

Thus, a call to intensify efforts to mitigate against if not break the culture of non-payment of services is a clarion call that must be championed by the political leadership (across all spheres of government) in strong and purposeful partnerships and engagements with communities.

"As CoGTA, we will be embarking on a massive drive to engage communities in an effort to make them understand that municipalities will only work effectively if they also play their role and this include payment for services", MEC Moilola concluded.

Issued by the Gauteng Department of Cooperative Governance and Traditional Affairs, Gauteng Provincial Government. For more information contact Mogomotsi Mogodiri at 063 689 7613.