



GAUTENG PROVINCE

PROVINCIAL TREASURY
REPUBLIC OF SOUTH AFRICA

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Gauteng Provincial Government pays R6.1 billion to municipalities

Gauteng Finance and e-Government MEC Nomantu Nkomo Ralehoko today said the provincial government has paid more than R6.1 billion to municipalities for property rates and taxes since the 2018/19 financial year.

The MEC said this while tabling the Budget Vote of Gauteng Provincial Treasury (GPT) at the Legislature today, adding that it demonstrated government's commitment to pay municipalities for property rates and services.

"This is an average of R2 billion per year, which also increased at an average of over R200 million year on year," she said.

"The provincial government debt now accounts for the smallest portion of outstanding debtors to municipalities, representing in aggregate about 2 per cent. But our view is that any outstanding amount affects the revenue generation and cash flow positions of municipalities," the MEC explained.

It is for this reason that GPT will continue to work with the Gauteng Department of Cooperative Governance and Traditional Affairs to assist municipalities with the facilitation of government debt payments.

"In this financial year, we will increase our efforts to ensure that the arrears are drastically reduced," she said.

"In addition, GPT will continue to work with the COGTA through the Debt Management Committee to assist municipalities to facilitate payments," she said.

Specifically, the Debt Management Committee addresses several issues which results in delays in payments which includes the following

- Monthly invoices and statements not being sent to the relevant departments on time or sent to the incorrect department.
- Municipalities failing to resolve disputes.
- Payments made but not yet allocated by municipalities or payments allocated to the incorrect department accounts by municipalities.

- Challenges with confirmation of the ownership of properties for payment of property rates as payments can only be affected once the Deeds Office process of ownership have been finalised.

MEC Nkomo-Ralehoko also called on communities and other stakeholders to ensure that they pay their municipal accounts.

“I plead with our citizens and stakeholders to pay our municipalities for service rendered. This will assist municipalities with their liquidity position and ensure that they can also meet their financial obligations like paying bulk service providers such as Eskom and Rand Water, trade creditors and monthly salaries,” she said.

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