

# District fails to collect R70-m bill

By Alicia Moodley

THE Maritzburg Sun has learned that the uMgungundlovu District municipality has failed to collect more than R70-million from the municipal councils it supplies as a legislated water supplier, and that it faces a R10.3-million bill from Umgeni Water that it is unable to pay.

Local municipalities took over water functions from Umgeni Water in July 2003. As part of the take over of services, the uMgungundlovu District Municipality was responsible for billing residents in all local municipalities, excluding Msunduzi, for water and sanitation. To date the District has no effective billing system and this has resulted in an approximate R70 million debt for uMgungundlovu District Municipality. R10-million of that is owed to Umgeni Water.

According to a draft Provincial Audit report, the Umgeni Municipality incurred 85 percent of the District's debt. Umgeni failed to transfer almost R37-million in water revenue, they collected from consumers, to the District Municipality. The other 15 percent was incurred by all other local municipalities, except Msunduzi.

The main reason for the debt, cited in the draft audit, is the fact that District does not have a Service Level Agreement (SLA) with local municipalities

for the supply of water and sanitation. The SLA is necessary to regulate the service delivery of water and sanitation. No SLA has led to non-collection of water sales revenue and subsequently a loss of revenue to the District municipality.

The District signed an acceptance certificate with SETA (Services Education and Training Authority) in October 2007. SETA Project Manager, Vusi Manana confirmed in December 2007, that the e-Venus billing system will only be functional within 12 to 18 months at an approximate cost of between R6 to R8 million. Once e-Venus is up and running, it could result in consumers receiving a consolidated billing for water and sanitation, for three months and more.

The draft Audit report warns "consumers will react negatively to receiving consolidated billings

for three months and more."

● Msunduzi local Municipality is a water authority and has had its own billing system. The local municipality itself bills residents within Msunduzi.

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