



finance

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MEDIA STATEMENT

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DELAYS IN SUPPLIER PAYMENT TO BE A THING OF THE PAST

The MEC for Finance Mr Paul Sebegoe today revealed in his budget speech the establishment of a unit that will deal with the problems surrounding 30 days turnaround time to improve payment to suppliers.

Sebegoe said delays in payment to suppliers have far-reaching implications and defeats government's initiative to empower emerging entrepreneurs. He said the practice was unacceptable and must not be allowed to continue as it can destroy small business sector for reasons that are not of their design.

He said they are aware that suppliers are compelled to pay "appeasement fee" or kickbacks by some unscrupulous government officials as a guarantor for speedy payment and this practice must not be allowed space in government

He said the objective of the provincial administration decision to decentralise the centralised creditors payment system is to ensure that departments can at their disposal meet the 30 days turn around time for payment of service providers for goods and services.

"We hope that this unit will bring us important lessons in terms of what needs to be done going forward."

"We are fully aware of the implementation challenges and we will continue to engage departments to determine their state of readiness to take up with the new responsibility and where the need arise we will be able to provide technical support to ensure smooth transition of the payment system," he said.

"We will do everything in our power to enhance relations between government and suppliers and minimize ill practices that seeks to corrupt the system."



Sebegoe further cautioned unscrupulous companies and contractors that failed to perform as expected or render unsatisfactory work.that the provincial government will restrict and blacklist them. He said there are companies that have already been blacklisted.

'All what we are saying as government is that we must see value for money and companies that do not perform will be taken to task.'

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