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## The trend of underspending

*Sabelo Nsele*  
• *Sabelo Nsele is a reporter at*

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SO, Finance Minister Pravin Gordhan has pumped in billions of rands to provincial and local governments in a form of conditional grants. Nice.

But one wonders how many of these conditional grants will be surrendered to the National Treasury due to poor spending or underspending by provincial government departments and municipalities at the end of the financial year.

Delivering his 2017/18 speech on Wednesday, Gordhan announced that over the next three years, government will spend: • R114 billion on subsidised public housing; • R94,4 billion on water resources and bulk infrastructure; • R189 billion on transfers of the local government equitable share to provide basic services to poor households; • R142,6 billion to support affordable public transport; and • R606 billion on health, with R59,5 billion on the HIV/Aids conditional grant.

As I am rambling here, millions of rands were allocated during the 2016/17 financial year that are languishing in government departments and municipal coffers.

This money will be given back to the national Treasury at the end of next month because our provincial government departments and municipalities have a bad habit of not spending their grants, which is an insult to the poor.

In the 2014/15 financial year, KZN government departments recorded an under-expenditure of R422 million.

The culprits are mostly departments that are providing essential services, which should never be compromised.

In 2014/15, the KZN Department of Education underspent its budget by more than R286 million.

The department underspent on early childhood development by more than R123 million. It also underspent on infrastructure support improvement by over R7 million, conditional funding that was initially allocated in 2012/13.

Do I need to remind you how our metrics have been performing?

The Health Department underspent by R35 million on municipal clinics and by R20 million on improving infrastructure support.

The department had a collective under-expenditure of R146 million on comprehensive HIV/Aids programmes and the national conditional grant. Quite scary if you ask me. The Department of Economic Development and Environmental Affairs underspent on its Extended Public Works (EPWP) conditional grant by R3,707 million. This programme is meant to create job opportunities. I do not know how an unemployed household head in KwaDambuza will feel about this.

There has also been some massive underspending on critical infrastructure by KZN municipalities.

The Fourth Quarter Consolidated Statement of Municipalities' Budget, presented by Finance MEC Belinda Scott last year, revealed that: • 41 municipalities underspent on operational expenditure to the tune of R3,3 billion; • R2,3 billion was underspent on capital expenditure; • R748,9 million in unspent conditional grant funding was returned to the National Revenue Fund in the previous financial year; and • a total of R1,7 billion in unspent conditional grants was returned to the National Revenue Fund over the 2010/11 to 2014/15 Medium Term Expenditure Framework.

Msunduzi Municipality in particular has been making a habit of not spending its municipal infrastructure grants.

In the 2014/15 financial year, over R52 million in conditional grants meant for the much-needed upgrading of ageing infrastructure and new houses for the poor in Msunduzi was snatched back by the national government after the municipality failed to spend the money.

Municipalities are the closest branch of government to the people; hence most of the service delivery protests are directed at them.

Residents know where their ward councillors live and they are the ones who voted them into power.

So if we continue in this vein, underspending our conditional grants, we will continue to hear about incidents in which a ward councillor's house is burnt down during a service delivery protest.

This government needs to move fast and stop the trend of underspending. The Witness.