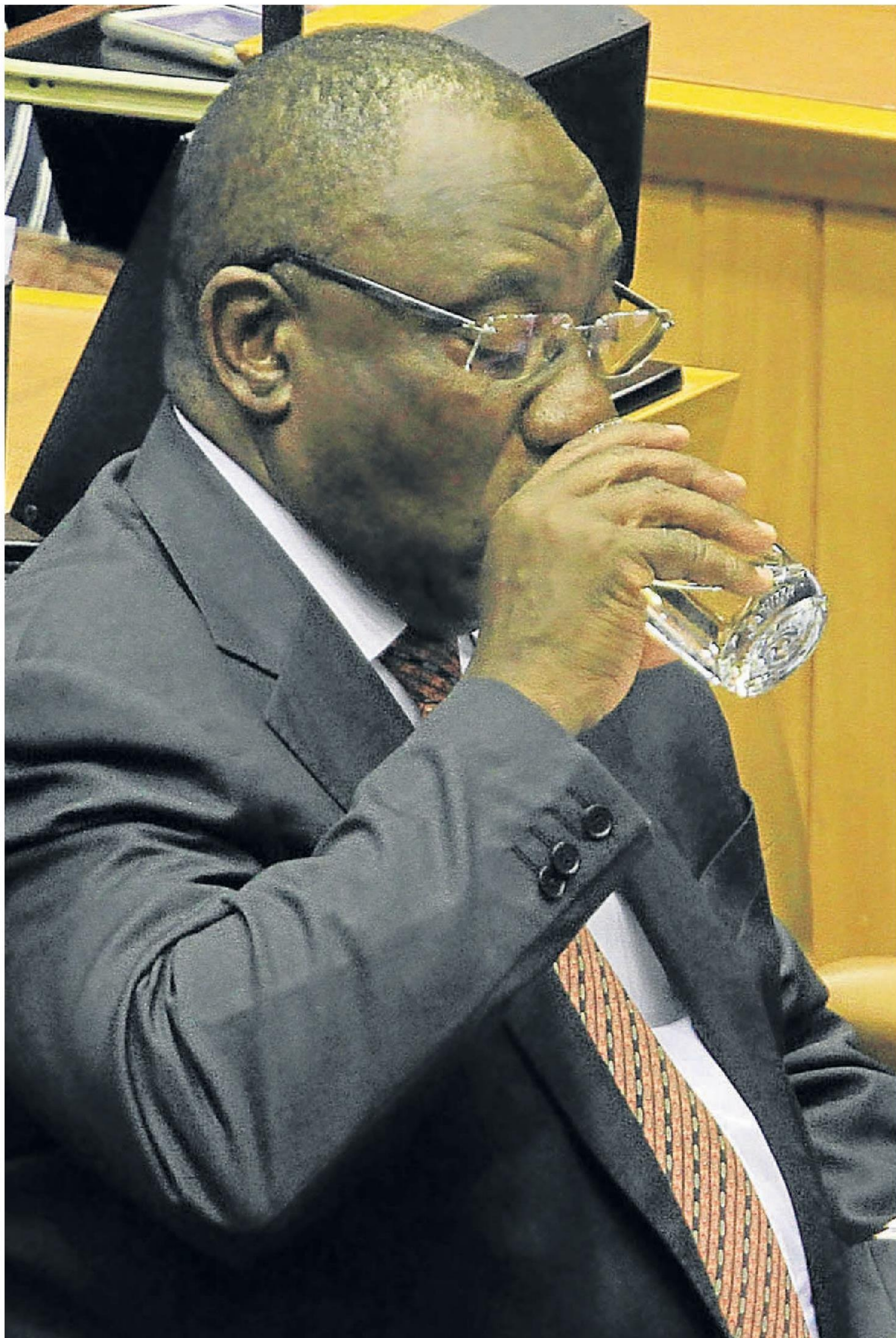


Billions for infrastructure



THIRSTY WORK: President Cyril Ramaphosa in parliament during Finance Minister Malusi Gigaba's budget speech yesterday Picture: GALLO IMAGES/ZIYAAD DOUGLAS
This material has been copied under a Tiso Blackstar licence and is not for resale or retransmission.

Bay to benefit from injection of funds in bus system and water security project

Rochelle de Kock and Siyamtanda Capa
dekockr@tisoblackstar.co.za

BILLIONS of rands are headed to Nelson Mandela Bay this year, with the biggest chunk set to improve the city's infrastructure. The lion's share will go towards installing services, securing water resources and making changes to the city's roads for the Integrated Public Transport System (IPTS).

Finance Minister Malusi Gigaba allocated R939-million to the municipality as its equitable share.

This allocation is up R95-million from last year.

It excludes, however, specific allocations for capital projects.

In the Treasury's Division of Revenue Bill, it revealed that the municipality was in line to get an allocation of R2.327-billion from the national government.

More than half of this money is meant for the improvement of the city's infrastructure.

Gigaba has given R304.9-million towards the stagnant bus system, which has yet to get rolling.

The Bay's political head of roads and transport, Rano Kayser, said: "It will definitely assist the municipality in realising a transport system that will benefit all residents, but equally the money will help expedite making sure we put up infrastructure towards the Njoli route."

The Njoli route is the second phase of the project and is meant to be completed this year.

Over the years, billions of rands spent on the IPTS project did not go through the normal tender processes, with the municipality relying on tender deviations to get contracts.

This is a thing of the past, according to Gigaba, who warned that deviations would only be allowed in rare, well-justified cases.

"In recent years, a large number of deviations from normal procurement processes have reduced the credibility of the supply-chain management system," he said.

"Deviations can also result in anti-competitive practices that open the door to corruption, and which limit transformation by pre-

venting small businesses from doing business with the state."

The Bay's political head of budget and treasury, Retief Odendaal, said they would give warnings and pursue disciplinary action against officials who did not plan properly.

"Each and every deviation now has to go to the bid adjudication committee to establish if there is a need for a deviation.

"It's not just signed off by the city manager anymore," Odendaal said.

Meanwhile, money was set aside towards the completion of the Nooitgedacht water scheme, which will receive R117-million this year, R218-million next year and R151-million in 2020.

The completion of the project will see the Bay's water supply rise to 210Ml a day.

The project is being managed by the Department of Water and Sanitation and implemented by the Amatola Water Board.

Odendaal said they had anticipated massive drops in the allocations, as there had been warnings about cuts to municipalities and provinces to fund free higher education.

"It is not as bad as I expected. Obviously, we would want to receive

what was anticipated, but we expected that there was going to be a cut," Odendaal said.

"This means we have to tighten our belts and we have to look inwards to identify more operational efficiencies to be able to make the books balance as a municipality.

"We know for a fact that this is going to be a difficult year for all consumers, with the percentage increase on VAT."

Other budget allocations for the Bay include:

- Urban settlements development grant – R905.6-million;
- Extended public works programmes – R6.7-million;
- Infrastructure skills development grant – R11.8-million;
- Integrated city development grant – R12.3-million;
- Neighbourhood development partnership grant – R2.1-million; and
- Local government financial management grant – R1-million.



RETIEF ODENDAAL