



Publication: Herald, The - Main
Title: Bay gets shot in arm
Publish date: 23 Feb 2023
Page: 4

Reach: 17067
AVE: R 26089.14
Author: Andisa Bonani

● Water crisis relief fund to be used to fix leaks, upgrade a bulk pipeline and treatment works and for borehole exploration

Bay gets shot in arm

Andisa Bonani
bonani@theherald.co.za

Millions of rand are coming to Nelson Mandela Bay through a water crisis relief fund that will mainly be used to refurbish infrastructure.

This is according to the Division of Revenue Bill released by finance minister Enoch Godongwana yesterday during his 2023/2024 budget speech.

The metro has been allocated R348m for 2023/2024, R250m in 2024/2025 and R390m in 2025/2026 to avert the water-supply crisis.

The programme includes fixing water leaks, upgrading the water treatment works, borehole exploration and development, and upgrading a bulk water pipeline," the bill states.

The metro has also been given an additional R119m for its equitable share, which mayor Retief Odendaal described as a fair allocation considering the city's "exponential" under-expenditure in previous financial

years. The equitable share has been increased to R1.419bn from last year's R1.3bn, with a combined R3.2bn for conditional grants meant for different projects in the city.

The increase in the equitable share will have a dramatic effect on the metro's Assistance to the Poor (ATP) programme.

The programme subsidises water, sanitation, refuse services, electricity and property rates for the city's most indigent residents.

Odendaal said he was pleasantly surprised by the conditional grants allocations compared to previous years.

"We are satisfied considering the city has underspent exponentially on some of the allocations in the past."

He said the main concern was that it could be penalised for under-expenditure because it had lost up to R900m worth of grant funding in previous financial years.

"We forfeited all that funding to the national fiscus but it

looks like we are going to get a very fair allocation, which is why it's important that we fix our internal inefficiencies so that we're able to spend the grants that come to the city and don't have to return anything to the national fiscus."

Sarah Baartman municipality received a R108m allocation for its equitable share, Makana R121m, Sundays River Valley R110m and Kouga R180.5m.

The Bay, meanwhile, has been battling an ongoing water-supply crisis that has been worsened by the city's inability to curb thousands of leaks.

With the new allocation for the water crisis relief fund, Odendaal said the metro's focus would be on refurbishing the existing infrastructure.

He said the city had spent about R1.2bn on water augmentation projects to ease the effects of the drought.

"It's money well spent. However, I think the city has spent too much on water augmentation and too little on refurbishing existing infrastruc-

ture," Odendaal said. "We spent about R350m on Coega's biofiltration water treatment facility and that's the biggest in the country."

But Odendaal said the price tag for the project had increased from the initially budgeted R250m due to delays and it was now due for completion next month.

"If we invested the R250m and fixed the pipes, we might have saved [many] more litres of water than just the 10 megalitres we get from the facility."

The conditional grants for the metro are:

- Urban Settlements Development Grant — R614.9m;
- Informal Settlements Upgrading Partnership Grant — R349.6m;
- Public Transport Network Grant (IPTS) — R346m;
- Neighbourhood Development Partnership Grant — R29.7m and an additional R2m for technical assistance;
- Infrastructure Skills Development Grant — R13.7m;

- Energy Efficiency Grant — R9m; and
- Expanded Public Works Programme — R8.5m.

Though the city received R349.6m for the upgrading of informal settlements, it is still struggling to spend some of its R334m from the current financial year.

Odendaal said it was battling to spend the allocation because of a broken supply chain management system which his coalition was trying its best to get in order.

"I'm confident that we will be able to spend a majority of our grant, if not all of it, because we've got plans in place to excel in our expenditure."

"The issue is that our informal settlements are very underdeveloped and are in desperate need of upgrades across the metro, with a special focus on the ones along the coastline and the ones on the periphery of the Motherwell area."

However, on the Expanded Public Works Programme allocation, Odendaal said he was



PLEASANTLY SURPRISED: Nelson Mandela Bay mayor Retief Odendaal has welcomed the metro's conditional grants allocations, as outlined in the Division of Revenue Bill released by finance minister Enoch Godongwana yesterday. Picture: FREDLIN ADRIAN

disappointed that the city continued to receive a low allocation though it had the highest unemployment rate of SAs metros.

He said the Bay's economic development, tourism

and agriculture directorate would investigate how to unlock more funding for the programme.

"If you compare this metro with others, we get a far too little allocation and I think it's

based on our reporting to the national government because the more you spend, the more allocation you get, and we are shooting ourselves in the foot with the way we report our financials."