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Municipalities' R20bn backlog

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Municipalities are under pressure in delivering services and are sitting with an infrastructure backlog of between R20bn to R40bn.

The Financial and Fiscal Commission (FFC) told journalists at Parliament on Monday that the backlog would have to be met.

Chairperson of the commission Bongani Khumalo said that the delivery requirements at local level are huge.

But municipalities were struggling to meet the infrastructure backlog.

Khumalo said local councils faced the challenge of dealing with ageing infrastructure, which needed to be fixed.

"An attempt to quantify the backlogs in the renewal requirements for local government infrastructure was estimated, using information and several key assumptions and guidelines, to range from R20bn to R40bn," Khumalo said.

The FFC chief said this would put municipalities under scrutiny.

Three years ago municipalities spent R213bn on their budgets and this would increase over the years.

The national government was expected to give municipalities R227bn over the next year.

Khumalo warned though that despite financial support from national government, waste of money continued to plague local government.

The auditor-general found that during the 2010-11 financial year there was a high degree of unauthorised and irregular expenditure in municipalities, which amounted to R11bn.

"In light of these inefficiencies on the part of local government, there is a general perception that the local government financing system is inadequately funding municipalities," the chairperson of the commission said. "It is important that municipalities are appropriately funded and spend efficiently and effectively to deliver quality services to poor houses," he said.

The commission had also noted there was the under-spending of conditional grants that were disbursed by national government.

It was also found that these funds were not used effectively and efficiently, Khumalo said.

The FFC will engage the national government in terms of reviewing the conditional grant system.

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http://www.thenewage.co.za/93067-1007-53-Municipalities_R20bn_backlog