

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 3924 [NW4789E]
DATE OF PUBLICATION: 6 NOVEMBER 2015

3924. Mr R A Lees (DA) to ask the Minister of Finance:

- (1) How much Municipal Infrastructure Grant (MIG) funding was granted to the Thabazimbi Local Municipality in Limpopo in the (a) 2011-12, (b) 2012-13, (c) 2013-14, (d) 2014-15 and (e) 2015-16 financial years, respectively;
- (2) whether any of the specified MIG funds (a) were underspent, (b) rolled over and/or (c) returned to the National Treasury in each of the specified financial years; if not, what is the National Treasury's position in this regard; if so, what are the relevant details in each case;
- (3) whether the National Treasury is currently providing any form of assistance to the Thabazimbi Local Municipality; if not, why not; if so, what are the further relevant details?

REPLY:

- (1) During the 2011/12 and 2012/13 financial years, Thabazimbi Local Municipality was allocated an amount of R34.8 million and R42.2 million respectively, against the Municipal Infrastructure Grant (MIG). The municipality, however, received a reduced allocation of R27.3 million and R13.2 million in the 2013/14 and 2014/15 financial years respectively, due to underspending against the programme. The current year's MIG allocation in terms of the 2015/16 Division of Revenue Act is R27.2 million. Details of the allocations and spending are provided in Annex A.
- (2) The expenditure against MIG was R22.1 million (63.5%); R42.2 million (100%); R6.3 million (23.1%); R5.3 million (40.1%) and R0, respectively, from 2011/12 to 2015/16 financial years. There was no roll-over request for the first two years 2011/12 and 2012/13.

In 2013/14, the municipality requested a roll-over of R18.6 million and only R4.2 million was approved due to the municipality having insufficient funds in their bank account. About R14.4 million was not cash-backed by the municipality and hence the reduced approval of the rollover.

During the 2014/15 financial year, the unspent amount was R7.8 million as disclosed in the pre-audit annual financial statements. From this amount, only R5.8 million was requested to be rolled over. Due to the municipality's inability to again fully cash-back their unspent conditional grants, only an amount of R3.3 million was approved as this was the balance in their bank account. The inability by the municipality to back up their

rollover request with sufficient cash in the bank is an indication of a possible misuse of the conditional grants.

- (3) The National Treasury is currently providing support through the Provincial Treasury due to Thabazimbi being a delegated municipality to the province. In the past year, the National Treasury engaged the municipality on numerous occasions regarding their poor performance on the MIG. The National Treasury approved a request by the municipality to repay their unspent 2013/14 MIG in four instalments.

Currently, the National Treasury in consultation with Provincial government and the National department of Cooperative Governance, are in a process of moving the MIG funds to their district (Waterberg District Municipality) due to poor performance. The district will assist the municipality to fast track the implementation and payments of projects that are on the ground.

With regard to the unspent 2014/15 MIG allocation of R4.5 million which has to be paid back to the National Revenue Fund, the National Treasury is considering assisting the municipality in spreading the unspent funds to be paid over a foreseeable period of time. This will be the second consecutive occasion that the municipality would be allowed to pay the unspent grant funds in instalments.

Annex A

Thabazimbi Local Municipality: Municipal Infrastructure Grant					
MIG	Allocation	Adjustment	Revised allocation	Expenditure	Roll over request
	R'000	R'000	R'000	R'000	R'000
2011/2012	34 750		34 750	22 085	No roll over request
2012/2013	42 153		42 153	42 153	No roll over request(full expenditure)
2013/2014	40 019	-12 758	27 261	6 321	R18 639 requested: only R4169 approved because of insufficient funds in the bank
2014/2015	32 926	-19 756	13 170	5 290	R5,888m requested, only R3,300 approved due to insufficient funds.
2015/2016	27 172		27 172	0	