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South African Local Government Association

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MEDIA STATEMENT

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SALGA'S RESPONSE TO DAILY DISPATCH REPORT: "RAZZMATAZZ TO MANAGE SPORTS FUNDS"

The Daily Dispatch report "Razzmatazz to Manage Sports Funds" - Friday, 11 December 2015, p1 - is a complete misrepresentation of the facts surrounding the Municipal Infrastructure Grant (MIG) and cannot go unchallenged.

Schedule 5 Part B of the Constitution of the Republic of South Africa clearly stipulates that local sport facilities are a Local Government mandate and as such municipalities should receive funding for these facilities. Municipal funds for sports infrastructure development are part of the MIG and remain part of that grant, which is allocated to municipalities. SALGA was not part of the perceived decision to transfer funds to the Department of Sports and Recreation (SRSA) for infrastructure development in communities.

There have been a number of engagements between SALGA, the Department of Cooperative Governance and Traditional Affairs (CoGTA), National Treasury (NT) and SRSA regarding the 15% Municipal Infrastructure Grant (MIG) allocated for Sports' Facilities in municipalities. During these engagements, there was not a collective agreement on the transfer of funds to SRSA. At the meeting of the Sports and Recreation Parliamentary Committee on 27 October 2015 it was placed on record that NT had also agreed with SRSA that the 15% P-component would not continue to be ring fenced for Sports only but would also support other community infrastructure.

In 2013, a holistic review of the municipal infrastructure grant system was initiated by the Local Government Budget Forum. The review is led by National Treasury, COGTA, the Financial Fiscal Commission, SALGA and the Department of Performance Monitoring and Evaluation, being the custodians of the intergovernmental relations system.

The Money Bills Amendment Procedure and Related Matters Act (2009) requires government to table the *Medium Term Budget Policy Statement* (MTBPS) in Parliament at least three months before the national budget is presented. The MTBPS is the policy document that communicates government's fiscal policy objectives and spending priorities over the three year period both to Parliament and the country as a whole. Any significant changes in the budget must be announced in the MTBPS. No changes were announced concerning a new sports grant.

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SRSA advocated for a portion of MIG funds to be given to the Department and to be administered separately, the Budget Forum held in September 2015 took the decision that municipal infrastructure funding must remain within the MIG. SRSA is not the only sector department contesting the utilisation and prioritisation of the component of the MIG. Creating separate sector grants only serves to fragment the municipal infrastructure grant system and will not solve some of the shortcomings within the system. SRSA will continue to receive a ring fenced allocation of R300 million (which is not part of the MIG allocation), which the department can use according to its recommendations and to encourage municipalities to prioritise sports and recreation facilities within their integrated development plans.

SALGA was not request to comment before the concerned article was published. SALGA remains committed to engaging further with all relevant partners including government and is yet to establish the merits of the proposed Memorandum of Understanding (MoU) between CoGta, Treasury, SRSA which SALGA was not consulted on.

SALGA as a representative of its members in Local Government has a central role to play in the National Sports and Recreation Plan (NSRP) and through the Urban Settlement Development Grant (USDG) and the MIG, municipalities continue to play a critical role in the development of infrastructure. All these policies and mass participation programmes influence how municipalities contribute to sports development in the country in collaboration with SRSA, CoGTA, SASCOC and Treasury.

SALGA will advise member municipalities on how the process unfolds in due course.

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