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Title: Fiscal Commission advises on FIFA infrastructure

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The Financial and Fiscal Commission has advised Parliament that infrastructure interventions for the 2010 FIFA World Cup South Africa, be sustainable and bear increasing costs in mind, writes Lavinia Mahlangu.

The FFC made this assertion earlier this month, while briefing the Public Works Portfolio Committee on its observations and recommendations on the 2008 Division of Revenue, focusing on implications for the Department of Public Works.

The funding for the FIFA World Cup, said the FFC, must examine the sustainability of built infrastructure, should take escalation of construction costs into account, and should encourage private sector collaboration.

Denver Kallis, a researcher at the FFC, briefed the Committee on the recommendations concerning the funding for the 2010 FIFA World Cup.

He observed that the funding was crafted on the basis of requirements to meet FIFA standards of hosting cities, and that the major challenge faced by the government was the sustainability of built infrastructure.

The Commission recommended that the escalation of construction costs be budgeted for, and that collaboration with the private sector should be encouraged.

Billions have already been committed by government for upgrading infrastructure, with the bulk of developments taking place in the host cities.

To date R17.4 billion has already been made available to the different provinces for use in the construction and revamping of stadiums.

Crucial milestones in the 2010 preparations' timeline include meeting the deadline for the completion of stadiums and transport infrastructure.

Government has also indicated that all developments, transport infrastructure in particular, is not only aimed at 2010, but well beyond in an effort to create sustainable infrastructure growth.

World Cup fixtures will be played in ten stadia, distributed across nine cities in South Africa.

Five of these arenas are being renovated to comply with FIFA's requirements, while the other half are being built from scratch.

World Cup fixtures will be played in ten stadia across the country, of which half are being renovated to comply with FIFA's requirements and the other half to be built from scratch.

Construction has started on all the five arenas to be newly built.

Renovations to four of the stadiums set to host 2010 fixtures would be complete by December 2008.

These stadiums are Vodacom Park in Mangaung, Royal Bafokeng in Rustenburg, Loftus stadium in Pretoria and Ellis Park in Johannesburg.

Those who will be completed by October 2009 are Mbombela in Nelspruit, Peter Mokaba (Polokwane), Nelson Mandela Bay, Green Point (Cape Town) Moses Mabhida (Durban) and the Soccer City in Johannesburg.

Furthermore, FFC recommended that a 2010 World Cup "Legacy Management Policy" should be introduced, and prudent fiscal policy should be maintained leading to the World Cup.

Legacy Projects linked to the World Cup are set to benefit the nation with improvements to infrastructure such as roads and public amenities, long after the final whistle sounds on 11 July, 2010.

Bongani Khumalo, Manager of Fiscal Policy at the FFC, noted that the Commission was mandated to report and recommend on the Division of Revenue (DoR), and this particular report would focus on the implications for the Department of Public Works (DPW).

He set out the background to the FFC and noted that the Review of the FFC was a broad overview of the key focus areas, but could be broken down to focus on the mandates of specific departments.

The FFC noted, on the issue of roads and transport infrastructure, that there was a rapid deterioration of the entire network of roads, at the national, provincial and municipal levels.

It also observed that there was a problem with the classification of these roads and there was no clarity as to who was responsible for the management and funding of some of them.

In this regard, the FFC recommended that all provinces put in place effective road management systems in order to gather accurate data on road conditions and infrastructure maintenance requirements.

The FFC also recommended that comprehensive studies be undertaken to obtain information necessary in dealing with identified provincial road spending priorities.

There was need for prioritising on funding at the provincial level because there was competition for available financial resources between social services and economic infrastructure.

Unless funding for roads at the provincial level was looked at, there would be continued deterioration.

The Commission therefore recommended that the road maintenance expenditure component be included in the pending Provincial Equitable Share (PES) review. - BuaNews