



# Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

Ref Number: WCPP 11/4/3

*(Negotiating Mandate stage)* Report of the Budget Committee on the Division of Revenue Amendment Bill [B 13–2024] (NCOP), dated 27 November 2024, as follows:

The Budget Committee, having considered the subject of the Division of Revenue Amendment Bill [B 13–2024] (NCOP), referred to it in accordance with Standing Rule 217, confers on the Western Cape's delegation in the NCOP the authority to not support the Bill, with recommendations included below.

**The reasons for the Committee not supporting the Bill is summarised as follows:**

## **Introduction and Overview**

Since the tabling of DORA there was an increase of 17.035 billion to the national allocation, rising from R 1.434 trillion to R 1.451 trillion. It is important to note the following:

## **National and Provincial Allocations:**

1. The national share includes conditional allocations to provincial and local spheres, general fuel levy sharing with metros, debt servicing costs, the contingency reserve, and provincial allocations.
2. The provincial envelope remains the same, with the Provincial Allocation to all provinces remains at R 600.5 billion as of DORA 2024.
3. In terms of provincial equitable share (PES), the 2024/25 PES for the Western Cape remains at R61.753 billion, whilst the Provincial Allocation to all provinces remains at R 600.5 billion as of DORA 2024.

## **Public Participation**

The Western Cape Budget Committee (the Committee) placed adverts in the Burger (Afrikaans), Argus (English), Vukani (isiXhosa), advertised on Facebook, and on the WCPP website.

## **Local Government Allocations in the Western Cape:**

1. Local Governments in the Western Cape will receive R7.19 billion in grant allocation, which is a decrease of R650 million from R7.84 billion since the 2024/25 main budget. This translates to an 8.29% decrease.

2. Comparing the province to the total local government share, this means local government in the Western Cape is allocated 7.1% of this total value.

## **Provincial Equitable Share**

### *Revisions to the equitable share formula*

For the 2025 MTEF, there are no proposed changes that are being made to any of the components of the formula resulting from the review of the PES formula.

The PES formula still does not take into account provision for Special Needs Education (Education), and Home-based care (Health).

According to the current design, Gauteng and KwaZulu-Natal, consistently emerge as the top two recipients of the PES. Meanwhile, the Western Cape, which is the third most populous province, receives the fifth-largest allocation. The structure of the PES formula has remained static over time and reactive to the prevailing socio-economic conditions. The review of the PES formula will be completed with the implementation of the revised education component scheduled for the 2026 MTEF. This creates an opportunity to strengthen the PES formula and enhance its robustness to support positive outcomes.

The PES formula does not take into consideration future economic or population growth.

Since the PES formula will be phased in over 3 years, the funding from the formula will always be based on outdated information and the PES formula should be revised in order to be implemented immediately each financial year.

The combined impact of the new data updates in the PES formula phased in from 2025/26 of 2024 Medium-Term Expenditure Framework amounts to an adjustment of **R674.059 million over the 2025 period**. This will however be **phased in over 3 years**, meaning that the current funding for the 2024 data updates will only be received fully in the 2027/28 financial year.

### *Data availability*

For the 2025 MTEF the following technical information should be noted:

Most of the components are updated with the most recent information available, with the exception of the Income and Expenditure Survey.

### *Technical updates to the PES formula*

- **Education:** The education component has been updated using the school-age population (5 to 17 years) from the 2024 Mid-Year Population Estimates (MYPE) from Statistics South Africa, and the school enrolment data drawn from the Learner Unit Record Information and Tracking System (LURITS) data from the Department of Basic Education.
- **Health:** The health component has been updated with the 2022/23 and 2023/24 District Health Information Services patient load data from the Department of Health. The risk-adjusted subcomponents reflect changes in the health risk profile of medically uninsured individuals, including fertility rates and mortality data.
- **Economic activity:** The economic component has been updated with the 2023 regional GDP data. The formula previously used the 2019 regional GDP data while Statistics South Africa was conducting a review of the methodology used to determine the provincial GDP numbers. The review has been concluded and the economic activity component is updated with the numbers that were officially released following the review.

In addition to the above-mentioned updates, the rest of the components of the formula have been updated with the 2024 MYPE and the 2010/11 Income and Expenditure Survey.

The **2024 technical data updates** will result in the Western Cape receiving additional –

- R65.2 million in the 2025/26 financial year;
- R252.4 million in the 2026/27 financial year; and
- R356.3 million in the 2027/28 financial year.

The Western Cape's PES will stand at 10.4 per cent of the total provincial portion nationally – marginally increasing over the 2025 Medium-Term Expenditure Framework.

### **Provincial Funding Envelope**

National Treasury has indicated provincial envelopes of funding will remain the same, meaning that the budget is not increasing in line with service delivery demands and rapid population growth. The population of the Western Cape continues to grow, which inevitably increases the demand for provincial services.

While we welcome the data updates to the Provincial Equitable Share formula, a further implication of not increasing provincial envelopes mean that provinces are continuously fighting over the same envelope of funding, when instead the National Government needs to increase the provincial funding envelope in line with service delivery demands in provinces – particularly Health, Education and Social Development.

Between the **2021 and 2024 MTEF**, there has already been a **real budget cut** on the provincial equitable share of the Western Cape amounting to **R8.4 billion**, due to carry-through effect of fiscal consolidation over the period.

### **Conditional Grants**

An additional R1.198 billion has been allocated to the Western Cape for disaster and infrastructure funding

The Western Cape government's applications for disaster and infrastructure funding from National Government has been approved and the Western Cape will be receiving **R1.198 billion** flowing through various provincial conditional grants, including –

- **R948 million** for disaster-related infrastructure reconstruction and rehabilitation of infrastructure damaged between December 2023 and July 2024; and
- **R251 million** for the Western Cape Rapid Schools Build Programme, which forms part of R2.5 billion approval for school infrastructure over the 2024 MTEF.

In particular, the disaster funding deals with funding already expended on previous disasters and does not increase the funding envelope for new infrastructure. In particular, the disaster-related funding will be allocated to the Comprehensive Agricultural Support Programme Grant, Education Infrastructure Grant (EIG), Health Facility Revitalisation Grant, and Provincial Roads Maintenance Grant (PRMG).

### Infrastructure Grant Allocations to Municipalities

Regional Bulk Infrastructure Grant: Drakenstein: Decrease by R225 million.

### Allocations-in-kind to Municipalities

Municipal Systems Improvement Grant

- West Coast District: Increase by R 1.12 million
- Garden Route: Increase by R463 000

### Municipal Infrastructure Grant and Regional Bulk Infrastructure Grant:

Drakenstein Local Municipal Sanitation Infrastructure Project: Decrease by R 225 million

**Provincial Grant allocations to the Western Cape**

<b>National Dept (Vote)</b>	<b>Name of Allocation</b>	<b>Type of Allocation</b>	<b>Adjusted Allocation 23/24</b>	<b>Allocation 24/25</b>	<b>Adjustment</b>	<b>Adjusted Allocation 24/25</b>	<b>23/24 to 24/25 Percentage Change</b>
<b>Basic Education (Vote 16)</b>	<b>Education Infrastructure Grant</b>	General conditional allocation to provinces	R1 133 187	R1 306 354	R321 000	R1 627 354	43,61%
	<b>Early Childhood Development Grant (Previously part of Social Development Vote 19)</b>	Conditional allocation	R86 038	R124 357	R -	R124 357	44,54%
	<b>HIV and AIDs (Life Skills Education) Grant</b>	Conditional allocation	R14 983	R18 923	R -	R18 923	26,30%
	<b>Learners with Profound</b>	Conditional allocation	R 34 080	R 33 930	R -	R33 930	-0,44%

	<b>Intellectual Disabilities Grant</b>						
	<b>Maths, Science and Technology Grant</b>	Conditional allocation	R32 863	R38 045	R -	R38 045	15,77%
	<b>National School Nutrition Programme Grant</b>	Conditional allocation	R496 802	R 531 615	R -	R531 615	7,01%
<b>Health (Vote 18)</b>	<b>National Tertiary Services Grant</b>	General conditional allocation to provinces	R3 332 007	R 3 526 935	R -	R3 526 935	5,85%
	<b>District Health Programmes Grant</b>	Conditional allocation	R1 982 629	R2 132 386	R -	R 2 132 386	7,55%
	<b>Health Facility Revitalisation Grant</b>	Conditional allocation	R 828 711	R 861 307	R 6 500	R 867 807	4,72%

	<b>Human Resources and Training Grant</b>	Conditional allocation	R 887 123	R 928 678	R -	R 928 678	4,68%
	<b>National Health Insurance Grant</b>	Nationally assigned function to provinces	R 36 225	R 36 899	R -	R 36 899	1,86%
<b>Transport</b>	<b>Provincial Roads Maintenance Grant</b>	General conditional allocation to provinces	R1 373 727	R1 610 643	R571 000	R 2 181 643	58,81%
<b>(Vote 40)</b>	<b>Public Transport Operations Grant</b>	Nationally assigned function to provinces	R1 177 519	R 1 230 401	R -	R1 230 401	4,49%
<b>Agriculture, Land Reform and Rural Development</b>	<b>Comprehensive Agricultural Support Programme Grant</b>	Conditional allocation	R112 203	R 124 426	R300 000	R 424 426	278,27%

<b>(Vote 29)</b>	<b>Ilima/Letsema Projects Grant</b>	Conditional allocation	R 58 979	R43 322	R -	R43 322	-26,55%
	<b>Land Care Programme Grant: Poverty Relief and Infrastructure Development</b>	Conditional allocation	R 5 300	R6 546	R -	R 6 546	23,51%
<b>Human Settlements</b>	<b>Human Settlements Development</b>	Conditional allocation	R1 487 205	R 1 605 872	R -	R1 605 872	7,98%
<b>(Vote 33)</b>	<b>Informal Settlements Upgrading Partnership Grant: Provinces</b>	Conditional allocation	R448 809	R 382 315	R -	R382 315	-14,82%
<b>Public Works and Infrastructure (Vote 13)</b>	<b>Expanded Public Works Programme</b>	Conditional allocation	R 19 059	R 20 496	R -	R20 496	7,54%



	<b>Integrated Grant for Provinces</b>						
	<b>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</b>	Conditional allocation	R33 097	R 24 238	R -	R 24 238	-26,77%
<b>Sports, Arts and Culture</b>	<b>Community Library Services Grant</b>	Conditional allocation	R 193 331	R 201 168	R -	R 201 168	4,05%
<b>(Vote 37)</b>	<b>Mass Participation and Sport Development Grant</b>	Conditional allocation	R 57 971	R 65 494	R -	R65 494	12,98%
<b>Total</b>						R16 052 850	

**Specific Purpose Allocations to Municipalities:**

Name of Grant	Category	Municipality	23/24 Adjusted Allocation	24/25 Allocation	Adjustment	24/25 Adjusted Allocation	23/24 to 24/25 Percentage Change
Infrastructure Skills Development Grant	A	City of Cape Town	R 8 920	R 12 000	R -	R 12 000	34,53%
	B	George	R 6 217	R 6 000	R -	R 6 000	-3,49%
Local Government Financial Management Grant	A	City of Cape Town	R 1 000	R 1 000	R -	R 1 000	0,00%
	B	Matzikama	R 1 771	R 1 800	R -	R 1 800	1,64%
	B	Cederberg	R 2 132	R 2 000	R -	R 2 000	-6,19%
	B	Bergrivier	R1 550	R 1 700	R -	R 1 700	9,68%
	B	Saldanha Bay	R1 550	R 1 600	R -	R 1 600	3,23%
	B	Swartland	R 1 550	R1 600	R -	R 1 600	3,23%

	<b>C</b>	<b>West Coast District Municipality</b>	R 1 000	R 1 000	R -	R 1 000	0,00%
	<b>B</b>	<b>Witzenberg</b>	R1 550	R 1 600	R -	R 1 600	3,23%
	<b>B</b>	<b>Drakenstein</b>	R 1 550	R1 600	R -	R 1 600	3,23%
	<b>B</b>	<b>Stellenbosch</b>	R1 550	R1 600	R -	R 1 600	3,23%
	<b>B</b>	<b>Breede Valley</b>	R 1 550	R1 600	R -	R 1 600	3,23%
	<b>B</b>	<b>Langeberg</b>	R1 550	R1 600	R -	R 1 600	3,23%
	<b>C</b>	<b>Cape Winelands District Municipality</b>	R 1 000	R 1 000	R -	R 1 000	0,00%
	<b>B</b>	<b>Theewaterskloof</b>	R 1 700	R 1 800	R -	R 1 800	5,88%
	<b>B</b>	<b>Overstand</b>	R 1 550	R1 700	R -	R 1 700	9,68%
	<b>B</b>	<b>Cape Agulhas</b>	R1 550	R1 700	R -	R 1 700	9,68%
	<b>B</b>	<b>Swellendam</b>	R1 770	R 1 800	R -	R 1 800	1,69%
	<b>C</b>	<b>Overberg District Municipality</b>	R 1 000	R 1 000	R -	R 1 000	0,00%
	<b>B</b>	<b>Kannaland</b>	R 2 932	R 2 900	R -	R 2 900	-1,09%

	<b>B</b>	<b>Hessequa</b>	R 1 550	R1 700	R -	R 1 700	9,68%
	<b>B</b>	<b>Mossel Bay</b>	R 1 566	R1 700	R -	R 1 700	8,56%
	<b>B</b>	<b>George</b>	R 1 771	R1 800	R -	R 1 800	1,64%
	<b>B</b>	<b>Oudtshoorn</b>	R 2 802	R 2 800	R -	R 2 800	-0,07%
	<b>B</b>	<b>Bitou</b>	R1 771	R 1 800	R -	R 1 800	1,64%
	<b>B</b>	<b>Knysna</b>	R 1 771	R1 800	R -	R 1 800	1,64%
	<b>C</b>	<b>Garden Route District Municipality</b>	R1 000	R 1 000	R -	R 1 000	0,00%
	<b>B</b>	<b>Laingsburg</b>	R1 800	R1 800	R -	R 1 800	0,00%
	<b>B</b>	<b>Prince Albert</b>	R1 700	R 1 800	R -	R 1 800	5,88%
	<b>B</b>	<b>Beaufort West</b>	R2 185	R 2 000	R -	R 2 000	-8,47%
	<b>C</b>	<b>Central Karoo District Municipality</b>	R1 000	R 1 000	R -	R 1 000	0,00%
<b>Expanded Public Works Programme Integrated</b>	<b>A</b>	<b>City of Cape Town</b>	R59 093	R 26 664	R -	R 26 664	-54,88%

<b>Grant for Municipalities</b>							
	<b>B</b>	<b>Matzikama</b>	R 2 859	R 1 389	R -	R 1 389	-51,42%
	<b>B</b>	<b>Cederberg</b>	R 1 658	R 1 534	R -	R 1 534	-7,48%
	<b>B</b>	<b>Bergrivier</b>	R 2 712	R 1 436	R -	R 1 436	-47,05%
	<b>B</b>	<b>Saldanha Bay</b>	R 2 125	R 1 368	R -	R 1 368	-35,62%
	<b>B</b>	<b>Swartland</b>	R 1 830	R 1 593	R -	R 1 593	-12,95%
	<b>C</b>	<b>West Coast District Municipality</b>	R1 242	R1 282	R -	R 1 282	3,22%
	<b>B</b>	<b>Witzenberg</b>	R 3 247	R 1 389	R -	R 1 389	-57,22%
	<b>B</b>	<b>Drakenstein</b>	R 4 119	R 1 534	R -	R 1 534	-62,76%
	<b>B</b>	<b>Stellenbosch</b>	R4 519	R 1 436	R -	R 1 436	-68,22%
	<b>B</b>	<b>Breede Valley</b>	R 4 789	R1 368	R -	R 1 368	-71,43%
	<b>B</b>	<b>Langeberg</b>	R 3 174	R 1 593	R -	R 1 593	-49,81%
	<b>C</b>	<b>Cape Winelands District Municipality</b>	R2 271	R1 282	R -	R 1 282	-43,55%

	<b>B</b>	<b>Theewaterskloof</b>	R 1 684	R1 563	R -	R 1 563	-7,19%
	<b>B</b>	<b>Overstand</b>	R 3 366	R1 898	R -	R 1 898	-43,61%
	<b>B</b>	<b>Cape Agulhas</b>	R 2 181	R 1 363	R -	R 1 363	-37,51%
	<b>B</b>	<b>Swellendam</b>	R1 541	R 1 305	R -	R 1 305	-15,31%
	<b>C</b>	<b>Overberg District Municipality</b>	R 1 192	R 1 265	R -	R 1 265	6,12%
	<b>B</b>	<b>Kannaland</b>	R 1 220	R 1 255	R -	R 1 255	2,87%
	<b>B</b>	<b>Hessequa</b>	R 1 174	R 1 236	R -	R 1 236	5,28%
	<b>B</b>	<b>Mossel Bay</b>	R 4 333	R 1 967	R -	R 1 967	-54,60%
	<b>B</b>	<b>George</b>	R 4 173	R 1 966	R -	R 1 966	-52,89%
	<b>B</b>	<b>Oudtshoorn</b>	R 1 672	R 1 492	R -	R 1 492	-10,77%
	<b>B</b>	<b>Bitou</b>	R 1 879	R 1 474	R -	R 1 474	-21,55%
	<b>B</b>	<b>Knysna</b>	R 1 264	R 1 279	R -	R 1 279	1,19%
	<b>C</b>	<b>Garden Route District Municipality</b>	R 2 180	R 1 545	R -	R 1 545	-29,13%
	<b>B</b>	<b>Laingsburg</b>	R 1 173	R 1 209	R -	R 1 209	3,07%
	<b>B</b>	<b>Prince Albert</b>	R 1 098	R 1 200	R -	R 1 200	9,29%

	<b>B</b>	<b>Beaufort West</b>	R 1 372	R 1 226	R -	R 1 226	-10,64%
	<b>C</b>	<b>Central Karoo District Municipality</b>	R 2 314	R 1 203	R -	R 1 203	-48,01%
<b>Programme and Project Preparation Support Grant</b>	<b>A</b>	<b>City of Cape Town</b>	R 68 877	R 70 000	R -	R 70 000	1,63%
<b>Total</b>						R 206 114	

**Infrastructure Grant allocations to municipalities:**

Name of Grant	Category	Municipality	23/24 Adjusted Allocation	24/25 Allocation	Adjustment	24/25 Adjusted Allocation	23/24 to 24/25 Percentage Change
<b>Municipal Infrastructure Grant</b>	<b>B</b>	<b>Matzikama</b>	R 23 063	R 24 210	R -	R 24 210	4,97%
	<b>B</b>	<b>Cederberg</b>	R 16 699	R 17 598	R -	R 17 598	5,38%
	<b>B</b>	<b>Bergrivier</b>	R 15 437	R 16 298	R -	R 16 298	5,58%
	<b>B</b>	<b>Saldanha Bay</b>	R 27 328	R 22 126	R -	R 22 126	-19,04%
	<b>B</b>	<b>Swartland</b>	R 23 055	R 29 332	R -	R 29 332	27,23%
	<b>B</b>	<b>Witzenberg</b>	R 24 309	R 25 630	R -	R 25 630	5,43%
	<b>B</b>	<b>Breede Valley</b>	R 37 893	R 39 790	R -	R 39 790	5,01%
	<b>B</b>	<b>Langeberg</b>	R 23 825	R 25 096	R -	R 25 096	5,33%
	<b>B</b>	<b>Theewaterskloof</b>	R 28 842	R 30 320	R -	R 30 320	5,12%
	<b>B</b>	<b>Overstand</b>	R 23 855	R 25 165	R -	R 25 165	5,49%
	<b>B</b>	<b>Cape Agulhas</b>	R 11 440	R 17 101	R -	R 17 101	49,48%
	<b>B</b>	<b>Swellendam</b>	R 12 492	R 13 184	R -	R 13 184	5,54%
	<b>B</b>	<b>Kannaland</b>	R 10 612	R 11 217	R -	R 11 217	5,70%



	<b>B</b>	<b>Hessequa</b>	R 14 425	R 15 246	R -	R 15 246	5,69%
	<b>B</b>	<b>Mossel Bay</b>	R 26 219	R 27 563	R -	R 27 563	5,13%
	<b>B</b>	<b>Oudtshoorn</b>	R 23 559	R 24 733	R -	R 24 733	4,98%
	<b>B</b>	<b>Bitou</b>	R 21 783	R 22 874	R -	R 22 874	5,01%
	<b>B</b>	<b>Knysna</b>	R 27 264	R 28 582	R -	R 28 582	4,83%
	<b>B</b>	<b>Laingsburg</b>	R 13 958	R 6 919	R -	R 6 919	-50,43%
	<b>B</b>	<b>Prince Albert</b>	R 7 555	R 8 032	R -	R 8 032	6,31%
	<b>B</b>	<b>Beaufort West</b>	R 14 789	R 15 643	R -	R 15 643	5,77%
<b>Energy Efficiency and Demand Side Management Grant</b>	<b>A</b>	<b>City of Cape Town</b>	R 9 000	R 7 000	R -	R 7 000	-22,22%
	<b>B</b>	<b>Saldanha Bay</b>	R 4 000	R -	R -	R -	-100,00%
	<b>B</b>	<b>Witzenberg</b>	R -	R 3 500	R -	R 3 500	`
	<b>B</b>	<b>Stellenbosch</b>	R -	R 5 000	R -	R 5 000	`
	<b>B</b>	<b>Breede Valley</b>	R 4 000	R -	R -	R -	-100,00%
	<b>B</b>	<b>Theewaterskloof</b>	R 4 000	R -	R -	R -	-100,00%
	<b>B</b>	<b>Overstrand</b>	R 4 200	R -	R -	R -	-100,00%

	<b>B</b>	<b>Swellendam</b>	R -	R 3 000	R -	R 3 000	`
	<b>B</b>	<b>Hessequa</b>	R 4 000	R -	R -	R -	-100,00%
	<b>C</b>	<b>Garden Route District Municipality</b>	R 4 000	R -	R -	R -	-100,00%
<b>Integrated National Electrification Programme (Municipal) Grant</b>	<b>B</b>	<b>Matzikama</b>	R 8 325	R 1 851	R -	R 1 851	-77,77%
	<b>B</b>	<b>Cederberg</b>	R 35 000	R 13 469	R -	R 13 469	-61,52%
	<b>B</b>	<b>Bergriver</b>	R -	R 614	R -	R 614	`
	<b>B</b>	<b>Saldanha Bay</b>	R 11 524	R 23 361	R -	R 23 361	102,72%
	<b>B</b>	<b>Swartland</b>	R 23 658	R 22 818	R -	R 22 818	-3,55%
	<b>B</b>	<b>Witzenberg</b>	R 900		R -	R -	-100,00%
	<b>B</b>	<b>Drakenstein</b>	R 10 000	R 3 340	R -	R 3 340	-66,60%
	<b>B</b>	<b>Stellenbosch</b>	R 20 000	R 5 056	R -	R 5 056	-74,72%
	<b>B</b>	<b>Breede Valley</b>	R 20 238	R 14 620	R -	R 14 620	-27,76%

	<b>B</b>	<b>Langeberg</b>	R 460	R 2 925	R -	R 2 925	535,87%
	<b>B</b>	<b>Theewaterskloof</b>	R -	R 5 913	R -	R 5 913	`
	<b>B</b>	<b>Overstand</b>	R 23 000	R 19 334	R -	R 19 334	-15,94%
	<b>B</b>	<b>Swellendam</b>	R -	R 4 975	R -	R 4 975	`
	<b>B</b>	<b>Hessequa</b>	R 3 700	R 4 162	R -	R 4 162	12,49%
	<b>B</b>	<b>Mossel Bay</b>	R 11 000	R -	R -	R -	-100,00%
	<b>B</b>	<b>George</b>	R 5 000	R -	R -	R -	-100,00%
	<b>B</b>	<b>Bitou</b>	R 3 774	R -	R -	R -	-100,00%
	<b>B</b>	<b>Knysna</b>	R 40 000	R 15 760	R -	R 15 760	-60,60%
	<b>B</b>	<b>Prince Albert</b>	R 490	R -	R -	R -	-100,00%
	<b>B</b>	<b>Beaufort West</b>	R -	R 7 310	R -	R 7 310	`
<b>Rural Roads Asset Management Systems Grant</b>	<b>C</b>	<b>West Coast District Municipality</b>	R 2 718	R 2 840	R -	R 2 840	4,49%
	<b>C</b>	<b>Cape Winelands District Municipality</b>	R 2 888	R 3 018	R -	R 3 018	4,50%

	C	<b>Overberg District Municipality</b>	R 2 846	R 2 974	R -	R 2 974	4,50%
	C	<b>Garden Route District Municipality</b>	R 2 754	R 2 721	R -	R 2 721	-1,20%
	C	<b>Central Karoo District Municipality</b>	R 2 063	R 2 156	R -	R 2 156	4,51%
<b>Regional Bulk Infrastructure Grant</b>	B	<b>Drakenstein</b>	R 290 310	R 600 000	-R 225 000	R 375 000	29,17%
	B	<b>George</b>	R 365 138	R 294 000	R -	R 294 000	-19,48%
<b>Water Services Infrastructure Grant</b>	B	<b>Matzikama</b>	R 11 000	R -	R -	R -	-100,00%
	B	<b>Cederberg</b>	R 4 500	R 10 000	R -	R 10 000	122,22%
	B	<b>Bergrivier</b>	R 8 500	R 10 000	R -	R 10 000	17,65%
	B	<b>Witzenberg</b>	R -	R 15 000	R -	R 15 000	`
	B	<b>Drakenstein</b>	R 13 400	R -	R -	R -	-100,00%

	<b>B</b>	<b>Theewaterskloof</b>	R 9 630	R 5 000	R -	R 5 000	-48,08%
	<b>B</b>	<b>Overstand</b>	R 4 500	R 8 000	R -	R 8 000	77,78%
	<b>B</b>	<b>Cape Agulhas</b>	R 4 500	R 10 000	R -	R 10 000	122,22%
	<b>B</b>	<b>Swellendam</b>	R 5 304	R 10 000	R -	R 10 000	88,54%
	<b>B</b>	<b>Kannaland</b>	R 4 500	R 9 000	R -	R 9 000	100,00%
	<b>B</b>	<b>Hessequa</b>	R 8 300	R -	R -	R -	-100,00%
	<b>B</b>	<b>George</b>	R 3 820	R 4 000	R -	R 4 000	4,71%
	<b>B</b>	<b>Oudtshoorn</b>	R 8 060	R 12 000	R -	R 12 000	48,88%
	<b>B</b>	<b>Bitou</b>	R -	R 12 000	R -	R 12 000	`
	<b>B</b>	<b>Knysna</b>	R 3 400	R 10 000	R -	R 10 000	194,12%
	<b>B</b>	<b>Laingsburg</b>	R 31 832	R 14 209	R -	R 14 209	-55,36%
	<b>B</b>	<b>Prince Albert</b>	R 8 000	R 15 000	R -	R 15 000	87,50%
<b>Integrated Urban Development Grant</b>	<b>B</b>	<b>Drakenstein</b>	R 58 616	R 60 815	R -	R 60 815	3,75%
	<b>B</b>	<b>Stellenbosch</b>	R 59 410	R 64 495	R -	R 64 495	8,56%
	<b>B</b>	<b>George</b>	R 67 450	R 60 837	R -	R 60 837	-9,80%

<b>Informal Settlements Upgrading Partnership Grant: Municipalities</b>	<b>A</b>	<b>City of Cape Town</b>	R 535 717	R 592 962	R -	R 592 962	10,69%
<b>Urban Settlements Development Grant</b>	<b>A</b>	<b>City of Cape Town</b>	R 938 100	R 1 041 825	R -	R 1 041 825	11,06%
<b>Neighbourhood Development Partnership Grant (Capital)</b>	<b>A</b>	<b>City of Cape Town</b>	R 250 890	R 160 237	R -	R 160 237	-36,13%
	<b>B</b>	<b>Drakenstein</b>	R 10 000	R 30 000	R -	R 30 000	200,00%
	<b>B</b>	<b>Langeberg</b>	R 9 272	R 1 000	R -	R 1 000	-89,21%
	<b>B</b>	<b>George</b>	R 5 000	R 5 000	R -	R 5 000	0,00%
	<b>B</b>	<b>Knysna</b>	R 15 000	R 10 477	R -	R 10 477	-30,15%

<b>Public Transport Network Grant</b>	<b>A</b>	<b>City of Cape Town</b>	R 1 777 845	R 2 499 316	R -	R 2 499 316	40,58%
	<b>B</b>	<b>George</b>	R 144 823	R 184 733	R -	R 184 733	27,56%
<b>Total</b>						R 6 149 282	

**Allocations-in-kind to Municipalities:**

<b>Name of Grant</b>	<b>Category</b>	<b>Municipality</b>	<b>23/24 Adjusted Allocation</b>	<b>24/25 Allocation</b>	<b>Adjustment</b>	<b>24/25 Adjusted Allocation</b>	<b>23/24 to 24/25 Percentage Change</b>
<b>Municipal Systems Improvement Grant</b>	<b>A</b>	<b>City of Cape Town</b>	R -	R 1 106	R -	R 1 106	`
	<b>C</b>	<b>West Coast District Municipality</b>	R -	R 2 215	R 1 120	R 3 335	`
	<b>C</b>	<b>Cape Winelands District Municipality</b>	R -	R 2 403	R -	R 2 403	`

	C	Overberg District Municipality	R -	R 1 106	R -	R 1 106	`
	C	Garden Route District Municipality	R 1 000	R 1 591	R 463	R 2 054	105,40%
	C	Central Karoo District Municipality	R -	R 1 506	R -	R 1 506	`
<b>Integrated National Electrification Programme (Eskom) Grant</b>	A	City of Cape Town	R 57 408	R 81 325	R -	R 81 325	41,66%
	B	Matzikama	R -	R 135	R -	R 135	`
	B	Cederberg	R 28 797	R 16 018	R -	R 16 018	-44,38%
	B	Saldanha Bay	R 6 908	R 2 602	R -	R 2 602	-62,33%
	B	Swartland	R 4 758	R 296	R -	R 296	-93,78%



	B	Drankenstein	R -	R 3 448	R -	R 3 448	`
	B	Stellenbosch	R 113	R -	R -	R -	-100,00%
	B	Breede Valley	R 5 337	R 532	R -	R 532	-90,03%
	B	Theewaterskloof	R 1 734	R 4 649	R -	R 4 649	168,11%
	B	Kannaland	R -	R 104	R -	R 104	`
	B	Hessequa	R -	R 68	R -	R 68	`
	B	Oudtshoorn	R 150	R -	R -	R -	-100,00%
	B	Bitou	R -	R 5 798	R -	R 5 798	`
	B	Knysna	R 267	R -	R -	R -	-100,00%
<b>Neighbourhood Development Partnership Grant (Technical Assistance)</b>	A	City of Cape Town	R 2 500	R 3 000	R -	R 3 000	20,00%
	B	Drakenstein	R -	R 500	R -	R 500	`
	B	Langeberg	R 100	R 1 000	R -	R 1 000	900,00%
	B	George	R 1 300	R 500	R -	R 500	-61,54%

	B	Knysna	R 100	R 100	R -	R 100	0,00%
<b>Regional Bulk Infrastructure Grant</b>	B	Cederberg	R 15 153	R 14 831	R -	R 14 831	-2,12%
<b>Total</b>						R 146 416	

**Municipal Infrastructure Grant and Regional Bulk Infrastructure Grant:**

Name of Grant	Category	Municipality	23/24 Adjusted Allocation	24/25 Allocation	Adjustment	24/25 Adjusted Allocation	23/24 to 24/25 Percentage Change
Upgrading of St Helena Bay Sport Field	B	Saldanha Bay	R 6 399	R -	R -	R -	-100,00%
Construction of Bersig Sport Field	B	Laingsburg	7 464	R -	R -	R -	,

<b>Clanwilliam /Lambertsbaai Regional Water Supply and Desalination</b>	<b>B</b>	<b>Cederberg</b>	R 15 153	R 14 831		R - R 14 831	-2,12%
<b>Drakenstein Local Municipality - Sanitation Infrastructure Project</b>	<b>B</b>	<b>Drakenstein</b>	R 305 310	R 600 000		-R 225 000 R 375 000	22,83%
<b>Potable Water Security and Remedial Works</b>	<b>B</b>	<b>George</b>	R 375 138	R 294 000		R - R 294 000	-21,63%
<b>Upgrading of Ilingeletu sport Facility</b>	<b>B</b>	<b>Swartland</b>	R -	R 5 000		R - R 5 000	,
<b>Upgrading of Cape Aghulas</b>	<b>B</b>	<b>Cape Agulhus</b>	R -	R 5 000		R - R 5 000	,

<b>Napier sport facility</b>							
<b>Total</b>						R 693 831	

**Breakdown of Ring-Fenced Disaster Funding: Per Province Per Grant**

<b>Grant Name</b>	<b>24/25</b>		<b>24/25 Adjusted</b>
	<b>Main</b>	<b>Adjustment</b>	
<b>Comprehensive Agricultural Support Programme Grant</b>	R - 000	R 300	R 300 000
<b>Education infrastructure Grant</b>	R - 000	R 70	R 70 000
<b>Health Facility Revitalisation Grant</b>	R - 500	R 6	R 6 500
<b>Provincial Roads Maintenance Grant</b>	R - 000	R 571	R 571 000
<b>Total</b>			R 947 500

## **Recommendations for Amendments by the NCOP to the Division of Revenue Amendment Bill [B 13-2024] (NCOP)**

The Western Cape does not support the Division of Revenue Amendment Bill for the following reasons and recommends:

- 1) The National Government did not fully fund the costs of the 2023 centrally agreed to public wage agreement to provinces, which in turn lead to a shortfall of R 1.1 billion rand.
- 2) **It is recommended** that the national government must fully fund all above CPI public sector wage increases to all provinces, particularly for frontline services (Health, Education and Social Development).
- 3) **The carry-through effect of the 2021 and 2024 MTEF fiscal consolidation on provinces resulted in a R8.4 billion budget cut on the provincial equitable share of the Western Cape.** The national government is thus forcing provincial governments to cut provincial budgets as the provincial budgets are not increasing at the same pace as service delivery demands and rapid population growth. **It is recommended that National Government increases the provincial funding envelopes in order to fully accommodate service delivery demands faced in Health, Education and Social Development in provinces.**
- 4) The Provincial Equitable Share (PES) to the Western Cape is not keeping up with population growth. The Western Cape remains the fastest growing province but fails to receive its fair share in line with these metrics. This places increased strain on our service delivery requirements. **It is recommended** that a comprehensive review be initiated by National Government to review the PES formula in order to have a heavier weight overall in the formula towards population growth.
- 5) A failure to perform adequate criminal intelligence from National has led to the province continually having dire crime statistics. **It is recommended** that a policing mandate be granted to the Western Cape, and that the respective funding must accompany it.
- 6) **It is recommended** that there be a comprehensive review of conditional grants to assess whether some of them can be phased into the provincial equitable share formula.
- 7) **It is recommended** that the National Treasury must confirm whether all social workers as a fully-fledged frontline service.

**For these reasons, it is recommended that Western Cape does not support this Bill.**

Minority View:

In terms of Standing Rule 90, the African Nation Congress and the Patriotic Alliance expressed their minority views to support the Bill.



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MR P JOHNSON, MPP  
CHAIRPERSON: BUDGET COMMITTEE  
DATE: 27 NOVEMBER 2024