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Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

**PRESENTATION TO THE
SELECT COMMITTEE ON LOCAL GOVERNMENT
AND ADMINISTRATION**

2006/07 BUDGET REVIEW

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Acting Chief Financial Officer**

24 May 2006

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1. MAIN FEATURES OF THE 2006/07 BUDGET

- Increase in total budget R8,92 billion (55,8%)
- Increase in transfers R8,87 billion (56,5%)
- Increase in Current payments R55,1 million (20,6%)

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MAIN FEATURES ...

Transfer Payments

- Local Government Grants
Increase from R15,63 billion to R24,52 billion.
- Due mainly to increase in local government equitable share.
- Fiscal transfers
Decrease from R87,79 million to R65,94 million.
- Due mainly to reduction in allocation to the MDB and the cessation of the MIU.

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2. MTEF 2006/09 TRENDS

Increase from 2005/06 to 2008/09

- Total Budget: R15,48 billion (96,8%)
- Transfer Payment: R15,38 billion (97,9%)
- Current Payments: R93,64 million(35,0%)

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MTEF 2006/09 TRENDS ...

Local Government Grants

- Equitable Share R13,13 billion (136,2%)
- Municipal Infrastructure Grant R2,62 billion (48,1%)

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MTEF 2006/09 TRENDS ...

Fiscal Transfers

- Allocations reflect mainly inflationary increases with exception of –

CRL Commission	R3 million
Commission on Traditional Leadership Disputes & Claims	R9 million
- Municipal Demarcation Board increased in 2005/06 for the municipal elections but has reverted back.
- MIU operation ceases in March 2006.

Thank you.