



**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**

Enquiries: Ismail Momoniat Tel: 012 315 5165 Cell: 083 378 0333 Ismail Momoniat @treasury.gov.za

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2003 Intergovernmental Fiscal Review

The Minister of Finance Trevor Manuel will launch the 2003 Intergovernmental Fiscal Review (IGFR) in Parliament (NCOP) on Tuesday 8 April. This review, now in its fourth year, provides details of government service delivery at provincial and local government level.

The *Review* reports on key delivery functions like school education, health, social grants, welfare services, housing, roads, electricity and water. It comprises eleven chapters covering budget and service delivery information and outlines the latest trends in provincial and local government budgets. Each chapter deals with a specific sector, for example, health, education, social services, etc in detail.

The *Review* facilitates comparisons between the different provinces and also between different municipalities respectively. It allows for a comparison of budgets of line-function departments or activities across provinces. It also lays the basis for setting benchmarks and best practices to be followed by other provinces and local governments. The *Review* is a useful instrument for facilitating service delivery trends, policy-making and analysis and promoting accountability to legislatures and the public.

Some of the highlights in this year's review include:

- *Provincial education budgets* – The chapter on education covers actual school and education budgets for the 2003 MTEF. It shows the budget per learner per province and also shows past problems in funding textbooks and other learner support materials.

- *Provincial health budgets* – The chapter covers actual expenditure and budgets on Health from 1999/00 through to 2005/06. The chapter also outlines spending on medicines, laboratory services, surgical consumables and other supplies and capital. Comparisons among provinces are made in this regard. Spending on HIV/Aids and the patterns thereof are made in the review.
- *Roads infrastructure and transport* - The chapter presents a consolidated picture of national and provincial spending on roads construction and maintenance. It outlines spending on commuter rail infrastructure, public transport subsidies and planning, and highlights road safety budgets.
- *Housing* – The chapter reviews spending on housing subsidies and looks at expenditure and housing budget trends from 1999/00 to 2005/06. Challenges facing the low-cost housing delivery are identified in the chapter.
- *Agriculture and Land* - Some of the key obstacles in the development of emergent farmers is highlighted, including the role of provincial departments. Implementation of land reforms is also highlighted.
- *Electricity and Water* - One of Government's key objective is the electrification of all households and the provision of free basic services to poor households. The chapter on electricity finally addresses the challenges in reforming the industry to be less fragmented and more efficient in delivering services. Spending on water and electricity by municipalities is also provided.

The parliamentary deliberations on the IGFR over the next few weeks will present an ideal opportunity for in-depth reporting on service delivery, trends and financial management in provinces and local government. In addition stakeholders and experts will engage with parliament on this review during this period.

The Minister of Finance will address the media at a pre-launch press briefing on Tuesday 08 April at 11h00 in the Rain Forrest Room at parliament.

Copies of the Review will be released at the press briefing and will be made available to media in Johannesburg

For more information and to arrange for interviews contact:

Ismail Momoniat (012) 315 5165 email ismail.momoniat@treasury.gov.za

Thoraya Pandya (012) 315 5165 email thoraya.pandy@treasury.gov.za