

# **Trends in Intergovernmental Finances: 2000/01-2006/07**



# **Trends in Intergovernmental Finances: 2000/01-2006/07**

**National Treasury**

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This document is compiled with the latest available information from provincial and national departments, municipalities and other sources. The data for 2003/04 is still to be audited and may thus change.

To obtain copies please contact:

Communication Directorate  
National Treasury  
Private Bag X115  
Pretoria  
0001  
South Africa  
Tel: +27 12 315 5948  
Fax: +27 12 315 5160

For any queries, e-mail: [rakgadi.motseto@treasury.gov.za](mailto:rakgadi.motseto@treasury.gov.za)

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# Foreword

Last year the National Treasury published a comprehensive *Intergovernmental Fiscal Review* (IGFR) in April, within six weeks of the tabling of the national and provincial budgets. The aim of the early publication was to ensure that it could be used to support and inform deliberations on the various budget votes, especially on concurrent functions. This year, due to the timing of elections and the subsequent appointment of political office bearers, it has not been possible to publish an IGFR. In its place we are publishing the *Trends in Intergovernmental Finances: 2000/01- 2006/07*.

This publication updates data contained in most of the chapters and annexures contained in last year's IGFR. The document is intended to:

- Contribute towards informing and empowering new political office bearers or those who are returning and taking up new portfolios and responsibilities, by providing them with the most recent information on the school education, health, social development, housing, roads and transport, agriculture and land, water and sanitation and electricity sectors
- Provide analysts with seven-year trends of aggregated provincial and local government revenue and expenditure information for purposes of research, and
- Allow the public to see where the bulk of government expenditure is going.

Provinces and municipalities supplied the bulk of the data contained in the document, and for this we are very grateful to them. In addition, our thanks go to national departments, who checked the accuracy of the data and text.

Finally, my thanks also go to the National Treasury team and editors who took care of the technical production of the publication.



**Lesetja Kganyago**  
**Director-General: National Treasury**

## **Technical notes**

The notes set out below are intended to assist readers and analysts.

### **General notes on numbers**

Data on the seven-year trends set out in this document are drawn from provincial and local government publications such as financial and budget statements tabled prior to the 2004 elections. In this year's Budget, a new economic reporting format, which is in line with international practices, is implemented. Accordingly, provincial and national data for 2000/01 to 2003/04 have been revised in line with the new classification to ensure that they are consistent and comparable with the 2004 Budget and Medium Term Expenditure Framework numbers. This has implications for certain categories of expenditure such as; for example, the previous standard item "personnel expenditure" which is replaced by compensation of employees. Nevertheless in parts of the text the terms are still used interchangeably. It should also be noted that that "payments for capital assets" category excludes capital transfers, which is now classified under the "transfers and subsidies" category.

### **Financial years**

A financial year for the local government sphere starts on 1 July and ends on 30 June of the following year, whereas a financial year for the provincial and national spheres starts on 1 April and ends on 31 March the following year. To distinguish between the two, the publication uses ( - ) for the local government financial year (eg. 2003-04) whereas a (/) is used for the national/provincial financial year (eg. 2003/04).

### **Per capita estimates**

Except for instances where it is stated otherwise, estimates of per capita spending are based on the 2001 census data. Such estimates will be different from those that will be calculated using data from other sources.

### **Real growth rates**

When comparing monetary values from one year to another, it is common to adjust figures for inflation. Real growth rates in this publication are calculated using the CPIX.

### **Rounding of numbers**

Appropriation of funds and reporting of expenditure is done in terms of Rand thousands. The majority of the tables in the publication are in Rand millions. As a result of rounding off, some minor deviations may occur.

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