

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 4203 [NW5079E]**  
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**4203. Mr K J Mileham (DA) to ask the Minister of Finance:**

- (1) With reference to the latest round of the redeterminations of municipal boundaries initiated by the Minister of Cooperative Governance and Traditional Affairs in 2015, what are the full details of the funding appropriations that have been approved to fund the (a) recurrent and (b) capital expenditures which will be incurred by the affected municipalities;
- (2) whether any other (a) national and/or (b) provincial government (i) organs and/or (ii) entities will provide any form of funding in this regard; if not, why not; if so, what are the relevant details of the specified funding provided (aa) prior to, (bb) during and (cc) after the amalgamations of the affected municipalities?

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**REPLY:**

- (1) The Municipal Demarcation Transition Grant was introduced in the 2015 Division of Revenue Act to subsidise the additional institutional and administrative costs that result from the implementation of major boundary redeterminations. The grant is allocated R139 million over the 2015 MTEF. In the 2015 Medium Term Budget Policy Statement it was announced that this grant will receive increased allocations in 2016/17 and 2017/18. These increases include provision for the boundary redeterminations that were finalised by the Municipal Demarcation Board in 2015. Details of the increases will only be made public when the 2016 Budget is tabled.

The Municipal Demarcation Transition Grant only provides funding for operational costs that relate directly to the implementation of major boundary redeterminations. The capital investment needed to eradicate backlogs and upgrade services in these municipalities will continue to be funded through conditional grants in the same manner as they are funded in other municipalities. The data used to determine allocations for conditional grants and the local government equitable share will be updated to reflect the new boundaries.

- (2) Provincial departments responsible for cooperative governance are accountable for overseeing the implementation of boundary redeterminations in their respective provinces. These departments will be providing support-in-kind to affected municipalities and in some cases provinces may also provide financial support to municipalities. Details of any financial support provided should be published in provincial budgets once these are tabled.