

NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 82

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Mr R A Lees (DA-KZN) to ask the Minister of Finance:

- (1) Whether conditional grants for infrastructure to (a) provinces and (b) municipalities will be (i) phased out within the next three years and (ii) increased over the next three years in order to eliminate backlogs in infrastructure; if not, what is the position in this regard; if so, what are the relevant details in each case;
- (2) whether funding for provinces and municipalities will be consolidated into the Equitable Share distributions at the end of the three year period; if not, why not; if so, what are the relevant details?

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REPLY:

- (1) (a) Provinces
 - (i) The National Pathology Services grant is the only capital related grant that will be phased out from 2012/13. The grant was a temporary grant targeted at recapitalising pathology services. The grant is phased into the provincial equitable share to allow provinces to continue to finance the operational costs of pathology services.
 - (ii) The School Infrastructure Backlogs grant was introduced on 1 April 2011 and allocated R8.2 billion over three years to eradicate unsafe school structures and eradicated water, sanitation and electricity backlogs at schools.

An additional R3.4 billion is also allocated to the Provincial Roads Maintenance grant over the three years for provincial road maintenance, weighbridges and coal haulage network,

(b) Municipalities

- (i) No municipal infrastructure grants will be phased out over the next three years.
- (ii) Urban Settlements Development Grant is allocated an additional R2 billion over three years to support informal settlement upgrading.

Public Transport Infrastructure and Systems Grant is allocated R2.5 billion over three years to plan, upgrade and expand integrated public transport.

- (2) The decision to phase in the School Infrastructure Backlogs Grant will only be taken during the 2011 budget process.