

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 875 [NW1094E]**

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**875. Dr S M van Dyk (DA) to ask the Minister of Finance:**

What criterion was used in determining how much money the Department of Water and Environmental Affairs would receive for basic water services in the 2013-14 financial year?

NW1094E

**REPLY:**

As in all areas of expenditure, a wide range of criteria are taken into account. In respect of basic water services, these include the respective roles and responsibilities of the department, its agencies and municipalities, the distribution of needs for water and sanitation services, cost recovery capacity within municipalities and water utilities and implementation capacity of water service entities.

It is important to note that the main allocations on the national budget relevant to the provision of basic water services are not included on the Department of Water Affairs vote. Section 227 of the Constitution of the Republic of South Africa entitles local government to a share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. These include the provision of water services. The Local Government Equitable Share (LGES) allocation provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities that have the least potential to cover these costs from their own revenues.

In addition to the LGES allocations, provision is made in the Water Affairs vote for conditional grants to municipalities for water infrastructure and services, in addition to funding for the national Department's infrastructure management (programme 3) and regional implementation and support (programme 4). The primary considerations taken into account in determining basic water services allocations include infrastructure and service delivery backlog data and poverty data drawn, inter alia, from the 2011 Census.

The considerations that are taken into account in determining the LGES allocations and conditional grants to municipalities are set out in the Explanatory Memorandum to the Division of Revenue Act, which is published on [www.treasury.gov.za](http://www.treasury.gov.za) as Annexure W1 to the 2013 Budget Review.