

# BELA BILL

Briefing for the Western Cape Provincial Legislature

PRESENTED BY:  
National Treasury

Date: 11 April 2024



**national treasury**

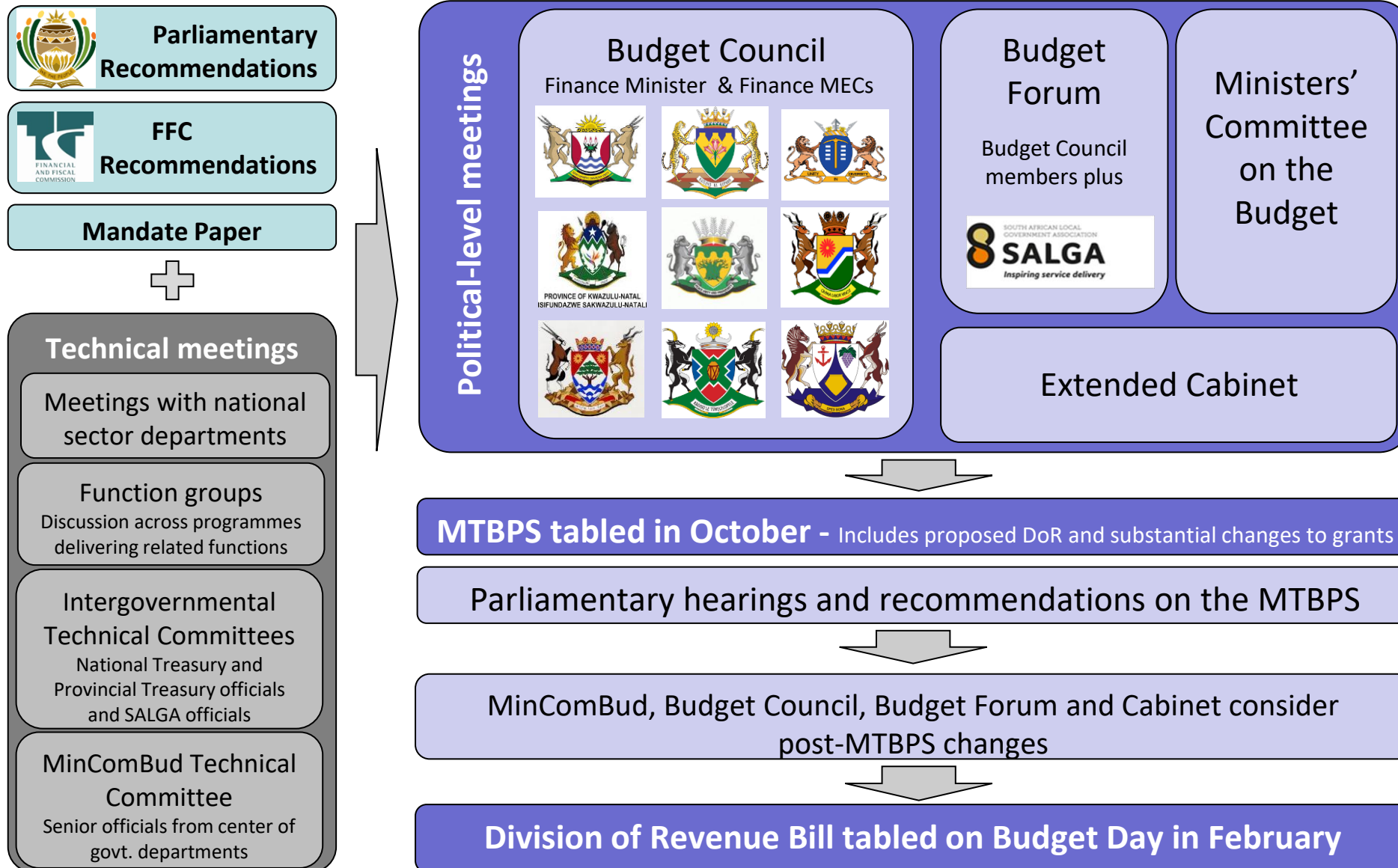
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# Overview of the presentation

- Overview of the budget process including the consultation process before the Division of Revenue Bill is tabled
- 2024 Division of Revenue
  - Proposed Provincial government allocations
- Comments in relation to BELA Bill

# Consultation process before the Division of Revenue Bill is tabled *(summarised)*



# 2024 Division of Revenue

- Transfers to provinces for their service delivery consists of:
  - the Provincial Equitable Share (PES) and
  - Conditional grants
- Total transfers to provinces increase at an average annual rate of 3.8 per cent, with the equitable share growing slightly faster than the conditional grants
  - due to additional allocations to equitable share, mainly for education and health for the carry through costs of the 2023 wage agreement

## Division of nationally raised revenue, 2024 MTEF

R billion	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Average annual MTEF growth
	Outcome			Revised estimate	Medium-term estimates			
<b>Division of available funds</b>								
<b>National departments</b>	790,5	822,8	855,9	823,9	848,5	853,7	890,5	2,6%
<i>of which:</i>								
<i>Indirect transfers to provinces</i>	3,0	3,8	3,5	4,0	3,8	4,2	4,2	1,5%
<i>Indirect transfers to local government</i>	4,1	5,7	7,0	8,3	7,1	7,5	8,0	-1,1%
<b>Provinces</b>	628,8	660,8	694,1	706,4	729,5	760,9	790,8	3,8%
Equitable share	520,7	544,8	570,9	585,1	600,5	627,4	655,7	3,9%
Conditional grants	108,1	116,0	123,3	121,3	129,0	133,4	135,1	3,7%
<b>Local government</b>	137,1	135,6	150,7	157,8	170,3	177,7	183,8	5,2%
Equitable share	83,1	76,2	83,9	92,7	101,2	106,1	110,7	6,1%
Conditional grants	40,0	44,8	51,4	49,7	53,0	54,7	55,5	3,8%
General fuel levy sharing with metros	14,0	14,6	15,3	15,4	16,1	16,8	17,6	4,5%
Provisional allocation not assigned to votes <sup>1</sup>	–	–	–	–	0,6	41,1	53,5	
<b>Non-interest allocations</b>	1 556,4	1 619,2	1 700,7	1 688,1	1 748,8	1 833,3	1 918,5	4,4%
<i>Percentage increase</i>	4,7%	4,0%	5,0%	-0,7%	3,6%	4,8%	4,6%	
Debt-service costs	232,6	268,1	308,5	356,1	382,2	414,7	440,2	7,3%
Contingency reserve	–	–	–	–	5,0	7,6	14,5	
<b>Main budget</b>	1 789,0	1 887,3	2 009,2	2 044,2	2 136,0	2 255,6	2 373,2	5,1%
<i>Percentage increase</i>	5,8%	5,5%	6,5%	1,7%	4,5%	5,6%	5,2%	
<i>Percentage shares</i>								
<i>National</i>	50,8%	50,8%	50,3%	48,8%	48,5%	47,6%	47,7%	
<i>Provinces</i>	40,4%	40,8%	40,8%	41,8%	41,7%	42,5%	42,4%	
<i>Local government</i>	8,8%	8,4%	8,9%	9,3%	9,7%	9,9%	9,9%	

1. Includes amounts for Budget Facility for Infrastructure projects and other provisional allocations

Source: National Treasury

# Transfers by Province

## Total transfers to provinces, 2024/25

R million	Equitable share	Conditional grants	Total transfers
Eastern Cape	78 093	14 759	92 852
Free State	33 091	9 548	42 639
Gauteng	127 992	27 891	155 883
KwaZulu-Natal	121 145	25 396	146 541
Limpopo	69 625	11 779	81 404
Mpumalanga	49 499	10 099	59 599
Northern Cape	16 143	5 224	21 367
North West	42 816	9 284	52 100
Western Cape	62 071	14 854	76 926
Unallocated		149	149
<b>Total</b>	<b>600 476</b>	<b>128 984</b>	<b>729 459</b>

- Transfers to provinces account for 97 per cent of provincial revenue in 2024/25
- The provincial equitable share is distributed to provinces via the provincial equitable share formula, which results in the WC receiving R62.1 billion in 2024/25.
- The total conditional grant allocation for WC is R14.9 billion.

# Comments in relation to BELA Bill

- Once Provinces have an indication of their provincial equitable share e.g. the R62 billion for 2024/25 as indicated on the previous slide, they run their own provincial budget process led by the Provincial Treasury.
- The provincial budget process will propose funding for the provincial departments, including that of the education department.
- The Provincial Legislature will allocate that funding once they pass the Provincial Appropriation Bill.
- National Treasury has no power to propose any earmarking of funding within PES.
- No additional funding was proposed for the implementation of the BELA Bill in the 2024 Budget. The additions that were made in the 2024 Budget were mainly for education and health for the carry through costs of the 2023 wage agreement.

# Thank You

The Division of Revenue Bill, 2024, which includes details of changes to allocations to each province and municipality is available at:

<http://www.treasury.gov.za/documents/national%20budget/2024/default.aspx>

# Additional info: 2024 MTEF Western Cape Provincial Allocations (1 of 2)

Western Cape	2024/25	2025/26	2026/27	MTEF total
R thousand				
<b>Transfers from National</b>	<b>76 925 518</b>	<b>79 165 536</b>	<b>82 405 463</b>	<b>238 496 517</b>
<i>of which</i>				
<b>Equitable share</b>	<b>62 071 168</b>	<b>64 728 396</b>	<b>67 587 920</b>	<b>194 387 484</b>
<b>Conditional grants</b>	<b>14 854 350</b>	<b>14 437 140</b>	<b>14 817 543</b>	<b>44 109 033</b>
<i>of which</i>				
<b>Agriculture, Land Reform and Rural Development</b>	<b>174 294</b>	<b>199 818</b>	<b>209 019</b>	<b>583 131</b>
Comprehensive Agricultural Support Programme Grant	124 426	127 524	133 412	385 362
Ilima/Letsema Projects Grant	43 322	65 455	68 455	177 232
Land Care Programme Grant: Poverty Relief and Infrastructure Development	6 546	6 839	7 152	20 537
<b>Basic Education</b>	<b>2 053 224</b>	<b>2 047 589</b>	<b>2 145 064</b>	<b>6 245 877</b>
Early Childhood Development	124 357	141 394	147 872	413 623
<i>Infrastructure Component</i>	16 349	6 801	7 113	30 263
<i>Subsidy Component</i>	108 008	134 593	140 759	383 360
Education Infrastructure Grant	1 306 354	1 268 558	1 330 391	3 905 303
HIV and AIDS (Life Skills Education) Grant	18 923	19 761	20 657	59 341
Learners With Profound Intellectual Disabilities Grant	33 930	35 431	37 033	106 394
Maths, Science and Technology Grant	38 045	39 344	41 144	118 533
National School Nutrition Programme Grant	531 615	543 101	567 967	1 642 683
<b>Health</b>	<b>7 486 205</b>	<b>7 636 830</b>	<b>7 986 692</b>	<b>23 109 727</b>
District Health Programmes Grant	2 132 386	2 152 356	2 251 137	6 535 879
<i>Comprehensive HIV/AIDS Component</i>	1 891 809	1 900 901	1 988 099	5 780 809
<i>District Health Component</i>	240 577	251 455	263 038	755 070
Health Facility Revitalisation Grant	861 307	817 606	855 230	2 534 143
Human Resources and Training Grant	928 678	942 066	985 403	2 856 147
<i>Statutory Human Resources Component</i>	375 295	380 874	398 406	1 154 575
<i>Training Component</i>	553 383	561 192	586 997	1 701 572
National Health Insurance Grant	36 899	37 514	38 357	112 770
National Tertiary Services Grant	3 526 935	3 687 288	3 856 565	11 070 788



## 2024 MTEF Western Cape Provincial Allocations (2 of 2)

Western Cape	2024/25	2025/26	2026/27	MTEF total
<b>Human Settlements</b>	<b>1 988 187</b>	<b>1 989 648</b>	<b>1 794 788</b>	<b>5 772 623</b>
Human Settlements Development Grant	1 605 872	1 663 926	1 685 438	4 955 236
Informal Settlements Upgrading Partnership Grant: Provinces	382 315	325 722	109 350	817 387
<b>Public Works and Infrastructure</b>	<b>44 734</b>	<b>-</b>	<b>-</b>	<b>44 734</b>
Expanded Public Works Programme Integrated Grant for Provinces	20 496	-	-	20 496
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	24 238	-	-	24 238
<b>Sport, Arts and Culture</b>	<b>266 662</b>	<b>268 545</b>	<b>280 556</b>	<b>815 763</b>
Community Library Services Grant	201 168	202 228	211 261	614 657
Mass Participation and Sport Development Grant	65 494	66 317	69 295	201 106
<b>Transport</b>	<b>2 841 044</b>	<b>2 294 710</b>	<b>2 401 424</b>	<b>7 537 178</b>
Provincial Roads Maintenance Grant	1 610 643	1 009 187	1 057 006	3 676 836
Public Transport Operations Grant	1 230 401	1 285 523	1 344 418	3 860 342