

Gauteng questions its budget allocation

Inaccurate population statistics based on figures for 1991

mean this province is shortchanged

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Gauteng Reporter

As the countdown to the presentation of South Africa's 1996/97 Budget continues, sources within the Gauteng government have again expressed concern about the formula used to allocate funds to the provinces.

Although the sources said Gauteng was likely to get the short end of the national budget again this year because of inaccurate population statistics, they also pointed out that from next year a new formula - devised by the Fiscal and Finance Commission (FFC) - is likely to change the way funds are allocated to provinces.

Statistics being used by the national function committees (the committees which recommend allocations for health, education, welfare, roads and housing, for instance) are

based on the 1991 Central Statistical Service (CSS) census. This figure shows that there were 6 846 million people in the PWV area at the time.

Five years on, this figure has not been adjusted despite reports from various sources that Gauteng is absorbing most of the country's illegal immigrants as well as South Africans from other provinces seeking work here.

Last year's budget of R9,9-billion from national Government for the province meant that each person in Gauteng was given R1 446, based on 1991 statistics.

Using the same calculations for the Northern Cape, each person in that province was allocated R1 964 from the central Government budget last year.

The Development Bank of Southern Africa (DBSA), using growth indicators, has arrived

at the current estimate of around 7,4 million people living in Gauteng.

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Paddy Maharaj, chief director of planning, banking and administration at the Gauteng provincial government, said the province was “all for achieving equity between the provinces” but there

was concern about the time-frame. It was felt that equitable allocation between provinces was something that should be phased in over five years.

"There is no consistency about population figures at the moment. Everyone has their own formula for working out how many people there are in the province and we have been given figures of between six and 10 million people in Gauteng.

"Obviously allocation of resources cannot work within that scale and, until a new census is done, the committees have to use a statistic," he said.

His department had raised its concern at a national level and has worked towards finding consistency in the figures used, even if there was no accuracy. Each function committee at present works with independent figures from the

line function departments of each province.

"We don't think the function committees are the ideal situation and we have been fighting to have the formula provided by the FFC used when it comes to allocating funds.

"The current process of allocating is inadequate and does not fall within the provisions of the interim constitution."

However, Maharaj was positive that this would be the last budgetary year in which this system would be applied.

Roland Hunter, deputy director-general of finance and economic affairs in the province, echoed these sentiments: "We are forced on to the last census because there is no other set of population statistics we can rely on. There simply is no escape from those figures."