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THE PRESIDENCY

No. 291

1 April 2005

It is hereby notified that the President has assented to the following Act, which is hereby published for general information:

No. 1 of 2005: Division of Revenue Act, 2005.



AIDS HELPLINE: 0800-0123-22 Prevention is the cure

(English text signed by the President.)
(Assented to 30 March 2005.)

ACT

To provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for the 2005/06 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.

PREAMBLE

WHEREAS section 214(1) of the Constitution requires an Act of Parliament to provide for—

- (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
- (b) the determination of each province's equitable share of the provincial share of that revenue; and
- (c) any other allocations to provinces, local government or municipalities from the national government's share of that revenue, and any conditions on which those allocations may be made;

BE IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows:—

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CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

Interpretation

1. (1) In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act or the Municipal Finance Management Act has the meaning assigned to it in the Act in question and— 25

“**budget year**” means the financial year commencing on 1 April 2005 and ending on 31 March 2006;

“**category A, B or C municipality**” has the meaning assigned to each category in terms of the Municipal Structures Act, 1998 (Act No. 117 of 1998); 30

“**corporation for public deposits account**” means a bank account of the Provincial Revenue Fund held with the Corporation for Public Deposits, established by the Corporation of Public Deposits Act, 1984 (Act No. 46 of 1984);

“**framework**” means the conditions and other information in respect of an allocation published by the National Treasury in terms of section 28; 35

“**Municipal Finance Management Act**” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“**municipal financial year**” means the financial year of a municipality commencing on 1 July and ending on 30 June; 40

“**next financial year**” means the financial year commencing on 1 April 2006 and ending on 31 March 2007;

“**payment schedule**” means a schedule, which sets out—

(a) the amount of each transfer of an equitable share or any other allocation in terms of this Act to be transferred to a province or municipality for the financial year; 45

(b) the date on which each transfer must be paid; and

(c) to whom, and to which bank account, each transfer must be paid;

“**prescribe**” means prescribe by regulation in terms of section 45;

“**primary bank account**”— 50

(a) in relation to a province, means a bank account of the Provincial Revenue Fund held with a commercial bank which the head of the department in the provincial treasury has certified to the National Treasury, as the bank account into which allocations, other than the equitable share allocation and Social Assistance Transfers and Social Assistance Administration allocations, in terms of this Act must be deposited; and 55

- (b) in relation to a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act; **“Public Finance Management Act”** means the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- “quarter”** means— 5
- (a) 1 April to 30 June;
- (b) 1 July to 30 September;
- (c) 1 October to 31 December; or
- (d) 1 January to 31 March;
- “receiving officer”**— 10
- (a) in relation to a Schedule 4 or 5 allocation transferred to a province, means the accounting officer of the provincial department which receives that allocation or a portion thereof for spending via an appropriation from its Provincial Revenue Fund; or
- (b) in relation to a Schedule 4 or 6 allocation transferred to a municipality, the 15
accounting officer of the municipality, except for that portion of the Municipal Infrastructure allocation, committed before 30 September 2003 and spent by the transferring national officer directly on behalf of the municipality;
- “transferring national officer”** means the accounting officer of a national department that transfers a Schedule 4, 5 or 6 allocation to a province or 20
municipality or makes a Schedule 7 allocation on behalf of a municipality; and
- “transferring provincial officer”** means the accounting officer of a provincial department that receives a Schedule 5 or 6 allocation for the purpose of transferring it to a municipality in the relevant province.
- (2) Any determination or instruction in terms of this Act must be in writing. 25
- (3) Section 35 of the Public Finance Management Act, section 3 of the Financial and Fiscal Commission Act, 1997 (Act No. 99 of 1997) and sections 9 and 10 of the Municipal Systems Act do not apply in respect of any powers and functions assigned in terms of this Act to a province or municipality.

Objects of Act 30

2. The objects of this Act are to—
- (a) provide for the equitable division of revenue anticipated to be raised nationally among the three spheres of government;
- (b) promote co-operative governance and intergovernmental relations on budgetary matters; 35
- (c) promote better co-ordination between policy, planning, budget preparation and execution processes;
- (d) promote predictability and certainty in respect of all allocations to provinces and municipalities in order that such governments may plan their budgets over a multi-year period; 40
- (e) promote transparency and equity in the resource allocation process;
- (f) promote accountability by ensuring that all allocations are reflected on the budgets of receiving provinces and municipalities; and
- (g) ensure that legal proceedings in respect of division of revenue disputes between organs of state in the three spheres of government are avoided as far as possible. 45

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

Equitable division of revenue anticipated to be raised nationally among spheres of government 50

3. (1) Revenue anticipated to be raised nationally in respect of the budget year must be divided among the national, provincial and local spheres of government for their equitable share allocations as set out in Column A of Schedule 1.

(2) An envisaged division of revenue anticipated to be raised in respect of the next financial year and the 2007/08 financial year, and which is subject to the provisions of the annual Division of Revenue Act in respect of those financial years, is set out in Column B of Schedule 1. 55

(3) Notwithstanding subsection (2), the National Treasury may, in respect of the next financial year and until the commencement of the annual Division of Revenue Act for that financial year, determine that an amount not exceeding 45 per cent of the envisaged division for the next financial year as set out in Column B of Schedule 1, be transferred as a direct charge against the National Revenue Fund to a province or municipality. 5

Equitable division of provincial share among provinces

4. (1) Each province's equitable share of the provincial share of revenue anticipated to be raised nationally in respect of the budget year is set out in Column A of Schedule 2.

(2) An envisaged division for each province of revenue anticipated to be raised nationally in respect of the next financial year and the 2007/08 financial year, and which is subject to the provisions of the annual Division of Revenue Act for those financial years, is set out in Column B of Schedule 2. 10

(3) Subject to section 32, each province's equitable share allocation contemplated in subsection (1) must be transferred to the corporation for public deposits account of the province, in accordance with a payment schedule determined by the National Treasury, after consultation with the head of the department in the provincial treasury. 15

(4) In determining the payment schedule the National Treasury must take account of the monthly spending commitments of provinces, and seek to minimise risk and debt servicing costs for national and provincial government.

(5) (a) Notwithstanding subsection (3), the National Treasury may for cash management purposes relating to the corporation for public deposits account, or when an intervention in terms of section 100 of the Constitution is taking place, on such conditions as it may determine, advance funds to a province in respect of its equitable share contemplated in subsection (1) or a portion of it, which have not yet fallen due for transfer in accordance with the payment schedule referred to in subsection (3). 20
25

(b) Any advances must be set-off against transfers to the province, which would otherwise become due in terms of that payment schedule.

Equitable division of local government share among municipalities

5. (1) Each municipality's share of local government's equitable share of revenue anticipated to be raised nationally in respect of the budget year, is set out in Column A of Schedule 3. 30

(2) An envisaged division between municipalities of revenue anticipated to be raised nationally in respect of the next financial year and the 2007/08 financial year, and which is subject to the provisions of the annual Division of Revenue Act for those financial years, is set out in Column B of Schedule 3. 35

(3) Each municipality's equitable share contemplated in subsection (1) must be transferred to the primary bank account of the municipality in quarterly transfers before the end of May, August, December and March in the budget year, in accordance with a payment schedule determined by the National Treasury.

(4) Notwithstanding subsection (3), when an intervention in terms of section 139 of the Constitution is taking place in a municipality, the National Treasury may, on such conditions as it may determine, approve a request or direct that the equitable share contemplated in subsection (1), or a portion of it, be— 40

(a) advanced to a municipality in terms of a financial recovery plan prepared in terms of section 141 of the Municipal Finance Management Act, in respect of any portion which has not yet fallen due for transfer in accordance with the payment schedule referred to in subsection (3), and 45

(b) transferred to a municipality via the province in terms of section 226(3) of the Constitution, if the municipality is unable or unwilling to implement its financial recovery plan imposed in terms of section 141 of the Municipal Finance Management Act. 50

(5) Any advances in terms of subsection (4)(a) must be set-off against transfers to the municipality, which would otherwise become due in terms of subsection (3).

Shortfalls and excess revenue

6. (1) If actual revenue raised nationally in respect of the budget year falls short of the anticipated revenue set out in Schedule 1, the national government bears the shortfall. 55

(2) If actual revenue raised nationally in respect of the budget year exceeds the anticipated revenue set out in Schedule 1, the excess accrues to the national government, to be used to reduce borrowing or pay debt as part of its share of revenue raised nationally, and in addition to its share in column A of Schedule 1.

(3) The national government may appropriate a portion of its equitable share or excess revenue contemplated in subsection (2) to make further allocations in an adjustments budget to—

- (a) national departments or votes;
- (b) provinces or municipalities, as a conditional or an unconditional allocation.

CHAPTER 3

10

OTHER ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

General

Other allocations to provinces

7. (1) Other allocations to provinces in respect of the budget year from the national government's share of revenue anticipated to be raised nationally are set out in Column A of the following Schedules: 15

- (a) Schedule 4A specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets; and
- (b) Schedule 5 specifying specific-purpose allocations to provinces. 20

(2) An envisaged division of other allocations to provinces from the national government's share of revenue anticipated to be raised nationally, for the next financial year and the 2007/08 financial year, which is subject to the annual Division of Revenue Act for those years, is set out in Column B of the Schedules referred to in subsection (1).

(3) Notwithstanding subsection (2), the National Treasury may, in respect of the next financial year and until the commencement of the Division of Revenue Act for that financial year, determine that an amount not exceeding 45 per cent of the envisaged division of an allocation for the next financial year, as set out in Column B of the Schedules, be transferred to a province as a direct charge against the National Revenue Fund. 25 30

Other allocations to municipalities

8. (1) Other allocations to local government in respect of the budget year from the national government's share of revenue anticipated to be raised nationally are set out in Column A of the following Schedules:

- (a) Schedule 4B specifying allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets; and 35
- (b) Schedule 6 specifying specific-purpose allocations to municipalities; and
- (c) Schedule 7 specifying allocations-in-kind to municipalities for designated special programmes.

(2) An envisaged division of allocations to local government from the national government's share of revenue anticipated to be raised nationally for the next financial year and the 2007/08 financial year, which is subject to the annual Division of Revenue Act for those years, is set out in Column B of the Schedules referred to in subsection (1). 40

(3) The National Treasury must publish in the *Gazette* required in terms of section 28, the share of each municipality in respect of the local government allocations referred to in subsections (1) and (2). 45

(4) Notwithstanding subsection (2), the National Treasury may, in respect of the next financial year and until the commencement of the Division of Revenue Act for that financial year, determine that an amount not exceeding 45 per cent of the envisaged division of the allocation for the next financial year, as set out in Column B of the Schedules, be transferred to a municipality as a direct charge against the National Revenue Fund. 50

Allocations to public entities for provision of municipal service or function

9. (1) No public entity may receive funds for the provision of a municipal service or municipal function on behalf of a municipality, or of a bulk resource necessary for the performance of a municipal service, from a national or of provincial organ of state except— 5
- (a) via the municipality responsible for that service or function, unless the National Treasury approves otherwise in respect of municipalities it deems to have low capacity; or
 - (b) directly, where the public entity when this Act takes effect, provides such a service or function, and it certifies to the National Treasury by 1 May 2005 10 that it will enter into a written service delivery agreement with the relevant municipality in accordance with subsection (2).
- (2) A public entity contemplated in subsection (1)(b), and the relevant municipality must sign a written service delivery agreement no later than— 15
- (a) 30 June 2005, for all category A municipalities;
 - (b) 30 November 2005, for all category B municipalities with budgets exceeding R1 billion in the 2004/05 municipal financial year; and
 - (c) 30 June 2006, for all other municipalities.
- (3) (a) The National Treasury, after consultation with the accounting officer of the national department responsible for local government, may determine the format of a 20 service delivery agreement contemplated in this section.
- (b) The service delivery agreement must, in addition to compliance with other legislation prescribing the contents of service delivery agreements, including section 81 of the Municipal Systems Act in respect of municipal services, provide for— 25
- (i) the service authority role of the municipality;
 - (ii) the service provider role of the public entity;
 - (iii) the principles of co-operative governance as provided for in the Constitution, including the settlement of disputes in accordance with mechanisms and procedures provided for that purpose in legislation;
 - (iv) the National Treasury to assist in resolving disputes between the parties, 30 including by issuing directives on pricing and service delivery standards in the event of any dispute on these matters; and
 - (v) any other matter as may be determined by the National Treasury.
- (4) A municipality is exempted from compliance with Part 2 of Chapter 8 of the Municipal Systems Act to the extent that Part 2 provides for processes and procedures 35 that a municipality must comply with prior to entering into a service delivery agreement in respect of municipal services contemplated in this section.
- (5) A public entity that receives funding directly or via the relevant municipality, in the circumstances contemplated in subsection (1), must within 30 days after the end of 40 each month, report to the relevant municipality, the national or provincial organ of state and the National Treasury on the amount spent on the bulk resource, municipal service or function for which it has received funds, or is entitled to reimbursement from funds transferred to a municipality.
- (6) A public entity providing water, electricity or any other prescribed municipal service to residential and commercial users within the area of jurisdiction of a 45 municipality, must inform the relevant municipality and the National Treasury—
- (a) by 31 May 2005, of the services provided on behalf of that municipality, including the number of residential and commercial users to whom such services are provided, the total volume of electricity and water supplied to users per month and the free basic services provided; 50
 - (b) within 30 days after the end of each month, of—
 - (i) the revenue collected and not collected for that month; and
 - (ii) any material difficulties experienced in respect of revenue collection including amounts not billed and losses; and
 - (c) by 31 August of each year, of the services provided on behalf of the 55 municipality for the preceding municipal financial year.
- (7) The National Treasury may—
- (a) instruct the withholding of the transfer or reimbursement of funds to a public entity if that entity fails to comply with this section; or
 - (b) direct that any portion of the equitable share allocation of the municipality be 60 transferred to the public entity if the municipality unreasonably delays entering into a service delivery agreement in accordance with subsection (2).

(8) The National Treasury must mediate any dispute between a municipality and a public entity preventing the signing of a service delivery agreement.

Allocations by public entities to municipalities

10. A public entity that provides funds to a province or a municipality as a grant, sponsorship or donation, must— 5
- (a) where any such transfers collectively exceed R500 000 in a financial year, inform the National Treasury of any intended transfer at least 14 days prior to effecting the transfer; and
 - (b) disclose in its financial statements, the purpose and amount of each transfer to a province or a municipality. 10

Allocations not listed in Schedules

11. (1) An allocation not listed in the Schedules referred to in sections 7 and 8 may only be made in terms of section 6(3).
- (2) The National Treasury must publish the allocations and frameworks for such allocations in the *Gazette*, prior to the transfer of any funds to a province or municipality. 15

Part 2

Matters related to Schedule 4 allocations

General

12. (1) The framework for a Schedule 4 allocation must be designed to promote comprehensive outputs for a programme or function funded or partially funded by the allocation, and may not include any condition— 20
- (a) for a national department or any other organ of state, other than the receiving officers, to approve specific projects or budgets; or
 - (b) requiring a report on spending or projects other than the reports required in terms of section 21 or as approved by the National Treasury. 25
- (2) The National Treasury must approve the payment schedules for all Schedule 4 allocations, submitted to it in accordance with section 19(1)(a).

Provincial Infrastructure allocation

13. (1) The Provincial Infrastructure allocation set out in Schedule 4A supplements the funding of infrastructure programmes funded from provincial budgets to enable provinces to address backlogs in provincial infrastructure. 30
- (2) A province must ensure that its provincial departments responsible for education, health and roads—
- (a) are responsible for all capital and maintenance budgets and spending for those functions; 35
 - (b) enter into, implement and manage service delivery agreements with provincial departments responsible for public works or public entities, where such departments and entities manage or undertake construction or maintenance on their behalf;
 - (c) participate, together with the provincial department responsible for public works in the Infrastructure Development Improvement Programme facilitated by the National Treasury, unless any such department is exempted from participation by the National Treasury; and 40
 - (d) take account of any recommendations on infrastructure made by the Cabinet member responsible for that function in terms of section 26. 45
- (3) A province, in allocating the Provincial Infrastructure allocation—
- (a) must consider the capacity requirements of a receiving provincial department to administer an allocation;
 - (b) must take into account the capacity of the receiving provincial department to spend and manage infrastructure, based on the extent of any or any projected roll-overs in the 2003/04 and 2004/05 financial years; and 50
 - (c) may, where a receiving provincial department lacks capacity, with the National Treasury's approval, designate a percentage of the allocation for acquiring such capacity.

Municipal Infrastructure allocation

- 14.** (1) The Municipal Infrastructure allocation set out in Schedule 4B supplements the funding of infrastructure programmes funded from municipal budgets to enable municipalities to address backlogs in municipal infrastructure required for the provision of basic services. 5
- (2) The Municipal Infrastructure allocation—
- (a) must be transferred, directly to a category A, B or C municipality that has the executive authority to provide basic municipal service infrastructure, from 1 July 2005, if the municipality is classified as a high or medium capacity municipality by the transferring national officer and the National Treasury; 10
and
- (b) may be transferred via the relevant category C municipality to a category B municipality if the category B municipality is classified as a low capacity municipality by the transferring national officer and the National Treasury.
- (3) Notwithstanding subsection (2), the transferring national officer, in consultation with the National Treasury, may determine that the Municipal Infrastructure allocation— 15
- (a) be transferred directly to a category B municipality not classified as a high or medium capacity municipality in terms of subsection (2)(a); or
- (b) be transferred to the relevant province, in accordance with section 226(3) of the Constitution, if section 40 applies. 20
- (4) A municipality receiving the municipal infrastructure grant must table and approve a three-year capital budget as part of its budget for the 2005/06 financial year in accordance with the Municipal Finance Management Act, unless exempted in terms of that Act. 25
- (5) The transferring national officer may, with the approval of the National Treasury and after consultation with the responsible sector departments, make direct payments to creditors against the Municipal Infrastructure allocation of a municipality for commitments incurred on previous consolidated municipal infrastructure and water capital grants as at 30 September 2003, if the receiving municipality is unable, unwilling or fails to pay for such commitments. 30

Part 3**Matters related to Schedules 5 and 6 allocations****Social Assistance Transfers and Social Assistance Administration conditional allocations** 35

- 15.** (1) The transferring national officer must, in addition to the duties contemplated in section 20, take appropriate steps to ensure that—
- (a) social assistance transfers and administration spending in each province— 40
- (i) do not exceed the amounts appropriated for that purpose on provincial budgets; and
- (ii) are in accordance with the approved payment schedule for each month of the year, for each type of social assistance grant included in the Social Assistance Transfers allocation, and administration;
- (b) subsection (4) on under and over spending is complied with;
- (c) legislation, including legislation providing for social assistance, is adhered to; 45
and
- (d) reasonable technical, systems and other support necessary to ensure the sound administration of the Social Assistance Transfers and Social Assistance Administration conditional allocations are provided to provinces”.

- (2) A receiving officer must, in addition to the duties contemplated in section 22—
- (a) ensure that the amount budgeted for each type of social assistance grant included in the Social Assistance Transfers allocation takes into account the indicative allocations for that grant as set out in Schedule 5A;
 - (b) ensure that administrative processes and procedures comply with all requirements set by the transferring national officer; 5
 - (c) ensure that social assistance transfers and administration spending are in accordance with the approved payment schedule for each type of social security grant included in the Social Assistance Transfer allocation, and administration for each month of the year; and 10
 - (d) in addition to complying with the reporting requirements set out in section 32 of the Public Finance Management Act, provide such information and reports, within the specified timeframes, to the transferring national officer as he or she may request in the performance of the duties provided for in subsection (1). 15
- (3) (a) The transferring national officer must, after consultation with the National Treasury and receiving officers, not later than seven days after this Act takes effect submit a Social Assistance Transfers and Social Assistance Administration conditional allocations monitoring plan to the National Treasury. 15
- (b) The plan must set out the key performance indicators, financial procedures, internal audit processes, and monitoring and reporting mechanisms of the national and each provincial department to ensure effective and efficient delivery of social assistance. 20
- (4) In the event that the total amount anticipated to be spent on social assistance in a province in this financial year materially exceeds or is less than the appropriated amount or the amount set out in the approved payment schedule for a specific month, the receiving officer must, within 14 days of detecting the anticipated over or under expenditure, submit a report to the transferring national officer and relevant provincial treasury, which report must— 25
- (a) set out the extent of the anticipated over or under expenditure;
 - (b) provide reasons for the anticipated over or under expenditure, including information on approval processes and number of new beneficiaries; and 30
 - (c) outline the measures taken to ensure that the anticipated over or under expenditure is not due to fraudulent or any other irregular practices.
- (5) Over expenditure attributable to non-compliance with legislative requirements and poor management procedures must be funded from the Provincial Revenue Fund, unless the National Treasury determines otherwise. 35
- (6) (a) The National Treasury must direct the establishment of a dedicated bank account configuration for the transfer of Social Assistance Transfers and Social Assistance conditional allocations.
- (b) Each provincial treasury must ensure that the bank account configuration as directed is in place and operational by 1 April 2005. 40
- (7) The transferring national officer must transfer Social Assistance Transfers and Social Assistance Administration conditional allocations to the dedicated corporation of public deposits account of the province, in accordance with a payment schedule agreed between the transferring national officer and the provincial receiving officer, and approved by the National Treasury. 45
- (8) (a) The transferring national officer may, with the written approval of the National Treasury and after consultation with the affected provinces, reallocate the Social Assistance Transfers and Social Assistance Administration allocations, or a portion of such allocations, from one province to another province.
- (b) Any such reallocation must, together with an explanatory memorandum, be published in the *Gazette* within 30 days of such a reallocation. 50
- (9) Any reallocation by a receiving officer of the indicative allocations for the different types of social security grants included in the Social Assistance Transfers conditional allocation as set out in Schedule 5A, exceeding five per cent must be approved by the transferring national officer, in consultation with the National Treasury, prior to the reallocation. 55

Municipal capacity building allocations

16. (1) Any transfer of an allocation aimed at developing and improving municipal systems and the capacity of municipalities to perform functions assigned to them, may only be made in terms of a framework determined by the national accounting officer responsible for local government, in consultation with the National Treasury. 60

- (2) The framework contemplated in subsection (1) must take into account the capacity requirements for implementing the Municipal Systems Act and the Municipal Finance Management Act, including integrated planning, performance management, financial management, budgeting and spatial planning considerations and the need to ensure that the capacity of a municipality is developed in measurable ways. 5
- (3) The annual report of the department responsible for any capacity-building allocation must indicate the extent to which the capacity of any municipality was improved in measurable ways by that allocation and the extent to which such an allocation was spent on external consultants contracted to assist a municipality.

Integrated Housing and Human Settlement Development allocations 10

17. (1) The provincial accounting officer responsible for housing must—
- (a) facilitate applications for accreditation in terms of the Housing Act, 1997 (Act No. 107 of 1997) from 1 April 2005 from all category A municipalities, and all category B municipalities identified by the transferring national officer in respect of each province; and 15
 - (b) within six months of receiving applications from the municipalities contemplated in paragraph (a), complete the accreditation of those municipalities.
- (2) (a) A municipality whose accreditation application was refused may lodge an objection to the refusal with the transferring national officer.
- (b) The transferring national officer must on receipt of an objection take all necessary steps to facilitate accreditation as soon as possible, but no later than 60 days after the objection was received. 20
- (3) Accreditation granted in terms of subsection (1) must—
- (a) at least include—
 - (i) authority to administer housing programmes, including the administration of all housing subsidy applications; 25
 - (ii) authority to grant subsidies and approve projects, subject to subsection (4), to be funded from uncommitted housing funds from the 2006/07 financial year;
 - (iii) an obligation to maintain compliance with the capacity and system requirements prescribed by the provincial accounting officer responsible for housing; 30
 - (iv) an obligation to provide monthly reports on housing delivery; and
 - (v) an obligation to provide information on the levying and collection of rental in respect of all municipal owned houses; and 35
 - (b) be implemented progressively during the financial year and finalised by 30 June 2006.
- (4) An accredited municipality must, in exercising its authority in terms of subsection (3)(a)(ii)—
- (a) take into account any criteria for the prioritisation of projects as determined by the province; and 40
 - (b) participate in housing programme forums established by the transferring national department.
- (5) Notwithstanding any provision in any law, section 35 of the Public Finance Management Act, section 3 of the Financial and Fiscal Commission Act, 1997 (Act No. 99 of 1997), and sections 9 and 10 of the Municipal Systems Act do not apply to the accreditation of municipalities in terms of the Housing Act, 1997 (Act No. 107 of 1997). 45

Part 4

Specific matters related to Schedule 7 allocation

Water Services Operating and Transfer Subsidy allocation 50

18. (1) The transferring national officer, subsequent to the signing of a transfer agreement between the transferring national officer and the municipality for the transfer of water services assets, may with the written approval of the National Treasury adjust the Water Services Operating and Transfer Subsidy allocation to a municipality to reflect— 55

- (a) the actual personnel allocation payable to a municipality as a result of the number of staff transferred from the transferring national department to the municipality; and
 - (b) the actual operating allocation payable to a municipality as informed by the percentage or portion of assets transferred to a municipality in respect of assets shared across municipal boundaries. 5
- (2) Any adjustments contemplated in subsection (1) must, together with an explanatory memorandum, be published by the National Treasury in the *Gazette*, within 120 days after granting approval for an adjustment.

CHAPTER 4

10

DUTIES OF ACCOUNTING OFFICERS AND TREASURIES

Duties of transferring national officer in respect of Schedule 4 allocation

- 19.** (1) The transferring national officer for a Schedule 4 allocation is responsible for—
- (a) submitting a payment schedule determined after consultation with the receiving officer to the National Treasury for approval before 1 April 2005; 15
 - (b) ensuring that transfers to all provinces and municipalities are in accordance with the payment schedule, unless allocations are withheld or stopped in terms of sections 33 or 34;
 - (c) monitoring expenditure and non-financial performance information on programmes funded by an allocation, provided that such monitoring— 20
 - (i) is approved by the National Treasury; and
 - (ii) does not impose undue administrative burdens on receiving provinces and municipalities beyond the provision of standard management information; and 25
 - (iii) is in accordance with sections 12(1) and 21(3).
 - (d) evaluating the performance of programmes funded or partially funded by the allocation and the submission of such evaluations to the National Treasury, within four months in respect of a province and six months in respect of a municipality after the end of the financial year. 30
- (2) Where more than one national department have responsibilities relating to a Schedule 4 allocation, the transferring national officer must co-ordinate the roles and responsibilities of such national departments and ensure those roles and responsibilities—
- (a) are exercised in a manner that does not duplicate its responsibilities as set out in subsection (1); and 35
 - (b) do not impose undue administrative burdens on provinces or municipalities beyond the provision of standard management information.

Duties of transferring national officer in respect of Schedule 5, 6 and 7 allocation

- 20.** (1) A transferring national officer must, not later than 14 days after this Act takes effect, certify to the National Treasury that— 40
- (a) allocation frameworks, including conditions and monitoring provisions, are reasonable and do not impose an undue administrative burden on receiving provincial governments and municipalities beyond the provision of standard management information; 45
 - (b) any business plans requested in respect of how allocations, other than the Social Assistance Transfers and Social Assistance Administration allocations, will be utilised by a province or municipality have been approved prior to the start of the financial year;
 - (c) funds will only be transferred after information required in terms of this Act has been provided to the National Treasury; 50
 - (d) funds will only be transferred in accordance with a payment schedule determined after consultation with relevant provinces or organised local government;
 - (e) funds will only be deposited into the primary bank account of a province or municipality, or, where appropriate into the corporation for public deposits account of a province; and 55

- (f) all other arrangements or requirements necessary for the transfer of an allocation have been complied with prior to the start of the financial year.
- (2) The transferring national officer must submit all information and documentation referred to in subsections (1)(a) and (b) to the National Treasury within 14 days after this Act takes effect. 5
- (3) A transferring national officer who has not complied with subsection (1) must transfer such allocation as instructed by the National Treasury, including as an unconditional allocation.
- (4) Before making the first transfer of any allocation, the transferring national officer must take note of any notice in terms of section 28(2) from the National Treasury outlining the details of the account for each province or municipality. 10
- (5) Notwithstanding anything to the contrary contained in any law, a transferring national officer must in respect of any allocation, as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, not later than 20 days after the end of each month, and in the format determined by the National Treasury, submit to the National Treasury, information for the month reported on and for the financial year up to the end of that month, on— 15
- (a) the amount of funds transferred to a province or municipality;
 - (b) the amount of funds stopped or withheld from any province or municipality, the reasons for the withholding or stopping and the steps taken to deal with the causes that necessitated the withholding or stopping of the payment; 20
 - (c) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 and 6 allocation; and
 - (d) such other issues as the National Treasury may determine. 25
- (6) The transferring national officer must evaluate the performance of programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury within four months in respect of a province and six months in respect of a municipality after the end of the financial year. 30

Duties of receiving officer in respect of Schedule 4 allocation

21. (1) A receiving officer is responsible for— 30
- (a) complying with the framework for a Schedule 4 allocation as published in terms of section 28; and
 - (b) the manner in which it allocates and spends a Schedule 4 allocation.
- (2) The receiving officer of a municipality must— 35
- (a) ensure and certify to the National Treasury that the municipality— 40
 - (i) indicates, or if required, exclusively appropriates each programme funded or partially funded by this allocation in its annual budget; and
 - (ii) makes public, in accordance with the requirements of section 21A of the Municipal Systems Act, the conditions and other information in respect of the allocation to facilitate performance measurement and the use of required inputs and outputs; 45
 - (b) by no later than 1 April 2005, submit to the National Treasury, together with its annual budget, detailed plans for the 2005/06 financial year outlining how the municipality intends to achieve outputs for each programme funded by this allocation; 45
 - (c) submit monthly reports as required by the Municipal Finance Management Act to the National Treasury on spending against programmes; and
 - (d) submit a quarterly performance report within 30 days after the end of each quarter to the transferring national officer. 50
- (3) The receiving officer in a province must— 50
- (a) submit monthly reports as required by the Public Finance Management Act to the relevant provincial treasury on spending against programmes; and
 - (b) submit a quarterly performance report within 30 days after the end of each quarter to the transferring national officer. 50
- (4) The receiving officer must report against programmes funded or partially funded by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report. 55
- (5) The receiving officer must annually, within two months after the end of the financial year and where relevant the municipal financial year, evaluate its performance in respect of programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer. 60

Duties of receiving officer in respect of Schedule 5 and 6 allocation

22. (1) The relevant receiving officer must, in respect of an allocation transferred to—
- (a) a province, as part of the report required in section 40(4)(c) of the Public Finance Management Act, submit a report to the relevant provincial treasury and the transferring national officer; and 5
 - (b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, submit a report to the relevant transferring national or provincial officer.
- (2) A report by a province in terms of subsection (1) must set out for that month and for the financial year up to the end of that month— 10
- (a) the amount received by the province;
 - (b) the amount of funds stopped or withheld from the province;
 - (c) the actual expenditure by the province in respect of a Schedule 5 allocation;
 - (d) the extent of compliance with the conditions of an allocation provided for in a framework and with this Act; 15
 - (e) an explanation for any material problems experienced by the province regarding an allocation which has been received and a summary of the steps taken to deal with such problems or the effect of such variations; and
 - (f) such other issues and information as the National Treasury may determine.
- (3) A report by a municipality in terms of subsection (1) must set out for that month and for the financial year up to the end of that month the amount of funds stopped or withheld from the municipality and such other information as the National Treasury may determine. 20
- (4) The receiving officer must annually, within two months after the end of the financial year and where relevant the municipal financial year, evaluate its performance in respect of programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer. 25

Duties of transferring provincial officer

23. (1) A transferring provincial officer must, as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, in respect of any allocation to be transferred to municipalities, and in the format determined by the National Treasury, submit, within 15 days after the end of each month, to the transferring national officer and the relevant treasury, information on— 30
- (a) the amount of funds transferred to a municipality in the month reported on and for the financial year up to the end of that month; 35
 - (b) the amount of funds stopped or withheld from any municipality in the month reported on;
 - (c) actual expenditure incurred in respect of that allocation; and
 - (d) such other issues as the National Treasury may determine.

Category C municipal budgets and allocations in terms of this Act 40

24. (1) (a) In addition to the requirements of the Municipal Finance Management Act, a category C municipality must, no later than 1 April 2005, submit to the National Treasury and all category B municipalities within its area of jurisdiction, its budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, for the 2005/06 municipal financial year, and the two following municipal financial years. 45
- (b) The budget must indicate all allocations to be transferred to each category B municipality within its area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities.
- (2) A category C municipality must strive to ensure that it does not duplicate a function currently performed by a category B municipality, and transfer funds for infrastructure development or the provision of services to the relevant category B municipalities, taking into account any indicative allocations for such municipalities as determined or published in the *Gazette* by the National Treasury, and may only retain and spend funds directly if— 50
- (a) the category C municipality retained a power or function in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); and 55

(b) a category B municipality in the opinion of the category C municipality has weak capacity and the national department for local government and National Treasury concur with that opinion.

(3) A category C municipality must before implementing any capital project for water, electricity, roads or any other municipal service secure approval for the project from the category B municipality within whose area of jurisdiction the project will be implemented and agree on which municipality is responsible for its operational costs and collection of user fees. 5

(4) A municipality must ensure that any allocation made to it in terms of this Act, or by a province or another municipality, that is not reflected in its budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, is reflected in its budget to be approved in accordance with section 24 of the Municipal Finance Management Act. 10

(5) Where a function for which a province receives a Schedule 5 allocation is assigned to a municipality during a financial year and the province has not appropriated funds to that municipality for the performance of that function, the province must transfer such funds to the municipality in terms of section 226(3) of the Constitution as a direct charge against that province's Revenue Fund. 15

Duties of provincial treasuries

25. (1) The head of the department in the provincial treasury must ensure and certify to the National Treasury that the province— 20

(a) indicates or, if required, exclusively appropriates each programme funded or partially funded through Schedule 4 allocations in its Appropriation Bill or a schedule to its Appropriation Bill; and

(b) publishes the conditions and other information in respect of these allocations to facilitate performance measurement and the use of required inputs and outputs in its budget documents submitted to its legislature or the *Gazette*. 25

(2) The provincial treasury must in respect of allocations to municipalities other than allocations made in terms of this Act publish, with its annual budget or in the *Gazette*, not later than 1 April 2005— 30

(a) the allocation per municipality for every allocation made by the province to municipalities; and

(b) the envisaged division of the allocation contemplated in paragraph (a) in respect of each municipality, for the next financial year and the 2007/08 financial year. 35

(3) (a) Notwithstanding anything to the contrary contained in any law, a provincial treasury may, in accordance with a framework determined by the National Treasury, make allocations to municipalities that were not published in terms of subsection (2).

(b) These allocations must be published in the *Gazette* before any transfers can be made, unless the allocations were published with its adjustments budget submitted to the provincial legislature. 40

(4) A provincial treasury must, as part of its consolidated monthly report in terms of section 32 of the Public Finance Management Act, in the format determined by the National Treasury, report on— 45

(a) actual transfers received by the province from national departments;

(b) actual expenditure on such allocations, excluding Schedule 4 allocations, up to the end of that month;

(c) actual transfers made by the province to municipalities, and projections of actual expenditure by municipalities on such allocations; and

(d) any problems of compliance with this Act by transferring provincial officers and receiving officers and the steps taken to deal with such problems. 50

(5) The report contemplated in subsection (4) must include reports for each quarter, and be in the format and include the information as may be determined by the National Treasury.

Duties relating to co-operative governance in respect of concurrent functions 55

26. (1) A Cabinet member responsible for a function falling within Schedule 4 to the Constitution may determine a monitoring system for the performance by provinces and, if applicable, by municipalities of that function, and make recommendations at any stage to a province or municipality on improving performance of the function and compliance with national legislation applicable to the function. 60

- (2) If a province or municipality performing a function referred to in subsection (1) fails to meet any applicable national targets and standards for the performance of the function, the relevant Cabinet member may take such steps as may be necessary to assist the province or municipality in meeting those targets or standards, including recommendations to that province or municipality on— 5
- (a) how to improve its performance;
 - (b) organisational and administrative arrangements for a provincial department or other provincial organ of state or a municipality;
 - (c) human resource arrangements, particularly where a large number of personnel is employed; 10
 - (d) human resource development, training and management;
 - (e) governance arrangements to prevent or limit corruption and wastage; and
 - (f) agency arrangements for delivering or managing any of the core responsibilities pertaining to that function.
- (3) The Premier of a province or mayor of a municipality must take into account any recommendations made by the Cabinet member in terms of subsection (1) or (2), in order to improve performance of that function. 15

Annual financial statements and annual reports for 2005/06

27. (1) The annual financial statements for the 2005/06 financial year of a national or provincial department transferring any funds in respect of an allocation set out in Schedules 4, 5, 6 and 7 must, in addition to any requirements in terms of any other applicable law— 20
- (a) indicate the total amount of that allocation transferred to a province or municipality;
 - (b) indicate the transfers, if any, that were withheld in respect of each province or municipality; 25
 - (c) certify that all transfers to a province or municipality were deposited into the primary bank account of a province or municipality, or where appropriate, into the corporation for public deposits account of a province; and
 - (d) indicate the funds, if any, utilised for the administration of the allocation, and whether any portion of the allocation was retained by the transferring department for that purpose. 30
- (2) The annual report for the 2005/06 financial year of a national or provincial department transferring any funds in respect of an allocation set out in Schedules 4, 5, 6 and 7 must, in addition to any requirements in terms of any other applicable law— 35
- (a) indicate the reasons for the withholding of any transfers to a province or municipality;
 - (b) indicate to what extent a province or municipality was monitored for compliance with the conditions of an allocation provided for in the relevant framework and the provisions of this Act; 40
 - (c) indicate to what extent the allocation achieved its purpose and outputs; and
 - (d) indicate any non-compliance with this Act, and the steps taken to deal with such non-compliance.
- (3) The annual financial statements of a provincial department receiving an allocation in terms of Schedules 4 and 5, must, in addition to any requirements in terms of any other applicable law— 45
- (a) indicate the total amount of all allocations received;
 - (b) indicate the total amount of actual expenditure on all allocations except Schedule 4 allocations; and
 - (c) certify that all transfers in terms of this Act to the province were deposited into the primary bank account of the province, or where appropriate, into the corporation for public deposits account of a province. 50
- (4) The annual report of a provincial department receiving an allocation in terms of Schedules 4 and 5, must, in addition to any requirements in terms of any other applicable law— 55
- (a) indicate to what extent the province met the conditions, provided for in the relevant framework of such an allocation, and complied with the provisions of this Act;
 - (b) indicate the extent to which the objectives and outputs of the allocation were achieved; and 60
 - (c) contain such other information as the National Treasury may determine.
- (5) (a) The annual financial statements and annual reports of a municipality for the 2005/06 financial year must be prepared in accordance with the Municipal Finance Management Act.

(b) Municipalities for whom the implementation of section 121 of the Municipal Finance Management Act was delayed by the Minister under section 178 of that Act, must notwithstanding such delay, prepare annual performance management reports in terms of section 46 of the Municipal Systems Act, by no later than 31 December 2005.

(6) The National Treasury may determine how transferring departments and receiving municipalities report on local government allocations on a quarterly basis to facilitate the audit of allocations for both the national and municipal financial years.

CHAPTER 5

DUTIES OF NATIONAL TREASURY, POWERS OF AUDITOR-GENERAL AND MATTERS RELATING TO INTERNAL AUDIT UNITS

Duties of National Treasury

28. (1) The National Treasury must within 14 days of this Act taking effect—

(a) submit a notice to all transferring national officers, containing the details of the bank accounts of each province and municipality; and

(b) publish in the *Gazette*—

(i) the allocations per municipality for each Schedule 4B, 6 or 7 allocation to local government; and

(ii) the framework for each Schedule 4, 5, 6 and 7 allocation.

(2) The National Treasury must publish any revisions or amendments to the allocations or frameworks published in terms of subsection (1)(b) authorised by an adjustment budget in the *Gazette*.

(3) The National Treasury must, together with the monthly report contemplated in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in the Schedules referred to in sections 7 and 8 or made in terms of section 11.

Powers of Auditor-General

29. (1) Without derogating from the powers and duties of the Auditor-General in terms of the Constitution and any other law, the Auditor-General may, in the audit of financial statements on the allocations set out in Chapter 3 or in a special report to be submitted to Parliament, report on—

(a) the extent of compliance with this Act and frameworks published in terms of section 28 by transferring national officers, transferring provincial officers and receiving officers; and

(b) such other intergovernmental financial management matters as may be prescribed.

(2) The Auditor-General may, when conducting the audits of the provincial departments responsible for education, health, social grants, housing and roads, take appropriate measures to ensure consistency in the audit processes between provincial departments to promote comparability between the provincial departments and national departments responsible for the same functions.

Matters relating to internal audit units

30. (1) (a) The transferring national officer of a Schedule 5 or 6 allocation that exceeds R 1 billion for the budget year must, within seven days after this Act takes effect, determine a minimum set of risks that must be taken into account and mitigated by the receiving province or municipality in respect of that allocation.

(b) The internal audit plan of the receiving province or municipality for the financial year must take into account the risks identified in paragraph (a) and any other major fiscal risks to the National Revenue Fund posed by poor enforcement of legislative requirements.

(2) A receiving officer of an allocation contemplated in subsection (1), or if requested by any other transferring national officer, must—

(a) by 30 April 2005, submit a risk management plan that includes the internal audit plan referred to in subsection (1)(a) to the transferring national officer and the National Treasury; and

- (b) submit a quarterly report, within 30 days after the end of each quarter, to the transferring national officer, which report must address all material issues and risk that arose in respect of the spending of the allocation and the measures taken to minimise the impact thereof.
- (3) The internal audit unit of the transferring national department must co-ordinate and co-operate with the internal audit units of the provincial departments and municipalities to whom it transfers an allocation. 5
- (4) The accounting officer of the transferring national department, the receiving provincial department and receiving municipality must regularly report to its audit committee on compliance with this section. 10

CHAPTER 6

GENERAL

Spending in terms of purpose and subject to conditions

31. (1) Notwithstanding anything to the contrary contained in any law, an allocation referred to in Schedules 4, 5, 6 or 7 may only be utilised for the purpose stipulated in the Schedules concerned and in accordance with the frameworks published in terms of section 28(1). 15
- (2) A receiving officer may not transfer any Schedule 5 or 6 allocation or a portion of such allocation to any other entity for the performance of a function envisaged in terms of the allocation, unless— 20
- (a) it is a transfer that is approved in the budget of the receiving province or municipality or a framework published in terms of section 28(1);
- (b) it is a payment for services rendered or goods received, which services or goods were procured in accordance with the supply chain management policy or procurement policy of the relevant province or municipality and for which adequate documentation for payment have been received; or 25
- (c) it is a transfer not consistent with the budget of the receiving province or municipality, or advance payment, approved by the National Treasury on certification by the receiving officer that such transfer is not an attempt to artificially inflate its spending estimates and there are good reasons for the allocation or advance payment. 30
- (3) Notwithstanding the provisions of this Act, the National Treasury may at the request of a provincial treasury approve that rollovers and unspent funds in respect of conditional allocations made by the national government to a province in previous budget years, be deemed to be unconditional allocations to the Provincial Revenue Fund. 35

Amendment of payment schedule

32. (1) Subject to subsection (2), a transferring national officer may, in respect of an allocation set out in Schedule 5 or 6, amend a payment schedule as a result of the withholding or stopping of an allocation in terms of this Act. 40
- (2) The National Treasury may, in the interest of better debt and cash-flow management or to deal with financial mismanagement or under performance, amend any payment schedule for an allocation listed in Schedules 2, 3, 4, 5 or 6 on notification to—
- (a) the head of a provincial treasury, in the case of a provincial allocation; and
- (b) the accounting officer of the national department responsible for local government and organised local government, in the case of a local government allocation. 45
- (3) A payment schedule revised in terms of subsection (1) or (2) must take account of the monthly spending commitments of provinces or municipalities, the revenue at the disposal of provinces or municipalities and the minimisation of risk and debt servicing costs for all three spheres of government. 50

(4) An amendment of a payment schedule in terms of subsection (2) prevails over any amendment made in terms of subsection (1).

Withholding of allocation

33. (1) Subject to subsection (2), a transferring national officer may withhold the transfer of a Provincial or Municipal Infrastructure allocation or a Schedule 5, 6 or 7 allocation or any portion of such allocation for a period not exceeding 30 days, if—

- (a) the province or municipality does not comply with the provisions of this Act or conditions to which the allocation, as provided for in the relevant framework, is subject; or
- (b) expenditure on previous transfers during the financial year reflects significant under-spending, for which no satisfactory explanation is given.

(2) A transferring national officer must, seven days prior to withholding an allocation in terms of subsection (1), give the relevant receiving officer—

- (a) written notice of the intention to withhold the allocation; and
- (b) an opportunity to submit written representations, within those seven days as to why the allocation should not be withheld.

(3) A notice contemplated in subsection (2) must include the reasons for withholding the allocation and the intended duration of the withholding.

(4) (a) The National Treasury may instruct or approve a request from a transferring national officer to withhold an allocation for a period longer than 30 days, but not exceeding 120 days, if the withholding will—

- (i) facilitate compliance with this Act or the conditions to which the allocation is subject; or
- (ii) minimise the risk of under spending.

(b) A transferring national officer must, when requesting the withholding of an allocation in terms of this subsection, submit proof of its compliance with subsection (2) and any representations received from the receiving officer, to the National Treasury.

(c) The transferring national officer must comply with subsection (2) when the National Treasury instructs him or her in terms of subsection (4).

Stopping of allocation

34. (1) Notwithstanding section 33, the National Treasury may stop the transfer of—

- (a) a Schedule 4, 5 or 6 allocation to a province or municipality on the grounds of a persistent and material non-compliance with the provisions of this Act, or a condition to which the allocation, as provided for in the relevant framework, is subject; or
- (b) a Provincial or Municipal Infrastructure allocation or a Schedule 5, 6 or 7 allocation, if the National Treasury anticipates that a province or municipality will substantially under spend on that allocation in the financial year.

(2) The National Treasury must comply with section 33(2), and in respect of a municipality, also sections 38 and 39 of the Municipal Finance Management Act, when it intends to Act in terms of subsection (1).

(3) Any stopping of an allocation contemplated in subsection (1) must, together with an explanatory memorandum, be published by the National Treasury in the *Gazette*.

(4) (a) The Minister may, by notice in the *Gazette*, approve that an allocation or any portion of such allocation stopped in terms of subsection (1), be utilised to meet that province's or municipality's outstanding statutory and contractual financial commitments.

(b) The utilisation of funds contemplated in this subsection is a direct charge against the National Revenue Fund.

Re-allocation after stopping of allocation

35. The National Treasury may, where it stops an allocation in terms of section 34 determine that a portion or the full allocation that will be under spent be reallocated to one or more provinces or municipalities on condition that the allocation will be spent in the financial year.

Non-committed Schedule 5 or 6 allocation

36. (1) Notwithstanding the provisions of the Public Finance Management Act relating to roll-overs, a Schedule 5 or 6 allocation that is not committed to identifiable projects at the end of a financial year, including any interest earned thereon, reverts to the National Revenue Fund. 5

(2) Notwithstanding subsection (1), the National Treasury may at the request of a provincial treasury or municipality approve—

(a) roll-overs from a conditional allocation to the next financial year; and

(b) spending of a portion of a conditional allocation on activities related to the purpose of that allocation where the province or municipality projects 10 significant unforeseen and unavoidable over spending on its budget.

Preparations for next budget year

37. (1) (a) The receiving officer of a Provincial Infrastructure allocation must, by 31 July 2005, submit detailed five-year infrastructure plans in a format determined by the National Treasury, to the provincial treasury. 15

(b) The five-year infrastructure plans must indicate the prioritised projects to be funded from the allocations for the next financial year and the 2007/08 financial year as set out in column B of Schedule 4A.

(c) The provincial treasury must co-ordinate the infrastructure plans of all receiving officers and submit the co-ordinated plans to the National Treasury by 1 September 2005. 20

(2) (a) The receiving officer of a Municipal Infrastructure allocation must, by 1 October 2005, submit to the National Treasury a detailed draft three year capital plan for the 2007/08 and 2008/09 municipal financial years in a format determined by the National Treasury. 25

(b) Where the receiving officer is a category C municipality, the municipality must, in addition to complying with paragraph (a) certify to the National Treasury that its capital plan is co-ordinated with all category B municipalities located within that category C municipality.

(3) The transferring national officer of a Schedule 4A or 4B allocation must, by 1 October 2005, submit to the National Treasury for approval the draft frameworks for the allocations set out in column B of Schedules 4A and 4B in the format to be determined by the National Treasury. 30

(4) The National Treasury may, in preparation for the next financial year, instruct departments and municipalities to submit to it such plans and information for any conditional grant, as it may determine, at specified times prior to the start of the next financial year. 35

Unauthorised and irregular expenditure

38. (1) The following transfers constitute unauthorised expenditure in terms of the Public Finance Management Act and the Municipal Finance Management Act, as the case may be, where relevant: 40

(a) a transfer prohibited in terms of section 31(3) of this Act; or

(b) a transfer by a transferring national officer to a bank account of a province or municipality that is not the primary bank account, or, in respect of provinces, a corporation for public deposits account. 45

(2) Any transfer made or spending of an allocation in contravention of this Act constitutes irregular expenditure in terms of the Public Finance Management Act and the Municipal Finance Management Act.

Financial misconduct

39. (1) Notwithstanding anything to the contrary contained in any law, any serious or persistent non-compliance with a provision of this Act or a framework constitutes financial misconduct. 50

(2) Section 84 of the Public Finance Management Act and section 171(4) of the Municipal Finance Management Act applies in respect of financial misconduct in terms of subsection (1). 55

- (3) A transferring national officer and a transferring provincial officer must—
- (a) investigate any serious or persistent non-compliance with a provision of this Act or a framework within 15 days of becoming aware of the non-compliance;
 - (b) keep a register of all non-compliance with a provision of this Act or a framework, actions taken in respect of each non-compliance, and, in cases where action was not taken, the reason therefore; and
 - (c) include the register in its section 40(4)(c) report to the National Treasury in terms of the Public Finance Management Act.

Transfers to low capacity municipalities

40. The national accounting officer responsible for local government, in respect of a category B municipality classified as a low capacity municipality by that accounting officer and the National Treasury, may with the concurrence of the National Treasury, determine that an allocation in terms of this Act or portion of such an allocation be transferred to the category C municipality, within whose area of jurisdiction the category B municipality is located, or the relevant province, for purposes of the proper administration of the allocation.

Transfers made in error

41. (1) Despite anything to the contrary contained in any law, the transfer of an allocation to a province in error is regarded as not legally due to the province for the purpose of its Revenue Fund.

(2) A transfer contemplated in subsection (1), must be recovered, without delay, by the responsible transferring national officer.

(3) The National Treasury may instruct that the recovery contemplated in subsection (2) be effected by set-off against future transfers to the province, which would otherwise become due in accordance with a payment schedule.

(4) Notwithstanding anything to the contrary contained in any law, the transfer of an allocation to a municipality, or a public entity in error, is regarded as not legally due to that municipality or public entity and must be recovered without delay by the responsible transferring national officer or transferring provincial officer.

(5) The accounting officer of the national department responsible for local government may instruct that the recovery contemplated in subsection (4) be effected by set-off against transfers to the municipality concerned, which would otherwise become due in accordance with any payment schedule.

Liability for costs incurred in violation of principles of co-operative governance and intergovernmental relations

42. (1) An organ of state involved in an intergovernmental dispute regarding any provision of this Act or any division of revenue matter or allocation must, before approaching a court to resolve such dispute, make every effort to settle the dispute with the other organ of state concerned, including exhausting all mechanisms provided for the settlement of disputes in relevant legislation.

(2) In the event that a dispute is referred back by a court in accordance with section 41(4) of the Constitution, due to the court not being satisfied that the organ of state approaching the court has complied with subsection (1), the expenditure incurred by that organ of state in approaching the court must be regarded as fruitless and wasteful.

(3) The amount of any such fruitless and wasteful expenditure must, in terms of a prescribed procedure, be recovered without delay from the person who caused the organ of state not to comply with the requirements of subsection (1).

Delegations and assignments

43. (1) The Minister may, in writing, delegate any of the powers entrusted to the National Treasury in terms of this Act and assign any of the duties imposed on the National Treasury in terms of this Act, to an official of the National Treasury.

(2) A delegation or assignment in terms of subsection (1) to an official of the National Treasury—

- (a) is subject to any limitations or conditions that the Minister may impose;
 - (b) may authorise that official to sub-delegate, in writing, the delegated power or assigned duty to another National Treasury official; and
 - (c) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty. 5
- (3) The Minister may confirm, vary or revoke any decision taken by an official as a result of a delegation, subject to any rights that may have vested as a consequence of the decision.

Exemptions

44. (1) The National Treasury may, on written application by a transferring national or provincial officer, exempt such officer in writing from complying with a provision of this Act, if the officer satisfies the National Treasury that— 10
- (a) the duty cannot be complied with at that stage;
 - (b) the relevant allocation and framework are properly designed; and
 - (c) the officer is taking steps to comply with the provisions of this Act. 15
- (2) Any exemption granted in terms of subsection (1) must set out the period and conditions, if any, to which it is subject and must be published in the *Gazette*.

Regulations

45. The Minister may, by notice in the *Gazette*, make regulations regarding—
- (a) anything which must or may be prescribed in terms of this Act; and 20
 - (b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act.

Repeal of laws

46. (1) Subject to subsection (2), the Division of Revenue Act, 2004 (Act No. 5 of 2004), is hereby repealed. 25
- (2) The repeal of the Division of Revenue Act, 2004, does not affect any duty or obligation set out in that Act, the execution of which is still outstanding.

Short title and commencement

47. This Act is called the Division of Revenue Act, 2005, and takes effect on 1 April 2005. 30

SCHEDULE 1**EQUITABLE DIVISION OF REVENUE ANTICIPATED TO BE RAISED
NATIONALLY AMONG THE THREE SPHERES OF GOVERNMENT**

| Spheres of Government | Column A | Column B | |
|-----------------------|-----------------------|--------------------|--------------------|
| | 2005/06 Allocation | Forward Estimates | |
| | | 2006/07 | 2007/08 |
| | R'000 | R'000 | R'000 |
| National ¹ | 273 469 694 | 299 120 613 | 325 845 497 |
| Provincial | 134 706 191 | 146 757 275 | 157 677 779 |
| Local | 9 643 341 | 10 514 940 | 11 370 620 |
| TOTAL | 417 819 226 | 456 392 828 | 494 893 896 |

1) National share includes conditional grants to provincial and local spheres, debt service costs and the contingency reserve.

SCHEDULE 2**DETERMINATION OF EACH PROVINCE'S EQUITABLE SHARE OF THE
PROVINCIAL SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(as a direct charge against the National Revenue Fund)**

| Province | Column A | Column B | |
|---------------|-----------------------|--------------------|--------------------|
| | 2005/06 Allocation | Forward Estimates | |
| | | 2006/07 | 2007/08 |
| | R'000 | R'000 | R'000 |
| Eastern Cape | 22 202 309 | 23 839 059 | 25 238 734 |
| Free State | 8 660 286 | 9 261 995 | 9 765 081 |
| Gauteng | 20 810 204 | 22 864 963 | 24 774 603 |
| KwaZulu-Natal | 28 398 760 | 31 388 210 | 34 204 801 |
| Limpopo | 18 375 726 | 20 017 878 | 21 506 369 |
| Mpumalanga | 9 976 192 | 10 970 046 | 11 894 723 |
| Northern Cape | 3 124 184 | 3 326 755 | 3 491 843 |
| North West | 11 086 061 | 11 989 563 | 12 786 822 |
| Western Cape | 12 072 469 | 13 098 806 | 14 014 803 |
| TOTAL | 134 706 191 | 146 757 275 | 157 677 779 |

DIVISION OF REVENUE ACT, 2005

Act No. 1, 2005

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|---|--------|----------------------------------|--------------------|-------------------|------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| EASTERN CAPE | | | | | |
| A | | Nelson Mandela | 205 630 | 228 289 | 270 844 |
| B | EC101 | Camdeboo | 9 786 | 10 728 | 12 777 |
| B | EC102 | Blue Crane Route | 10 948 | 11 901 | 13 729 |
| B | EC103 | Ikwezi | 4 163 | 4 483 | 5 046 |
| B | EC104 | Makana | 18 321 | 20 159 | 23 970 |
| B | EC105 | Ndlambe | 15 364 | 16 884 | 19 868 |
| B | EC106 | Sundays River Valley | 10 022 | 10 741 | 11 049 |
| B | EC107 | Baviaans | 4 399 | 4 713 | 5 248 |
| B | EC108 | Kouga | 13 435 | 14 803 | 17 409 |
| B | EC109 | Koukamma | 8 148 | 8 838 | 9 796 |
| C | DC10 | Cacadu District Municipality | 3 374 | 3 275 | 4 019 |
| Total: Cacadu Municipalities | | | 97 961 | 106 523 | 122 910 |
| B | EC121 | Mbhashe | 40 853 | 41 678 | 33 564 |
| B | EC122 | Mnquma | 44 857 | 48 400 | 48 502 |
| B | EC123 | Great Kei | 8 813 | 9 415 | 10 172 |
| B | EC124 | Amahlathi | 24 214 | 26 145 | 29 284 |
| B | EC125 | Buffalo City | 191 519 | 206 759 | 235 688 |
| B | EC126 | Ngqushwa | 16 973 | 18 062 | 19 948 |
| B | EC127 | Nkonkobe | 24 997 | 27 088 | 30 703 |
| B | EC128 | Nxuba | 5 756 | 6 210 | 6 898 |
| C | DC12 | Amatole District Municipality | 95 063 | 102 725 | 120 834 |
| Total: Amatole Municipalities | | | 453 046 | 486 481 | 535 594 |
| B | EC131 | Inxuba Yethemba | 10 608 | 11 707 | 13 802 |
| B | EC132 | Tsolwana | 7 101 | 7 282 | 7 907 |
| B | EC133 | Inkwanca | 4 919 | 5 269 | 5 717 |
| B | EC134 | Lukhanji | 28 849 | 31 426 | 36 492 |
| B | EC135 | Intsika Yethu | 37 054 | 35 520 | 29 395 |
| B | EC136 | Emalahleni | 21 364 | 20 997 | 21 767 |
| B | EC137 | Engcobo | 24 982 | 25 588 | 20 228 |
| B | EC138 | Sakhisizwe | 10 075 | 10 774 | 11 657 |
| C | DC13 | Chris Hani District Municipality | 89 813 | 95 719 | 106 109 |
| Total: Chris Hani Municipalities | | | 234 764 | 244 281 | 253 074 |
| B | EC141 | Elundini | 25 190 | 26 913 | 21 628 |
| B | EC142 | Senqu | 24 685 | 26 275 | 28 237 |
| B | EC143 | Maletswai | 6 374 | 6 869 | 7 361 |
| B | EC144 | Gariep | 6 820 | 7 364 | 8 216 |
| C | DC14 | Ukhahlamba District Municipality | 45 684 | 47 995 | 49 283 |
| Total: Ukhahlamba Municipalities | | | 108 753 | 115 415 | 114 725 |
| B | EC151 | Mbizana | 34 371 | 35 200 | 32 257 |
| B | EC152 | Ntabankulu | 21 384 | 22 799 | 17 929 |
| B | EC153 | Qaukeni | 36 740 | 38 926 | 31 618 |
| B | EC154 | Port St. Johns | 24 716 | 24 114 | 19 126 |
| B | EC155 | Nyandeni | 42 199 | 43 438 | 37 944 |
| B | EC156 | Mhlontlo | 32 060 | 33 480 | 29 274 |
| B | EC157 | King Sabata Dalindyebo | 57 257 | 55 092 | 56 599 |
| C | DC15 | O.R. Tambo District Municipality | 153 236 | 159 493 | 155 529 |
| Total: O.R Tambo Municipalities | | | 401 962 | 412 541 | 380 277 |
| B | EC05b1 | Umzimkhulu | 26 632 | 28 089 | 25 451 |
| B | EC05b2 | Umzimvubu | 64 870 | 64 636 | 54 776 |
| C | DC44 | Alfred Nzo District Municipality | 61 825 | 64 528 | 62 612 |
| Total: Alfred Nzo Municipalities | | | 153 328 | 157 253 | 142 838 |
| Total: Eastern Cape Municipalities | | | 1 655 443 | 1 750 784 | 1 820 263 |

Cat = Category of Municipality

Number = Demarcation code of Municipality

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|---|--------------------|-------------------|------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| FREE STATE | | | | | |
| B | FS161 | Letsemeng | 13 892 | 15 217 | 17 902 |
| B | FS162 | Kopanong | 23 847 | 26 455 | 32 306 |
| B | FS163 | Mohokare | 14 934 | 15 382 | 18 144 |
| C | DC16 | Xhariep District Municipality | 3 139 | 3 142 | 1 748 |
| Total: Xhariep Municipalities | | | 55 813 | 60 196 | 70 099 |
| B | FS171 | Naledi | 10 709 | 11 372 | 13 227 |
| B | FS172 | Mangaung | 175 080 | 188 001 | 220 454 |
| B | FS173 | Mantsopa | 18 434 | 20 107 | 23 892 |
| C | DC17 | Motheo District Municipality | 1 072 | 1 287 | 1 603 |
| Total: Motheo Municipalities | | | 205 295 | 220 767 | 259 176 |
| B | FS181 | Masilonyana | 23 852 | 25 452 | 29 232 |
| B | FS182 | Tokologo | 11 907 | 12 846 | 15 108 |
| B | FS183 | Tswelopele | 18 125 | 18 423 | 21 604 |
| B | FS184 | Matjhabeng | 124 581 | 135 646 | 162 703 |
| B | FS185 | Nala | 37 224 | 41 037 | 49 864 |
| C | DC18 | Lejweleputswa District Municipality | 1 784 | 2 053 | 2 728 |
| Total: Lejweleputswa Municipalities | | | 217 474 | 235 456 | 281 238 |
| B | FS191 | Setsoto | 45 181 | 49 493 | 59 437 |
| B | FS192 | Dihlabeng | 34 813 | 38 535 | 46 758 |
| B | FS193 | Nketoana | 22 840 | 23 322 | 27 654 |
| B | FS194 | Maluti-a-Phofung | 105 417 | 105 403 | 121 353 |
| B | FS195 | Phumelela | 15 497 | 16 837 | 19 582 |
| C | DC19 | Thabo Mofutsanyana District Municipality | 12 930 | 12 897 | 3 793 |
| Total: Thabo Mofutsanyana Municipalities | | | 236 679 | 246 486 | 278 577 |
| B | FS201 | Moqhaka | 44 963 | 48 239 | 59 032 |
| B | FS203 | Ngwathe | 42 120 | 45 460 | 56 044 |
| B | FS204 | Metsimaholo | 27 364 | 30 304 | 36 494 |
| B | FS205 | Mafube | 20 658 | 22 715 | 27 467 |
| C | DC20 | Northern Free State District Municipality | 1 687 | 1 923 | 2 515 |
| Total: Northern Free State Municipalities | | | 136 792 | 148 641 | 181 552 |
| Total: Free State Municipalities | | | 852 052 | 911 546 | 1 070 642 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat Number | Municipality | Column A | Column B | |
|---|--|--------------------|-------------------|------------------|
| | | 2005/06 Allocation | Forward Estimates | |
| | | | 2006/07 | 2007/08 |
| | | R'000 | R'000 | R'000 |
| GAUTENG | | | | |
| A | Ekurhuleni | 472 390 | 530 030 | 595 474 |
| A | City of Johannesburg | 540 664 | 613 393 | 643 272 |
| A | City of Tshwane | 269 741 | 300 956 | 264 898 |
| B | GT02b1 Nokeng tsa Taamane | 10 409 | 11 413 | 12 533 |
| B | CBLC2 Kungwini | 24 372 | 26 907 | 30 282 |
| C | CBDC2 Metsweding District Municipality | 1 601 | 1 099 | 733 |
| Total: Metsweding Municipalities | | 36 382 | 39 419 | 43 548 |
| B | GT421 Emfuleni | 160 060 | 180 070 | 220 885 |
| B | GT422 Midvaal | 13 629 | 15 044 | 17 360 |
| B | GT423 Lesedi | 15 965 | 17 892 | 21 622 |
| C | DC42 Sedibeng District Municipality | 1 023 | 1 000 | 584 |
| Total: Sedibeng Municipalities | | 190 677 | 214 006 | 260 452 |
| B | GT411 Mogale City | 58 667 | 65 623 | 76 585 |
| B | GT412 Randfontein | 25 422 | 28 441 | 33 444 |
| B | GT414 Westonaria | 38 523 | 43 106 | 33 672 |
| B | CBLC8 Merafong City | 61 069 | 68 625 | 62 561 |
| C | CBDC8 West Rand District Municipality | 1 894 | 1 849 | 1 030 |
| Total: West Rand Municipalities | | 185 575 | 207 644 | 207 293 |
| Total: Gauteng Municipalities | | 1 695 428 | 1 905 448 | 2 014 936 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|-------------------------------------|--------------------|-------------------|----------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| KWAZULU-NATAL | | | | | |
| A | | eThekweni | 535 540 | 593 898 | 673 805 |
| B | KZ211 | Vulamehlo | 13 247 | 14 045 | 10 470 |
| B | KZ212 | Umdoni | 7 314 | 8 020 | 8 954 |
| B | KZ213 | Umzumbe | 26 958 | 29 134 | 25 985 |
| B | KZ214 | uMuziwabantu | 14 612 | 15 676 | 13 109 |
| B | KZ215 | Eziqolweni | 9 437 | 10 022 | 7 752 |
| B | KZ216 | Hibiscus Coast | 26 067 | 28 678 | 32 668 |
| C | DC21 | Ugu District Municipality | 57 169 | 62 459 | 69 597 |
| Total: Ugu Municipalities | | | 154 805 | 168 032 | 168 535 |
| B | KZ221 | uMshwathi | 17 806 | 19 354 | 12 804 |
| B | KZ222 | uMngeni | 10 082 | 10 959 | 12 324 |
| B | KZ223 | Mooi Mpofana | 6 513 | 7 082 | 7 115 |
| B | KZ224 | Impendle | 6 995 | 7 404 | 5 460 |
| B | KZ225 | Msunduzi | 104 671 | 114 407 | 133 564 |
| B | KZ226 | Mkhambathini | 10 813 | 11 682 | 6 537 |
| B | KZ227 | Richmond | 10 502 | 11 211 | 9 101 |
| C | DC22 | uMgungundlovu District Municipality | 41 406 | 46 359 | 56 330 |
| Total: uMgungundlovu Municipalities | | | 208 788 | 228 459 | 243 236 |
| B | KZ232 | Emnambithi/Ladysmith | 28 473 | 31 316 | 35 850 |
| B | KZ233 | Indaka | 16 117 | 17 450 | 18 890 |
| B | KZ234 | Umtshezi | 8 630 | 8 921 | 9 697 |
| B | KZ235 | Okhahlamba | 18 974 | 20 346 | 19 010 |
| B | KZ236 | Imbabazane | 16 977 | 18 385 | 20 156 |
| C | DC23 | Uthukela District Municipality | 57 320 | 63 286 | 74 262 |
| Total: Uthukela Municipalities | | | 146 491 | 159 705 | 177 865 |
| B | KZ241 | Endumeni | 7 060 | 7 800 | 8 955 |
| B | KZ242 | Nquthu | 19 778 | 20 975 | 20 536 |
| B | KZ244 | Msinga | 25 268 | 27 149 | 19 906 |
| B | KZ245 | Umvoti | 14 779 | 15 818 | 12 856 |
| C | DC24 | Umqinyathi District Municipality | 42 506 | 46 271 | 50 091 |
| Total: Umqinyathi Municipalities | | | 109 391 | 118 014 | 112 344 |
| B | KZ252 | Newcastle | 75 432 | 83 900 | 103 122 |
| B | KZ253 | Utrecht | 5 216 | 5 528 | 4 000 |
| B | KZ254 | Dannhauser | 13 363 | 14 326 | 14 684 |
| C | DC25 | Amajuba District Municipality | 11 263 | 12 509 | 14 597 |
| Total: Amajuba Municipalities | | | 105 274 | 116 264 | 136 404 |
| B | KZ261 | eDumbe | 11 441 | 12 356 | 11 400 |
| B | KZ262 | uPhongolo | 18 303 | 19 622 | 18 682 |
| B | KZ263 | Abaqulusi | 20 684 | 22 402 | 24 429 |
| B | KZ265 | Nongoma | 23 546 | 25 030 | 21 107 |
| B | KZ266 | Ulundi | 26 311 | 27 710 | 24 035 |
| C | DC26 | Zululand District Municipality | 60 769 | 66 245 | 73 725 |
| Total: Zululand Municipalities | | | 161 053 | 173 365 | 173 377 |
| B | KZ271 | Umhlabuyalingana | 19 347 | 20 869 | 15 363 |
| B | KZ272 | Jozini | 24 345 | 26 310 | 20 820 |
| B | KZ273 | The Big Five False Bay | 6 374 | 6 775 | 4 096 |
| B | KZ274 | Hlabisa | 18 764 | 20 211 | 16 406 |
| B | KZ275 | Mtubatuba | 5 764 | 5 898 | 5 083 |
| C | DC27 | Umkhanyakude District Municipality | 48 599 | 51 824 | 50 320 |
| Total: Umkhanyakude Municipalities | | | 123 193 | 131 887 | 112 088 |
| B | KZ281 | Mbonambi | 13 713 | 14 777 | 12 986 |
| B | KZ282 | uMhlathuze | 54 196 | 59 395 | 67 802 |
| B | KZ283 | Ntambanana | 8 411 | 8 894 | 6 011 |
| B | KZ284 | Umlalazi | 28 690 | 30 730 | 24 645 |
| B | KZ285 | Mthonjaneni | 10 139 | 10 799 | 7 854 |
| B | KZ286 | Nkandla | 19 516 | 20 897 | 14 742 |
| C | DC28 | uThungulu District Municipality | 41 816 | 45 791 | 50 914 |
| Total: uThungulu Municipalities | | | 176 481 | 191 283 | 184 954 |
| B | KZ291 | eNdongakusuka | 18 559 | 19 513 | 20 791 |
| B | KZ292 | KwaDukuza | 20 154 | 21 957 | 24 381 |
| B | KZ293 | Ndwedwe | 21 764 | 23 444 | 18 468 |
| B | KZ294 | Maphumulo | 17 257 | 18 488 | 14 384 |
| C | DC29 | Ilembe District Municipality | 46 096 | 50 500 | 58 591 |
| Total: Ilembe Municipalities | | | 123 830 | 133 902 | 136 616 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|-------------------------------|--------------------|-------------------|------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| B | KZ5a1 | Ingwe | 16 855 | 18 099 | 15 078 |
| B | KZ5a2 | Kwa Sani | 4 406 | 4 645 | 3 756 |
| B | KZ5a3 | Matatiele | 4 155 | 4 479 | 4 688 |
| B | KZ5a4 | Greater Kokstad | 12 881 | 14 261 | 16 061 |
| B | KZ5a5 | Ubuhlebezwe | 16 527 | 17 876 | 15 123 |
| C | DC43 | Sisonke District Municipality | 36 380 | 40 231 | 47 396 |
| Total: Sisonke Municipalities | | | 91 203 | 99 590 | 102 103 |
| | | | | | |
| Total: KwaZulu-Natal Municipalities | | | 1 936 049 | 2 114 399 | 2 221 326 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|-----------------------------------|--------------------|-------------------|------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| LIMPOPO | | | | | |
| B | NP03A2 | Makhuduthamaga | 37 445 | 40 816 | 45 317 |
| B | NP03A3 | Fetakgomo | 14 191 | 15 178 | 13 948 |
| B | CBLC3 | Greater Marble Hall | 18 664 | 20 076 | 21 922 |
| B | CBLC4 | Greater Groblersdal | 34 654 | 37 421 | 41 906 |
| B | CBLC5 | Greater Tubatse | 36 727 | 39 410 | 40 148 |
| C | CBDC3 | Greater Sekhukhune Cross Boundary | 89 361 | 96 360 | 100 385 |
| Total: Greater Sekhukhune Cross Boundary Municipalities | | | 231 042 | 249 261 | 263 626 |
| B | NP04A1 | Manleng | 16 000 | 17 188 | 16 440 |
| B | CBLC6 | Bushbuckridge | 76 520 | 82 355 | 92 474 |
| C | CBDC4 | Bohlabela District Municipality | 60 613 | 65 923 | 73 157 |
| Total: Bohlabela Municipalities | | | 153 134 | 165 466 | 182 070 |
| B | NP331 | Greater Giyani | 40 926 | 40 925 | 41 746 |
| B | NP332 | Greater Letaba | 35 746 | 38 760 | 42 311 |
| B | NP333 | Greater Tzaneen | 56 410 | 61 393 | 66 774 |
| B | NP334 | Ba-Phalaborwa | 18 585 | 18 851 | 19 823 |
| C | DC33 | Mopani District Municipality | 92 810 | 103 321 | 120 876 |
| Total: Mopani Municipalities | | | 244 478 | 263 250 | 291 530 |
| B | NP341 | Musina | 8 603 | 9 345 | 10 009 |
| B | NP342 | Mutale | 14 946 | 15 332 | 12 614 |
| B | NP343 | Thulamela | 76 298 | 81 421 | 87 502 |
| B | NP344 | Makhado | 67 823 | 73 177 | 80 116 |
| C | DC34 | Vhembe District Municipality | 111 122 | 123 459 | 145 657 |
| Total: Vhembe Municipalities | | | 278 792 | 302 734 | 335 898 |
| B | NP351 | Blouberg | 24 522 | 26 134 | 25 523 |
| B | NP352 | Aganang | 21 276 | 22 887 | 23 309 |
| B | NP353 | Molemole | 19 828 | 21 583 | 23 964 |
| B | NP354 | Polokwane | 111 076 | 122 255 | 138 284 |
| B | NP355 | Lepelle-Nkumpi | 32 923 | 35 805 | 39 542 |
| C | DC35 | Capricorn District Municipality | 62 120 | 69 817 | 83 169 |
| Total: Capricorn Municipalities | | | 271 744 | 298 482 | 333 793 |
| B | NP361 | Thabazimbi | 17 155 | 18 944 | 19 544 |
| B | NP362 | Lephalale | 25 780 | 28 308 | 31 649 |
| B | NP364 | Mookgaphong | 6 872 | 7 538 | 8 05 |
| B | NP365 | Modimolle | 16 159 | 17 742 | 19 660 |
| B | NP366 | Bela Bela | 12 428 | 13 699 | 15 907 |
| B | NP367 | Mogalakwena | 68 591 | 75 585 | 86 793 |
| C | DC36 | Waterberg District Municipality | 3 508 | 2 409 | 2 602 |
| Total: Waterberg Municipalities | | | 150 491 | 164 226 | 184 206 |
| Total: Limpopo Municipalities | | | 1 329 681 | 1 443 420 | 1 591 124 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|---|--------|------------------------------------|--------------------|-------------------|----------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| MPUMALANGA | | | | | |
| B | MP301 | Albert Luthuli | 43 127 | 47 031 | 52 738 |
| B | MP302 | Msukaligwa | 28 526 | 31 643 | 36 753 |
| B | MP303 | Mkhondo | 27 066 | 29 657 | 32 441 |
| B | MP304 | Seme | 22 565 | 25 003 | 29 537 |
| B | MP305 | Lekwa | 21 846 | 24 204 | 27 653 |
| B | MP306 | Dipaleseng | 12 380 | 13 621 | 15 712 |
| B | MP307 | Govan Mbeki | 56 859 | 63 198 | 72 589 |
| C | DC30 | Gert Sibande District Municipality | 2 180 | 2 266 | 2 881 |
| Total: Gert Sibande Municipalities | | | 214 549 | 236 623 | 270 303 |
| B | MP311 | Delmas | 14 099 | 15 615 | 18 058 |
| B | MP312 | Emalahleni | 53 806 | 59 599 | 66 766 |
| B | MP313 | Steve Tshwete | 26 463 | 29 402 | 34 295 |
| B | MP314 | Highlands | 9 980 | 10 935 | 12 370 |
| B | MP315 | Thembisile | 60 517 | 66 391 | 76 185 |
| B | MP316 | Dr JS Moroka | 61 288 | 67 372 | 78 557 |
| C | DC31 | Nkangala District Municipality | 1 760 | 2 107 | 2 843 |
| Total: Nkangala Municipalities | | | 227 912 | 251 421 | 289 074 |
| B | MP321 | Thaba Chweu | 21 430 | 23 364 | 25 890 |
| B | MP322 | Mbombela | 93 309 | 101 724 | 110 538 |
| B | MP323 | Umgindi | 13 476 | 14 717 | 16 025 |
| B | MP324 | Nkomazi | 74 330 | 81 310 | 88 576 |
| C | DC32 | Ehlanzeni District Municipality | 3 564 | 2 684 | 3 092 |
| Total: Ehlanzeni Municipalities | | | 206 108 | 223 799 | 244 121 |
| Total: Mpumalanga Municipalities | | | 648 570 | 711 843 | 803 499 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|---|--------|-------------------------------------|--------------------|-------------------|----------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| NORTHERN CAPE | | | | | |
| B | NC01B1 | Gamagara | 4 146 | 4 076 | 4 856 |
| B | NW1a1 | Moshaweng | 16 425 | 17 566 | 18 617 |
| B | CBLC1 | Ga-Segonyana | 17 364 | 18 857 | 21 374 |
| C | CBDC1 | Kgalagadi District Municipality | 14 832 | 14 652 | 7 197 |
| Total: Kgalagadi Cross Border Municipalities | | | 52 766 | 55 150 | 52 044 |
| B | NC061 | Richtersveld | 3 235 | 3 484 | 3 998 |
| B | NC062 | Nama Khoi | 8 749 | 9 623 | 11 535 |
| B | NC064 | Kamiesberg | 3 342 | 3 410 | 3 965 |
| B | NC065 | Hantam | 5 613 | 5 843 | 6 773 |
| B | NC066 | Karoo Hoogland | 3 869 | 3 864 | 4 278 |
| B | NC067 | Khai-Ma | 3 418 | 3 670 | 4 003 |
| C | DC6 | Namakwa District Municipality | 1 911 | 1 648 | 1 722 |
| Total: Namakwa Municipalities | | | 30 137 | 31 542 | 36 274 |
| B | NC071 | Ubuntu | 5 473 | 5 420 | 6 091 |
| B | NC072 | Umsobomvu | 8 183 | 8 880 | 10 387 |
| B | NC073 | Emthanjeni | 9 445 | 10 268 | 12 334 |
| B | NC074 | Kareeberg | 3 529 | 3 520 | 3 937 |
| B | NC075 | Renosterberg | 3 930 | 4 186 | 4 817 |
| B | NC076 | Thembelihle | 3 764 | 4 018 | 4 548 |
| B | NC077 | Siyathemba | 5 499 | 5 759 | 6 762 |
| B | NC078 | Siyancuma | 9 336 | 10 074 | 11 309 |
| C | DC7 | Karoo District Municipality | 2 908 | 2 447 | 2 739 |
| Total: Karoo Municipalities | | | 52 068 | 54 571 | 62 923 |
| B | NC081 | Mier | 2 844 | 2 938 | 2 852 |
| B | NC082 | Kai ! Garib | 13 241 | 14 577 | 15 191 |
| B | NC083 | //Khara Hais | 13 296 | 14 799 | 18 367 |
| B | NC084 | ! Kheis | 4 363 | 4 639 | 5 003 |
| B | NC085 | Tsantsabane | 7 869 | 8 593 | 10 119 |
| B | NC086 | Kgatelopele | 4 199 | 4 237 | 5 104 |
| C | DC8 | Siyanda District Municipality | 3 868 | 3 929 | 3 960 |
| Total: Siyanda Municipalities | | | 49 679 | 53 712 | 60 596 |
| B | NC091 | Sol Plaatje | 43 125 | 47 808 | 56 865 |
| B | NC092 | Dikgatlong | 12 114 | 13 158 | 15 222 |
| B | NC093 | Magareng | 7 825 | 8 482 | 9 968 |
| B | CBLC7 | Phokwane | 17 413 | 18 916 | 22 041 |
| C | DC9 | Frances Baard District Municipality | 2 617 | 2 571 | 3 114 |
| Total: Frances Baard Municipalities | | | 83 094 | 90 934 | 107 210 |
| Total: Northern Cape Municipalities | | | 267 743 | 285 909 | 319 047 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|---|--------------------|-------------------|----------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| NORTH WEST | | | | | |
| B | NW371 | Moretele | 40 463 | 44 282 | 49 326 |
| B | NW372 | Madibeng | 78 709 | 85 966 | 96 399 |
| B | NW373 | Rustenburg | 79 402 | 87 839 | 90 557 |
| B | NW374 | Kgetlengrivier | 11 281 | 12 375 | 14 313 |
| B | NW375 | Moses Kotane | 61 733 | 67 449 | 78 022 |
| C | DC37 | Bojanala Platinum District Municipality | 2 829 | 1 863 | 2 154 |
| Total: Bojanala Platinum Municipalities | | | 274 416 | 299 774 | 330 772 |
| B | NW381 | Ratlou | 17 343 | 18 643 | 20 734 |
| B | NW382 | Tswaing | 16 753 | 18 163 | 20 265 |
| B | NW383 | Mafikeng | 33 316 | 36 521 | 41 591 |
| B | NW384 | Ditsobotla | 20 404 | 22 359 | 25 251 |
| B | NW385 | Zeerust | 21 100 | 22 842 | 25 345 |
| C | DC38 | Central District Municipality | 74 506 | 81 850 | 98 177 |
| Total: Central Municipalities | | | 183 422 | 200 378 | 231 365 |
| B | NW391 | Kagisano | 16 423 | 17 636 | 19 413 |
| B | NW392 | Naledi | 9 056 | 9 974 | 11 382 |
| B | NW393 | Mamusa | 8 576 | 9 303 | 10 268 |
| B | NW394 | Greater Taung | 26 479 | 28 189 | 30 507 |
| B | NW395 | Molopo | 3 727 | 3 877 | 3 484 |
| B | NW396 | Lekwa-Teemane | 7 577 | 8 265 | 9 132 |
| C | DC39 | Bophirima District Municipality | 48 742 | 53 424 | 63 885 |
| Total: Bophirima Municipalities | | | 120 580 | 130 669 | 148 071 |
| B | NW401 | Ventersdorp | 12 433 | 13 606 | 15 601 |
| B | NW402 | Potchefstroom | 24 072 | 26 854 | 31 858 |
| B | NW403 | Klerksdorp | 95 190 | 106 369 | 126 105 |
| B | NW404 | Maquassi Hills | 20 176 | 22 277 | 26 165 |
| C | DC40 | Southern District Municipality | 1 205 | 1 416 | 1 776 |
| Total: Southern Municipalities | | | 153 076 | 170 523 | 201 504 |
| Total: North West Municipalities | | | 731 494 | 801 343 | 911 712 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|--------------------------------------|--------------------|-------------------|-------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| WESTERN CAPE | | | | | |
| A | | City of Cape Town | 275 565 | 311 970 | 292 912 |
| B | WC011 | Matzikama | 8 920 | 9 878 | 11 586 |
| B | WC012 | Cederberg | 7 579 | 8 342 | 9 424 |
| B | WC013 | Bergrivier | 6 208 | 6 897 | 7 989 |
| B | WC014 | Saldanha Bay | 9 369 | 10 587 | 12 978 |
| B | WC015 | Swartland | 7 596 | 8 343 | 9 489 |
| C | DC1 | West Coast District Municipality | 1 787 | 1 791 | 2 151 |
| Total: West Coast Municipalities | | | 41 459 | 45 838 | 53 618 |
| B | WC022 | Witzenberg | 12 612 | 13 926 | 15 838 |
| B | WC023 | Drakenstein | 20 820 | 23 287 | 27 342 |
| B | WC024 | Stellenbosch | 13 118 | 14 662 | 17 068 |
| B | WC025 | Breede Valley | 18 705 | 20 778 | 24 430 |
| B | WC026 | Breede River Winelands | 13 687 | 15 292 | 18 187 |
| C | DC2 | Cape Winelands District Municipality | 2 208 | 1 807 | 695 |
| Total: Boland Municipalities | | | 81 149 | 89 752 | 103 561 |
| B | WC031 | Theewaterskloof | 14 431 | 16 031 | 18 681 |
| B | WC032 | Overstrand | 10 172 | 11 459 | 13 987 |
| B | WC033 | Cape Agulhas | 4 456 | 5 008 | 6 237 |
| B | WC034 | Swellendam | 5 428 | 5 960 | 6 913 |
| C | DC3 | Overberg District Municipality | 1 064 | 1 187 | 1 386 |
| Total: Overberg Municipalities | | | 35 551 | 39 644 | 47 204 |
| B | WC041 | Kannaland | 5 610 | 6 117 | 6 883 |
| B | WC042 | Langeberg | 7 187 | 8 072 | 10 021 |
| B | WC043 | Mossel Bay | 10 967 | 12 394 | 15 379 |
| B | WC044 | George | 20 679 | 23 259 | 28 021 |
| B | WC045 | Oudtshoorn | 11 296 | 12 675 | 15 342 |
| B | WC047 | Plettenberg Bay | 6 539 | 7 341 | 8 972 |
| B | WC048 | Knysna | 8 922 | 10 014 | 12 062 |
| C | DC4 | Eden District Municipality | 3 437 | 3 460 | 4 091 |
| Total: Eden Municipalities | | | 74 637 | 83 332 | 100 771 |
| B | WC051 | Laingsburg | 2 501 | 2 682 | 2 960 |
| B | WC052 | Prince Albert | 2 968 | 3 123 | 3 352 |
| B | WC053 | Beaufort West | 7 420 | 8 270 | 9 950 |
| C | DC5 | Central Karoo District Municipality | 5 629 | 5 639 | 3 744 |
| Total: Central Karoo Municipalities | | | 18 518 | 19 712 | 20 007 |
| Total: Western Cape Municipalities | | | 526 880 | 590 248 | 618 072 |
| National Total | | | 9 643 341 | 10 514 940 | 11 370 620 |

SCHEDULE 4A

GENERAL OR NATIONALLY ASSIGNED FUNCTION ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|--------------------------------------|--|---|---|---------------------|---|--|---|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| | | | | | R'000 | R'000 | R'000 |
| Agriculture (Vote 25) | Comprehensive Agricultural Support Programme Grant | To expand the provision of support services to promote and facilitate agricultural development. | Conditional grant, to be phased in the provincial equitable share | Eastern Cape | 47 552 | 57 061 | 69 838 |
| | | | | Free State | 21 088 | 25 306 | 38 084 |
| | | | | Gauteng | 5 727 | 6 873 | 19 651 |
| | | | | KwaZulu-Natal | 46 270 | 55 524 | 68 301 |
| | | | | Limpopo | 41 786 | 50 143 | 62 921 |
| | | | | Mpumalanga | 23 629 | 28 355 | 41 133 |
| | | | | Northern Cape | 13 148 | 15 777 | 28 555 |
| | | | | North West | 33 594 | 40 313 | 53 091 |
| | | | | Western Cape | 17 206 | 20 648 | 33 426 |
| | | | | TOTAL | 250 000 | 300 000 | 415 000 |
| | | | | Health (Vote 16) | (a) Health Professions Training and Development Grant | To support the training and development of health professionals. | Nationally assigned function grant to provinces |
| Free State | 92 517 | 92 517 | 97 143 | | | | |
| Gauteng | 554 039 | 554 039 | 581 741 | | | | |
| KwaZulu-Natal | 192 373 | 192 373 | 201 992 | | | | |
| Limpopo | 72 411 | 72 411 | 76 032 | | | | |
| Mpumalanga | 54 363 | 54 363 | 57 081 | | | | |
| Northern Cape | 41 069 | 41 069 | 43 122 | | | | |
| North West | 62 564 | 62 564 | 65 692 | | | | |
| Western Cape | 323 278 | 323 278 | 339 442 | | | | |
| TOTAL | 1 520 180 | 1 520 180 | 1 596 189 | | | | |
| (b) National Tertiary Services Grant | To fund provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives. | Nationally assigned function grant to provinces | Eastern Cape | | 353 022 | 374 203 | 392 913 |
| | | | Free State | | 432 116 | 458 043 | 480 945 |
| | | | Gauteng | | 1 760 465 | 1 866 094 | 1 959 399 |
| | | | KwaZulu-Natal | 691 451 | 732 167 | 768 078 | |
| Limpopo | 71 182 | 71 579 | 71 648 | | | | |
| Mpumalanga | 42 224 | 44 757 | 46 995 | | | | |
| Northern Cape | 76 353 | 92 286 | 107 975 | | | | |
| North West | 67 889 | 69 380 | 70 509 | | | | |
| Western Cape | 1 214 684 | 1 272 640 | 1 322 744 | | | | |
| TOTAL | 4 709 386 | 4 981 149 | 5 221 206 | | | | |

SCHEDULE 4A

GENERAL OR NATIONALLY ASSIGNED FUNCTION ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|---|--|---|---|---------------|-----------------------|-------------------|------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| National Treasury (Vote 8) | Provincial Infrastructure Grant | To fund the construction, maintenance and rehabilitation of new and existing infrastructure in education, roads, health and agriculture. | General conditional grant to provinces | Eastern Cape | R'000 675 330 | R'000 742 057 | R'000 984 943 |
| | | | | Free State | 220 921 | 242 678 | 438 423 |
| | | | | Gauteng | 369 777 | 407 745 | 406 127 |
| | | | | KwaZulu-Natal | 787 803 | 870 486 | 1 120 474 |
| | | | | Limpopo | 660 898 | 729 464 | 830 980 |
| | | | | Mpumalanga | 285 533 | 316 596 | 410 263 |
| | | | | Northern Cape | 180 529 | 201 733 | 279 241 |
| | | | | North West | 321 135 | 354 373 | 496 918 |
| | | | | Western Cape | 228 847 | 252 987 | 356 656 |
| | | | | TOTAL | 3 730 773 | 4 118 119 | 5 324 025 |
| Social Development (Vote 18) | Integrated Social Development Services Grant | To support and provide appropriate social welfare services and development interventions, and for immediate and appropriate short-term relief to vulnerable individuals and households who are not eligible and not receiving any form of assistance. | Conditional grant, to be phased in the provincial equitable share | Eastern Cape | 94 133 | 99 781 | 104 770 |
| | | | | Free State | 37 334 | 39 574 | 41 553 |
| | | | | Gauteng | 27 904 | 29 578 | 31 057 |
| | | | | KwaZulu-Natal | 68 185 | 72 276 | 75 890 |
| | | | | Limpopo | 61 146 | 64 815 | 68 056 |
| | | | | Mpumalanga | 27 651 | 29 310 | 30 775 |
| | | | | Northern Cape | 9 998 | 10 598 | 11 128 |
| | | | | North West | 41 615 | 44 112 | 46 317 |
| | | | | Western Cape | 20 034 | 21 236 | 22 298 |
| | | | | TOTAL | 388 000 | 411 280 | 431 844 |

SCHEDULE 4B

GENERAL OR NATIONALLY ASSIGNED FUNCTION ALLOCATIONS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Column A | Column B | |
|---|--------------------------------------|---|-----------------------|--------------------|--------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| Provincial and Local Government (Vote 5) | Municipal Infrastructure Grant (MIG) | To supplement municipal capital budgets to fund backlogs in basic municipal infrastructure for the provision of basic services primarily for poor households. | R'000 5 436 161 | R'000 7 453 595 | R'000 8 301 274 |
| | | | TOTAL | 5 436 161 | 7 453 595 |

1) The allocations per municipality are listed in Appendix E4 of Annexure E.

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|--|---|--|--------------------|--------------------------------|--|--|-------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| | | | | | R'000 | R'000 | R'000 |
| Agriculture (Vote 25) | Land Care Programme Grant: Poverty Relief and Infrastructure Development | To address the degradation problems of natural/agricultural resources and to improve the socio-economic status and food security of rural communities. | Conditional grant | Eastern Cape | 8 000 | 8 500 | 8 748 |
| | | | | Free State | 2 000 | 2 500 | 2 747 |
| | | | | Gauteng | 2 000 | 2 500 | 2 747 |
| | | | | KwaZulu-Natal | 8 000 | 8 500 | 8 748 |
| | | | | Limpopo | 5 000 | 5 500 | 5 747 |
| | | | | Mpumalanga | 5 500 | 6 000 | 6 247 |
| | | | | Northern Cape | 2 000 | 2 500 | 2 747 |
| | | | | North West | 5 000 | 5 500 | 5 747 |
| | | | | Western Cape | 2 500 | 3 000 | 3 247 |
| | | | | TOTAL | 40 000 | 44 500 | 46 725 |
| | | | | Education (Vote 15) | (a) Further Education and Training College Sector Recapitalisation Grant | Recapitalisation of Further Education and Training colleges. | Conditional grant |
| TOTAL | - | 500 000 | 500 000 | | | | |
| (b) HIV and Aids (Life Skills Education) Grant | To promote HIV and Aids and life skills education in primary and secondary schools. | Conditional grant | Eastern Cape | | 23 692 | 25 113 | 26 369 |
| | | | Free State | | 7 947 | 8 424 | 8 845 |
| | | | Gauteng | | 18 880 | 20 012 | 21 013 |
| | | | KwaZulu-Natal | | 31 126 | 32 994 | 34 644 |
| | | | Limpopo | | 20 371 | 21 594 | 22 673 |
| | | | Mpumalanga | | 10 317 | 10 936 | 11 483 |
| | | | Northern Cape | | 2 318 | 2 457 | 2 580 |
| | | | North West | | 10 444 | 11 071 | 11 624 |
| | | | Western Cape | | 11 198 | 11 870 | 12 464 |
| TOTAL | 136 293 | 144 471 | 151 695 | | | | |
| (c) National School Nutrition Programme Grant | To alleviate hunger and enhance active learning capacity. | Conditional grant | Eastern Cape | | 194 288 | 233 882 | 245 576 |
| | | | Free State | 53 817 | 64 784 | 68 023 | |
| | | | Gauteng | 83 006 | 99 921 | 104 917 | |
| | | | KwaZulu-Natal | 198 849 | 239 372 | 251 341 | |
| | | | Limpopo | 167 836 | 202 039 | 212 141 | |
| | | | Mpumalanga | 70 235 | 84 549 | 88 777 | |
| | | | Northern Cape | 24 628 | 29 647 | 31 129 | |
| | | | North West | 79 357 | 95 529 | 100 305 | |
| | | | Western Cape | 40 135 | 48 313 | 50 729 | |
| | | | TOTAL | 912 151 | 1 098 036 | 1 152 938 | |

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|-----------------------------|---|--|--------------------|------------------|-------------------------|-------------------------|-------------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| Health (Vote 16) | (a) Comprehensive HIV and Aids Grant | To enable the health sector to develop an effective response to the HIV and Aids epidemic and other matters. | Conditional grant | Eastern Cape | R'000 159 005 | R'000 218 021 | R'000 228 922 |
| | | | | Free State | 100 874 | 142 265 | 149 378 |
| | | | | Gauteng | 185 048 | 252 695 | 265 330 |
| | | | | KwaZulu-Natal | 251 468 | 344 304 | 361 519 |
| | | | | Limpopo | 125 899 | 175 861 | 184 654 |
| | | | | Mpumalanga | 81 392 | 107 479 | 112 853 |
| | | | | Northern Cape | 48 050 | 68 603 | 72 033 |
| | | | | North West | 100 921 | 142 316 | 149 432 |
| | | | | Western Cape | 82 451 | 115 670 | 121 454 |
| | | | | TOTAL | 1 135 108 | 1 567 214 | 1 645 575 |
| | (b) Hospital Management and Quality Improvement Grant | To transform hospital management and improve quality of care in line with national policy. | Conditional grant | Eastern Cape | 24 531 | 26 003 | 27 303 |
| | | | | Free State | 13 393 | 14 197 | 14 907 |
| | | | | Gauteng | 18 510 | 19 621 | 20 602 |
| | | | | KwaZulu-Natal | 23 778 | 25 204 | 26 464 |
| | | | | Limpopo | 17 457 | 18 505 | 19 430 |
| | | | | Mpumalanga | 12 340 | 13 081 | 13 735 |
| | | | | Northern Cape | 10 083 | 10 688 | 11 223 |
| | | | | North West | 12 642 | 13 400 | 14 070 |
| | | | | Western Cape | 17 608 | 18 664 | 19 597 |
| | | | | TOTAL | 150 342 | 159 363 | 167 331 |
| | (c) Hospital Revitalisation Grant | To fund provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, management, monitoring and evaluation of hospitals in line with national policy objectives. | Conditional grant | Eastern Cape | 157 732 | 71 666 | 102 552 |
| | | | | Free State | 113 082 | 128 853 | 104 360 |
| | | | | Gauteng | 17 955 | 148 664 | 133 093 |
| | | | | KwaZulu-Natal | 128 977 | 60 940 | 81 090 |
| Limpopo | | | | 212 918 | 123 698 | 160 690 | |
| Mpumalanga | | | | 57 018 | 101 032 | 117 071 | |
| Northern Cape | | | | 69 651 | 217 464 | 234 960 | |
| North West | | | | 98 056 | 125 493 | 106 495 | |
| Western Cape | | | | 172 038 | 202 474 | 198 987 | |
| TOTAL | | | | 1 027 427 | 1 180 284 | 1 239 298 | |

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|-----------------------------------|---|---|--------------------|---------------|-----------------------|-------------------|------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| | | | | | R'000 | R'000 | R'000 |
| Health (Vote 16) | (d) Integrated Nutrition Programme Grant | To implement integrated nutrition activities aimed at improving the nutritional status of South Africans. | Conditional grant | Eastern Cape | 26 316 | - | - |
| | | | | Free State | 7 296 | - | - |
| | | | | Gauteng | 11 333 | - | - |
| | | | | KwaZulu-Natal | 26 954 | - | - |
| | | | | Limpopo | 22 344 | - | - |
| | | | | Mpumalanga | 9 581 | - | - |
| | | | | Northern Cape | 3 299 | - | - |
| | | | | North West | 10 981 | - | - |
| | | | | Western Cape | 5 288 | - | - |
| | | | | TOTAL | 123 392 | - | - |
| Housing (Vote 28) | (a) Integrated Housing and Human Settlement Development Grant | To finance the implementation of National Housing programmes, and to facilitate habitable, stable and sustainable human settlements. | Conditional grant | Eastern Cape | 581 218 | 679 194 | 830 154 |
| | | | | Free State | 398 618 | 465 814 | 569 347 |
| | | | | Gauteng | 1 340 675 | 1 566 674 | 1 914 887 |
| | | | | KwaZulu-Natal | 799 659 | 934 457 | 1 142 153 |
| | | | | Limpopo | 397 650 | 464 682 | 567 963 |
| | | | | Mpumalanga | 321 123 | 375 255 | 458 660 |
| | | | | Northern Cape | 79 917 | 93 389 | 114 146 |
| | | | | North West | 467 880 | 546 751 | 668 274 |
| | | | | Western Cape | 456 740 | 533 733 | 652 362 |
| | | | | TOTAL | 4 843 480 | 5 659 949 | 6 917 946 |
| Housing (Vote 28) | (b) Human Settlement and Redevelopment Grant | To fund projects that aim to improve the quality of the environment by identifying dysfunctionalities in human settlements. | Conditional grant | Free State | 9 475 | - | - |
| | | | | Gauteng | 4 130 | - | - |
| | | | | Limpopo | 1 418 | - | - |
| | | | | Western Cape | 9 373 | - | - |
| | | | | TOTAL | 24 396 | - | - |
| Land Affairs (Vote 29) | Land Distribution: Alexandra Urban Renewal Project Grant | To contribute towards the purchase of land for the relocation and settlement of Alexandra residents and other qualifying beneficiaries. | Conditional grant | Gauteng | 8 000 | 8 000 | - |
| | | | | TOTAL | 8 000 | 8 000 | - |

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|-------------------------------------|---|--|--------------------|---------------|-----------------------|-------------------|-------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| | | | | | R'000 | R'000 | R'000 |
| Social Development (Vote 18) | (a) HIV and Aids (Community-Based Care) Grant | To provide social welfare services to orphans and vulnerable children who are infected and affected by HIV and Aids. | Conditional grant | Eastern Cape | 13 979 | 14 026 | 14 424 |
| | | | | Free State | 19 374 | 19 439 | 19 991 |
| | | | | Gauteng | 20 341 | 20 409 | 20 988 |
| | | | | KwaZulu-Natal | 25 187 | 25 272 | 25 990 |
| | | | | Limpopo | 9 138 | 9 168 | 9 429 |
| | | | | Mpumalanga | 20 619 | 20 688 | 21 275 |
| | | | | Northern Cape | 7 750 | 7 776 | 7 997 |
| | | | | North West | 15 914 | 15 967 | 16 420 |
| | | | | Western Cape | 6 089 | 6 109 | 6 283 |
| | | | | TOTAL | 138 391 | 138 854 | 142 797 |
| | (b) Social Assistance Administration Grant | To fund the administration of social assistance grants. | Conditional grant | Eastern Cape | 649 890 | 696 113 | 717 079 |
| | | | | Free State | 232 876 | 242 899 | 255 044 |
| | | | | Gauteng | 350 000 | 375 514 | 391 923 |
| | | | | KwaZulu-Natal | 784 235 | 819 796 | 840 402 |
| | | | | Limpopo | 500 000 | 516 290 | 542 292 |
| | | | | Mpumalanga | 246 139 | 268 391 | 283 142 |
| | | | | Northern Cape | 94 688 | 97 710 | 102 596 |
| | | | | North West | 287 993 | 316 768 | 327 974 |
| | | | | Western Cape | 236 234 | 250 839 | 273 738 |
| | | | | TOTAL | 3 382 055 | 3 584 320 | 3 734 190 |
| | (c) Social Assistance Transfers Grant | To fund social assistance transfer payments to eligible beneficiaries. | Conditional grant | Eastern Cape | 9 946 979 | 11 049 415 | 11 951 314 |
| | | | | Free State | 3 725 860 | 4 103 041 | 4 447 815 |
| | | | | Gauteng | 6 454 145 | 7 221 414 | 7 838 460 |
| | | | | KwaZulu-Natal | 11 986 896 | 13 012 642 | 14 006 710 |
| | | | | Limpopo | 6 814 594 | 7 375 574 | 7 974 876 |
| | | | | Mpumalanga | 3 531 761 | 3 834 151 | 4 163 859 |
| | | | | Northern Cape | 1 232 391 | 1 349 015 | 1 461 636 |
| | | | | North West | 4 328 016 | 4 873 356 | 5 345 759 |
| | | | | Western Cape | 4 002 671 | 4 251 501 | 4 639 629 |
| | | | | TOTAL | 52 023 313 | 57 070 109 | 61 830 058 |

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|--|---|--|--------------------|---------------|-----------------------|-------------------|---------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| | | | | | R'000 | R'000 | R'000 |
| Sport and Recreation South Africa (Vote 19) | Mass Sport and Recreation Participation Programme Grant | To fund the promotion of mass participation within disadvantaged communities in a selected number of sport activities and the empowerment of communities to manage these activities. | Conditional grant | Eastern Cape | 2 670 | 4 340 | 6 491 |
| | | | | Free State | 2 670 | 4 340 | 3 068 |
| | | | | Gauteng | 2 670 | 4 340 | 4 690 |
| | | | | KwaZulu-Natal | 2 670 | 4 340 | 7 596 |
| | | | | Limpopo | 2 670 | 4 340 | 5 115 |
| | | | | Mpumalanga | 2 670 | 4 340 | 3 087 |
| | | | | Northern Cape | 2 640 | 4 280 | 3 115 |
| | | | | North West | 2 670 | 4 340 | 3 460 |
| | | | | Western Cape | 2 670 | 4 340 | 4 328 |
| | | | | TOTAL | | | |

SCHEDULE 5A: SOCIAL ASSISTANCE TRANSFERS GRANT

| Vote | Name of Allocation | Social Assistance Transfers Grant by Grant Type | Province | Column A | Column B | |
|------------------------------------|-----------------------------------|--|------------------|-----------------------|-------------------|------------------|
| | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | 2006/07 | 2007/08 |
| | | | | R'000 | R'000 | R'000 |
| Social Development (Vote 18) | Social Assistance Transfers Grant | (a) Care Dependency Grant | Eastern Cape | 224 190 | 249 346 | 272 894 |
| | | | Free State | 36 838 | 40 177 | 44 250 |
| | | | Gauteng | 110 983 | 119 463 | 129 049 |
| | | | KwaZulu-Natal | 244 560 | 272 876 | 303 652 |
| | | | Limpopo | 105 366 | 117 595 | 130 874 |
| | | | Mpumalanga | 46 846 | 50 286 | 54 988 |
| | | | Northern Cape | 22 425 | 25 868 | 29 369 |
| | | | North West | 75 146 | 87 681 | 99 547 |
| | | | Western Cape | 70 955 | 75 877 | 81 972 |
| | | | TOTAL | 937 309 | 1 039 169 | 1 146 595 |
| | | (b) Child Support Grant (0 - 6 years) | Eastern Cape | 1 409 533 | 1 518 561 | 1 645 377 |
| | | | Free State | 489 966 | 512 345 | 549 823 |
| | | | Gauteng | 1 104 682 | 1 171 930 | 1 233 611 |
| | | | KwaZulu-Natal | 2 033 048 | 2 094 900 | 2 205 158 |
| | | | Limpopo | 1 405 410 | 1 461 347 | 1 538 259 |
| | | | Mpumalanga | 676 395 | 696 973 | 733 656 |
| | | | Northern Cape | 149 783 | 154 340 | 162 689 |
| | | | North West | 703 146 | 755 386 | 811 890 |
| | | | Western Cape | 539 553 | 564 307 | 602 918 |
| | | | TOTAL | 8 511 516 | 8 930 089 | 9 483 381 |
| | | (c) Child Support Extension Grant (7 - 13 years) | Eastern Cape | 1 136 141 | 1 560 292 | 1 689 304 |
| Free State | 404 921 | | 537 892 | 593 385 | | |
| Gauteng | 759 633 | | 1 067 721 | 1 178 037 | | |
| KwaZulu-Natal | 1 254 859 | | 1 593 557 | 1 744 753 | | |
| Limpopo | 952 156 | | 1 067 961 | 1 175 430 | | |
| Mpumalanga | 457 795 | | 504 418 | 553 413 | | |
| Northern Cape | 126 964 | | 165 366 | 180 044 | | |
| North West | 579 919 | | 793 883 | 905 098 | | |
| Western Cape | 283 372 | | 350 836 | 392 004 | | |
| TOTAL | 5 955 760 | | 7 641 926 | 8 411 468 | | |

SCHEDULE 5A: SOCIAL ASSISTANCE TRANSFERS GRANT

| Vote | Name of Allocation | Social Assistance Transfers Grant by Grant Type | Province | Column A | Column B | |
|------------------------------------|-----------------------------------|---|-------------------|-----------------------|-------------------|-------------------|
| | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | 2006/07 | 2007/08 |
| | | | | R'000 | R'000 | R'000 |
| Social Development (Vote 18) | Social Assistance Transfers Grant | (d) Disability Grant | Eastern Cape | 2 749 764 | 2 931 524 | 3 182 133 |
| | | | Free State | 1 305 816 | 1 392 130 | 1 507 163 |
| | | | Gauteng | 1 756 393 | 1 900 131 | 2 074 495 |
| | | | KwaZulu-Natal | 3 862 642 | 4 117 965 | 4 458 234 |
| | | | Limpopo | 1 021 525 | 1 126 558 | 1 258 310 |
| | | | Mpumalanga | 794 495 | 881 728 | 984 847 |
| | | | Northern Cape | 441 030 | 477 571 | 525 171 |
| | | | North West | 1 080 462 | 1 199 094 | 1 339 329 |
| | | | Western Cape | 1 391 382 | 1 451 698 | 1 580 508 |
| | | | TOTAL | 14 403 509 | 15 478 399 | 16 910 190 |
| | | (e) Foster Care Grant | Eastern Cape | 409 714 | 490 579 | 563 622 |
| | | | Free State | 244 662 | 283 474 | 323 182 |
| | | | Gauteng | 286 546 | 336 837 | 388 926 |
| | | | KwaZulu-Natal | 441 480 | 492 897 | 555 145 |
| | | | Limpopo | 192 746 | 231 051 | 266 410 |
| | | | Mpumalanga | 105 470 | 140 905 | 168 556 |
| | | | Northern Cape | 59 519 | 64 293 | 70 909 |
| | | | North West | 129 840 | 150 984 | 172 340 |
| | | | Western Cape | 175 840 | 187 235 | 205 197 |
| | | | TOTAL | 2 045 817 | 2 378 255 | 2 714 287 |
| | | (f) Old Age Grant | Eastern Cape | 3 995 009 | 4 275 986 | 4 574 262 |
| | | | Free State | 1 235 709 | 1 328 802 | 1 421 494 |
| | | | Gauteng | 2 416 756 | 2 606 456 | 2 815 608 |
| KwaZulu-Natal | 4 123 026 | | 4 412 483 | 4 711 025 | | |
| Limpopo | 3 121 673 | | 3 354 875 | 3 588 898 | | |
| Mpumalanga | 1 442 982 | | 1 551 766 | 1 660 012 | | |
| Northern Cape | 426 713 | | 455 571 | 487 350 | | |
| North West | 1 750 238 | | 1 876 793 | 2 007 711 | | |
| Western Cape | 1 526 845 | | 1 607 364 | 1 763 248 | | |
| TOTAL | 20 038 951 | | 21 470 096 | 23 029 608 | | |

SCHEDULE 5A: SOCIAL ASSISTANCE TRANSFERS GRANT

| Vote | Name of Allocation | Social Assistance Transfers Grant by Grant Type | Province | Column A | Column B | |
|---|-----------------------------------|---|---------------|-----------------------|-------------------|----------------|
| | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | 2006/07 | 2007/08 |
| | | | | R'000 | R'000 | R'000 |
| Social Development (Vote 18) | Social Assistance Transfers Grant | (g) Social Relief of Distress | Eastern Cape | 18 953 | 19 901 | 20 896 |
| | | | Free State | 7 098 | 7 453 | 7 826 |
| | | | Gauteng | 12 281 | 12 894 | 13 539 |
| | | | KwaZulu-Natal | 22 821 | 23 962 | 25 160 |
| | | | Limpopo | 12 974 | 13 623 | 14 304 |
| | | | Mpumalanga | 6 724 | 7 060 | 7 413 |
| | | | Northern Cape | 5 000 | 5 251 | 5 513 |
| | | | North West | 8 240 | 8 652 | 9 085 |
| | | | Western Cape | 7 620 | 8 001 | 8 401 |
| | | | TOTAL | 101 711 | 106 797 | 112 137 |
| | | (h) War Veterans Grant | Eastern Cape | 3 675 | 3 226 | 2 826 |
| | | | Free State | 850 | 768 | 692 |
| | | | Gauteng | 6 871 | 5 982 | 5 195 |
| | | | KwaZulu-Natal | 4 460 | 4 002 | 3 583 |
| | | | Limpopo | 2 744 | 2 564 | 2 391 |
| | | | Mpumalanga | 1 054 | 1 015 | 974 |
| | | | Northern Cape | 957 | 755 | 591 |
| | | | North West | 1 025 | 883 | 759 |
| | | | Western Cape | 7 104 | 6 183 | 5 381 |
| | | | TOTAL | 28 740 | 25 378 | 22 392 |

SCHEDULE 6

RECURRENT GRANTS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Column A | Column B | |
|---|--|---|-----------------------|-------------------|----------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| R'000 | R'000 | R'000 | | | |
| Provincial and Local Government (Vote 5) | Municipal Systems Improvement Grant | To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems. | 200 000 | 200 000 | 200 000 |
| National Treasury (Vote 8) | (a) Local Government: Financial Management Grant | To promote and support reforms to municipal financial management and the implementation of the Municipal Finance Management Act. | 132 500 | 145 250 | 145 250 |
| | (b) Local Government Restructuring Grant | To support municipal restructuring initiatives of large budget municipalities. | 350 000 | 350 000 | 350 000 |
| Water Affairs and Forestry (Vote 34) | Water Services Operating Subsidy (Augmentation to the Water Trading Account) | To augment the Water Trading Account to subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department. | 106 296 | 68 494 | 46 351 |
| TOTAL | | | 788 796 | 763 744 | 741 601 |

1) The allocations per municipality are listed in Appendix E3 of Annexure E.

SCHEDULE 6

INFRASTRUCTURE GRANTS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Column A | Column B | |
|----------------------------------|------------------------------------|--|-----------------------|-------------------|------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| Minerals and Energy (Vote 30) | National Electrification Programme | To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address electrification backlogs of permanently occupied residential dwellings. | R'000 258 000 | R'000 - | R'000 - |
| TOTAL | | | 258 000 | - | - |

SCHEDULE 7

ALLOCATIONS-IN-KIND / INDIRECT GRANTS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Column A | Column B | |
|---|--|--|-----------------------|-------------------|------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| National Treasury (Vote 8) | Local Government: Financial Management Grant | To promote and support reforms to municipal financial management and the implementation of the Municipal Finance Management Act. | 66 240 | 53 407 | 53 407 |
| Water Affairs and Forestry (Vote 34) | (a) Water Services Operating Subsidy (Augmentation to the Water Trading Account) ¹⁾ | To augment the Water Trading Account to subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department. | 828 138 | 922 006 | 993 674 |
| | (b) Implementation of Water Services Projects ¹⁾ | To fund bulk, connector and internal infrastructure for water services at a basic level of service and to implement such projects on behalf of municipalities. | 138 679 | - | - |
| TOTAL | | | 1 033 057 | 975 413 | 1 047 081 |

1) The allocations per municipality are listed in Appendix E5 of Annexure E.