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## THE PRESIDENCY

No. 408

3 April 2009

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

**No. 12 of 2009: Division of Revenue Act, 2009.**



**AIDS HELPLINE: 0800-123-22 Prevention is the cure**

*(English text signed by the President.)  
(Assented to 3 April 2009.)*

# ACT

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2009/10 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 of the Republic of South Africa, 1996, 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,

**B**E 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 20

#### 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

“**category A, B or C municipality**” has the meaning assigned to each category in terms of the Municipal Structures Act;

“**conditional allocation**” means a conditional allocation to a province, local government or municipality from the national government's share of revenue raised nationally, contemplated in section 214(1)(c) of the Constitution of the Republic of South Africa, 1996; 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 for Public Deposits Act, 1984 (Act No. 46 of 1984);

“**financial year**” means the financial year commencing on 1 April 2009 and ending on 31 March 2010; 35

“**framework**” means the conditions and other information in respect of a conditional allocation published by the National Treasury in terms of section 24;

“**Municipal Finance Management Act**” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); 40

“**municipal financial year**” means the financial year of a municipality commencing on 1 July 2009 and ending on 30 June 2010;

“**next financial year**” means the financial year commencing on 1 April 2010 and ending on 31 March 2011;

“**next municipal financial year**” means the financial year of a municipality commencing on 1 July 2010 and ending on 30 June 2011; 45

“**organ of state**” means an organ of state as defined in section 239 of the Constitution;

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

- (a) the amount of each transfer of an equitable share or any conditional allocation in terms of this Act to be transferred to a province or municipality in the financial year; 50

- (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 51;
  - “primary bank account”**—
    - (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 all conditional allocations, other than the Gautrain Rapid Rail Link Grant and the Gautrain Rapid Rail Link Loan, in terms of this Act must be deposited; and
    - (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—
    - (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”**—
    - (a) in relation to a Schedule 4, 5 or 8 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, 6, 7 or 8 allocation transferred to or provided in kind to a municipality, means the accounting officer of the municipality;
  - “this Act”** includes any framework or allocation published, or any regulation, determination or request made or instruction given under this Act;
  - “transferring national officer”** means the accounting officer of a national department that transfers a Schedule 4, 5, 6 or 8 allocation to a province or municipality or spends a Schedule 7 allocation on behalf of a municipality.
- (2) Any determination, instruction or request in terms of this Act must be in writing.

## Objects of Act

2. The objects of this Act are to—
- (a) provide for the equitable division of revenue raised nationally among the three spheres of government;
  - (b) promote better co-ordination between policy, planning, budget preparation and execution processes between and within the different spheres of government;
  - (c) 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;
  - (d) promote transparency and equity in the resource allocation process; and
  - (e) promote accountability by ensuring that all allocations are reflected on the budgets of receiving provinces and municipalities.

## CHAPTER 2

### EQUITABLE SHARE ALLOCATIONS

#### Equitable division of revenue raised nationally among spheres of government

3. (1) Revenue raised nationally in respect of the financial 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. 5

(2) An envisaged division of revenue anticipated to be raised in respect of the next financial year and the 2011/12 financial year, and which is subject to the provisions of the annual Division of Revenue Acts in respect of those financial years, is set out in Column B of Schedule 1. 10

#### Equitable division of provincial share among provinces

4. (1) Each province's equitable share of the provincial share of revenue raised nationally in respect of the financial 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 2011/12 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 2. 15

(3) 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 in terms of section 34. 20

#### Equitable division of local government share among municipalities

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

(2) An envisaged division between municipalities of revenue anticipated to be raised nationally in respect of the next financial year and the 2011/12 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 3. 25

(3) Each municipality's equitable share contemplated in subsection (1) must be transferred to the primary bank account of the municipality in three transfers on 7 July 2009, 30 November 2009 and 25 March 2010, in accordance with a payment schedule determined by the National Treasury in terms of section 34. 30

#### Shortfalls, excess revenue and additional allocations

6. (1) If actual revenue raised nationally in respect of the financial year falls short of the anticipated revenue set out in Schedule 1, the national government bears the shortfall. 35

(2) If actual revenue raised nationally in respect of the financial year exceeds the anticipated revenue set out in Schedule 1, the excess accrues to the national government, subject to subsection (3), to be used to reduce borrowing or pay debt as part of its share of revenue raised nationally, in addition to its share in Column A of Schedule 1.

(3) The national government may— 40

- (a) appropriate a portion of its equitable share or excess revenue contemplated in subsection (2) to make further allocations in an adjustments budget to—
  - (i) national departments; or
  - (ii) provinces or municipalities, as a conditional or an unconditional allocation; 5
- (b) increase a conditional allocation to a province or municipality through a virement under section 43 of the Public Finance Management Act; and
- (c) authorise expenditure in accordance with section 38.

### CHAPTER 3

## CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES 10

### *Part 1*

#### *Conditional allocations*

#### **Conditional allocations to provinces**

7. (1) Conditional allocations to provinces in respect of the financial year from the national government's share of revenue raised nationally, with the exception of the Gautrain Rapid Rail Link Loan, are set out in Column A of the following Schedules: 15

- (a) Schedule 4 specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets;
- (b) Schedule 5 specifying specific-purpose allocations to provinces; and
- (c) Schedule 8 specifying incentives to provinces to meet targets with regards to priority government programmes. 20

(2) An envisaged division of conditional allocations to provinces from the national government's share of revenue anticipated to be raised nationally for the next financial year and the 2011/12 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 25

#### **Conditional allocations to municipalities**

8. (1) Conditional allocations to local government in respect of the financial year from the national government's share of revenue raised nationally are set out in Column A of the following Schedules: 30

- (a) Schedule 4 specifying allocations to municipalities to supplement the funding of functions funded from municipal budgets;
- (b) Schedule 6 specifying specific-purpose allocations to municipalities;
- (c) Schedule 7 specifying allocations-in-kind to municipalities for designated special programmes; and 35
- (d) Schedule 8 specifying incentives to municipalities to meet targets with regards to priority government programmes.

(2) An envisaged division of conditional allocations to local government from the national government's share of revenue anticipated to be raised nationally for the next financial year and the 2011/12 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 40

(3) The National Treasury must publish the share or indicative allocation of each municipality in respect of the local government allocations contemplated in subsections (1) and (2) in the *Gazette* in terms of section 24. 45



**Part 2**

***Duties of accounting officers in respect of Schedule 4, 5, 6, 7 or 8 allocations***

**Duties of transferring national officer in respect of Schedule 4 allocation**

9. (1) The transferring national officer of a Schedule 4 allocation is responsible for—
- (a) ensuring that transfers to all provinces and municipalities are— 5
    - (i) deposited only into the primary bank account of a province or municipality; and
    - (ii) made in accordance with the payment schedule approved in terms of section 34, unless allocations are withheld or stopped in terms of section 27 or 28; 10
  - (b) monitoring expenditure and non-financial performance information on programmes funded by an allocation, provided that any monitoring programme or system—
    - (i) is approved by the National Treasury;
    - (ii) does not impose any undue administrative burden on receiving provinces and municipalities beyond the provision of standard management information; 15
    - (iii) is compatible and integrated with and does not duplicate other relevant and related national, provincial and local systems; and
    - (iv) is consistent with sections 11(2) and 25; and 20
  - (c) 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.
- (2) Where two or more national departments have responsibilities relating to a 25  
Schedule 4 allocation, the transferring national officer must co-ordinate the roles and responsibilities of such national departments and ensure that those roles and responsibilities—
- (a) are exercised in a manner that does not duplicate the responsibilities as set out in subsection (1); and 30
  - (b) do not impose any undue administrative burden on provinces or municipalities beyond the provision of standard management information.

**Duties of transferring national officer in respect of Schedule 5, 6, 7 or 8 allocation**

10. (1) A transferring national officer must—
- (a) not later than 14 days after this Act takes effect, certify to the National Treasury that—
    - (i) allocation frameworks, including conditions and monitoring provisions, are reasonable and do not impose an undue administrative burden on receiving provincial departments and municipalities beyond the provision of standard management information; 5
    - (ii) monitoring provisions are compatible and integrated with and do not duplicate other relevant and related national, provincial and local systems; 10
    - (iii) in respect of a Schedule 5 allocation, any business plans requested in respect of how allocations will be utilised by a province have been approved prior to the start of the financial year;
    - (iv) in respect of a Schedule 6 allocation transferred to a municipality, any business plans requested in respect of how allocations will be utilised by a municipality have been approved prior to the start of the financial year; 15
  - (b) transfer funds only after information required in terms of this Act has been secured and all relevant information has been provided to the National Treasury; 20
  - (c) transfer funds only in accordance with a payment schedule determined in accordance with section 34;
  - (d) deposit funds only into the primary bank account of a province or municipality, or, where appropriate, into the corporation for public deposits account of a province or the bank account designated for transfer of the Gautrain Rapid Rail Link Grant in accordance with section 17, or the Gautrain Rapid Rail Link Loan in terms of section 33; and 25
  - (e) ensure that 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 relevant information and documentation referred to in subsection (1)(a) to the National Treasury within 14 days after this Act takes effect. 30
- (3) A transferring national officer who has not complied with subsection (1) must transfer the allocation in the manner instructed by the National Treasury, including as an unconditional allocation. 35
- (4) Before making the first transfer of any allocation, the transferring national officer must take note of any notice in terms of section 44(1) from the National Treasury outlining the details of the account for each province or municipality.
- (5) Despite 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— 40
- (a) the amount of funds transferred to a province or municipality; 45
  - (b) the amount of funds withheld or stopped from any province or municipality, the reasons for the withholding or stopping and the steps taken by the transferring national officer and the receiving officer to deal with the matters or causes that necessitated the withholding or stopping of the payment;
  - (c) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 or 6 allocation; 50

- (d) the actual expenditure incurred by the transferring national officer in respect of a Schedule 7 allocation; and
- (e) such other issues as the National Treasury may determine.
- (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— 5
  - (a) in respect of a province, four months after the end of the financial year; and
  - (b) in respect of a municipality, six months after the end of the financial year.

**Duties of receiving officer in respect of Schedule 4 allocation**

- 11. (1) A receiving officer is responsible for— 10
  - (a) complying with the framework for a Schedule 4 allocation as published in terms of section 24; and
  - (b) the manner in which it allocates and spends a Schedule 4 allocation.
- (2) The receiving officer of a municipality must— 15
  - (a) ensure and certify to the National Treasury that the municipality—
    - (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 20 required inputs and outputs;
  - (b) as part of the report required in terms of section 71 of the Municipal Finance Management Act, report to the relevant provincial treasury, the National Treasury and the transferring national officer on spending and financial performance against programmes funded by the Schedule 4 allocation; and 25
  - (c) quarterly, within 30 days after the end of each quarter, report to the transferring national officer and the National Treasury on non-financial performance against programmes.
- (3) The receiving officer in a province must—
  - (a) submit, as part of the report required in section 40(4)(c) of the Public Finance 30 Management Act, reports to the relevant provincial treasury on spending and performance against programmes; and
  - (b) submit a quarterly performance report within 30 days after the end of each quarter to the transferring national officer.
- (4) The receiving officer must report against programmes funded or partially funded 35 by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report.
- (5) The receiving officer must, 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 40 the transferring national officer.

**Duties of receiving officer in respect of Schedule 5, 6 or 8 allocation**

- 12. (1) The relevant receiving officer must, in respect of a Schedule 5, 6 or 8 allocation transferred to—
  - (a) a province, as part of the report required in section 40(4)(c) of the Public 45 Finance Management Act, report on the matters referred to in subsection (2)

- and submit a copy of the section 40(4)(c) report to the relevant provincial treasury and the transferring national officer;
- (b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, report on the matters referred to in subsection (4) and submit a copy of the section 71 report to the relevant provincial treasury, the National Treasury and the relevant transferring national officer; and 5
- (c) a province or a municipality, submit a quarterly performance report within 30 days after the end of each quarter to the transferring national officer.
- (2) A report by a province in terms of subsection (1)(a) 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 amount transferred to any national or provincial public entity to implement a programme funded by a Schedule 5 allocation on behalf of a province or assist the province in implementing such a programme; 15
- (e) the actual expenditure by a public entity referred to in paragraph (d);
- (f) the extent of compliance with the conditions of an allocation provided for in a framework and with this Act; 20
- (g) an explanation of 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; and
- (h) such other issues and information as the National Treasury may determine.
- (3) (a) Subsections (1) and (2) do not apply to the receiving officer of the Gautrain Rapid Rail Link Grant or the Gautrain Rapid Rail Link Loan. 25
- (b) The receiving officer of the Gautrain Rapid Rail Link Grant must, at the end of each quarter, submit a report to the transferring national officer, detailing the payment made in that quarter to meet its payment obligation in terms of the public-private partnership agreement entered into by the province in accordance with regulations issued under the Public Finance Management Act. 30
- (c) Copies of payment certificates issued in terms of the public-private partnership agreement must be submitted together with the report referred to in paragraph (b).
- (4) 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— 35
- (a) the amount of funds stopped or withheld from the municipality;
- (b) the extent of compliance with the conditions of an allocation or part of an allocation provided for in a framework and with this Act;
- (c) an explanation of any material problems experienced by the municipality regarding an allocation which has been received and a summary of the steps taken to deal with such problems; and 40
- (d) such other issues and information as the National Treasury may determine.
- (5) The receiving officer of the 2010 FIFA World Cup Stadiums Development Grant must, in addition to subsection (1)—
- (a) include in the report contemplated in that subsection the cash flow projections for the stadium construction or upgrading in the format determined by the transferring national officer; and 45
- (b) attach to the report contemplated in that subsection copies of payment certificates issued in terms of the construction contract entered into by the municipality which comply with the requirements of the Municipal Finance Management Act. 50
- (6) The receiving officer must, within two months after the end of the financial year, and where relevant, the municipal financial year, evaluate its performance in respect of

programmes or functions funded or partially funded by an allocation and submit such evaluation to the transferring national officer.

**Duties in respect of annual financial statements and annual reports for 2009/10**

**13.** (1) The 2009/10 financial statements of a national department transferring any funds in respect of an allocation set out in Schedule 4, 5, 6 or 8 must, in addition to any requirements in terms of any other applicable law— 5

- (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; 10
- (c) indicate any re-allocations by the National Treasury in terms of section 29 or the transferring national officer in terms of section 23(7);
- (d) 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 15
- (e) indicate the funds, if any, utilised for the administration of the allocation by the receiving officer.

(2) The 2009/10 annual report of a national department transferring any funds in respect of an allocation set out in Schedule 4, 5, 6 or 8 must, in addition to any requirements in terms of any other applicable law— 20

- (a) indicate the reasons for the withholding of any transfers to a province or municipality;
- (b) indicate to what extent provinces or municipalities were monitored for compliance with the conditions of an allocation provided for in the relevant framework and the provisions of this Act; 25
- (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 2009/10 financial statements of a provincial department receiving an allocation in terms of Schedule 4, 5 or 8 must, in addition to any requirements in terms of any other applicable law— 30

- (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. 35

(4) The 2009/10 annual report of a provincial department receiving an allocation in terms of Schedule 4, 5 or 8 must, in addition to any requirements in terms of any other applicable law— 40

- (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 steps taken to deal with non-compliance with the conditions provided for in the relevant framework of such an allocation and the provisions of this Act; 45
- (c) indicate the extent to which the objectives and outputs of the allocation were achieved; and
- (d) contain such other information as the National Treasury may determine.

(5) The 2009/10 financial statements and annual report of a municipality must be prepared in accordance with the Municipal Finance Management Act. 50

(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.

### **Part 3**

#### ***Matters relating to specific Schedule 4 allocations***

##### **Infrastructure Grant to Provinces**

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14. (1) The Infrastructure Grant to Provinces set out in Schedule 4 supplements the funding of infrastructure programmes funded from provincial budgets to enable provinces to address backlogs in provincial infrastructure.

(2) A province must ensure that its provincial departments responsible for education, health and roads—

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(a) are responsible for all capital and maintenance budgets and spending for those functions;

(b) enter into, implement and manage service delivery agreements with national or provincial departments, national or public entities and any other organs of state, where such departments, entities or other organs of state manage or undertake construction or maintenance on their behalf; and

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(c) participate, together with the provincial department responsible for public works in the Infrastructure Delivery Improvement Programme facilitated by the National Treasury, unless the National Treasury has exempted a department from participation.

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(3) (a) A province, in allocating the Infrastructure Grant to Provinces—

(i) must, with the exception of the ring-fenced sectoral allocations, take into account the capacity of the receiving provincial department to spend and manage infrastructure, based on the extent of any approved roll-overs in the 2007/08 financial year and any projected roll-overs in the 2008/09 financial year; and

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(ii) may, where a receiving provincial department or a provincial department responsible for public works that manages or undertakes construction or maintenance on behalf of the receiving provincial department in accordance with an agreement referred to in subsection (2)(b) lacks capacity, designate an amount not exceeding four per cent of the allocation for acquiring such capacity.

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(b) The percentage referred to in paragraph (a)(ii) must be informed by a capacity plan prepared by the receiving provincial department or the provincial department responsible for public works and approved by the provincial treasury.

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##### **Municipal Infrastructure Grant (Cities)**

15. (1) (a) The Municipal Infrastructure Grant (Cities) set out in Schedule 4 supplements the funding of infrastructure programmes funded from the budgets of the municipalities identified in Schedule 4 to address municipal infrastructure backlogs, foster integrated built environments, as well as other investments that support the built environment.

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(b) The Municipal Infrastructure Grant (Cities) seeks to ensure integrated planning, effective leveraging of municipal resources towards the eradication of backlogs, improved performance in integrated human settlement development outcomes, and effective asset management practices.

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(c) Conditions associated with the grant must be restricted to output and outcome performance of the overall municipal capital expenditure programme.

(2) The Municipal Infrastructure Grant (Cities) may be transferred to a municipality only if the municipality—

(a) has satisfied the criteria set out in the grant policy framework; and

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(b) has submitted, by 30 May 2009, an infrastructure performance framework which complies with the requirements set out in the grant policy framework to the National Treasury and the transferring national officer, along with proof



that the performance framework and the performance targets contained therein have been ratified by a resolution of the municipal council.

(3) The provisions of the performance framework ratified by the municipal council must, for the purposes of sections 27 and 28, be regarded as provisions of this Act.

(4) The transferring national officer must submit copies of the infrastructure performance framework referred to in subsection (2)(b) to the relevant sectoral departments by 1 July 2009.

(5) A municipality receiving the Municipal Infrastructure Grant (Cities) must, together with the requirements of section 11(2)(b), report on performance against the targets provided for in the framework referred to in subsection (2)(b), in accordance and in conjunction with the reporting requirements of section 71 of the Municipal Finance Management Act.

(6) Reporting to the National Treasury in terms of subsection (5) must be regarded as compliance with section 9(1)(b).

(7) The National Treasury must make the report submitted to it in terms of section 11(2)(b) or (c) available to any other national departments that have responsibilities relating to the Grant.

### **Municipal Infrastructure Grant**

16. (1) The Municipal Infrastructure Grant set out in Schedule 4 supplements the funding of infrastructure programmes from municipal budgets, to enable municipalities that do not receive the Municipal Infrastructure Grant (Cities) to address backlogs in municipal infrastructure required for the provision of basic services.

(2) The Municipal Infrastructure Grant must be transferred directly to a category B or C municipality that has the powers and functions referred to in section 84 of the Municipal Structures Act, to enable the municipality to provide municipal infrastructure in respect of those powers and functions.

(3) The Municipal Infrastructure Grant allocation for a category B or C municipality may be transferred to the category C municipality or province within whose jurisdiction the municipality is situated if, in the assessment of the transferring national officer in consultation with the National Treasury, the municipality does not—

- (a) have sufficient expenditure capacity to effectively carry out the infrastructure programmes; or
- (b) adhere to good financial governance practices.

(4) A municipality receiving the Municipal Infrastructure Grant must table a three-year capital budget as part of its budget for the 2009/10 financial year in accordance with the Municipal Finance Management Act, unless exempted in terms of that Act.

(5) The transferring national officer of the Municipal Infrastructure Grant, in addition to the duties contemplated in section 9, must, within 20 days after the end of each month, submit a report to the National Treasury and the other national departments that have responsibilities relating to the Grant, which report must include—

- (a) expenditure and non-financial performance information on programmes funded by an allocation; and
- (b) an explanation of any material problems experienced by municipalities regarding an allocation that has been received and a summary of the interventions or steps taken to deal with such problems.

(6) The framework for the Municipal Infrastructure Grant may—

- (a) include a condition requiring the registration of a project with a national department or any other organ of state prior to the financial year or municipal financial year in which the project will be implemented or such later date as may be agreed upon between the transferring national officer and the receiving officer, but such later date may not delay or impede the commencement of that project in the relevant financial year; and
- (b) not include any condition—
  - (i) for a national department or any other organ of state, other than the

- relevant province or municipality or the National Treasury in respect of a public-private partnership, to approve specific projects or budgets; or
- (ii) requiring a report on spending other than the reports required in terms of section 11 or as approved by the National Treasury.

**Part 4**

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***Matters relating to specific Schedule 5 allocations***

**Gautrain Rapid Rail Link Grant**

17. (1) The transferring national officer of the Gautrain Rapid Rail Link Grant must, in addition to the duties contemplated in sections 10 and 34, take appropriate steps to ensure that transfers are made timeously and in a manner that allows the province to meet its payment obligations in terms of the public-private partnership agreement entered into by the province in accordance with regulations issued under the Public Finance Management Act. 10

(2) The transferring national officer must transfer the Gautrain Rapid Rail Link Grant to the bank account designated for transfer in the dedicated banking account configuration established for the transfer of the Gautrain Rapid Rail Link Grant in accordance with the directive issued by the National Treasury under section 10(2)(a) of the Division of Revenue Act, 2006 (Act No. 2 of 2006). 15

**Integrated Housing and Human Settlement Development Grant**

18. (1) The receiving officer must, in the interest of facilitating the commencement and continued implementation of the housing programme, consider advancing a portion of the allocation for the financial year, on such conditions as it may determine, to a municipality, when requested to do so by the municipality. 20

(2) Where a dispute arises between a receiving officer and a municipality in respect of the need for an advance referred to in subsection (1), the municipality may request the transferring national officer to mediate the dispute. 25

(3) The transferring national officer must, on receipt of a request referred to in subsection (2), take all necessary steps to resolve the dispute as soon as possible, but no later than 60 days after the request was received.

(4) No advance in terms of subsection (1) may be made in respect of implementation activities to be undertaken in the next financial year. 30

**Part 5**

***Matters relating to specific Schedule 6 allocations***

**2010 FIFA World Cup Stadiums Development Grant**

19. (1) The transferring national officer of a 2010 FIFA World Cup Stadiums Development Grant must, in addition to the duties contemplated in section 10, take appropriate steps to ensure that— 35

- (a) spending on stadiums in each World Cup Host City—
- (i) does not exceed the amounts appropriated for that purpose on municipal budgets; and 40
  - (ii) are in accordance with the approved payment schedule;
  - (b) the Municipal Finance Management Act is adhered to; and
  - (c) expert technical, engineering and project management support necessary to ensure the construction or upgrading of the relevant stadiums are provided to the World Cup Host Cities. 45

(2) A receiving officer must, in addition to complying with the duties and reporting requirements contemplated in section 12—



- (a) ensure that the amount budgeted for the construction or upgrading of the relevant stadium and supporting infrastructure takes into account the allocation and indicative allocations for the grant set out in Column B of Schedule 6;
  - (b) ensure that spending is in accordance with the approved payment schedule; 5
  - (c) ensure, by no later than 30 September 2010, that all stadium final financial reports are submitted by the transferring national officer to the National Treasury;
  - (d) 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). 10
- (3) (a) The transferring national officer must, after consultation with receiving officers, not later than 30 days after this Act takes effect, submit a monitoring plan to the National Treasury.
- (b) The monitoring plan must set out the key performance indicators, financial procedures, internal audit processes and monitoring and reporting mechanisms of the national department, in order to ensure the effective and efficient construction or upgrading of the relevant stadiums. 15
- (4) Any expenditure by a municipality on a stadium that exceeds the allocation and anticipated allocations set out in Schedule 6 must be funded from the municipal budget. 20
- (5) In addition to the requirements of the Municipal Finance Management Act, the disposal of a stadium by the municipality is subject to the approval of the transferring national officer and the National Treasury.
- (6) (a) The transferring national officer and the receiving officer of a 2010 FIFA World Cup Stadiums Development Grant may enter into an agreement to further clarify the provisions of this Act and the relevant framework, and to enhance the implementation of the allocation. 25
- (b) Any provision of an agreement referred to in paragraph (a) that contradicts, conflicts with or purports to amend or negate the provisions of this Act, the relevant framework, any provision of the Public Finance Management Act or any provision of the Municipal Finance Management Act, is invalid. 30

## **Part 6**

### ***Matters relating to specific Schedule 7 allocations***

#### **Integrated National Electrification Programme Grant**

20. (1) The transferring national officer must ensure that Eskom Holdings Limited's implementation of the National Electrification Programme within a municipality is aligned with the Integrated Development Plan of that municipality, and prepared in accordance with the Municipal Systems Act. 35
- (2) Eskom Holdings Limited must, within 30 days after the end of each month, report to the relevant municipality, the transferring national officer and the National Treasury on the amount spent on the implementation of the National Electrification Programme. 40

#### **Regional Bulk Infrastructure Grant**

21. The transferring national officer must, in implementing the Regional Bulk Infrastructure Grant, ensure that—
- (a) every municipality that may benefit from a specific project or scheme is invited to participate in the feasibility study to be undertaken in respect of the project or scheme, despite the fact that the municipality did not participate in submitting a motivation for that feasibility study; 45
  - (b) the feasibility study takes account of the Integrated Development Plans of municipalities, prepared in accordance with the Municipal Systems Act, 50

- especially the water services development plans that form part of the Integrated Development Plans; and
- (c) all participating municipalities—
- (i) agree to and understand the implications of the findings of the feasibility studies; and
  - (ii) enter into an agreement setting out their rights and obligations regarding the construction, ownership and operation of the proposed infrastructure, prior to the finalisation of funding arrangements and the commencement of construction.

#### **Water Services Operating Subsidy**

22. (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—
- (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.
- (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.

#### **Part 7**

#### ***Matters relating to specific Schedule 8 allocations***

#### **Expanded Public Works Programme Incentive**

23. (1) The Expanded Public Works Programme Incentive set out in Schedule 8 is a special performance-based incentive provided to provinces and municipalities that contribute to the employment creation efforts of the Expanded Public Works Programme through the employment of previously unemployed people.
- (2) In order to receive the Expanded Public Works Programme Incentive, a province or municipality must—
- (a) meet the eligibility requirements set out in the framework;
  - (b) attain the minimum performance threshold determined by the transferring national officer in terms of the framework; and
  - (c) conclude an agreement with the transferring national officer which complies with the requirements set out in the framework.
- (3) A province or municipality which is receiving the Expanded Public Works Programme Incentive must—
- (a) comply with the requirements specified in the framework and the agreement entered into between the transferring national officer and the province or municipality; and
  - (b) utilise the incentive payments received for continuing or expanding job creation programmes.
- (4) The transferring national officer must—
- (a) conclude agreements with provinces and municipalities who are eligible to receive the Expanded Public Works Programme Incentive;
  - (b) adjust the indicative allocations, threshold and performance targets of provinces and municipalities on a quarterly basis, based on their performance during the previous quarter, and submit the adjusted allocations and targets to the National Treasury within 20 days after the end of the quarter;

- (c) disburse the Expanded Public Works Programme Incentive in terms of the framework and payment schedule; and
  - (d) submit a quarterly report to the National Treasury—
    - (i) assessing the progress of the Expanded Public Works Programme Incentive and the performance of the provinces and municipalities who are eligible to receive the Incentive; and
    - (ii) detailing the amounts which were allocated for that quarter to provinces and municipalities, as well as the amounts which were paid to them for that quarter.
- (5) As this is a performance-based incentive, the allocations set out in Schedule 8 are indicative only, and are based on projected employment creation performance by provinces and municipalities.
- (6) The indicative allocations for provinces and municipalities are amounts which they will become eligible to receive if they exceed their threshold targets and meet their performance targets.
- (7) The transferring national officer may, in accordance with the terms of the framework—
- (a) revise the indicative allocations of underperforming provinces and municipalities downwards;
  - (b) reallocate the indicative allocation from any underperforming provinces and municipalities to provinces and municipalities which exceed their performance targets;
  - (c) provide additional amounts to provinces and municipalities that exceed their performance targets, subject to the availability of funds; and
  - (d) determine that a province or municipality should not be eligible to receive further incentive payments where there has been a persistent and material failure to comply with the requirements of the Act, the framework or the terms of the agreement between the transferring national officer and that province or municipality.
- (8) In accordance with section 34(3)(b), the transferring national officer must submit a provisional payment schedule, containing the indicative allocations and threshold and performance targets based on the projected performance of all eligible provinces and municipalities.
- (9) Within 20 days after the close of the quarter, the transferring officer must submit an amended payment schedule for the respective quarter to the National Treasury, based on the actual performance of all eligible provinces and municipalities.
- (10) The National Treasury must, within 30 days of the end of each quarter, publish in the *Gazette*—
- (a) the revised indicative allocations per province and municipality for that quarter;
  - (b) the revised threshold and performance targets for each province and municipality for that quarter; and
  - (c) the amounts paid during that quarter to provinces and municipalities for the Expanded Public Works Programme Incentive.
- (11) The Expanded Public Works Programme Incentive is not subject to sections 27, 28 and 29.

## **Part 8**

### ***General matters relating to Schedule 4, 5, 6, 7 or 8 allocations***

#### **Publication of allocations and frameworks**

- 24.** (1) The National Treasury must, within 14 days of this Act taking effect, publish in the *Gazette*—
- (a) the allocations per municipality, in respect of Schedule 4 and 6 allocations;

- (b) the indicative allocations per municipality, in respect of Schedule 7 allocations;
  - (c) the indicative allocations for provinces and municipalities, along with their initial threshold and performance targets, in respect of Schedule 8 allocations; and
  - (d) the framework for each Schedule 4, 5, 6, 7 or 8 allocation. 5
- (2) The National Treasury must publish in the *Gazette*—
- (a) any revisions of or amendments to the allocations or frameworks published in terms of subsection (1) authorised by an adjustment budget;
  - (b) any additional allocation that is authorised by an adjustment budget or a virement made in terms of the Public Finance Management Act; 10
  - (c) any revisions of or amendments to the allocations and frameworks published in terms of subsection (1) necessary to give effect to the conversion of a Schedule 7 allocation to a Schedule 6 allocation in terms of section 30;
  - (d) any re-allocations by the National Treasury in accordance with section 29 or the transferring national officer in terms of section 23(7); 15
  - (e) any revised allocations in respect of Schedule 7 Grants; and
  - (f) the revised indicative allocations, performance and threshold targets for the Expanded Public Works Programme Incentive in terms of section 23(10). 20
- (3) The National Treasury may at any time, after consultation with or at the written request of a transferring national officer, revise or amend a framework published in terms of subsection (1) or (2), to correct any error or omission. 20
- (4) An amendment, revision, additional allocation or re-allocation takes effect on publication thereof in the *Gazette*.

#### **Frameworks for Schedule 4 allocations**

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25. The framework for a Schedule 4 allocation must be designed to promote comprehensive reporting on outputs for a programme or function funded or partially funded by the allocation.

#### **Spending in terms of purpose and subject to conditions**

26. (1) Despite anything to the contrary contained in any law, an allocation referred to in Schedule 4, 5, 6, 7 or 8 may only be utilised for the purpose stipulated in the Schedule concerned and in accordance with the framework published in terms of section 24. 30
- (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— 35
- (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 24;
  - (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 has been received; or 40
  - (c) in the case of an advance payment or a transfer not consistent with the budget of the receiving province or municipality—
    - (i) the receiving officer has certified to the National Treasury that the transfer is not an attempt to artificially inflate its spending estimates and that there are good reasons for the advance payment or transfer; and 45
    - (ii) the National Treasury has approved the advance payment or transfer.

### **Withholding of allocation**

27. (1) Subject to subsections (2) and (3), a transferring national officer may withhold the transfer of a Schedule 4, 5 or 6 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; 5
- (b) roll-overs of conditional allocations approved by the National Treasury in accordance with section 31 have not been spent; or
- (c) expenditure on previous transfers during the financial year reflects significant under-spending, for which no satisfactory explanation is given. 10

(2) Despite subsection (1), the Health Professions Training and Development Grant and National Tertiary Services Grant may not be withheld in terms of this section.

(3) A transferring national officer must, seven working days, or such shorter period as may be approved by the National Treasury, prior to withholding an allocation in terms of subsection (1)— 15

- (a) give the relevant receiving officer—
  - (i) written notice of the intention to withhold the allocation; and
  - (ii) an opportunity to submit written representations, within those seven days or that shorter period, as to why the allocation should not be withheld; 20
- (b) inform the relevant provincial treasury and the National Treasury and, in respect of the Municipal Infrastructure Grant (Cities) and the Municipal Infrastructure Grant, also the provincial department responsible for local government of its intention to withhold the allocation. 25

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

(5) (a) The National Treasury may, when a transferring national officer is withholding an allocation in terms of subsection (1), instruct or approve a request from that transferring national officer to withhold an allocation for a period longer than 30 days, but not exceeding 120 days, if the withholding will— 30

- (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 (3) and any representations received from the receiving officer, to the National Treasury. 35

(c) The transferring national officer must again comply with subsection (3) when the National Treasury instructs or approves a request by him or her in terms of paragraph (a). 40

### **Stopping of allocation**

28. (1) Despite section 27, the National Treasury may, in its discretion or at the request of a transferring national officer, stop the transfer of—

- (a) a Schedule 4, 5 or 6 allocation referred to in section 27(1) to a province or municipality on the grounds of persistent and material non-compliance with— 45
  - (i) the provisions of this Act; or
  - (ii) a condition to which the allocation, as provided for in the relevant framework, is subject; or

- (b) a Schedule 4, 5 or 6 allocation referred to in section 27(1), if the National Treasury anticipates that a province or municipality will substantially under-spend on that programme or allocation in the financial year.
- (2) The National Treasury must, when stopping an allocation in terms of this section—
- (a) comply with section 27(3)(a), and in respect of a municipality, also with section 38 of the Municipal Finance Management Act; and
  - (b) inform the relevant provincial treasury of its intention to stop the allocation.
- (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

29. (1) (a) The National Treasury may, where it stops an allocation in terms of section 28, after consultation with the transferring national officer, determine that a portion of the allocation that will not be spent be reallocated to one or more provinces or municipalities, on condition that the allocation will be spent in the financial year or the next financial year.
- (b) The reallocation of a portion of an allocation or the full allocation on condition that the allocation will be spent in the next financial year, referred to in paragraph (a), must be deemed to be a roll-over approved by the National Treasury in terms of section 31(2)(a).
- (2) (a) Despite subsection (1), the National Treasury may, when an intervention in terms of the Constitution or section 150 of the Municipal Finance Management Act is taking place, on such conditions as it may determine, authorise—
- (i) in relation to section 100 of the Constitution, the transferring national officer to spend an allocation stopped in terms of section 28 on behalf of the relevant province;
  - (ii) in relation to section 139 of the Constitution, the intervening province to spend an allocation stopped in terms of section 28 on behalf of the relevant municipality; or
  - (iii) in relation to section 150 of the Municipal Finance Management Act, the relevant transferring national officer to spend an allocation stopped in terms of section 28 on behalf of the relevant municipality.
- (b) An allocation that is spent by the transferring national officer or intervening province referred to in paragraph (a) must, for the purposes of this Act, be regarded as a Schedule 7 allocation from the date on which the authorisation is given.

#### Conversion of Schedule 7 to Schedule 6 allocation

30. (1) The National Treasury may, in its discretion or at the request of the transferring national officer, convert a Schedule 7 allocation to a Schedule 6 allocation, if the National Treasury is of the opinion that the conversion will prevent under-spending on the allocation.
- (2) A conversion referred to in subsection (1) takes effect on the date of the publication referred to in section 24(2)(c).
- (3) The National Treasury must inform the transferring national officer and each affected receiving municipality of a conversion.



### Unspent conditional allocations

31. (1) Despite the provisions of the Public Finance Management Act or the Municipal Finance Management Act relating to roll-overs, any conditional allocation, excluding the Gautrain Rapid Rail Link Grant, the Gautrain Rapid Rail Link Loan and the Expanded Public Works Programme Incentive, that is, in the case of a province, not spent at the end of a financial year or, in the case of a municipality, at the end of a municipal financial year, reverts to the National Revenue Fund, unless the relevant receiving officer can prove to the satisfaction of the National Treasury that the unspent allocation is committed to identifiable projects. 5

(2) The National Treasury may, at the request of a transferring national officer, provincial treasury or municipality, approve— 10

- (a) a roll-over 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 significant unforeseeable and unavoidable over-spending on its budget. 15

### Allocations to public entities for provision of municipal service or function

32. No public entity, other than Eskom Holdings Limited in respect of funds received from the Department of Minerals and Energy and water boards in respect of funds received from the Department of Water Affairs and Forestry for the implementation of Schedule 7 allocations, may receive funds for the provision of a municipal service or municipal function on behalf of a municipality from a national or provincial organ of state except 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. 20

### *Part 9* 25

#### *Other allocations*

### Gautrain Rapid Rail Link Loan

33. (1) An amount of R4.2 billion is allocated to the Gauteng Province for the implementation of the Gautrain Rapid Rail Link Project, subject to a loan agreement being entered into between the Minister of Finance and the Premier of the Gauteng Province and the Province's continued compliance with the loan agreement once entered into. 30

(2) The loan agreement referred to in subsection (1) is subject to the provisions of this Act.

(3) Any non-compliance by the Gauteng Province with the requirements of the loan agreement constitutes financial misconduct contemplated in section 48. 35

## CHAPTER 4

### MATTERS RELATING TO ALL ALLOCATIONS

#### Payment schedule

34. (1) (a) The National Treasury determines the payment schedule for the transfer of a province's equitable share allocation, after consultation with the head of the department in the provincial treasury. 40

(b) 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. 45

(c) Despite paragraph (a), 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 or a portion of it which has not yet fallen due for transfer in accordance with the payment schedule.

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

(2) (a) The National Treasury determines the payment schedule for the transfer of a municipality's equitable share allocation, after consultation with the accounting officer of the national department responsible for local government. 5

(b) Despite paragraph (a), the National Treasury, after consultation with the accounting officer of the national department responsible for local government, may, for cash management purposes in the municipality or when an intervention in terms of section 139 of the Constitution or section 150 of the Municipal Finance Management Act is taking place, on such conditions as it may determine, approve a request or direct that the equitable share or a portion of it which has not yet fallen due for transfer in accordance with the payment schedule, be advanced to a municipality. 10

(c) Any advances in terms of paragraph (b) must be set off against transfers to the municipality which would otherwise become due in terms of the applicable payment schedule. 15

(3) (a) The National Treasury must approve the payment schedules for a Schedule 4, 5, 6 or 8 allocation transferred to a province or municipality.

(b) The transferring national officer of a Schedule 4, 5, 6 or 8 allocation must submit a payment schedule to the National Treasury for approval before 14 April 2009. 20

(c) Prior to the submission of a payment schedule in terms of paragraph (b), the transferring national officer must—

- (i) in relation to a Schedule 4 allocation, consult the relevant receiving officer;
- (ii) in relation to the Gautrain Rapid Rail Link Grant, ensure that the payment schedule— 25

(aa) is consistent with the projected dates for payments to the private party in terms of the public-private partnership agreement entered into by the relevant province in accordance with regulations issued under the Public Finance Management Act; and 30

(bb) reflects the portion of any payments due under the agreement referred to in subparagraph (aa) payable from the allocation; and

- (iii) in relation to a Schedule 5 or 6 allocation, consult the relevant province or municipality.

(4) The transferring national officer of a Schedule 4, 5 or 6 allocation must provide the receiving officer with a copy of the approved payment schedule prior to making the first transfer in accordance therewith. 35

#### **Amendment of payment schedule**

35. (1) Subject to subsection (2), a transferring national officer of a Schedule 4, 5 or 6 allocation must, within seven days of the withholding or stopping of an allocation in terms of section 27 or 28, amend a payment schedule as a result of the withholding or stopping of an allocation in terms of this Act and submit the amended payment schedule to the National Treasury, prior to any further transfers being made. 40

(2) The National Treasury may, in the interest of better debt and cash-flow management or to deal with financial mismanagement, slow spending or accelerated spending, amend any payment schedule for an allocation listed in Schedule 2, 3, 4, 5 or 6 on notification to— 45

(a) the accounting officer of a provincial treasury, in the case of a provincial allocation; and

(b) the accounting officer of the national department responsible for local government, in the case of a local government allocation. 50

(3) A payment schedule amended in terms of subsection (1) or (2) must take account of—



- (a) the monthly spending commitments of provinces or municipalities;
- (b) the revenue at the disposal of provinces or municipalities; and
- (c) the minimisation of risk and debt servicing costs for all three spheres of government.

(4) An amendment of a payment schedule in terms of subsection (2) prevails over any amendment made in terms of subsection (1). 5

(5) The transferring national officer must immediately inform the receiving officer of any amendment to a payment schedule in accordance with subsection (1) or (2).

#### Transfers made in error

36. (1) Despite anything to the contrary contained in any law, the transfer of an allocation to a province, municipality or public entity in error is regarded as not legally due to that province, municipality or public entity, as the case may be. 10

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

(3) Despite subsection (2), the National Treasury may instruct that the recovery contemplated in subsection (2) be effected by set-off against future transfers to the province, municipality or public entity, which would otherwise become due in accordance with a payment schedule. 15

#### Allocations not listed in Schedules

37. (1) An allocation, other than— 20

- (a) a re-allocation referred to in sections 23(7) or 29;
- (b) a revised indicative allocation in respect of a Schedule 7 or 8 grant; or
- (c) the Gautrain Rapid Rail Link Loan referred to in section 33, which is not listed in the Schedules referred to in sections 7 and 8, may only be made in terms of section 6(3). 25

(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.

#### Authorisation of expenditure

38. (1) Despite anything to the contrary contained in any other law, to defray expenditure of an exceptional nature which cannot, without serious prejudice to the public interest, be postponed to a future appropriation of funds— 30

- (a) the Minister may, in accordance with section 16 of the Public Finance Management Act and subject to conditions, make an allocation to a province or municipality from the National Revenue Fund; and
- (b) the MEC for Finance in a province may, in accordance with section 25 of the Public Finance Management Act and subject to conditions, make an allocation to a municipality from the Provincial Revenue Fund. 35

(2) The relevant treasury must publish any allocation and the conditions subject to which the allocations were made, if any, in the *Gazette*.

(3) In addition to what is provided in subsection (1), and despite any contrary provision contained in any other law, the Minister may approve expenditure qualifying for inclusion in an adjustments budget in terms of section 30(2) of the Public Finance Management Act before such an adjustments budget is passed. 40

(4) Expenditure approved in terms of subsection (3) —

- (a) may not exceed the total amount set aside as a contingency reserve in the national annual budget for the current financial year; 45
- (b) is a direct charge against the National Revenue Fund; and
- (c) must be included either in the next national adjustments budget or in other appropriation legislation tabled in the National Assembly for the financial year in which the expenditure is authorised. 50

(5) An approval granted by the Minister in respect of money to be appropriated for expenditure already announced by the Minister during the tabling of the annual budget, may be made subject to conditions.

(6) The application of this section may be regulated by regulation or treasury instruction.

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### **Implementation of re-demarcations of provincial and municipal boundaries**

**39.** (1) (a) Despite any conflicting provisions contained in legislation which re-demarcates provincial boundaries and addresses associated matters, a province (the releasing province) from which a particular area is relocated at the commencement of the legislation effecting the re-demarcation of provincial boundaries, must continue to spend its allocations for the 2009/10 financial year made in terms of this Act in that particular area, as if that area was not reallocated to another province (the receiving province), unless the affected provinces have entered into an implementation protocol or any other agreement that ensures that the relocated area is not negatively affected.

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(b) The transferring national officer of an allocation made in terms of this Act and the provincial treasury of the receiving province must monitor that the releasing province complies with paragraph (a).

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(c) The provincial treasury of the releasing province must, at the request of the transferring national officer, the receiving province or the National Treasury, demonstrate compliance with paragraph (a).

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(2) (a) Sections 27 and 28, with the necessary changes, apply where a releasing province fails to comply with subsection (1)(a) or (c) in respect of a Schedule 4, 5 or 6 allocation.

(b) The National Treasury may, where it stops an allocation in terms of paragraph (a), after consultation with the transferring national officer, determine that a portion of the allocation be reallocated to the receiving province.

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(3) The National Treasury may, where a releasing province fails to comply with subsection (1)(a) or (c), after complying with the provisions of section 216(3) of the Constitution, reallocate a portion of the releasing province's equitable share allocation referred to in section 4 to the receiving province.

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(4) (a) The allocations referred to in sections 4(2) and 7(2) are subject to adjustments necessitated by the implementation of the legislation which re-demarcates provincial boundaries.

(b) The transferring national officer of a Schedule 4, 5 or 6 allocation must, by 15 September 2009, inform the National Treasury of any adjustments to the allocations referred to in section 7(2) that must be reflected in the Division of Revenue Act for the next financial year.

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(5) (a) A category C municipality (the releasing municipality) from which a particular area or a category B municipality is transferred at the commencement of legislation which re-demarcates municipal boundaries and addresses associated matters, must continue to spend its allocations for the 2009/10 financial year made in terms of this Act in that particular area or category B municipality, as if that area was not transferred to another category C municipality (the receiving municipality), unless the affected municipalities have entered into an agreement that ensures that the relocated area or category B municipality is not negatively affected.

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(b) The transferring national officer of an allocation made in terms of this Act and the receiving municipality must monitor that the releasing municipality complies with paragraph (a);

(c) The releasing municipality must, at the request of the transferring national officer, the receiving municipality or the National Treasury, demonstrate compliance with paragraph (a).

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(6) (a) The provisions of sections 27 and 28, with the necessary changes, apply where a releasing municipality fails to comply with subsection (5)(a) or (c) in respect of a Schedule 4, 6 or 7 allocation.

(b) The National Treasury may, where it stops an allocation in terms of paragraph (a), after consultation with the transferring national officer, determine that a portion of the allocation be reallocated to the receiving municipality.

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(7) The National Treasury may, where a releasing municipality fails to comply with

subsection (5)(a) or (c), reallocate a portion of the releasing municipality's equitable share allocation referred to in section 5 to the receiving municipality.

(8) (a) The allocations referred to in sections 5(2) and 8(2) are subject to adjustments necessitated by the implementation of the legislation which re-demarcates the municipal boundaries.

(b) The transferring national officer of a Schedule 4, 6 or 7 allocation must, by 15 September 2009, inform the National Treasury of any adjustments to the allocations referred to in section 8(2) that must be reflected in the Division of Revenue Act for the next financial year.

#### **Preparations for next financial year and 2011/12 financial year**

**40.** (1) (a) The receiving officer of an Infrastructure Grant to Provinces must, by 30 June 2009, submit detailed infrastructure plans in a format determined by the National Treasury, to the provincial treasury.

(b) The infrastructure plans must indicate the prioritised projects to be funded from the allocations for the next financial year and the 2011/12 financial year, as set out in column B of Schedule 4.

(c) The provincial treasury must—

(i) review the infrastructure plans of all receiving officers, and must assess the extent to which those plans are aligned to the Integrated Development Plan of each affected municipality, and submit the integrated plans to the National Treasury by 28 August 2009, together with the provincial budget submission;

(ii) ensure that the infrastructure budgets of the receiving departments include an allocation for project design and the initiation of procurement for projects to be implemented in the next financial year and the 2011/12 financial year, and that infrastructure budgets are aligned with cash flow requirements of the planned projects in a given year; and

(iii) ensure that the infrastructure budgets of the receiving departments make adequate provision for operations and maintenance associated with newly constructed or upgraded infrastructure.

(2) The receiving officer of a Municipal Infrastructure Grant (Cities) must, by 30 October 2009, submit an infrastructure performance framework referred to in section 15(2)(b) to the National Treasury and the transferring national officer for the next financial year and the 2011/12 financial year.

(3) (a) The receiving officer of a Municipal Infrastructure Grant must, by 30 October 2009, submit a detailed infrastructure plan to the transferring national officer for the next financial year and the 2011/12 financial year.

(b) The infrastructure plan referred to in paragraph (a) must address those matters and be in a format determined by the transferring national officer with the concurrence of the National Treasury.

(4) (a) The receiving officer of an Integrated Housing and Human Settlement Development allocation must, using the envisaged conditional allocations to that province for the next financial year and the 2011/12 financial year as set out in Column B of Schedule 5, by 1 October 2009—

(i) agree on the provisional allocations and the projects to be funded from the allocations in the next financial year and the 2010/11 financial year with each municipality identified by the transferring national officer in consultation with the National Treasury; and

(ii) submit to the transferring national officer—

(aa) the provisional allocations referred to in subparagraph (i);

(bb) the prioritised projects referred to in subparagraph (i), listed per municipality, to be funded from the allocations for the next financial year and the 2011/12 financial year; and

- (cc) a housing development plan indicating how the projects referred to in subparagraph (i) give effect to the Integrated Development Plan of each municipality;
- (b) The National Treasury may identify the municipalities referred to in paragraph (a)(i) if the transferring national officer has not done so by 1 August 2009. 5
- (c) Where a municipality and a receiving officer cannot agree on the allocations and projects referred to in subsection (4)(a), the receiving officer must request the transferring national officer to facilitate agreement.
- (d) The transferring national officer must take all necessary steps to facilitate agreement as soon as possible, but no later than 60 days after receiving a request. 10
- (e) Any proposed amendment or adjustment of the allocations published in terms of section 43 must be agreed with the relevant municipality, the transferring national officer and the National Treasury prior to the submission of the allocations referred to in paragraph (a)(ii).
- (5) (a) A category C municipality that receives an equitable share, a conditional allocation, or both, in terms of this Act must, using the envisaged conditional allocations to that municipality for the next financial year and the 2011/12 financial year as set out in Column B of the Schedules, by 1 October 2009— 15
- (i) agree the provisional allocations and the projects to be funded from those allocations in the next financial year and the 2011/12 financial year with each category B municipality within the category C municipality's area of jurisdiction; and 20
- (ii) submit to the transferring national officer—
- (aa) the provisional allocations referred to in subparagraph (i); and
- (bb) the prioritised projects referred to in subparagraph (i) listed per municipality to be funded from the allocations for the next financial year and the 2011/12 financial year. 25
- (b) Where a category C municipality and a category B municipality cannot agree on the allocations and projects referred to in paragraph (a), the category C municipality must request the relevant transferring national officer to facilitate agreement. 30
- (c) The transferring national officer must take all necessary steps to facilitate agreement as soon as possible, but no later than 60 days after receiving a request.
- (d) Any proposed amendment or adjustment of the allocations published in terms of section 43(3)(b) must be agreed with the relevant category B municipality, transferring national officer and the National Treasury, prior to the submission of the allocations referred to in paragraph (a)(ii). 35
- (e) Should agreement not be reached between the category C municipality and the category B municipality on the provisional allocations and projects referred to in paragraph (a) prior to 1 October 2009, the National Treasury may proceed to determine the provisional allocations and provide those provisional allocations to the municipalities concerned and the transferring national officer. 40
- (6) (a) The transferring national officer of a conditional allocation, using the envisaged conditional allocations for the next financial year and the 2011/12 financial year as set out in Column B of the Schedules to this Act, must, by 31 July 2009 submit to the National Treasury for approval— 45
- (i) the provisional allocations to each province or municipality in respect of new conditional allocations to be made in the next financial year;
- (ii) any amendments to the envisaged allocations for each province or municipality set out in Column B of the Schedules in respect of existing conditional allocations; and 50
- (iii) the draft frameworks for the allocations referred to in subparagraphs (i) and (ii) in the format to be determined by the National Treasury.
- (b) Any proposed amendment or adjustment of the allocation criteria of an existing conditional allocation from the financial year to the next financial year must be agreed

with the National Treasury prior to the submission of the provisional allocations and draft frameworks referred to in paragraph (a)(ii) and (iii).

(c) The National Treasury may, if the transferring national officer fails to comply with paragraph (a) by 31 July 2009, determine—

- (i) the provisional allocations in paragraph (a)(i); 5
- (ii) any amendments to the envisaged allocations contemplated in paragraph (a)(ii); and
- (iii) the draft frameworks for the allocations referred to in paragraph (a)(iii), and submit that information to the relevant provinces or municipalities.

(d) (i) The final allocations based on the provisional allocations referred to in paragraph (a)(i) and (ii) must be submitted to the National Treasury by 7 December 2009. 10

(ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 7 December 2009, the National Treasury may determine the appropriate allocations, taking into consideration the envisaged allocations for the next financial year. 15

(7) The National Treasury may, in preparation for the next financial year, instruct transferring national officers, receiving officers and municipalities to submit to it such plans and information for any conditional allocation as it may determine at specified times prior to the start of the next financial year. 20

#### **Expenditure prior to commencement of Division of Revenue Act, 2010**

41. Despite sections 3(2), 7(2) and 8(2), if the annual Division of Revenue Act for the next financial year has not commenced before or on 1 April 2010, the National Treasury may determine that an amount not exceeding 45 per cent of the total amount of each allocation made in terms of sections 3(1), 7(1) and 8(1) be transferred to the relevant province or municipality as a direct charge against the National Revenue Fund. 25

### **CHAPTER 5**

#### **DUTIES OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY**

##### **Duties of municipalities** 30

42. (1) (a) In addition to the requirements of the Municipal Finance Management Act, the accounting officer of a category C municipality must, no later than 14 April 2009, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, for the 2009/10 municipal financial year, and the two following municipal financial years. 35

(b) The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities. 40

(2) A category C municipality that is providing a municipal service must, before implementing any capital project for water, electricity, roads or any other municipal service, consult the category B municipalities within whose area of jurisdiction the project will be implemented, and agree in writing which municipality is responsible for the operational costs and the collection of user fees. 45

(3) A category C municipality must ensure that it does not duplicate a function currently performed by a category B municipality, and must transfer funds for the provision of services, including basic services, to the relevant category B municipality that is providing municipal services, irrespective of the fact that—

- (a) the category C municipality retains the power or function in terms of the Municipal Structures Act; and 50



- (b) a service delivery agreement for the provision of services by the category B municipality on behalf of the category C municipality has not been concluded.
- (4) A category B municipality which is not authorised to perform a function in terms of the Municipal Structures Act may not extend the scope or type of services that it currently provides, without—
- (a) entering into a service delivery agreement with the category C municipality which is authorised to perform the function in terms of the Municipal Structures Act; or
- (b) obtaining the legal authorisation to perform the function in terms of the Municipal Structures Act.
- (5) (a) A category C municipality and a category B municipality must, before the commencement of a municipal financial year, agree to a payment schedule in respect of the allocations referred to in subsection (1)(b) to be transferred to the category B municipality in that financial year, and the category C municipality must submit the payment schedule to the National Treasury.
- (b) A category C municipality must make transfers in accordance with the payment schedule submitted in terms of paragraph (a).
- (6) (a) The National Treasury may withhold or stop any allocation to the category C municipality and reallocate the allocation to the relevant category B municipalities if a category C municipality fails to—
- (i) make allocations referred to in subsection (1)(b);
- (ii) reach an agreement contemplated in subsection (2); or
- (iii) submit a payment schedule in accordance with subsection (5).
- (b) Sections 27(3) and 28(3) and (4) of this Act and section 216 of the Constitution apply, with the necessary changes, to the withholding and stopping of an allocation in accordance with paragraph (a).
- (c) The National Treasury may, where it stops an allocation in terms of this section, after consultation with the transferring national officer, determine that a portion of the allocation that will not be spent be reallocated to one or more municipalities, on condition that the allocation will be spent in the financial year or the next financial year.
- (7) 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 considered for approval in accordance with section 24 of the Municipal Finance Management Act.

#### **Duties of provincial treasuries**

- 43.** (1) The provincial treasury must reflect Schedule 5 allocations separately in the province's appropriation Bill or a schedule to its appropriation Bill.
- (2) (a) The provincial treasury must, on the same day that its budget is tabled in the provincial legislature, or a later date approved by the National Treasury, but not later than 14 April 2009, publish the following in the *Gazette*:
- (i) the indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds;
- (ii) the indicative allocation to be made per school in the province;
- (iii) the indicative portion of the Integrated Housing and Human Settlement Development allocation to each municipality;
- (iv) the indicative allocation to any national or provincial public entity for the implementation of a programme funded by a Schedule 5 allocation on behalf of a province or for assistance provided to the province in implementing such a programme;
- (v) the envisaged division of the allocation contemplated in subparagraphs (i)-(iv), in respect of each municipality and school, for the next financial year and the 2011/12 financial year;
- (vi) the conditions and other information in respect of the allocations referred to in subparagraphs (i), (ii) and (iii) to facilitate performance measurement and the use of required inputs and outputs; and

- (vii) the budget of each hospital in a format determined by the National Treasury.
- (b) The allocations and budgets referred to in paragraph (a) must be deemed to be final if the legislature passes the appropriation Bill without any amendments.
- (c) In the event that the legislature amends the appropriation Bill, the accounting officer of the provincial treasury must publish amended allocations and budgets in the *Gazette* within 14 days of the legislature passing the appropriation Bill. 5
- (3) (a) Despite anything to the contrary contained in any law, a provincial treasury may, in accordance with a framework determined by the National Treasury, amend the allocations referred to in subsection (2) or make additional allocations to municipalities that were not published in terms of subsection (1) or (2). 10
- (b) The amended allocations and allocations referred to in paragraph (a) must be included in the province's budget documents that are submitted with an adjustment appropriation Bill to its legislature.
- (c) The provisions of subsection (2), with the necessary changes, apply in respect of allocations referred to in paragraph (b). 15
- (4) 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 the allocation to the municipality in terms of section 226(3) of the Constitution as a direct charge against that province's Revenue Fund and must inform the National Treasury of the transfer. 20
- (5) (a) 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—
- (i) actual transfers received by the province from national departments; 25
  - (ii) actual expenditure on such allocations, excluding Schedule 4 allocations, up to the end of that month; and
  - (iii) actual transfers made by the province to municipalities, and actual expenditure by municipalities on such allocations.
- (b) The report contemplated in paragraph (a) must include reports for each quarter, and be in the format and include the information as may be determined by the National Treasury. 30
- (6) A provincial treasury must—
- (a) ensure—
- (i) that a payment schedule is agreed between each provincial department and receiving institution referred to in subsection (2)(a); and 35
  - (ii) that transfers are made in accordance therewith.
- (b) submit the payment schedules to the National Treasury within 14 days of the commencement of the financial year.

#### **Duties of National Treasury**

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- 44.** (1) The National Treasury must, within 14 days of this Act taking effect, submit a notice to all transferring national officers, containing the details of the bank accounts of each province and municipality.
- (2) 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 37. 45
- (3) The National Treasury may, in any report it publishes that aggregates reports published by provincial treasuries contemplated in section 71(7) of the Municipal Finance Management Act, and in any report in respect of municipal finances, include a report on the equitable share and conditional allocations provided for in this Act. 50

## CHAPTER 6

### GENERAL

#### **Allocations by public entities to provinces or municipalities**

**45.** The accounting officer of a provincial department or municipality that receives funds from a public entity as a grant, sponsorship or donation must disclose in its financial statements the purpose and amount of each such grant, sponsorship or donation received. 5

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

**46.** (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. 10

(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. 15

(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). 20

#### **Unauthorised and irregular expenditure**

**47.** (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: 25

- (a) a transfer prohibited in terms of section 26(2) of this Act; or
- (b) a transfer by a transferring national officer to a bank account of a province or municipality that is not—
  - (i) the primary bank account;
  - (ii) in respect of provinces, a corporation for public deposits account; 30
  - (iii) in respect of the Gautrain Rapid Rail Link Grant, the account referred to in section 17(2); or
  - (iv) in respect of the Gautrain Rapid Rail Link Loan, the account designated in terms of the Loan Agreement.

(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. 35

#### **Financial misconduct**

**48.** (1) Despite anything to the contrary contained in any law, any serious or persistent non-compliance with a provision of this Act, and in particular, any non-compliance with section 40, constitutes financial misconduct. 40

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

#### **Delegations and assignments** 45

**49.** (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— 50



- (a) is subject to any limitations or conditions that the Minister may impose;
- (b) may authorise that official to subdelegate, 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

50. (1) The National Treasury may, on written application by a transferring national officer, exempt such officer in writing from complying with a provision of this Act. 10

(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

51. The Minister may, by notice in the *Gazette*, make regulations regarding— 15

- (a) anything which must or may be prescribed in terms of this Act; and
- (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 20

52. (1) Subject to subsection (2), the Division of Revenue Act, 2008 (Act No. 2 of 2008), is hereby repealed.

(2) The repeal of the Division of Revenue Act, 2008 (Act No. 2 of 2008), does not affect any duty or obligation set out in that Act, the execution of which is still outstanding. 25

### Short title and commencement

53. This Act is called the Division of Revenue Act, 2009, and takes effect on 1 April 2009 or the date of publication thereof by the President in the *Gazette*, whichever is the later date.

### SCHEDULE 1

#### EQUITABLE DIVISION OF REVENUE RAISED NATIONALLY AMONG THE THREE SPHERES OF GOVERNMENT

Spheres of Government	Column A	Column B	
	2009/10 Allocation	Forward Estimates	
		2010/11	2011/12
	R'000	R'000	R'000
National <sup>1,2</sup>	483 665 383	509 416 140	544 146 880
Provincial	231 050 881	253 670 492	272 934 054
Local	23 846 502	29 267 706	31 889 901
<b>TOTAL</b>	<b>738 562 766</b>	<b>792 354 338</b>	<b>848 970 835</b>

1. National share includes conditional allocations to provincial and local spheres, general fuel levy sharing with metropolitan municipalities, debt service cost and the contingency reserve.
2. The direct charges for the provincial equitable share are netted out.

### 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	
	2009/10 Allocation	Forward Estimates	
		2010/11	2011/12
	R'000	R'000	R'000
Eastern Cape	35 940 398	38 983 317	41 431 044
Free State	14 236 280	15 466 344	16 465 163
Gauteng	38 896 845	43 336 279	47 305 421
KwaZulu-Natal	49 989 762	54 742 454	58 748 345
Limpopo	29 861 344	32 567 740	34 806 606
Mpumalanga	19 005 445	20 819 407	22 350 564
Northern Cape	6 192 507	6 801 249	7 320 267
North West	16 121 174	17 813 857	19 290 052
Western Cape	20 807 126	23 139 845	25 216 592
<b>TOTAL</b>	<b>231 050 881</b>	<b>253 670 492</b>	<b>272 934 054</b>

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY

Number Municipality			National Financial Year		
			Column A	Column B	
			2009/10 Allocation	Forward Estimates	
				2010/11	2011/12
			R'000	R'000	R'000
<b>EASTERN CAPE</b>					
A	NMA	Nelson Mandela	456 625	579 518	636 311
B	EC101	Camdeboo	23 014	28 512	31 135
B	EC102	Blue Crane Route	24 450	30 271	33 049
B	EC103	Ikwezi	9 111	11 236	12 260
B	EC104	Makana	41 807	51 979	56 819
B	EC105	Ndlambe	34 983	43 437	47 462
B	EC106	Sundays River Valley	20 232	24 992	27 275
B	EC107	Baviaans	9 535	11 764	12 836
B	EC108	Kouga	26 991	33 255	36 616
B	EC109	Koukamma	17 875	22 118	24 146
C	DC10	Cacadu District Municipality	63 569	68 769	72 080
<b>Total: Cacadu Municipalities</b>			<b>271 569</b>	<b>326 333</b>	<b>353 679</b>
B	EC121	Mbhashe	61 253	75 599	82 488
B	EC122	Mnquma	88 519	109 454	119 467
B	EC123	Great Kei	18 944	23 419	25 558
B	EC124	Amahlathi	54 635	67 538	73 704
B	EC125	Buffalo City	392 875	492 572	545 235
B	EC126	Ngqushwa	37 180	45 956	50 151
B	EC127	Nkonkobe	57 125	70 637	77 092
B	EC128	Nxuba	12 780	15 805	17 251
C	DC12	Amatole District Municipality	401 480	473 073	497 259
<b>Total: Amatole Municipalities</b>			<b>1 124 791</b>	<b>1 374 054</b>	<b>1 488 206</b>
B	EC131	Inxuba Yethemba	25 732	31 886	34 817
B	EC132	Tsolwana	15 020	18 509	20 189
B	EC133	Inkwanca	10 639	13 131	14 327
B	EC134	Lukhanji	68 291	84 457	92 182
B	EC135	Intsika Yethu	54 631	67 357	73 479
B	EC136	Emalahleni	40 449	49 912	54 455
B	EC137	Engcobo	37 019	45 691	49 854
B	EC138	Sakhisizwe	21 399	26 469	28 890
C	DC13	Chris Hani District Municipality	223 806	275 094	300 385
<b>Total: Chris Hani Municipalities</b>			<b>496 988</b>	<b>612 505</b>	<b>668 578</b>
B	EC141	Elundini	39 444	48 634	53 058
B	EC142	Senqu	52 274	64 668	70 581
B	EC143	Maletswai	13 908	17 174	18 742
B	EC144	Gariep	15 083	18 681	20 396
C	DC14	Ukhahlamba District Municipality	100 602	122 888	134 158
<b>Total: Ukhahlamba Municipalities</b>			<b>221 312</b>	<b>272 046</b>	<b>296 936</b>
B	EC151	Mbizana	59 746	73 660	80 355
B	EC152	Ntabankulu	33 103	40 791	44 497
B	EC153	Ngquza Hill	57 934	71 450	77 952
B	EC154	Port St Johns	35 278	43 472	47 421
B	EC155	Nyandeni	69 802	86 232	94 100
B	EC156	Mhlontlo	53 515	66 089	72 116
B	EC157	King Sabata Dalindyebo	100 474	125 001	136 577
C	DC15	O.R. Tambo District Municipality	324 580	396 607	433 096
<b>Total: O.R. Tambo Municipalities</b>			<b>734 433</b>	<b>903 301</b>	<b>986 113</b>
B	EC442	Umtzimvubu	56 261	69 453	75 784
B	EC441	Matatiele	56 549	69 808	76 174
C	DC44	Alfred Nzo District Municipality	99 863	122 097	133 290
<b>Total: Alfred Nzo Municipalities</b>			<b>212 672</b>	<b>261 358</b>	<b>285 248</b>
<b>Total: Eastern Cape Municipalities</b>			<b>3 518 390</b>	<b>4 329 116</b>	<b>4 715 072</b>

**SCHEDULE 3**

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality			National Financial Year	
			Column A	Column B
			2009/10 Allocation	Forward Estimates
				2010/11 2011/12
<b>FREE STATE</b>				
B	FS161	Letsemeng	31 915	39 535 43 166
B	FS162	Kopanong	57 098	70 795 77 307
B	FS163	Mohokare	32 087	39 750 43 403
C	DC16	Xhariep District Municipality	11 557	13 128 13 992
<b>Total: Xhariep Municipalities</b>			<b>132 656</b>	<b>163 209 177 868</b>
B	FS171	Naledi	23 469	29 068 31 737
B	FS172	Mangaung	384 373	481 570 533 031
B	FS173	Mantsopa	42 289	52 423 57 249
C	DC17	Motheo District Municipality	142 772	151 579 139 253
<b>Total: Motheo Municipalities</b>			<b>592 904</b>	<b>714 639 761 269</b>
B	FS181	Masilonyana	51 953	64 372 70 289
B	FS182	Tokologo	27 147	33 594 36 673
B	FS183	Tswelopele	38 340	47 493 51 855
B	FS184	Matjhabeng	278 382	348 025 380 804
B	FS185	Nala	87 860	108 945 118 975
C	DC18	Lejweleputswa District Municipality	83 578	90 250 94 499
<b>Total: Lejweleputswa Municipalities</b>			<b>567 260</b>	<b>692 679 753 094</b>
B	FS191	Setsoto	105 206	130 421 142 422
B	FS192	Dihlabeng	80 146	99 843 109 194
B	FS193	Nketoana	48 893	60 584 66 154
B	FS194	Maluti-a-Phofung	208 757	259 702 283 804
B	FS195	Phumelela	34 749	43 021 46 968
C	DC19	Thabo Mofutsanyana District Municipality	53 417	59 196 62 511
<b>Total: Thabo Mofutsanyana Municipalities</b>			<b>531 167</b>	<b>652 767 711 053</b>
B	FS201	Moghaka	106 449	131 969 144 121
B	FS203	Ngwathe	99 420	123 251 134 598
B	FS204	Metsimaholo	61 351	77 036 84 388
B	FS205	Mafube	48 454	60 026 65 541
C	DC20	Fezile Dabi District Municipality	116 094	122 511 127 284
<b>Total: Fezile Dabi Municipalities</b>			<b>431 766</b>	<b>514 792 555 933</b>
<b>Total: Free State Municipalities</b>			<b>2 255 754</b>	<b>2 738 086 2 959 217</b>

**SCHEDULE 3**

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality			National Financial Year	
			Column A	Column B
			2009/10 Allocation	Forward Estimates
				2010/11 2011/12
<b>GAUTENG</b>				
A	EKU	Ekurhuleni	1 099 319	1 404 710 1 543 160
A	TSH	City of Johannesburg	1 234 256	1 626 603 1 804 526
A	JHB	City of Tshwane	512 149	675 636 747 670
B	GT461	Nokeng tsa Taemane	22 439	27 999 30 630
B	GT462	Kungwini	50 363	63 690 69 936
C	DC46	Metsweding District Municipality	23 617	25 739 27 051
<b>Total: Metsweding Municipalities</b>			<b>96 419</b>	<b>117 429 127 617</b>
B	GT421	Emfuleni	388 199	485 954 531 822
B	GT422	Midvaal	28 363	35 906 39 439
B	GT423	Lesedi	37 541	46 817 51 216
C	DC42	Sedibeng District Municipality	201 583	212 437 220 612
<b>Total: Sedibeng Municipalities</b>			<b>655 685</b>	<b>781 114 843 089</b>
B	GT481	Mogale City	132 729	167 331 183 456
B	GT482	Randfontein	56 171	70 747 77 601
B	GT483	Westonaria	62 218	77 134 84 223
C	DC48	West Rand District Municipality	142 585	151 127 157 251
<b>Total: West Rand Municipalities</b>			<b>393 703</b>	<b>466 339 502 531</b>
<b>Total: Gauteng Municipalities</b>			<b>3 991 530</b>	<b>5 071 829 5 568 593</b>

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY

Number Municipality			National Financial Year	
			Column A	Column B
			2009/10 Allocation	Forward Estimates 2010/11 2011/12
<b>KWAZULU-NATAL</b>				
A	ETH	eThekweni	1 095 568	1 336 019 1 472 018
B	KZN211	Vulamehlo	19 326	23 814 25 977
B	KZN212	Umdoni	16 484	20 444 22 338
B	KZN213	Umzumbe	48 056	59 284 64 679
B	KZN214	uMuziwabantu	23 904	29 532 32 229
B	KZN215	Ezinqolweni	14 261	17 616 19 223
B	KZN216	Hibiscus Coast	53 663	67 774 74 351
C	DC21	Ugu District Municipality	161 248	195 518 213 473
<b>Total: Ugu Municipalities</b>			<b>336 941</b>	<b>413 982 452 269</b>
B	KZN221	uMshwathi	32 399	40 030 43 681
B	KZN222	uMngeni	19 999	25 415 27 949
B	KZN223	Mooi Mpofana	13 106	16 228 17 717
B	KZN224	Impendle	12 919	15 941 17 392
B	KZN225	Msunduzi	199 824	255 504 284 638
B	KZN226	Mkhambathini	16 242	20 028 21 849
B	KZN227	Richmond	17 073	21 080 23 002
C	DC22	uMgungundlovu District Municipality	218 249	254 738 264 245
<b>Total: uMgungundlovu Municipalities</b>			<b>529 810</b>	<b>648 965 700 471</b>
B	KZN232	Ennambithi/Ladysmith	64 822	80 658 88 183
B	KZN233	Indaka	34 737	42 935 46 856
B	KZN234	Umtshezi	16 648	20 811 22 786
B	KZN235	Okhahlamba	35 045	43 307 47 261
B	KZN236	Imbabazane	37 738	46 644 50 901
C	DC23	Uthukela District Municipality	159 193	193 675 211 480
<b>Total: Uthukela Municipalities</b>			<b>348 183</b>	<b>428 031 467 466</b>
B	KZN241	Endumeni	15 160	19 045 20 878
B	KZN242	Nquthu	37 377	46 137 50 343
B	KZN244	Msinga	36 575	45 039 49 126
B	KZN245	Umvoti	23 720	29 296 31 971
C	DC24	Umzinyathi District Municipality	105 793	128 955 140 814
<b>Total: Umzinyathi Municipalities</b>			<b>218 625</b>	<b>268 473 293 132</b>
B	KZN252	Newcastle	178 204	222 180 242 927
B	KZN253	eMadlangeni	7 615	9 352 10 197
B	KZN254	Dannhauser	27 230	33 620 36 684
C	DC25	Amajuba District Municipality	66 487	77 255 84 299
<b>Total: Amajuba Municipalities</b>			<b>279 536</b>	<b>342 407 374 106</b>
B	KZN261	eDumbe	20 763	25 665 28 011
B	KZN262	uPhongolo	34 490	42 663 46 565
B	KZN263	Abaqulusi	45 536	56 210 61 329
B	KZN265	Nongoma	38 960	48 036 52 403
B	KZN266	Ulundi	44 577	54 982 59 989
C	DC26	Zululand District Municipality	159 047	194 146 211 993
<b>Total: Zululand Municipalities</b>			<b>343 372</b>	<b>421 701 460 290</b>

**SCHEDULE 3**

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality		National Financial Year		
		2009/10 Allocation	Column B	
			Forward Estimates	
			2010/11	2011/12
B	KZN271 Umhlabuyalingana	28 225	34 756	37 910
B	KZN272 Jozini	38 298	47 196	51 486
B	KZN273 The Big Five False Bay	7 723	9 478	10 332
B	KZN274 Hlabisa	31 052	38 158	41 604
B	KZN275 Mtubatuba	9 664	11 941	13 034
C	DC27 Umkhanyakude District Municipality	106 085	130 048	142 007
<b>Total: Umkhanyakude Municipalities</b>		<b>221 045</b>	<b>271 577</b>	<b>296 374</b>
B	KZN281 Mbonambi	24 661	30 367	33 118
B	KZN282 uMhlathuze	111 841	140 698	154 205
B	KZN283 Ntambanana	11 668	14 332	15 624
B	KZN284 Umlalazi	46 142	56 884	62 058
B	KZN285 Mthonjaneni	14 313	17 684	19 300
B	KZN286 Nkandla	27 118	33 372	36 397
C	DC28 uThungulu District Municipality	216 528	256 570	279 951
<b>Total: uThungulu Municipalities</b>		<b>452 270</b>	<b>549 907</b>	<b>600 654</b>
B	KZN291 Mandeni	39 016	48 229	52 636
B	KZN292 KwaDukuza	39 868	50 796	55 846
B	KZN293 Ndwedwe	34 274	42 222	46 054
B	KZN294 Maphumulo	26 408	32 563	35 525
C	DC29 iLembe District Municipality	145 775	175 065	191 123
<b>Total: iLembe Municipalities</b>		<b>285 341</b>	<b>348 876</b>	<b>381 183</b>
B	KZN431 Ingwe	27 744	34 243	37 362
B	KZN432 Kwa Sani	6 892	8 501	9 277
B	KZN433 Greater Kokstad	28 639	35 625	38 936
B	KZN434 Ubuhlebezwe	27 970	34 493	37 631
B	KZN435 Umzimkhulu	46 771	57 767	63 035
C	DC43 Sisonke District Municipality	124 778	152 495	166 488
<b>Total: Sisonke Municipalities</b>		<b>262 794</b>	<b>323 123</b>	<b>352 730</b>
<b>Total: KwaZulu-Natal Municipalities</b>		<b>4 373 485</b>	<b>5 353 061</b>	<b>5 850 693</b>

**SCHEDULE 3**

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2009/10 Allocation	Forward Estimates	
			2010/11	2011/12
<b>LIMPOPO</b>				
B	LIM473 Makhuduthamaga	84 451	104 379	113 904
B	LIM474 Fetakgomo	26 136	32 179	35 096
B	LIM471 Greater Marble Hall	41 102	50 836	55 480
B	LIM472 Elias Motsoaledi	78 757	97 378	106 269
B	LIM475 Greater Tubatse	74 350	91 888	100 280
C	DC47 Greater Sekhukhune District Municipality	219 940	268 134	292 774
<b>Total: Greater Sekhukhune District Municipalities</b>		<b>524 736</b>	<b>644 794</b>	<b>703 802</b>
B	LIM331 Greater Giyani	78 723	97 281	106 154
B	LIM332 Greater Letaba	78 967	97 676	106 603
B	LIM333 Greater Tzaneen	121 187	150 776	164 719
B	LIM334 Ba-Phalaborwa	37 516	46 403	50 649
B	LIM335 Maruleng	30 972	38 233	41 714
C	DC33 Mopani District Municipality	292 547	355 311	387 965
<b>Total: Mopani Municipalities</b>		<b>639 912</b>	<b>785 678</b>	<b>857 804</b>
B	LIM341 Musina	18 878	23 372	25 514
B	LIM342 Mutale	23 650	29 139	31 784
B	LIM343 Thulamela	158 199	196 656	214 802
B	LIM344 Makhado	145 224	180 560	197 222
C	DC34 Vhembe District Municipality	296 093	362 362	395 708
<b>Total: Vhembe Municipalities</b>		<b>642 043</b>	<b>792 088</b>	<b>865 030</b>
B	LIM351 Blouberg	47 239	58 358	63 681
B	LIM352 Aganang	43 526	53 683	58 565
B	LIM353 Molemole	44 890	55 524	60 597
B	LIM354 Polokwane	240 219	299 207	327 054
B	LIM355 Lepelle-Nkumpi	73 707	91 091	99 402
C	DC35 Capricorn District Municipality	258 677	311 507	339 997
<b>Total: Capricorn Municipalities</b>		<b>708 258</b>	<b>869 369</b>	<b>949 296</b>
B	LIM361 Thabazimbi	35 341	43 839	47 887
B	LIM362 Lephale	56 497	70 041	76 490
B	LIM364 Mookgopong	14 514	17 976	19 630
B	LIM365 Modimolle	35 196	43 664	47 694
B	LIM366 Bela Bela	27 857	34 613	37 829
B	LIM367 Mogalakwena	151 839	188 739	206 193
C	DC36 Waterberg District Municipality	78 598	84 623	88 519
<b>Total: Waterberg Municipalities</b>		<b>399 842</b>	<b>483 496</b>	<b>524 243</b>
<b>Total: Limpopo Municipalities</b>		<b>2 914 792</b>	<b>3 575 426</b>	<b>3 900 174</b>



**SCHEDULE 3**

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2009/10 Allocation	Forward Estimates	
			2010/11	2011/12
<b>MPUMALANGA</b>				
B	MP301 Albert Luthuli	93 696	115 968	126 602
B	MP302 Msukaligwa	65 007	80 600	88 035
B	MP303 Mkhondo	57 623	71 315	77 858
B	MP304 Pixley Ka Seme	52 359	64 859	70 818
B	MP305 Lekwa	49 169	61 026	66 673
B	MP306 Dipaleseng	27 759	34 374	37 533
B	MP307 Govan Mbeki	121 570	152 753	167 362
C	DC30 Gert Sibande District Municipality	226 184	237 366	246 286
<b>Total: Gert Sibande Municipalities</b>		<b>693 368</b>	<b>818 260</b>	<b>881 167</b>
B	MP311 Delmas	31 595	39 247	42 888
B	MP312 Emalahleni	113 700	143 084	156 814
B	MP313 Steve Tshwete	53 235	67 613	74 302
B	MP314 Emakhazeni	22 224	27 515	30 044
B	MP315 Thembisile	135 892	168 240	183 657
B	MP316 Dr JS Moroka	141 939	175 641	191 722
C	DC31 Nkangala District Municipality	268 516	281 412	291 907
<b>Total: Nkangala Municipalities</b>		<b>767 101</b>	<b>902 751</b>	<b>971 334</b>
B	MP321 Thaba Chweu	46 970	58 242	63 608
B	MP322 Mbombela	193 016	240 616	263 058
B	MP323 Umjindi	28 855	35 776	39 072
B	MP324 Nkomazi	154 048	191 348	209 017
B	MP325 Bushbuckridge	266 721	330 672	361 059
C	DC32 Ehlanzeni District Municipality	153 454	165 094	172 654
<b>Total: Ehlanzeni Municipalities</b>		<b>843 064</b>	<b>1 021 749</b>	<b>1 108 467</b>
<b>Total: Mpumalanga Municipalities</b>		<b>2 303 533</b>	<b>2 742 759</b>	<b>2 960 968</b>

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY

Number Municipality			National Financial Year		
			Column A 2009/10 Allocation	Column B Forward Estimates	
				2010/11	2011/12
<b>NORTHERN CAPE</b>					
B	NC451	Moshaweng	37 385	46 188	50 406
B	NC452	Ga-Segonyana	38 014	47 111	51 446
B	NC453	Gammagara	12 649	15 722	17 185
C	DC45	Kgalagadi District Municipality	43 519	48 247	50 974
<b>Total: Kgalagadi Municipalities</b>			<b>131 568</b>	<b>157 267</b>	<b>170 011</b>
B	NC061	Richtersveld	7 270	8 978	9 801
B	NC062	Nama Khoi	21 375	26 432	28 855
B	NC064	Kamiesberg	7 460	9 160	9 987
B	NC065	Hantam	12 329	15 234	16 628
B	NC066	Karoo Hoogland	8 031	9 860	10 749
B	NC067	Khai-Ma	7 572	9 298	10 137
C	DC6	Namakwa District Municipality	27 068	29 055	30 379
<b>Total: Namakwa Municipalities</b>			<b>91 105</b>	<b>108 016</b>	<b>116 537</b>
B	NC071	Ubuntu	11 006	13 592	14 834
B	NC072	Umsobomvu	18 589	22 985	25 089
B	NC073	Emthanjeni	21 931	27 181	29 692
B	NC074	Kareeberg	7 122	8 785	9 588
B	NC075	Renosterberg	8 904	10 945	11 935
B	NC076	Thembelihle	8 551	10 514	11 465
B	NC077	Siyathemba	12 131	15 001	16 377
B	NC078	Siyancuma	20 285	25 108	27 411
C	DC7	Karoo District Municipality	22 939	25 335	26 747
<b>Total: Karoo Municipalities</b>			<b>131 459</b>	<b>159 446</b>	<b>173 138</b>
B	NC081	Mier	5 265	6 462	7 046
B	NC082	!Kai! Garib	28 109	34 801	37 991
B	NC083	//Khara Hais	31 243	39 101	42 823
B	NC084	!Kheis	9 322	11 464	12 502
B	NC085	Tsantsabane	14 301	17 678	19 298
B	NC086	Kgatelopele	9 147	11 280	12 306
C	DC8	Siyanda District Municipality	39 486	43 086	45 290
<b>Total: Siyanda Municipalities</b>			<b>136 872</b>	<b>163 871</b>	<b>177 255</b>
B	NC091	Sol Plaatje	93 127	117 444	128 806
B	NC092	Dikgatlong	27 115	33 534	36 605
B	NC093	Magareng	17 808	22 025	24 042
B	NC094	Phokwane	39 776	49 259	53 778
C	DC9	Frances Baard District Municipality	67 847	75 852	82 679
<b>Total: Frances Baard Municipalities</b>			<b>245 673</b>	<b>298 112</b>	<b>325 910</b>
<b>Total: Northern Cape Municipalities</b>			<b>736 677</b>	<b>886 713</b>	<b>962 852</b>

**SCHEDULE 3**

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality		National Financial Year		
		Column A 2009/10 Allocation	Column B Forward Estimates	
			2010/11	2011/12
<b>NORTH WEST</b>				
B	NW371 Moretele	91 015	112 524	122 810
B	NW372 Madibeng	169 609	211 184	230 810
B	NW373 Rustenburg	159 996	200 355	219 285
B	NW374 Kgetlengrivier	25 638	31 731	34 639
B	NW375 Moses Kotane	140 734	174 320	190 315
C	DC37 Bojanala Platinum District Municipality	210 564	223 605	232 819
<b>Total: Bojanala Platinum Municipalities</b>		<b>797 556</b>	<b>953 719</b>	<b>1 030 678</b>
B	NW381 Ratlou	38 795	47 963	52 341
B	NW382 Tswaing	37 810	46 762	51 036
B	NW383 Mafikeng	75 669	94 194	102 917
B	NW384 Ditsobotla	48 005	59 315	64 722
B	NW385 Ramotshere Moiloa	47 298	58 482	63 824
C	DC38 Ngaka Modiri Moiloa District Municipality	259 788	309 947	338 343
<b>Total: Ngaka Modiri Moiloa Municipalities</b>		<b>507 365</b>	<b>616 662</b>	<b>673 183</b>
B	NW391 Kagisano	33 735	41 672	45 470
B	NW392 Naledi	20 560	25 560	27 942
B	NW393 Mamusa	19 204	23 738	25 906
B	NW394 Greater Taung	57 080	70 437	76 847
B	NW395 Molopo	6 838	8 366	9 114
B	NW396 Lekwa-Teemane	17 160	21 225	23 168
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	132 663	161 509	176 320
<b>Total: Bophirima Municipalities</b>		<b>287 239</b>	<b>352 507</b>	<b>384 767</b>
B	NW401 Ventersdorp	27 707	34 305	37 453
B	NW402 Tlokwe	52 835	66 652	73 102
B	NW403 City of Matlosana	221 440	276 565	302 504
B	NW404 Maquassi Hills	46 325	57 399	62 674
B	NW405 Merafong City	116 251	144 947	158 422
C	DC40 Dr Kenneth Kaunda District Municipality	140 787	150 338	156 827
<b>Total: Southern Municipalities</b>		<b>605 344</b>	<b>730 206</b>	<b>790 982</b>
<b>Total: North West Municipalities</b>		<b>2 197 504</b>	<b>2 653 094</b>	<b>2 879 610</b>

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY

			National Financial Year		
			Column A	Column B	
Number	Municipality		2009/10 Allocation	Forward Estimates	
				2010/11	2011/12
WESTERN CAPE					
A	CPT	City of Cape Town	609 313	817 886	910 454
B	WC011	Matzikama	21 126	26 285	28 732
B	WC012	Cederberg	16 817	20 905	22 853
B	WC013	Bergvriev	14 500	18 088	19 793
B	WC014	Saldanha Bay	20 875	25 415	28 050
B	WC015	Swartland	15 690	19 983	21 990
C	DC1	West Coast District Municipality	64 006	68 317	71 255
Total: West Coast Municipalities			153 015	178 992	192 674
B	WC022	Witzenberg	28 541	35 517	38 834
B	WC023	Drakenstein	44 586	57 117	62 882
B	WC024	Stellenbosch	25 651	32 398	35 862
B	WC025	Breede Valley	40 544	51 342	56 362
B	WC026	Breede River Winelands	32 673	40 648	44 435
C	DC2	Cape Winelands District Municipality	185 963	194 870	202 162
Total: Cape Winelands Municipalities			357 958	411 891	440 537
B	WC031	Theewaterskloof	34 242	42 565	46 521
B	WC032	Overstrand	21 988	25 419	28 102
B	WC033	Cape Agulhas	10 324	12 965	14 216
B	WC034	Swellendam	11 918	14 861	16 264
C	DC3	Overberg District Municipality	37 187	39 974	41 816
Total: Overberg Municipalities			115 660	135 784	146 918
B	WC041	Kannaland	11 943	14 836	16 219
B	WC042	Hessequa	16 138	20 366	22 363
B	WC043	Mossel Bay	26 117	32 888	36 077
B	WC044	George	43 471	55 722	61 369
B	WC045	Oudtshoorn	27 757	34 491	37 700
B	WC047	Bitou	14 002	16 648	18 360
B	WC048	Knysna	18 849	20 956	23 208
C	DC4	Eden District Municipality	117 863	125 454	130 723
Total: Eden Municipalities			276 140	321 361	346 020
B	WC051	Laingsburg	5 457	6 709	7 319
B	WC052	Prince Albert	6 300	7 732	8 430
B	WC053	Beaufort West	17 581	21 828	23 858
C	DC5	Central Karoo District Municipality	13 414	15 438	16 515
Total: Central Karoo Municipalities			42 752	51 707	56 122
Total: Western Cape Municipalities			1 554 837	1 917 621	2 092 724
National Total			23 846 502	29 267 706	31 889 901

SCHEDULE 4

ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2009/10 Allocation	Forward Estimates	
						2010/11	2011/12
<b>Agriculture (Vote 23)</b>	Comprehensive Agricultural Support Programme Grant	To expand the provision of agricultural support services, and promote and facilitate agricultural development by targeting subsistence, emerging and commercial farmers.	General conditional allocation to provinces	Eastern Cape	R'000 120 364	R'000 145 092	R'000 170 557
				Free State	65 659	79 149	88 894
				Gauteng	33 844	40 797	43 965
				KwaZulu-Natal	117 762	141 954	160 176
				Limpopo	108 483	130 771	148 123
				Mpumalanga	70 892	85 456	95 691
				Northern Cape	49 232	59 346	63 954
				North West	91 518	110 319	129 485
				Western Cape	57 640	69 481	78 476
				<b>TOTAL</b>	<b>715 394</b>	<b>862 365</b>	<b>979 321</b>
<b>Health (Vote 14)</b>	(a) Health Professions Training and Development Grant	Support provinces to fund costs associated with training of health professionals; development and recruitment of medical specialists in under-served provinces; and support and strengthen undergraduate and post graduate teaching and training processes in health facilities.	Nationally assigned function to provinces	Eastern Cape	151 362	160 444	170 071
				Free State	110 755	117 400	124 444
				Gauteng	614 812	651 701	690 803
				KwaZulu-Natal	222 425	235 771	249 917
				Limpopo	88 759	94 085	99 730
				Mpumalanga	71 839	76 149	80 718
				Northern Cape	58 304	61 802	65 510
				North West	78 608	83 324	88 323
				Western Cape	362 935	384 711	407 794
				<b>TOTAL</b>	<b>1 759 799</b>	<b>1 865 387</b>	<b>1 977 310</b>
	(b) National Tertiary Services Grant	To compensate provinces for the supra-provincial nature of tertiary services provision and spill over effects.	Nationally assigned function to provinces	Eastern Cape	509 429	557 137	588 135
				Free State	642 835	659 469	695 631
				Gauteng	2 328 301	2 561 154	2 703 835
				KwaZulu-Natal	983 948	1 102 585	1 164 255
				Limpopo	176 871	257 314	272 409
				Mpumalanga	81 410	91 879	97 025
				Northern Cape	173 241	225 948	238 964
				North West	134 416	179 280	189 648
				Western Cape	1 583 991	1 763 234	1 848 976
				<b>TOTAL</b>	<b>6 614 442</b>	<b>7 398 000</b>	<b>7 798 878</b>

SCHEDULE 4

ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2009/10 Allocation	Forward Estimates	
						2010/11	2011/12
<b>National Treasury (Vote 7)</b>	Infrastructure Grant to Provinces	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education, roads, health and agriculture; to enhance the application of labour intensive methods in order to maximise job creation and skills development as encapsulated in the EPWP guidelines; and to enhance capacity to deliver infrastructure.	General conditional allocation to provinces	Eastern Cape	R'000 1 661 391	R'000 2 028 135	R'000 2 341 246
				Free State	717 182	867 987	1 000 756
				Gauteng	770 400	936 879	1 082 318
				KwaZulu-Natal	1 970 933	2 397 899	2 740 202
				Limpopo	1 407 445	1 753 105	2 099 813
				Mpumalanga	771 968	973 877	1 126 770
				Northern Cape	492 388	593 564	675 819
				North West	807 577	976 571	1 122 285
				Western Cape	649 963	786 894	901 981
				<b>TOTAL</b>	<b>9 249 247</b>	<b>11 314 911</b>	<b>13 091 190</b>
<b>Transport (Vote 33)</b>	Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	Nationally assigned function to provinces	Eastern Cape	126 540	-	-
				Free State	151 805	-	-
				Gauteng	1 403 826	-	-
				KwaZulu-Natal	647 396	-	-
				Limpopo	174 507	-	-
				Mpumalanga	370 650	-	-
				Northern Cape	22 159	-	-
				North West	41 252	-	-
				Western Cape	593 774	-	-
				Unallocated	-	3 863 033	4 153 232
				<b>TOTAL</b>	<b>3 531 909</b>	<b>3 863 033</b>	<b>4 153 232</b>

**SCHEDULE 4**

**ALLOCATIONS TO MUNICIPALITIES TO SUPPLEMENT THE FUNDING OF FUNCTIONS FUNDED FROM MUNICIPAL BUDGETS**

Vote	Name of allocation	Purpose	City	Column A	Column B	
				2009/10 Allocation	Forward Estimates	
					2010/11	2011/12
<b>Provincial and Local Government (Vote 29)</b>	Municipal Infrastructure Grant	To supplement capital finance for basic municipal infrastructure for poor households, micro enterprises and social institutions.		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
				<b>11 084 860</b>	<b>12 528 884</b>	<b>15 068 551</b>
	<i>of which:</i>			<b>2 224 349</b>	<b>2 604 084</b>	<b>3 131 944</b>
	Municipal Infrastructure Grant (Cities)	Supplements the capital revenues of selected large urban municipalities in order to support their infrastructure investment programmes.	Nelson Mandela	156 016	182 532	219 532
			Ekurhuleni	428 253	501 395	603 030
			City of Johannesburg	475 257	556 450	669 245
			City of Tshwane	328 083	384 068	461 921
			eThekweni	508 950	595 913	716 707
			City of Cape Town	327 790	383 726	461 509



SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2009/10 Allocation	Forward Estimates	
						2010/11	2011/12
<b>Agriculture (Vote 23)</b>	(a) Agricultural Disaster Management Grant	To relief farmers from the effects of drought/veldfire, cold spell, hail storm and flood in identified areas.	Conditional allocation	Eastern Cape	R'000 4 000	R'000 -	-
				Free State	11 000	-	-
				Gauteng	10 000	-	-
				KwaZulu-Natal	5 000	-	-
				Limpopo	5 000	-	-
				Mpumalanga	5 000	-	-
				Northern Cape	5 000	-	-
				North West	5 000	-	-
				Western Cape	10 000	-	-
				<b>TOTAL</b>	<b>60 000</b>	<b>-</b>	<b>-</b>
	(b) Ilima/Letsema Projects Grant	Universal access to agriculture support services.	Conditional allocation	Eastern Cape	5 000	20 000	40 000
				Free State	6 500	26 000	52 000
				Gauteng	2 500	10 000	20 000
				KwaZulu-Natal	7 500	30 000	60 000
				Limpopo	5 000	20 000	40 000
				Mpumalanga	5 000	20 000	40 000
				Northern Cape	7 500	30 000	60 000
				North West	5 000	20 000	40 000
				Western Cape	6 000	24 000	48 000
				<b>TOTAL</b>	<b>50 000</b>	<b>200 000</b>	<b>400 000</b>
	(c) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To enhance a sustainable conservation of natural resources through a community-based participatory approach; create job opportunities through the Expanded Public Works programme; and improve food security within previously disadvantaged communities.	Conditional allocation	Eastern Cape	8 227	8 721	9 244
				Free State	4 113	4 360	4 622
				Gauteng	3 599	3 815	4 044
				KwaZulu-Natal	8 227	8 721	9 244
				Limpopo	7 713	8 176	8 667
				Mpumalanga	4 627	4 904	5 198
				Northern Cape	5 656	5 995	6 355
				North West	6 170	6 540	6 932
				Western Cape	3 085	3 270	3 466
				<b>TOTAL</b>	<b>51 417</b>	<b>54 502</b>	<b>57 772</b>

**SCHEDULE 5**

**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2009/10 Allocation	Forward Estimates	
						2010/11	2011/12
<b>Arts and Culture (Vote 12)</b>	Community Library Services Grant	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.	Conditional allocation	Eastern Cape	R'000 55 515	R'000 62 240	R'000 65 974
				Free State	40 315	45 197	47 909
				Gauteng	46 043	51 619	54 716
				KwaZulu-Natal	34 147	38 282	40 579
				Limpopo	55 956	62 733	66 497
				Mpumalanga	55 956	62 733	66 497
				Northern Cape	58 820	65 943	69 900
				North West	52 872	59 275	62 832
				Western Cape	40 976	45 938	48 694
				<b>TOTAL</b>	<b>440 600</b>	<b>493 960</b>	<b>523 598</b>
<b>Education (Vote 13)</b>	(a) HIV and Aids (Life Skills Education) Grant	To provide education and training for school management teams and educators to develop, implement and manage life skills education in line with HIV and Aids, drug and substance abuse, gender equity policies and national strategic plans on HIV and Aids.	Conditional allocation	Eastern Cape	30 168	32 156	34 086
				Free State	10 341	10 719	11 362
				Gauteng	25 253	27 078	28 703
				KwaZulu-Natal	39 765	42 686	45 247
				Limpopo	25 882	27 454	29 101
				Mpumalanga	14 626	15 420	16 345
				Northern Cape	3 828	3 573	3 788
				North West	12 912	13 539	14 351
				Western Cape	14 626	15 420	16 345
				<b>TOTAL</b>	<b>177 401</b>	<b>188 045</b>	<b>199 328</b>
	(b) National School Nutrition Programme Grant	To provide nutritious meals to learners.	Conditional allocation	Eastern Cape	486 695	702 936	845 166
				Free State	122 306	195 194	244 699
				Gauteng	251 590	388 884	509 798
				KwaZulu-Natal	555 917	855 285	1 070 013
				Limpopo	419 185	659 233	829 669
				Mpumalanga	229 534	354 341	440 923
				Northern Cape	55 690	84 536	105 116
				North West	161 063	249 599	305 935
				Western Cape	112 548	173 318	227 433
				<b>TOTAL</b>	<b>2 394 528</b>	<b>3 663 326</b>	<b>4 578 752</b>

**SCHEDULE 5**

**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2009/10 Allocation	Forward Estimates	
						2010/11	2011/12
					R'000	R'000	R'000
<b>Education (Vote 13)</b>	(c) Technical Secondary Schools Recapitalisation Grant	To increase the number of learners with key technical skills by supporting quality curriculum delivery of the NCS technical subjects by providing facilities, equipment and training to teachers at technical high schools.	Conditional allocation	Eastern Cape	-	-	-
				Free State	-	-	-
				Gauteng	-	-	-
				KwaZulu-Natal	-	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				Unallocated	-	80 000	200 000
				<b>TOTAL</b>	-	<b>80 000</b>	<b>200 000</b>
<b>Health (Vote 14)</b>	(a) Comprehensive HIV and Aids Grant	To enable the health sector to develop an effective response to HIV and Aids and to support the implementation of the National Operational Plan for Comprehensive HIV and Aids treatment and care.	Conditional allocation	Eastern Cape	401 727	497 599	533 965
				Free State	235 792	326 658	350 365
				Gauteng	760 879	866 452	932 511
				KwaZulu-Natal	880 659	1 013 082	1 090 268
				Limpopo	291 474	403 280	432 554
				Mpumalanga	200 226	261 544	281 080
				Northern Cape	113 703	157 150	168 559
				North West	281 813	337 158	362 666
				Western Cape	309 913	448 834	480 994
				<b>TOTAL</b>	<b>3 476 186</b>	<b>4 311 757</b>	<b>4 632 962</b>
	(b) Forensic Pathology Services Grant	To continue the development and provision of adequate mortuary services in all provinces.	Conditional allocation	Eastern Cape	61 214	69 345	73 506
				Free State	32 855	37 218	39 451
				Gauteng	81 584	92 421	97 966
				KwaZulu-Natal	134 538	152 406	161 550
				Limpopo	35 233	39 913	42 308
				Mpumalanga	44 233	50 107	53 114
				Northern Cape	20 187	22 868	24 240
				North West	23 334	26 433	28 019
				Western Cape	58 484	66 251	70 226
				<b>TOTAL</b>	<b>491 662</b>	<b>556 962</b>	<b>590 380</b>

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2009/10 Allocation	Forward Estimates	
						2010/11	2011/12
<b>Health (Vote 14)</b>	(c) Health Disaster Response (Cholera) Grant	To support and enable a response to the Cholera epidemic including treatment, public health response and prevention.	Conditional allocation	Eastern Cape	R'000 -	R'000 -	R'000 -
				Free State	-	-	-
				Gauteng	-	-	-
				KwaZulu-Natal	-	-	-
				Limpopo	50 000	-	-
				Mpumalanga	-	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				<b>TOTAL</b>	<b>50 000</b>	-	-
	(d) Hospital Revitalisation Grant	To provide funding to enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals; and to transform hospital management and improve quality of care in line with national policy objectives.	Conditional allocation	Eastern Cape	238 611	360 660	386 048
				Free State	247 886	378 426	421 883
				Gauteng	755 190	798 609	805 967
				KwaZulu-Natal	449 558	500 815	551 698
				Limpopo	206 931	323 425	375 672
				Mpumalanga	304 441	331 657	360 557
				Northern Cape	340 197	420 218	410 892
				North West	254 644	326 303	374 074
				Western Cape	388 845	440 554	485 501
				<b>TOTAL</b>	<b>3 186 303</b>	<b>3 880 667</b>	<b>4 172 292</b>
<b>Housing (Vote 26)</b>	(a) Housing Disaster Relief Grant	To provide emergency relief in support of reconstruction work to housing and related infrastructure damaged by storms in KwaZulu-Natal.	Conditional allocation	Eastern Cape	-	-	-
				Free State	-	-	-
				Gauteng	-	-	-
				KwaZulu-Natal	150 000	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				<b>TOTAL</b>	<b>150 000</b>	-	-

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2009/10 Allocation	Forward Estimates	
						2010/11	2011/12
<b>Housing (Vote 26)</b>	(b) Integrated Housing and Human Settlement Development Grant	To provide for the facilitation of a sustainable housing development process by laying down general principles applicable to housing development in all spheres of government through the Division of Revenue Act.	Conditional allocation	Eastern Cape	R'000 1 313 378	R'000 1 598 646	R'000 1 802 873
				Free State	962 759	1 300 691	1 380 185
				Gauteng	3 187 086	3 771 831	4 322 945
				KwaZulu-Natal	2 180 448	2 714 109	3 149 500
				Limpopo	996 667	1 234 750	1 415 163
				Mpumalanga	795 447	975 863	1 118 449
				Northern Cape	325 011	273 260	313 187
				North West	1 100 055	1 288 770	1 578 161
				Western Cape	1 581 425	1 868 843	2 141 905
				<b>TOTAL</b>	<b>12 442 276</b>	<b>15 026 763</b>	<b>17 222 368</b>
<b>Public Works (Vote 5)</b>	Devolution of Property Rate Funds Grant	To facilitate the transfer of property rates expenditure responsibility to provinces; and to enable provincial accounting officers to be fully accountable for their expenditure and payment of provincial property rates.	Conditional allocation	Eastern Cape	134 061	147 467	156 315
				Free State	140 144	154 158	163 408
				Gauteng	173 983	191 381	202 864
				KwaZulu-Natal	236 264	259 891	275 485
				Limpopo	13 776	15 154	16 063
				Mpumalanga	40 340	44 374	47 036
				Northern Cape	26 998	29 698	31 480
				North West	66 107	72 718	77 081
				Western Cape	164 865	181 351	192 232
				<b>TOTAL</b>	<b>996 538</b>	<b>1 096 192</b>	<b>1 161 964</b>
<b>Sport and Recreation South Africa (Vote 17)</b>	Mass Sport and Recreation Participation Programme Grant	To promote mass participation within communities and schools through selected sport and recreation activities, empowerment of communities and schools in conjunction with stakeholders and development of communities through sport.	Conditional allocation	Eastern Cape	62 765	66 531	70 523
				Free State	26 591	28 186	29 877
				Gauteng	63 834	67 664	71 724
				KwaZulu-Natal	85 148	90 256	95 671
				Limpopo	45 023	45 604	48 340
				Mpumalanga	29 870	31 663	33 563
				Northern Cape	19 686	21 927	23 243
				North West	31 096	34 022	36 063
				Western Cape	38 237	40 532	42 964
				<b>TOTAL</b>	<b>402 250</b>	<b>426 385</b>	<b>451 968</b>

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2009/10 Allocation	Forward Estimates	
						2010/11	2011/12
Transport (Vote 33)	(a) Gautrain Rapid Rail Link Grant	To provide for national government funding contribution over a period of five years to the Gauteng Provincial Government for the construction of a fully integrated Gautrain Rapid Rail network.	Conditional allocation	Eastern Cape	R'000 -	R'000 -	R'000 -
				Free State	-	-	-
				Gauteng	2 832 691	340 660	-
				KwaZulu-Natal	-	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				<b>TOTAL</b>	<b>2 832 691</b>	<b>340 660</b>	-
	(b) Overload Control Grant	To successfully implement the National Overload Control Strategy and ensure that overloading practices are significantly reduced.	Conditional allocation	Eastern Cape	-	5 519	-
				Free State	-	-	-
				Gauteng	5 034	-	-
				KwaZulu-Natal	-	-	-
				Limpopo	5 035	-	-
				Mpumalanga	-	5 519	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				<b>TOTAL</b>	<b>10 069</b>	<b>11 038</b>	-
	(c) Sani Pass Roads Grant	To allow commuters from both the Republic of South Africa and the Kingdom of Lesotho to travel and access opportunities and markets; and to improve safety and create the opportunity for extended border control hours.	Conditional allocation	Eastern Cape	-	-	-
				Free State	-	-	-
				Gauteng	-	-	-
				KwaZulu-Natal	34 347	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				<b>TOTAL</b>	<b>34 347</b>	-	-

**SCHEDULE 6**

**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES**

Vote	Name of allocation	Purpose	Column A	Column B	
			2009/10 Allocation	Forward Estimates	
				2010/11	2011/12
			R'000	R'000	R'000
<b>RECURRENT GRANTS</b>					
<b>Provincial and Local Government (Vote 29)</b>	Municipal Systems Improvement Grant	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems.	200 000	212 000	224 720
<b>National Treasury (Vote 7)</b>	Local Government Financial Management Grant	To promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act.	299 990	364 589	384 641
<b>Water Affairs and Forestry (Vote 34)</b>	Water Services Operating Subsidy Grant	To subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department and transfer these to local government.	978 579	570 000	380 000
<b>Sport and Recreation SA (Vote 17)</b>	2010 World Cup Host City Operating Grant	To assist host cities with the operational response associated with the hosting of the 2009 Confederations Cup and the 2010 FIFA World Cup competition.	507 557	210 280	-
<b>TOTAL</b>			<b>1 986 126</b>	<b>1 356 869</b>	<b>989 361</b>
<b>INFRASTRUCTURE GRANTS</b>					
<b>Minerals and Energy (Vote 28)</b>	(a) Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.	932 957	1 020 104	1 096 612
	(b) Electricity Demand Side Management (Municipal) Grant	To implement the EEDSM programme by providing capital subsidies to licensed distributors to address the Energy Efficiency Demand Side Management in residential dwellings, community and commercial buildings in order to mitigate the risk of load shedding and supply interruptions.	175 000	220 000	280 000
<b>National Treasury (Vote 7)</b>	Neighbourhood Development Partnership Grant	To provide municipalities with capital subsidies for property developments in townships and new residential neighbourhoods that include the construction or upgrading of community facilities, and where appropriate, attract private sector funding and input.	582 000	630 000	840 440
<b>Transport (Vote 33)</b>	(a) Public Transport Infrastructure and Systems Grant	To provide for accelerated planning, establishment, construction and improvement of new and existing public transport and non-motorised transport infrastructure and systems.	2 418 177	4 289 775	5 149 008
	(b) Rural Transport Services and Infrastructure Grant	To improve mobility and access in rural municipalities in support of Integrated Development Plans.	9 800	10 400	11 100
<b>Sport and Recreation SA (Vote 17)</b>	2010 FIFA World Cup Stadiums Development Grant	To fund the design and construction of new designated stadiums or the design and upgrading of designated existing stadiums and supporting bulk services infrastructure in the World Cup host cities.	1 661 107	302 286	-
<b>TOTAL</b>			<b>5 779 041</b>	<b>6 472 565</b>	<b>7 377 160</b>



SCHEDULE 7

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2009/10 Allocation	Forward Estimates	
				2010/11	2011/12
			R'000	R'000	R'000
<b>National Treasury (Vote 7)</b>	Neighbourhood Development Partnership Grant	To provide municipalities with technical assistance to develop appropriate project proposals for property developments in townships and new residential neighbourhoods that include the construction or upgrading of community facilities, and where appropriate, attract private sector funding and input.	79 954	125 000	100 000
<b>Minerals and Energy (Vote 28)</b>	(a) Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.	1 477 709	1 769 475	1 902 186
	(b) Backlogs in the Electrification of Clinics and Schools Grant	To implement the INEP by providing capital subsidies to Eskom to address the electrification backlog of schools and clinics.	150 000	-	-
	(c) Electricity Demand Side Management (Eskom) Grant	To implement the EEDSM programme by providing capital subsidies to Eskom to address the Energy Efficiency Demand Side Management in residential dwellings, community and commercial buildings in order to mitigate the risk of load shedding and supply interruptions.	75 000	110 000	120 000
<b>Water Affairs and Forestry (Vote 34)</b>	(a) Water Services Operating Subsidy Grant	To subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department and transfer these to local government.	135 199	-	-
	(b) Regional Bulk Infrastructure Grant	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries. In the case of sanitation to supplement regional bulk collection as well as regional waste water treatment works.	611 500	839 000	1 475 340
	(c) Backlogs in Water and Sanitation at Clinics and Schools Grant	To eradicate the water supply and sanitation backlog of all clinics and schools.	350 000	-	-
<b>TOTAL</b>			<b>2 879 362</b>	<b>2 843 475</b>	<b>3 597 526</b>

**SCHEDULE 8**

**INCENTIVES TO PROVINCES TO MEET TARGETS WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2009/10 Allocation	Forward Estimates	
						2010/11	2011/12
					R'000	R'000	R'000
<b>Public Works (Vote 5)</b>	Expanded Public Works Programme Incentive Grant	To incentivise provinces to increase labour intensive employment through programmes that maximise job creation and skills development as encapsulated in the EPWP guidelines.	Incentive allocation to provinces	Eastern Cape	29 992	-	-
				Free State	23 008	-	-
				Gauteng	500	-	-
				KwaZulu-Natal	84 180	-	-
				Limpopo	500	-	-
				Mpumalanga	5 047	-	-
				Northern Cape	500	-	-
				North West	7 192	-	-
				Western Cape	500	-	-
				Unallocated	-	400 000	800 000
				<b>TOTAL</b>	<b>151 419</b>	<b>400 000</b>	<b>800 000</b>

**SCHEDULE 8**

**INCENTIVES TO MUNICIPALITIES TO MEET TARGETS WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Vote	Name of allocation	Purpose	Column A	Column B	
			2009/10 Allocation	Forward Estimates	
				2010/11	2011/12
Public Works (Vote 5)	Expanded Public Works Programme Incentive Grant for Municipalities	To incentivise municipalities to increase labour intensive employment through programmes that maximise job creation and skills development in line with the EPWP guidelines.	R'000	R'000	R'000
			201 748	554 000	1 108 000
TOTAL			201 748	554 000	1 108 000