

Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain even numbered pages as the other language is printed on uneven numbered pages.



Government Gazette

REPUBLIC OF SOUTH AFRICA

Vol. 537 Cape Town 31 March 2010 No. 33081

THE PRESIDENCY

No. 264

31 March 2010

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

No. 1 of 2010: Division of Revenue Act, 2010.



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

*(English text signed by the President.)
(Assented to 31 March 2010.)*

ACT

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2010/11 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,

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

ARRANGEMENT OF PROVISIONS OF ACT

Sections

CHAPTER 1

5

INTERPRETATION AND OBJECTS OF ACT

- 1. Interpretation
- 2. Objects of Act

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

10

- 3. Equitable division of revenue raised nationally among spheres of government
- 4. Equitable division of provincial share among provinces
- 5. Equitable division of local government share among municipalities
- 6. Shortfalls, excess revenue and additional allocations

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations

- 7. Conditional allocations to provinces 5
- 8. Conditional allocations to municipalities

Part 2

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

- 9. Duties of transferring national officer in respect of Schedule 4 allocation
- 10. Duties of transferring national officer in respect of Schedule 5, 6, 7 or 8 allocation 10
- 11. Duties of receiving officer in respect of Schedule 4 allocation
- 12. Duties of receiving officer in respect of Schedule 5, 6 or 8 allocation
- 13. Duties in respect of annual financial statements and annual reports for 2010/11

Part 3

15

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

- 14. Publication of allocations and frameworks
- 15. Spending in terms of purpose and subject to conditions
- 16. Withholding of allocation
- 17. Stopping of allocation 20
- 18. Re-allocation of funds
- 19. Conversion of Schedule 6 and Schedule 7 allocations
- 20. Unspent conditional allocations

CHAPTER 4

MATTERS RELATING TO ALL ALLOCATIONS

25

- 21. Payment schedule
- 22. Amendment of payment schedule
- 23. Transfers made in error or fraudulently
- 24. Allocations not listed in Schedules
- 25. Authorisation of expenditure 30
- 26. Preparations for next financial year and 2012/13 financial year
- 27. Expenditure prior to commencement of Division of Revenue Act, 2011

CHAPTER 5

DUTIES OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY

35

- 28. Duties of municipalities
- 29. Duties of provincial treasuries
- 30. Duties of National Treasury

CHAPTER 6

GENERAL

40

- 31. Allocations by public entities to provinces or municipalities
- 32. Liability for costs incurred in violation of principles of cooperative governance and intergovernmental relations

- 33. Unauthorised and irregular expenditure
- 34. Financial misconduct
- 35. Delegations and assignments
- 36. Exemptions
- 37. Regulations 5
- 38. Repeal of laws
- 39. Short title and commencement

- Schedule 1: Equitable division of revenue raised nationally among the three spheres of government
- 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) 10
- Schedule 3: Determination of each municipality's equitable share of the local government sphere's share of revenue raised nationally
- Schedule 4: Allocations to provinces and municipalities to supplement the funding of programmes or functions funded from provincial or municipal budgets 15
- Schedule 5: Specific purpose allocations to provinces
- Schedule 6: Specific purpose allocations to municipalities
- Schedule 7: Allocations-in-kind to municipalities for designated special programmes
- Schedule 8: Incentives to provinces and municipalities to meet targets with regards to priority government programmes 20

CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

Interpretation

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

“**accredited municipality**” means a municipality accredited in terms of section 10(2) of the Housing Act, 1997 (Act No. 107 of 1997), to administer national housing programmes; 30

“**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; 35

“**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); 40

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

“**framework**” means the conditions and other information in respect of a conditional allocation published by the National Treasury in terms of section 14;

“**Municipal Finance Management Act**” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); 45

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

“**next financial year**” means the financial year commencing on 1 April 2011 and ending on 31 March 2012; 50

“**next municipal financial year**” means the financial year of a municipality commencing on 1 July 2011 and ending on 30 June 2012;

“**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;
- (b) the date on which each transfer must be paid; and
- (c) to whom, and to which bank account, each transfer must be paid;

5

“prescribe” means prescribe by regulation in terms of section 37;

“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, 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;

10

15

“Public Finance Management Act” means the Public Finance Management Act, 1999 (Act No. 1 of 1999);

“quarter” means the period from—

- (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;

20

“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;

25

“this Act” includes any framework or allocation published, or any regulation, determination or request made or instruction given under this Act;

30

“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.

35

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, and by ensuring that the expenditure of conditional allocations is reported on by the receiving provinces and municipalities.

40

45

50

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 2012/13 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 2012/13 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 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 21. 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 2012/13 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 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 2010, 30 November 2010 and 25 March 2011, in accordance with a payment schedule determined by the National Treasury in terms of section 21. 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; 45

(b) increase a conditional allocation to a province or municipality through a

virement under section 43 of the Public Finance Management Act or section 28(2)(d) of the Municipal Finance Management Act, as the case may be; and
(c) authorise expenditure in accordance with section 25.

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES 5

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 are set out in Column A of the following Schedules: 10

- (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. 15

(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 2012/13 financial year, which is subject to the annual Division of Revenue Acts in respect of those financial years, is set out in Column B of the Schedules referred to in subsection (1). 20

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: 25

- (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 30
- (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 2012/13 financial year, which, with the exception of what is provided in subsection (4) in relation to the Public Transport Infrastructure and Systems Grant, 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). 35

(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 14. 40

(4) Notwithstanding anything to the contrary contained in subsection (2), in respect of the Public Transport Infrastructure and Systems Grant, funding which is specifically approved by the National Treasury in relation to transport contracts for capital projects must be regarded as being firm allocations for the next financial year and the 2012/13 financial year that will not be altered downwards in the Division of Revenue Acts in respect of those financial years. 45

(5) A municipality may only after obtaining the approval of the National Treasury, pledge, offer as security or commit to a person or institution future conditional allocation transfers due to the municipality for the next financial year and the 2012/13 50

financial year, for the purpose of securing a loan or any other form of financial or other support from that person or institution.

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 5

9. (1) The transferring national officer of a Schedule 4 allocation is responsible for—

- (a) ensuring that transfers to all provinces and municipalities are—
 - (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 21, unless allocations are withheld or stopped in terms of section 16 or 17; 10
- (b) monitoring expenditure and non-financial performance information on programmes funded by an allocation, provided that any monitoring programme or system— 15
 - (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;
 - (iii) is compatible and integrated with and does not duplicate other relevant and related national, provincial and local systems; and 20
 - (iv) is consistent with section 11(2);
- (c) complying with the requirements of the applicable framework; and
- (d) evaluating the performance of programmes funded or partially funded by the allocation and the submission of such evaluations to the National Treasury, within four months in respect of a province, and six months in respect of a municipality, after the end of the financial year. 25

(2) (a) Subsection (1)(b) does not apply to the Municipal Infrastructure Grant (Cities).

(b) Municipalities that receive the Municipal Infrastructure Grant (Cities) are only required to report expenditure and non-financial performance information against their capital budgets, in accordance with the requirements of section 71 of the Municipal Finance Management Act. 30

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— 35
 - (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; 40
 - (ii) monitoring provisions are compatible and integrated with and do not duplicate other relevant and related national, provincial and local systems;
 - (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; 45
 - (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;

- (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;
- (c) transfer funds only in accordance with a payment schedule determined in accordance with section 21; 5
- (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 the transfer of the Gautrain Rapid Rail Link Grant; and
- (e) ensure that all other arrangements or requirements as stipulated in the Act or in the relevant framework for the particular allocation necessary for the transfer of an allocation have been complied with prior to the start of the financial year, and are complied with throughout the financial year. 10
- (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. 15
- (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 transferring the allocation as an unconditional allocation.
- (4) Before making the first transfer of any allocation, the transferring national officer must take note of any notice in terms of section 30(1) from the National Treasury outlining the details of the account for each province or municipality. 20
- (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— 25
 - (a) the amount of funds transferred to a province or municipality;
 - (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; 30
 - (c) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 or 6 allocation; 35
 - (d) the actual expenditure incurred by the transferring national officer in respect of a Schedule 7 allocation;
 - (e) any matter or information that may be prescribed in the relevant framework for the particular allocation; and
 - (f) such other issues as the National Treasury may determine. 40
- (6) A transferring national officer must submit a quarterly performance report within 45 days after the end of each quarter to the National Treasury, in accordance with the requirements of the relevant framework.
- (7) The transferring national officer must evaluate the performance of programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury, within four months in respect of a province, and six months in respect of a municipality, after the end of the financial year. 45
- (8) The transferring national officer for the Human Settlements Development Grant, after consultation with the receiving officer and the National Treasury, must determine the allocations for each accredited municipality by 14 April 2010, and submit those allocations to the National Treasury by 30 April 2010, for publication in the *Gazette*. 50

Duties of receiving officer in respect of Schedule 4 allocation

- 11. (1) A receiving officer of a Schedule 4 allocation is responsible for—
 - (a) complying with the framework for a Schedule 4 allocation as published in terms of section 14; and 55
 - (b) the manner in which it allocates and spends a Schedule 4 allocation.
- (2) The receiving officer of a municipality must—
 - (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 required inputs and outputs; 5
- (b) as part of the report required in terms of section 71 of the Municipal Finance Management Act, report to the transferring national officer, the relevant provincial treasury and the National Treasury on—
 - (i) spending and financial performance against programmes funded by a Schedule 4 allocation, other than the Municipal Infrastructure Grant (Cities); and 10
 - (ii) in the case of the Municipal Infrastructure Grant (Cities), spending and financial performance against the municipality's entire capital budget, and performance against the targets stipulated in the infrastructure performance framework that is required in terms of the allocation framework; and 15
- (c) quarterly, within 30 days after the end of each quarter, report to the transferring national officer and the National Treasury on—
 - (i) non-financial performance against programmes, in respect of Schedule 4 allocations other than the Municipal Infrastructure Grant (Cities); and 20
 - (ii) performance for that quarter against the targets stipulated in the infrastructure performance framework that is required in terms of the allocation framework, in respect of the Municipal Infrastructure Grant (Cities). 25
- (3) 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.
- (4) The receiving officer in a province must—
 - (a) submit, as part of the report required in section 40(4)(c) of the Public Finance Management Act, reports to the relevant provincial treasury on spending and performance against programmes; and 30
 - (b) submit a quarterly performance report within 30 days after the end of each quarter to the relevant provincial treasury and the National Treasury.
- (5) The receiving officer must report against programmes funded or partially funded by a Schedule 4 allocation against the relevant framework in the annual financial statements and annual report. 35
- (6) The receiving officer must, within two months after the end of the financial year, and where relevant, the municipal financial year, evaluate the performance of the province or municipality, as the case may be, in respect of programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer. 40

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

- 12.** (1) The receiving officer of a Schedule 5, 6 or 8 allocation must ensure compliance with the requirements of the relevant framework. 45
- (2) 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 Finance Management Act, report on the matters referred to in subsection (3) and submit a copy of the section 40(4)(c) report to the relevant provincial treasury and the transferring national officer; 50
 - (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 55
 - (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, the relevant provincial treasury and the National Treasury.

(3) A report by a province in terms of subsection (2)(a) must set out for that month and for the financial year up to the end of that month—

- (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; 5
- (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 to assist the province in implementing such a programme;
- (e) the most up to date available figures regarding the actual expenditure by a public entity referred to in paragraph (d); 10
- (f) the extent of compliance with this Act and with the conditions of an allocation provided for in a framework;
- (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; 15
- (h) any matter or information that may be prescribed in the relevant framework for the particular allocation; and
- (i) such other issues and information as the National Treasury may determine.

(4) A report by a municipality in terms of subsection (2)(b) must set out for that month and for the financial year up to the end of that month— 20

- (a) the amount received by the municipality;
- (b) the amount of funds stopped or withheld from the municipality;
- (c) the extent of compliance with this Act and with the conditions of an allocation or part of an allocation provided for in a framework;
- (d) 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; 25
- (e) any matter or information that may be prescribed in the relevant framework for the particular allocation; and
- (f) such other issues and information as the National Treasury may determine. 30

(5) (a) Subsections (2) and (3) do not apply to the receiving officer of the Gautrain Rapid Rail Link Grant.

(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. 35

(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).

(6) The receiving officer of the 2010 FIFA World Cup Stadiums Development Grant must, in addition to what is provided in subsection (2)— 40

- (a) submit a final report on the stadium construction programme, including all expenditure and a reconciliation of those bank accounts that were used for the stadium construction programme; and
- (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. 45

(7) A 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. 50

Duties in respect of annual financial statements and annual reports for 2010/11

13. (1) The 2010/11 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—

- (a) indicate the total amount of that allocation transferred to a province or municipality; 5
- (b) indicate the transfers, if any, that were withheld in respect of each province or municipality;
- (c) indicate any re-allocations by the National Treasury in terms of section 18 or by the transferring national officer in respect of the Expanded Public Works Programme Incentive Grant; 10
- (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
- (e) indicate the funds, if any, utilised for the administration of the allocation by the receiving officer. 15

(2) The 2010/11 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—

- (a) indicate the reasons for the withholding of any transfers to a province or municipality; 20
- (b) indicate to what extent provinces or municipalities were monitored for compliance with this Act and the conditions of an allocation provided for in the relevant framework;
- (c) indicate to what extent the allocation achieved its purpose and outputs; and 25
- (d) indicate any non-compliance with this Act or the relevant framework, and the steps taken to deal with such non-compliance.

(3) The 2010/11 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 2010/11 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—

- (a) indicate to what extent the provincial department complied with the provisions of this Act and met the conditions provided for in the relevant framework of such an allocation; 40
- (b) indicate the steps taken to deal with non-compliance with any of the provisions of this Act or the conditions provided for in the relevant framework of such an allocation; 45
- (c) indicate the extent to which the objectives and outputs of the allocation were achieved;
- (d) contain any other information that may be specified in the relevant framework for the allocation; and
- (e) contain such other information as the National Treasury may determine. 50

(5) The 2010/11 financial statements and annual report of a municipality must be prepared in accordance with the Municipal Finance Management Act.

(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. 55

Part 3

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

Publication of allocations and frameworks

14. (1) The National Treasury must, within 14 days of this Act taking effect, publish in the *Gazette*— 5
- (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; 10 and
 - (d) the framework for each Schedule 4, 5, 6, 7 or 8 allocation.
- (2) The National Treasury must publish in the *Gazette*—
- (a) any revisions of or amendments to the frameworks published in terms of subsection (1); 15
 - (b) any virement which is made in accordance with the requirements of section 6(3) of this Act and the Public Finance Management Act;
 - (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 6 or a Schedule 7 allocation in terms of section 19; 20
 - (d) any re-allocations by the National Treasury in accordance with section 18 or the transferring national officer in respect of the Expanded Public Works Programme Incentive Grant;
 - (e) any revised allocations in respect of Schedule 7 allocations; and
 - (f) any revised indicative allocations, performance and threshold targets for the Expanded Public Works Programme Incentive Grant. 25
- (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.
- (4) An amendment, revision, virement or re-allocation takes effect on publication thereof in the *Gazette*. 30

Spending in terms of purpose and subject to conditions

15. (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 14. 35
- (2) A receiving officer may not transfer any Schedule 5 or 6 allocation or a portion of such an allocation to any other entity or other sphere of government for the performance of a function envisaged in terms of the allocation, unless the receiving officer has entered into a payment schedule with the entity or other sphere of government that will be performing the function, that has been approved by the National Treasury, and— 40
- (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 14;
 - (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 45
 - (c) in the case of an advance payment or a transfer which is 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 50
 - (ii) the National Treasury has approved the advance payment or transfer.
- (3) No public entity, other than Eskom Holdings Limited in respect of funds received from the Department of Energy and water boards in respect of funds received from the

Department of Water Affairs 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. 5

(4) In respect of the Human Settlements Development Grant, a receiving officer and an accredited municipality must, by 31 May 2010, comply with the requirements of subsection (2), by—

- (a) entering into a payment schedule; and
- (b) submitting the payment schedule to the National Treasury for approval. 10

(5) A receiving officer must request the National Treasury to amend the payment schedule referred to in subsection (4), in accordance with the procedure set out in section 22, in instances where a transfer to an accredited municipality has been withheld or stopped in terms of section 16 or 17.

Withholding of allocation 15

16. (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; 20
- (b) roll-overs of conditional allocations approved by the National Treasury in accordance with section 20 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. 25

(2) The Health Professions Training and Development Grant and the 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)— 30

- (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; and 35
- (b) inform the relevant provincial treasury and the National Treasury.

(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— 40

- (i) facilitate compliance with this Act or the conditions to which the allocation is subject; or
- (ii) minimise the risk of under-spending. 45

(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.

(c) The transferring national officer must again comply with subsection (3) when the National Treasury issues an instruction or approves a request in terms of paragraph (a). 50

(6) (a) In respect of the Human Settlements Development Grant, a receiving officer may, in consultation with the transferring national officer, the relevant provincial

treasury and the National Treasury, withhold a transfer to an accredited municipality, if the conditions set out in subsection (1) exist.

(b) A receiving officer, prior to withholding a transfer to an accredited municipality, must comply with the notice requirements stipulated in subsections (3) and (4).

(c) A receiving officer may request the transferring national officer to seek the approval of the National Treasury that a transfer to an accredited municipality be withheld for a period longer than 30 days, in terms of subsection (5). 5

Stopping of allocation

17. (1) Despite section 16, the National Treasury may, in its discretion or at the request of a transferring national officer, or a receiving officer in the case of the Human Settlements Development Grant, stop the transfer of a Schedule 4, 5 or 6 allocation referred to in section 16(1) to a province or municipality— 10

(a) on the grounds of persistent and material non-compliance with—

(i) the provisions of this Act; or

(ii) a condition to which the allocation, as provided for in the relevant framework, is subject; or 15

(b) 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— 20

(a) comply with the requirements set out in section 16(3)(a), and in respect of a municipality, also with the requirements of section 38 of the Municipal Finance Management Act; and

(b) inform the relevant provincial treasury of its intention to stop the allocation. 25

(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. 30

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

Re-allocation of funds

18. (1) (a) The National Treasury may, when it stops a Schedule 4, 5 or 6 allocation in terms of section 17, after consultation with the transferring national officer and the relevant provincial treasury, determine that a portion of the allocation that will not be spent be re-allocated, as the same type of grant allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation will be spent in the financial year or the next financial year. 35 40

(b) The re-allocation of a portion of an allocation or the full allocation on condition that the allocation will be spent in the next financial year, in terms of paragraph (a), must be deemed to be a roll-over approved by the National Treasury in terms of section 20(2)(a), and the roll-over process set out in Treasury Regulation 6.4.2 would not need to be followed. 45

(2) (a) Despite subsection (1), the National Treasury may, when an intervention in terms of the Constitution or section 137, 139 or 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 17 on behalf of the relevant province; 50

(ii) in relation to section 139 of the Constitution and sections 137 and 139 of the Municipal Finance Management Act, the intervening province to spend an allocation stopped in terms of section 17 on behalf of the relevant municipality; or 55

- (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 17 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. 5

Conversion of Schedule 6 and Schedule 7 allocations

- 19.** (1) The National Treasury may, in its discretion or at the request of the transferring national officer, convert an allocation listed in Schedule 6 to become an allocation listed in Schedule 7, or convert an allocation listed in Schedule 7 to become an allocation listed in Schedule 6, if the National Treasury is satisfied that the conversion will prevent under-spending on the allocation. 10
- (2) An allocation that is converted in terms of this section must be paid to or expended on behalf of the same municipality to which the allocation was originally made.
- (3) A conversion referred to in subsection (1) takes effect on the date of publication referred to in section 14(2)(c). 15
- (4) The National Treasury must inform the transferring national officer and each affected receiving municipality of a conversion.

Unspent conditional allocations

- 20.** (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 and the Expanded Public Works Programme Incentive Grant, 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. 20 25
- (2) The National Treasury may, at the request of a transferring national officer, provincial treasury or municipality, approve—
- (a) a roll-over from a conditional allocation to the next financial year; and 30
 - (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.
- (3) Any funds which must revert to the National Revenue Fund in terms of subsection (1), and which have not been approved by the National Treasury to be retained in terms of subsection (2), must be repaid to the National Revenue Fund. 35
- (4) The National Treasury, in accordance with subsection (5), may set-off any funds which must be repaid to the National Revenue Fund in terms of subsections (1) and (3), but which have not been repaid—
- (a) in the case of a province, against future conditional grant allocations to that province; and 40
 - (b) in the case of a municipality, against future equitable share or conditional grant allocations to that municipality.
- (5) Prior to the National Treasury setting-off any amounts against allocations to provinces or municipalities in terms of subsection (4), the National Treasury must give the relevant transferring national officer, province or municipality— 45
- (a) written notice of the intention to set-off amounts against upcoming allocations; and
 - (b) an opportunity, within 14 days of receipt of the notice referred to in paragraph (a), to— 50
 - (i) submit written representations that prove to the satisfaction of the National Treasury that the unspent allocation was either spent in

- accordance with the relevant framework, or is committed to identifiable projects;
- (ii) propose alternative means acceptable to the National Treasury by which the unspent allocations can be repaid to the National Revenue Fund; and
 - (iii) propose an alternative payment schedule in terms of which the unspent allocations will be repaid to the National Revenue Fund. 5
- (6) A notice contemplated in subsection (5) must include the intended amount to be set-off against allocations, and the reasons for setting-off the amounts.
- (7) Despite anything else contained within this section, the retention of funds which should revert to the National Revenue Fund in terms of subsections (1) and (3), and which have not been approved by the National Treasury to be retained in terms of subsection (2), constitutes financial misconduct in terms of section 34. 10

CHAPTER 4

MATTERS RELATING TO ALL ALLOCATIONS

Payment schedule 15

21. (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.
- (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. 20
- (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. 25
- (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. 30
- (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 137, 139 or 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. 35
- (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. 40
- (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 2010. 45
- (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— 50
- (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
 (bb) reflects the portion of any payments due under the agreement referred to in item (aa) payable from the allocation; and
 (iii) in relation to a Schedule 5 or 6 allocation, consult the relevant province or municipality. 5
 (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.

Amendment of payment schedule 10

22. (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 16 or 17, 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. 15
 (2) The National Treasury may, in the interest of better debt and cash-flow management or to deal with financial mismanagement or financial misconduct, slow spending or accelerated spending, amend any payment schedule for an allocation listed in Schedule 2, 3, 4, 5 or 6 on notification to—
 (a) the accounting officer of a provincial treasury, in the case of a provincial allocation; and 20
 (b) the accounting officer of the national department responsible for local government, in the case of a local government allocation.
 (3) A payment schedule amended in terms of subsection (1) or (2) must take account of— 25
 (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). 30
 (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 or fraudulently

23. (1) Despite anything to the contrary contained in any law, the transfer of an allocation to a province, municipality or public entity in error or fraudulently is regarded as not legally due to that province, municipality or public entity, as the case may be. 35
 (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. 40

Allocations not listed in Schedules

24. (1) An allocation, other than— 45
 (a) a re-allocation referred to in section 18 or in respect of the Expanded Public Works Programme Incentive Grant; or
 (b) a revised indicative allocation in respect of a Schedule 7 or 8 grant, which is not listed in the Schedules referred to in sections 7 and 8, may only be made in terms of section 6(3). 50
 (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

25. (1) Despite anything to the contrary contained in any 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—

- (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 5
- (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. 10

(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 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. 15

(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; 20
- (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.

(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. 25

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

Preparations for next financial year and 2012/13 financial year

26. (1) (a) A provincial department responsible for implementing the Infrastructure Grant to Provinces must, by a date determined by the provincial treasury, submit detailed infrastructure plans in a format determined by the National Treasury, to the provincial treasury, and the provincial treasury must submit the infrastructure plans to the National Treasury by 31 August 2010. 30

(b) The infrastructure plans must indicate the prioritised projects to be funded from the allocations for the next financial year and the 2012/13 financial year, as set out in Column B of Schedule 4. 35

(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 27 August 2010, together with the provincial budget submission; 40
- (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 2012/13 financial year, and that infrastructure budgets are aligned with the cash flow requirements of the planned projects in a given year; and 45
- (iii) ensure that the infrastructure budgets of the receiving departments make adequate provision for operations and maintenance associated with newly constructed or upgraded infrastructure. 50

(2) (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 2012/13 financial year as set out in Column B of the Schedules, by 1 October 2010—

- (i) agree on the provisional allocations and the projects to be funded from those allocations in the next financial year and the 2012/13 financial year with each 55

- category B municipality within the category C municipality's area of jurisdiction; and
- (ii) submit to the transferring national officer—
- (aa) the provisional allocations referred to in subparagraph (i); and
- (bb) the prioritised projects contemplated in subparagraph (i) listed per municipality to be funded from the allocations for the next financial year and the 2012/13 financial year. 5
- (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. 10
- (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 referred to in paragraph (b).
- (d) Any proposed amendment or adjustment of the allocations published in terms of section 29(3)(b) must be agreed with the relevant category B municipality, the transferring national officer and the National Treasury, prior to the submission of the allocations referred to in paragraph (a)(ii). 15
- (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 2010, the National Treasury may proceed to determine the provisional allocations and provide those provisional allocations to the municipalities concerned and the transferring national officer. 20
- (f) (i) The final allocations based on the provisional allocations referred to in paragraphs (a)(i) and (ii) and (e) must be submitted to the National Treasury by 7 December 2010. 25
- (ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 7 December 2010, the National Treasury may determine the appropriate allocations, taking into consideration the envisaged allocations for the next financial year.
- (3) (a) The transferring national officer of a conditional allocation, using the envisaged conditional allocations for the next financial year and the 2012/13 financial year as set out in Column B of the Schedules to this Act, must, by 1 October 2010, submit to the National Treasury for approval— 30
- (i) the provisional allocations to each province or municipality in respect of new conditional allocations to be made in the next financial year; 35
- (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
- (iii) the draft frameworks for the allocations referred to in subparagraphs (i) and (ii) in the format to be determined by the National Treasury. 40
- (b) Any proposed amendment or adjustment for the next financial year of the allocation criteria of an existing conditional allocation 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 1 October 2010, determine— 45
- (i) the provisional allocations referred to in paragraph (a)(i);
- (ii) any amendments to the envisaged allocations referred to in paragraph (a)(ii); and
- (iii) the draft frameworks for the allocations referred to in paragraph (a)(iii), 50
- 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 2010.
- (ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 7 December 2010, the National Treasury may determine the appropriate allocations, taking into consideration the envisaged allocations for the next financial year. 55
- (4) The National Treasury may, in preparation for the next financial year, instruct transferring national officers, receiving officers and municipalities to submit to it such 60

plans and information for any conditional allocation as it may determine at specified times prior to the start of the next financial year.

Expenditure prior to commencement of Division of Revenue Act, 2011

27. 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 2011, 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. 5

CHAPTER 5

DUTIES OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY 10

Duties of municipalities

28. (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 2010, 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 2010/11 municipal financial year, and the two following municipal financial years. 15

(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. 20

(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. 25

(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— 30

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

(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. 35

(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 40

(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. 45

(b) A category C municipality must make transfers in accordance with the payment schedule submitted in terms of paragraph (a). 50

(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)(a).
- (b) Sections 16(3) and 17(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). 5
- (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. 10
- (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. 15
- (8) In addition to the requirements of the Municipal Finance Management Act, the disposal by a municipality of a stadium that was built or upgraded with funding allocated in terms of the FIFA World Cup Stadiums Development Grant is subject to the approval of the transferring national officer for the FIFA World Cup Stadiums Development Grant and the National Treasury. 20
- (9) In respect of the Human Settlements Development Grant, the financial and non-financial reporting that is required to be submitted by the accredited municipality in terms of the grant framework must relate to the requirements specified in the grant framework.
- (10) An accredited municipality must submit the required monthly financial and quarterly performance reports to the receiving officer, the transferring national officer and the National Treasury. 25

Duties of provincial treasuries

29. (1) The provincial treasury must reflect Schedule 5 allocations separately in the province's appropriation Bill or a schedule to its appropriation Bill. 30
- (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 2010, 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; 35
 - (ii) the indicative allocation to be made per school in the province;
 - (iii) 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; 40
 - (iv) the envisaged division of the allocation contemplated in subparagraphs (i) to (iii), in respect of each municipality and school, for the next financial year and the 2012/13 financial year;
 - (v) 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 45
 - (vi) 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, which 50

allocations must align to the appropriation Bill as passed by the legislature, and which must be deemed to be final.

(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). 5

(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). 10

(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. 15

(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— 20

- (i) actual transfers received by the province from national departments;
- (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. 25

(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.

(6) A provincial treasury must—

- (a) ensure— 30
 - (i) that a payment schedule is agreed between each provincial department and receiving institution referred to in subsection (2)(a); and
 - (ii) that transfers are made in accordance therewith; and
- (b) submit the payment schedules to the National Treasury within 14 days of the commencement of the financial year. 35

Duties of National Treasury

30. (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 24. 40

(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. 45

CHAPTER 6

GENERAL

Allocations by public entities to provinces or municipalities 50

31. 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.

Liability for costs incurred in violation of principles of cooperative governance and intergovernmental relations

32. (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. 5

(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. 10

(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).

Unauthorised and irregular expenditure 15

33. (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:

- (a) a transfer prohibited in terms of section 15(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— 20
 - (i) the primary bank account;
 - (ii) in respect of provinces, a corporation for public deposits account; or
 - (iii) in respect of the Gautrain Rapid Rail Link Grant, 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). 25

(2) Any transfer made or spending of an allocation in contravention of this Act or a framework published in terms of this Act, constitutes irregular expenditure in terms of the Public Finance Management Act and the Municipal Finance Management Act. 30

Financial misconduct

34. (1) Despite anything to the contrary contained in any law, any serious or persistent non-compliance with a provision of this Act or a framework published in terms of this Act, and in particular, any non-compliance with section 26, constitutes financial misconduct. 35

(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 contemplated subsection (1).

Delegations and assignments 40

35. (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— 45

- (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.

(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.

5

Exemptions

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

(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*.

10

Regulations

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

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

(b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act.

15

Repeal of laws

38. (1) Subject to subsection (2), the Division of Revenue Act, 2009 (Act No. 12 of 2009), with the exception of sections 33 and 47, is hereby repealed.

20

(2) The repeal of the Division of Revenue Act, 2009 (Act No. 12 of 2009), does not affect any duty or obligation set out in that Act, the execution of which is still outstanding.

Short title and commencement

39. This Act is called the Division of Revenue Act, 2010, and takes effect on 1 April 2010 or the date of publication thereof by the President in the *Gazette*, whichever is the later date.

25

SCHEDULE 1

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

Spheres of Government	Column A	Column B	
	2010/11 Allocation	Forward Estimates	
		2011/12	2012/13
	R'000	R'000	R'000
National ^{1,2}	527 001 492	573 709 007	632 299 464
Provincial	260 973 745	280 688 678	294 779 975
Local	30 167 706	33 939 901	37 234 396
TOTAL	818 142 943	888 337 586	964 313 835

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	
	2010/11 Allocation	Forward Estimates	
		2011/12	2012/13
	R'000	R'000	R'000
Eastern Cape	40 134 424	42 856 005	44 693 156
Free State	15 959 310	17 054 636	17 787 796
Gauteng	45 134 335	48 791 833	51 459 021
KwaZulu-Natal	56 742 834	61 358 875	64 761 099
Limpopo	33 237 814	35 397 976	36 820 351
Mpumalanga	21 323 198	22 864 675	23 943 495
Northern Cape	7 101 615	7 556 611	7 962 754
North West	17 314 124	18 680 341	19 681 857
Western Cape	24 026 091	26 127 726	27 670 446
TOTAL	260 973 745	280 688 678	294 779 975

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		
			2010/11 Allocation	Column B	
				Forward Estimates	
				2011/12	2012/13
			R'000	R'000	R'000
EASTERN CAPE					
A	NMA	Nelson Mandela Bay	602 883	686 623	759 738
B	EC101	Camdeboo	29 339	33 081	36 392
B	EC102	Blue Crane Route	31 051	35 012	38 515
B	EC103	Ikwezi	11 553	13 010	14 297
B	EC104	Makana	53 620	60 557	66 657
B	EC105	Ndlambe	43 896	49 614	54 629
B	EC106	Sunday's River Valley	25 710	28 959	31 837
B	EC107	Baviaans	12 094	13 619	14 969
B	EC108	Kouga	34 882	39 829	44 020
B	EC109	Kou-Kamma	22 754	25 642	28 202
C	DC10	Cacadu District Municipality	69 387	73 487	77 298
Total: Cacadu Municipalities			334 287	372 811	406 817
B	EC121	Mbhashe	77 759	87 555	96 241
B	EC122	Mnquma	112 592	126 838	139 485
B	EC123	Great Kei	24 084	27 121	29 826
B	EC124	Amahlathi	69 462	78 216	86 017
B	EC125	Buffalo City	508 895	583 459	643 912
B	EC126	Ngqushwa	47 261	53 215	58 522
B	EC127	Nkonkobe	72 656	81 821	89 988
B	EC128	Nxuba	16 259	18 314	20 141
C	DC12	Amatole District Municipality	481 040	516 050	565 555
Total: Amatole Municipalities			1 410 008	1 572 589	1 729 686
B	EC131	Inxuba Yethemba	32 832	37 003	40 712
B	EC132	Tsolwana	19 031	21 409	23 526
B	EC133	Inkwanca	13 503	15 201	16 709
B	EC134	Lukhanji	86 908	97 879	107 646
B	EC135	Intsika Yethu	69 276	77 962	85 679
B	EC136	Emalahleni	51 330	57 778	63 510
B	EC137	Engcobo	46 997	52 915	58 166
B	EC138	Sakhisizwe	27 217	30 659	33 721
C	DC13	Chris Hani District Municipality	281 530	316 327	347 648
Total: Chris Hani Municipalities			628 623	707 132	777 317
B	EC141	Elundini	50 021	56 309	61 879
B	EC142	Senqu	66 493	74 893	82 378
B	EC143	Maletswai	17 620	19 842	21 814
B	EC144	Gariep	19 221	21 663	23 832
C	DC14	Ukhahlamba District Municipality	125 943	141 618	155 629
Total: Ukhahlamba Municipalities			279 299	314 324	345 532
B	EC151	Mbizana	75 758	85 262	93 698
B	EC152	Ntabankulu	41 957	47 220	51 884
B	EC153	Ngquza Hill	73 505	82 747	90 938
B	EC154	Port St Johns	44 714	50 321	55 292
B	EC155	Nyandeni	88 682	99 862	109 800
B	EC156	Mhlontlo	67 972	76 537	84 145
B	EC157	King Sabata Dalindyebo	127 858	144 365	159 022
C	DC15	O.R.Tambo District Municipality	406 208	456 876	502 252
Total: O.R.Tambo Municipalities			926 655	1 043 190	1 147 030
B	EC442	Umtzimvubu	71 442	80 440	88 427
B	EC441	Matatiele	71 817	80 870	88 896
C	DC44	Alfred Nzo District Municipality	125 171	140 777	154 706
Total: Alfred Nzo Municipalities			268 431	302 088	332 029
Total: Eastern Cape Municipalities			4 450 185	4 998 756	5 498 148

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		
		2010/11 Allocation	Column B	
			Forward Estimates	
			2011/12	2012/13
		R'000	R'000	R'000
FREE STATE				
B	FS161 Letsemeng	40 637	45 817	50 407
B	FS162 Kopanong	72 760	82 060	90 301
B	FS163 Mohokare	40 862	46 076	50 691
C	DC16 Xhariep District Municipality	13 372	14 528	15 565
Total: Xhariep Municipalities		167 631	188 481	206 964
B	FS171 Naledi	29 882	33 691	37 064
B	FS172 Mangaung	494 273	565 491	624 239
B	FS173 Mantsopa	53 916	60 809	66 908
C	DC17 Motheo District Municipality	152 312	157 537	144 936
Total: Motheo Municipalities		730 383	817 527	873 146
B	FS181 Masilonyana	66 189	74 634	82 113
B	FS182 Tokologo	34 525	38 912	42 800
B	FS183 Tswelopele	48 822	55 048	60 561
B	FS184 Matjhabeng	358 900	406 057	447 544
B	FS185 Nala	111 999	126 326	139 012
C	DC18 Lejweleputswa District Municipality	90 922	96 169	101 063
Total: Lejweleputswa Municipalities		711 356	797 146	873 093
B	FS191 Setsoto	133 874	151 000	166 160
B	FS192 Dihlabeng	103 057	116 494	128 277
B	FS193 Nketoana	62 145	70 092	77 121
B	FS194 Maluti a Phofung	267 069	301 604	332 128
B	FS195 Phumelela	44 238	49 871	54 858
C	DC19 Thabo Mofutsanyana District Municipality	59 868	64 177	68 114
Total: Thabo Mofutsanyana Municipalities		670 251	753 237	826 659
B	FS201 Moqhaka	135 789	153 130	168 490
B	FS203 Ngwathe	126 766	142 969	157 312
B	FS204 Metsimaholo	79 048	89 636	98 891
B	FS205 Mafube	61 766	69 644	76 618
C	DC20 Fezile Dabi District Municipality	122 988	128 476	133 751
Total: Fezile Dabi Municipalities		526 357	583 856	635 062
Total: Free State Municipalities		2 805 978	3 140 248	3 414 925

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		
		2010/11 Allocation	Column B	
			Forward Estimates	
			2011/12	2012/13
		R'000	R'000	R'000
GAUTENG				
A	EKU Ekurhuleni	1 471 409	1 677 189	1 856 224
A	JHB City of Johannesburg	1 704 648	1 969 607	2 203 924
A	TSH City of Tshwane	717 978	827 506	921 982
B	GT461 Nokeng tsa Taamane	28 495	32 249	35 538
B	GT462 Kungwini	65 336	74 383	82 150
C	DC46 Metsweding District Municipality	26 015	27 667	29 188
Total: Metsweding Municipalities		119 846	134 299	146 876
B	GT421 Emfuleni	498 815	564 602	622 584
B	GT422 Midvaal	37 448	42 593	47 026
B	GT423 Lesedi	48 093	54 400	59 922
C	DC42 Sedibeng District Municipality	213 221	222 569	231 574
Total: Sedibeng Municipalities		797 577	884 164	961 105
B	GT481 Mogale City	173 321	196 622	217 050
B	GT482 Randfontein	73 559	83 491	92 105
B	GT483 Westonaria	79 143	89 229	98 192
B	NW405 Merafong City	147 257	166 393	183 414
C	DC48 West Rand District Municipality	160 459	168 637	176 554
Total: West Rand Municipalities		633 739	704 373	767 315
Total: Gauteng Municipalities		5 445 197	6 197 137	6 857 427

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		
		2010/11 Allocation	Column B	
			Forward Estimates	
			2011/12	2012/13
		R'000	R'000	R'000
KWAZULU-NATAL				
A	ETH eThekweni	1 414 534	1 631 503	1 787 032
B	KZN211 Vulamehlo	24 501	27 573	30 296
B	KZN212 uMdoni	20 802	23 487	25 849
B	KZN213 Umzumbe	60 966	68 625	75 428
B	KZN214 uMuziwabantu	30 377	34 213	37 616
B	KZN215 Eziqolweni	18 112	20 395	22 425
B	KZN216 Hibiscus Coast	70 295	79 826	88 144
C	DC21 Ugu District Municipality	199 841	224 181	246 271
Total: Ugu Municipalities		424 894	478 301	526 029
B	KZN221 uMshwathi	41 165	46 346	50 962
B	KZN222 uMngeni	26 617	30 313	33 486
B	KZN223 Mpofana	16 695	18 813	20 696
B	KZN224 Impendle	16 386	18 443	20 274
B	KZN225 Msunduzi	267 211	309 968	343 311
B	KZN226 Mkhambathini	20 601	23 183	25 478
B	KZN227 Richmond	21 684	24 409	26 835
C	DC22 uMgungundlovu District Municipality	258 183	272 874	297 778
Total: uMgungundlovu Municipalities		668 542	744 347	818 820
B	KZN232 Emnambethi-Ladysmith	83 304	94 065	103 561
B	KZN233 Indaka	44 140	49 711	54 667
B	KZN234 Umtshezi	21 569	24 411	26 893
B	KZN235 Okhahlamba	44 542	50 161	55 157
B	KZN236 Imbabazane	47 956	53 996	59 382
C	DC23 Uthukela District Municipality	198 196	222 676	244 720
Total: Uthukela Municipalities		439 707	495 021	544 379
B	KZN241 Endumeni	19 788	22 437	24 741
B	KZN242 Nguthu	47 451	53 432	58 735
B	KZN244 Msinga	46 328	52 132	57 271
B	KZN245 Umvoti	30 040	33 838	37 203
C	DC24 Umzinyathi District Municipality	132 014	148 391	163 102
Total: Umzinyathi Municipalities		275 622	310 230	341 052
B	KZN252 Newcastle	225 777	255 395	281 462
B	KZN253 eMadlangeni	9 622	10 817	11 875
B	KZN254 Dannhauser	34 578	38 930	42 798
C	DC25 Amajuba District Municipality	78 331	86 968	95 266
Total: Amajuba Municipalities		348 308	392 110	431 401
B	KZN261 eDumbe	26 395	29 732	32 694
B	KZN262 uPhongolo	43 874	49 420	54 356
B	KZN263 Abaqulusi	57 815	65 083	71 546
B	KZN265 Nongoma	49 419	55 621	61 124
B	KZN266 Ulundi	56 601	63 711	70 018
C	DC26 Zululand District Municipality	198 670	223 201	245 293
Total: Zululand Municipalities		432 774	486 768	535 032
B	KZN271 Umhlaluyalingana	35 750	40 230	44 195
B	KZN272 Jozini	48 546	54 641	60 038
B	KZN273 The Big Five False Bay	9 747	10 956	12 026
B	KZN274 Hlabisa	39 265	44 144	48 471
B	KZN275 Mtubatuba	12 309	13 861	15 239
C	DC27 Umkhanyakude District Municipality	133 129	149 636	164 469
Total: Umkhanyakude Municipalities		278 746	313 468	344 438

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	
		2010/11 Allocation	Forward Estimates	
			2011/12	2012/13
		R'000	R'000	R'000
B	KZN281 Mfolozi	31 241	35 138	38 604
B	KZN282 uMhlathuze	145 629	165 170	182 243
B	KZN283 Ntambanana	14 750	16 575	18 199
B	KZN284 Umlalazi	58 565	65 906	72 422
B	KZN285 Mthonjaneni	18 193	20 491	22 530
B	KZN286 Nkandla	34 332	38 627	42 427
C	DC28 uThungulu District Municipality	259 978	288 406	315 853
Total: uThungulu Municipalities		562 687	630 313	692 277
B	KZN291 Mandeni	49 629	55 886	61 456
B	KZN292 KwaDukuza	50 940	58 202	64 441
B	KZN293 Ndwedwe	43 443	48 882	53 707
B	KZN294 Maphumulo	33 488	37 695	41 426
C	DC29 iLembe District Municipality	178 694	200 114	219 728
Total: iLembe Municipalities		356 194	400 779	440 757
B	KZN431 Ingwe	35 213	39 645	43 579
B	KZN432 Kwa Sani	8 754	9 857	10 832
B	KZN433 Greater Kokstad	36 196	40 906	45 058
B	KZN434 Ubuhlebezwe	35 479	39 934	43 888
B	KZN435 Umzimkhulu	59 411	66 898	73 551
C	DC43 Sisonke District Municipality	156 284	175 760	193 166
Total: Sisonke Municipalities		331 336	373 000	410 073
Total: KwaZulu-Natal Municipalities		5 533 344	6 255 840	6 871 291

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		
		2010/11 Allocation	Column B	
			Forward Estimates	
			2011/12	2012/13
		R'000	R'000	R'000
LIMPOPO				
B	LIM473 Makhuduthamaga	107 338	120 858	132 909
B	LIM474 Fetakgomo	33 103	37 236	40 907
B	LIM471 Greater Marble Hall	52 272	58 862	64 744
B	LIM472 Elias Motsoaledi	100 148	112 761	124 019
B	LIM475 Greater Tubatse	94 525	106 448	117 053
C	DC47 Greater Sekhukhune District Municipality	274 264	307 959	338 391
Total: Greater Sekhukhune Municipalities		661 651	744 124	818 022
B	LIM331 Greater Giyani	100 047	112 636	123 862
B	LIM332 Greater Letaba	100 445	113 119	124 422
B	LIM333 Greater Tzaneen	154 949	174 825	192 570
B	LIM334 Ba-Phalaborwa	47 605	53 625	58 982
B	LIM335 Maruleng	39 323	44 259	48 656
C	DC33 Mopani District Municipality	363 483	408 208	448 567
Total: Mopani Municipalities		805 851	906 671	997 058
B	LIM341 Musina	24 045	27 089	29 800
B	LIM342 Mutale	29 975	33 725	37 057
B	LIM343 Thulamela	202 015	227 875	250 961
B	LIM344 Makhado	185 483	209 219	230 428
C	DC34 Vhembe District Municipality	371 246	417 712	459 245
Total: Vhembe Municipalities		812 764	915 619	1 007 490
B	LIM351 Blouberg	60 017	67 577	74 303
B	LIM352 Aganang	55 215	62 140	68 297
B	LIM353 Molemole	57 083	64 282	70 706
B	LIM354 Polokwane	307 859	347 758	383 056
B	LIM355 Lepelle-Nkumpi	93 674	105 472	115 985
C	DC35 Capricorn District Municipality	316 939	353 462	387 666
Total: Capricorn Municipalities		890 787	1 000 691	1 100 015
B	LIM361 Thabazimbi	45 148	50 926	56 038
B	LIM362 Lephalale	72 053	81 258	89 410
B	LIM364 Mookgopong	18 371	20 723	22 799
B	LIM365 Modimolle	44 945	50 702	55 794
B	LIM366 Bela Bela	35 685	40 292	44 346
B	LIM367 Mogalakwena	193 964	218 921	241 058
C	DC36 Waterberg District Municipality	85 215	89 991	94 460
Total: Waterberg Municipalities		495 380	552 813	603 905
Total: Limpopo Municipalities		3 666 434	4 119 918	4 526 490

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	
		2010/11 Allocation	Forward Estimates	
			2011/12	2012/13
		R'000	R'000	R'000
MPUMALANGA				
B	MP301 Albert Luthuli	119 231	134 400	147 831
B	MP302 Msukaligwa	82 968	93 595	102 977
B	MP303 Mkhondo	73 346	82 684	90 941
B	MP304 Pixley Ka Seme	66 690	75 197	82 727
B	MP305 Lekwa	62 872	70 947	78 073
B	MP306 Dipaleseng	35 349	39 859	43 845
B	MP307 Govan Mbeki	156 732	177 783	196 161
C	DC30 Gert Sibande District Municipality	238 148	248 242	258 009
Total: Gert Sibande Municipalities		835 336	922 708	1 000 563
B	MP311 Delmas	40 266	45 473	50 053
B	MP312 Emalahleni	146 796	166 569	183 854
B	MP313 Steve Tshwete	70 395	80 174	88 591
B	MP314 Emakhazeni	28 324	31 933	35 122
B	MP315 Thembisile	172 932	194 891	214 399
B	MP316 Dr JS Moroka	180 529	203 426	223 761
C	DC31 Nkangala District Municipality	282 304	294 137	305 605
Total: Nkangala Municipalities		921 548	1 016 603	1 101 385
B	MP321 Thaba Chweu	59 553	67 191	73 946
B	MP322 Mbombela	247 674	279 834	308 291
B	MP323 Umjindi	36 584	41 278	45 425
B	MP324 Nkomazi	196 588	221 861	244 251
B	MP325 Bushbuckridge	339 796	383 126	421 623
C	DC32 Ehlanzeni District Municipality	166 230	175 478	184 139
Total: Ehlanzeni Municipalities		1 046 425	1 168 768	1 277 676
Total: Mpumalanga Municipalities		2 803 310	3 108 079	3 379 625

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		
		2010/11 Allocation	Column B	
			Forward Estimates	
			2011/12	2012/13
		R'000	R'000	R'000
NORTHERN CAPE				
B	NC451 Moshaweng	47 483	53 490	58 811
B	NC452 Ga-Segonyana	48 470	54 657	60 135
B	NC453 Gamagara	16 224	18 317	20 161
C	DC45 John Taolo Gaetsewe District Municipality	48 852	52 393	55 625
Total: John Taolo Gaetsewe Municipalities		161 029	178 856	194 731
B	NC061 Richtersveld	9 197	10 368	11 396
B	NC062 Nama Khoi	27 222	30 670	33 724
B	NC064 Kamiesberg	9 425	10 596	11 632
B	NC065 Hantam	15 680	17 665	19 420
B	NC066 Karoo Hoogland	10 139	11 399	12 513
B	NC067 Khai-Ma	9 566	10 755	11 806
C	DC6 Namakwa District Municipality	29 291	30 898	32 401
Total: Namakwa Municipalities		110 519	122 351	132 892
B	NC071 Ubuntu	13 986	15 756	17 319
B	NC072 Umsobomvu	23 637	26 638	29 291
B	NC073 Emthanjeni	28 011	31 598	34 759
B	NC074 Kareeberg	9 050	10 194	11 201
B	NC075 Renosterberg	11 249	12 654	13 895
B	NC076 Thembelihle	10 815	12 163	13 357
B	NC077 Siyathemba	15 440	17 402	19 134
B	NC078 Siyancuma	25 818	29 101	32 009
C	DC7 Pixley Ka Seme District Municipality	25 666	27 486	29 147
Total: Pixley Ka Seme Municipalities		163 673	182 991	200 112
B	NC081 Mier	6 650	7 478	8 207
B	NC082 !Kai! Garib	35 787	40 326	44 361
B	NC083 //Khara Hais	40 532	45 901	50 578
B	NC084 !Kheis	11 788	13 259	14 562
B	NC085 Tsantsabane	18 204	20 514	22 554
B	NC086 Kgatelopele	11 591	13 047	14 339
C	DC8 Siyanda District Municipality	43 532	46 313	48 878
Total: Siyanda Municipalities		168 084	186 839	203 479
B	NC091 Sol Plaatje	121 741	138 223	152 568
B	NC092 Dikgatlong	34 478	38 858	42 732
B	NC093 Magareng	22 648	25 524	28 070
B	NC094 Phokwane	50 647	57 089	62 804
C	DC9 Frances Baard District Municipality	76 378	83 873	91 549
Total: Frances Baard Municipalities		305 892	343 567	377 723
Total: Northern Cape Municipalities		909 198	1 014 604	1 108 938

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	
		2010/11 Allocation	Forward Estimates	
			2011/12	2012/13
		R'000	R'000	R'000
NORTH WEST				
B	NW371 Moretele	115 673	130 313	143 305
B	NW372 Madibeng	217 230	245 326	270 216
B	NW373 Rustenburg	206 740	233 949	257 954
B	NW374 Kgetlengrivier	32 605	36 751	40 424
B	NW375 Moses Kotane	179 214	202 003	222 245
C	DC37 Bojanala Platinum District Municipality	224 696	235 536	245 852
Total: Bojanala Platinum Municipalities		976 159	1 083 876	1 179 997
B	NW381 Ratlou	49 310	55 522	61 064
B	NW382 Tswaing	48 094	54 163	59 572
B	NW383 Mafikeng	96 350	108 766	119 833
B	NW384 Ditsobotla	61 003	68 671	75 512
B	NW385 Ramotshere Moiloa	60 151	67 736	74 496
C	DC38 Ngaka Modiri Molema District Municipality	315 958	353 240	387 685
Total: Ngaka Modiri Molema Municipalities		630 866	708 097	778 163
B	NW391 Kagisano	42 848	48 234	53 037
B	NW392 Naledi	26 405	29 811	32 812
B	NW393 Mamusa	24 380	27 458	30 196
B	NW394 Greater Taung	72 436	81 527	89 619
B	NW395 Molopo	8 606	9 661	10 597
B	NW396 Lekwa-Teemane	21 761	24 517	26 967
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	165 396	185 831	204 182
Total: Dr Ruth Segomotsi Mompati Municipalities		361 832	407 039	447 410
B	NW401 Ventersdorp	35 264	39 755	43 732
B	NW402 Tlokwe	69 095	78 447	86 596
B	NW403 City of Matlosana	283 801	320 975	353 769
B	NW404 Maquassi Hills	58 942	66 471	73 134
C	DC40 Dr Kenneth Kaunda District Municipality	147 927	156 244	155 569
Total: Dr Kenneth Kaunda Municipalities		595 029	661 892	712 801
Total: North West Municipalities		2 563 886	2 860 905	3 118 371

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
			2010/11 Allocation	Forward Estimates
				2011/12 2012/13
			R'000	R'000 R'000
WESTERN CAPE				
A	CPT	City of Cape Town	861 811	997 555 1 114 890
B	WC011	Matzikama	27 119	30 618 33 710
B	WC012	Cederberg	21 423	24 204 26 644
B	WC013	Bergrivier	18 735	21 180 23 324
B	WC014	Saldanha Bay	26 840	30 735 34 015
B	WC015	Swartland	20 979	23 913 26 421
C	DC1	West Coast District Municipality	68 704	72 217 75 539
Total: West Coast Municipalities			183 800	202 867 219 654
B	WC022	Witzenberg	36 683	41 433 45 613
B	WC023	Drakenstein	59 707	68 150 75 428
B	WC024	Stellenbosch	34 272	39 423 43 777
B	WC025	Breedde Valley	53 333	60 629 66 972
B	WC026	Langeberg	41 769	47 181 51 948
C	DC2	Cape Winelands District Municipality	195 500	203 735 211 710
Total: Cape Winelands Municipalities			421 263	460 550 495 448
B	WC031	Theewaterskloof	43 655	49 296 54 272
B	WC032	Overstrand	26 920	32 251 34 244
B	WC033	Cape Agulhas	13 494	15 306 16 872
B	WC034	Swellendam	15 267	17 279 19 028
C	DC3	Overberg District Municipality	40 309	42 554 44 650
Total: Overberg Municipalities			139 645	156 686 169 065
B	WC041	Kannaland	15 563	17 559 19 313
B	WC042	Hessequa	21 258	24 166 26 659
B	WC043	Mossel Bay	34 233	38 851 42 854
B	WC044	George	58 296	66 591 73 701
B	WC045	Oudtshoorn	35 403	39 983 44 009
B	WC047	Bitou	17 536	20 458 22 196
B	WC048	Knysna	22 279	27 605 28 438
C	DC4	Eden District Municipality	126 111	132 354 138 285
Total: Eden Municipalities			330 680	367 566 395 455
B	WC051	Laingsburg	6 862	7 728 8 484
B	WC052	Prince Albert	7 956	8 945 9 818
B	WC053	Beaufort West	22 401	25 300 27 842
C	DC5	Central Karoo District Municipality	15 756	17 217 18 525
Total: Central Karoo Municipalities			52 976	59 189 64 669
Total: Western Cape Municipalities			1 990 175	2 244 414 2 459 181
National Total			30 167 706	33 939 901 37 234 396

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	
					2010/11 Allocation	Forward Estimates	
						2011/12	2012/13
Agriculture, Forestry and Fisheries (Vote 25)	Comprehensive Agricultural Support Programme Grant	To expand the provision of agricultural support services to promote and facilitate agricultural development to targeted groups.	General conditional allocation to provinces	Eastern Cape	R'000 160 004	R'000 170 557	R'000 179 085
				Free State	75 772	88 894	93 339
				Gauteng	42 187	43 965	46 163
				KwaZulu-Natal	135 804	160 176	168 185
				Limpopo	144 567	148 123	155 530
				Mpumalanga	81 947	95 691	100 475
				Northern Cape	58 275	63 954	67 152
				North West	100 745	129 485	135 959
				Western Cape	63 064	78 476	82 399
				TOTAL	862 365	979 321	1 028 287
Health (Vote 15)	(a) Health Professions Training and Development Grant	Support provinces to fund operational costs associated with training of health professionals; development and recruitment of medical specialists in under-served provinces; and support and strengthen undergraduate and postgraduate teaching and training processes in health facilities.	Nationally assigned function to provinces	Eastern Cape	160 444	170 071	178 730
				Free State	117 400	124 444	130 930
				Gauteng	651 701	690 803	725 310
				KwaZulu-Natal	235 771	249 917	261 860
				Limpopo	94 085	99 730	103 913
				Mpumalanga	76 149	80 718	85 208
				Northern Cape	61 802	65 510	68 583
				North West	83 324	88 323	93 522
				Western Cape	384 711	407 794	428 120
				TOTAL	1 865 387	1 977 310	2 076 176
	(b) National Tertiary Services Grant	To compensate tertiary facilities for the additional costs associated with the rendering of tertiary services provision and spill over effects.	Nationally assigned function to provinces	Eastern Cape	557 137	587 327	616 693
				Free State	659 469	695 204	729 964
				Gauteng	2 561 154	2 699 936	2 834 933
				KwaZulu-Natal	1 102 585	1 162 331	1 220 448
				Limpopo	257 314	257 314	270 180
				Mpumalanga	91 879	96 858	101 700
				Northern Cape	225 948	225 948	237 245
				North West	179 280	179 280	188 244
				Western Cape	1 763 234	1 894 680	1 989 415
				TOTAL	7 398 000	7 798 878	8 188 822

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	
					2010/11 Allocation	Forward Estimates	
						2011/12	2012/13
Higher Education and Training (Vote 16)	Further Education and Training Colleges Grant	To ensure the successful transfer of the further education and training colleges function to the national Department of Higher Education and Training.	General conditional allocation to provinces	Eastern Cape	R'000 555 208	R'000 581 579	R'000 610 484
				Free State	256 703	273 275	286 827
				Gauteng	883 160	928 310	974 354
				KwaZulu-Natal	642 561	681 906	715 785
				Limpopo	435 854	452 613	475 046
				Mpumalanga	285 563	303 207	318 258
				Northern Cape	52 101	52 905	55 530
				North West	214 999	224 039	235 188
				Western Cape	446 512	474 155	497 616
				TOTAL	3 772 661	3 971 989	4 169 088
National Treasury (Vote 9)	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	2 010 800	2 305 798	2 520 560
				Free State	869 338	997 085	1 091 625
				Gauteng	952 477	1 097 646	1 211 032
				KwaZulu-Natal	2 395 763	2 757 467	3 025 901
				Limpopo	1 743 422	2 083 089	2 060 678
				Mpumalanga	976 347	1 125 906	1 102 946
				Northern Cape	598 847	688 471	755 831
				North West	973 072	1 118 968	1 228 125
				Western Cape	794 845	916 760	1 010 852
				TOTAL	11 314 911	13 091 190	14 007 550
Transport (Vote 36)	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	148 077	166 953	180 460
				Free State	169 264	184 566	195 516
				Gauteng	1 496 442	1 577 612	1 635 695
				KwaZulu-Natal	714 587	773 473	815 611
				Limpopo	214 472	249 498	274 561
				Mpumalanga	397 003	420 099	436 626
				Northern Cape	30 370	37 565	42 715
				North West	60 416	77 211	89 230
				Western Cape	632 402	666 255	690 480
				TOTAL	3 863 033	4 153 232	4 360 894

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	
				2010/11 Allocation	Forward Estimates	
					2011/12	2012/13
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Infrastructure Grant (Cities)	Supplements the capital revenues of selected large urban municipalities in order to support their infrastructure investment programmes.	Nelson Mandela Bay	R'000 182 532	R'000 219 532	R'000 266 931
			Ekurhuleni	501 395	603 030	733 230
			City of Johannesburg	556 450	669 245	813 741
			City of Tshwane	384 068	461 921	561 654
			eThekweni	595 912	716 707	871 450
			City of Cape Town	383 726	461 509	561 153
			TOTAL	2 604 083	3 131 944	3 808 159

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2010/11 Allocation	Forward Estimates	
						2011/12	2012/13
Agriculture, Forestry and Fisheries (Vote 25)	(a) Ilima/Letsema Projects Grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production.	Conditional allocation	Eastern Cape	R'000 20 000	R'000 40 000	R'000 42 000
				Free State	26 000	52 000	54 600
				Gauteng	10 000	20 000	21 000
				KwaZulu-Natal	30 000	60 000	63 000
				Limpopo	20 000	40 000	42 000
				Mpumalanga	20 000	40 000	42 000
				Northern Cape	30 000	60 000	63 000
				North West	20 000	40 000	42 000
				Western Cape	24 000	48 000	50 400
				TOTAL	200 000	400 000	420 000
	(b) 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	8 721	9 244	9 707
				Free State	4 360	4 622	4 853
				Gauteng	3 815	4 044	4 246
				KwaZulu-Natal	8 721	9 244	9 706
				Limpopo	8 176	8 667	9 100
				Mpumalanga	4 904	5 198	5 458
				Northern Cape	5 995	6 355	6 672
				North West	6 540	6 932	7 279
				Western Cape	3 270	3 466	3 640
				TOTAL	54 502	57 772	60 661
Arts and Culture (Vote 13)	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	77 240	80 974	79 273
				Free State	45 197	47 909	50 304
				Gauteng	51 619	54 716	57 452
				KwaZulu-Natal	38 282	45 401	48 619
				Limpopo	62 733	66 497	69 822
				Mpumalanga	62 733	66 497	69 822
				Northern Cape	65 943	69 900	73 395
				North West	59 275	62 832	65 973
				Western Cape	49 638	48 694	56 129
				TOTAL	512 660	543 420	570 789

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2010/11 Allocation	Forward Estimates	
						2011/12	2012/13
					R'000	R'000	R'000
Basic Education (Vote 14)	(a) Dinaledi Schools Grant	To enhance the quality of maths and science in Dinaledi schools by providing additional resources.	Conditional allocation	Eastern Cape	-	-	-
				Free State	-	-	-
				Gauteng	-	-	-
				KwaZulu-Natal	-	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				Unallocated	-	70 000	100 000
				TOTAL	-	70 000	100 000
	(b) HIV and Aids (Life Skills Education) Grant	To provide education and training for school management teams, learners, educators and other school support staff to develop, implement and manage life skills education in line with the National Strategic Plan on HIV and Aids, policies on HIV and Aids, National Curriculum Statement, drug and substance abuse and gender equity policies.	Conditional allocation	Eastern Cape	32 189	34 346	35 322
				Free State	10 866	11 772	12 561
				Gauteng	26 202	28 175	29 217
				KwaZulu-Natal	42 686	45 114	46 876
				Limpopo	28 322	28 088	30 012
				Mpumalanga	15 392	16 388	17 486
				Northern Cape	4 084	4 357	4 649
				North West	12 912	14 700	15 685
				Western Cape	15 392	16 388	17 486
				TOTAL	188 045	199 328	209 294
	(c) National School Nutrition Programme Grant	To provide nutritious meals to targeted learners.	Conditional allocation	Eastern Cape	702 936	845 166	909 644
				Free State	195 194	244 699	263 367
				Gauteng	388 884	509 798	548 691
				KwaZulu-Natal	855 285	1 070 013	1 151 644
				Limpopo	659 233	829 669	892 964
				Mpumalanga	354 341	440 923	474 560
				Northern Cape	84 536	105 116	113 135
				North West	249 599	305 935	329 301
				Western Cape	173 318	227 433	244 784
				TOTAL	3 663 326	4 578 752	4 928 090

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2010/11 Allocation	Forward Estimates	
						2011/12	2012/13
Basic Education (Vote 14)	(d) Technical Secondary Schools Recapitalisation Grant	To recapitalise technical schools to improve the capacity to contribute to skills development and training.	Conditional allocation	Eastern Cape	R'000 9 549	R'000 23 873	R'000 25 066
				Free State	7 477	18 693	19 628
				Gauteng	17 944	44 861	47 104
				KwaZulu-Natal	15 274	38 185	40 095
				Limpopo	8 479	21 197	22 257
				Mpumalanga	5 869	14 672	15 406
				Northern Cape	3 423	8 557	8 984
				North West	8 697	21 743	22 830
				Western Cape	3 288	8 219	8 630
				TOTAL	80 000	200 000	210 000
Health (Vote 15)	(a) Comprehensive HIV and Aids Grant	To enable the health sector to develop an effective response to HIV and Aids; to support the implementation of the National Operational Plan for comprehensive HIV and Aids treatment and care; and to subsidise in-part funding for the antiretroviral treatment programme.	Conditional allocation	Eastern Cape	690 940	859 157	1 013 609
				Free State	433 583	528 209	615 594
				Gauteng	1 277 683	1 609 901	1 922 644
				KwaZulu-Natal	1 498 811	1 877 593	2 241 412
				Limpopo	514 896	623 404	720 009
				Mpumalanga	383 646	484 439	578 384
				Northern Cape	182 306	208 307	232 350
				North West	475 838	593 638	702 510
				Western Cape	554 054	648 314	738 098
				TOTAL	6 011 757	7 432 962	8 764 610
	(b) Forensic Pathology Services Grant	To continue the development and provision of adequate mortuary services in all provinces.	Conditional allocation	Eastern Cape	69 345	73 506	77 185
				Free State	37 218	39 451	41 423
				Gauteng	92 421	97 966	102 864
				KwaZulu-Natal	152 406	161 550	169 627
				Limpopo	39 913	42 308	44 423
				Mpumalanga	50 107	53 114	55 769
				Northern Cape	22 868	24 240	25 452
				North West	26 433	28 019	29 419
				Western Cape	66 251	70 226	73 737
				TOTAL	556 962	590 380	619 899

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2010/11 Allocation	Forward Estimates	
						2011/12	2012/13
Health (Vote 15)	(c) 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	R'000 360 660	R'000 386 048	R'000 406 909
				Free State	378 426	421 883	442 744
				Gauteng	798 609	805 967	837 259
				KwaZulu-Natal	500 815	551 698	572 559
				Limpopo	323 425	375 672	396 534
				Mpumalanga	331 657	360 557	381 419
				Northern Cape	420 218	410 892	431 754
				North West	326 303	374 074	405 366
				Western Cape	580 554	485 501	506 363
				TOTAL	4 020 667	4 172 292	4 380 907
Human Settlements (Vote 30)	(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	133 800	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				TOTAL	133 800	-	-
	(b) Human Settlements Development Grant	To provide funding for the creation of sustainable human settlements.	Conditional allocation	Eastern Cape	1 598 646	1 802 873	2 561 647
				Free State	1 300 691	1 380 185	1 340 021
				Gauteng	3 771 831	4 322 945	4 068 497
				KwaZulu-Natal	2 714 109	3 149 500	3 327 629
				Limpopo	1 234 750	1 415 163	1 648 567
				Mpumalanga	975 863	1 118 449	1 250 327
				Northern Cape	273 260	313 187	426 941
				North West	1 288 770	1 578 161	1 314 907
				Western Cape	1 868 843	2 141 905	2 000 165
				TOTAL	15 026 763	17 222 368	17 938 701

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2010/11 Allocation	Forward Estimates	
						2011/12	2012/13
Public Works (Vote 6)	(a) 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	R'000 147 467	R'000 156 315	R'000 164 131
				Free State	154 158	163 408	171 578
				Gauteng	191 381	202 864	213 007
				KwaZulu-Natal	259 891	275 485	289 259
				Limpopo	15 154	16 063	16 866
				Mpumalanga	44 374	47 036	49 388
				Northern Cape	29 698	31 480	33 054
				North West	72 718	77 081	80 935
				Western Cape	181 351	192 232	201 844
				TOTAL	1 096 192	1 161 964	1 220 062
	(b) Expanded Public Works Programme Grant for the Social Sector	To subsidise non-profit organisations in home and community based care via the provincial departments of Health and Social Development, to provide stipends to previously unpaid volunteers to maximise job creation and skills development in line with the Expanded Public Works Programme guidelines.	Conditional allocation	Eastern Cape	10 884	-	-
				Free State	4 992	-	-
				Gauteng	5 100	-	-
				KwaZulu-Natal	5 376	-	-
				Limpopo	10 137	-	-
				Mpumalanga	9 240	-	-
				Northern Cape	2 616	-	-
				North West	7 104	-	-
				Western Cape	1 188	-	-
				TOTAL	56 637	-	-
Sport and Recreation South Africa (Vote 19)	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	66 531	70 523	74 049
				Free State	28 186	29 877	31 371
				Gauteng	67 664	71 724	75 310
				KwaZulu-Natal	90 256	95 671	100 455
				Limpopo	43 604	46 220	48 531
				Mpumalanga	31 663	33 563	35 241
				Northern Cape	23 927	25 363	26 631
				North West	34 022	36 063	37 866
				Western Cape	40 532	42 964	45 112
				TOTAL	426 385	451 968	474 566

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2010/11 Allocation	Forward Estimates	
						2011/12	2012/13
					R'000	R'000	R'000
Transport (Vote 36)	(a) Gautrain Rapid Rail Link Grant	To provide for national government funding contribution to the Gauteng Provincial Government for the construction of a fully integrated Gautrain Rapid Rail network.	Conditional allocation	Eastern Cape	-	-	-
				Free State	-	-	-
				Gauteng	438 360	5 300	-
				KwaZulu-Natal	-	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				TOTAL	438 360	5 300	-
	(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	-	-	-
				KwaZulu-Natal	-	-	-
				Limpopo	-	-	-
				Mpumalanga	5 519	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				TOTAL	11 038	-	-

SCHEDULE 6

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2010/11 Allocation	Forward Estimates	
				2011/12	2012/13
			R'000	R'000	R'000
RECURRENT GRANTS					
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Systems Improvement Grant	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems.	212 000	224 720	235 956
National Treasury (Vote 9)	Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.	364 589	384 641	403 873
Water Affairs (Vote 37)	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 schemes to local government.	661 704	380 000	399 000
Sport and Recreation SA (Vote 19)	2010 World Cup Host City Operating Grant	To assist host cities with the operational response associated with the hosting of the 2010 FIFA World Cup competition.	210 280	-	-
TOTAL			1 448 573	989 361	1 038 829
INFRASTRUCTURE GRANTS					
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Infrastructure Grant	To provide specific capital finance for basic municipal infrastructure backlogs for poor households, to micro enterprises and social institutions servicing poor communities.	9 924 800	11 936 607	14 513 821
Energy (Vote 28)	(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.	1 020 104	1 096 612	1 151 443
	(b) Electricity Demand Side Management (Municipal) Grant	To implement the Electricity Demand Side Management (EDSM) programme by providing capital subsidies to licensed distributors to address EDSM in residential dwellings, communities and commercial buildings in order to mitigate the risk of load shedding and supply interruptions.	220 000	280 000	-
National Treasury (Vote 9)	Neighbourhood Development Partnership Grant	To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally).	1 030 000	1 190 440	1 182 462
Transport (Vote 36)	(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.	3 699 462	4 425 000	4 125 000
	(b) Rural Transport Services and Infrastructure Grant	To strengthen the rural transport services by improving accessibility to essential services.	10 400	11 100	11 655
Water Affairs (Vote 37)	Municipal Drought Relief Grant	To provide capital finance for basic water supply in municipal infrastructure for affected households, micro enterprises and social institutions.	228 357	-	-
Sport and Recreation SA (Vote 19)	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.	302 286	-	-
TOTAL			16 435 409	18 939 759	20 984 381

SCHEDULE 7

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2010/11 Allocation	Forward Estimates	
				2011/12	2012/13
			R'000	R'000	R'000
National Treasury (Vote 9)	Neighbourhood Development Partnership Grant	To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally).	125 000	100 000	105 000
Energy (Vote 28)	(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 dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.	1 751 780	1 769 812	1 914 057
	(b) Electricity Demand Side Management (Eskom) Grant	To implement the Electricity Demand Side Management (EDSM) programme by providing capital subsidies to Eskom to address the EDSM in dwellings, communities and commercial buildings in order to mitigate the risk of load shedding and supply interruptions.	108 900	118 800	-
Water Affairs (Vote 37)	(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 schemes to local government.	145 978	-	-
	(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.	893 000	1 675 340	1 849 107
Human Settlements (Vote 30)	Rural Households Infrastructure Grant	To provide specific capital finance for the eradication of rural sanitation backlogs targeted at existing households without access to sanitation and water.	100 000	350 000	750 000
TOTAL			3 124 658	4 013 952	4 618 164

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	
					2010/11 Allocation	Forward Estimates	
						2011/12	2012/13
Public Works (Vote 6)	Expanded Public Works Programme Incentive Grant to Provinces for the Infrastructure Sector	To incentivise provinces to increase labour intensive employment through programmes that maximise job creation and skills development in line with the Expanded Public Works Programme guidelines.	Incentive allocation to provinces	Eastern Cape	R'000 60 354	R'000 -	R'000 -
				Free State	13 767	-	-
				Gauteng	39 154	-	-
				KwaZulu-Natal	169 470	-	-
				Limpopo	2 903	-	-
				Mpumalanga	18 074	-	-
				Northern Cape	1 167	-	-
				North West	2 897	-	-
				Western Cape	23 218	-	-
				Unallocated	-	800 000	840 000
				TOTAL	331 004	800 000	840 000

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

Vote	Name of allocation	Purpose	Column A	Column B	
			2010/11 Allocation	Forward Estimates	
				2011/12	2012/13
Public Works (Vote 6)	Expanded Public Works Programme Incentive Grant for Municipalities	To incentivise municipalities to increase labour intensive employment through infrastructure programmes that maximise job creation and skills development in line with the Expanded Public Works Programme guidelines.	R'000 622 996	R'000 1 108 000	R'000 1 163 400
			TOTAL	1 108 000	1 163 400