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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. 563 Cape Town 17 May 2012 **No. 35361**

THE PRESIDENCY

No. 393 31 March 2010

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

No. 5 of 2012: Division of Revenue Act, 2012.



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(English text signed by the President)
(Assented to 15 May 2012)

ACT

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2012/13 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:—

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CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

Interpretation

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

"accreditation" means accreditation of a municipality, in terms of section 10(2) of the Housing Act, 1997 (Act No. 107 of 1997), to administer national housing

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programmes, read with Part 3 of the National Housing Code, 2009 (Financial Interventions: Accreditation of Municipalities);

"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;

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

"Disaster Management Act" means the Disaster Management Act, 2002 (Act No. 57 of 2002);

"**financial year"** means the financial year commencing on 1 April 2012 and ending on 31 March 2013;

"framework" means the conditions and other information in respect of a conditional allocation published by the National Treasury in terms of section 15;

"level one accreditation" means accreditation to render beneficiary management, subsidy budget planning and allocation, and priority programme management and administration;

"level three accreditation" means an executive assignment to administer all aspects, including financial administration, of national housing programmes;

"level two accreditation" means accreditation to render full programme management and administration of all housing instruments and housing programmes in addition to the responsibilities under a level one accreditation;

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

"municipal financial year" means the financial year of a municipality commencing on 1 July 2012 and ending on 30 June 2013;

"next financial year" means the financial year commencing on 1 April 2013 and ending on 31 March 2014;

"next municipal financial year" means the financial year of a municipality commencing on 1 July 2013 and ending on 30 June 2014;

"organ of state" means an organ of state as defined in section 239 of the Constitution of the Republic of South Africa, 1996;

"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;

"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 accounting officer of the provincial treasury has certified to the National Treasury as the bank account into which all conditional allocations in terms of this Act must be deposited; and

(b) in relation to a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act;

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

"quarter" means 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;

"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

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(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;

"receiving provincial department", in relation to a Schedule 4, 5 or 8 allocation transferred to a province, means the provincial department which receives that allocation or a portion thereof for spending via an appropriation from its Provincial Revenue Fund;

"this Act" includes any framework or allocation published, or any regulation made under this Act;

"transferring national officer" means the accounting officer of a national department that transfers a Schedule 4, 5, 6 or 8 allocation to a province or municipality or spends a Schedule 7 allocation on behalf of a municipality.

(2) Any determination, instruction or request made in terms of this Act must be in writing.

(3) A reference to a specific conditional allocation refers to the allocation indicated in a Schedule to this Act and a framework by that name.

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 predictability and certainty in respect of all allocations to provinces and municipalities, in order that provinces and municipalities may plan their budgets over a multi-year period and thereby promote better coordination between policy, planning and budgeting; and

(c) promote transparency and accountability in the resource allocation process, by ensuring that all allocations are reflected on the budgets of provinces and municipalities and by ensuring that the expenditure of conditional allocations is reported on by the receiving provincial departments and municipalities.

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

Equitable division of revenue raised nationally among spheres of government

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

(2) An envisaged division of revenue anticipated to be raised in respect of the next financial year and the 2014/15 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 1.

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 2014/15 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 2.

(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 22.

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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 2014/15 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 3.

(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 6 July 2012, 30 November 2012 and 22 March 2013, in accordance with a payment schedule determined by the National Treasury in terms of section 22.

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.

(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—

(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; and

(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.

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

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:

(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;

(c) Schedule 7, specifying allocations-in-kind to provinces for designated special programmes; and

(d) Schedule 8, specifying funds that are currently not allocated to specific provinces, that may be released to provinces to fund disaster response within

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a period from three days up to three months following a declared disaster in terms of the conditions of the Disaster Management Act.

(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 2014/15 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1).

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:

(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

(d) Schedule 8, specifying funds that are currently not allocated to specific municipalities, that may be released to local government or municipalities to fund disaster response within a period from three days up to three months following a declared disaster in terms of the conditions of the Disaster Management Act.

(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 2014/15 financial year, which, with the exception of what is provided in subsection (4) in relation to the Public Transport Infrastructure and Systems Grant, and which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1).

(3) The National Treasury must, in terms of section 15, publish the share or indicative allocation of each municipality in respect of the local government allocations contemplated in subsections (1)*(a)* to *(d)* and (2) in the *Gazette*.

(4) Despite 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 2014/15 financial year that will not be altered downwards in the Division of Revenue Acts in respect of those financial years.

(5) *(a)* Subject to paragraph *(b)*, 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 2014/15 financial year, for the purpose of securing a loan or any other form of financial or other support from that person or institution.

(b) Prior to granting an approval in terms of paragraph *(a)*, the National Treasury must—

(i) inform the relevant transferring national officer of a request by a municipality for approval to pledge, offer as security or commit to a person or institution future conditional allocation transfers due to the municipality as referred to in paragraph *(a)*; and

(ii) provide a period of three working days for the transferring national officer to provide comment to the National Treasury on the municipality's request for approval, unless this period is extended by the National Treasury.

Part 2

Duties of accounting officers in respect of Schedule 4 to 8 allocations

Duties of transferring national officer in respect of Schedule 4 allocations

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

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(ii) made in accordance with the payment schedule approved in terms of section 22, unless allocations are withheld or stopped in terms of section 17 or 18;

(b) monitoring expenditure and non-financial performance information on programmes funded by an allocation, in accordance with subsections (2) and (3) and the requirements of the applicable framework;

(c) complying with the requirements of the applicable framework;

(d) submitting 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; and

(e) evaluating the performance of programmes funded or partially funded by the allocation and the submission of such evaluations to the National Treasury, within four months in respect of a province, and six months in respect of a municipality, after the end of the financial year.

(2) *(a)* Subsection (1)*(b)* does not apply to the Urban Settlements Development Grant.

(b) The transferring national officer must publish the information provided for in terms of section 13(1) in the *Gazette,* in a format determined by the National Treasury, not later than 28 days after this Act takes effect.

(3) With respect to Schedule 4 allocations, any monitoring programme or system that is utilised to monitor expenditure and non-financial performance information funded by an allocation must—

(i) be approved by the National Treasury;

(ii) not impose any excessive administrative responsibility on receiving officers of provincial departments or municipalities beyond the provision of standard management information;

(iii) be compatible and integrated with and not unnecessarily duplicate other relevant and related national and provincial systems; and

(iv) be consistent with section 11(2).

Duties of transferring national officer in respect of Schedule 5 to 7 allocations

10. (1) A transferring national officer must—

(a) not later than 14 days after this Act takes effect, certify to the National Treasury that—

(i) allocation frameworks, including conditions and monitoring provisions, are reasonable and do not impose excessive administrative responsibility on receiving provincial departments and municipalities beyond the provision of standard management information;

(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;

(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) in respect of Schedule 5 and 6 allocations—

(i) 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;

(ii) transfer funds only in accordance with a payment schedule determined in accordance with section 22; and

(iii) 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; and

(c) ensure that all other arrangements or requirements as stipulated in this 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.

(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.

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(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.

(5) The transferring national officer of a Schedule 6 allocation is responsible for monitoring expenditure and non-financial performance information on programmes funded by an allocation.

(6) 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—

(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;

(c) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 or 6 allocation;

(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 matters as the National Treasury may determine.

(7) 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.

(8) 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.

(9) The transferring national officer for the Human Settlements Development Grant, in consultation with the receiving officer and the National Treasury, must—

(a) determine the allocations for the Medium Term Expenditure Framework period from the Human Settlements Development Grant for each municipality that has level one and two accreditation; and

(b) submit those allocations to the National Treasury not later than 28 days after this Act takes effect.

(10) The transferring national officer must publish the allocations referred to in subsection (9) in the *Gazette* within 14 days after submitting the allocations to the National Treasury.

Duties of receiving officer in respect of Schedule 4 allocations

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 15; and

(b) the manner in which a Schedule 4 allocation is allocated and spent.

(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 Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000),

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the conditions and other information in respect of the allocation, to facilitate performance measurement and the use of required inputs and outputs;

(b) 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 Urban Settlements Development Grant; and

(ii) in the case of the Urban Settlements Development Grant, 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 framework,

when the municipality prepares its monthly budget statements as required in terms of section 71 of the Municipal Finance Management Act for the months of September 2012, December 2012, March 2013 and June 2013; and

(c) 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 Urban Settlements Development Grant; and

(ii) performance for that quarter against the targets stipulated in the infrastructure performance framework that is required in terms of the framework, in respect of the Urban Settlements Development Grant.

(3) The National Treasury must make the report submitted to it in terms of subsection (2)*(b)* or *(c)* available to any other national departments that have responsibilities relating to the allocation.

(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 and the transferring national officer on spending and performance against programmes; and

(b) submit a quarterly performance report within 30 days after the end of each quarter to the relevant provincial treasury, the National Treasury and the transferring national officer.

(5) The receiving officer must report against programmes funded or partially funded by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report.

(6) *(a)* 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 and the relevant provincial treasury.

(b) Municipalities that receive the Urban Settlements Development Grant must 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.

(c) With respect to the Urban Settlements Development Grant, reporting on performance will be based on the infrastructure budget of the municipality concerned.

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.

(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;

(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 transferring national officer; and

(c) a province or a municipality, submit a quarterly performance report within 30 days after the end of each quarter to the relevant provincial treasury, the National Treasury and the transferring national officer.

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(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;
(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 available figures regarding the expenditure by a public entity referred to in paragraph *(d)*;
(f) the extent of compliance with this Act and with the conditions of an allocation provided for in a framework, based on the available information at the time of reporting;
(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;
(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—

(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;
(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.

(5) 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.

(6) The receiving officer of the Human Settlements Development Grant, in consultation with the transferring national officer, must publish in the *Gazette* within 14 days of this Act taking effect, the expenditure planned from the Human Settlements Development Grant, over the Medium Term Expenditure Framework period per municipality with level one and level two accreditation, separately indicating the spending to be undertaken directly by the province, as well as transfers to each municipality.

Duties of receiving officer in respect of infrastructure conditional allocations to provinces

13. (1) Receiving provincial departments for the Education Infrastructure Grant, the Health Infrastructure Grant and the Provincial Roads Maintenance Grant must provide the transferring national officer, not later than 14 days after this Act takes effect, with a list of infrastructure projects for education, health and roads that will be fully or partially funded from the allocations during the 2012/13 and 2014/15 financial years, in a format that will be determined by the National Treasury.

(2) Receiving officers of the Health Infrastructure Grant, Education Infrastructure Grant, Hospital Revitalisation Grant, Nursing Colleges and Schools Grant and the Provincial Roads Maintenance Grant are responsible for—

(a) submitting to the transferring national officer and the National Treasury prior to 3 September 2012 or another date agreed to in writing by the National Treasury and the transferring national officer, approved organisational structures which—
(i) are in compliance with any directives by the Minister for the Public Service and Administration relevant to infrastructure delivery in the sector; and

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(ii) include—

(aa) an indication of the number of posts per profession and the highest educational qualifications of the incumbent and years of experience in the management or operationalisation of infrastructure in the public service; and

(bb) an indication of the number of vacancies and existing positions filled;

(b) ensuring that all infrastructure expenditure partially or fully funded by conditional allocations is reported through the Project and Asset Segment in the Standard Chart of Accounts;

(c) maintaining up to date databases of all contracts that are fully or partially funded by conditional allocations that are compliant with the Register of Projects and i-Tender system; and

(d) ensuring that infrastructure projects comply with best practise standards and guidelines contained in Practice Note 22 that was issued in terms of section 5 of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000).

(3) Non-compliance with any of the requirements in subsection (1) or (2) that is discovered by the National Treasury or the transferring national officer during the 2012/13 financial year may result in the withholding or stopping of the relevant allocation in terms of sections 17 and 18.

(4) *(a)* The receiving officer of the Education Infrastructure Grant, the Provincial Roads Maintenance Grant or the Health Infrastructure Grant must, within two months after the end of the financial year, evaluate the performance of the province in respect of programmes funded or partially funded by those allocations, and submit such evaluation to the transferring national officer and the relevant provincial treasury.

(b) Provinces that receive the Education Infrastructure Grant, the Provincial Roads Maintenance Grant or the Health Infrastructure Grant must report expenditure and non-financial performance information against their infrastructure budgets, in accordance with the requirements of section 32 of the Public Finance Management Act.

(c) Reporting on performance referred to in paragraph *(b)* must be based on the infrastructure budget of the province concerned.

Duties in respect of annual financial statements and annual reports for 2012/13

14. (1) The 2012/13 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;

(b) indicate the transfers, if any, that were withheld or stopped in respect of each province or municipality;

(c) indicate any re-allocations by the National Treasury in terms of section 19;

(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.

(2) The 2012/13 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, indicate—

(a) the reasons for the withholding or stopping of any transfers to a province or municipality;

(b) 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) to what extent the allocation achieved its objectives and outputs; and

(d) any non-compliance with this Act or the relevant framework, and the steps taken to deal with such non-compliance.

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(3) The 2012/13 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—

(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.

(4) The 2012/13 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;

(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;

(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.

(5) The 2012/13 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.

Part 3

Matters relating to Schedule 4 to 8 allocations

Publication of allocations and frameworks

15. (1) The National Treasury must, within 14 days of this Act taking effect, publish in the *Gazette*—

(a) the allocations per municipality, in respect of Schedule 4 and 6 allocations;

(b) the indicative allocations per province and municipality, in respect of Schedule 7 allocations; and

(c) the framework for each allocation in Schedules 4 to 8.

(2) The National Treasury must publish in the *Gazette*—

(a) any revisions of or amendments to the allocations and frameworks published in terms of subsection (1)*(a)* and (*c*);

(b) any virement which is made in accordance with the requirements of section 6(3) 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 an allocation in terms of section 20; and

(d) any revised allocations in respect of Schedule 7 allocations.

(3) The National Treasury may, at any time—

(a) after consultation with or at the written request of a transferring national officer; and

(b) after submitting a revised framework to Parliament for parliamentary comment for a period of 14 days when Parliament is in session,

revise or amend a framework published in terms of subsection (1)*(c)* or (2)*(a)*, to correct any error or omission.

(4) An amendment, revision, virement or re-allocation takes effect on publication thereof in the *Gazette*, with the exception of a Schedule 8 allocation.

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Spending in terms of purpose and subject to conditions

16. (1) Despite anything to the contrary contained in any law, an allocation referred to in Schedules 4 to 8 may only be utilised for the purpose stipulated in the Schedule concerned and in accordance with the framework published in terms of section 15.

(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 that has been approved by the National Treasury with the entity or other sphere of government that will be performing the function, and—

(a) it is a transfer that is approved in the budget of the receiving provincial department or municipality or a framework published in terms of section 15;

(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

(c) in the case of an advance payment or a transfer which is not consistent with the budget of the receiving provincial department 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

(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 and in respect of funds received from the Department of Water Affairs and the Department of Human Settlements 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 considers to have low capacity.

(4) *(a)* In respect of the Human Settlements Development Grant, a receiving officer and a municipality with level one, two or three accreditation as at 1 April 2012, must within any deadline determined by the National Treasury, comply with the requirements of subsection (2), by—

(i) entering into a payment schedule; and

(ii) submitting the payment schedule to the National Treasury for approval.

(b) If a municipality receives accreditation after 1 April 2012, paragraph *(a)* may apply if approved by the National Treasury.

(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 23, in instances where a transfer to a municipality with level three accreditation has been withheld or stopped in terms of section 17 or 18.

Withholding of allocation

17. (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;

(b) roll-overs of conditional allocations approved by the National Treasury in accordance with section 21 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.

(2) A maximum of five per cent of the next transfer as contained in the payment schedule for the Health Professions Training and Development Grant and the National Tertiary Services Grant may be withheld in terms of this section.

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(3) A transferring national officer must, at least seven working days prior to withholding an allocation in terms of subsection (1)—

(a) give the relevant receiving officer—

(i) written notice of the intention to withhold the allocation; and

(ii) an opportunity to submit written representations as to why the allocation should not be withheld; and

(b) inform the relevant provincial treasury and the National Treasury, and in respect of any conditional allocation to local government, also the provincial department responsible for local government.

(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—

(i) facilitate compliance with this Act or the conditions to which the allocation is subject; or

(ii) minimise the risk of under-spending.

(b) A transferring national officer must, when requesting the withholding of an allocation in terms of this subsection, submit proof of its compliance with subsection (3) and any representations received from the receiving officer, to the National Treasury.

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

Stopping of allocation

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

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

(i) this Act; or

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

(b) if the National Treasury anticipates that a province or municipality will substantially under-spend on that programme or allocation in the financial year;

(c) if a function is reassigned from a province to a municipality; or

(d) if a province implementing an infrastructure project does not comply with best practise standards and guidelines contained in Practice Note 22 that was issued in terms of section 5 of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000).

(2) Except where a function is reassigned from a province to a municipality, the National Treasury must, when stopping an allocation in terms of this section—

(a) comply with the requirements set out in section 17(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.

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

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

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Re-allocation of funds

19. (1) *(a)* The National Treasury may, when it stops a Schedule 4, 5 or 6 allocation in terms of section 18, 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 reallocated, as the same type of 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.

(b) The reallocation of a portion of an allocation or the full allocation on condition that the allocation will be spent in the next financial year, in terms of paragraph *(a)*, must be deemed to be a roll-over approved by the National Treasury in terms of section 21(2)*(a)*, and the roll-over process set out in Treasury Regulation 6.4.2, made in terms of section 76 of the Public Finance Management Act, does not need to be followed.

(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 18 on behalf of the relevant province;

(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 18 on behalf of the relevant municipality; or

(iii) in relation to section 150 of the Municipal Finance Management Act, the relevant transferring national officer to spend an allocation stopped in terms of section 18 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.

(3) The National Treasury may, after consultation with the transferring national officer, determine a portion of the allocation that will be reallocated in the event of the reassignment of a function from a province to a municipality.

Conversion of allocations

20. (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.

(2) In respect of the School Infrastructure Backlogs Grant, the National Treasury may, at the request of the transferring national officer and a receiving province, convert the allocation to the province to become an allocation to the Education Infrastructure Grant, if the National Treasury and the transferring national officer are satisfied the province has demonstrated the capacity to implement projects and that the conversion will not be likely to result in—

(a) underspending on the allocation; or

(b) a lesser level of service delivery compared to if the allocation is provided to the province as a Schedule 7 grant-in-kind.

(3) An allocation that is converted in terms of this section must be paid to or expended on behalf of the same province or municipality to which the allocation was originally made.

(4) A conversion referred to in subsection (1) or (2) takes effect on the date of publication referred to in section 15(2)*(c)*.

(5) The National Treasury must inform the transferring national officer and each affected receiving province or municipality of a conversion.

Unspent conditional allocations

21. (1) Despite the provisions of the Public Finance Management Act or the Municipal Finance Management Act relating to roll-overs, any conditional allocation 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.

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(2) The National Treasury, and a provincial treasury in the case of a provincially funded allocation, 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

(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) *(a)* 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.

(b) A receiving officer must ensure that all funds referred to in paragraph *(a)* are repaid to the National Revenue Fund.

(4) The National Treasury, in accordance with subsection (5), may offset 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 advances for conditional allocations to that province; and

(b) in the case of a municipality, against future advances for the equitable share or conditional allocations to that municipality.

(5) Prior to the National Treasury offsetting any amounts against allocations to a province or municipality in terms of subsection (4), the National Treasury must give the relevant transferring national officer, province or municipality—

(a) written notice of the intention to offset amounts against upcoming advances for allocations; and

(b) an opportunity, within 14 days of receipt of the notice referred to in paragraph *(a)*, to—

(i) submit written representations and other documentary proof 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.

(6) A notice contemplated in subsection (5) must include the intended amount to be offset against allocations, and the reasons for offsetting the amounts.

(7) 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 by the receiving officer in terms of section 34.

Part 4

Matters relating to Schedule 1 to 8 allocations

Payment schedule

22. (1) *(a)* The National Treasury determines the payment schedule for the transfer of a province's equitable share allocation, after consultation with the accounting officer of 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.

(c) Despite paragraph *(a)*, the National Treasury may, for cash management purposes relating to the corporation for public deposits account or when an intervention in terms of section 100 of the Constitution is taking place, on such conditions as it may determine, advance funds to a province in respect of its equitable share or a portion of it which has not yet fallen due for transfer in accordance with the payment schedule.

(d) Any advances in terms of paragraph *(c)* must be offset 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.

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(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 sections 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 the equitable share which has not yet fallen due for transfer in accordance with the payment schedule, be advanced to a municipality.

(c) Any advances in terms of paragraph *(b)* must be offset against transfers to the municipality which would otherwise become due in terms of that payment schedule.

(3) *(a)* The National Treasury must approve the payment schedule for the transfer of an allocation listed in Schedules 4 to 8 to a province or municipality.

(b) The transferring national officer of a Schedule 4, 5 or 6 allocation must submit a payment schedule to the National Treasury for approval within 14 days after this Act takes effect.

(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; and

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

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

(5) Schedule 4 and 6 transfers must accord with the municipal financial year.

Amendment of payment schedule

23. (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 17 or 18, 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.

(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 Schedules 2 to 6, on notification to—

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

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

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

(a) the monthly spending commitments of provinces or municipalities;

(b) the revenue at the disposal of provinces or municipalities; and

(c) the minimisation of risk and debt servicing costs for all three spheres of government.

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

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

CHAPTER 4

MATTERS RELATING TO ALL ALLOCATIONS

Transfers made in error or fraudulently

24. (1) Despite anything to the contrary contained in any law, the transfer of an allocation that is an overpayment 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.

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

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

Allocations not listed in Schedules

25. (1) An allocation, other than—

(a) a re-allocation referred to in section 19; or

(b) a revised indicative allocation in respect of a Schedule 7 allocation,

which is not listed in the Schedules referred to in sections 7 and 8, may only be made in terms of section 6(3).

(2) The National Treasury must publish the allocations referred to in subsection (1) and frameworks for such allocations in the *Gazette*, prior to the transfer of any funds to a province or municipality.

(3) The transferring national officer must notify the relevant provincial treasury and the National Treasury of the excess incentive payment earned to be appropriated either in the provincial adjustments appropriation bill, if made before the end of November each year, or in the appropriation bill for the next financial year.

(4) Subsection (2) does not apply to Schedule 8 allocations.

(5) A transfer to a province or municipality as a Schedule 8 allocation may only be made after the National Treasury has approved the transfer.

(6) *(a)* The transferring national officer must notify the relevant provincial treasury and the National Treasury in writing within 14 days of a transfer of a Schedule 8 allocation to a province or municipality.

(b) The National Treasury must publish a Schedule 8 allocation in the *Gazette* within 16 days after being notified in terms of paragraph *(a)*.

(7) Schedule 8 allocations must be appropriated either in the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriation legislation.

(8) Any transfer received as a result of a performance in terms of a Schedule 8 Grant under the Division of Revenue Act, 2011 (Act No. 6 of 2011), must be used in accordance with the conditions that applied to Schedule 8 conditional allocations in terms of that Act.

Preparations for next financial year and 2014/15 financial year

26. (1) *(a)* A category C municipality that receives a conditional allocation in terms of this Act must, using the envisaged conditional allocations to that municipality for the next financial year and the 2014/15 financial year as set out in Column B of the Schedules, by 2 October 2012—

(i) agree on the provisional allocations and the projects to be funded from those allocations in the next financial year and the 2014/15 financial year with each 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 projects referred to in subparagraph (i), listed per municipality to be funded from the allocations for the next financial year and the 2014/15 financial year.

(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.

(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 that is intended to be 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 publication, and prior to the submission of the allocations referred to in paragraph *(a)*(ii).

(e) If agreement is not reached between the category C municipality and the category B municipality on the provisional allocations and projects referred to in paragraph *(a)* prior to 2 October 2012, the National Treasury may proceed to determine the provisional allocations and provide those provisional allocations to the municipalities concerned and the transferring national officer.

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(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 2012.

(ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 7 December 2012, the National Treasury may determine the appropriate allocations, taking into consideration the envisaged allocations for the next financial year.

(2) *(a)* The transferring national officer of a conditional allocation, using the envisaged conditional allocations for the next financial year and the 2014/15 financial year as set out in Column B of the Schedules to this Act, must, by 2 October 2012, submit to the National Treasury for approval—

(i) the provisional allocations to each province or municipality in respect of new conditional allocations to be made in the next financial year;

(ii) any amendments to the envisaged allocations for each province or municipality set out in Column B of the Schedules in respect of existing conditional allocations; and

(iii) the draft frameworks for the allocations referred to in subparagraphs (i) and (ii) in the format to be determined by the National Treasury.

(b) Any proposed amendment or adjustment 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 2 October 2012, determine—

(i) the provisional allocations in paragraph *(a)*(i);

(ii) any amendments to the envisaged allocations contemplated in paragraph *(a)*(ii); and

(iii) the draft frameworks for the allocations referred to in paragraph *(a)*(iii),

and submit that information to the relevant provinces or municipalities.

(d) (i) The final allocations based on the provisional allocations referred to in paragraph *(a)*(i) and (ii) must be submitted to the National Treasury by 7 December 2012.

(ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 7 December 2012, the National Treasury may determine the appropriate allocations, taking into consideration the envisaged allocations for the next financial year.

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

Expenditure prior to commencement of Division of Revenue Act, 2013

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 2013, 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.

CHAPTER 5

DUTIES OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY

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 days after this Act takes effect, 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 2012/13 municipal financial year and the two following municipal financial years.

(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

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municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities.

(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.

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

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

(b) a service delivery agreement for the provision of services by the category B municipality on behalf of the category C municipality has not been concluded.

(4) A category B municipality which is not authorised to perform a function in terms of the Municipal Structures Act may not extend the scope or type of services that it currently provides, without—

(a) entering into a service delivery agreement with the category C municipality which is authorised to perform the function in terms of the Municipal Structures Act; or

(b) obtaining the legal authorisation to perform the function in terms of the Municipal Structures Act.

(5) *(a)* A category C municipality and a category B municipality must, before the commencement of a municipal financial year, agree to a payment schedule in respect of the allocations referred to in subsection (1)*(b)* to be transferred to the category B municipality in that financial year, and the category C municipality must submit that payment schedule to the National Treasury before the commencement of a municipal financial year.

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

(6) *(a)* The National Treasury may withhold or stop any allocation to the category C municipality and reallocate the allocation to the relevant category B municipalities if a category C municipality fails to—

(i) make allocations referred to in subsection (1)*(b)*;

(ii) reach an agreement contemplated in subsection (2); or

(iii) submit a payment schedule in accordance with subsection (5)*(a)*.

(b) Sections 17(3) and 18(3) and (4) of this Act and section 216 of the Constitution apply, with the necessary changes, to the withholding and stopping of an allocation in accordance with paragraph *(a)*.

(c) The National Treasury may, where it stops an allocation in terms of this section, after consultation with the transferring national officer, determine that a portion of the allocation that will not be spent be reallocated to one or more municipalities, on condition that the allocation will be spent in the financial year or the next financial year.

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

(8) In respect of the Human Settlements Development Grant, the financial and non-financial reporting that is required to be submitted by a municipality with a level three accreditation in terms of the framework must relate to the requirements specified in the framework.

(9) A municipality with a level three accreditation must submit the required monthly financial and quarterly performance reports to the receiving officer, the transferring national officer and the National Treasury.

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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.

(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 days after this Act takes effect, publish the following in the *Gazette*:

(i) The indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds;

(ii) the indicative allocation to be made per school in the province;

(iii) the indicative 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;

(iv) the envisaged division of the allocation contemplated in subparagraphs (i) and (ii), in respect of each municipality and school, for the next financial year and the 2014/15 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

(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) If 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 allocations must align to the appropriation bill as passed by the legislature, and which must be deemed to be final.

(3) *(a)* Despite subsection (2) or 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).

(b) Any amendments to the allocations published in terms of subsection (2)(*a*) must be published in the *Gazette* not later than 14 February 2013.

(c) The allocations referred to in paragraph *(a)* must be deemed to be final if they are published in the *Gazette* in accordance with paragraph *(b)*.

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

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

(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, based on the information available from municipalities at the time of reporting.

(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.

(5) A provincial treasury must—

(a) ensure—

(i) that a payment schedule is agreed between each provincial department and receiving institution referred to in subsection (2)*(a)*; and

(ii) that transfers are made promptly in accordance therewith; and

(b) submit the payment schedules to the National Treasury within 14 days of this Act taking effect.

(6) Should a provincial treasury fail to comply with the requirement to make transfers promptly to a receiving officer in accordance with the agreed payment schedule, as required in terms of subsection (5)*(a)*, the receiving officer concerned may request the provincial treasury to immediately make the transfer to the receiving officer, or to provide written reasons within three business days as to why the transfer has not been made.

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(7) If a provincial treasury fails to either make the transfer requested by the receiving officer or provide reasons within the period stipulated in subsection (6), or if the receiving officer disputes the reasons provided by the provincial treasury as to why the transfer has not been made, then the receiving officer may request the National Treasury to investigate the matter with the provincial treasury concerned.

(8) When the National Treasury is requested to investigate a failure by a provincial treasury to promptly effect transfer to a receiving officer in terms of subsection (7), the National Treasury must investigate the matter, assess any reasons given by the provincial treasury as to why the transfer was not effected, and either direct the provincial treasury to immediately effect the transfer, or provide reasons to the receiving officer concerned confirming why the provincial treasury was correct in not effecting the transfer, and advise the provincial treasury and the receiving officer as to what steps must be taken.

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 25.

(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.

CHAPTER 6

GENERAL

Allocations by public entities to provinces or municipalities

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 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.

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

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

Irregular expenditure

33. The following transfers constitute irregular expenditure in terms of the Public Finance Management Act and the Municipal Finance Management Act, as the case may be:

(a) A transfer prohibited in terms of section 16(2);

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(b) a transfer by a transferring national officer to a bank account of a province or municipality that is not—
(i) the primary bank account; or
(ii) in respect of provinces, a corporation for public deposits account;
(c) a transfer made in error or fraudulently as referred to in section 24(1); or
(d) any transfer made or spending of an allocation in contravention of this Act or a framework published in terms of this Act.

Financial misconduct

34. (1) Despite anything to the contrary contained in any law, any wilful or negligent non-compliance with a provision of this Act or a framework published in terms of this Act constitutes financial misconduct.

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

Delegations and assignments

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—
(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.

(4) A Member of the Executive Council responsible for financial matters in a province may, in writing, delegate any of the powers entrusted to the Provincial Treasury of that province in terms of this Act and assign any of the duties imposed on the Provincial Treasury in terms of this Act, to an official of the Provincial Treasury.

(5) Subsections (2) and (3) apply with the necessary changes to a delegation or assignment in terms of subsection (4).

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*.

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.

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Repeal of laws

38. (1) Subject to subsection (2), the Division of Revenue Act, 2011 (Act No. 6 of 2011), with the exception of sections 15 and 38(1), is hereby repealed.

(2) The repeal of the Division of Revenue Act, 2011 (Act No. 6 of 2011), does not affect any 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, 2012, and takes effect on 1 April 2012 or the date of publication thereof by the President in the *Gazette*, whichever is the later date.

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SCHEDULE 1

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

Spheres of Government	Column A	Column B	
	2012/13 Allocation	Forward Estimates	
		2013/14	2014/15
	R'000	R'000	R'000
National[1,2]	622 434 681	684 327 086	746 588 676
Provincial	309 057 382	328 920 693	349 350 999
Local	37 873 396	40 581 787	43 638 905
TOTAL	**969 365 459**	**1 053 829 566**	**1 139 578 580**

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	
	2012/13 Allocation	Forward Estimates	
		2013/14	2014/15
	R'000	R'000	R'000
Eastern Cape	46 940 272	49 602 467	52 215 629
Free State	18 531 165	19 466 736	20 412 571
Gauteng	54 545 389	58 613 875	62 880 944
KwaZulu-Natal	67 802 913	72 579 341	77 551 103
Limpopo	38 721 016	40 969 082	43 170 325
Mpumalanga	24 874 453	26 287 888	27 698 217
Northern Cape	8 255 155	8 742 528	9 230 224
North West	20 614 831	21 905 865	23 214 536
Western Cape	28 772 188	30 752 911	32 977 450
TOTAL	**309 057 382**	**328 920 693**	**349 350 999**

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SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
EASTERN CAPE					
A	BUF	Buffalo City	651 565	698 242	750 687
A	NMA	Nelson Mandela Bay	729 226	781 838	841 201
B	EC101	Camdeboo	37 264	40 259	43 479
B	EC102	Blue Crane Route	39 254	42 313	45 631
B	EC103	Ikwezi	15 627	16 837	18 061
B	EC104	Makana	67 002	71 985	78 142
B	EC105	Ndlambe	55 952	60 093	65 146
B	EC106	Sundays River Valley	36 314	39 288	42 463
B	EC107	Baviaans	17 189	18 509	19 857
B	EC108	Kouga	47 299	50 948	55 655
B	EC109	Kou-Kamma	29 210	31 556	34 077
C	DC10	Cacadu District Municipality	71 325	74 517	78 566
Total: Cacadu Municipalities			**416 436**	**446 305**	**481 077**
B	EC121	Mbhashe	120 099	129 065	140 344
B	EC122	Mnquma	154 089	165 479	179 494
B	EC123	Great Kei	31 853	34 435	37 199
B	EC124	Amahlathi	90 283	96 982	105 295
B	EC126	Ngqushwa	62 426	67 037	72 708
B	EC127	Nkonkobe	86 351	92 780	100 812
B	EC128	Nxuba	20 983	22 670	24 483
C	DC12	Amatole District Municipality	583 540	629 005	679 327
Total: Amatole Municipalities			**1 149 624**	**1 237 453**	**1 339 662**
B	EC131	Inxuba Yethemba	40 558	43 575	47 324
B	EC132	Tsolwana	24 741	26 641	28 581
B	EC133	Inkwanca	17 833	19 199	20 599
B	EC134	Lukhanji	109 210	117 362	127 591
B	EC135	Intsika Yethu	88 676	96 006	103 803
B	EC136	Emalahleni	69 797	75 590	81 744
B	EC137	Engcobo	76 102	81 794	88 980
B	EC138	Sakhisizwe	38 813	41 691	45 258
C	DC13	Chris Hani District Municipality	359 914	386 308	415 728
Total: Chris Hani Municipalities			**825 644**	**888 166**	**959 608**
B	EC141	Elundini	73 466	79 520	85 966
B	EC142	Senqu	89 723	96 358	104 540
B	EC143	Maletswai	22 944	24 872	26 915
B	EC144	Gariep	24 997	27 021	29 190
C	DC14	Joe Gqabi District Municipality	166 056	178 286	192 423
Total: Joe Gqabi Municipalities			**377 186**	**406 057**	**439 034**
B	EC153	Ngquza Hill	111 157	119 498	130 097
B	EC154	Port St Johns	67 852	73 630	79 720
B	EC155	Nyandeni	127 388	136 871	148 729
B	EC156	Mhlontlo	99 507	106 947	116 335
B	EC157	King Sabata Dalindyebo	169 531	181 579	195 070
C	DC15	O.R. Tambo District Municipality	449 945	482 839	519 518
Total: O.R. Tambo Municipalities			**1 025 380**	**1 101 364**	**1 189 469**
B	EC441	Matatiele	105 328	113 183	123 036
B	EC442	Umzimvubu	106 050	113 969	123 934
B	EC443	Mbizana	112 442	121 927	131 953
B	EC444	Ntabankulu	62 559	67 888	73 504
C	DC44	Alfred Nzo District Municipality	297 598	319 472	344 702
Total: Alfred Nzo Municipalities			**683 977**	**736 439**	**797 129**
Total: Eastern Cape Municipalities			**5 859 038**	**6 295 864**	**6 797 867**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
FREE STATE					
A	MAN	Mangaung	608 634	652 171	701 138
B	FS161	Letsemeng	50 533	54 390	58 601
B	FS162	Kopanong	88 546	94 938	102 399
B	FS163	Mohokare	51 002	54 893	59 143
B	FS171	Naledi	37 182	40 019	43 117
C	DC16	Xhariep District Municipality	22 802	24 390	25 981
Total: Xhariep Municipalities			**250 065**	**268 630**	**289 241**
B	FS181	Masilonyana	81 091	86 995	94 013
B	FS182	Tokologo	43 058	46 228	49 628
B	FS183	Tswelopele	62 058	66 570	71 927
B	FS184	Matjhabeng	432 357	463 211	497 815
B	FS185	Nala	134 966	144 722	156 133
C	DC18	Lejweleputswa District Municipality	97 137	101 178	105 517
Total: Lejweleputswa Municipalities			**850 667**	**908 904**	**975 033**
B	FS191	Setsoto	165 468	177 472	191 625
B	FS192	Dihlabeng	129 367	138 891	150 388
B	FS193	Nketoana	77 933	83 599	90 308
B	FS194	Maluti-a-Phofung	338 076	362 119	389 051
B	FS195	Phumelela	56 039	60 124	65 001
B	FS196	Mantsopa	66 714	71 652	77 449
C	DC19	Thabo Mofutsanyana District Municipality	76 578	80 100	83 914
Total: Thabo Mofutsanyana Municipalities			**910 175**	**973 957**	**1 047 736**
B	FS201	Moqhaka	163 244	175 215	189 641
B	FS203	Ngwathe	153 983	165 209	178 575
B	FS204	Metsimaholo	97 653	104 647	112 501
B	FS205	Mafube	75 102	80 555	87 006
C	DC20	Fezile Dabi	131 146	135 887	140 897
Total: Fezile Dabi Municipalities			**621 128**	**661 513**	**708 620**
Total: Free State Municipalities			**3 240 669**	**3 465 175**	**3 721 768**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
GAUTENG					
A	EKU	Ekurhuleni	1 825 341	1 957 841	2 107 743
A	JHB	City of Johannesburg	2 125 543	2 281 428	2 458 593
A	TSH	City of Tshwane	1 040 630	1 117 278	1 204 520
B	GT421	Emfuleni	597 485	640 148	688 010
B	GT422	Midvaal	50 833	54 698	59 601
B	GT423	Lesedi	59 701	64 159	69 690
C	DC42	Sedibeng District Municipality	226 009	234 056	242 549
Total: Sedibeng Municipalities			**934 028**	**993 061**	**1 059 850**
B	GT481	Mogale City	210 117	225 189	242 126
B	GT482	Randfontein	92 992	100 007	108 795
B	GT483	Westonaria	98 840	106 089	114 838
B	GT484	Merafong City	185 846	199 081	213 914
C	DC48	West Rand District Municipality	166 903	173 274	180 056
Total: West Rand Municipalities			**754 698**	**803 640**	**859 729**
Total: Gauteng Municipalities			**6 680 240**	**7 153 248**	**7 690 435**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
KWAZULU-NATAL					
A	ETH	eThekwini	1 769 412	1 899 944	2 048 545
B	KZN211	Vulamehlo	35 614	38 287	41 687
B	KZN212	Umdoni	27 805	29 934	32 712
B	KZN213	Umzumbe	86 177	93 230	100 756
B	KZN214	UMuziwabantu	43 500	46 725	50 723
B	KZN215	Ezinqoleni	26 036	28 154	30 418
B	KZN216	Hibiscus Coast	85 382	91 574	98 560
C	DC21	Ugu District Municipality	260 269	279 554	301 024
Total: Ugu Municipalities			**564 783**	**607 458**	**655 880**
B	KZN221	uMshwathi	55 649	60 240	65 128
B	KZN222	uMngeni	35 302	38 035	41 588
B	KZN223	Mooi Mpofana	21 925	23 656	25 526
B	KZN224	Impendle	23 775	25 561	27 431
B	KZN225	Msunduzi	338 903	363 502	391 259
B	KZN226	Mkhambathini	28 180	30 526	33 016
B	KZN227	Richmond	29 266	31 689	34 266
C	DC22	Umgungundlovu District Municipality	314 311	339 503	367 300
Total: Umgungundlovu Municipalities			**847 311**	**912 712**	**985 514**
B	KZN232	Emnambithi/Ladysmith	106 393	114 388	124 440
B	KZN233	Indaka	59 607	64 330	69 422
B	KZN234	Umtshezi	29 644	31 893	34 766
B	KZN235	Okhahlamba	62 494	67 133	72 896
B	KZN236	Imbabazane	64 585	69 783	75 360
C	DC23	Uthukela District Municipality	253 410	272 002	292 725
Total:Uthukela Municipalities			**576 133**	**619 529**	**669 609**
B	KZN241	Endumeni	32 355	34 927	38 510
B	KZN242	Nquthu	71 672	77 027	83 774
B	KZN244	Msinga	69 621	75 475	81 668
B	KZN245	Umvoti	41 962	45 103	49 070
C	DC24	Umzinyathi District Municipality	177 373	190 325	204 767
Total: Umzinyathi Municipalities			**392 983**	**422 857**	**457 789**
B	KZN252	Newcastle	270 475	289 781	311 436
B	KZN253	Emadlangeni	13 989	15 082	16 177
B	KZN254	Dannhauser	47 617	51 514	55 674
C	DC25	Amajuba District Municipality	97 319	105 075	113 636
Total: Amajuba Municipalities			**429 400**	**461 452**	**496 923**

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SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
B	KZN261	eDumbe	36 417	39 110	42 431
B	KZN262	uPhongolo	59 760	64 198	69 715
B	KZN263	Abaqulusi	79 053	84 983	92 518
B	KZN265	Nongoma	72 001	77 416	84 334
B	KZN266	Ulundi	78 231	84 129	91 692
C	DC26	Zululand District Municipality	258 854	277 840	299 001
Total: Zululand Municipalities			**584 316**	**627 676**	**679 691**
B	KZN271	Umhlabuyalingana	56 693	61 556	66 670
B	KZN272	Jozini	73 817	80 044	86 626
B	KZN273	The Big Five False Bay	14 141	15 245	16 350
B	KZN274	Hlabisa	25 755	27 978	30 311
B	KZN275	Mtubatuba	48 763	53 165	57 725
C	DC27	Umkhanyakude District Municipality	176 384	189 272	203 644
Total: Umkhanyakude Municipalities			**395 553**	**427 260**	**461 326**
B	KZN281	Mfolozi	43 392	47 213	51 199
B	KZN282	uMhlathuze	179 139	191 975	206 393
B	KZN283	Ntambanana	20 311	22 148	24 049
B	KZN284	uMlalazi	79 831	85 881	93 715
B	KZN285	Mthonjaneni	25 107	26 969	29 278
B	KZN286	Nkandla	50 777	55 046	59 564
C	DC28	uThungulu District Municipality	328 762	355 051	384 065
Total: Uthungulu Municipalities			**727 319**	**784 283**	**848 263**
B	KZN291	Mandeni	65 009	69 874	76 014
B	KZN292	KwaDukuza	72 649	77 913	83 848
B	KZN293	Ndwedwe	58 371	62 782	68 474
B	KZN294	Maphumulo	48 830	52 838	57 111
C	DC29	iLembe District Municipality	228 010	245 123	264 146
Total: iLembe Municipalities			**472 869**	**508 530**	**549 593**
B	KZN431	Ingwe	50 739	54 883	59 308
B	KZN432	Kwa Sani	12 054	13 013	13 957
B	KZN433	Greater Kokstad	48 477	52 054	56 391
B	KZN434	Ubuhlebezwe	50 309	54 472	58 900
B	KZN435	Umzimkhulu	85 299	91 643	99 559
C	DC43	Sisonke District Municipality	203 556	218 521	235 753
Total: Sisonke Municipalities			**450 434**	**484 586**	**523 868**
Total: KwaZulu-Natal Municipalities			**7 210 513**	**7 756 287**	**8 377 001**

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SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
LIMPOPO					
B	LIM331	Greater Giyani	132 615	142 462	154 706
B	LIM332	Greater Letaba	133 166	143 030	155 233
B	LIM333	Greater Tzaneen	195 684	209 576	225 129
B	LIM334	Ba-Phalaborwa	61 461	66 094	72 018
B	LIM335	Maruleng	53 513	57 977	62 712
C	DC33	Mopani District Municipality	463 410	497 516	535 513
Total: Mopani Municipalities			**1 039 849**	**1 116 655**	**1 205 311**
B	LIM341	Musina	31 447	33 978	36 696
B	LIM342	Mutale	42 892	46 578	50 453
B	LIM343	Thulamela	260 695	279 187	299 881
B	LIM344	Makhado	235 434	252 135	270 826
C	DC34	Vhembe District Municipality	476 439	511 035	549 640
Total: Vhembe Municipalities			**1 046 907**	**1 122 913**	**1 207 496**
B	LIM351	Blouberg	90 331	97 038	105 381
B	LIM352	Aganang	75 680	81 964	88 640
B	LIM353	Molemole	74 498	80 450	86 851
B	LIM354	Polokwane	388 232	415 871	446 844
B	LIM355	Lepelle-Nkumpi	124 157	133 381	144 867
C	DC35	Capricorn District Municipality	402 162	433 214	467 620
Total: Capricorn Municipalities			**1 155 060**	**1 241 918**	**1 340 203**
B	LIM361	Thabazimbi	60 104	64 551	70 003
B	LIM362	Lephalale	80 984	86 919	94 055
B	LIM364	Mookgopong	25 758	27 837	30 070
B	LIM365	Modimolle	56 393	60 536	65 544
B	LIM366	Bela-Bela	45 008	48 339	52 420
B	LIM367	Mogalakwena	249 145	266 832	286 633
C	DC36	Waterberg District Municipality	90 530	94 219	98 171
Total: Waterberg Municipalities			**607 922**	**649 233**	**696 896**
B	LIM471	Ephraim Mogale	68 729	73 838	80 210
B	LIM472	Elias Motsoaledi	129 556	139 187	151 191
B	LIM473	Makhuduthamaga	143 213	153 818	166 931
B	LIM474	Fetakgomo	46 115	50 004	54 116
B	LIM475	Greater Tubatse	129 796	139 462	151 546
C	DC47	Sekhukhune District Municipality	365 585	392 479	422 445
Total: Sekhukhune Municipalities			**882 994**	**948 788**	**1 026 439**
Total: Limpopo Municipalities			**4 732 732**	**5 079 507**	**5 476 345**

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SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
MPUMALANGA					
B	MP301	Albert Luthuli	159 110	170 758	184 796
B	MP302	Msukaligwa	105 157	112 916	122 383
B	MP303	Mkhondo	100 346	107 747	116 808
B	MP304	Pixley Ka Seme	84 113	90 238	97 522
B	MP305	Lekwa	79 067	84 916	92 081
B	MP306	Dipaleseng	44 041	47 466	51 183
B	MP307	Govan Mbeki	189 937	203 551	218 845
C	DC30	Gert Sibande District Municipality	252 910	261 780	271 123
Total: Gert Sibande Municipalities			**1 014 681**	**1 079 372**	**1 154 741**
B	MP311	Victor Khanye	50 861	54 608	59 155
B	MP312	Emalahleni	181 640	194 669	209 309
B	MP313	Steve Tshwete	85 818	92 016	98 998
B	MP314	Emakhazeni	35 648	38 555	41 666
B	MP315	Thembisile Hani	221 044	237 192	256 569
B	MP316	Dr JS Moroka	230 199	248 061	267 452
C	DC31	Nkangala District Municipality	299 711	310 161	321 160
Total: Nkangala Municipalities			**1 104 921**	**1 175 262**	**1 254 309**
B	MP321	Thaba Chweu	75 312	80 866	87 638
B	MP322	Mbombela	312 298	334 542	359 474
B	MP323	Umjindi	48 789	52 391	56 793
B	MP324	Nkomazi	259 653	278 075	298 694
B	MP325	Bushbuckridge	445 036	477 143	514 585
C	DC32	Ehlanzeni District Municipality	178 734	186 053	193 896
Total: Ehlanzeni Municipalities			**1 319 822**	**1 409 070**	**1 511 080**
Total: Mpumalanga Municipalities			**3 439 424**	**3 663 704**	**3 920 130**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
NORTHERN CAPE					
B	NC061	Richtersveld	11 904	12 950	14 044
B	NC062	Nama Khoi	32 468	35 199	38 095
B	NC064	Kamiesberg	12 477	13 463	14 438
B	NC065	Hantam	20 014	21 659	23 414
B	NC066	Karoo Hoogland	13 175	14 209	15 238
B	NC067	Khâi-Ma	12 489	13 476	14 451
C	DC6	Namakwa District Municipality	32 116	33 572	35 447
Total: Namakwa Municipalities			**134 643**	**144 528**	**155 127**
B	NC071	Ubuntu	17 705	19 161	20 713
B	NC072	Umsobomvu	29 319	31 648	34 159
B	NC073	Emthanjeni	34 322	37 112	40 103
B	NC074	Kareeberg	11 941	12 963	14 039
B	NC075	Renosterberg	14 691	15 834	16 984
B	NC076	Thembelihle	14 630	15 769	16 915
B	NC077	Siyathemba	20 108	21 735	23 480
B	NC078	Siyancuma	35 680	38 485	41 518
C	DC7	Pixley Ka Seme District Municipality	27 054	28 797	30 532
Total: Pixley Ka Seme Municipalities			**205 450**	**221 504**	**238 443**
B	NC081	Mier	9 959	10 766	11 541
B	NC082	Kai !Garib	46 950	50 407	54 622
B	NC083	//Khara Hais	52 652	56 623	61 632
B	NC084	!Kheis	15 852	17 077	18 318
B	NC085	Tsantsabane	25 422	27 500	29 720
B	NC086	Kgatelopele	14 659	15 898	17 207
	DC8	Siyanda District Municipality	42 890	44 870	47 435
Total: Siyanda Municipalities			**208 384**	**223 141**	**240 475**
B	NC091	Sol Plaatje	146 493	157 014	168 840
B	NC092	Dikgatlong	44 948	48 459	52 263
B	NC093	Magareng	28 704	30 964	33 406
B	NC094	Phokwane	63 719	68 373	73 950
C	DC9	Frances Baard District Municipality	87 442	91 004	99 640
Total: Frances Baard Municipalities			**371 306**	**395 814**	**428 099**
B	NC451	Joe Morolong	72 127	77 961	84 209
B	NC452	Ga-Segonyana	65 874	70 737	76 691
B	NC453	Gamagara	20 705	22 428	24 263
C	DC45	John Taolo Gaetsewe District Municipality	55 361	58 251	61 815
Total: John Taolo Gaetsewe Municipalities			**214 067**	**229 377**	**246 978**
Total: Northern Cape Municipalities			**1 133 850**	**1 214 364**	**1 309 122**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
NORTH WEST					
B	NW371	Moretele	155 654	168 055	181 403
B	NW372	Madibeng	273 733	293 205	315 018
B	NW373	Rustenburg	256 520	274 824	295 354
B	NW374	Kgetlengrivier	42 641	45 963	49 565
B	NW375	Moses Kotane	228 799	245 488	265 434
C	DC37	Bojanala Platinum District Municipality	239 064	248 045	257 581
Total: Bojanala Platinum Municipalities			**1 196 411**	**1 275 580**	**1 364 355**
B	NW381	Ratlou	67 258	72 722	78 566
B	NW382	Tswaing	63 830	68 580	74 508
B	NW383	Mafikeng	121 440	130 078	139 755
B	NW384	Ditsobotla	79 407	85 348	92 853
B	NW385	Ramotshere Moiloa	80 152	86 125	93 607
C	DC38	Ngaka Modiri Molema	394 002	423 958	457 207
Total: Ngaka Modiri Molema Municipalities			**806 089**	**866 811**	**936 496**
B	NW392	Naledi	33 235	35 740	38 918
B	NW393	Mamusa	31 940	34 578	37 385
B	NW394	Greater Taung	100 547	108 941	117 842
B	NW396	Lekwa-Teemane	28 302	30 659	33 163
B	NW397	NW397	66 113	71 545	77 334
C	DC39	Dr Ruth Segomotsi Mompati District Municipality	209 603	225 141	196 841
Total: Dr Ruth Segomotsi Mompati Municipalities			**469 740**	**506 604**	**501 483**
B	NW401	Ventersdorp	45 869	49 420	53 279
B	NW402	Tlokwe	85 150	91 264	98 136
B	NW403	City of Matlosana	335 773	359 709	386 545
B	NW404	Maquassi Hills	77 840	83 519	90 304
C	DC40	Dr Kenneth Kaunda District Municipality	156 438	156 023	161 865
Total: Dr Kenneth Kaunda Municipalities			**701 070**	**739 935**	**790 129**
Total: North West Municipalities			**3 173 310**	**3 388 930**	**3 592 463**

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			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
WESTERN CAPE					
A	CPT	City of Cape Town	1 084 416	1 165 272	1 257 857
B	WC011	Matzikama	36 388	39 092	42 429
B	WC012	Cederberg	26 013	28 144	30 429
B	WC013	Bergrivier	22 679	24 627	26 689
B	WC014	Saldanha Bay	34 054	36 735	40 276
B	WC015	Swartland	26 752	28 867	31 723
C	DC1	West Coast District Municipality	70 000	72 212	74 954
Total: West Coast Municipalities			**215 886**	**229 677**	**246 500**
B	WC022	Witzenberg	46 200	49 664	54 018
B	WC023	Drakenstein	69 397	74 441	80 136
B	WC024	Stellenbosch	41 241	44 284	47 736
B	WC025	Breede Valley	62 986	67 524	72 632
B	WC026	Langeberg	51 280	55 105	59 863
C	DC2	Cape Winelands District Municipality	205 814	210 513	217 832
Total: Cape Winelands Municipalities			**476 918**	**501 531**	**532 217**
B	WC031	Theewaterskloof	53 343	57 332	62 316
B	WC032	Overstrand	36 146	38 984	42 707
B	WC033	Cape Agulhas	16 877	18 315	19 845
B	WC034	Swellendam	18 897	20 474	22 158
C	DC3	Overberg District Municipality	43 926	45 929	48 516
Total: Overberg Municipalities			**169 189**	**181 034**	**195 542**
B	WC041	Kannaland	18 989	20 515	22 158
B	WC042	Hessequa	26 522	28 810	31 232
B	WC043	Mossel Bay	42 495	45 755	49 973
B	WC044	George	80 370	86 196	92 766
B	WC045	Oudtshoorn	43 034	46 290	50 452
B	WC047	Bitou	23 375	25 403	27 568
B	WC048	Knysna	30 859	33 272	36 395
C	DC4	Eden District Municipality	125 699	129 788	134 520
Total: Eden Municipalities			**391 343**	**416 029**	**445 064**
B	WC051	Laingsburg	9 536	10 316	11 060
B	WC052	Prince Albert	10 586	11 438	12 262
B	WC053	Beaufort West	32 765	35 411	38 273
C	DC5	Central Karoo District Municipality	12 981	14 000	14 999
Total: Central Karoo Municipalities			**65 868**	**71 165**	**76 594**
Total: Western Cape Municipalities			**2 403 620**	**2 564 708**	**2 753 774**
National Total			**37 873 396**	**40 581 787**	**43 638 905**

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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	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Agriculture, Forestry and Fisheries (Vote 26)	Comprehensive Agricultural Support Programme Grant	To expand the provision of agricultural support services, promote and facilitate agricultural development by targeting smallholding and previously disadvantaged farmers thereby contributing to the Zero Hunger Strategy.	General conditional allocation to provinces	Eastern Cape	197 209	217 565	228 810
				Free State	126 829	140 305	146 531
				Gauteng	48 016	53 481	60 816
				KwaZulu-Natal	183 726	202 522	212 632
				Limpopo	192 243	205 597	215 561
				Mpumalanga	114 829	130 683	134 547
				Northern Cape	424 999	375 329	378 390
				North West	155 277	169 679	179 410
				Western Cape	91 863	104 859	108 394
				TOTAL	**1 534 991**	**1 600 020**	**1 665 091**
Basic Education (Vote 15)	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education; to enhance capacity to deliver infrastructure in education; to address damage to school infrastructure caused by disasters.	General conditional allocation to provinces	Eastern Cape	883 403	1 026 115	1 023 645
				Free State	459 635	476 004	487 142
				Gauteng	512 866	546 004	537 105
				KwaZulu-Natal	1 247 477	1 318 435	1 373 989
				Limpopo	942 091	988 433	918 075
				Mpumalanga	530 711	539 520	593 387
				Northern Cape	307 609	321 714	337 252
				North West	507 200	529 489	543 350
				Western Cape	431 397	451 931	455 916
				TOTAL	**5 822 389**	**6 197 645**	**6 269 861**
Health (Vote 16)	(a) Health Infrastructure Grant	To supplement provincial funding of health infrastructure to address backlogs, accelerate the provision of health facilities and ensure proper life cycle maintenance of provincial health infrastructure.	General conditional allocation to provinces	Eastern Cape	258 862	276 982	305 244
				Free State	139 073	147 417	158 293
				Gauteng	110 361	116 983	127 859
				KwaZulu-Natal	393 367	416 969	427 845
				Limpopo	267 888	283 961	294 837
				Mpumalanga	108 971	115 509	126 385
				Northern Cape	98 258	104 154	115 029
				North West	112 790	119 863	130 739
				Western Cape	131 411	139 296	150 171
				TOTAL	**1 620 981**	**1 721 134**	**1 836 402**

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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	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Health (Vote 16)	(b) Health Professions Training and Development Grant	Support provinces to fund service costs associated with training of health science trainees on the public service platform; co-funding of the National Human Resource Plan for Health in expanding undergraduate medical education for 2012 and beyond (2025).	Nationally assigned function to provinces	Eastern Cape	178 730	188 560	199 874
				Free State	130 930	138 131	146 419
				Gauteng	725 310	765 202	811 114
				KwaZulu-Natal	261 860	276 262	292 837
				Limpopo	103 913	109 628	116 206
				Mpumalanga	85 208	89 894	95 288
				Northern Cape	68 583	72 356	76 697
				North West	93 522	98 666	104 586
				Western Cape	428 120	451 667	478 767
				TOTAL	**2 076 176**	**2 190 366**	**2 321 788**
	(c) National Tertiary Services Grant	Ensure provision of tertiary health services for all South African citizens; to compensate tertiary facilities for the costs associated with provision of these services including cross border patients.	Nationally assigned function to provinces	Eastern Cape	682 445	743 621	786 007
				Free State	786 724	849 661	898 091
				Gauteng	3 044 567	3 305 931	3 493 891
				KwaZulu-Natal	1 323 114	1 415 731	1 496 427
				Limpopo	288 427	305 732	323 158
				Mpumalanga	91 879	91 879	97 116
				Northern Cape	266 621	282 618	298 727
				North West	211 765	224 470	237 264
				Western Cape	2 182 468	2 400 714	2 537 554
				TOTAL	**8 878 010**	**9 620 357**	**10 168 235**
Higher Education and Training (Vote 17)	Further Education and Training Colleges Grant	To ensure the successful transfer of the Further Education and Training college function to the Department of Higher Education and Training.	General conditional allocation to provinces	Eastern Cape	688 593	769 713	813 208
				Free State	317 955	355 412	375 496
				Gauteng	1 113 533	1 244 713	1 315 050
				KwaZulu-Natal	839 837	938 774	991 823
				Limpopo	536 612	599 828	633 723
				Mpumalanga	342 696	383 067	404 714
				Northern Cape	76 599	85 623	90 462
				North West	257 233	287 536	303 784
				Western Cape	584 213	653 036	689 938
				TOTAL	**4 757 271**	**5 317 702**	**5 618 198**

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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	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Transport (Vote 37)	(a) Provincial Roads Maintenance Grant	To supplement provincial roads investments and support preventative, routine and emergency maintenance on provincial road networks; ensure provinces implement and maintain road asset management systems; promote the use of labour-intensive methods in road maintenance; repair roads and bridges damaged by floods.	General conditional allocation to provinces	Eastern Cape	1 369 985	1 432 390	1 498 209
				Free State	564 930	605 447	634 294
				Gauteng	579 081	655 248	688 302
				KwaZulu-Natal	1 501 171	1 516 651	1 590 923
				Limpopo	1 168 594	1 205 341	1 263 047
				Mpumalanga	1 240 694	1 471 078	1 545 460
				Northern Cape	483 706	502 060	522 498
				North West	594 789	661 905	694 944
				Western Cape	478 895	490 359	515 153
				TOTAL	**7 981 845**	**8 540 479**	**8 952 830**
	(b) Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	Nationally assigned function to provinces	Eastern Cape	174 466	183 960	193 258
				Free State	192 872	203 382	213 663
				Gauteng	1 625 746	1 714 344	1 801 078
				KwaZulu-Natal	808 279	852 325	895 350
				Limpopo	260 725	274 932	288 840
				Mpumalanga	439 003	462 926	486 340
				Northern Cape	39 255	41 390	43 480
				North West	80 686	85 082	89 380
				Western Cape	696 237	734 180	771 320
				TOTAL	**4 317 269**	**4 552 521**	**4 782 709**

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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	
				2012/13 Allocation	Forward Estimates	
					2013/14	2014/15
				R'000	R'000	R'000
Human Settlements (Vote 31)	Urban Settlements Development Grant	To assist metropolitan municipalities to improve urban land production to the benefit of poor households, by supplementing the revenues of metropolitan municipalities to: reduce the real average cost of urban land, increase the supply of well located land, enhance tenure security and quality of life in informal settlements, improve spatial densities and to subsidise the capital costs of acquiring land and providing basic services for poor households.	Buffalo City	499 474	613 305	712 541
			City of Cape Town	971 980	1 193 497	1 386 611
			City of Johannesburg	1 290 748	1 584 912	1 841 359
			City of Tshwane	1 051 070	1 290 611	1 499 439
			Ekurhuleni	1 212 537	1 488 877	1 729 785
			eThekwini	1 287 560	1 580 999	1 836 812
			Mangaung	485 967	596 719	693 272
			Nelson Mandela Bay	592 870	727 986	845 778
			TOTAL	**7 392 206**	**9 076 906**	**10 545 597**

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SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Agriculture, Forestry and Fisheries (Vote 26)	(a) Ilima/Letsema Projects Grant	To assist vulnerable South African farming communities achieve an increase in agricultural production and increased income, invest in infrastructure that unlocks agricultural production and supply government markets with agricultural products thus releasing them from the poverty trap.	Conditional allocation	Eastern Cape	42 000	43 845	46 062
				Free State	54 600	57 999	60 802
				Gauteng	16 798	17 538	20 126
				KwaZulu-Natal	63 000	65 768	69 093
				Limpopo	42 000	43 845	46 062
				Mpumalanga	42 000	43 845	46 062
				Northern Cape	63 000	70 034	72 003
				North West	42 000	43 845	46 062
				Western Cape	50 400	51 737	54 353
				TOTAL	**415 798**	**438 456**	**460 625**
	(b) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To enhance the sustainable conservation of natural agricultural resources through a community-based participatory approach; to create job/work opportunities through the Expanded Public Works Programme; to create an enabling environment for improved food security and poverty relief.	Conditional allocation	Eastern Cape	16 823	15 866	10 853
				Free State	8 953	8 571	5 427
				Gauteng	6 246	6 163	4 748
				KwaZulu-Natal	20 304	18 746	10 854
				Limpopo	20 356	19 562	10 178
				Mpumalanga	10 958	10 249	6 105
				Northern Cape	12 724	12 055	7 462
				North West	11 557	10 552	8 140
				Western Cape	7 740	7 233	4 070
				TOTAL	**115 661**	**108 997**	**67 837**
Arts and Culture (Vote 14)	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	78 058	74 633	69 171
				Free State	50 304	55 070	63 379
				Gauteng	56 452	60 611	64 247
				KwaZulu-Natal	48 619	56 297	69 674
				Limpopo	68 822	72 662	72 081
				Mpumalanga	68 822	72 662	77 081
				Northern Cape	72 395	76 431	76 076
				North West	64 973	69 210	67 077
				Western Cape	56 129	60 210	72 828
				TOTAL	**564 574**	**597 786**	**631 614**

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SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Basic Education (Vote 15)	(a) Dinaledi Schools Grant	To promote Mathematics and Physical Science teaching and learning; to improve learner performance in Mathematics and Physical Science in line with the Action Plan 2014; to improve teachers' content knowledge of Mathematics and Physical Science.	Conditional allocation	Eastern Cape	11 964	12 620	13 342
				Free State	7 179	7 572	8 005
				Gauteng	20 139	21 244	22 459
				KwaZulu-Natal	17 547	18 509	19 568
				Limpopo	10 169	10 727	11 341
				Mpumalanga	9 172	9 676	10 229
				Northern Cape	3 391	3 576	3 780
				North West	10 568	11 147	11 785
				Western Cape	9 571	10 097	10 673
				TOTAL	**99 700**	**105 168**	**111 182**
	(b) HIV and Aids (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by increasing sexual and reproductive health knowledge, skills and appropriate decision making among learners and educators; to mitigate the impact of HIV by providing a caring, supportive and enabling environment for learners and educators; to ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse.	Conditional allocation	Eastern Cape	35 252	37 187	39 350
				Free State	12 491	13 175	13 897
				Gauteng	29 147	30 746	32 522
				KwaZulu-Natal	46 806	49 368	52 261
				Limpopo	29 942	31 586	33 412
				Mpumalanga	17 416	18 371	19 404
				Northern Cape	4 579	4 828	5 049
				North West	15 616	16 478	17 398
				Western Cape	17 416	18 371	19 404
				TOTAL	**208 665**	**220 110**	**232 697**
	(c) National School Nutrition Programme Grant	To provide nutritious meals to targeted learners.	Conditional allocation	Eastern Cape	903 644	954 674	1 013 124
				Free State	261 367	272 852	290 394
				Gauteng	548 690	578 868	609 471
				KwaZulu-Natal	1 151 644	1 214 985	1 283 755
				Limpopo	879 338	937 023	994 466
				Mpumalanga	474 560	495 661	526 572
				Northern Cape	113 136	119 359	122 392
				North West	329 301	347 412	364 128
				Western Cape	244 784	258 247	269 613
				TOTAL	**4 906 464**	**5 179 081**	**5 473 915**

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SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Basic Education (Vote 15)	(d) Technical Secondary Schools Recapitalisation Grant	To recapitalise up to 200 technical schools to improve their capacity to contribute to skills development and training in the country.	Conditional allocation	Eastern Cape	30 000	31 649	33 560
				Free State	19 870	20 963	20 942
				Gauteng	25 000	26 375	30 549
				KwaZulu-Natal	40 490	42 716	45 193
				Limpopo	26 700	28 169	29 802
				Mpumalanga	25 678	27 058	28 627
				Northern Cape	12 500	13 188	13 568
				North West	17 867	18 850	19 206
				Western Cape	11 264	11 884	12 035
				TOTAL	**209 369**	**220 852**	**233 482**
Health (Vote 16)	(a) Comprehensive HIV and Aids Grant	To enable the health sector to develop an effective response to HIV and Aids including universal access to HIV Counselling and Testing; to support the implementation of the National Operational Plan for comprehensive HIV and Aids treatment and care; to subsidise in-part funding for the antiretroviral treatment programme.	Conditional allocation	Eastern Cape	1 060 852	1 273 296	1 473 053
				Free State	615 160	742 984	861 713
				Gauteng	1 901 293	2 258 483	2 619 375
				KwaZulu-Natal	2 225 423	2 652 072	3 073 536
				Limpopo	713 432	861 143	1 000 811
				Mpumalanga	575 032	690 591	800 153
				Northern Cape	248 372	302 468	349 998
				North West	685 204	825 302	958 196
				Western Cape	738 080	927 547	1 074 487
				TOTAL	**8 762 848**	**10 533 886**	**12 211 322**
	(b) Hospital Revitalisation Grant	To provide funding to enable provinces to plan, manage, modernise, rationalise and transform health infrastructure, health technology, monitoring and evaluation of the health facilities in line with national policy objectives; to supplement expenditure on health infrastructure delivered through public-private partnerships.	Conditional allocation	Eastern Cape	402 679	408 719	485 251
				Free State	472 384	479 470	486 662
				Gauteng	795 439	807 371	896 882
				KwaZulu-Natal	566 605	575 104	661 132
				Limpopo	301 193	310 211	399 266
				Mpumalanga	300 000	300 000	304 500
				Northern Cape	346 083	351 274	356 543
				North West	423 127	448 258	454 982
				Western Cape	496 085	503 526	511 079
				TOTAL	**4 103 595**	**4 183 933**	**4 556 297**

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SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Health (Vote 16)	(c) National Health Insurance Grant	Test innovations necessary for implementing National Health Insurance; to undertake health system strengthening initiatives and support selected pilot districts in implementing identified service delivery interventions; to strengthen the resource management of selected central hospitals.	Conditional allocation	Eastern Cape	11 500	26 835	38 334
				Free State	16 500	38 500	55 000
				Gauteng	31 500	73 500	105 000
				KwaZulu-Natal	33 000	77 000	110 000
				Limpopo	11 500	26 833	38 334
				Mpumalanga	11 500	26 833	38 333
				Northern Cape	11 500	26 833	38 333
				North West	11 500	26 833	38 333
				Western Cape	11 500	26 833	38 333
				TOTAL	**150 000**	**350 000**	**500 000**
	(d) Nursing Colleges and Schools Grant	To supplement provincial funding of health infrastructure to accelerate the provision of health facilities including office furniture and related equipment, and to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.	Conditional allocation	Eastern Cape	14 660	21 257	25 760
				Free State	9 160	14 282	19 995
				Gauteng	12 480	19 096	24 734
				KwaZulu-Natal	16 480	23 896	29 454
				Limpopo	12 400	18 980	26 572
				Mpumalanga	9 740	14 123	19 772
				Northern Cape	6 080	10 816	15 143
				North West	8 680	12 586	17 620
				Western Cape	10 320	14 964	20 950
				TOTAL	**100 000**	**150 000**	**200 000**
Human Settlements (Vote 31)	Human Settlements Development Grant	To provide funding for the creation of sustainable human settlements.	Conditional allocation	Eastern Cape	2 292 859	2 472 919	2 538 910
				Free State	961 619	1 034 905	1 026 409
				Gauteng	4 003 776	4 329 066	4 620 481
				KwaZulu-Natal	2 915 297	3 148 736	3 305 541
				Limpopo	1 471 617	1 588 823	1 657 732
				Mpumalanga	965 127	1 043 499	1 113 121
				Northern Cape	339 551	366 002	372 298
				North West	1 050 933	1 134 578	1 182 890
				Western Cape	1 725 180	1 865 344	1 990 939
				TOTAL	**15 725 959**	**16 983 872**	**17 808 321**

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SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Public Works (Vote 7)	(a) Devolution of Property Rate Funds Grant	To facilitate the transfer of the property rates expenditure responsibility to provinces.	Conditional allocation	Eastern Cape	200 825	210 376	222 243
				Free State	231 399	244 755	258 561
				Gauteng	281 469	294 376	310 982
				KwaZulu-Natal	551 100	588 180	621 359
				Limpopo	35 399	37 024	39 113
				Mpumalanga	76 870	83 029	87 712
				Northern Cape	43 911	46 424	49 042
				North West	178 185	202 408	213 825
				Western Cape	319 501	345 421	364 906
				TOTAL	**1 918 659**	**2 051 993**	**2 167 743**
	(b) Expanded Public Works Programme Integrated Grant for Provinces	To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in identified focus areas, in compliance with the Expanded Public Works Programme (EPWP) guidelines.	Conditional allocation	Eastern Cape	60 333	-	-
				Free State	21 391	-	-
				Gauteng	18 835	-	-
				KwaZulu-Natal	79 506	-	-
				Limpopo	48 983	-	-
				Mpumalanga	26 255	-	-
				Northern Cape	9 915	-	-
				North West	10 444	-	-
				Western Cape	17 099	-	-
				Unallocated	-	361 624	383 255
				TOTAL	**292 761**	**361 624**	**383 255**
	(c) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments identified in the 2012 Social Sector EPWP Log-frame to increase job creation by focusing on the strengthening and expansion of social service programmes that have employment potential.	Conditional allocation	Eastern Cape	22 121	-	-
				Free State	23 908	-	-
				Gauteng	41 945	-	-
				KwaZulu-Natal	1 673	-	-
				Limpopo	57 734	-	-
				Mpumalanga	13 659	-	-
				Northern Cape	2 073	-	-
				North West	29 564	-	-
				Western Cape	24 724	-	-
				Unallocated	-	257 564	272 972
				TOTAL	**217 401**	**257 564**	**272 972**

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SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Sport and Recreation South Africa (Vote 20)	Mass Participation and Sport Development Grant	To facilitate sport and recreation participation and empowerment within schools, clubs and hubs in partnership with relevant stakeholders.	Conditional allocation	Eastern Cape	66 056	69 987	73 931
				Free State	34 371	36 417	38 469
				Gauteng	73 930	78 330	82 744
				KwaZulu-Natal	91 122	96 544	101 986
				Limpopo	55 733	59 050	62 378
				Mpumalanga	39 883	42 257	44 638
				Northern Cape	27 404	29 035	30 671
				North West	36 497	38 670	40 849
				Western Cape	44 644	47 301	49 966
				TOTAL	**469 640**	**497 591**	**525 632**

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SCHEDULE 6

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
CURRENT GRANTS					
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Systems Improvement Grant	To assist municipalities build in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislation, policies and the local government turnaround strategy.	230 096	242 734	257 298
Public Works (Vote 7)	Expanded Public Works Programme Integrated Grant for Municipalities	To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in identified focus areas, in compliance with the Expanded Public Works Programme guidelines.	599 240	701 924	743 912
National Treasury (Vote 10)	(a) Infrastructure Skills Development Grant	To strengthen the capacity of local government to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills available and to facilitate lifelong learning and the transfer of knowledge to municipalities.	75 460	100 000	106 000
	(b) 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.	402 753	424 798	449 138
Energy (Vote 29)	Electricity Demand Side Management Grant	To provide subsidies to municipalities to implement Electricity Demand Side Management in municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.	200 000	200 000	200 000
Water Affairs (Vote 38)	Water Services Operating Subsidy Grant	To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government.	562 434	420 945	449 558
		TOTAL	**2 069 983**	**2 090 401**	**2 205 906**
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, micro enterprises and social institutions servicing poor communities.	13 881 633	14 643 465	15 764 200
Energy (Vote 29)	Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, clinics and the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.	1 151 443	1 314 772	1 487 658
National Treasury (Vote 10)	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).	578 132	598 041	591 179
Transport (Vote 37)	(a) Public Transport Infrastructure and Systems Grant	To provide for accelerated planning, construction and improvement of public and non-motorised transport infrastructure and services.	4 988 103	5 549 981	5 870 846
	(b) Rural Roads Asset Management Grant	To assist rural district municipalities to set up rural Road Asset Management Systems, and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa.	37 295	39 154	41 418
		TOTAL	**20 636 606**	**22 145 413**	**23 755 301**

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SCHEDULE 7

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Province	Column A	Column B	
				2012/13 Allocation	Forward Estimates	
					2013/14	2014/15
				R'000	R'000	R'000
Basic Education (Vote 15)	School Infrastructure Backlogs Grant	Eradication of inappropriate school infrastructure; provision of water, sanitation and electricity to schools.	Eastern Cape	1 526 635	4 689 000	-
			Free State	160 730	100 000	-
			Gauteng	45 540	-	-
			KwaZulu-Natal	159 089	60 000	-
			Limpopo	144 368	60 000	-
			Mpumalanga	141 519	100 000	-
			Northern Cape	14 590	-	-
			North West	109 469	80 000	-
			Western Cape	13 060	100 000	-
			Unallocated	-	-	5 500 340
			TOTAL	**2 315 000**	**5 189 000**	**5 500 340**

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SCHEDULE 7

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
National Treasury (Vote 10)	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).	80 000	55 000	58 300
Energy (Vote 29)	Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.	1 879 368	1 982 596	2 098 903
Water Affairs (Vote 38)	(a) Water Services Operating Subsidy Grant	To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government.	132 598	312 584	327 625
	(b) Regional Bulk Infrastructure Grant	To develop infrastructure required to connect or augment a water resource, to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality, and in the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works.	2 516 641	2 921 728	3 351 460
Human Settlements (Vote 31)	Rural Households Infrastructure Grant	To provide specific capital funding for the eradication of rural water and sanitation backlogs and is targeted at existing households where bulk-dependent services are not viable. The grant also funds training for beneficiaries on health and hygiene practices and how to maintain the facilities provided.	479 500	389 000	-
		TOTAL	**5 088 107**	**5 660 908**	**5 836 288**

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SCHEDULE 8

UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Province	Column A	Column B	
				2012/13 Allocation	Forward Estimates	
					2013/14	2014/15
				R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 3)	Provincial Disaster Grant	To provide for the immediate release of funds for disaster response.	Eastern Cape	-	-	-
			Free State	-	-	-
			Gauteng	-	-	-
			KwaZulu-Natal	-	-	-
			Limpopo	-	-	-
			Mpumalanga	-	-	-
			Northern Cape	-	-	-
			North West	-	-	-
			Western Cape	-	-	-
			Unallocated	180 000	190 000	201 400
			TOTAL	180 000	190 000	201 400

UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose		Column A	Column B	
				2012/13 Allocation	Forward Estimates	
					2013/14	2014/15
				R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Disaster Grant	To provide for the immediate release of funds for disaster response.		330 000	350 000	371 000
			TOTAL	330 000	350 000	371 000

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