

*(English text signed by the President.)
(Assented to 31 March 2007.)*

ACT

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2007/08 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— 35

“category A, B or C municipality” has the meaning assigned to each category in terms of the Municipal Structures Act; 40

“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 the Provincial Revenue Fund held with the Corporation for Public Deposits, established by the Corporation of Public Deposits Act, 1984 (Act No. 46 of 1984);
- “**financial year**” means the financial year commencing on 1 April 2007 and ending on 31 March 2008; 5
- “**framework**” means the conditions and other information in respect of a conditional allocation published by the National Treasury in terms of section 22;
- “**Municipal Finance Management Act**” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- “**municipal financial year**” means the financial year of a municipality commencing on 1 July and ending on 30 June; 10
- “**next financial year**” means the financial year commencing on 1 April 2008 and ending on 31 March 2009;
- “**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; 15
 - (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 48; 20
- “**primary bank account**”—
- (a) in relation to a province, means a bank account of the Provincial Revenue Fund held with a commercial bank which the head of the department in the provincial treasury has certified to the National Treasury as the bank account into which all conditional allocations, other than the Gautrain Rapid Link allocation, in terms of this Act must be deposited; and 25
 - (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); 30
- “**quarter**” means—
- (a) 1 April to 30 June;
 - (b) 1 July to 30 September;
 - (c) 1 October to 31 December; or
 - (d) 1 January to 31 March; 35
- “**receiving officer**”—
- (a) in relation to a Schedule 4 or 5 allocation transferred to a province, means the accounting officer of the provincial department which receives that allocation or a portion thereof for spending via an appropriation from its Provincial Revenue Fund; or 40
 - (b) in relation to a Schedule 4 or 6 allocation transferred to a municipality, the accounting officer of the municipality;
- “**this Act**” includes any framework or allocation published or any regulation or determination made or instruction given under this Act;
- “**transferring national officer**” means the accounting officer of a national department that transfers a Schedule 4, 5 or 6 allocation to a province or municipality or makes a Schedule 7 allocation on behalf of a municipality. 45
- (2) Any determination or instruction in terms of this Act must be in writing.

Objects of Act

2. The objects of this Act are to— 50
- (a) provide for the equitable division of revenue raised nationally among the three spheres of government;
 - (b) promote better co-ordination between policy, planning, budget preparation and execution processes between and within the different spheres of government; 55
 - (c) promote predictability and certainty in respect of all allocations to provinces and municipalities in order that such governments may plan their budgets over a multi-year period;

- (d) promote transparency and equity in the resource allocation process; and
- (e) promote accountability by ensuring that all allocations are reflected on the budgets of receiving provinces and municipalities.

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

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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 2009/10 financial year, and which is subject to the provisions of the annual Division of Revenue Act in respect of those financial years, is set out in Column B of Schedule 1. 10

Equitable division of provincial share among provinces

4. (1) Each province's equitable share of the provincial share of revenue raised nationally in respect of the financial year is set out in Column A of Schedule 2. 15

(2) An envisaged division for each province of revenue anticipated to be raised nationally in respect of the next financial year and the 2009/10 financial year, and which is subject to the provisions of the annual Division of Revenue Act for those financial years, is set out in Column B of Schedule 2. 20

(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 33.

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. 25

(2) An envisaged division between municipalities of revenue anticipated to be raised nationally in respect of the next financial year and the 2009/10 financial year, and which is subject to the provisions of the annual Division of Revenue Act for those financial years, is set out in Column B of Schedule 3. 30

(3) Each municipality's equitable share contemplated in subsection (1) must be transferred to the primary bank account of the municipality in three transfers before the end of July, November and February in the financial year, in accordance with a payment schedule determined by the National Treasury in terms of section 33.

Shortfalls and excess revenue

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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. 40

(3) The national government may appropriate a portion of its equitable share or excess revenue contemplated in subsection (2) to make further allocations in an adjustments budget to— 45

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

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations

Conditional allocations to provinces 5

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; and 10
- (b) Schedule 5 specifying specific-purpose allocations to provinces.

(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 2009/10 financial year, which is subject to the annual Division of Revenue Act for those years, is set out in Column B of the Schedules referred to in subsection (1). 15

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; and 20
- (b) Schedule 6 specifying specific-purpose allocations to municipalities; and
- (c) Schedule 7 specifying allocations-in-kind to municipalities for designated special programmes.

(2) An envisaged division of 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 2009/10 financial year, which is subject to the annual Division of Revenue Act for those years, is set out in Column B of the Schedules referred to in subsection (1). 25

(3) The National Treasury must publish the share of each municipality in respect of the local government allocations contemplated in subsections (1) and (2) in the *Gazette* in terms of section 22. 30

Part 2

Duties of accounting authorities and treasuries in respect of Schedule 4, 5, 6 or 7 allocations 35

Duties of transferring national officer in respect of Schedule 4 allocation

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

- (a) ensuring that transfers to all provinces and municipalities are made in accordance with the payment schedule approved in terms of section 33, unless allocations are withheld or stopped in terms of section 25 or 26; 40
- (b) monitoring expenditure and non-financial performance information on programmes funded by an allocation, provided that any monitoring programme or system—
 - (i) is approved by the National Treasury;
 - (ii) does not impose any undue administrative burden on receiving provinces and municipalities beyond the provision of standard management information; 45
 - (iii) is compatible and integrated with and does not duplicate other relevant and related national, provincial and local systems; and

(iv) is consistent with sections 11(2) and 23.

- (c) evaluating the performance of programmes funded or partially funded by the allocation and the submission of such evaluations to the National Treasury within four months in respect of a province and six months in respect of a municipality after the end of the financial year. 5

(2) Where two or more national departments have responsibilities relating to a Schedule 4 allocation, the transferring national officer must co-ordinate the roles and responsibilities of such national departments and ensure that those roles and responsibilities—

- (a) are exercised in a manner that does not duplicate the responsibilities as set out in subsection (1); and 10
(b) do not impose any undue administrative burden on provinces or municipalities beyond the provision of standard management information.

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

10. (1) A transferring national officer must— 15

- (a) not later than 14 days after this Act takes effect certify to the National Treasury that—
(i) allocation frameworks, including conditions and monitoring provisions, are reasonable and do not impose an undue administrative burden on receiving provincial governments and municipalities beyond the provision of standard management information; 20
(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; 25
(iv) in respect of a Schedule 6 allocation, any business plans requested in respect of how allocations will be utilised by a municipality have been approved prior to the start of the municipal financial year; 30
(b) transfer funds only after information required in terms of this Act has been provided to the National Treasury;
(c) transfer funds only in accordance with a payment schedule determined in accordance with section 33;
(d) deposit funds only into the primary bank account of a province or municipality, or, where appropriate, into the corporation for public deposits account of a province or the bank account designated for transfer of the Gautrain Rapid Rail Link allocation in accordance with section 16; and 35
(e) ensure that all other arrangements or requirements necessary for the transfer of an allocation have been complied with prior to the start of the financial year. 40

(2) The transferring national officer must submit all information and documentation referred to in subsection (1) (a) to the National Treasury within 14 days after this Act takes effect.

(3) A transferring national officer who has not complied with subsection (1) must transfer such allocation as may be instructed by the National Treasury, including as an unconditional allocation. 45

(4) Before making the first transfer of any allocation, the transferring national officer must take note of any notice in terms of section 32(1) from the National Treasury outlining the details of the account for each province or municipality.

(5) Despite anything to the contrary contained in any law, a transferring national officer must in respect of any allocation, as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, not later than 20 days after the end of each month, and in the format determined by the National Treasury, submit to the National Treasury, information for the month reported on and for the financial year up to the end of that month, on— 55

- (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; 60

- (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; and
 - (e) such other issues as the National Treasury may determine. 5
- (6) The transferring national officer must evaluate the performance of programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury within four months in respect of a province and six months in respect of a municipality after the end of the financial year.

Duties of receiving officer in respect of Schedule 4 allocation 10

- 11.** (1) A receiving officer is responsible for—
- (a) complying with the framework for a Schedule 4 allocation as published in terms of section 22; and
 - (b) the manner in which it allocates and spends a Schedule 4 allocation. 15
- (2) The receiving officer of a municipality must—
- (a) ensure and certify to the National Treasury that the municipality—
 - (i) indicates, or if required, exclusively appropriates each programme funded or partially funded by this allocation in its annual budget; and
 - (ii) makes public, in accordance with the requirements of section 21A of the Municipal Systems Act, the conditions and other information in respect of the allocation to facilitate performance measurement and the use of required inputs and outputs; and 20
 - (b) as part of the report required in terms of section 71 of the Municipal Finance Management Act, report to the National Treasury and the transferring national officer on spending and performance against programmes. 25
- (3) The receiving officer in a province must—
- (a) submit, as part of the report required in section 40(4)(c) of the Public Finance Management Act, reports to the relevant provincial treasury on spending and performance against programmes; and
 - (b) submit a quarterly performance report within 30 days after the end of each quarter to the transferring national officer. 30
- (4) The receiving officer must report against programmes funded or partially funded by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report.
- (5) The receiving officer must, within two months after the end of the financial year and where relevant the municipal financial year, evaluate its performance in respect of programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer. 35

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

- 12.** (1) The relevant receiving officer must, in respect of an allocation transferred to— 40
- (a) a province, as part of the report required in section 40(4)(c) of the Public Finance Management Act, submit a report to the relevant provincial treasury and the transferring national officer; and
 - (b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, submit a report to the relevant transferring national or provincial officer. 45
- (2) A report by a province in terms of subsection (1) must set out for that month and for the financial year up to the end of that month—
- (a) the amount received by the province;
 - (b) the amount of funds stopped or withheld from the province; 50
 - (c) the actual expenditure by the province in respect of a Schedule 5 allocation;
 - (d) the extent of compliance with the conditions of an allocation provided for in a framework and with this Act;
 - (e) an explanation for any material problems experienced by the province regarding an allocation which has been received and a summary of the steps taken to deal with such problems; and 55
 - (f) such other issues and information as the National Treasury may determine.

(3) (a) Subsections (1)(a) and (2) do not apply to the receiving officer of the Gautrain Rapid Rail Link allocation.

(b) The receiving officer of the Gautrain Rapid Rail Link allocation must at the end of each quarter submit a report to the transferring national officer, detailing the payment made in that quarter to meet its payment obligation in terms of the public-private partnership agreement entered into by the province in accordance with regulations issued under the Public Finance Management Act. 5

(c) Copies of payment certificates issued in terms of the public-private partnership agreement must be submitted together with the reports referred to in paragraph (b).

(4) A report by a municipality in terms of subsection (1) must set out for that month and for the financial year up to the end of that month— 10

(a) the amount of funds stopped or withheld from the municipality;

(b) the extent of compliance with the conditions of an allocation provided for in a framework and with this Act;

(c) an explanation for 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 or the effect of such variations; and 15

(d) such other issues and information as the National Treasury may determine.

(5) The receiving officer of the 2010 FIFA World Cup Stadiums Development Grant must in addition to subsection (1)— 20

(a) include in the report contemplated in subsection (1) the cash flow projections for the stadium construction or upgrading in the format determined by the transferring national officer; and

(b) attach to the report contemplated in subsection (1) copies of payment certificates issued in terms of the construction contract entered into by the municipality in accordance with regulations issued under the Municipal Finance Management Act. 25

(6) The receiving officer must, within two months after the end of the financial year and where relevant the municipal financial year, evaluate its performance in respect of programmes or functions funded or partially funded by an allocation and submit such evaluation to the transferring national officer. 30

Duties in respect of annual financial statements and annual reports for 2007/08

13. (1) The 2007/08 financial statements of a national department transferring any funds in respect of an allocation set out in Schedule 4, 5, 6 or 7 must, in addition to any requirements in terms of any other applicable law— 35

(a) indicate the total amount of that allocation transferred to a province or municipality;

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

(c) indicate any re-allocations by the National Treasury in terms of section 27; 40

(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. 45

(2) The 2007/08 annual report of a national department transferring any funds in respect of an allocation set out in Schedule 4, 5, 6 or 7 must, in addition to any requirements in terms of any other applicable law—

(a) indicate the reasons for the withholding of any transfers to a province or municipality; 50

(b) indicate to what extent provinces or municipalities were monitored for compliance with the conditions of an allocation provided for in the relevant framework and the provisions of this Act;

(c) indicate to what extent the allocation achieved its purpose and outputs; and

(d) indicate any non-compliance with this Act, and the steps taken to deal with such non-compliance. 55

- (3) The 2007/08 financial statements of a provincial department receiving an allocation in terms of Schedule 4 or 5, 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 2007/08 annual report of a provincial department receiving an allocation in terms of Schedule 4 or 5, must, in addition to any requirements in terms of any other applicable law—
- (a) indicate to what extent the province met the conditions, provided for in the relevant framework of such an allocation, and complied with the provisions of this Act;
 - (b) indicate the extent to which the objectives and outputs of the allocation were achieved; and
 - (c) contain such other information as the National Treasury may determine.
- (5) The 2007/08 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 specific Schedule 4 allocations

Infrastructure Grant to Provinces

- 14.** (1) The Infrastructure Grant to Provinces set out in Schedule 4 supplements the funding of infrastructure programmes funded from provincial budgets to enable provinces to address backlogs in provincial infrastructure.
- (2) A province must ensure that its provincial departments responsible for education, health and roads—
- (a) are responsible for all capital and maintenance budgets and spending for those functions;
 - (b) enter into, implement and manage service delivery agreements with national or provincial departments, national or public entities and any other organs of state, where such departments, entities or other organs of state manage or undertake construction or maintenance on their behalf; and
 - (c) participate, together with the provincial department responsible for public works in the Infrastructure Delivery Improvement Programme facilitated by the National Treasury, unless the National Treasury exempts any such department from participation.
- (3) (a) A province, in allocating the Infrastructure Grant to Provinces—
- (i) must take into account the capacity of the receiving provincial department to spend and manage infrastructure, based on the extent of any approved roll-overs in the 2006/07 financial year and any projected roll-overs in the 2007/08 financial year; and
 - (ii) may, where a receiving provincial department lacks capacity designate an amount not exceeding four percent of the allocation for acquiring such capacity, to facilitate delivery.
- (b) The percentage referred to in subsection (3)(a)(ii) must be informed by a capacity plan prepared by the receiving provincial department and approved by the provincial treasury.

Municipal Infrastructure Grant

15. (1) The Municipal Infrastructure Grant set out in Schedule 4 supplements the funding of infrastructure programmes funded from municipal budgets to enable municipalities to address backlogs in municipal infrastructure required for the provision of basic services. 5

(2) The Municipal Infrastructure Grant—

- (a) must be transferred, directly to a category A, B or C municipality that has the powers and functions referred to in section 84 of the Municipal Structures Act to provide municipal infrastructure in respect of those powers and functions; and 10
- (b) may be transferred via the relevant category C municipality to a category B municipality if—
 - (i) the allocation to the category B municipality is less than R2 million; or
 - (ii) the transferring national officer, in consultation with the National Treasury, identifies the category B municipality as not being able to manage or administer the allocation. 15

(3) Allocations referred to in subsection (2)(b) must be listed as an allocation to the category B municipality in the publications referred to in section 22(1)(a).

(4) A municipality receiving the Municipal Infrastructure Grant must table a three-year capital budget as part of its budget for the 2007/08 financial year in accordance with the Municipal Finance Management Act, unless exempted in terms of that Act. 20

Part 4

Matters relating to specific Schedule 5 allocations

Gautrain Rapid Rail Link Grant 25

16. (1) The transferring national officer of the Gautrain Rapid Rail Link Grant must, in addition to the duties contemplated in sections 12 and 33, take appropriate steps to ensure that transfers are made timely and in a manner that allows the province to meet its payment obligation in terms of the public-private partnership agreement entered into by the province in accordance with regulations issued under the Public Finance Management Act. 30

(2) The transferring national officer must transfer the Gautrain Rapid Rail Link allocation to the bank account designated for transfer in the dedicated banking account configuration established for the transfer of the Gautrain Rapid Rail Link allocation in accordance with a directive issued by the National Treasury under section 10(2)(a) of the Division of Revenue Act, 2006. 35

Integrated Housing and Human Settlement Development Grant: Accreditation of municipalities

17. (1) The receiving officer of an Integrated Housing and Human Settlement Development allocation must— 40

- (a) facilitate applications for accreditation in terms of section 10 of the Housing Act, 1997 (Act No. 107 of 1997), and the accreditation framework from all municipalities identified by the transferring national officer in respect of each province; and
- (b) before 28 November 2007, consider the applications of the municipalities and inform their accounting officers of the granting or refusal of the application for accreditation. 45

(2) (a) A municipality whose accreditation application was refused may lodge an objection to the refusal with the transferring national officer.

(b) The transferring national officer must on receipt of an objection take all necessary steps to facilitate accreditation as soon as possible, but no later than 60 days after the objection was received. 50

(3) Accreditation granted in terms of subsection (1) must be implemented progressively and must at least include—

- (a) authority to administer housing programmes, including the administration of all housing subsidy applications; 55

- (b) authority to grant subsidies and approve projects, subject to subsection (4), to be funded from uncommitted housing subsidy funds from the 2008/09 financial year;
- (c) an obligation to comply with the capacity and system requirements prescribed by the provincial accounting officer responsible for housing; 5
- (d) an obligation to provide reports on housing demand and delivery to the provincial accounting officer quarterly or at shorter intervals when requested; and
- (e) an obligation to provide information on the levying and collection of rental in respect of all municipal owned houses to the provincial accounting officer. 10
- (4) An accredited municipality must, in exercising its authority in terms of subsection (3)(b)—
- (a) take into account any criteria for the prioritisation of projects as determined by the province;
- (b) comply with national housing policies and programmes; and 15
- (c) participate in housing programme forums established by the transferring national department.
- (5) Accreditation in terms of the Housing Act, 1997 (Act No. 107 of 1997), does not constitute an assignment for the purposes of section 3 of the Financial and Fiscal Commission Act, 1997 (Act No. 99 of 1997), section 35 of the Public Finance 20 Management Act and sections 9 and 10 of the Municipal Systems Act.
- (6) (a) The receiving officer must in the interest of facilitating the commencement and continued implementation of the housing programme consider advancing a portion of the allocation for the financial year, on such conditions as it may determine, to a municipality when requested to do so by the municipality. 25
- (b) Where a dispute arises between a receiving officer and a municipality in respect of the need for an advance referred to in paragraph (a), the municipality may request the transferring national officer to mediate the dispute.
- (c) The transferring national officer must on receipt of a request referred to in paragraph (b) take all necessary steps to resolve the dispute as soon as possible, but no 30 later than 60 days after the request was received.
- (d) No advance in terms of paragraph (a) may be made in respect of implementation activities to be undertaken in the next financial year.
- (7) No allocation referred to in section 31(1)(b)(i) or (ii) made to a municipality as a result of the accreditation of that municipality, may be amended unless the relevant 35 transferring national officer has agreed to the proposed amendment.

Part 5

Matters relating to specific Schedule 6 allocations

2010 FIFA World Cup Stadiums Development Grant

- 18. (1) The transferring national officer of a 2010 FIFA World Cup Stadiums 40 Development Grant must, in addition to the duties contemplated in section 10, take appropriate steps to ensure that—
- (a) spending on stadiums in each World Cup Host City—
- (i) does not exceed the amounts appropriated for that purpose on municipal 45 budgets; and
- (ii) are in accordance with the approved payment schedule;
- (b) the Municipal Finance Management Act is adhered to; and
- (c) expert technical, engineering and project management support necessary to ensure the construction or upgrading of the relevant stadiums are provided to the World Cup Host Cities. 50
- (2) A receiving officer must, in addition to the duties contemplated in section 12—
- (a) ensure that the amount budgeted for the construction or upgrading of the relevant stadium and supporting infrastructure takes into account the allocation and indicative allocations for the grant set out in Column B of Schedule 5; 55
- (b) ensure that procurement processes, contract specifications and project management activities comply with all requirements set by the transferring national officer;

- (c) ensure that spending is in accordance with the approved payment schedule; and
- (d) in addition to complying with the reporting requirements set out in section 12, provide such information and reports, within the specified timeframes, to the transferring national officer as he or she may request in the performance of the duties provided for in subsection (1). 5
- (3) (a) The transferring national officer must, after consultation with receiving officers, not later than 30 days after this Act takes effect submit a monitoring plan to the National Treasury.
- (b) The plan must set out the key performance indicators, financial procedures, internal audit processes and monitoring and reporting mechanisms of the national department in order to ensure the effective and efficient construction or upgrading of the relevant stadiums. 10
- (4) Any expenditure by a municipality on a relevant stadium that exceeds the allocation and anticipated allocations set out in Schedule 5 must be funded from the municipal budget. 15
- (5) In addition to the requirements of the Municipal Finance Management Act, the disposal of the stadium by the municipality prior to the completion of the 2010 FIFA Soccer World Cup event is subject to the approval of the transferring national officer and the National Treasury. 20
- (6) (a) The transferring national officer and the receiving officer of a 2010 FIFA World Cup Stadiums Development Grant may enter into an agreement to further clarify the provisions of this Act and the relevant framework and to enhance the implementation of the allocation.
- (b) Any provision of an agreement referred to in paragraph (a) that contradicts, conflicts with or purports to amend or negate the provisions of this Act, the relevant framework, any provision of the Public Finance Management Act or any provision of the Municipal Finance Management is invalid. 25

Part 6

Matters relating to specific Schedule 7 allocations 30

Integrated National Electrification Programme Grant

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

Bulk Infrastructure Grant

- 20. The transferring national officer must in implementing the Water Services Regional Bulk Infrastructure Grant ensure that— 40
- (a) every municipality that may benefit from a specific project or scheme is invited to participate in the feasibility study to be undertaken in respect of the project or scheme, despite the fact that the municipality did not participate in submitting a motivation for that feasibility study; 45
- (b) the feasibility study takes account of the Integrated Development Plans of municipalities, prepared in accordance with the Municipal Systems Act, especially the water services developments plans that form part of the Integrated Development Plan; and
- (c) all participating municipalities— 50
 - (i) agree to and understand the implications of the findings of the feasibility studies; and
 - (ii) enter into an agreement setting out their rights and obligations regarding the construction, ownership and operation of the proposed infrastructure prior to the finalisation of funding arrangements and the commencement of construction. 55

Water Services Operating Subsidy

21. (1) The transferring national officer, subsequent to the signing of a transfer agreement between the transferring national officer and the municipality for the transfer of water services assets, may with the written approval of the National Treasury adjust the Water Services Operating and Transfer Subsidy allocation to a municipality to reflect— 5

- (a) the actual personnel allocation payable to a municipality as a result of the number of staff transferred from the transferring national department to the municipality; and
- (b) the actual operating allocation payable to a municipality as informed by the percentage or portion of assets transferred to a municipality in respect of assets shared across municipal boundaries. 10

(2) Any adjustments contemplated in subsection (1) must, together with an explanatory memorandum, be published by the National Treasury in the *Gazette*, within 120 days after granting approval for an adjustment. 15

Part 7

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

Publication of allocations and frameworks

22. (1) The National Treasury must, within 14 days of this Act taking effect, publish in the *Gazette*— 20

- (a) the allocations per municipality for each Schedule 4, 6 or 7 allocation to local government; and
- (b) the framework for each Schedules 4, 5, 6 and 7 allocation.

(2) The National Treasury must publish in the *Gazette* any revisions or amendments to the allocations or frameworks published in terms of subsection (1) that is authorised by an adjustment budget. 25

(3) (a) The National Treasury may at any time, after consultation with or at the written request of a transferring national officer, revise or amend a framework published in terms of subsection (1) or (2) to correct any error or omission.

(4) An amendment or revision takes effect on publication thereof in the *Gazette*. 30

Frameworks for Schedule 4 allocation

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

(2) The framework referred to in subsection (1) may— 35

- (a) include a condition requiring the registration of a project with a national department or any other organ of state prior to the financial year or municipal financial year in which the project will be implemented or such later date as may be agreed between the transferring national officer and the receiving officer, provided that such later date may not delay or impede the commencement of that project in the relevant financial year; and 40
- (b) not include any condition—
 - (i) for a national department or any other organ of state, other than the relevant province or municipality or the National Treasury in respect of a public private partnership, to approve specific projects or budgets; or 45
 - (ii) requiring a report on spending other than the reports required in terms of section 11 or as approved by the National Treasury.

Spending in terms of purpose and subject to conditions

24. (1) Despite anything to the contrary contained in any law, an allocation referred to in Schedule 4, 5, 6 or 7 may only be utilised for the purpose stipulated in the Schedule concerned and in accordance with the framework published in terms of section 22. 50

(2) A receiving officer may not transfer any Schedule 5 or 6 allocation or a portion of such allocation to any other entity for the performance of a function envisaged in terms of the allocation, unless—

- (a) it is a transfer that is approved in the budget of the receiving province or municipality or a framework published in terms of section 22;
- (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 5
- (c) in the case of an advance payment or a transfer not consistent with the budget of the receiving province or municipality—
 - (i) the receiving officer has certified to the National Treasury that the transfer is not an attempt to artificially inflate its spending estimates and that there are good reasons for the advance payment or transfer; and 10
 - (ii) the National Treasury has approved the advance payment or transfer.

Withholding of allocation

25. (1) Subject to subsections (2) and (3), a transferring national officer may withhold the transfer of a Schedule 4, 5, 6 or 7 allocation or any portion of such allocation for a period not exceeding 30 days, if— 15

- (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 28 have not been spent; or 20
- (c) expenditure on previous transfers during the financial year reflects significant under-spending, for which no satisfactory explanation is given.

(2) Despite subsection (1), the Health Professions Training and Development and National Tertiary Services allocations may not be withheld in terms of this section. 25

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

- (a) give the relevant receiving officer—
 - (i) written notice of the intention to withhold the allocation; and 30
 - (ii) an opportunity to submit written representations, within those seven days as to why the allocation should not be withheld; and
- (b) inform the relevant provincial treasury and the National Treasury of its intention to withhold the allocation.

(4) A notice contemplated in subsection (3) must include the reasons for withholding the allocation and the intended duration of the withholding. 35

(5) (a) The National Treasury may when a transferring national officer is withholding an allocation in terms of subsection (1) instruct or approve a request from that transferring national officer to withhold an allocation for a period longer than 30 days, but not exceeding 120 days, if the withholding will— 40

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

(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. 45

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

Stopping of allocation

26. (1) Despite section 25, the National Treasury may in its discretion or at the request of a transferring national officer stop the transfer of—

- (a) a Schedule 4, 5 or 6 allocation referred to in section 25(1) to a province or municipality on the grounds of persistent and material non-compliance with the provisions of this Act, or a condition to which the allocation, as provided for in the relevant framework, is subject; or 55
- (b) a Schedule 4, 5, 6 or 7 allocation referred to in section 25(1) if the National Treasury anticipates that a province or municipality will substantially under spend on that programme or allocation in the financial year.

- (2) The National Treasury must when stopping an allocation in terms of this section—
- (a) comply with section 25(3)(a), and in respect of a municipality also with section 38 of the Municipal Finance Management Act; and
 - (b) inform the relevant provincial treasury of its intention to stop the allocation.
- (3) Any stopping of an allocation contemplated in subsection (1) must, together with an explanatory memorandum, be published by the National Treasury in the *Gazette*. 5
- (4) (a) The Minister may, by notice in the *Gazette*, approve that an allocation or any portion of such allocation stopped in terms of subsection (1), be utilised to meet that province's or municipality's outstanding statutory and contractual financial commitments. 10
- (b) The utilisation of funds contemplated in this subsection is a direct charge against the National Revenue Fund.

Re-allocation after stopping of allocation

27. (1) The National Treasury may, where it stops an allocation in terms of section 26, after consultation with the transferring national officer, determine that a portion or the allocation that will not be spent be reallocated to one or more provinces or municipalities on condition that the allocation will be spent in the financial year or the next financial year. 15
- (2) The reallocation of a portion or the full allocation on condition that the allocation will be spent in the next financial year referred to in subsection (1), must be deemed to be a roll-over approved by the National Treasury in terms of section 31(2)(a). 20

Unspent conditional allocations

28. (1) Despite the provisions of the Public Finance Management Act or the Municipal Finance Management Act relating to roll-overs, any conditional allocation, excluding the Gautrain Rapid Link allocation, that is not spent at the end of a 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. 25
- (2) Despite subsection (1), the National Treasury may at the request of a transferring national officer, provincial treasury or municipality approve— 30
- (a) roll-overs from a conditional allocation to the next financial year; and
 - (b) spending of a portion of a conditional allocation on activities related to the purpose of that allocation where the province or municipality projects significant unforeseeable and unavoidable over spending on its budget.

Allocations to public entities for provision of municipal service or function 35

29. No public entity, other than Eskom Holdings Limited in respect of funds received from the Department of Minerals and Energy and water boards in respect of funds received from the Department of Water Affairs and Forestry for the implementation of Schedule 7 allocations, may receive funds for the provision of a municipal service or municipal function on behalf of a municipality from a national or provincial organ of state except via the municipality responsible for that service or function, unless the National Treasury approves otherwise in respect of municipalities it deems to have low capacity. 40

CHAPTER 4

DUTIES OF CATEGORY C MUNICIPALITIES, PROVINCIAL TREASURIES AND THE NATIONAL TREASURY 45

Duties relating to Category C municipal budgets

30. (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 13 April 2007, 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 2007/08 municipal financial year, and the two following municipal financial years. 50

(b) The budget must indicate all allocations to be transferred to or spent on behalf of each category B municipality within its area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities.

(2) A category C municipality must strive to ensure that it does not duplicate a function currently performed by a category B municipality, and transfer funds for infrastructure development, including funds that will replace the levies referred to in section 93(6) of the Municipal Structures Act, or the provision of services to the relevant category B municipalities, taking into account any indicative allocations for such municipalities as determined or published in the *Gazette* by the National Treasury, and may only retain and spend funds directly if—

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

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

(c) the Municipal Infrastructure Grant allocation to the category B municipality is transferred to the category C municipality in terms of section 36.

(3) A category C municipality 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 on the project, and agree on which municipality is responsible for operational costs and collection of user fees.

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

Duties of provincial treasuries

31. (1) The provincial treasury must reflect Schedule 5 allocations separately in the province's appropriation Bill or a schedule to its appropriation Bill.

(2) (a) The provincial treasury must on the same day that its budget is tabled in the provincial legislature or a later date approved by the National Treasury, but not later than 14 April 2007, publish the following in the *Gazette*:

(i) the indicative allocation per municipality for every allocation made by the province to municipalities, including Schedule 5 allocations transferred to municipalities and other allocations from the province's own funds;

(ii) the envisaged division of the allocation contemplated in subparagraph (i) in respect of each municipality, for the next financial year and the 2009/10 financial year; and

(iii) the conditions and other information in respect of the allocations referred to in paragraphs (a) and (b) to facilitate performance measurement and the use of required inputs and outputs.

(b) The allocations referred to in paragraph (a) must be deemed to be final allocations if the legislature passes the appropriation Bill without any amendments.

(c) In the event that the legislature amends the appropriation Bill the accounting officer of the provincial treasury must publish amended allocations in the *Gazette* within 14 days of legislature passing the appropriation Bill.

(3) (a) Despite anything to the contrary contained in any law, a provincial treasury may, in accordance with a framework determined by the National Treasury, make allocations to municipalities that were not published in terms of subsections (1) or (2).

(b) The allocations referred to in paragraph (a) must be published in the province's budget documents that are submitted with an adjustment appropriation Bill to its legislature.

(c) The provisions of subsection (2), with the necessary changes, apply in respect of allocations referred to in paragraph (b).

(4) Where a function for which a province receives a Schedule 5 allocation is assigned to a municipality during a financial year and the province has not appropriated funds to that municipality for the performance of that function, the province must transfer the allocation to the municipality in terms of section 226(3) of the Constitution of the Republic of South Africa, 1996, as a direct charge against that province's Revenue Fund and must inform the National Treasury of the transfer. 5

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

- (i) actual transfers received by the province from national departments; 10
- (ii) actual expenditure on such allocations, excluding Schedule 4 allocations, up to the end of that month; and
- (iii) actual transfers made by the province to municipalities, and actual expenditure by municipalities on such allocations.

(b) The report contemplated in paragraph (a) must include reports for each quarter, and be in the format and include the information as may be determined by the National Treasury. 15

Duties of National Treasury

32. (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. 20

(2) The National Treasury must, together with the monthly report contemplated in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in the Schedules referred to in sections 7 and 8 or made in terms of section 37. 25

CHAPTER 5

MATTERS RELATING TO ALL ALLOCATIONS

Payment schedule

33. (1) (a) The National Treasury determines the payment schedule for the transfer of a province's equitable share allocation, after consultation with the head of the department in the provincial treasury. 30

(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 of the Republic of South Africa, 1996, 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 have not yet fallen due for transfer in accordance with the payment schedule. 40

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

(2) (a) The National Treasury determines the payment schedule for the transfer of a municipality's equitable share allocation, after consultation with the accounting officer of the national department responsible for local government. 45

(b) Despite paragraph (a), when an intervention in terms of section 139 of the Constitution of the Republic of South Africa, 1996, is taking place in a municipality, the National Treasury may after consultation with the accounting officer of the national department responsible for local government, on such conditions as it may determine, approve a request or direct that the equitable share contemplated in subsection (1), or a portion of it, be— 50

- (i) advanced to a municipality in terms of a financial recovery plan prepared in terms of section 141 of the Municipal Finance Management Act, in respect of any portion which has not yet fallen due for transfer; and
- (ii) transferred to a municipality via the province in terms of section 226(3) of the Constitution of the Republic of South Africa, 1996, if the municipality is unable or unwilling to implement its financial recovery plan imposed in terms of section 141 of the Municipal Finance Management Act. 5
- (c) Any advances in terms of paragraph (b) must be set-off against transfers to the municipality, which would otherwise become due in terms of the applicable payment schedule. 10
- (3) (a) The National Treasury must approve the payment schedules for Schedules 4, 5 and 6 allocations.
- (b) The transferring national officer of a Schedule 4, 5 or 6 allocation must submit a payment schedule to the National Treasury for approval before 13 April 2007.
- (c) Prior to the submission of a payment schedule in terms of paragraph (b) the transferring national officer must— 15
 - (i) in relation to a Schedule 4 allocation, consult the relevant receiving officer;
 - (ii) in relation to the Gautrain Rapid Rail Link allocation, ensure that the payment schedule—
 - (aa) is consistent with the projected dates for payments to the private party in terms of the public-private partnership agreement entered into by the relevant province in accordance with regulations issued under the Public Finance Management Act; and 20
 - (bb) reflects the portion of any payments due under the agreement referred to in subparagraph (aa) payable from the allocation; and 25
 - (iii) in relation to a Schedule 5 or 6 allocation, consult the relevant province or municipality.
- (4) The transferring national officer of a Schedule 4, 5 or 8 allocation must provide the receiving officer with a copy of the approved payment schedule prior to making the first transfer in accordance therewith. 30

Amendment of payment schedule

- 34. (1) Subject to subsection (2), a transferring national officer of a Schedule 4, 5 or 6 allocation must within three days of the withholding or stopping of an allocation in terms of section 25 or 26, amend a payment schedule as a result of the withholding or stopping of an allocation in terms of this Act. 35
- (2) The National Treasury may, in the interest of better debt and cash-flow management or to deal with financial mismanagement or slow spending amend any payment schedule for an allocation listed in Schedule 2, 3, 4, 5 or 6 on notification to—
 - (a) the head of a provincial treasury, in the case of a provincial allocation; and
 - (b) the accounting officer of the national department responsible for local government, in the case of a local government allocation. 40
- (3) A payment schedule amended in terms of subsection (1) or (2) must take account of the monthly spending commitments of provinces or municipalities, the revenue at the disposal of provinces or municipalities and the minimisation of risk and debt servicing costs for all three spheres of government. 45
- (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 subsections (1) or (2).

Transfers to low capacity municipalities 50

- 35. The national accounting officer responsible for local government, in respect of a category B municipality classified as a low capacity municipality by that accounting

officer and the National Treasury, may with the concurrence of the National Treasury, determine that an allocation in terms of this Act or portion of such an allocation be transferred to the category C municipality, within whose area of jurisdiction the category B municipality is located, or to the relevant province, for the purposes of the proper administration of the allocation. 5

Transfers made in error

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

(2) A transfer contemplated in subsection (1), must be recovered, without delay, by the responsible transferring national officer. 10

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

Allocations not listed in Schedules

37. (1) An allocation not listed in the Schedules referred to in sections 7 and 8 may only be made in terms of section 6(3).

(2) The National Treasury must publish the allocations and frameworks for such allocations in the *Gazette*, prior to the transfer of any funds to a province or municipality. 20

Allocations in emergency situations

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

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

(b) the MEC for Finance in a province may, in accordance with section 25 of the Public Finance Management Act and subject to conditions, make an allocation to a municipality from the Provincial Fund. 30

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

Implementation of changes to power or function of municipality

39. Despite anything to the contrary contained in any law, the effective date of any changes to the powers and functions of a municipality effected in terms of section 84(3) or 85 of the Municipal Structures Act that impacts on the allocations made under this Act take effect at the commencement of the Division of Revenue Act for the next financial year only. 35

Preparations for next financial year and 2008/09 municipal financial year

40. (1) (a) The receiving officer of an Infrastructure Grant to Provinces must, by 31 July 2007, submit detailed infrastructure plans in a format determined by the National Treasury, to the provincial treasury. 40

(b) The infrastructure plans must indicate the prioritised projects to be funded from the allocations for the next financial year and the 2009/10 financial year as set out in column B of Schedule 4. 45

(c) The provincial treasury must—

(i) review the infrastructure plans of all receiving officers and submit the integrated plans to the National Treasury by 31 August 2007, together with the provincial budget submission;

(ii) ensure that the infrastructure budgets of the receiving departments include allocation for project design and initiation of procurement for projects to be implemented in 2009/10, and that infrastructure budgets are aligned with cash flow requirements of the planned projects in a given year; and 50

- (iii) ensure that the infrastructure budgets of the receiving departments make adequate provision for operations and maintenance associated with newly constructed or upgraded infrastructure.
- (2) (a) The transferring national officer of a conditional allocation must, by 9 November 2007 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 of the allocation criteria of an existing conditional allocation from the financial year to the next financial year must be agreed with the National Treasury prior to the submission of the allocations and draft frameworks referred to in paragraph (a)(ii) and (iii).
- (c) (i) The final allocations referred to in paragraph (a)(i) and (ii) must be submitted to the National Treasury by 7 December 2007 for presentation to the Budget Council and Cabinet.
- (ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 7 December 2007, the National Treasury may make recommendations on appropriate allocations, taking into consideration the envisaged allocations for the next financial year, to the Budget Council and Cabinet.
- (3) The National Treasury may, in preparation for the next financial year, instruct departments and municipalities to submit to it such plans and information for any conditional 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, 2008

41. Despite sections 3(2), 7(2) and 8(2), if the annual Division of Revenue Act for the next financial year has not commenced before or on 1 April 2008, 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 6

GENERAL

Allocations by public entities to provinces or municipalities

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

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

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

(2) In the event that a dispute is referred back by a court in accordance with section 41(4) of the Constitution of the Republic of South Africa, 1996, due to the court not being satisfied that the organ of state approaching the court has complied with subsection (1), the expenditure incurred by that organ of state in approaching the court must be regarded as fruitless and wasteful.

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

Unauthorised and irregular expenditure

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

- (a) A transfer prohibited in terms of section 24(2) of this Act; or 5
- (b) a transfer by a transferring national officer to a bank account of a province or municipality that is not the primary bank account, or, in respect of provinces, a corporation for public deposits account.

(2) Any transfer made or spending of an allocation in contravention of this Act constitutes irregular expenditure in terms of the Public Finance Management Act and the Municipal Finance Management Act. 10

Financial misconduct

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

(2) Section 84 of the Public Finance Management Act and section 171(4) of the Municipal Finance Management Act apply in respect of financial misconduct in terms of subsection (1). 15

Delegations and assignments

46. (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. 20

(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 25
- (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. 30

Exemptions

47. (1) The National Treasury may, on written application by a transferring national or provincial officer, exempt such officer in writing from complying with a provision of this Act. 35

(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

48. 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 40
- (b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act.

Repeal of laws

49. (1) Subject to subsection (2), the Division of Revenue Act, 2006 (Act No. 2 of 2006), is hereby repealed. 45

(2) The repeal of the Division of Revenue Act, 2006, does not affect any duty or obligation set out in that Act, the execution of which is still outstanding.

Short title and commencement

50. This Act is called the Division of Revenue Act, 2007, and takes effect on 1 April 2007 or the date of publication thereof by the President in the *Gazette*, whichever is the later date. 50

SCHEDULE 1

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

Spheres of Government	Column A	Column B	
	2007/08 Allocation	Forward Estimates	
		2008/09	2009/10
	R'000	R'000	R'000
National ^{1,2}	341 926 238	376 949 606	405 072 704
Provincial	171 271 393	193 473 825	215 784 312
Local	20 675 620	23 774 767	29 444 144
TOTAL	533 873 251	594 198 198	650 301 160

1. National share includes conditional allocations to provincial and local spheres, 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	
	2007/08 Allocation	Forward Estimates	
		2008/09	2009/10
	R'000	R'000	R'000
Eastern Cape	27 073 802	30 585 482	34 113 897
Free State	10 745 189	12 137 283	13 536 283
Gauteng	28 217 485	31 878 070	35 556 007
KwaZulu-Natal	37 067 018	41 870 497	46 697 600
Limpopo	22 339 538	25 237 308	28 148 861
Mpumalanga	14 140 126	15 972 436	17 813 772
Northern Cape	4 597 686	5 194 044	5 793 243
North West	11 972 842	13 524 310	15 083 422
Western Cape	15 117 707	17 074 395	19 041 227
TOTAL	171 271 393	193 473 825	215 784 312

SCHEDULE 3

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

Number	Municipality	National Financial Year		
		Column A	Column B	
		2007/08 Allocation	Forward Estimates	
			2008/09	2009/10
		R'000	R'000	R'000
EASTERN CAPE				
A	Nelson Mandela	573 411	658 377	814 909
B	EC101 Camdeboo	14 102	16 340	21 103
B	EC102 Blue Crane Route	15 061	17 439	22 493
B	EC103 Ikwezi	5 694	6 569	8 420
B	EC104 Makana	26 379	30 565	39 476
B	EC105 Ndlambe	21 800	25 262	32 636
B	EC106 Sundays River Valley	12 393	14 328	18 433
B	EC107 Baviaans	5 905	6 818	8 753
B	EC108 Kouga	19 213	22 326	28 982
B	EC109 Koukamma	10 845	12 567	16 233
C	DC10 Cacadu District Municipality	48 719	55 024	60 963
Total: Cacadu Municipalities		180 112	207 240	257 492
B	EC121 Mbhashe	37 585	43 368	55 610
B	EC122 Mnquma	53 919	62 283	80 013
B	EC123 Great Kei	11 354	13 112	16 837
B	EC124 Amahlathi	32 636	37 692	48 407
B	EC125 Buffalo City	252 125	293 317	381 450
B	EC126 Ngqushwa	22 215	25 644	32 907
B	EC127 Nkonkobe	34 154	39 445	50 661
B	EC128 Nxuba	7 700	8 899	11 441
C	DC12 Amatole District Municipality	283 953	324 418	384 209
Total: Amatole Municipalities		735 639	848 178	1 061 535
B	EC131 Inxuba Yethemba	15 372	17 806	22 983
B	EC132 Tsolwana	9 068	10 442	13 342
B	EC133 Inkwanca	6 480	7 476	9 584
B	EC134 Lukhanji	40 858	47 233	60 761
B	EC135 Intsika Yethu	33 276	38 350	49 071
B	EC136 Emalahleni	24 535	28 292	36 236
B	EC137 Engcobo	22 662	26 149	33 528
B	EC138 Sakhisizwe	12 891	14 900	19 161
C	DC13 Chris Hani District Municipality	145 668	167 430	211 780
Total: Chris Hani Municipalities		310 810	358 079	456 446
B	EC141 Elundini	24 351	28 080	35 968
B	EC142 Senqu	31 230	36 087	46 385
B	EC143 Maletswai	8 366	9 675	12 453
B	EC144 Gariep	9 109	10 539	13 576
C	DC14 Ukhahlamba District Municipality	65 346	75 331	94 784
Total: Ukhahlamba Municipalities		138 403	159 713	203 166
B	EC151 Mbizana	36 538	42 116	53 903
B	EC152 Ntabankulu	20 427	23 538	30 108
B	EC153 Qaukeni	35 629	41 095	52 654
B	EC154 Port St. Johns	21 719	25 028	32 017
B	EC155 Nyandeni	42 290	48 821	62 652
B	EC156 Mhlontlo	32 538	37 557	48 183
B	EC157 King Sabata Dalindyebo	60 441	70 156	90 885
C	DC15 O.R. Tambo District Municipality	210 420	242 790	305 360
Total: O.R Tambo Municipalities		460 003	531 099	675 763
B	EC05b2 Umzimvubu	50 978	39 643	50 839
B	EC05b3 Matatiele	34 706	40 067	51 386
C	DC44 Alfred Nzo District Municipality	66 255	74 452	93 841
Total: Alfred Nzo Municipalities		151 939	154 162	196 066
Total: Eastern Cape Municipalities		2 550 317	2 916 848	3 665 377

SCHEDULE 3

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

Number Municipality			National Financial Year		
			Column A	Column B	
			2007/08 Allocation	Forward Estimates	
				2008/09	2009/10
FREE STATE					
B	FS161	Letsemeng	19 514	22 612	29 204
B	FS162	Kopanong	34 947	40 502	52 326
B	FS163	Mohokare	19 789	22 911	29 545
C	DC16	Xhariep District Municipality	7 734	8 708	10 424
Total: Xhariep Municipalities			81 984	94 733	121 499
B	FS171	Naledi	14 444	16 721	21 562
B	FS172	Mangaung	236 571	275 885	360 222
B	FS173	Mantsopa	26 048	30 173	38 948
C	DC17	Motheo District Municipality	106 909	120 655	138 959
Total: Motheo Municipalities			383 972	443 435	559 691
B	FS181	Masilonyana	31 887	36 939	47 685
B	FS182	Tokologo	16 610	19 228	24 791
B	FS183	Tswelopele	23 560	27 283	35 199
B	FS184	Matjhabeng	174 279	202 810	263 842
B	FS185	Nala	54 072	62 645	80 883
C	DC18	Lejweleputswa District Municipality	63 679	71 988	79 519
Total: Lejweleputswa Municipalities			364 087	420 894	531 920
B	FS191	Setsoto	64 635	74 878	96 665
B	FS192	Dihlabeng	51 249	59 395	76 731
B	FS193	Nketoana	30 143	34 902	45 018
B	FS194	Maluti-a-Phofung	129 419	150 144	194 322
B	FS195	Phumelela	21 391	24 764	31 931
C	DC19	Thabo Mofutsanyana District Municipality	38 448	43 607	49 244
Total: Thabo Mofutsanyana Municipalities			335 285	387 691	493 911
B	FS201	Moqhaka	64 906	75 256	97 291
B	FS203	Ngwathe	61 188	70 866	91 442
B	FS204	Metsimaholo	38 891	45 331	59 143
B	FS205	Mafube	29 900	34 623	44 665
C	DC20	Fezile Dabi District Municipality	89 872	101 359	114 089
Total: Fezile Dabi Municipalities			284 757	327 435	406 629
Total: Free State Municipalities			1 450 085	1 674 187	2 113 650

SCHEDULE 3

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

Number	Municipality	National Financial Year		
		Column A	Column B	
		2007/08 Allocation	Forward Estimates	
			2008/09	2009/10
GAUTENG				
A	Ekurhuleni	1 396 748	1 610 592	1 993 397
A	City of Johannesburg	2 579 342	2 957 189	3 603 759
A	City of Tshwane	1 101 416	1 264 591	1 474 114
B	GT02b1 Nokeng tsa Taemane	13 753	16 020	20 885
B	GT02b2 Kungwini	34 072	39 661	51 647
C	DC46 Metsweding District Municipality	17 750	20 049	22 333
Total: Metsweding Municipalities		65 575	75 731	94 865
B	GT421 Emfuleni	237 309	276 775	361 436
B	GT422 Midvaal	18 907	22 073	28 892
B	GT423 Lesedi	23 740	27 565	35 726
C	DC42 Sedibeng District Municipality	161 815	182 447	197 910
Total: Sedibeng Municipalities		441 771	508 860	623 965
B	GT481 Mogale City	81 598	95 659	126 043
B	GT482 Randfontein	36 765	42 835	55 860
B	GT483 Westonaria	36 392	42 393	55 296
C	DC48 West Rand District Municipality	106 113	119 743	139 304
Total: West Rand Municipalities		260 868	300 631	376 503
Total: Gauteng Municipalities		5 845 721	6 717 592	8 166 603

SCHEDULE 3

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

Number Municipality		National Financial Year		
		2007/08 Allocation	Column B	
			Forward Estimates	
			2008/09	2009/10
KWAZULU-NATAL				
A	eThekweni	1 339 261	1 544 835	1 923 874
B	KZ211 Vulamehlo	11 867	13 680	17 511
B	KZ212 Umdoni	10 145	11 732	15 104
B	KZ213 Umzumbe	29 295	33 783	43 272
B	KZ214 uMuziwabantu	14 615	16 876	21 665
B	KZ215 Ezingolweni	8 651	9 987	12 816
B	KZ216 Hibiscus Coast	34 761	40 447	52 626
C	DC21 Ugu District Municipality	106 874	122 963	152 683
Total: Ugu Municipalities		216 209	249 467	315 677
B	KZ221 uMshwathi	19 353	22 356	28 720
B	KZ222 uMngeni	13 646	15 879	20 677
B	KZ223 Mpofana	7 869	9 113	11 759
B	KZ224 Impendle	7 806	8 997	11 516
B	KZ225 Msunduzi	142 899	166 588	217 418
B	KZ226 Mkhambathini	9 793	11 298	14 485
B	KZ227 Richmond	10 243	11 827	15 184
C	DC22 uMgungundlovu District Municipality	158 256	180 165	210 256
Total: uMgungundlovu Municipalities		369 865	426 223	530 015
B	KZ232 Emnambithi/Ladysmith	40 115	46 447	59 908
B	KZ233 Indaka	20 993	24 238	31 111
B	KZ234 Umtshezi	10 816	12 518	16 137
B	KZ235 Okhahlamba	21 191	24 472	31 424
B	KZ236 Imbabazane	22 563	26 047	33 423
C	DC23 Uthukela District Municipality	104 886	120 688	150 657
Total: Uthukela Municipalities		220 565	254 410	322 660
B	KZ241 Endumeni	9 944	11 539	14 944
B	KZ242 Nquthu	22 949	26 484	33 967
B	KZ244 Msinga	22 683	26 128	33 401
B	KZ245 Umvoti	14 442	16 682	21 431
C	DC24 Umzinyathi District Municipality	69 183	79 768	99 905
Total: Umzinyathi Municipalities		139 201	160 602	203 647
B	KZ252 Newcastle	110 311	128 157	166 253
B	KZ253 eMadlangeni	4 714	5 422	6 915
B	KZ254 Dannhauser	16 521	19 060	24 432
C	DC25 Amajuba District Municipality	48 135	54 806	63 490
Total: Amajuba Municipalities		179 681	207 444	261 090
B	KZ261 eDumbe	12 647	14 614	18 787
B	KZ262 uPhongolo	20 694	23 919	30 760
B	KZ263 Abaqulusi	27 463	31 723	40 752
B	KZ265 Nongoma	23 849	27 496	35 208
B	KZ266 Ulundi	27 295	31 468	40 289
C	DC26 Zululand District Municipality	103 479	119 279	150 341
Total: Zululand Municipalities		215 427	248 499	316 137

SCHEDULE 3

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

Number Municipality			National Financial Year		
			Column A	Column B	
			2007/08 Allocation	Forward Estimates	
				2008/09	2009/10
B	KZ271	Umhlabuyalingana	17 519	20 185	25 814
B	KZ272	Jozini	23 710	27 329	34 976
B	KZ273	The Big Five False Bay	4 817	5 536	7 048
B	KZ274	Hlabisa	19 091	21 953	27 980
B	KZ275	Mtubatuba	5 832	6 736	8 653
C	DC27	Umkhanyakude District Municipality	68 404	78 824	99 969
Total: Umkhanyakude Municipalities			139 375	160 563	204 440
B	KZ281	Mbonambi	14 916	17 182	21 967
B	KZ282	uMhlathuze	72 008	83 820	109 146
B	KZ283	Ntambanana	7 056	8 111	10 333
B	KZ284	Umlalazi	28 117	32 415	41 501
B	KZ285	Mthonjaneni	8 757	10 114	12 992
B	KZ286	Nkandla	16 877	19 433	24 828
C	DC28	uThungulu District Municipality	153 073	173 698	209 452
Total: uThungulu Municipalities			300 805	344 774	430 218
B	KZ291	Mandeni	23 331	26 965	34 670
B	KZ292	KwaDukuza	25 955	30 372	39 896
B	KZ293	Ndwedwe	21 004	24 206	30 972
B	KZ294	Maphumulo	16 237	18 720	23 969
C	DC29	iLembe District Municipality	98 959	113 621	138 752
Total: iLembe Municipalities			185 486	213 884	268 259
B	KZ5a1	Ingwe	16 933	19 534	25 037
B	KZ5a2	Kwa Sani	4 320	4 976	6 361
B	KZ5a4	Greater Kokstad	17 482	20 282	26 253
B	KZ5a5	Ubuhlebezwe	17 112	19 732	25 273
B	KZ5a6	Umzimkhulu	28 407	32 791	42 073
C	DC43	Sisonke District Municipality	80 959	93 369	117 565
Total: Sisonke Municipalities			165 213	190 684	242 561
Total: KwaZulu-Natal Municipalities			3 471 087	4 001 386	5 018 577

SCHEDULE 3

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

Number	Municipality	National Financial Year		
		Column A	Column B	
		2007/08 Allocation	Forward Estimates	
			2008/09	2009/10
LIMPOPO				
B	NP03a2 Makhuduthamaga	50 469	58 263	74 768
B	NP03a3 Fetakgomo	15 946	18 358	23 448
B	NP03a4 Greater Marble Hall	24 339	28 123	36 145
B	NP03a5 Elias Motsoaledi	46 699	53 926	69 235
B	NP03a6 Greater Tubatse	44 875	51 807	66 488
C	DC47 Greater Sekhukhune District Municipality	143 375	165 177	208 089
Total: Greater Sekhukhune District Municipalities		325 703	375 653	478 173
B	NP331 Greater Giyani	46 913	54 169	69 538
B	NP332 Greater Letaba	46 980	54 281	69 757
B	NP333 Greater Tzaneen	71 241	82 710	107 183
B	NP334 Ba-Phalaborwa	22 229	25 715	33 125
B	NP335 Maruleng	18 560	21 415	27 456
C	DC33 Mopani District Municipality	190 465	219 392	276 954
Total: Mopani Municipalities		396 389	457 682	584 014
B	NP341 Musina	11 143	12 915	16 684
B	NP342 Mutale	14 390	16 579	21 200
B	NP343 Thulamela	93 347	108 307	140 206
B	NP344 Makhado	85 167	98 847	128 034
C	DC34 Vhembe District Municipality	191 707	221 303	279 121
Total: Vhembe Municipalities		395 753	457 950	585 245
B	NP351 Blouberg	28 488	32 885	42 197
B	NP352 Aganang	26 402	30 433	38 951
B	NP353 Molemole	26 636	30 773	39 542
B	NP354 Polokwane	147 400	171 243	222 189
B	NP355 Lepelle-Nkumpi	44 070	50 893	65 353
C	DC35 Capricorn District Municipality	176 435	201 040	246 829
Total: Capricorn Municipalities		449 430	517 267	655 062
B	NP361 Thabazimbi	21 420	24 873	32 248
B	NP362 Lephale	34 567	40 045	51 704
B	NP364 Mookgopong	8 881	10 294	13 303
B	NP365 Modimolle	21 552	25 006	32 366
B	NP366 Bela Bela	17 490	20 268	26 181
B	NP367 Mogalakwena	92 560	107 385	138 991
C	DC36 Waterberg District Municipality	56 784	64 121	75 173
Total: Waterberg Municipalities		253 254	291 993	369 966
Total: Limpopo Municipalities		1 820 529	2 100 545	2 672 460

SCHEDULE 3

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

Number Municipality			National Financial Year	
			Column A	Column B
			2007/08 Allocation	Forward Estimates
				2008/09 2009/10
MPUMALANGA				
B	MP301	Albert Luthuli	57 774	66 828 86 056
B	MP302	Msukaligwa	40 381	46 788 60 419
B	MP303	Mkhondo	35 689	41 302 53 226
B	MP304	Pixley Ka Seme	32 319	37 406 48 216
B	MP305	Lekwa	30 458	35 319 45 672
B	MP306	Dipaleseng	17 235	19 943 25 694
B	MP307	Govan Mbeki	77 275	90 116 117 691
C	DC30	Gert Sibande District Municipality	171 638	193 499 222 552
Total: Gert Sibande Municipalities			462 770	531 201 659 525
B	MP311	Delmas	19 797	22 942 29 635
B	MP312	Emalahleni	71 058	83 075 108 969
B	MP313	Steve Tshwete	36 445	42 519 55 569
B	MP314	Emakhazeni	13 727	15 888 20 481
B	MP315	Thembisile	82 389	95 324 122 798
B	MP316	Dr JS Moroka	86 330	99 810 128 416
C	DC31	Nkangala District Municipality	215 577	242 974 264 254
Total: Nkangala Municipalities			525 323	602 532 730 122
B	MP321	Thaba Chweu	28 505	33 064 42 785
B	MP322	Mbombela	117 864	137 040 178 055
B	MP323	Umjindi	17 573	20 395 26 412
B	MP324	Nkomazi	94 488	109 623 141 885
B	MP325	Bushbuckridge	161 651	187 190 241 443
C	DC32	Ehlanzeni District Municipality	112 707	127 378 146 297
Total: Ehlanzeni Municipalities			532 787	614 690 776 878
Total: Mpumalanga Municipalities			1 520 880	1 748 423 2 166 525

SCHEDULE 3

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

Number Municipality			National Financial Year		
			Column A	Column B	
			2007/08 Allocation	Forward Estimates	
				2008/09	2009/10
NORTHERN CAPE					
B	NC451	Moshaweng	23 078	26 650	34 212
B	NC452	Ga-Segonyana	23 412	27 084	34 885
B	NC453	Gammagara	7 786	9 039	11 711
C	DC45	Kgalagadi District Municipality	31 443	35 304	41 828
Total: Kgalagadi Municipalities			85 718	98 076	122 636
B	NC061	Richtersveld	4 587	5 293	6 786
B	NC062	Nama Khoi	12 982	15 036	19 409
B	NC064	Kamiesberg	4 623	5 323	6 806
B	NC065	Hantam	7 588	8 775	11 296
B	NC066	Karoo Hoogland	4 996	5 751	7 341
B	NC067	Khai-Ma	4 700	5 411	6 910
C	DC6	Namakwa District Municipality	20 728	23 386	26 281
Total: Namakwa Municipalities			60 205	68 975	84 830
B	NC071	Ubuntu	6 826	7 886	10 135
B	NC072	Umsobomvu	11 507	13 304	17 115
B	NC073	Emthanjeni	13 749	15 907	20 489
B	NC074	Kareeberg	4 492	5 181	6 638
B	NC075	Renosterberg	5 580	6 423	8 201
B	NC076	Thembelihle	5 278	6 083	7 786
B	NC077	Siyathemba	7 542	8 719	11 215
B	NC078	Siyancuma	12 434	14 400	18 580
C	DC7	Karoo District Municipality	16 973	19 190	21 658
Total: Karoo Municipalities			84 381	97 092	121 817
B	NC081	Mier	3 361	3 861	4 911
B	NC082	!Kai! Garib	16 676	19 366	25 111
B	NC083	//Khara Hais	20 368	23 644	30 634
B	NC084	!Kheis	5 776	6 656	8 516
B	NC085	Tsantsabane	9 584	10 278	13 215
B	NC086	Kgatelopele	5 516	6 382	8 226
C	DC8	Siyanda District Municipality	29 998	33 919	37 900
Total: Siyanda Municipalities			91 279	104 106	128 513
B	NC091	Sol Plaatje	60 738	70 834	92 502
B	NC092	Dikgatlong	16 792	19 418	24 992
B	NC093	Magareng	11 010	12 728	16 374
B	NC094	Phokwane	24 142	27 973	36 126
C	DC9	Frances Baard District Municipality	53 083	59 891	65 806
Total: Frances Baard Municipalities			165 765	190 845	235 800
Total: Northern Cape Municipalities			487 348	559 095	693 597

SCHEDULE 3

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

NumberMunicipality			National Financial Year	
			Column A	Column B
			2007/08Allocation	Forward Estimates
2008/09	2009/10			
NORTH WEST				
B	NW371	Moretele	55 568	64 21182 537
B	NW372	Madibeng	103 200	119 941155 708
B	NW373	Rustenburg	97 332	113 623148 585
B	NW374	Kgetlengrivier	15 675	18 15323 422
B	NW375	Moses Kotane	85 308	98 713127 193
C	DC37	Bojanala Platinum District Municipality	162 197	183 016204 464
Total: Bojanala Platinum Municipalities			519 280	597 656741 909
B	NW381	Ratlou	23 090	26 65734 209
B	NW382	Tswaing	22 539	26 05133 499
B	NW383	Mafikeng	44 315	51 51466 908
B	NW384	Ditsobotla	28 342	32 78542 217
B	NW385	Ramotshere Moiloa	28 236	32 61641 899
C	DC38	Central District Municipality	179 723	205 998248 939
Total: Central Municipalities			326 245	375 620467 672
B	NW391	Kagisano	20 124	23 22529 794
B	NW392	Naledi	12 785	14 80319 091
B	NW393	Mamusa	11 496	13 29417 109
B	NW394	Greater Taung	34 416	39 69250 852
B	NW395	Molopo	4 223	4 8426 141
B	NW396	Lekwa-Teemane	10 249	11 86515 297
C	DC39	Bophirima District Municipality	87 057	100 281125 424
Total: Bophirima Municipalities			180 350	208 003263 706
B	NW401	Ventersdorp	17 057	19 74425 455
B	NW402	Potchefstroom	34 003	39 71752 001
B	NW403	City of Matlosana	135 346	157 729205 671
B	NW404	Maquassi Hills	28 497	33 01142 612
B	NW405	Merafong City	65 298	76 619101 209
C	DC40	Southern District Municipality	107 264	117 974135 501
Total: Southern Municipalities			387 465	444 794562 449
Total: North West Municipalities			1 413 340	1 626 0742 035 736

SCHEDULE 3

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

NumberMunicipality			National Financial Year		
			2007/08 Allocation	Column B	
				Forward Estimates	
			2008/09	2009/10	
WESTERN CAPE					
A	City of Cape Town		1 451 247	1 667 284	1 979 219
B	WC011	Matzikama	12 687	14 769	19 234
B	WC012	Cederberg	10 522	12 198	15 770
B	WC013	Bergrivier	8 964	10 428	13 568
B	WC014	Saldanha Bay	14 513	16 962	22 238
B	WC015	Swartland	10 641	12 447	16 347
C	DC1	West Coast District Municipality	50 455	56 978	62 479
Total: West Coast Municipalities			107 782	123 783	149 636
B	WC022	Witzenberg	17 643	20 496	26 584
B	WC023	Drakenstein	29 109	34 312	45 621
B	WC024	Stellenbosch	17 276	20 475	27 536
B	WC025	Breede Valley	26 082	30 543	40 155
B	WC026	Breede River Winelands	20 085	23 331	30 260
C	DC2	Cape Winelands District Municipality	145 785	164 343	183 220
Total: Cape Winelands Municipalities			255 979	293 499	353 376
B	WC031	Theewaterskloof	20 720	24 104	31 341
B	WC032	Overstrand	15 446	18 001	23 493
B	WC033	Cape Agulhas	6 899	8 007	10 377
B	WC034	Swellendam	7 765	8 990	11 598
C	DC3	Overberg District Municipality	28 785	32 471	35 771
Total: Overberg Municipalities			79 614	91 573	112 580
B	WC041	Kannaland	7 718	8 920	11 469
B	WC042	Hessequa	11 249	13 048	16 886
B	WC043	Mossel Bay	17 056	19 869	25 908
B	WC044	George	29 693	34 837	45 970
B	WC045	Oudtshoorn	17 205	19 960	25 834
B	WC047	Bitou	9 916	11 521	14 956
B	WC048	Knysna	13 331	15 513	20 186
C	DC4	Eden District Municipality	87 717	98 929	115 442
Total: Eden Municipalities			193 886	222 597	276 650
B	WC051	Laingsburg	3 535	4 060	5 163
B	WC052	Prince Albert	3 954	4 546	5 793
B	WC053	Beaufort West	11 162	12 915	16 639
C	DC5	Central Karoo District Municipality	9 155	10 360	12 564
Total: Central Karoo Municipalities			27 805	31 881	40 160
Total: Western Cape Municipalities			2 116 314	2 430 617	2 911 619
National Total			20 675 620	23 774 767	29 444 144

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		
					2007/08 Allocation	Forward Estimates		
						2008/09	2009/10	
Agriculture (Vote 24)	Comprehensive Agricultural Support Programme Grant	To expand the provision of agricultural support services, and promote and facilitate agricultural development.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000	
				Free State	69 838	73 190	80 492	
				Gauteng	38 084	39 912	43 909	
				KwaZulu-Natal	19 651	20 594	22 633	
				Limpopo	68 301	71 579	78 751	
				Mpumalanga	62 921	65 941	72 547	
				Northern Cape	41 133	43 107	47 408	
				North West	28 555	29 926	32 923	
				Western Cape	53 091	55 639	61 201	
				TOTAL	33 426	35 030	38 546	
Health (Vote 15)	(a) Health Professions Training and Development Grant	To support the training and development of health professionals.	Nationally assigned function to provinces	Eastern Cape	415 000	434 918	478 410	
				Free State	133 944	140 641	151 362	
				Gauteng	97 143	102 000	110 755	
				KwaZulu-Natal	581 741	610 828	614 812	
				Limpopo	201 992	212 092	222 425	
				Mpumalanga	76 032	79 834	88 759	
				Northern Cape	57 081	59 935	71 839	
				North West	43 122	45 278	58 304	
				Western Cape	65 692	68 977	78 608	
				TOTAL	339 442	356 414	362 935	
	(b) National Tertiary Services Grant	To fund provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives.	Nationally assigned function to provinces	Eastern Cape	1 596 189	1 675 999	1 759 799	
				Free State	428 912	462 559	501 796	
				Gauteng	480 945	536 352	585 736	
				KwaZulu-Natal	1 959 399	2 161 529	2 290 054	
				Limpopo	789 578	879 102	949 411	
				Mpumalanga	79 649	104 850	117 147	
				Northern Cape	54 995	66 145	80 526	
				North West	110 775	121 374	130 660	
				Western Cape	81 409	94 114	103 834	
				TOTAL	1 335 544	1 456 241	1 527 215	
				5 321 206	5 882 266	6 286 379		

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	
					2007/08 Allocation	Forward Estimates	2009/10
National Treasury (Vote 8)	Infrastructure Grant to Provinces	To fund the construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education, roads, health and agriculture.	General conditional allocation to provinces	Eastern Cape	R'000 1 123 343	R'000 1 249 477	R'000 1 459 344
				Free State	509 978	567 448	662 758
				Gauteng	524 238	579 721	677 093
				KwaZulu-Natal	1 298 792	1 440 967	1 682 997
				Limpopo	918 470	1 022 684	1 194 458
				Mpumalanga	519 929	577 196	674 145
				Northern Cape	351 318	390 600	456 207
				North West	506 113	562 208	656 639
				Western Cape	411 844	456 406	533 066
				TOTAL	6 164 025	6 846 707	7 996 707

SCHEDULE 4

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

Vote	Name of allocation	Purpose	Column A	Column B	
			2007/08 Allocation	Forward Estimates 2008/09	2009/10
Provincial and Local Government (Vote 5)	Municipal Infrastructure Grant (MIG)	To supplement capital finance for basic municipal infrastructure for poor households, micro enterprises and social institutions.	R'000 7 548 564	R'000 8 053 090	R'000 9 130 230
			TOTAL	8 053 090	9 130 230

SCHEDULE 5
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2007/08 Allocation	Forward Estimates	
						2008/09	2009/10
Agriculture (Vote 24)	Land Care Programme Grant: Poverty Relief and Infrastructure Development	To optimise productivity and sustainable use of natural resources to ensure greater productivity, food security, job creation and better quality of life for all.	Conditional allocation	Eastern Cape	R'000 7 010	R'000 7 345	R'000 8 227
				Free State	3 270	3 428	4 113
				Gauteng	3 270	3 428	3 599
				KwaZulu-Natal	7 010	7 345	8 227
				Limpopo	7 943	8 325	7 713
				Mpumalanga	4 205	4 407	4 627
				Northern Cape	6 075	6 366	5 656
				North West	4 672	4 897	6 170
				Western Cape	3 270	3 428	3 085
				TOTAL	46 725	48 969	51 417
Arts and Culture (Vote 13)	Community Library Services Grant	To enable communities to gain access to knowledge and information that will improve their social, economic and political situation.	Conditional allocation	Eastern Cape	22 680	42 588	58 716
				Free State	16 470	30 927	42 639
				Gauteng	18 810	35 321	48 697
				KwaZulu-Natal	13 950	26 195	36 115
				Limpopo	22 860	42 926	59 182
				Mpumalanga	22 860	42 926	59 182
				Northern Cape	24 030	45 123	62 211
				North West	21 600	40 560	55 920
				Western Cape	16 740	31 434	43 338
				TOTAL	180 000	338 000	466 000
Education (Vote 14)	(a) Further Education and Training College Sector Recapitalisation Grant	To recapitalise the public Further Education and Training colleges to increase the number of students enrolled in high priority skills vocational programmes that lead to higher education or employment by providing the essential infrastructure, equipment, learning material and human resources.	Conditional allocation	Eastern Cape	78 815	115 788	-
				Free State	36 000	52 200	-
				Gauteng	140 509	167 563	-
				KwaZulu-Natal	115 453	163 371	-
				Limpopo	67 443	111 918	-
				Mpumalanga	40 055	37 591	-
				Northern Cape	8 000	7 620	-
				North West	28 725	61 644	-
				Western Cape	80 000	77 305	-
				TOTAL	595 000	795 000	-

SCHEDULE 5
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2007/08 Allocation	2008/09 Forward Estimates	2009/10 Forward Estimates
Education (Vote 14)	(b) HIV and Aids (Life Skills Education) Grant	To coordinate and support the structured integration of life skills and HIV and Aids programmes across all learning areas in the school curriculum.	Conditional allocation	Eastern Cape	R'000 26 797	R'000 28 542	R'000 30 168
				Free State	9 217	9 800	10 341
				Gauteng	22 416	23 886	25 253
				KwaZulu-Natal	35 292	37 610	39 765
				Limpopo	23 005	24 495	25 882
				Mpumalanga	13 010	13 848	14 626
				Northern Cape	3 454	3 648	3 828
				North West	11 493	12 229	12 912
				Western Cape	13 011	13 847	14 626
				TOTAL	157 695	167 905	177 401
Health (Vote 15)	(c) National School Nutrition Programme Grant	To contribute to enhanced learning capacity through school feeding.	Conditional allocation	Eastern Cape	237 885	255 537	273 168
				Free State	68 023	73 070	78 112
				Gauteng	114 574	123 075	131 568
				KwaZulu-Natal	260 006	279 299	298 570
				Limpopo	192 694	206 992	221 275
				Mpumalanga	106 604	114 514	122 416
				Northern Cape	34 507	37 067	39 625
				North West	87 916	94 439	100 956
				Western Cape	50 729	54 494	58 253
				TOTAL	1 152 938	1 238 487	1 323 943
Health (Vote 15)	(a) Comprehensive HIV and Aids Grant	To enable the health sector to develop an effective response to the HIV and Aids epidemic and other matters.	Conditional allocation	Eastern Cape	233 204	264 563	314 972
				Free State	153 646	165 938	179 213
				Gauteng	399 604	479 502	602 885
				KwaZulu-Natal	466 922	557 696	696 179
				Limpopo	189 930	205 124	221 534
				Mpumalanga	121 190	133 162	153 668
				Northern Cape	74 091	80 019	86 420
Health (Vote 15)				North West	156 429	181 168	220 701
				Western Cape	150 559	168 251	200 614
				TOTAL	1 945 575	2 235 423	2 676 186

SCHEDULE 5
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2007/08 Allocation	Forward Estimates	
					R'000	R'000	R'000
Health (Vote 15)	(b) Forensic Pathology Services Grant	To continue the development and provision of a comprehensive Forensic Pathology Service following the shift of this function to the health sector from the South African Police Service in all provinces.	Conditional allocation	Eastern Cape	68 135	58 129	52 499
				Free State	30 422	31 198	28 177
				Gauteng	83 749	77 472	69 969
				KwaZulu-Natal	150 809	127 757	115 383
				Limpopo	39 195	33 457	30 217
				Mpumalanga	52 628	42 003	37 935
				Northern Cape	24 185	19 169	17 313
				North West	22 835	22 158	20 012
				Western Cape	79 425	55 535	50 157
				TOTAL	551 383	466 878	421 662
Housing (Vote 27)	(c) Hospital Revitalisation Grant	To provide funding to enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals and to transform hospital management and improve quality of care in line with national policy objectives.	Conditional allocation	Eastern Cape	246 750	228 966	189 985
				Free State	90 419	141 979	159 987
				Gauteng	503 284	428 545	716 267
				KwaZulu-Natal	268 433	201 793	304 239
				Limpopo	148 172	216 125	103 754
				Mpumalanga	107 843	236 377	287 629
				Northern Cape	172 966	219 968	277 978
				North West	176 966	231 966	214 983
				Western Cape	191 796	376 944	326 974
				TOTAL	1 906 629	2 282 663	2 581 796
Housing (Vote 27)	Integrated Housing and Human Settlement Development Grant	To provide for the facilitation of a sustainable housing development process by laying down general principles applicable to housing development in all spheres of government.	Conditional allocation	Eastern Cape	1 052 554	1 251 018	1 481 567
				Free State	653 293	772 410	892 768
				Gauteng	2 197 223	2 579 974	2 959 488
				KwaZulu-Natal	1 310 555	1 575 586	1 853 916
				Limpopo	651 705	783 247	921 297
				Mpumalanga	526 286	629 210	736 022
				Northern Cape	130 976	161 312	194 572
				North West	766 806	896 101	1 022 494
				Western Cape	948 548	1 203 984	1 468 699
				TOTAL	8 237 946	9 852 842	11 530 823

SCHEDULE 5
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2007/08 Allocation	2008/09 Forward Estimates	2009/10 Forward Estimates
Sport and Recreation South Africa (Vote 18)	Mass Sport and Recreation Participation Programme Grant	To promote sport and recreation activities in communities and schools through mass participation and club development.	Conditional allocation		R'000	R'000	R'000
					28 369	43 662	61 397
					15 206	21 534	28 606
					28 091	43 474	61 995
					37 276	57 525	81 771
					23 744	36 549	51 254
					15 954	23 101	32 305
					9 514	12 566	15 597
					16 900	24 110	31 968
					18 946	27 479	37 357
				TOTAL	194 000	290 000	402 250
Transport (Vote 33)	Gautrain Rapid Rail Link Grant	National government contribution to the Gauteng Provincial Government for the construction of the Gautrain Rapid Rail network.	Conditional allocation	Gauteng	3 029 411	3 265 993	2 507 211
				TOTAL	3 029 411	3 265 993	2 507 211

SCHEDULE 5: FURTHER EDUCATION AND TRAINING COLLEGE SECTOR RECAPITALISATION GRANT

Vote	Name of allocation	Province	Further Education and Training Colleges	Column A	Column B	
				2007/08 Allocation	Forward Estimates	
				R'000	2008/09 R'000	2009/10 R'000
Education (Vote 14)	Further Education and Training College Sector Recapitalisation Grant	Eastern Cape	Buffalo City	15 000	14 880	-
			E Cape Midlands	11 000	17 490	-
			Ikhala College	9 000	18 830	-
			Ingwe College	5 706	14 256	-
			King Hintsa College	6 109	14 282	-
			King Sabata College	7 000	11 110	-
			Lovedale College	10 000	9 760	-
			Port Elizabeth College	15 000	15 180	-
			TOTAL	78 815	115 788	-
		Free State	Flavius Mareka College	7 000	10 570	-
			Goldfields College	11 000	11 530	-
			Maluti College	7 000	16 100	-
			Motheo College	11 000	14 000	-
			TOTAL	36 000	52 200	-
		Gauteng	Central Johannesburg	18 000	20 460	-
			Ekhuruleni West	20 000	21 590	-
			Ekhuruleni East	17 000	25 700	-
			Sedibeng	14 000	19 900	-
			South West College	15 000	19 530	-
			Tshwane South	27 105	27 844	-
			Tshwane North Western College	25 211	25 216	-
			TOTAL	140 509	167 563	-

SCHEDULE 5: FURTHER EDUCATION AND TRAINING COLLEGE SECTOR RECAPITALISATION GRANT

Vote	Name of allocation	Province	Further Education and Training Colleges	Column A	Column B	
				2007/08 Allocation	Forward Estimates	
				R'000	2008/09 R'000	2009/10 R'000
Education (Vote 14)	Further Education and Training College Sector Recapitalisation Grant	KwaZulu-Natal	Coastal College	19 000	18 000	-
			Elangeni College	11 000	20 715	-
			Esayidi College	15 453	21 056	-
			Majuba College	17 000	16 100	-
			Mnambithi College	6 000	13 530	-
			Mthashana College	10 000	18 180	-
			Thekwini College	9 000	13 400	-
			Umfolozi College	18 000	21 000	-
			Umgungundlovu College	10 000	21 390	-
			TOTAL	115 453	163 371	-
		Limpopo	Capricorn College	16 000	28 650	-
			Lephalale College	8 000	9 880	-
			Letaba College	11 000	13 490	-
			Mopani College	11 350	19 901	-
			Sekhukhune College	9 000	19 950	-
			Vhembe College	2 000	3 495	-
			Waterberg College	10 093	16 552	-
			TOTAL	67 443	111 918	-
		Mpumalanga	Ehlanzeni College	10 055	10 501	-
			Gert Sibande College	11 000	15 190	-
			Nkangala College	19 000	11 900	-
			TOTAL	40 055	37 591	-
		Northern Cape	Rural College	5 000	5 000	-
			Urban College	3 000	2 620	-
			TOTAL	8 000	7 620	-

SCHEDULE 5: FURTHER EDUCATION AND TRAINING COLLEGE SECTOR RECAPITALISATION GRANT

Vote	Name of allocation	Province	Further Education and Training Colleges	Column A	Column B		
				2007/08 Allocation	Forward Estimates		
				R'000	2008/09 R'000	2009/10 R'000	
Education (Vote 14)	Further Education and Training College Sector Recapitalisation Grant	North West	Orbit College	2 918	20 157	-	-
			Taletso College	10 000	14 670	-	-
			Vuselela College	15 807	26 817	-	-
			TOTAL	28 725	61 644		
		Western Cape	Boland College	12 000	14 140		
			Cape Town College	17 000	6 425		
			False Bay College	14 000	15 520		
			Northlink College	16 000	9 850		
			South Cape College	13 000	18 300		
			West Coast College	8 000	13 070		
			TOTAL	80 000	77 305		

SCHEDULE 5: MASS SPORT AND RECREATION PARTICIPATION PROGRAMME GRANT

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2007/08 Allocation	Forward Estimates	
						2008/09	2009/10
Sport and Recreation South Africa (Vote 18)	Club Development Programme	Promotion of mass participation in priority sport specific codes in club development programmes through the development of strategically selected number priority sport specific codes per province, and the empowerment of club support staff to manage and implement the club development programmes.	Conditional allocation	Eastern Cape	R'000 2 000	R'000 3 000	R'000 9 000
				Free State	1 000	3 000	6 000
				Gauteng	1 000	3 000	9 000
				KwaZulu-Natal	2 000	3 000	9 000
				Limpopo	1 000	3 000	8 000
				Mpumalanga	1 000	3 000	7 000
				Northern Cape	1 000	2 000	3 000
				North West	1 000	3 000	6 000
				Western Cape	2 000	3 000	5 000
				TOTAL	12 000	26 000	62 000
	School Sport Mass Participation Programme	Promotion of mass participation within schools through a number of selected sport and recreation activities, empowerment of schools to manage these activities in conjunction with stakeholders.	Conditional allocation	Eastern Cape	14 220	22 875	26 875
				Free State	6 440	10 154	11 154
				Gauteng	14 480	23 500	27 500
				KwaZulu-Natal	18 960	29 500	35 500
				Limpopo	11 980	19 375	22 375
				Mpumalanga	6 984	10 375	12 579
				Northern Cape	2 670	3 566	4 066
				North West	7 560	11 310	13 310
				Western Cape	8 696	14 125	16 125
				TOTAL	91 990	144 780	169 484
	Community Mass Participation Programme (Siyadlala)	Promotion of mass participation within communities through a number of selected sport and recreation activities, empowerment of communities to manage these activities in conjunction with stakeholders.	Conditional allocation	Eastern Cape	12 149	17 787	25 522
				Free State	7 766	8 380	11 452
				Gauteng	12 611	16 974	25 495
				KwaZulu-Natal	16 316	25 025	37 271
				Limpopo	10 764	14 174	20 879
				Mpumalanga	7 970	9 726	12 726
				Northern Cape	5 844	7 000	8 531
				North West	8 340	9 800	12 658
				Western Cape	8 250	10 354	16 232
				TOTAL	90 010	119 220	170 766

SCHEDULE 6
SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2007/08 Allocation	Forward Estimates	
				2008/09	2009/10
R'000					
RECURRENT GRANTS					
Provincial and Local Government (Vote 5)	Municipal Systems Improvement Grant	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems.	200 000	200 000	200 000
	(a) Local Government Financial Management Grant	To promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act.	145 250	150 000	199 990
National Treasury (Vote 8)	(b) Local Government Restructuring Grant	To support municipal restructuring initiatives of large municipalities.	350 000	-	-
Water Affairs and Forestry (Vote 34)	Water Services Operating and Transfer Subsidy (Augmentation to the Water Trading Account) Grant	To subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department and transfer these to local government.	550 000	600 000	462 000
	TOTAL		1 245 250	950 000	861 990
INFRASTRUCTURE GRANTS					
Minerals and Energy (Vote 29)	National Electrification Programme (Municipal) Grant	To implement the Programme by providing capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.	467 827	595 637	897 008
National Treasury (Vote 8)	Neighbourhood Development Partnership Grant	To provide municipalities with technical assistance to develop appropriate project proposals for property developments in townships and new residential neighbourhoods that include the construction or upgrading of community facilities, and where appropriate, attract private sector funding and input.	500 000	1 500 000	1 650 000
Transport (Vote 33)	Public Transport Infrastructure and Systems Grant	To provide for accelerated planning, establishment, construction and improvement of new and existing public transport and non-motorised transport infrastructure and systems.	1 174 000	3 170 000	2 325 000
Sport and Recreation SA (Vote 18)	2010 FIFA World Cup Stadiums Development Grant	To fund the design and construction of new designated stadiums or the design and upgrading of designated existing stadiums and supporting bulk services infrastructure in the World Cup Host Cities.	2 700 000	3 800 000	1 300 000
TOTAL			4 841 827	9 065 637	6 172 008

SCHEDULE 7
ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2007/08 Allocation	Forward Estimates	2009/10
			R'000	R'000	R'000
National Treasury (Vote 8)	Local Government Financial Management Grant	To promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act.	53 407	50 000	-
Minerals and Energy (Vote 29)	(a) National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.	973 083	1 150 758	1 420 770
	(b) Backlogs in the Electrification of Clinics and Schools Grant	To implement the Programme (INEP) by providing capital subsidies to Eskom in order to address the electrification backlog of schools and clinics.	45 000	90 000	150 000
Water Affairs and Forestry (Vote 34)	(a) Water Services Operating and Transfer Subsidy (Augmentation to the Water Trading Account) Grant	To subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department and transfer these to local government.	490 025	530 507	393 000
	(b) Bulk Infrastructure Grant	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries. In the case of sanitation to supplement regional bulk collection as well as regional waste water treatment works.	300 000	450 000	650 000
	(c) Backlogs in Water and Sanitation at Clinics and Schools Grant	To eradicate the water supply and sanitation backlog of all clinics by 2008 and that of all schools by 2009.	105 000	210 000	350 000
		TOTAL	1 966 515	2 481 265	2 963 770

