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**GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS**

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**NATIONAL TREASURY****NO. 613****02 JUNE 2016****SECTION 38 OF THE DIVISION OF REVENUE ACT, 2016: FIRST TRANSFER OF  
EQUITABLE SHARE AND CONDITIONAL ALLOCATIONS FOR PRE-ELECTION  
MUNICIPALITIES**

I, Pravin J Gordhan, in my capacity as the Minister of Finance, hereby  
(a) determined in terms of section 38(2) of the Division of Revenue Act, 2016 (Act No.3 of 2016), the first transfer of the equitable share for each pre-election municipality, as set out in Part 1; and  
(b) determined in terms of section 38(4) of the Division of Revenue Act, 2016, conditional grant allocations for pre-election municipalities, as set out in Part 2.



**PRAVIN J GORDHAN, MP**  
**MINISTER OF FINANCE**

**PART 1**

**EQUITABLE SHARE TRANSFERS TO PRE-ELECTION MUNICIPALITIES IN TERMS OF SECTION 38 (2) OF THE DIVISION  
OF REVENUE ACT, 2016 (INCLUDING PROPORTIONATE ADJUSTMENTS FOR POST-ELECTION MUNICIPALITIES)**

**EQUITABLE SHARE TRANSFERS TO PRE-ELECTION MUNICIPALITIES IN TERMS OF SECTION 38 (2) OF  
DIVISION OF REVENUE ACT, 2016 (INCLUDING PROPORTIONATE ADJUSTMENTS FOR POST-ELECTION  
MUNICIPALITIES)**

Number Municipality		National Financial Year		
		Column A		
		2016/17 Allocation R'000	Adjustment R'000	2016/17 Adjusted Allocation R'000
<b>POST-ELECTION MUNICIPALITIES'</b>				
<b>EASTERN CAPE</b>				
B	EC101 EC101	84241	(14 040)	70 201
B	EC102 Blue Crane Route	44 713		44 713
B	EC104 Makana	77 008		77 008
B	EC105 Ndlambe	76 824		76 824
B	EC106 Sundays River Valley	59 318		59 318
B	EC108 Kouga	91 622		91 622
B	EC109 Kou-Kamma	39 760		39 760
C	DC10 Sarah Baartman District Municipality	82 014		82 014
<b>Total: Sarah Baartman Municipalities</b>		<b>555 500</b>	<b>(14 040)</b>	<b>541 460</b>
B	EC121 Mbhashe	210 060		210 060
B	EC122 Mnquma	221 906		221 906
B	EC123 Great Kei	39 457		39 457
B	EC124 Amahlathi	113 780		113 780
B	EC126 Ngqushwa	76 828		76 828
B	EC129 EC129	147 445	(24 574)	122 871
C	DC12 Amathole District Municipality	730 990		730 990
<b>Total: Amathole Municipalities</b>		<b>1 540 466</b>	<b>(24 574)</b>	<b>1 515 892</b>
B	EC131 Inxuba Yethemba	39 424		39 424
B	EC135 Intsika Yethu	145 314		145 314
B	EC136 Emalahleni	114 599		114 599
B	EC137 Engcobo	130 882		130 882
B	EC138 Sakhisizwe	57 906		57 906
B	EC139 EC139	167 232	(27 872)	139 360
C	DC13 Chris Hani District Municipality	485 308		485 308
<b>Total: Chris Hani Municipalities</b>		<b>1 140 665</b>	<b>(27 872)</b>	<b>1 112 793</b>
B	EC141 Elundini	129 070		129 070
B	EC142 Senqu	129 802		129 802
B	EC145 EC145	51 948	(8 658)	43 290
C	DC14 Joe Gqabi District Municipality	223 621		223 621
<b>Total: Joe Gqabi Municipalities</b>		<b>534 441</b>	<b>(8 658)</b>	<b>525 783</b>
<b>Total: Eastern Cape Municipalities</b>		<b>7 836 615</b>	<b>(75 144)</b>	<b>7 761 471</b>
<b>FREE STATE</b>				
A	MAN Mangaung	629 731	(104 955)	524 776
<b>Total: Free State Municipalities</b>		<b>3 331 280</b>	<b>(104 955)</b>	<b>3 226 325</b>
<b>GAUTENG</b>				
B	GT481 Mogale City	285 456		285 456
B	GT484 Merafong City	162 952		162 952
B	GT485 GT485	216 728	(36 121)	180 607
C	DC48 West Rand District Municipality	188 872		188 872
<b>Total: West Rand Municipalities</b>		<b>854 008</b>	<b>(36 121)</b>	<b>817 887</b>
<b>Total: Gauteng Municipalities</b>		<b>9 310 581</b>	<b>(36 121)</b>	<b>9 274 460</b>

**EQUITABLE SHARE TRANSFERS TO PRE-ELECTION MUNICIPALITIES IN TERMS OF SECTION 38 (2) OF  
DIVISION OF REVENUE ACT, 2016 (INCLUDING PROPORTIONATE ADJUSTMENTS FOR POST-ELECTION  
MUNICIPALITIES)**

Number Municipality		National Financial Year		
		Column A		
		2016/17 Allocation R'000	Adjustment R'000	2016/17 Adjusted Allocation R'000
<b>KWAZULU-NATAL</b>				
B	KZN212 KZN212	121 144	(20 191)	100 953
B	KZN213 Umzumbe	119 488		119 488
B	KZN214 uMuziwabantu	76 377		76 377
B	KZN216 KZN216	165 774	(27 629)	138 145
C	DC21 Ugu District Municipality	384 729		384 729
<b>Total: Ugu Municipalities</b>		<b>867 512</b>	<b>(47 820)</b>	<b>819 692</b>
B	KZN235 Okhahlamba	96 932		96 932
B	KZN237 KZN237	134 763	(22 461)	112 302
B	KZN238 KZN238	183 739	(30 623)	153 116
C	DC23 Uthukela District Municipality	332 370		332 370
<b>Total: Uthukela Municipalities</b>		<b>747 804</b>	<b>(53 084)</b>	<b>694 720</b>
B	KZN271 Umhlaluyalingana	122 458		122 458
B	KZN272 Jozini	134 845		134 845
B	KZN275 Mtubatuba	120 328		120 328
B	KZN276 KZN276	79 379	(13 230)	66 149
C	DC27 Umkhanyakude District Municipality	292 146		292 146
<b>Total: Umkhanyakude Municipalities</b>		<b>749 156</b>	<b>(13 230)</b>	<b>735 926</b>
B	KZN281 Mfolozi	98 724		98 724
B	KZN282 KZN282	263 487	(43 914)	219 573
B	KZN284 uMlalazi	148 417		148 417
B	KZN285 KZN285	63 687	(10 614)	53 073
B	KZN286 Nkandla	79 169		79 169
C	DC28 Uthungulu District Municipality	433 405		433 405
<b>Total: Uthungulu Municipalities</b>		<b>1 086 889</b>	<b>(54 528)</b>	<b>1 032 361</b>
B	KZN433 Greater Kokstad	45 887		45 887
B	KZN434 Ubuhlebezwe	90 491		90 491
B	KZN435 Umzimkhulu	152 393		152 393
B	KZN436 KZN436	94 288	(15 715)	78 573
C	DC43 Harry Gwala District Municipality	260 069		260 069
<b>Total: Harry Gwala Municipalities</b>		<b>643 128</b>	<b>(15 715)</b>	<b>627 413</b>
<b>Total: KwaZulu-Natal Municipalities</b>		<b>10 394 142</b>	<b>(184 377)</b>	<b>10 209 765</b>
<b>LIMPOPO</b>				
B	LIM341 LIM341	87 434	(14 572)	72 862
B	LIM343 LIM343	337 132	(56 189)	280 943
B	LIM344 Makhado	275 985	(45 997)	229 988
B	LIM345 LIM345	247 247	(41 208)	206 039
C	DC34 Vhembe District Municipality	743 976		743 976
<b>Total: Vhembe Municipalities</b>		<b>1 691 774</b>	<b>(157 966)</b>	<b>1 533 808</b>
B	LIM351 LIM351	155 178	(25 863)	129 315
B	LIM353 LIM353	118 756	(19 793)	98 963
B	LIM354 LIM354	675 714	(112 619)	563 095
B	LIM355 Lepele-Nkumpi	202 533		202 533
C	DC35 Capricorn District Municipality	522 710		522 710
<b>Total: Capricorn Municipalities</b>		<b>1 674 891</b>	<b>(158 275)</b>	<b>1 516 616</b>
B	LIM361 Thabazimbi	61 051		61 051
B	LIM362 Lephalale	94 514		94 514
B	LIM366 Bela-Bela	68 411		68 411
B	LIM367 Mogalakwena	348 115		348 115
B	LIM368 LIM368	92 547	(15 425)	77 122
C	DC36 Waterberg District Municipality	113 277		113 277
<b>Total: Waterberg Municipalities</b>		<b>777 915</b>	<b>(15 425)</b>	<b>762 490</b>
B	LIM471 Ephraim Mogale	117 556		117 556
B	LIM472 Elias Motsoaledi	210 385		210 385
B	LIM473 Makhuduthamaga	225 123		225 123
B	LIM476 LIM476	307 760	(51 293)	256 467
C	DC47 Sekhukhune District Municipality	600 889		600 889
<b>Total: Sekhukhune Municipalities</b>		<b>1 461 713</b>	<b>(51 293)</b>	<b>1 410 420</b>
<b>Total: Limpopo Municipalities</b>		<b>7 211 238</b>	<b>(382 959)</b>	<b>6 828 279</b>

**EQUITABLE SHARE TRANSFERS TO PRE-ELECTION MUNICIPALITIES IN TERMS OF SECTION 38 (2) OF  
DIVISION OF REVENUE ACT, 2016 (INCLUDING PROPORTIONATE ADJUSTMENTS FOR POST-ELECTION  
MUNICIPALITIES)**

		National Financial Year		
		Column A		
Number	Municipality	2016/17 Allocation R'000	Adjustment R'000	2016/17 Adjusted Allocation R'000
<b>MPUMALANGA</b>				
B	MP321 Thaba Chweu	115 054		115 054
B	MP324 Nkomazi	447 689		447 689
B	MP325 Bushbuckridge	647 298		647 298
B	MP326 MP326	556 020	(92 670)	463 350
C	DC32 Ehlanzeni District Municipality	221 660		221 660
<b>Total: Ehlanzeni Municipalities</b>		<b>1 987 721</b>	<b>(92 670)</b>	<b>1 895 051</b>
<b>Total: Mpumalanga Municipalities</b>		<b>4 695 129</b>	<b>(92 670)</b>	<b>4 602 459</b>
<b>NORTHERN CAPE</b>				
B	NC082 !Kai !Garib	54 787		54 787
B	NC084 !Kheis	20 223		20 223
B	NC085 Tsantsabane	30 151		30 151
B	NC086 Kgatelopele	17 858		17 858
B	NC087 NC087	69 707	(11 618)	58 089
C	DC8 Z.F. Mgcawu District Municipality	51 034		51 034
<b>Total: ZF Mgcawu Municipalities</b>		<b>243 760</b>	<b>(11 618)</b>	<b>232 142</b>
<b>Total: Northern Cape Municipalities</b>		<b>1 408 147</b>	<b>(11 618)</b>	<b>1 396 529</b>
<b>NORTH WEST</b>				
B	NW403 City of Matlosana	342 855		342 855
B	NW404 Maquassi Hills	94 022		94 022
B	NW405 NW405	187 990	(31 332)	156 658
C	DC40 Dr Kenneth Kaunda District Municipality	169 319		169 319
<b>Total: Dr Kenneth Kaunda Municipalities</b>		<b>794 186</b>	<b>(31 332)</b>	<b>762 854</b>
<b>Total: North West Municipalities</b>		<b>4 515 390</b>	<b>(31 332)</b>	<b>4 484 058</b>
<b>Total for post-election municipalities</b>		<b>52 568 706</b>	<b>(919 176)</b>	<b>51 649 530</b>

**EQUITABLE SHARE TRANSFERS TO PRE-ELECTION MUNICIPALITIES IN TERMS OF SECTION 38 (2) OF  
DIVISION OF REVENUE ACT, 2016 (INCLUDING PROPORTIONATE ADJUSTMENTS FOR POST-ELECTION  
MUNICIPALITIES)**

Number Municipality			National Financial Year		
			Column A		
			2016/17 Allocation R'000	Adjustment R'000	2016/17 Adjusted Allocation R'000
<b>PRE-ELECTION MUNICIPALITIES<sup>2</sup></b>					
<b>EASTERN CAPE</b>					
B	EC101	Camdeboo		6 948	6 948
B	EC103	Ikwezi		3 327	3 327
B	EC107	Baviaans		3 765	3 765
<b>Total</b>				<b>14 040</b>	<b>14 040</b>
B	EC127	Nkonkobe		20 415	20 415
B	EC128	Nxuba		4 160	4 160
<b>Total</b>				<b>24 575</b>	<b>24 575</b>
B	EC132	Tsolwana		5 962	5 962
B	EC133	Inkwanca		3 839	3 839
B	EC134	Lukhanji		18 071	18 071
<b>Total</b>				<b>27 872</b>	<b>27 872</b>
B	EC143	Maletswai		4 318	4 318
B	EC144	Gariep		4 340	4 340
<b>Total</b>				<b>8 658</b>	<b>8 658</b>
<b>Total: Eastern Cape Municipalities</b>			<b>7 836 615</b>	<b>75 144</b>	<b>7 761 471</b>
<b>FREE STATE</b>					
A	MAN	Mangaung		98 212	98 212
B	FS171	Naledi		6 743	6 743
<b>Total</b>				<b>104 955</b>	<b>104 955</b>
<b>Total: Free State Municipalities</b>			<b>3 331 280</b>	<b>104 955</b>	<b>3 226 325</b>
<b>GAUTENG</b>					
B	GT482	Randfontein		15 910	15 910
B	GT483	Westonaria		20 212	20 212
<b>Total</b>				<b>36 122</b>	<b>36 122</b>
<b>Total: Gauteng Municipalities</b>			<b>9 310 581</b>	<b>36 121</b>	<b>9 274 460</b>
<b>KWAZULU-NATAL</b>					
B	KZN211	Vulamehlo		10 274	10 274
B	KZN212	uMmdoni		9 916	9 916
<b>Total</b>				<b>20 190</b>	<b>20 190</b>
B	KZN215	Ezingoloni		7 097	7 097
B	KZN216	Hibiscus Coast		20 532	20 532
<b>Total</b>				<b>27 629</b>	<b>27 629</b>
B	KZN234	Umtshezi		8 366	8 366
B	KZN236	Imbabazane		14 095	14 095
<b>Total</b>				<b>22 461</b>	<b>22 461</b>
B	KZN232	Emnambithi/Ladysmith		18 793	18 793
B	KZN233	Indaka		11 830	11 830
<b>Total</b>				<b>30 623</b>	<b>30 623</b>
B	KZN273	The Big Five False Bay		8 113	8 113
B	KZN274	Hlabisa		5 117	5 117
<b>Total</b>				<b>13 230</b>	<b>13 230</b>
B	KZN282	uMhlathuze		40 281	40 281
B	KZN283	Ntambanana		7 422	7 422
B	KZN285	Mthonjaneni		6 826	6 826
<b>Total</b>				<b>54 529</b>	<b>54 529</b>
B	KZN431	Ingwe		13 302	13 302
B	KZN432	Kwa Sani		2 412	2 412
<b>Total</b>				<b>15 714</b>	<b>15 714</b>
<b>Total: KwaZulu-Natal Municipalities</b>			<b>10 394 142</b>	<b>184 377</b>	<b>10 209 765</b>

**EQUITABLE SHARE TRANSFERS TO PRE-ELECTION MUNICIPALITIES IN TERMS OF SECTION 38 (2) OF  
DIVISION OF REVENUE ACT, 2016 (INCLUDING PROPORTIONATE ADJUSTMENTS FOR POST-ELECTION  
MUNICIPALITIES)**

		National Financial Year		
		Column A		
Number	Municipality	2016/17 Allocation R'000	Adjustment R'000	2016/17 Adjusted Allocation R'000
<b>LIMPOPO</b>				
B	LIM341 Musina		8 157	8 157
B	LIM342 Mutale		15 198	15 198
B	LIM343 Thulamela		73 995	73 995
B	LIM344 Makhado		60 617	60 617
<b>Total</b>			<b>157 967</b>	<b>157 967</b>
B	LIM351 Blouberg		25 982	25 982
B	LIM352 Aganang		21 617	21 617
B	LIM353 Molemole		18 705	18 705
B	LIM354 Polokwane		91 971	91 971
<b>Total</b>			<b>158 275</b>	<b>158 275</b>
B	LIM364 Mookgopong		6 324	6 324
B	LIM365 Modimolle		9 100	9 100
<b>Total</b>			<b>15 424</b>	<b>15 424</b>
B	LIM474 Fetakgomo		13 414	13 414
B	LIM475 Greater Tubatse		37 879	37 879
<b>Total</b>			<b>51 293</b>	<b>51 293</b>
<b>Total: Limpopo Municipalities</b>		<b>7 211 238</b>	<b>382 959</b>	<b>6 828 279</b>
<b>MPUMALANGA</b>				
B	MP322 Mbombela		80 878	80 878
B	MP323 Umjindi		11 792	11 792
<b>Total</b>			<b>92 670</b>	<b>92 670</b>
<b>Total: Mpumalanga Municipalities</b>		<b>4 695 129</b>	<b>92 670</b>	<b>4 602 459</b>
<b>NORTHERN CAPE</b>				
B	NC081 Mier		2 345	2 345
B	NC083 //Khara Hais		9 272	9 272
<b>Total</b>			<b>11 617</b>	<b>11 617</b>
<b>Total: Northern Cape Municipalities</b>		<b>1 408 147</b>	<b>11 618</b>	<b>1 396 529</b>
<b>NORTH WEST</b>				
B	NW401 Ventersdorp		10 850	10 850
B	NW402 Tlokwe		20 482	20 482
<b>Total</b>			<b>31 332</b>	<b>31 332</b>
<b>Total: North West Municipalities</b>		<b>4 515 390</b>	<b>31 332</b>	<b>4 484 058</b>
<b>Total: Pre-election Municipalities</b>			<b>919 176</b>	<b>919 176</b>
<b>National Total</b>		<b>52 568 706</b>		<b>52 568 706</b>

1. Municipalities existing with effect from the election date as a result of a boundary redeterminations (see definition in section 38(1)(a) of the Act)

2. Municipalities in existence before the election date and are disestablished as a result of boundary redeterminations (see definition in section 38(1)(a) of the Act)

**Part 2**

**CONDITIONAL ALLOCATIONS FOR PRE-ELECTION MUNICIPALITIES IN TERMS OF SECTION 38(4) OF DIVISION OF  
REVENUE ACT, 2016 (INCLUDING PROPORTIONATE ADJUSTMENTS FOR POST-ELECTION MUNICIPALITIES)**

**(National and Municipal Financial Years)**



## ANNEXURE 1

## SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 5, PART B): CURRENT GRANTS

			Municipal Demarcation Transition Grant		
			Column A		
Category	Municipality		2016/17 Main Allocation (R'000)	Adjustment	2016/17 Adjusted Allocation (R'000)
POST-ELECTION MUNICIPALITIES'					
EASTERN CAPE					
B	EC101	EC101	20 143	(8 058)	12 085
B	EC102	Blue Crane Route			
B	EC104	Makana			
B	EC105	Ndlambe			
B	EC106	Sundays River Valley			
B	EC108	Kouga			
B	EC109	Kou-Kamma			
C	DC10	Sarah Baartman District Municipality			
Total: Sarah Baartman Municipalities			20 143	(8 058)	12 085
B	EC121	Mbhashe	13 428	(5 372)	8 056
B	EC122	Mnquma			
B	EC123	Great Kei			
B	EC124	Amahlathi			
B	EC126	Ngqushwa			
B	EC129	EC129			
C	DC12	Amathole District Municipality			
Total: Amathole Municipalities					
B	EC131	Inxuba Yethemba	20 143	(8 058)	12 085
B	EC135	Intsika Yethu			
B	EC136	Emalahleni			
B	EC137	Engcobo			
B	EC138	Sakhisizwe			
B	EC139	EC139			
C	DC13	Chris Hani District Municipality			
Total: Chris Hani Municipalities					
B	EC141	Elundini	13 428	(5 372)	8 056
B	EC142	Senqu			
B	EC145	EC145			
C	DC14	Joe Gqabi District Municipality			
Total: Joe Gqabi Municipalities			13 428	(5 372)	13 428
Total: Eastern Cape Municipalities			67 142	(26 860)	40 282
FREE STATE					
A	MAN	Mangaung	13 428	(5 372)	8 056
Total: Free State Municipalities			13 428	(5 372)	8 056
GAUTENG					
B	GT481	Mogale City	9 714	(3 886)	5 828
B	GT484	Merafong City			
B	GT485	GT485			
C	DC48	West Rand District Municipality			
Total: West Rand Municipalities			9 714	(3 886)	5 828
Total: Gauteng Municipalities			9 714	(3 886)	5 828

## ANNEXURE 1

## SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 5, PART B): CURRENT GRANTS

Category Municipality		Municipal Demarcation Transition Grant		
		Column A		
		2016/17 Main Allocation (R'000)	Adjustment	2016/17 Adjusted Allocation (R'000)
<b>KWAZULU-NATAL</b>				
B	KZN212 KZN212	9 714	(3 886)	5 828
B	KZN213 Umzumbe			
B	KZN214 uMuziwabantu			
B	KZN216 KZN216	9 714	(3 886)	5 828
C	DC21 Ugu District Municipality			
<b>Total: Ugu Municipalities</b>		<b>19 428</b>	<b>(7 772)</b>	<b>11 656</b>
B	KZN235 Okhahlamba			
B	KZN237 KZN237	9 714	(3 886)	5 828
B	KZN238 KZN238	9 714	(3 886)	5 828
C	DC23 Uthukela District Municipality			
<b>Total: Uthukela Municipalities</b>		<b>19 428</b>	<b>(7 772)</b>	<b>11 656</b>
B	KZN271 Umhlalabuyalingana			
B	KZN272 Jozini			
B	KZN275 Mtubatuba			
B	KZN276 KZN276	9 714	(3 886)	5 828
C	DC27 Umkhanyakude District Municipality			
<b>Total: Umkhanyakude Municipalities</b>		<b>9 714</b>	<b>(3 886)</b>	<b>5 828</b>
B	KZN281 Mfolozi			
B	KZN282 KZN282	7 286	(2 915)	4 371
B	KZN284 uMlalazi			
B	KZN285 KZN285	7 286	(2 914)	4 372
B	KZN286 Nkandla			
C	DC28 Uthungulu District Municipality			
<b>Total: Uthungulu Municipalities</b>		<b>14 572</b>	<b>(5 829)</b>	<b>8 743</b>
B	KZN433 Greater Kokstad			
B	KZN434 Ubuhlebezwe			
B	KZN435 Umzimkhulu			
B	KZN436 KZN436	9 714	(3 886)	5 828
C	DC43 Harry Gwala District Municipality			
<b>Total: Harry Gwala Municipalities</b>		<b>9 714</b>	<b>(3 886)</b>	<b>5 828</b>
<b>Total: KwaZulu-Natal Municipalities</b>		<b>72 856</b>	<b>(29 145)</b>	<b>43 711</b>
<b>LIMPOPO</b>				
B	LIM341 LIM341	6 714	(2 686)	4 028
B	LIM343 LIM342	6 714	(2 686)	4 028
B	LIM344 Makhado	6 714	(2 686)	4 028
B	LIM345 LIM345	20 143	(2 686)	17 457
C	DC34 Vhembe District Municipality			
<b>Total: Vhembe Municipalities</b>		<b>40 285</b>	<b>(10 744)</b>	<b>29 541</b>
B	LIM351 LIM351	8 952	(3 581)	5 371
B	LIM353 LIM353	8 952	(3 581)	5 371
B	LIM354 LIM354	8 952	(3 579)	5 373
B	LIM355 Lepele-Nkumpi			
C	DC35 Capricorn District Municipality			
<b>Total: Capricorn Municipalities</b>		<b>26 856</b>	<b>(10 741)</b>	<b>16 115</b>
B	LIM361 Thabazimbi			
B	LIM362 Lephalale			
B	LIM366 Bela-Bela			
B	LIM367 Mogalakwena			
B	LIM368 LIM368	13 428	(5 372)	8 056
C	DC36 Waterberg District Municipality			
<b>Total: Waterberg Municipalities</b>		<b>13 428</b>	<b>(5 372)</b>	<b>8 056</b>
B	LIM471 Ephraim Mogale			
B	LIM472 Elias Motsoaledi			
B	LIM473 Makhuduthamaga			
B	LIM476 LIM476	13 428	(5 372)	8 056
C	DC47 Sekhukhune District Municipality			
<b>Total: Sekhukhune Municipalities</b>		<b>13 428</b>	<b>(5 372)</b>	<b>8 056</b>
<b>Total: Limpopo Municipalities</b>		<b>93 997</b>	<b>(32 229)</b>	<b>61 768</b>

## ANNEXURE 1

## SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 5, PART B): CURRENT GRANTS

		Municipal Demarcation Transition Grant		
		Column A		
Category	Municipality	2016/17 Main Allocation (R'000)	Adjustment	2016/17 Adjusted Allocation (R'000)
<b>MPUMALANGA</b>				
B	MP321 Thaba Chweu			
B	MP324 Nkomazi			
B	MP325 Bushbuckridge			
B	MP326 MP326	13 428	(5 372)	8 056
C	DC32 Ehlanzeni District Municipality			
<b>Total: Ehlanzeni Municipalities</b>		<b>13 428</b>	<b>(5 372)</b>	<b>8 056</b>
<b>Total: Mpumalanga Municipalities</b>		<b>13 428</b>	<b>(5 372)</b>	<b>8 056</b>
<b>NORTHERN CAPE</b>				
B	NC082 !Kai !Garib			
B	NC084 !Kheis			
B	NC085 Tsantsabane			
B	NC086 Kgatelopele			
B	NC087 NC087	13 429	(5 372)	8 057
C	DC8 Z.F. Mgcawu District Municipality			
<b>Total: Siyanda Municipalities</b>		<b>13 429</b>	<b>(5 372)</b>	<b>8 057</b>
<b>Total: Northern Cape Municipalities</b>		<b>13 429</b>	<b>(5 372)</b>	<b>8 057</b>
<b>NORTH WEST</b>				
B	NW403 City of Matlosana			
B	NW404 Maquassi Hills			
B	NW405 NW405	13 428	(5 372)	8 056
C	DC40 Dr Kenneth Kaunda District Municipality			
<b>Total: Dr Kenneth Kaunda Municipalities</b>		<b>13 428</b>	<b>(5 372)</b>	<b>8 056</b>
<b>Total: North West Municipalities</b>		<b>13 428</b>	<b>(5 372)</b>	<b>8 056</b>
<b>Total for post-election municipalities</b>		<b>297 422</b>	<b>(113 608)</b>	<b>183 814</b>

## ANNEXURE 1

## SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 5, PART B): CURRENT GRANTS

Category	Municipality	Municipal Demarcation Transition Grant		
		Column A		
		2016/17 Main Allocation (R'000)	Adjustment	2016/17 Adjusted Allocation (R'000)
<b>PRE-ELECTION MUNICIPALITIES<sup>2</sup></b>				
<b>EASTERN CAPE</b>				
B	EC101 Camdeboo		2 686	2 686
B	EC103 Ikwezi		2 686	2 686
B	EC107 Baviaans		2 686	2 686
<b>Total</b>		<b>0</b>	<b>8 058</b>	<b>8 058</b>
B	EC127 Nkonkobe		2 686	2 686
B	EC128 Nxuba		2 686	2 686
<b>Total</b>		<b>0</b>	<b>5 372</b>	<b>5 372</b>
B	EC132 Tsolwana		2 686	2 686
B	EC133 Inkwanca		2 686	2 686
B	EC134 Lukhanji		2 686	2 686
<b>Total</b>		<b>0</b>	<b>8 058</b>	<b>8 058</b>
B	EC143 Maletswai		2 686	2 686
B	EC144 Gariep		2 686	2 686
<b>Total</b>			<b>5 372</b>	<b>5 372</b>
<b>Total: Eastern Cape Municipalities</b>		<b>0</b>	<b>26 860</b>	<b>26 860</b>
<b>FREE STATE</b>				
A	MAN Mangaung		2 686	2 686
B	FS171 Naledi		2 686	2 686
<b>Total</b>		<b>0</b>	<b>2 686</b>	<b>2 686</b>
<b>Total: Free State Municipalities</b>		<b>0</b>	<b>5 372</b>	<b>5 372</b>
<b>GAUTENG</b>				
B	GT482 Randfontein		1 943	1 943
B	GT483 Westonaria		1 943	1 943
<b>Total</b>		<b>0</b>	<b>3 886</b>	<b>3 886</b>
<b>Total: Gauteng Municipalities</b>		<b>0</b>	<b>3 886</b>	<b>3 886</b>
<b>KWAZULU-NATAL</b>				
B	KZN211 Vulamehlo		1 943	1 943
B	KZN212 uMmdoni		1 943	1 943
<b>Total</b>		<b>0</b>	<b>3 886</b>	<b>3 886</b>
B	KZN215 Ezingolweni		1 943	1 943
B	KZN216 Hibiscus Coast		1 943	1 943
<b>Total</b>		<b>0</b>	<b>3 886</b>	<b>3 886</b>
B	KZN234 Umtshezi		1 943	1 943
B	KZN236 Imbabazane		1 943	1 943
<b>Total</b>			<b>3 886</b>	<b>3 886</b>
B	KZN232 Emnambithi/Ladysmith		1 943	1 943
B	KZN233 Indaka		1 943	1 943
<b>Total</b>		<b>0</b>	<b>3 886</b>	<b>3 886</b>
B	KZN273 The Big Five False Bay		1 943	1 943
B	KZN274 Hlabisa		1 943	1 943
<b>Total</b>		<b>0</b>	<b>3 886</b>	<b>3 886</b>
B	KZN282 uMhlathuze		1 943	1 943
B	KZN283 Ntambanana		1 943	1 943
B	KZN285 Mthonjaneni		1 943	1 943
<b>Total</b>		<b>0</b>	<b>5 829</b>	<b>5 829</b>
B	KZN431 Ingwe		1 943	1 943
B	KZN432 Kwa Sani		1 943	1 943
<b>Total</b>		<b>0</b>	<b>3 886</b>	<b>3 886</b>
<b>Total: KwaZulu-Natal Municipalities</b>		<b>0</b>	<b>29 145</b>	<b>29 145</b>

## ANNEXURE 1

## SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 5, PART B): CURRENT GRANTS

		Municipal Demarcation Transition Grant		
		Column A		
Category	Municipality	2016/17 Main Allocation (R'000)	Adjustment	2016/17 Adjusted Allocation (R'000)
<b>LIMPOPO</b>				
B	LIM341 Musina		2 686	2 686
B	LIM342 Mutale		2 686	2 686
B	LIM343 Thulamela		2 686	2 686
B	LIM344 Makhado		2 686	2 686
<b>Total</b>		<b>0</b>	<b>10 744</b>	<b>10 744</b>
B	LIM351 Blouberg		2 754	2 754
B	LIM352 Aganang		2 479	2 479
B	LIM353 Molemole		2 754	2 754
B	LIM354 Polokwane		2 754	2 754
<b>Total</b>		<b>0</b>	<b>10 741</b>	<b>10 741</b>
B	LIM364 Mookgopong		2 686	2 686
B	LIM365 Modimolle		2 686	2 686
<b>Total</b>		<b>0</b>	<b>5 372</b>	<b>5 372</b>
B	LIM474 Fetakgomo		2 686	2 686
B	LIM475 Greater Tubatse		2 686	2 686
<b>Total</b>		<b>0</b>	<b>5 372</b>	<b>5 372</b>
<b>Total: Limpopo Municipalities</b>		<b>0</b>	<b>32 229</b>	<b>32 229</b>
<b>MPUMALANGA</b>				
B	MP322 Mbombela		2 686	2 686
B	MP323 Umjindi		2 686	2 686
<b>Total</b>			<b>5 372</b>	<b>5 372</b>
<b>Total: Mpumalanga Municipalities</b>		<b>0</b>	<b>5 372</b>	<b>5 372</b>
<b>NORTHERN CAPE</b>				
B	NC081 Mier		2 686	2 686
B	NC083 //Khara Hais		2 686	2 686
<b>Total</b>			<b>5 372</b>	<b>5 372</b>
<b>Total: Northern Cape Municipalities</b>		<b>0</b>	<b>5 372</b>	<b>5 372</b>
<b>NORTH WEST</b>				
B	NW401 Ventersdorp		2 686	2 686
B	NW402 Tlokwe		2 686	2 686
<b>Total</b>		<b>0</b>	<b>5 372</b>	<b>5 372</b>
<b>Total: North West Municipalities</b>		<b>0</b>	<b>5 372</b>	<b>5 372</b>
<b>Total: Pre-election Municipalities</b>			<b>113 608</b>	<b>113 608</b>
<b>National Total</b>		<b>297 422</b>		<b>297 422</b>

1. Municipalities existing with effect from the election date as a result of a boundary redeterminations (see definition in section 38(1)(a) of the Act)

2. Municipalities in existence before the election date and are disestablished as a result of boundary redeterminations (see definition in section 38(1)(a) of the Act)

**ANNEXURE 2**  
**INFRASTRUCTURE ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B)**

		Urban Settlements Development Grant		
		Column A		
Category	Municipality	2016/17 Main Allocation (R'000)	Adjustment	2016/17 Adjusted Allocation (R'000)
<b>POST-ELECTION MUNICIPALITIES<sup>1</sup></b>				
<b>FREE STATE</b>				
A	MAN Mangaung	725 003	(73 000)	652 003
<b>Total: Free State Municipalities</b>		<b>725 003</b>	<b>(73 000)</b>	<b>652 003</b>
<b>Total for post-election municipalities</b>		<b>10 839 468</b>	<b>(73 000)</b>	<b>10 766 468</b>
<b>PRE-ELECTION MUNICIPALITIES<sup>2</sup></b>				
<b>FREE STATE</b>				
A	MAN Mangaung		73 000	73 000
<b>Total: Free State Municipalities</b>			<b>73 000</b>	<b>73 000</b>
<b>National Total</b>		<b>10 839 468</b>		<b>10 839 468</b>

*1. Municipalities existing with effect from the election date as a result of a boundary redeterminations (see definition in section 38(1)(a) of the Act)*

*2. Municipalities in existence before the election date and are disestablished as a result of boundary redeterminations (see definition in section 38(1)(a) of the Act)*

# Explanatory Memorandum to Parts 1 and 2

## Equitable share and conditional allocations to pre-election municipalities

### Introduction

The re-determinations of municipal boundaries by the Municipal Demarcation Board come into effect on the date of the local government elections. The Minister of Cooperative Governance and Traditional Affairs has officially proclaimed that the 2016 local government elections will take place on 3 August 2016. The boundary re-determinations that will come into effect on this date include 21 major re-determinations in 8 provinces. In these cases the existing (“pre-election”) municipalities are disestablished and new (“post-election”) municipalities are established.

All allocations for the 2016 Medium Term Expenditure Framework (MTEF) in the Division of Revenue Act, 2016 (Act 3 of 2016, hereafter “the Act”) were fully updated to take account of the re-determined municipal boundaries. As a result, allocations in the Act and in the Government Gazette published in terms of section 16(1) of the Act were only published for the 257 post-election municipalities. Section 38 of the Act makes provision that, in the event that the local government election date is after the start of the 2016/17 municipal financial year, National Treasury must gazette allocations for pre-election municipalities. This is intended to ensure that these municipalities have the necessary resources for the period between the start of the municipal financial year and the time post-election municipalities come into effect.

This notice provides for equitable share and conditional allocations for pre-election municipalities in accordance with section 38(2) and (4) of the Act. This notice has two parts:

- Part 1 sets out the first transfer of the equitable share to pre-election municipalities in terms of section 38(2) of the Act which requires National Treasury to determine and gazette the first equitable share transfer to each pre-election municipality if the election date is after 1 July 2016.
- Part 2 sets out the conditional allocations to pre-election municipalities in terms of section 38(4) of the Act, which enables National Treasury, after consulting the relevant transferring officers, to determine and publish conditional allocations to pre-election municipalities.

### Determining allocations for pre-election municipalities

#### *Equitable share*

The equitable share is allocated to municipalities in terms of sections 214 and 227 of the Constitution and is the largest transfer to municipalities. The first transfer to pre-election municipalities has been determined after taking into account the importance of the equitable share to municipal budgets, and that the first equitable share transfer to post-election municipalities will take place on 31 August 2016. This date was determined to allow time for post-election municipalities to confirm the details of their new primary bank accounts and for these to be verified before transfers are made. This date will formally be gazetted in terms of Section 38(3)(b) of the Act, after the election has been held.

To calculate this initial transfer, two months' worth of the allocation in Schedule 3 of the Division of Revenue Act for the relevant post-election municipality was determined (2 of 12 months is equivalent to 16.7 per cent of the allocation). This amount was then divided between the pre-election municipalities in that area in proportion to their shares of the total Schedule 3 allocations for that area in the Division of Revenue Act, 2015. In line with the requirements of section 38(2)(c) of the Act, the allocations to the post-election municipalities responsible for the same areas of jurisdiction are reduced proportionately. As a result there is no net change in the total equitable share amount that will be transferred to an area in 2016/17.

These changes are shown in Part 1 of this gazette, which shows the proportional reduction to each post-election municipality and then shows the corresponding initial transfer to each pre-election municipality. Amounts are only shown for 2016/17 (i.e. for the amounts in "Column A" of Schedule 3 of the Act).

### *Conditional grants*

Section 38(4) enables the National Treasury to determine and publish conditional allocations for pre-election municipalities. National Treasury must consult the transferring officer of each grant (national department administering the grant) before gazetting an amount to a pre-election municipality. Any transfer to a pre-election municipality must be reduced from the allocation to the corresponding post-election municipality.

National Treasury wrote to all transferring officers on 18 April 2016 to inform them of this provision and to request them to identify any pre-election municipalities that require transfers from the grant(s) they are responsible for administering. Requests to make transfers for pre-election municipalities were received for the following two conditional grants:

- *Municipal demarcation transition grant* - this grant supports municipalities to implement the boundary re-determinations and transfers will be made to pre-election municipalities to assist them with the costs of preparing for these changes and to reimburse them for expenses already incurred. 38 per cent of the total amount allocated for this grant in 2016/17 will be transferred to pre-election municipalities; and
- *Urban settlements development grant* – funds will be transferred to Mangaung in July 2016 to enable it to continue to implement ongoing infrastructure projects.

These transfers to pre-election municipalities and the proportional reductions to the allocations for the corresponding post-election municipalities are contained in Part 2 of this notice.

All other conditional grants will not make transfers to municipalities impacted by major re-demarcations until after 31 August 2016. In some cases, pre-election municipalities will incur expenditure on grant-funded programmes during July and August 2016. In such cases they will pay for these costs from their own funds and will then be able to offset these amounts against the transfers that their successor (post-election) municipality receives.