

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



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THE PRESIDENCY

No. 384

28 April 2011

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

No. 6 of 2011: Division of Revenue Act, 2011.



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

(English text signed by the President.)
(Assented to 27 April 2011.)

ACT

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2011/12 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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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— 10

“**accreditation**” means accreditation of a municipality, in terms of section 10(2) of the Housing Act, 1997 (Act No. 107 of 1997), to administer national housing programmes, read with Part 3 of the National Housing Code, 1999 (Financial Interventions: Accreditation of Municipalities); 15

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

“**conditional allocation**” means a conditional allocation to a province, local government or municipality from the national government’s share of revenue raised nationally, contemplated in section 214(1)(c) of the Constitution of the Republic of South Africa, 1996; 20

“**corporation for public deposits account**” means a bank account of the Provincial Revenue Fund held with the Corporation for Public Deposits, established by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984); 25

“**Disaster Management Act**” means the Disaster Management Act, 2002 (Act No. 57 of 2002);

“**financial year**” means the financial year commencing on 1 April 2011 and ending on 31 March 2012; 30

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

“**level one accreditation**” means accreditation to render beneficiary management, subsidy budget planning and allocation, and priority programme management and administration; 35

“**level three accreditation**” means accreditation to render financial administration in addition to the responsibilities under a level one accreditation and a level two accreditation;

“**level two accreditation**” means accreditation to render full programme management and administration of all housing instruments and housing programmes in addition to the responsibilities under a level one accreditation; 40

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

“**Municipal Structures Act**” means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); 45

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

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

“**next municipal financial year**” means the financial year of a municipality commencing on 1 July 2012 and ending on 30 June 2013; 50

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

“payment schedule” means a schedule which sets out—

- (a) the amount of each transfer of an equitable share or any conditional allocation in terms of this Act to be transferred to a province or municipality in the financial year;
- (b) the date on which each transfer must be paid; and 5
- (c) to whom, and to which bank account, each transfer must be paid;

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

“primary bank account”—

- (a) in relation to a province, means a bank account of the Provincial Revenue Fund held with a commercial bank which the head of the department in the provincial treasury has certified to the National Treasury as the bank account into which all conditional allocations, other than the Gautrain Rapid Rail Link Grant, in terms of this Act must be deposited; and 10
- (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; 15

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

“quarter” means the period from—

- (a) 1 April to 30 June;
- (b) 1 July to 30 September; 20
- (c) 1 October to 31 December; or
- (d) 1 January to 31 March;

“receiving officer”—

- (a) in relation to a Schedule 4, 5, 8 or 9 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 25
- (b) in relation to a Schedule 4, 6, 7, 8 or 9 allocation transferred to or provided in kind to a municipality, means the accounting officer of the municipality;

“this Act” includes any framework or allocation published, or any regulation made under this Act; 30

“transferring national officer” means the accounting officer of a national department that transfers a Schedule 4, 5, 6, 8 or 9 allocation to a province or municipality or spends a Schedule 7 allocation on behalf of a municipality.

- (2) Any determination, instruction or request in terms of this Act must be in writing. 35

Objects of Act

2. The objects of this Act are to—

- (a) provide for the equitable division of revenue raised nationally among the three spheres of government;
- (b) promote predictability and certainty in respect of all allocations to provinces and municipalities, in order that provinces and municipalities may plan their budgets over a multi-year period and thereby promote better coordination between policy, planning and budgeting; 40
- (c) promote transparency and accountability in the resource allocation process, by ensuring that all allocations are reflected on the budgets of receiving provinces and municipalities and by ensuring that the expenditure of conditional allocations is reported on by the receiving provinces and municipalities. 45

CHAPTER 2**EQUITABLE SHARE ALLOCATIONS****Equitable division of revenue raised nationally among spheres of government**

3. (1) Revenue raised nationally in respect of the financial year must be divided among the national, provincial and local spheres of government for their equitable share allocations as set out in Column A of Schedule 1. 5

(2) An envisaged division of revenue anticipated to be raised in respect of the next financial year and the 2013/14 financial year, and which is subject to the provisions of the annual Division of Revenue Acts in respect of those financial years, is set out in Column B of Schedule 1. 10

Equitable division of provincial share among provinces

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

(2) An envisaged division for each province of revenue anticipated to be raised nationally in respect of the next financial year and the 2013/14 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 2. 15

(3) Each province's equitable share allocation contemplated in subsection (1) must be transferred to the corporation for public deposits account of the province, in accordance with a payment schedule determined by the National Treasury in terms of section 21. 20

Equitable division of local government share among municipalities

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

(2) An envisaged division between municipalities of revenue anticipated to be raised nationally in respect of the next financial year and the 2013/14 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 3. 25

(3) Each municipality's equitable share contemplated in subsection (1) must be transferred to the primary bank account of the municipality in three transfers on 7 July 2011, 30 November 2011 and 23 March 2012, in accordance with a payment schedule determined by the National Treasury in terms of section 21. 30

Shortfalls, excess revenue and additional allocations

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

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

(3) The national government may— 40

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

- (i) national departments; or
 - (ii) provinces or municipalities, as a conditional or an unconditional allocation; and
- (b) increase a conditional allocation to a province or municipality through a virement under section 43 of the Public Finance Management Act or section 28(2)(d) of the Municipal Finance Management Act, as the case may be. 5

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations 10

Conditional allocations to provinces

7. (1) Conditional allocations to provinces in respect of the financial year from the national government's share of revenue raised nationally are set out in Column A of the following Schedules:
- (a) Schedule 4, specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets; 15
 - (b) Schedule 5, specifying specific-purpose allocations to provinces;
 - (c) Schedule 7, specifying allocations-in-kind to provinces for designated special programmes;
 - (d) Schedule 8, specifying incentives to provinces to meet targets with regard to priority government programmes; and 20
 - (e) Schedule 9, specifying funds that are currently not allocated to specific provinces, that may be released to provinces to fund disaster response within a period from three days up to three months following a declared disaster in terms of the conditions of the Disaster Management Act. 25
- (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 2013/14 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 30

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; 35
 - (b) Schedule 6, specifying specific-purpose allocations to municipalities;
 - (c) Schedule 7, specifying allocations-in-kind to municipalities for designated special programmes;
 - (d) Schedule 8, specifying incentives to municipalities to meet targets with regard to priority government programmes; and 40
 - (e) Schedule 9, specifying funds that are currently not allocated to specific municipalities, that may be released to local government or municipalities to fund disaster response within a period from three days up to three months following a declared disaster in terms of the conditions of the Disaster Management Act. 45

(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 2013/14 financial year, which, with the exception of what is provided in subsection (4) in relation to the Public Transport Infrastructure and Systems Grant, is subject to the annual Division of Revenue Acts for those years, as set out in Column B of the Schedules referred to in subsection (1). 5

(3) The National Treasury must, in terms of section 14, publish the share or indicative allocation of each municipality in respect of the local government allocations contemplated in subsections (1)(a) to (d) and (2) in the *Gazette*.

(4) Despite subsection (2), in respect of the Public Transport Infrastructure and Systems Grant, funding which is specifically approved by the National Treasury in relation to transport contracts for capital projects must be regarded as being firm allocations for the next financial year and the 2013/14 financial year that will not be altered downwards in the Division of Revenue Acts in respect of those financial years. 10

(5) A municipality may, only after obtaining the approval of the National Treasury, pledge, offer as security or commit to a person or institution future conditional allocation transfers due to the municipality for the next financial year and the 2013/14 financial year, for the purpose of securing a loan or any other form of financial or other support from that person or institution. 15

Part 2

20

Duties of accounting officers in respect of Schedule 4 to 9 allocations

Duties of transferring national officer in respect of Schedule 4 allocations

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

- (a) ensuring that transfers to all provinces and municipalities are—
 - (i) deposited only into the primary bank account of a province or municipality; and 25
 - (ii) made in accordance with the payment schedule approved in terms of section 21, unless allocations are withheld or stopped in terms of section 16 or 17;
- (b) monitoring expenditure and non-financial performance information on programmes funded by an allocation, in accordance with subsections (2) and (3) and the requirements of the applicable framework; 30
- (c) complying with the requirements of the applicable framework; and
- (d) evaluating the performance of programmes funded or partially funded by the allocation and the submission of such evaluations to the National Treasury, within four months in respect of a province, and six months in respect of a municipality, after the end of the financial year. 35

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

(b) Municipalities that receive the Urban Settlements Development Grant must report expenditure and non-financial performance information against their capital budgets, in accordance with section 11 of this Act and with the requirements of section 71 of the Municipal Finance Management Act. 40

(c) Provinces that receive the Education Infrastructure Grant, the Health Infrastructure Grant or the Provincial Roads Maintenance Grant must report expenditure and non-financial performance information against their capital budgets, in accordance with section 11 of this Act and with the requirements of section 32 of the Public Finance Management Act. 45

(d) Provinces that receive the Education Infrastructure Grant, the Health Infrastructure Grant and the Provincial Roads Maintenance Grant must provide the transferring national officer, not later than 14 days after this Act takes effect, with a list of infrastructure projects for education, health and roads which the provinces will implement during the 2011/12 to 2013/14 financial years, in a format that will be determined by the National Treasury. 5

(e) The transferring national officer must publish the information in terms of paragraph (d) in the *Gazette*, in a format that will be determined by the National Treasury, not later than 28 days after this Act comes into effect.

(f) Failure to comply with paragraphs (d) and (e) may result in withholding of the allocations in terms of section 16. 10

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

- (i) be approved by the National Treasury; 15
- (ii) not impose any excessive administrative responsibility on receiving provinces or receiving municipalities beyond the provision of standard management information;
- (iii) be compatible and integrated with and not unnecessarily duplicate other relevant and related national and provincial systems; and 20
- (iv) be consistent with section 11(2).

Duties of transferring national officer in respect of Schedule 5 to 8 allocations

10. (1) A transferring national officer must—

- (a) not later than 14 days after this Act takes effect, certify to the National Treasury that— 25
 - (i) allocation frameworks, including conditions and monitoring provisions, are reasonable and do not impose excessive administrative responsibility on receiving provincial departments and municipalities beyond the provision of standard management information;
 - (ii) monitoring provisions are compatible and integrated with and do not duplicate other relevant and related national, provincial and local systems; 30
 - (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; 35
 - (iv) in respect of a Schedule 6 allocation transferred to a municipality, any business plans requested in respect of how allocations will be utilised by a municipality have been approved prior to the start of the financial year;
- (b) transfer funds only after information required in terms of this Act has been secured and all relevant information has been provided to the National Treasury; 40
- (c) transfer funds only in accordance with a payment schedule determined in accordance with section 21;
- (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 designed for the transfer of the Gautrain Rapid Rail Link Grant; and 45
- (e) ensure that all other arrangements or requirements as stipulated in this Act or in the relevant framework for the particular allocation necessary for the transfer of an allocation have been complied with prior to the start of the financial year, and are complied with throughout the financial year. 50

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

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

(4) Before making the first transfer of any allocation, the transferring national officer must take note of any notice in terms of section 30(1) from the National Treasury outlining the details of the account for each province or municipality. 5

(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— 10

- (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; 15
- (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; 20
- (e) any matter or information that may be prescribed in the relevant framework for the particular allocation; and
- (f) such other issues as the National Treasury may determine.

(6) A transferring national officer must submit a quarterly performance report within 45 days after the end of each quarter to the National Treasury, in accordance with the requirements of the relevant framework. 25

(7) The transferring national officer must evaluate the performance of programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury, within four months in respect of a province, and six months in respect of a municipality, after the end of the financial year. 30

(8) The transferring national officer for the Human Settlements Development Grant, after consultation with the receiving officer and the National Treasury, must determine the allocations from the Human Settlements Development Grant for each municipality that receives the Urban Settlements Development Grant and submit those allocations to the National Treasury not later than 14 days after this Act takes effect, and the National Treasury must publish those allocations in the *Gazette* within 14 days after receipt of the allocations. 35

Duties of receiving officer in respect of Schedule 4 allocations

11. (1) A receiving officer of a Schedule 4 allocation is responsible for— 40

- (a) complying with the framework for a Schedule 4 allocation as published in terms of section 14; and
- (b) the manner in which a Schedule 4 allocation is allocated and spent.

(2) The receiving officer of a municipality must—

- (a) ensure and certify to the National Treasury that the municipality— 45
 - (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 50

- (b) report to the transferring national officer, the relevant provincial treasury and the National Treasury, on—
- (i) spending and financial performance against programmes funded by a Schedule 4 allocation, other than the Urban Settlements Development Grant; and 5
 - (ii) in the case of the Urban Settlements Development Grant, spending and financial performance against the municipality's entire capital budget and performance against the targets stipulated in the infrastructure performance framework that is required in terms of the grant framework, when the municipality prepares its monthly budget statements as required in terms of section 71 of the Municipal Finance Management Act for the months of September 2011, December 2011, March 2012 and June 2012; and 10
- (c) within 30 days after the end of each quarter, report to the transferring national officer and the National Treasury on—
- (i) non-financial performance against programmes, in respect of Schedule 4 Grants other than the Urban Settlements Development Grant; and 15
 - (ii) performance for that quarter against the targets stipulated in the infrastructure performance framework that is required in terms of the grant framework, in respect of the Urban Settlements Development Grant. 20
- (3) The National Treasury must make the report submitted to it in terms of subsection (2)(b) or (c) available to any other national departments that have responsibilities relating to the grant.
- (4) The receiving officer in a province must—
- (a) submit, as part of the report required in section 40(4)(c) of the Public Finance Management Act, reports to the relevant provincial treasury on spending and performance against programmes; and 25
 - (b) submit a quarterly performance report within 30 days after the end of each quarter to the relevant provincial treasury, and the National Treasury.
- (5) The receiving officer must report against programmes funded or partially funded by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report. 30
- (6) (a) The receiving officer must, within two months after the end of the financial year, and where relevant, the municipal financial year, evaluate the performance of the province or municipality, as the case may be, in respect of programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer. 35
- (b) With respect to the Education Infrastructure Grant, the Health Infrastructure Grant, the Provincial Roads Maintenance Grant and the Urban Settlements Development Grant, reporting on performance will be based on the overall capital budget of the provincial department or the municipality concerned. 40

Duties of receiving officer in respect of Schedule 5, 6, 8 or 9 allocation

- 12.** (1) The receiving officer of a Schedule 5, 6, 8 or 9 allocation must ensure compliance with the requirements of the relevant framework.
- (2) The relevant receiving officer must, in respect of a Schedule 5, 6, 8 or 9 allocation transferred to— 45
- (a) a province, as part of the report required in section 40(4)(c) of the Public Finance Management Act, report on the matters referred to in subsection (3) and submit a copy of the section 40(4)(c) report to the relevant provincial treasury and the transferring national officer; 50
 - (b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, report on the matters referred to in subsection (4) and submit a copy of the section 71 report to the relevant provincial treasury, the National Treasury and the relevant transferring national officer; and 55

- (c) a province or a municipality, submit a quarterly performance report within 30 days after the end of each quarter to the transferring national officer, the relevant provincial treasury and the National Treasury.
- (3) A report by a province in terms of subsection (2)(a) must set out for that month and for the financial year up to the end of that month— 5
- (a) the amount received by the province;
 - (b) the amount of funds stopped or withheld from the province;
 - (c) the actual expenditure by the province in respect of a Schedule 5 allocation;
 - (d) the amount transferred to any national or provincial public entity to implement a programme funded by a Schedule 5 allocation on behalf of a province or to assist the province in implementing such a programme; 10
 - (e) the most up to date available figures regarding the expenditure by a public entity referred to in paragraph (d);
 - (f) the extent of compliance with this Act and with the conditions of an allocation provided for in a framework, based on the most up to date available information at the time of reporting; 15
 - (g) an explanation of any material problems experienced by the province regarding an allocation which has been received and a summary of the steps taken to deal with such problems;
 - (h) any matter or information that may be prescribed in the relevant framework for the particular allocation; and 20
 - (i) such other issues and information as the National Treasury may determine.
- (4) A report by a municipality in terms of subsection (2)(b) must set out for that month and for the financial year up to the end of that month— 25
- (a) the amount received by the municipality;
 - (b) the amount of funds stopped or withheld from the municipality;
 - (c) the extent of compliance with this Act and with the conditions of an allocation or part of an allocation provided for in a framework;
 - (d) an explanation of any material problems experienced by the municipality regarding an allocation which has been received and a summary of the steps taken to deal with such problems; 30
 - (e) any matter or information that may be prescribed in the relevant framework for the particular allocation; and
 - (f) such other issues and information as the National Treasury may determine.
- (5) (a) Subsections (2) and (3) do not apply to the receiving officer of the Gautrain Rapid Rail Link Grant. 35
- (b) The receiving officer of the Gautrain Rapid Rail Link Grant must, at the end of each quarter, submit a report to the transferring national officer, detailing the payment made in that quarter to meet its payment obligation in terms of the public-private partnership agreement entered into by the province in accordance with regulations issued under the Public Finance Management Act. 40
- (c) Copies of payment certificates issued in terms of the public-private partnership agreement must be submitted together with the report referred to in paragraph (b).
- (6) A receiving officer must, within two months after the end of the financial year, and where relevant, the municipal financial year, evaluate its performance in respect of programmes or functions funded or partially funded by an allocation and submit such evaluation to the transferring national officer. 45

Duties in respect of annual financial statements and annual reports for 2011/12

- 13.** (1) The 2011/12 financial statements of a national department transferring any funds in respect of an allocation set out in Schedule 4, 5, 6, 8 or 9 must, in addition to any requirements in terms of any other applicable law— 50

- (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 18 or by the transferring national officer in respect of the Expanded Public Works Programme Incentive Grant; 5
- (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 10
- (e) indicate the funds, if any, utilised for the administration of the allocation by the receiving officer.
- (2) The 2011/12 annual report of a national department transferring any funds in respect of an allocation set out in Schedule 4, 5, 6, 8 or 9 must, in addition to any requirements in terms of any other applicable law— 15
- (a) indicate the reasons for the withholding of any transfers to a province or municipality;
- (b) indicate to what extent provinces or municipalities were monitored for compliance with this Act and the conditions of an allocation provided for in the relevant framework; 20
- (c) indicate to what extent the allocation achieved its objectives and outputs; and
- (d) indicate any non-compliance with this Act or the relevant framework, and the steps taken to deal with such non-compliance.
- (3) The 2011/12 financial statements of a provincial department receiving an allocation in terms of Schedule 4, 5, 8 or 9 must, in addition to any requirements in terms of any other applicable law— 25
- (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. 30
- (4) The 2011/12 annual report of a provincial department receiving an allocation in terms of Schedule 4, 5, 8 or 9 must, in addition to any requirements in terms of any other applicable law— 35
- (a) indicate to what extent the provincial department complied with the provisions of this Act and met the conditions provided for in the relevant framework of such an allocation;
- (b) indicate the steps taken to deal with non-compliance with any of the provisions of this Act or the conditions provided for in the relevant framework of such an allocation; 40
- (c) indicate the extent to which the objectives and outputs of the allocation were achieved;
- (d) contain any other information that may be specified in the relevant framework for the allocation; and 45
- (e) contain such other information as the National Treasury may determine.
- (5) The 2011/12 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. 50

Part 3**Matters relating to Schedule 4 to 9 allocations****Publication of allocations and frameworks**

- 14.** (1) The National Treasury must, within 14 days of this Act taking effect, publish in the *Gazette*— 5
- (a) the allocations per municipality, in respect of Schedule 4 and 6 allocations;
 - (b) the indicative allocations per province and municipality, in respect of Schedule 7 allocations;
 - (c) the indicative allocations for provinces and municipalities, along with their initial threshold and performance targets, in respect of Schedule 8 allocations; 10
and
 - (d) the framework for each allocation in Schedules 4 to 9.
- (2) The National Treasury must publish in the *Gazette*—
- (a) any revisions or amendments of the allocations and frameworks published in terms of subsection (1)(a) and (d); 15
 - (b) any virement which is made in accordance with the requirements of section 6(3) and the Public Finance Management Act;
 - (c) any revisions of or amendments to the allocations and frameworks published in terms of subsection (1) necessary to give effect to the conversion of an allocation in terms of section 19; 20
 - (d) any re-allocations by the National Treasury in accordance with section 18 or the transferring national officer in respect of the Expanded Public Works Programme Incentive Grant;
 - (e) any revised allocations in respect of Schedule 7 Grants; and
 - (f) any revised indicative allocations, performance and threshold targets for the Expanded Public Works Programme Incentive Grant. 25
- (3) The National Treasury may at any time, after consultation with or at the written request of a transferring national officer, revise or amend a framework published in terms of subsection (1) or (2), to correct any error or omission.
- (4) An amendment, revision, virement or re-allocation takes effect on publication thereof in the *Gazette*, with the exception of a Schedule 9 Grant. 30

Spending in terms of purpose and subject to conditions

- 15.** (1) Despite anything to the contrary contained in any law, an allocation referred to in Schedules 4 to 9 may only be utilised for the purpose stipulated in the Schedule concerned and in accordance with the framework published in terms of section 14. 35
- (2) A receiving officer may not transfer any Schedule 5 or 6 allocation or a portion of such an allocation to any other entity or other sphere of government for the performance of a function envisaged in terms of the allocation, unless the receiving officer has entered into a payment schedule with the entity or other sphere of government that will be performing the function, that has been approved by the National Treasury, and— 40
- (a) it is a transfer that is approved in the budget of the receiving province or municipality or a framework published in terms of section 14;
 - (b) it is a payment for services rendered or goods received, which services or goods were procured in accordance with the supply chain management policy or procurement policy of the relevant province or municipality and for which adequate documentation for payment has been received; or 45
 - (c) in the case of an advance payment or a transfer which is not consistent with the budget of the receiving province or municipality—

- (i) the receiving officer has certified to the National Treasury that the transfer is not an attempt to artificially inflate its spending estimates and that there are good reasons for the advance payment or transfer; and
- (ii) the National Treasury has approved the advance payment or transfer.
- (3) No public entity, other than Eskom Holdings Limited in respect of funds received from the Department of Energy and water boards in respect of funds received from the Department of Water Affairs and the Department of Human Settlements for the implementation of Schedule 7 allocations, may receive funds for the provision of a municipal service or municipal function on behalf of a municipality from a national or provincial organ of state, except via the municipality responsible for that service or function, unless the National Treasury approves otherwise in respect of municipalities it deems to have low capacity. 5 10
- (4) In respect of the Human Settlements Development Grant, a receiving officer and a municipality with level three accreditation must, by 31 May 2011, comply with the requirements of subsection (2), by— 15
- (a) entering into a payment schedule; and
- (b) submitting the payment schedule to the National Treasury for approval.
- (5) A receiving officer must request the National Treasury to amend the payment schedule referred to in subsection (4), in accordance with the procedure set out in section 22, in instances where a transfer to a municipality with level three accreditation has been withheld or stopped in terms of section 16 or 17. 20

Withholding of allocation

- 16.** (1) Subject to subsections (2) and (3), a transferring national officer may withhold the transfer of a Schedule 4, 5 or 6 allocation, or any portion of such allocation, for a period not exceeding 30 days, if— 25
- (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 20 have not been spent; or 30
- (c) expenditure on previous transfers during the financial year reflects significant under-spending, for which no satisfactory explanation is given.
- (2) A maximum of five per cent of the Health Professions Training and Development Grant and the National Tertiary Services Grant may be withheld in terms of this section.
- (3) A transferring national officer must, at least seven working days prior to withholding an allocation in terms of subsection (1)— 35
- (a) give the relevant receiving officer—
- (i) written notice of the intention to withhold the allocation; and
- (ii) an opportunity to submit written representations as to why the allocation should not be withheld; and 40
- (b) inform the relevant provincial treasury and the National Treasury, and in respect of any conditional grant to local government, also the provincial department responsible for local government.
- (4) A notice contemplated in subsection (3) must include the reasons for withholding the allocation and the intended duration of the withholding. 45
- (5) (a) The National Treasury may, when a transferring national officer is withholding an allocation in terms of subsection (1), instruct or approve a request from that transferring national officer to withhold an allocation for a period longer than 30 days, but not exceeding 120 days, if the withholding will—
- (i) facilitate compliance with this Act or the conditions to which the allocation is subject; or 50
- (ii) minimise the risk of under-spending.

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

(c) The transferring national officer must again comply with subsection (3) when the National Treasury instructs or approves a request by the transferring national officer in terms of paragraph (a). 5

Stopping of allocation

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

- (a) on the grounds of persistent and material non-compliance with—
 - (i) this Act; or
 - (ii) a condition to which the allocation, as provided for in the relevant framework, is subject;
- (b) if the National Treasury anticipates that a province or municipality will substantially under-spend on that programme or allocation in the financial year; 15
- (c) if a function is reassigned from a province to a municipality; or
- (d) if a province implementing an infrastructure project does not comply with best practice standards and guidelines made in terms of section 5 of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000). 20

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

- (a) comply with the requirements set out in section 16(3)(a), and in respect of a municipality, also with the requirements of section 38 of the Municipal Finance Management Act; and 25
- (b) inform the relevant provincial treasury of its intention to stop the allocation.

(3) Any stopping of an allocation contemplated in subsection (1) must, together with an explanatory memorandum, be published by the National Treasury in the *Gazette*.

(4) (a) The Minister may, by notice in the *Gazette*, approve that an allocation or any portion of such allocation stopped in terms of subsection (1), be utilised to meet that province's or municipality's outstanding statutory and contractual financial commitments. 30

(b) The utilisation of funds contemplated in this subsection is a direct charge against the National Revenue Fund. 35

Re-allocation of funds

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

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

- (2) (a) Despite subsection (1), the National Treasury may, when an intervention in terms of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act is taking place, on such conditions as it may determine, authorise—
- (i) in relation to section 100 of the Constitution, the transferring national officer to spend an allocation stopped in terms of section 17 on behalf of the relevant province; 5
 - (ii) in relation to section 139 of the Constitution and sections 137 and 139 of the Municipal Finance Management Act, the intervening province to spend an allocation stopped in terms of section 17 on behalf of the relevant municipality; or 10
 - (iii) in relation to section 150 of the Municipal Finance Management Act, the relevant transferring national officer to spend an allocation stopped in terms of section 17 on behalf of the relevant municipality.
- (b) An allocation that is spent by the transferring national officer or intervening province referred to in paragraph (a) must, for the purposes of this Act, be regarded as a Schedule 7 allocation from the date on which the authorisation is given. 15
- (3) The National Treasury may, after consultation with the transferring national officer, determine a portion of the allocation that will be reallocated in the event of the reassignment of a function from a province to a municipality.

Conversion of allocations 20

- 19.** (1) The National Treasury may, in its discretion or at the request of the transferring national officer, convert an allocation listed in Schedule 6 to become an allocation listed in Schedule 7, or convert an allocation listed in Schedule 7 to become an allocation listed in Schedule 6, if the National Treasury is satisfied that the conversion will prevent under-spending on the allocation. 25
- (2) In respect of the School Infrastructure Backlogs Grant, the National Treasury may, at the request of the transferring national officer and a receiving province, convert the allocation to the province to become an allocation to the Education Infrastructure Grant, if the National Treasury and the transferring national officer are satisfied the province has demonstrated the capacity to implement projects and that the conversion will not be likely to result in— 30
- (a) underspending on the allocation; or
 - (b) a lesser level of service delivery compared to if the allocation is provided to the province as a Schedule 7 grant-in-kind.
- (3) An allocation that is converted in terms of this section must be paid to or expended on behalf of the same province or municipality to which the allocation was originally made. 35
- (4) A conversion referred to in subsections (1) and (2) takes effect on the date of publication referred to in section 14(2)(c).
- (5) The National Treasury must inform the transferring national officer and each affected receiving province or municipality of a conversion. 40

Unspent conditional allocations

- 20.** (1) Despite the provisions of the Public Finance Management Act or the Municipal Finance Management Act relating to roll-overs, any conditional allocation, excluding the Gautrain Rapid Rail Link Grant and the Expanded Public Works Programme Incentive Grant, that is, in the case of a province, not spent at the end of a financial year or, in the case of a municipality, at the end of a municipal financial year, reverts to the National Revenue Fund, unless the relevant receiving officer can prove to the satisfaction of the National Treasury that the unspent allocation is committed to identifiable projects. 45 50
- (2) The National Treasury may, at the request of a transferring national officer, provincial treasury or municipality, approve—

- (a) a roll-over from a conditional allocation to the next financial year; and
- (b) spending of a portion of a conditional allocation on activities related to the purpose of that allocation, where the province or municipality projects significant unforeseeable and unavoidable over-spending on its budget.
- (3) Any funds which must revert to the National Revenue Fund in terms of subsection (1), and which have not been approved by the National Treasury to be retained in terms of subsection (2), must be repaid to the National Revenue Fund. 5
- (4) The National Treasury, in accordance with subsection (5), may offset any funds which must be repaid to the National Revenue Fund in terms of subsections (1) and (3), but which have not been repaid— 10
- (a) in the case of a province, against future advances for conditional grant allocations to that province; and
- (b) in the case of a municipality, against future advances for the equitable share or conditional grant allocations to that municipality.
- (5) Prior to the National Treasury setting-off any amounts against allocations to provinces or municipalities in terms of subsection (4), the National Treasury must give the relevant transferring national officer, province or municipality— 15
- (a) written notice of the intention to offset amounts against upcoming advances for allocations; and
- (b) an opportunity, within 14 days of receipt of the notice referred to in paragraph (a), to— 20
- (i) submit written representations that prove to the satisfaction of the National Treasury that the unspent allocation was either spent in accordance with the relevant framework, or is committed to identifiable projects; 25
- (ii) propose alternative means acceptable to the National Treasury by which the unspent allocations can be repaid to the National Revenue Fund; and
- (iii) propose an alternative payment schedule in terms of which the unspent allocations will be repaid to the National Revenue Fund.
- (6) A notice contemplated in subsection (5) must include the intended amount to be offset against allocations, and the reasons for offsetting the amounts. 30
- (7) Despite this section, the retention of funds which should revert to the National Revenue Fund in terms of subsections (1) and (3), and which have not been approved by the National Treasury to be retained in terms of subsection (2), constitutes financial misconduct in terms of section 34. 35

Part 4

Matters relating to Schedule 1 to 9 allocations

Payment schedule

- 21.** (1) (a) The National Treasury determines the payment schedule for the transfer of a province's equitable share allocation, after consultation with the head of the department in the provincial treasury. 40
- (b) In determining the payment schedule, the National Treasury must take account of the monthly spending commitments of provinces and seek to minimise risk and debt servicing costs for national and provincial government.
- (c) Despite paragraph (a), the National Treasury may, for cash management purposes relating to the corporation for public deposits account or when an intervention in terms of section 100 of the Constitution is taking place, on such conditions as it may determine, advance funds to a province in respect of its equitable share or a portion of it which has not yet fallen due for transfer in accordance with the payment schedule. 45

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

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

(b) Despite paragraph (a), the National Treasury, after consultation with the accounting officer of the national department responsible for local government, may, for cash management purposes in the municipality or when an intervention in terms of section 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act is taking place, on such conditions as it may determine, approve a request or direct that the equitable share or a portion of the equitable share which has not yet fallen due for transfer in accordance with the payment schedule, be advanced to a municipality. 10

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

(3) (a) The National Treasury must approve the payment schedule for the transfer of an allocation listed in Schedules 4 to 9 to a province or municipality.

(b) The transferring national officer of a Schedule 4, 5, 6 or 8 allocation must submit a payment schedule to the National Treasury for approval within 14 days after this Act takes effect. 20

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

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

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

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

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

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

(5) Schedule 4 and 6 transfers must be done in line with the municipal financial year.

Amendment of payment schedule

22. (1) Subject to subsection (2), a transferring national officer of a Schedule 4, 5 or 6 allocation must, within seven days of the withholding or stopping of an allocation in terms of section 16 or 17, amend a payment schedule as a result of the withholding or stopping of an allocation in terms of this Act and submit the amended payment schedule to the National Treasury prior to any further transfers being made. 40

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

- (a) the accounting officer of a provincial treasury, in the case of a provincial allocation; and 50

- (b) the accounting officer of the national department responsible for local government, in the case of a local government allocation.
- (3) A payment schedule amended in terms of subsection (1) or (2) must take account of—
- (a) the monthly spending commitments of provinces or municipalities; 5
 - (b) the revenue at the disposal of provinces or municipalities; and
 - (c) the minimisation of risk and debt servicing costs for all three spheres of government.
- (4) An amendment of a payment schedule in terms of subsection (2) prevails over any amendment made in terms of subsection (1). 10
- (5) The transferring national officer must immediately inform the receiving officer of any amendment to a payment schedule in accordance with subsection (1) or (2).

CHAPTER 4

MATTERS RELATING TO ALL ALLOCATIONS

Transfers made in error or fraudulently 15

- 23.** (1) Despite anything to the contrary contained in any law, the transfer of an allocation to a province, municipality or public entity in error or fraudulently is regarded as not legally due to that province, municipality or public entity, as the case may be.
- (2) A transfer contemplated in subsection (1) must be recovered, without delay, by the responsible transferring national officer. 20
- (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.

Allocations not listed in Schedules 25

- 24.** (1) An allocation, other than—
- (a) a re-allocation referred to in section 18 or in respect of the Expanded Public Works Programme Incentive Grant; or
 - (b) a revised indicative allocation in respect of a Schedule 7 or 8 Grant, which is not listed in the Schedules referred to in sections 7 and 8, 30
may only be made in terms of section 6(3).
- (2) The National Treasury must publish the allocations referred to in subsection (1) and frameworks for such allocations in the *Gazette*, prior to the transfer of any funds to a province or municipality.
- (3) The national transferring officer must notify the relevant provincial treasury and the National Treasury of the excess incentive payment earned to be appropriated either in the provincial adjustments appropriation bill, if made before the end of November each year, or in the appropriation bill for the next financial year. 35
- (4) Subsection (2) does not apply to Schedule 9 allocations.
- (5) A transfer to a province or municipality as a Schedule 9 allocation may only be made after the National Treasury has approved the transfer. 40
- (6) (a) The transferring national officer must notify the relevant provincial treasury and the National Treasury in writing within 14 days of a transfer of a Schedule 9 allocation to a province or municipality.
- (b) The National Treasury must publish a Schedule 9 allocation in the *Gazette* within 16 days after being notified in terms of paragraph (a). 45

(7) Schedule 9 allocations must be appropriated or authorised either in the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriations legislation.

Transitional arrangement relating to re-demarcation of municipal boundaries

25. (1) (a) A municipality (the releasing municipality) from which a particular area is transferred at the commencement of or through the implementation of legislation, which re-demarcates municipal boundaries and addresses associated matters, must continue to spend its allocations for the 2011/12 financial year made in terms of this Act, in that particular area or municipality, as if that area was not transferred to another municipality (the receiving municipality), unless the affected municipalities have entered into an agreement that ensures that the relocated area or municipality is not negatively affected. 5 10

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

(c) The releasing municipality must, at the request of the transferring national officer, the receiving municipality or the National Treasury, demonstrate compliance with paragraph (a). 15

(2) (a) The provisions of sections 16 and 17 apply with the necessary changes where a releasing municipality fails to comply with subsection (1) (a) or (c) in respect of a Schedule 4, 6 or 7 allocation. 20

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

(3) The National Treasury may, where a releasing municipality fails to comply with subsection (1) (a) or (c), reallocate a portion of the releasing municipality's equitable share allocation referred to in section 5 to the receiving municipality. 25

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

(b) The transferring national officer of a Schedule 4, 6 or 7 allocation must, by 15 September 2011, inform the National Treasury of any adjustments to the allocations referred to in section 8 (2) that must be reflected in the Division of Revenue Act for the next financial year. 30

Preparations for next financial year and 2013/14 financial year

26. (1) (a) A category C municipality that receives a conditional allocation in terms of this Act must, using the envisaged conditional allocations to that municipality for the next financial year and the 2013/14 financial year as set out in Column B of the Schedules, by 3 October 2011— 35

(i) agree on the provisional allocations and the projects to be funded from those allocations in the next financial year and the 2013/14 financial year with each category B municipality within the category C municipality's area of jurisdiction; and 40

(ii) submit to the transferring national officer—

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

(bb) the projects referred to in subparagraph (i), listed per municipality to be funded from the allocations for the next financial year and the 2013/14 financial year. 45

(b) Where a category C municipality and a category B municipality cannot agree on the allocations and projects referred to in paragraph (a), the category C municipality must request the relevant transferring national officer to facilitate agreement. 50

(c) The transferring national officer must take all necessary steps to facilitate agreement as soon as possible, but no later than 60 days after receiving a request referred to in paragraph (b).

(d) Any proposed amendment or adjustment of the allocations that is intended to be published in terms of section 29(3)(b) must be agreed with the relevant category B municipality, the transferring national officer and the National Treasury, prior to publication, and prior to the submission of the allocations referred to in paragraph (a)(ii). 5

(e) Should agreement not be reached between the category C municipality and the category B municipality on the provisional allocations and projects referred to in paragraph (a) prior to 3 October 2011, the National Treasury may proceed to determine the provisional allocations and provide those provisional allocations to the municipalities concerned and the transferring national officer. 10

(f) (i) The final allocations based on the provisional allocations referred to in paragraphs (a)(i) and (ii) and (e) must be submitted to the National Treasury by 7 December 2011. 15

(ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 7 December 2011, the National Treasury may determine the appropriate allocations, taking into consideration the envisaged allocations for the next financial year. 20

(2) (a) The transferring national officer of a conditional allocation, using the envisaged conditional allocations for the next financial year and the 2013/14 financial year as set out in Column B of the Schedules to this Act, must, by 3 October 2011, 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; 25

(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. 30

(b) Any proposed amendment or adjustment for the next financial year of the allocation criteria of an existing conditional allocation must be agreed with the National Treasury prior to the submission of the provisional allocations and draft frameworks referred to in paragraph (a)(ii) and (iii). 35

(c) The National Treasury may, if the transferring national officer fails to comply with paragraph (a) by 3 October 2011, determine—

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

(ii) any amendments to the envisaged allocations contemplated in paragraph (a)(ii); and 40

(iii) the draft frameworks for the allocations referred to in paragraph (a)(iii), and submit that information to the relevant provinces or municipalities.

(d) (i) The final allocations based on the provisional allocations referred to in paragraph (a)(i) and (ii) must be submitted to the National Treasury by 7 December 2011. 45

(ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 7 December 2011, the National Treasury may determine the appropriate allocations, taking into consideration the envisaged allocations for the next financial year.

(3) The National Treasury may, in preparation for the next financial year, instruct transferring national officers, receiving officers and municipalities to submit to it such plans and information for any conditional allocation as it may determine at specified times prior to the start of the next financial year. 50

Expenditure prior to commencement of Division of Revenue Act, 2012

27. Despite sections 3(2), 7(2) and 8(2), if the annual Division of Revenue Act for the next financial year has not commenced before or on 1 April 2012, the National Treasury may determine that an amount not exceeding 45 per cent of the total amount of each allocation made in terms of sections 3(1), 7(1) and 8(1) be transferred to the relevant province or municipality as a direct charge against the National Revenue Fund. 5

CHAPTER 5

DUTIES OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY

Duties of municipalities 10

28. (1) (a) In addition to the requirements of the Municipal Finance Management Act, the accounting officer of a category C municipality must, no later than 14 days after this Act takes effect, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, for the 2011/12 municipal financial year, and the two following municipal financial years. 15

(b) The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities. 20

(2) A category C municipality that is providing a municipal service must, before implementing any capital project for water, electricity, roads or any other municipal service, consult the category B municipalities within whose area of jurisdiction the project will be implemented, and agree in writing which municipality is responsible for the operational costs and the collection of user fees. 25

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

(a) the category C municipality retains the power or function in terms of the Municipal Structures Act; and 30

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

(4) A category B municipality which is not authorised to perform a function in terms of the Municipal Structures Act may not extend the scope or type of services that it currently provides, without— 35

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

(b) obtaining the legal authorisation to perform the function in terms of the Municipal Structures Act. 40

(5) (a) A category C municipality and a category B municipality must, before the commencement of a municipal financial year, agree to a payment schedule in respect of the allocations referred to in subsection (1)(b) to be transferred to the category B municipality in that financial year, and the category C municipality must submit that payment schedule to the National Treasury before the commencement of a municipal financial year. 45

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

(6) (a) The National Treasury may withhold or stop any allocation to the category C municipality and reallocate the allocation to the relevant category B municipalities if a category C municipality fails to— 50

- (i) make allocations referred to in subsection (1)(b);
 - (ii) reach an agreement contemplated in subsection (2); or
 - (iii) submit a payment schedule in accordance with subsection (5)(a).
- (b) Sections 16(3) and 17(3) and (4) of this Act and section 216 of the Constitution apply, with the necessary changes, to the withholding and stopping of an allocation in accordance with paragraph (a). 5
- (c) The National Treasury may, where it stops an allocation in terms of this section, after consultation with the transferring national officer, determine that a portion of the allocation that will not be spent be reallocated to one or more municipalities, on condition that the allocation will be spent in the financial year or the next financial year. 10
- (7) A municipality must ensure that any allocation made to it in terms of this Act, or by a province or another municipality, that is not reflected in its budget as tabled in accordance with section 16 of the Municipal Finance Management Act, is reflected in its budget to be considered for approval in accordance with section 24 of the Municipal Finance Management Act. 15
- (8) In respect of the Human Settlements Development Grant, the financial and non-financial reporting that is required to be submitted by a municipality with a level three accreditation in terms of the grant framework must relate to the requirements specified in the grant framework.
- (9) A municipality with a level three accreditation must submit the required monthly financial and quarterly performance reports to the receiving officer, the transferring national officer and the National Treasury. 20

Duties of provincial treasuries

29. (1) The provincial treasury must reflect Schedule 5 allocations separately in the province's appropriation bill or a schedule to its appropriation bill. 25
- (2) (a) The provincial treasury must, on the same day that its budget is tabled in the provincial legislature, or a later date approved by the National Treasury, but not later than 14 days after this Act takes effect, publish the following in the *Gazette*:
- (i) The indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds; 30
 - (ii) the indicative allocation to be made per school in the province;
 - (iii) the indicative allocation to any national or provincial public entity for the implementation of a programme funded by a Schedule 5 allocation on behalf of a province or for assistance provided to the province in implementing such a programme; 35
 - (iv) the envisaged division of the allocation contemplated in subparagraphs (i) and (ii), in respect of each municipality and school, for the next financial year and the 2013/14 financial year;
 - (v) the conditions and other information in respect of the allocations referred to in subparagraphs (i), (ii) and (iii) to facilitate performance measurement and the use of required inputs and outputs; and 40
 - (vi) the budget of each hospital in a format determined by the National Treasury.
- (b) The allocations and budgets referred to in paragraph (a) must be deemed to be final if the legislature passes the appropriation bill without any amendments.
- (c) In the event that the legislature amends the appropriation bill, the accounting officer of the provincial treasury must publish amended allocations and budgets in the *Gazette* within 14 days of the legislature passing the appropriation bill, which allocations must align to the appropriation bill as passed by the legislature, and which must be deemed to be final. 45

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

(b) Any amendments to the allocations published in terms of subsection (2)(a) must be published in the *Gazette* not later than 14 February 2012. 5

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

(4) (a) A provincial treasury must, as part of its consolidated monthly report in terms of section 32 of the Public Finance Management Act, in the format determined by the National Treasury, report on— 10

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

(ii) actual expenditure on such allocations, excluding Schedule 4 allocations, up to the end of that month; and

(iii) actual transfers made by the province to municipalities, and actual expenditure by municipalities on such allocations, based on the most up to date information available from municipalities at the time of reporting. 15

(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. 20

(5) A provincial treasury must—

(a) ensure—

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

(ii) that transfers are made promptly in accordance therewith. 25

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

(6) Should a provincial treasury fail to comply with the requirement to make transfers promptly to a receiving officer in accordance with the agreed payment schedule, as required in terms of subsection (5)(a), the receiving officer concerned may request the provincial treasury to immediately make the transfer to the receiving officer, or to provide written reasons within three business days as to why the transfer has not been made. 30

(7) Should a provincial treasury fail to either make the transfer requested by the receiving officer or provide reasons within the period stipulated in subsection (6), or if the receiving officer disputes the reasons provided by the provincial treasury as to why the transfer has not been made, then the receiving officer may request the National Treasury to investigate the matter with the provincial treasury concerned. 35

(8) When the National Treasury is requested to investigate a failure by a provincial treasury to promptly effect transfer to a receiving officer in terms of subsection (7), the National Treasury must investigate the matter, assess any reasons given by the provincial treasury as to why the transfer was not effected, and either direct the provincial treasury to immediately effect the transfer, or provide reasons to the receiving officer concerned confirming why the provincial treasury was correct in not effecting the transfer, and advise the provincial treasury and the receiving officer as to what steps should be taken. 45

Duties of National Treasury

30. (1) The National Treasury must, within 14 days of this Act taking effect, submit a notice to all transferring national officers, containing the details of the bank accounts of each province and municipality. 50

(2) The National Treasury must, together with the monthly report contemplated in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in the Schedules referred to in sections 7 and 8 or made in terms of section 24.

(3) The National Treasury may, in any report it publishes that aggregates reports published by provincial treasuries contemplated in section 71(7) of the Municipal Finance Management Act, and in any report in respect of municipal finances, include a report on the equitable share and conditional allocations provided for in this Act. 5

CHAPTER 6

GENERAL 10

Allocations by public entities to provinces or municipalities

31. The accounting officer of a provincial department or municipality that receives funds from a public entity as a grant, sponsorship or donation, must disclose in its financial statements the purpose and amount of such grant, sponsorship or donation received. 15

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

32. (1) An organ of state involved in an intergovernmental dispute regarding any provision of this Act or any division of revenue matter or allocation must, before approaching a court to resolve such dispute, make every effort to settle the dispute with the other organ of state concerned, including exhausting all mechanisms provided for the settlement of disputes in relevant legislation. 20

(2) In the event that a dispute is referred back by a court in accordance with section 41(4) of the Constitution, due to the court not being satisfied that the organ of state approaching the court has complied with subsection (1), the expenditure incurred by that organ of state in approaching the court must be regarded as fruitless and wasteful. 25

(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).

Irregular expenditure 30

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

- (a) A transfer prohibited in terms of section 15(2);
- (b) a transfer by a transferring national officer to a bank account of a province or municipality that is not— 35
 - (i) the primary bank account;
 - (ii) in respect of provinces, a corporation for public deposits account; or
 - (iii) in respect of the Gautrain Rapid Rail Link Grant, the dedicated banking account configuration established for the transfer of the Gautrain Rapid Rail Link Grant in accordance with the directive issued by the National Treasury under section 10(2)(a) of the Division of Revenue Act, 2006 (Act No. 2 of 2006); or 40

- (c) any transfer made or spending of an allocation in contravention of this Act or a framework published in terms of this Act.

Financial misconduct

34. (1) Despite anything to the contrary contained in any law, any serious or persistent non-compliance with a provision of this Act or a framework published in terms of this Act constitutes financial misconduct. 5

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

Delegations and assignments 10

35. (1) The Minister may, in writing, delegate any of the powers entrusted to the National Treasury in terms of this Act and assign any of the duties imposed on the National Treasury in terms of this Act, to an official of the National Treasury.

(2) A delegation or assignment in terms of subsection (1) to an official of the National Treasury— 15

- (a) is subject to any limitations or conditions that the Minister may impose;
- (b) may authorise that official to subdelegate, in writing, the delegated power or assigned duty to another National Treasury official; and
- (c) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty. 20

(3) The Minister may confirm, vary or revoke any decision taken by an official as a result of a delegation, subject to any rights that may have vested as a consequence of the decision.

(4) A Member of the Executive Council responsible for financial matters in a province may, in writing, delegate any of the powers entrusted to the Provincial Treasury of that province in terms of this Act and assign any of the duties imposed on the Provincial Treasury in terms of this Act, to an official of the Provincial Treasury. 25

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

Exemptions 30

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

(2) Any exemption granted in terms of subsection (1) must set out the period and conditions, if any, to which it is subject and must be published in the *Gazette*. 35

Regulations

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

- (a) anything which must or may be prescribed in terms of this Act; and
- (b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act. 40

Repeal of laws

38. (1) Subject to subsection (2), the Division of Revenue Act, 2010 (Act No. 1 of 2010), with the exception of sections 28(8) and 38(1), is hereby repealed.

(2) The repeal of the Division of Revenue Act, 2010 (Act No. 1 of 2010), does not affect any duty or obligation set out in that Act, the execution of which is still outstanding. 5

Short title and commencement

39. This Act is called the Division of Revenue Act, 2011, and takes effect on 1 April 2011 or the date of publication thereof by the President in the *Gazette*, whichever is the later date. 10

SCHEDULE 1

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

Spheres of Government	Column A	Column B	
	2011/12 Allocation	Forward Estimates	
		2012/13	2013/14
	R'000	R'000	R'000
National ^{1,2}	566 322 576	624 832 817	689 463 889
Provincial	288 492 831	305 725 449	323 604 408
Local	34 107 901	37 573 396	39 960 288
TOTAL	888 923 308	968 131 662	1 053 028 585

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

SCHEDULE 2

DETERMINATION OF EACH PROVINCE'S EQUITABLE SHARE OF THE
PROVINCIAL SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(as a direct charge against the National Revenue Fund)

Province	Column A	Column B	
	2011/12 Allocation	Forward Estimates	
		2012/13	2013/14
	R'000	R'000	R'000
Eastern Cape	44 120 028	46 495 024	48 931 829
Free State	17 520 835	18 430 860	19 363 325
Gauteng	50 428 480	53 973 066	57 699 363
KwaZulu-Natal	62 927 556	66 877 612	70 992 966
Limpopo	36 348 545	38 104 133	39 884 915
Mpumalanga	23 378 714	24 570 021	25 786 476
Northern Cape	7 742 909	8 207 056	8 688 325
North West	19 271 431	20 562 274	21 912 710
Western Cape	26 754 333	28 505 403	30 344 499
TOTAL	288 492 831	305 725 449	323 604 408

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	
		2011/12 Allocation R'000	Forward Estimates	
2012/13 R'000	2013/14 R'000			
EASTERN CAPE				
A	BUF Buffalo City	583 628	644 542	686 869
A	NMA Nelson Mandela	656 653	730 416	778 401
B	EC101 Camdeboo	33 092	36 581	38 967
B	EC102 Blue Crane Route	34 998	38 693	41 218
B	EC103 Ikwezi	13 753	15 192	16 183
B	EC104 Makana	59 143	65 410	69 677
B	EC105 Ndlambe	49 522	54 813	58 398
B	EC106 Sundays River Valley	32 105	35 517	37 845
B	EC107 Baviaans	15 153	16 751	17 848
B	EC108 Kouga	41 038	45 585	48 593
B	EC109 Kou-Kamma	25 910	28 642	30 511
C	DC10 Cacadu District Municipality	67 220	69 666	72 317
Total: Cacadu Municipalities		371 935	406 850	431 557
B	EC121 Mbhashe	105 238	116 503	124 173
B	EC122 Mnquma	136 070	150 518	160 377
B	EC123 Great Kei	28 209	31 184	33 221
B	EC124 Amahlathi	79 616	87 995	93 737
B	EC126 Ngqushwa	55 140	60 965	64 949
B	EC127 Nkonkobe	76 099	84 004	89 451
B	EC128 Nxuba	18 627	20 591	21 935
C	DC12 Amatole District Municipality	530 281	583 693	627 182
Total: Amatole Municipalities		1 029 279	1 135 453	1 215 023
B	EC131 Inxuba Yethemba	35 770	39 535	42 109
B	EC132 Tsolwana	21 878	24 165	25 740
B	EC133 Inkwanca	15 748	17 399	18 534
B	EC134 Lukhanji	96 062	106 129	113 038
B	EC135 Intsika Yethu	78 404	86 613	92 256
B	EC136 Emalahleni	61 619	68 112	72 564
B	EC137 Engcobo	66 596	73 753	78 619
B	EC138 Sakhisizwe	34 165	37 799	40 278
C	DC13 Chris Hani District Municipality	325 908	360 052	384 758
Total: Chris Hani Municipalities		736 151	813 558	867 896
B	EC141 Elundini	64 855	71 762	76 475
B	EC142 Senqu	79 190	87 568	93 295
B	EC143 Maletswai	20 224	22 351	23 809
B	EC144 Gariep	22 167	24 507	26 107
C	DC14 Joe Gqabi District Municipality	149 031	164 710	175 859
Total: Joe Gqabi Municipalities		335 467	370 898	395 545
B	EC153 Ngquza Hill	97 182	107 542	114 611
B	EC154 Port St Johns	59 537	65 862	70 188
B	EC155 Nyandeni	111 925	123 822	131 944
B	EC156 Mhlontlo	87 213	96 486	102 818
B	EC157 King Sabata Dalindyebo	153 086	169 585	180 725
C	DC15 O.R. Tambo District Municipality	416 223	450 392	480 874
Total: O.R. Tambo Municipalities		925 167	1 013 688	1 081 159
B	EC441 Matatiele	92 449	102 304	109 023
B	EC442 Umzimvubu	92 993	102 906	109 667
B	EC443 Mbizana	98 860	109 353	116 530
B	EC152 Ntabankulu	54 929	60 753	64 740
C	DC44 Alfred Nzo District Municipality	265 535	294 916	315 328
Total: Alfred Nzo Municipalities		604 767	670 232	715 289
Total: Eastern Cape Municipalities		5 243 046	5 785 638	6 171 740

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	
		2011/12 Allocation	Forward Estimates	
		2012/13	2013/14	
		R'000	R'000	R'000
FREE STATE				
A	MAN Mangaung	546 417	603 089	642 590
B	FS161 Letsemeng	45 212	49 982	53 241
B	FS162 Kopanong	79 334	87 704	93 418
B	FS163 Mohokare	45 632	50 451	53 741
B	FS171 Naledi	33 288	36 803	39 204
C	DC16 Xhariep District Municipality	20 629	22 002	23 067
Total: Xhariep Municipalities		224 095	246 941	262 671
B	FS181 Masilonyana	72 352	79 980	85 192
B	FS182 Tokologo	38 552	42 614	45 393
B	FS183 Tswelopele	55 333	61 187	65 182
B	FS184 Matjhabeng	390 659	432 635	460 936
B	FS185 Nala	120 920	133 667	142 372
C	DC18 Lejweleputswa District Municipality	93 735	97 203	101 043
Total: Lejweleputswa Municipalities		771 551	847 286	900 117
B	FS191 Setsoto	147 875	163 504	174 167
B	FS192 Dihlabeng	114 851	127 105	135 413
B	FS193 Nketoana	69 567	76 929	81 951
B	FS194 Maluti a Phofung	305 453	338 239	360 402
B	FS195 Phumelela	49 899	55 167	58 766
B	FS196 Mantsopa	59 517	37 002	70 096
C	DC19 Thabo Mofutsanyana District Municipality	72 399	76 038	79 952
Total: Thabo Mofutsanyana Municipalities		819 560	873 983	960 747
B	FS201 Moqhaka	145 181	160 452	170 892
B	FS203 Ngwathe	137 311	151 789	161 675
B	FS204 Metsimaholo	88 125	97 702	104 114
B	FS205 Mafube	67 075	74 135	78 962
C	DC20 Fezile Dabi	127 132	131 308	135 790
Total: Fezile Dabi Municipalities		564 823	615 385	651 434
Total: Free State Municipalities		2 926 447	3 186 684	3 417 559

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	
		2011/12 Allocation	Forward Estimates	
		2012/13	2013/14	
		R'000	R'000	R'000
GAUTENG				
A	EKU Ekurhuleni	1 644 128	1 828 391	1 949 038
A	JHB City of Johannesburg	1 897 561	2 134 780	2 276 247
A	TSH City of Tshwane	923 020	1 031 527	1 100 611
B	GT421 Emfuleni	539 842	597 880	636 986
B	GT422 Midvaal	44 379	49 238	52 480
B	GT423 Lesedi	52 626	58 222	62 021
C	DC42 Sedibeng District Municipality	220 439	227 627	233 903
Total: Sedibeng Municipalities		857 285	932 967	985 390
B	GT481 Mogale City	189 605	210 233	224 025
B	GT482 Randfontein	81 638	90 469	96 398
B	GT483 Westonaria	87 796	97 063	103 392
B	GT484 Merafong City	167 868	185 935	198 124
C	DC48 West Rand District Municipality	163 221	168 881	173 109
Total: West Rand Municipalities		690 128	752 581	795 048
Total: Gauteng Municipalities		6 012 123	6 680 246	7 106 335

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	
		2011/12 Allocation	Forward Estimates	
		2012/13	2013/14	
		R'000	R'000	R'000
KWAZULU-NATAL				
A	ETH eThekweni	1 595 941	1 773 889	1 891 834
B	KZN211 Vulamehlo	31 146	34 452	36 712
B	KZN212 Umdoni	24 104	26 677	28 423
B	KZN213 Umzumbe	76 198	84 283	89 808
B	KZN214 UMuziwabantu	38 288	42 368	45 149
B	KZN215 Eziqoleni	23 010	25 457	27 127
B	KZN216 Hibiscus Coast	76 844	85 416	91 051
C	DC21 Ugu District Municipality	235 738	260 342	278 485
Total: Ugu Municipalities		505 328	558 995	596 755
B	KZN221 uMshwathi	49 180	54 362	57 915
B	KZN222 uMngeni	30 559	33 938	36 175
B	KZN223 Mooi Mpofana	19 485	21 553	22 962
B	KZN224 Impendle	21 087	23 335	24 868
B	KZN225 Msunduzi	304 835	339 004	361 409
B	KZN226 Mkhambathini	24 863	27 485	29 282
B	KZN227 Richmond	25 849	28 573	30 440
C	DC22 Umgungundlovu District Municipality	286 019	314 348	338 703
Total: Umgungundlovu Municipalities		761 877	842 598	901 755
B	KZN232 Emnambithi/Ladysmith	93 368	103 324	110 079
B	KZN233 Indaka	53 002	58 621	62 458
B	KZN234 Umtshezi	25 843	28 630	30 510
B	KZN235 Okhahlamba	55 031	60 875	64 865
B	KZN236 Imbabazane	57 268	63 321	67 462
C	DC23 Uthukela District Municipality	229 471	253 506	270 913
Total: Uthukela Municipalities		513 982	568 277	606 286
B	KZN241 Endumeni	27 416	30 369	32 368
B	KZN242 Nquthu	62 785	69 485	74 053
B	KZN244 Msinga	61 218	67 731	72 182
B	KZN245 Umvoti	36 785	40 689	43 354
C	DC24 Umzinyathi District Municipality	160 451	177 410	189 546
Total: Umzinyathi Municipalities		348 655	385 683	411 503
B	KZN252 Newcastle	244 400	270 655	288 355
B	KZN253 Emadlangeni	12 256	13 549	14 436
B	KZ254 Dannhauser	42 091	46 545	49 591
C	DC25 Amajuba District Municipality	88 571	97 343	104 815
Total: Amajuba Municipalities		387 318	428 091	457 198

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	
		2011/12 Allocation	Forward Estimates	
		2012/13	2013/14	
		R'000	R'000	R'000
B	KZN261 eDumbe	32 113	35 522	37 849
B	KZN262 UPhongolo	52 612	58 176	61 981
B	KZN263 Abaqulusi	69 224	76 515	81 515
B	KZN265 Nongoma	62 891	69 561	74 122
B	KZN266 Ulundi	68 274	75 482	80 420
C	DC26 Zululand District Municipality	234 326	258 934	276 726
Total: Zululand Municipalities		519 441	574 191	612 613
B	KZN271 Umhlabuyalingana	49 682	54 977	58 595
B	KZN272 Jozini	64 897	71 806	76 525
B	KZN273 The Big Five False Bay	12 396	13 701	14 599
B	KZN274 Hlabisa	38 543	24 972	26 589
B	KZN275 Mtubatuba	42 041	46 763	49 926
C	DC27 Umkhanyakude District Municipality	159 548	176 416	188 500
Total: Umkhanyakude Municipalities		367 107	388 636	414 735
B	KZN281 Mfolozi	37 931	41 898	44 633
B	KZN282 uMhlathuze	161 654	179 231	190 994
B	KZN283 Ntambanana	17 675	19 514	20 786
B	KZN284 uMlalazi	69 515	76 827	81 845
B	KZN285 Mthonjaneni	22 096	24 442	26 043
B	KZN286 Nkandla	44 648	49 392	52 635
C	DC28 Uthungulu District Municipality	299 178	328 816	354 199
Total: Uthungulu Municipalities		652 698	720 120	771 135
B	KZN291 Mandeni	57 058	63 057	67 171
B	KZN292 KwaDukuza	65 237	72 636	77 471
B	KZN293 Ndwedwe	50 875	56 207	59 874
B	KZN294 Maphumulo	43 137	47 728	50 862
C	DC29 iLembe District Municipality	206 729	228 084	244 242
Total: iLembe Municipalities		423 035	467 712	499 620
B	KZN431 Ingwe	44 868	49 640	52 898
B	KZN432 Kwa Sani	10 517	11 617	12 375
B	KZN433 Greater Kokstad	42 946	47 560	50 680
B	KZN434 Ubuhlebezwe	44 405	49 112	52 331
B	KZN435 Umzimkhulu	75 003	82 979	88 423
C	DC43 Sisonke District Municipality	182 881	202 113	215 785
Total: Sisonke Municipalities		400 620	443 021	472 492
Total: KwaZulu-Natal Municipalities		6 476 001	7 151 211	7 635 926

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	
		2011/12 Allocation	Forward Estimates	
		2012/13	2013/14	
		R'000	R'000	R'000
LIMPOPO				
B	LIM331 Greater Giyani	116 853	129 173	137 610
B	LIM332 Greater Letaba	117 473	129 869	138 353
B	LIM333 Greater Tzaneen	176 879	195 784	208 601
B	LIM334 Ba-Phalaborwa	53 751	59 394	63 265
B	LIM335 Maruleng	47 176	52 144	55 552
C	DC33 Mopani District Municipality	419 718	463 587	495 550
Total: Mopani Municipalities		931 851	1 029 952	1 098 930
B	LIM341 Musina	27 908	30 858	32 874
B	LIM342 Mutale	37 628	41 594	44 316
B	LIM343 Thulamela	235 608	260 810	277 899
B	LIM344 Makhado	212 830	235 552	250 972
C	DC34 Vhembe District Municipality	431 171	476 629	508 893
Total: Vhembe Municipalities		945 145	1 045 443	1 114 955
B	LIM351 Blouberg	79 413	87 909	93 693
B	LIM352 Aganang	66 770	73 814	78 641
B	LIM353 Molemole	66 171	73 146	77 922
B	LIM354 Polokwane	350 705	388 419	413 878
B	LIM355 Lepelle-Nkumpi	109 337	120 857	128 749
C	DC35 Capricorn District Municipality	365 229	402 266	431 885
Total: Capricorn Municipalities		1 037 625	1 146 411	1 224 768
B	LIM361 Thabazimbi	53 095	58 755	62 602
B	LIM362 Lephale	73 300	79 669	84 829
B	LIM364 Mookgopong	22 822	25 260	26 918
B	LIM365 Modimolle	50 075	55 376	58 990
B	LIM366 Bela-Bela	39 790	44 012	46 885
B	LIM367 Mogalakwena	225 142	249 257	265 591
C	DC36 Waterberg District Municipality	87 880	91 087	94 101
Total: Waterberg Municipalities		552 105	603 417	639 917
B	LIM471 Ephraim Mogale	60 529	66 895	71 260
B	LIM472 Elias Motsoaledi	114 134	126 125	134 349
B	LIM473 Makhuduthamaga	126 339	139 682	148 812
B	LIM474 Fetakgomo	40 562	44 840	47 774
B	LIM475 Greater Tubatse	114 137	126 220	134 480
C	DC47 Greater Sekhukhune District Municipality	330 877	365 664	390 926
Total: Greater Sekhukhune Municipalities		786 577	869 427	927 602
Total: Limpopo Municipalities		4 253 303	4 694 650	5 006 171

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		
		2011/12 Allocation	Forward Estimates		
		2012/13	2013/14		
		R'000	R'000	R'000	
MPUMALANGA					
B	MP301	Albert Luthuli	141 281	156 282	166 510
B	MP302	Msukaligwa	93 142	103 000	109 722
B	MP303	Mkhondo	88 732	98 160	104 590
B	MP304	Pixley Ka Seme	74 975	82 907	88 318
B	MP305	Lekwa	69 959	77 364	82 412
B	MP306	Dipaleseng	39 319	43 465	46 299
B	MP307	Govan Mbeki	171 429	190 045	202 507
C	DC30	Gert Sibande District Municipality	246 282	254 200	261 625
Total: Gert Sibande Municipalities			925 119	1 005 423	1 061 984
B	MP311	Victor Khanye	45 078	49 867	53 124
B	MP312	Emalahleni	163 854	181 726	193 663
B	MP313	Steve Tshwete	77 312	85 857	91 509
B	MP314	Emakhazeni	31 562	34 885	37 159
B	MP315	Thembisile	196 665	217 431	231 624
B	MP316	Dr JS Moroka	205 518	227 206	242 036
C	DC31	Nkangala District Municipality	291 974	301 317	309 985
Total: Nkangala Municipalities			1 011 962	1 098 290	1 159 101
B	MP321	Thaba Chweu	66 696	73 750	78 563
B	MP322	Mbombela	282 081	312 447	332 931
B	MP323	Umjindi	43 164	47 758	50 884
B	MP324	Nkomazi	234 566	259 743	276 789
B	MP325	Bushbuckridge	398 491	440 908	469 771
C	DC32	Ehlanzeni District Municipality	170 414	178 778	185 817
Total: Ehlanzeni Municipalities			1 195 411	1 313 385	1 394 754
Total: Mpumalanga Municipalities			3 132 492	3 417 098	3 615 839

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	
		2011/12 Allocation	Forward Estimates	
		2012/13	2013/14	
		R'000	R'000	R'000
NORTHERN CAPE				
B	NC061 Richtersveld	10 415	11 507	12 257
B	NC062 Nama Khoi	28 625	31 609	33 661
B	NC064 Kamiesberg	10 907	12 041	12 824
B	NC065 Hantam	17 683	19 543	20 817
B	NC066 Karoo Hoogland	11 544	12 740	13 568
B	NC067 Khâi-Ma	10 921	12 053	12 837
C	DC6 Namakwa District Municipality	29 792	31 219	32 445
Total: Namakwa Municipalities		119 887	130 712	138 409
B	NC071 Ubuntu	15 669	17 313	18 441
B	NC072 Umsobomvu	26 095	28 836	30 714
B	NC073 Emthanjeni	30 439	33 642	35 832
B	NC074 Kareeberg	10 466	11 565	12 319
B	NC075 Renosterberg	12 912	14 257	15 185
B	NC076 Thembelihle	12 849	14 194	15 120
B	NC077 Siyathemba	17 829	19 715	21 003
B	NC078 Siyancuma	31 726	35 106	37 408
C	DC7 Pixley Ka Seme District Municipality	24 727	26 159	27 319
Total: Pixley Ka Seme Municipalities		182 713	200 786	213 341
B	NC081 Mier	8 620	9 518	10 140
B	NC082 Kai !Garib	41 556	45 950	48 953
B	NC083 //Khara Hais	46 121	51 070	54 414
B	NC084 !Kheis	13 955	15 416	16 422
B	NC085 Tsantsabane	22 454	24 844	26 473
B	NC086 Kgatelopele	12 918	14 266	15 194
C	DC8 Siyanda District Municipality	39 818	41 647	43 304
Total: Siyanda Municipalities		185 443	202 712	214 900
B	NC091 Sol Plaatje	132 176	146 577	156 193
B	NC092 Dikgatlong	40 046	44 285	47 179
B	NC093 Magareng	25 546	28 238	30 080
B	NC094 Phokwane	56 719	62 706	66 797
C	DC9 Frances Baard District Municipality	79 281	86 061	88 994
Total: Frances Baard Municipalities		333 769	367 868	389 243
B	NC451 Moshaweng	63 808	70 638	75 287
B	NC452 Ga-Segonyana	58 219	64 408	68 626
B	NC453 Gamagara	18 283	20 213	21 532
C	DC45 John Taolo Gaetsewe District Municipality	50 939	54 196	56 721
Total: John Taolo Gaetsewe Municipalities		191 248	209 455	222 165
Total: Northern Cape Municipalities		1 013 059	1 111 533	1 178 060

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		
		2011/12 Allocation	Forward Estimates		
		2012/13	2013/14		
		R'000	R'000	R'000	
NORTH WEST					
B	NW371	Moretele	138 282	152 916	162 918
B	NW372	Madibeng	247 326	273 870	291 812
B	NW373	Rustenburg	231 669	256 655	273 476
B	NW374	Kgetlengrivier	38 032	42 057	44 806
B	NW375	Moses Kotane	203 756	225 305	240 017
C	DC37	Bojanala Platinum District Municipality	232 094	239 987	247 826
Total: Bojanala Platinum Municipalities			1 091 159	1 190 789	1 260 855
B	NW381	Ratlou	59 576	65 873	70 182
B	NW382	Tswaing	56 186	62 108	66 164
B	NW383	Mafikeng	109 725	121 500	129 460
B	NW384	Ditsobotla	69 696	76 999	82 017
B	NW385	Ramotshere Moiloa	70 458	77 882	82 968
C	DC38	Ngaka Modiri Molema	357 615	394 150	422 535
Total: Ngaka Modiri Molema Municipalities			723 256	798 513	853 327
B	NW392	Naledi	29 119	32 204	34 305
B	NW393	Mamusa	28 210	31 172	33 205
B	NW394	Greater Taung	88 632	97 982	104 392
B	NW396	Lekwa-Teemane	24 989	27 613	29 413
B	NW397	NW397	58 504	64 639	68 853
C	DC39	Dr Ruth Segomotsi Mompati District Municipality	188 347	207 978	179 335
Total: Dr Ruth Segomotsi Mompati Municipalities			417 801	461 588	449 503
B	NW401	Ventersdorp	40 951	45 287	48 247
B	NW402	Tlokwe	76 801	85 191	90 788
B	NW403	City of Matlosana	303 560	336 019	357 961
B	NW404	Maquassi Hills	69 259	76 618	81 631
C	DC40	Dr Kenneth Kaunda District Municipality	153 622	158 939	155 901
Total: Dr Kenneth Kaunda Municipalities			644 194	702 054	734 528
Total: North West Municipalities			2 876 410	3 152 944	3 298 214

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	
		2011/12 Allocation R'000	Forward Estimates	
2012/13 R'000	2013/14 R'000			
WESTERN CAPE				
A	CPT City of Cape Town	970 473	1 090 987	1 163 859
B	WC011 Matzikama	32 066	35 495	37 821
B	WC012 Cederberg	23 008	25 447	27 106
B	WC013 Bergrivier	19 898	22 010	23 445
B	WC014 Saldanha Bay	29 296	32 575	34 724
B	WC015 Swartland	22 887	25 392	27 058
C	DC1 West Coast District Municipality	68 652	70 992	72 151
Total: West Coast Municipalities		195 808	211 911	222 306
B	WC022 Witzenberg	40 561	44 855	47 781
B	WC023 Drakenstein	62 476	69 437	74 007
B	WC024 Stellenbosch	36 977	41 252	43 992
B	WC025 Breede Valley	56 804	63 024	67 160
B	WC026 Langeberg	45 172	49 943	53 197
C	DC2 Cape Winelands District Municipality	200 739	207 135	210 408
Total: Cape Winelands Municipalities		442 730	475 646	496 545
B	WC031 Theewaterskloof	46 935	51 892	55 272
B	WC032 Overstrand	31 156	34 666	36 957
B	WC033 Cape Agulhas	14 805	16 402	17 477
B	WC034 Swellendam	16 648	18 425	19 629
C	DC3 Overberg District Municipality	41 692	43 229	44 363
Total: Overberg Municipalities		151 236	164 615	173 698
B	WC041 Kannaland	16 840	18 619	19 833
B	WC042 Hessequa	23 227	25 750	27 438
B	WC043 Mossel Bay	36 942	40 915	43 589
B	WC044 George	72 201	80 365	85 706
B	WC045 Oudtshoorn	37 618	41 577	44 281
B	WC047 Bitou	20 415	22 696	24 195
B	WC048 Knysna	26 687	29 726	31 695
C	DC4 Eden District Municipality	122 912	126 954	129 701
Total: Eden Municipalities		356 842	386 601	406 437
B	WC051 Laingsburg	8 239	9 097	9 690
B	WC052 Prince Albert	9 200	10 149	10 809
B	WC053 Beaufort West	28 956	32 081	34 194
C	DC5 Central Karoo District Municipality	11 535	12 304	12 906
Total: Central Karoo Municipalities		57 931	63 632	67 599
Total: Western Cape Municipalities		2 175 019	2 393 393	2 530 444
National Total		34 107 901	37 573 396	39 960 288

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	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
					R'000	R'000	R'000
Agriculture, Forestry and Fisheries (Vote 26)	Comprehensive Agricultural Support Programme Grant	To expand the provision of agricultural support services, promote and facilitate agricultural development by targeting smallholder and previously disadvantaged farmers	General conditional allocation to provinces	Eastern Cape	174 985	195 209	223 523
				Free State	102 932	114 829	131 484
				Gauteng	41 173	45 931	52 594
				KwaZulu-Natal	164 691	183 726	210 375
				Limpopo	154 398	172 243	197 226
				Mpumalanga	102 932	114 829	131 484
				Northern Cape	72 052	80 380	92 039
				North West	133 812	149 277	170 930
				Western Cape	82 346	91 863	105 188
				TOTAL	1 029 321	1 148 287	1 314 843
				Basic Education (Vote 15)	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education; and to enhance capacity to deliver infrastructure in education	General conditional allocation to provinces
Free State	418 776	458 483	483 699				
Gauteng	461 011	508 633	536 608				
KwaZulu-Natal	1 158 136	1 270 878	1 340 777				
Limpopo	874 897	865 485	913 086				
Mpumalanga	472 881	463 237	488 715				
Northern Cape	289 158	317 450	334 909				
North West	469 967	515 812	544 182				
Western Cape	385 039	424 558	447 909				
TOTAL	5 498 300	5 883 171	6 206 745				
Health (Vote 16)	(a) Health Infrastructure Grant	To supplement provincial funding of health infrastructure to accelerate the provision of health facilities and ensure proper maintenance of provincial health infrastructure	General conditional allocation to provinces				
				Free State	129 621	141 911	149 716
				Gauteng	142 694	157 434	166 093
				KwaZulu-Natal	358 471	393 367	415 002
				Limpopo	270 802	267 888	282 622
				Mpumalanga	146 368	143 383	151 269
				Northern Cape	89 501	98 258	103 662
				North West	145 466	159 656	168 437
				Western Cape	119 179	131 411	138 638
				TOTAL	1 701 856	1 820 981	1 921 134

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	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
					R'000	R'000	R'000
Health (Vote 16)	(b) Health Professions Training and Development Grant	Support provinces to fund service costs associated with training of health professionals; development and recruitment of medical specialists in under-served provinces; and support and strengthen undergraduate and postgraduate training processes in health facilities	Nationally assigned function to provinces	Eastern Cape	170 071	178 730	188 560
				Free State	124 444	130 930	138 131
				Gauteng	690 803	725 310	765 202
				KwaZulu-Natal	249 917	261 860	276 262
				Limpopo	99 730	103 913	109 628
				Mpumalanga	80 718	85 208	89 894
				Northern Cape	65 510	68 583	72 356
				North West	88 323	93 522	98 666
				Western Cape	407 794	428 120	451 667
		TOTAL	1 977 310	2 076 176	2 190 366		
	(c) National Tertiary Services Grant	To compensate tertiary facilities for the additional costs associated with spill over effects; and to ensure adequate provision of tertiary health services for all South African citizens	Nationally assigned function to provinces	Eastern Cape	609 327	660 693	698 110
				Free State	715 204	769 964	800 000
				Gauteng	2 759 968	2 933 361	3 100 895
				KwaZulu-Natal	1 201 831	1 303 824	1 408 053
				Limpopo	267 314	277 314	287 314
				Mpumalanga	91 879	105 970	120 270
				Northern Cape	235 948	245 948	255 948
North West				194 280	209 280	224 280	
Western Cape				1 973 127	2 182 468	2 494 337	
	TOTAL	8 048 878	8 688 822	9 389 207			
Higher Education and Training (Vote 17)	Further Education and Training Colleges Grant	To ensure the successful transfer of the further education and training colleges function to the national Department of Higher Education and Training	General conditional allocation to provinces	Eastern Cape	627 611	681 826	761 118
				Free State	291 772	314 461	346 682
				Gauteng	1 012 089	1 101 754	1 233 994
				KwaZulu-Natal	754 793	828 470	939 709
				Limpopo	490 395	531 141	590 206
				Mpumalanga	320 378	341 147	370 651
				Northern Cape	65 656	75 558	89 875
				North West	236 178	254 511	280 449
				Western Cape	527 117	576 220	649 704
	TOTAL	4 325 989	4 705 088	5 262 388			

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	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
Transport (Vote 37)	(a) Provincial Roads Maintenance Grant	To supplement provincial roads investments and support preventative maintenance on provincial road networks; and to ensure provinces implement and maintain road asset management systems	General conditional allocation to provinces	Eastern Cape	R'000 1 034 086	R'000 1 215 920	R'000 1 312 210
				Free State	447 165	525 794	567 433
				Gauteng	566 917	583 226	625 542
				KwaZulu-Natal	1 236 648	1 454 099	1 569 251
				Limpopo	934 208	1 098 478	1 185 468
				Mpumalanga	1 016 603	1 253 564	1 449 002
				Northern Cape	308 760	363 053	391 803
				North West	501 826	590 067	636 795
				Western Cape	411 141	483 437	521 720
				TOTAL	6 457 354	7 567 638	8 259 224
	(b) Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport	Nationally assigned function to provinces	Eastern Cape	166 953	180 461	196 061
				Free State	184 566	195 515	208 162
				Gauteng	1 577 612	1 635 695	1 702 781
				KwaZulu-Natal	773 473	815 611	864 281
				Limpopo	249 498	274 561	303 510
				Mpumalanga	420 099	436 626	455 715
				Northern Cape	37 565	42 715	48 662
				North West	77 211	89 230	103 111
				Western Cape	666 255	690 480	718 460
TOTAL	4 153 232	4 360 894	4 600 743				

SCHEDULE 4

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

Vote	Name of allocation	Purpose	City	Column A	Column B	
				2011/12 Allocation	Forward Estimates	
					2012/13	2013/14
Human Settlements (Vote 31)	Urban Settlements Development Grant	To improve the efficiency and coordination of investments in the built environment by providing large municipalities with appropriate resources and control over the selection and pursuit of investment programmes in the built environment	Buffalo City	R'000 423 446	R'000 497 908	R'000 547 338
			City of Cape Town	824 030	972 615	1 067 485
			City of Johannesburg	1 027 970	1 216 260	1 333 559
			City of Tshwane	891 081	1 053 856	1 155 692
			Ekurhuleni	1 094 276	1 297 640	1 421 452
			eThekweni	1 091 574	1 299 706	1 421 322
			Mangaung	411 995	483 427	531 884
			Nelson Mandela Bay	502 626	588 100	648 074
			TOTAL	6 266 998	7 409 512	8 126 806

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
					R'000	R'000	R'000
Agriculture, Forestry and Fisheries (Vote 26)	(a) Ilima/Letsema Projects Grant	To assist targeted vulnerable South African farming communities to increase agricultural production and improve farming skills	Conditional allocation	Eastern Cape	40 000	42 000	44 310
				Free State	52 000	54 600	57 603
				Gauteng	20 000	21 000	22 155
				KwaZulu-Natal	60 000	63 000	66 465
				Limpopo	40 000	42 000	44 310
				Mpumalanga	40 000	42 000	44 310
				Northern Cape	60 000	63 000	66 465
				North West	40 000	42 000	44 310
				Western Cape	48 000	50 400	53 172
				TOTAL	400 000	420 000	443 100
	(b) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To enhance the sustainable conservation of natural agriculture resources through a community-based participatory approach; create job opportunities through the Expanded Public Works programme; and to create an enabling environment for improved food security and poverty relief	Conditional allocation	Eastern Cape	9 244	16 823	15 866
				Free State	4 622	8 953	8 571
				Gauteng	4 044	6 246	6 163
				KwaZulu-Natal	9 244	20 304	18 746
				Limpopo	8 667	20 356	19 562
				Mpumalanga	5 198	10 958	10 249
				Northern Cape	6 355	12 724	12 055
				North West	6 932	11 557	10 552
				Western Cape	3 466	7 740	7 233
TOTAL				57 772	115 661	108 997	
Arts and Culture (Vote 14)	Community Library Services Grant	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives	Conditional allocation	Eastern Cape	80 974	79 273	75 633
				Free State	47 909	50 304	55 070
				Gauteng	54 716	57 452	60 611
				KwaZulu-Natal	45 401	48 619	56 297
				Limpopo	66 497	69 822	73 662
				Mpumalanga	66 497	69 822	73 662
				Northern Cape	69 900	73 395	77 430
				North West	62 832	65 973	69 601
				Western Cape	48 694	56 129	60 216
				TOTAL	543 420	570 789	602 182

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
					R'000	R'000	R'000
Basic Education (Vote 15)	(a) Dinaledi Schools Grant	To promote Mathematics and Physical Science teaching and learning; to improve learner performance in Mathematics and Physical Science in line with the Action Plan 2014; and to improve teachers content knowledge of Mathematics and Physical Science	Conditional allocation	Eastern Cape	8 400	12 000	12 660
				Free State	5 040	7 200	7 596
				Gauteng	14 140	20 200	21 311
				KwaZulu-Natal	12 320	17 600	18 568
				Limpopo	7 140	10 200	10 761
				Mpumalanga	6 440	9 200	9 706
				Northern Cape	2 380	3 400	3 587
				North West	7 420	10 600	11 183
				Western Cape	6 720	9 600	10 128
				TOTAL	70 000	100 000	105 500
	(b) HIV and Aids (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by increasing sexual and reproductive knowledge, skills and appropriate decision making among learners and educators; to mitigate the impact of HIV by providing a caring, supportive and enabling environment for learners and educators; and to ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse	Conditional allocation	Eastern Cape	34 346	35 322	37 265
				Free State	11 772	12 561	13 252
				Gauteng	28 175	29 217	30 824
				KwaZulu-Natal	45 114	46 876	49 445
				Limpopo	28 088	30 012	31 663
				Mpumalanga	16 388	17 486	18 448
				Northern Cape	4 357	4 649	4 905
				North West	14 700	15 685	16 555
				Western Cape	16 388	17 486	18 448
				TOTAL	199 328	209 294	220 805
	(c) National School Nutrition Programme Grant	To provide nutritious meals to targeted learners	Conditional allocation	Eastern Cape	845 166	909 644	959 674
				Free State	244 699	263 367	277 852
				Gauteng	509 798	548 690	578 868
				KwaZulu-Natal	1 070 013	1 151 644	1 214 985
				Limpopo	829 669	892 964	942 077
				Mpumalanga	440 923	474 560	500 661
				Northern Cape	105 116	113 136	119 359
				North West	305 935	329 301	347 412
				Western Cape	227 433	244 784	258 247
				TOTAL	4 578 752	4 928 090	5 199 135

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
					R'000	R'000	R'000
Basic Education (Vote 15)	(d) Technical Secondary Schools Recapitalisation Grant	To recapitalise technical schools to improve the capacity to contribute to skills development and training	Conditional allocation	Eastern Cape	37 584	39 464	41 635
				Free State	14 428	15 150	15 983
				Gauteng	30 596	32 127	33 894
				KwaZulu-Natal	38 563	40 490	42 717
				Limpopo	27 450	28 822	30 407
				Mpumalanga	18 078	18 983	20 027
				Northern Cape	7 667	8 052	8 495
				North West	17 015	17 867	18 850
				Western Cape	8 619	9 045	9 542
				TOTAL	200 000	210 000	221 550
Health (Vote 16)	(a) Comprehensive HIV and Aids Grant	To enable the health sector to develop an effective response to HIV and Aids including universal access to HIV counselling and testing; to support the implementation of the National Operational Plan for comprehensive HIV and Aids treatment and care; and to subsidise in-part funding for antiretroviral treatment programme	Conditional allocation	Eastern Cape	864 173	1 014 134	1 222 480
				Free State	530 440	621 824	750 788
				Gauteng	1 620 673	1 934 057	2 294 326
				KwaZulu-Natal	1 889 427	2 246 099	2 675 081
				Limpopo	624 909	733 963	884 146
				Mpumalanga	490 366	578 087	694 264
				Northern Cape	212 923	247 228	301 557
				North West	599 437	705 969	848 533
				Western Cape	660 614	743 249	935 489
				TOTAL	7 492 962	8 824 610	10 606 664
Health (Vote 16)	(b) Forensic Pathology Services Grant	To continue the development and provision of adequate forensic pathology services in all provinces	Conditional allocation	Eastern Cape	73 506	-	-
				Free State	39 451	-	-
				Gauteng	97 966	-	-
				KwaZulu-Natal	161 550	-	-
				Limpopo	42 308	-	-
				Mpumalanga	53 114	-	-
				Northern Cape	24 240	-	-
				North West	28 019	-	-
				Western Cape	70 226	-	-
				TOTAL	590 380	-	-

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B		
					2011/12 Allocation	Forward Estimates		
						2012/13	2013/14	
Health (Vote 16)	(c) Hospital Revitalisation Grant	To provide funding to enable provinces to plan, manage, modernise, rationalise and transform health infrastructure, health technology, monitoring and evaluation of the health facilities in line with national policy objectives	Conditional allocation	Eastern Cape	R'000	R'000	R'000	
				Free State	382 048	402 678	387 104	
				Gauteng	417 883	438 140	412 172	
				KwaZulu-Natal	801 965	828 552	760 206	
				Limpopo	547 698	566 605	533 432	
				Mpumalanga	371 672	392 410	369 152	
				Northern Cape	356 557	378 014	355 081	
				North West	406 892	427 263	401 940	
				Western Cape	370 074	401 150	377 375	
					481 501	501 096	471 397	
					TOTAL	4 136 290	4 335 908	4 067 859
Human Settlements (Vote 31)	Human Settlements Development Grant	To provide funding for the creation of sustainable human settlements	Conditional allocation	Eastern Cape	2 177 676	2 274 820	2 403 688	
				Free State	913 907	954 326	1 006 814	
				Gauteng	3 804 611	3 970 951	4 186 987	
				KwaZulu-Natal	2 769 871	2 891 813	3 050 176	
				Limpopo	1 398 914	1 459 839	1 539 788	
				Mpumalanga	916 677	957 218	1 009 865	
				Northern Cape	322 639	336 906	355 437	
				North West	998 376	1 042 529	1 099 868	
				Western Cape	1 638 845	1 711 035	1 804 785	
					TOTAL	14 941 516	15 599 437	16 457 408
				Public Works (Vote 7)	(a) Devolution of Property Rate Funds Grant	To facilitate the transfer of property rates expenditure responsibility to provinces	Conditional allocation	Eastern Cape
Free State	219 916	233 737	249 390					
Gauteng	270 775	284 314	299 951					
KwaZulu-Natal	518 585	556 669	599 319					
Limpopo	34 054	35 757	37 725					
Mpumalanga	73 964	77 647	84 601					
Northern Cape	41 754	44 355	47 303					
North West	160 192	179 984	206 241					
Western Cape	291 281	322 730	351 963					
	TOTAL	1 803 230	1 938 047					2 090 853

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
					R'000	R'000	R'000
Public Works (Vote 7)	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments identified in the 2011 Social Sector EPWP Log-frame to increase job creation by focusing on the strengthening and expansion of social service programmes that have employment potential	Conditional allocation	Eastern Cape	5 070	7 120	9 139
				Free State	15 586	18 703	22 444
				Gauteng	34 848	41 818	50 181
				KwaZulu-Natal	30 269	32 485	34 354
				Limpopo	28 332	33 998	40 798
				Mpumalanga	13 407	16 088	19 306
				Northern Cape	13 890	16 669	20 002
				North West	42 222	54 229	65 901
				Western Cape	16 734	20 394	23 903
				TOTAL	200 358	241 504	286 028
Sport and Recreation South Africa (Vote 20)	Mass Sport and Recreation Participation Programme Grant	To facilitate mass participation within communities and schools through selected activities, empowerment of communities and schools in conjunction with relevant stakeholders	Conditional allocation	Eastern Cape	63 570	66 749	70 420
				Free State	33 078	34 732	36 642
				Gauteng	71 148	74 705	78 814
				KwaZulu-Natal	87 694	92 078	97 142
				Limpopo	53 636	56 318	59 415
				Mpumalanga	38 382	40 301	42 518
				Northern Cape	26 372	27 691	29 214
				North West	35 124	36 880	38 909
				Western Cape	42 964	45 112	47 593
				TOTAL	451 968	474 566	500 667
Transport (Vote 37)	Gautrain Rapid Rail Link	To provide for national government funding contribution to the Gauteng Provincial Government for the construction of a fully integrated Gautrain Rapid Rail network	Conditional allocation	Eastern Cape	-	-	-
				Free State	-	-	-
				Gauteng	5 300	-	-
				KwaZulu-Natal	-	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	-	-	-
				TOTAL	5 300	-	-

SCHEDULE 6

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2011/12 Allocation	Forward Estimates	
				2012/13	2013/14
			R'000	R'000	R'000
RECURRENT GRANTS					
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Systems Improvement Grant	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislation, policies and local government turnaround strategy	219 420	230 096	242 734
National Treasury (Vote 10)	Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA) As part of strengthening financial and asset management in municipalities, the grant provides funding for water and energy internship programme to graduates in selected water boards and municipalities	434 641	479 333	526 086
Water Affairs (Vote 38)	Water Services Operating Subsidy Grant	To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government	560 794	399 000	420 945
TOTAL			1 214 855	1 108 429	1 189 765
INFRASTRUCTURE GRANTS					
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Infrastructure Grant	To provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities	11 443 505	13 914 132	14 679 408
Energy (Vote 29)	(a) Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply	1 096 612	1 151 443	1 214 772
	(b) Electricity Demand Side Management (Municipal) Grant	To implement the Electricity Demand Side Management (EDSM) programme by providing subsidies to licenced distributors to address EDSM in residential dwellings, communities and municipal infrastructure in order to mitigate the risk of load shedding and supply interruptions	280 000	-	-
National Treasury (Vote 10)	Neighbourhood Development Partnership Grant	To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally)	750 000	800 000	800 000
Transport (Vote 37)	(a) Public Transport Infrastructure and Systems Grant	To provide for accelerated planning, construction and improvement of public and non-motorised transport networks	4 803 347	4 999 781	5 563 604
	(b) Rural Transport Services and Infrastructure Grant	To assist rural district municipalities to set up rural road asset management systems, and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa	35 439	37 382	39 250
Water Affairs (Vote 38)	Municipal Drought Relief Grant	To provide capital finance for construction of appropriate water infrastructure to alleviate further impacts of drought in Nelson Mandela Bay metropolitan municipality for affected households, micro enterprises and social institutions	450 000	-	-
TOTAL			18 858 903	20 902 738	22 297 035

SCHEDULE 7

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Province	Column A	Column B	
				2011/12 Allocation	Forward Estimates	
					2012/13	2013/14
Basic Education (Vote 15)	School Infrastructure Backlogs Grant	Eradication of inappropriate school infrastructure; and provision of water, sanitation and electricity to schools	Eastern Cape	R'000 -	R'000 -	R'000 -
			Free State	-	-	-
			Gauteng	-	-	-
			KwaZulu-Natal	-	-	-
			Limpopo	-	-	-
			Mpumalanga	-	-	-
			Northern Cape	-	-	-
			North West	-	-	-
			Western Cape	-	-	-
			Unallocated	700 000	2 315 000	5 189 000
			TOTAL	700 000	2 315 000	5 189 000

SCHEDULE 7

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2011/12 Allocation	Forward Estimates	
				2012/13	2013/14
			R'000	R'000	R'000
National Treasury (Vote 10)	Neighbourhood Development Partnership Grant	To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally)	100 000	80 000	55 000
Energy (Vote 29)	(a) Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply	1 737 812	1 882 057	1 985 570
	(b) Electricity Demand Side Management (Eskom) Grant	To implement the Electricity Demand Side Management (EDSM) programme by providing subsidies to Eskom to address EDSM in residential dwellings and communities in order to mitigate the risk of load shedding and supply interruptions	118 800	-	-
Water Affairs (Vote 38)	(a) Water Services Operating Subsidy Grant	To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government	99 935	-	-
	(b) Regional Bulk Infrastructure Grant	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries. In the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works	1 704 140	2 003 217	2 176 274
Human Settlements (Vote 31)	Rural Households Infrastructure Grant	To provide specific capital funding for the eradication of rural water and sanitation backlogs and is targeted at existing households where bulk-dependent services are not viable. The grant also funds training for beneficiaries on health and hygiene practices and how to maintain the facilities provided	231 500	479 500	517 250
TOTAL			3 992 187	4 444 774	4 734 094

SCHEDULE 8

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
					R'000	R'000	R'000
Public Works (Vote 7)	Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial departments to increase job creation efforts in infrastructure, environment and culture programmes through the use of labour-intensive methods and the expansion of job creation in line with the Expanded Public Works Programme (EPWP) guidelines	Incentive allocation to provinces	Eastern Cape	30 431	-	-
				Free State	10 606	-	-
				Gauteng	44 210	-	-
				KwaZulu-Natal	129 836	-	-
				Limpopo	9 545	-	-
				Mpumalanga	9 486	-	-
				Northern Cape	4 810	-	-
				North West	5 758	-	-
				Western Cape	22 587	-	-
				Unallocated	-	325 220	401 588
				TOTAL	267 269	325 220	401 588

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

Vote	Name of allocation	Purpose	Column A	Column B	
			2011/12 Allocation	Forward Estimates	
				2012/13	2013/14
			R'000	R'000	R'000
Public Works (Vote 7)	Expanded Public Works Programme Incentive Grant for Municipalities	To incentivise municipalities to increase job creation efforts in infrastructure, environment and culture programmes through the use of labour-intensive methods and the expansion of job creation in line with the Expanded Public Works Programme (EPWP) guidelines	679 583	665 678	779 496
TOTAL			679 583	665 678	779 496

SCHEDULE 9

UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Province	Column A	Column B	
				2011/12 Allocation	Forward Estimates	
					2012/13	2013/14
R'000	R'000	R'000				
Cooperative Governance and Traditional Affairs (Vote 3)	Provincial Disaster Grant	To provide for the immediate release of funds for disaster response	Eastern Cape	-	-	-
			Free State	-	-	-
			Gauteng	-	-	-
			KwaZulu-Natal	-	-	-
			Limpopo	-	-	-
			Mpumalanga	-	-	-
			Northern Cape	-	-	-
			North West	-	-	-
			Western Cape	-	-	-
			Unallocated	305 000	180 000	190 000
TOTAL	305 000	180 000	190 000			

UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A	Column B	
			2011/12 Allocation	Forward Estimates	
				2012/13	2013/14
R'000	R'000	R'000			
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Disaster Grant	To provide for the immediate release of funds for disaster response	470 000	330 000	350 000
TOTAL			470 000	330 000	350 000