
REPUBLIC OF SOUTH AFRICA

**DIVISION OF REVENUE
ACT**

IRIPHABLIKI YOMZANTSI AFRIKA

**UMTHETHO WOLWABIWO
MALI-NGENISO**

No 7, 2003

ACT

To provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for the 2003/2004 financial year and the reporting requirements for allocations pursuant to such division; to permit the withholding and the delaying of payments in certain circumstances; to provide for liability for costs incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; to regulate the adoption of local government budgets; and to provide for matters connected therewith.

PREAMBLE

WHEREAS section 214(1) of the Constitution 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:—

Definitions

1. In this Act, unless the context indicates otherwise, a word to which a meaning has been assigned in the Public Finance Management Act, 1999 bears the same meaning, and—

- (i) **“accredited bank account”** means—
 - (a) in respect of a province, the primary bank account of the provincial Revenue Fund, which the head official of the provincial treasury has certified to the National Treasury as the bank account into which allocations in terms of this Act must be deposited; and
 - (b) in respect of a municipality, the primary bank account of a municipality, which the municipal manager has certified to the national accounting officer responsible for local government as the bank account into which allocations in terms of this Act must be deposited;
- (ii) **“Director-General”** means the Director-General of the National Treasury;
- (iii) **“head official of the provincial treasury”** means the head of the provincial department responsible for financial matters in the province;
- (iv) **“Intergovernmental Fiscal Relations Act”** means the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997);
- (v) **“municipality”** means a municipality established in terms of the Municipal Structures Act;
- (vi) **“municipal accounting officer”** means the municipal manager of a municipality;
- (vii) **“Municipal Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

- (viii) **“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- (ix) **“next financial year”** means the financial year commencing on 1 April 2004 and ending on 31 March 2005;
- (x) **“payment schedule”** means an instalment schedule which sets out— 5
 (a) the amount of each instalment of an equitable share or any other allocation to be transferred to a province or municipality for the financial year;
 (b) the date on which each such instalment must be paid; and
 (c) to whom, and to which accredited bank account, each such instalment 10 must be paid;
- (xi) **“prescribe”** means prescribe by regulation in terms of section 33 ;
- (xii) **“Public Finance Management Act”** means the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (xiii) **“receiving officer”** means— 15
 (a) in respect of a Schedule 4 allocation transferred to a province, the head official of a provincial treasury;
 (b) in respect of a Schedule 5 allocation transferred to a province, the accounting officer of a provincial department which receives such allocation; or 20
 (c) in respect of a Schedule 6 and 6A allocation transferred to a municipality, the municipal accounting officer of that municipality;
- (xiv) **“transferring national officer”** means the accounting officer responsible for a national department which transfers to a province or municipality a Schedule 5, 6 or 6A allocation, but excludes the accounting officer of the 25 National Treasury in respect of an allocation listed in those Schedules and which is on the vote of the National Treasury; and
- (xv) **“transferring provincial officer”** means the accounting officer responsible for a provincial department which receives a Schedule 4, 6 or 6A allocation for the purpose of transferring it to a municipality in the relevant province. 30

PART I

OBJECTS OF ACT

Promoting co-operative governance in intergovernmental budgeting

2. The objects of this Act are to—
- (a) provide for the equitable division of revenue raised nationally among the three 35 spheres of government;
- (b) promote co-operative governance and principles of intergovernmental relations on budgetary matters;
- (c) promote better co-ordination between policy, planning, budget preparation and execution processes; 40
- (d) promote predictability and certainty in respect of all allocations to provincial and local governments in order that such governments may plan their budgets over a multi-year period;
- (e) promote transparency and equity in all allocations, including in respect of the criteria for their division; 45
- (f) promote accountability for the use of public resources by ensuring that all transfers are reflected on the budgets of benefiting provincial and local governments; and
- (g) ensure that legal proceedings between organs of state of the three spheres of government are avoided. 50

PART II

EQUITABLE SHARE ALLOCATIONS

Equitable division of revenue anticipated to be raised nationally among spheres of government

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

(2) An envisaged division of revenue anticipated to be raised for the next financial year and the 2005/2006 financial year, and which is subject to the provisions of the annual Division of Revenue Act in respect of those financial years, is set out in Column B of Schedule 1. 10

(3) Despite subsection (2), the Minister may, in respect of the next financial year and until the commencement of the annual Division of Revenue Act for that financial year, determine that an amount not exceeding 45 per cent of the envisaged division for the next financial year, be transferred as a direct charge against the National Revenue Fund to each province and to a municipality contemplated in section 5(1). 15

Equitable division of provincial share among provinces

4. (1) Each province's equitable share of the provincial share of revenue anticipated to be raised nationally in respect of the financial year is set out in Column A of Schedule 2. 20

(2) An envisaged division for each province of revenue anticipated to be raised nationally in respect of the next financial year and the 2005/2006 financial year, and which is subject to the provisions of the annual Division of Revenue Act for those financial years, is set out in Column B of Schedule 2.

(3) Each province's equitable share contemplated in subsection (1) must be transferred to the province in instalments in accordance with a payment schedule determined by the National Treasury, after consultation with the head officials of the provincial treasuries. 25

(4) Despite subsection (3), the National Treasury may, on such conditions as it may determine, advance funds to a province in respect of its equitable share contemplated in subsection (1), which have not yet fallen due for transfer in accordance with a payment schedule referred to in subsection (3) in respect of that province. 30

(5) The advances contemplated in subsection (4) must be set-off against transfers to the province which would otherwise become due in terms of that payment schedule.

Equitable share for local government 35

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

(2) An envisaged division for each municipality of revenue anticipated to be raised nationally in respect of the next financial and the 2005/2006 financial year, and which is subject to the provisions of the annual Division of Revenue Act for those financial years, is set out in Column B of Schedule 3. 40

(3) Each municipality's equitable share contemplated in subsection (1) must be transferred to the municipality in quarterly instalments in accordance with a payment schedule within the first three weeks of May, August, November and February. 45

(4) Despite subsection (3), the national accounting officer responsible for local government may, in consultation with the National Treasury, and on such conditions as he or she may determine, advance funds to a municipality in respect of its equitable share contemplated in subsection (1), which have not fallen due for transfer in accordance with a payment schedule referred to in subsection (3) in respect of that municipality. 50

(5) The advances contemplated in subsection (4) must be set-off against transfers to the municipality which would otherwise become due in terms of that payment schedule.

(6) Despite subsection (3), the National Treasury may, after consultation with the national accounting officer responsible for local government, delay or withhold the 55

transfer of an instalment on the grounds of a municipality's serious or persistent material breach of uniform treasury norms and standards.

(7) Such uniform treasury norms and standards include a requirement that a municipality must—

- (i) submit to the Auditor-General, not later than 30 September 2003, financial statements in respect of the 2002/2003 financial year, and submit to the Auditor-General, not later than 30 April 2003, outstanding financial statements in respect of the financial years preceding the 2002/2003 financial year; 5
- (ii) submit to the National Treasury, the relevant provincial treasury and the provincial department responsible for local government, not later than 30 June 2003, its budget for the financial year and such other budgetary information required by the National Treasury, including, but not limited to, information on the nature and extent of basic services, including free basic services, to be provided by that municipality; 10
- (iii) submit to the National Treasury, the national accounting officer responsible for local government and the provincial department responsible for local government, not later than 10 days after the end of each quarter, information on the implementation of the budget, including, but not limited to, information on actual revenue collected, actual total spending on water, electricity, refuse removal, municipal infrastructure and free basic services; and 15
- (iv) co-operate on financial and fiscal matters with other municipalities within the district in which it is located in order to ensure effective and efficient spending for purposes of sustainable delivery of municipal services in that municipal district. 20

Shortfalls and excess revenue 25

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

(2) If actual revenue raised nationally in respect of the financial year is in excess of the anticipated revenue set out in Schedule 1, the excess accrues to the national government and forms part of its equitable share. 30

(3) Despite subsection (2), the national government may, by means of an adjustments budget or any other appropriation legislation, and additional to the equitable share allocation and the allocations contemplated in Part III, make further allocations to the provincial and local spheres of government from its equitable share of nationally raised revenue. 35

PART III

OTHER ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Other allocations to provinces and municipalities from national government

7. (1) Other allocations to provinces from the national government's share of revenue anticipated to be raised nationally are set out in Column A of the following Schedules: 40

- (a) Schedule 4 contains allocations to provinces for general and nationally assigned functions;
- (b) Schedule 5 contains specific-purpose allocations to provinces;
- (c) Schedule 7 contains indirect and special allocations to provinces. 45

(2) An envisaged division of anticipated allocations to provinces for the next financial year and the 2005/2006 financial year, and which is subject to the annual Division of

Revenue Act for those years is set out in Column B of the Schedules referred to in subsection (1).

(3) Despite subsection (2), the Minister may, in respect of the next financial year and until the commencement of the relevant Division of Revenue Act, determine that an amount not exceeding 45 per cent of the envisaged division of the allocation for the next financial year be transferred to a province as a direct charge against the National Revenue Fund. 5

(4) Other allocations to local government from the national government's share of revenue anticipated to be raised nationally are set out in Column A of the following Schedules: 10

(a) Schedule 6 and 6A: contain specific-purpose allocations to local government; and

(b) Schedule 7A: contains allocations-in-kind to municipalities for designated special programmes.

(5) An envisaged division of anticipated allocations to local government for the next financial year and the 2005/2006 financial year, and which is subject to the annual Division of Revenue Act for those years is set out in Column B of the Schedules referred to in subsection (4). 15

(6) The Minister must, not later than 30 April 2003, publish in the *Gazette*, the share of a municipality in respect of the local government allocations referred to in subsections (4) and (5), unless such share was published on the date on which the annual budget is tabled in the National Assembly. 20

(7) Despite subsection (5), the Minister may, in respect of the next financial year and until the commencement of the relevant Division of Revenue Act, determine that an amount not exceeding 45 per cent of the envisaged division of the allocation for the next financial year be transferred to a municipality as a direct charge against the National Revenue Fund. 25

Transfers to entities

8. (1) An organ of state in the national or provincial sphere of government may only provide funds for a municipal service to the relevant municipality directly. 30

(2) A public entity that provides a municipal service on behalf of a municipality, must, not later than 30 June 2003 or such other date determined by the National Treasury, certify to the National Treasury that it complies as an external mechanism as contemplated in Chapter 8 of the Municipal Systems Act.

(3) A public entity that provides a municipal service on behalf of a municipality must report, on a monthly basis, to that municipality and such organ of state responsible for the transfer of such funds, the amount spent on such transferred funds. 35

Transfers not listed in Schedules

9. An allocation not listed in the Schedules referred to in section 7 may only be made in terms of section 6 (3) and must comply with such monitoring and reporting requirements as may be determined by the National Treasury. 40

Provincial infrastructure allocation

10. A provincial treasury must, in respect of an allocation for provincial infrastructure listed in Schedule 4, submit to the National Treasury, not later than 30 April 2003, and in the format determined by the National Treasury, a plan on proposed spending for the financial year, the next financial year and the 2005/2006 financial year. 45

Municipal infrastructure allocations

11. (1) Allocations for addressing backlogs in basic municipal infrastructure development and the carrying out of municipal services are set out in Schedule 6A.

- (2) Any allocation contemplated in subsection (1) which is intended, entirely or in part, for the construction, maintenance or rehabilitation of municipal infrastructure, must—
- (a) only be transferred in terms of a policy framework approved by the Minister;
 - (b) be accompanied by an indication of the recommended amounts of a similar allocation for the next financial year and the 2005/2006 financial year, unless the National Treasury grants exemption from compliance with this requirement; and
 - (c) be in accordance with a distribution formula approved by the National Treasury.

Transfer of assets to municipalities

- 12.** (1) A transferring national officer or a transferring provincial officer may not make any commitment to a municipality, of assets or any other financial resource, including an allocation-in-kind or the future transfer of an asset, intended, entirely or in part, for the construction, installation, maintenance or rehabilitation of municipal infrastructure without—
- (a) that municipality's confirmation that it will take transfer of such asset for operating purposes;
 - (b) a realistic estimate of the future value of the asset and potential liability, including a reflection on the budget of the benefiting municipality of the associated operating costs; and
 - (c) the approval of the municipal council and the national accounting officer responsible for local government.
- (2) The transferring national officer or the transferring provincial officer, as the case may be, must, on such periods as may be determined by the National Treasury, report to the National Treasury on the actual transfers effected in respect of the allocations contemplated in subsection (1).

Municipal capacity building allocations

- 13.** (1) Any transfer of an allocation, other than an allocation on the vote of the National Treasury, aimed at developing and improving municipal systems and the capacity of municipalities to perform functions assigned to them, may only be made in terms of a framework determined by the national accounting officer responsible for local government, in consultation with the Director-General.
- (2) The framework contemplated in subsection (1) must take into account intergrated planning, performance management, financial management, budgeting and spatial planning considerations, and the need to ensure that the capacity of a municipality is in fact developed.
- (3) The transferring national or provincial officer responsible for a municipal capacity building allocation must, in the annual report of the department, indicate the extent to which the capacity of any municipality was improved by that allocation and the extent to which such allocation was spent on any other body providing assistance to a municipality.

PART IV

DUTIES OF ACCOUNTING OFFICERS AND TREASURIES

Duties of transferring national officer

- 14.** (1) A transferring national officer must, not later than 14 days after this Act takes effect, certify to the National Treasury that—
- (a) allocation frameworks, conditions and monitoring provisions are reasonable and do not impose an undue administrative burden on benefiting provincial and local governments;

- (b) funds will only be transferred after information required in terms of this Act has been provided;
- (c) funds will only be deposited into an accredited bank account of a province or municipality; and
- (d) all other arrangements or requirements necessary for the transfer of an allocation have been complied with. 5

(2) A transferring national officer who has not complied with subsection (1) must, unless the National Treasury has directed otherwise, transfer such funds in terms of a mechanism determined by the National Treasury.

(3) 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 and the relevant executive authority, 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; 15
- (b) the amount of funds delayed or withheld from any province or municipality and the reasons for such delay or withholding;
- (c) the actual expenditure incurred by the province or municipality; and
- (d) such other issues as the National Treasury may determine. 20

Duties of transferring provincial officer

15. A transferring provincial officer must, as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, and in respect of any allocation to be transferred to municipalities, within 15 days after the end of each month and in the format determined by the National Treasury, submit to the national transferring officer, the relevant treasury and executive authority responsible for that department, information on— 25

- (a) the amount of funds transferred to a municipality in the month reported on and for the financial year up to the end of that month;
- (b) the amount of funds delayed or withheld from any municipality in the month reported on; 30
- (c) actual expenditure incurred in respect of that allocation; and
- (d) such other issues as the National Treasury may determine.

Duties of receiving officer

16. (1) The relevant receiving officer must, in respect of an allocation to be transferred to— 35

- (a) a province, and as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, within 15 days after the end of each month, submit a report to the relevant provincial treasury, the relevant provincial executive authority and the transferring national officer; and 40
- (b) a municipality, within 10 days after the end of each month, submit a report to the relevant transferring national or provincial officer.

(2) The reports contemplated in subsection (1) must set out for that month and for the financial year up to the end of that month—

- (a) the amount received by the province or municipality, as the case may be; 45
- (b) the amount of funds delayed or withheld from the province or municipality, as the case may be;
- (c) the actual expenditure by the province or municipality, as the case may be, in respect of allocations set out in the Schedules referred to in section 7 or 9;
- (d) the extent of compliance with the conditions of an allocation and with this Act; 50

- (e) an explanation for any material problems experienced or variations effected by the province or municipality, as the case may be, regarding an allocation which has been received and a summary of the steps taken to deal with such problems or the effect of such variations; and
- (f) such other issues and information as the National Treasury may determine. 5

(3) The receiving officer of a municipality which intends to transfer to another municipality an allocation, or portion of it, transferred to it in terms of this Act must, effect such transfer in terms of a prescribed framework or with the approval of the National Treasury.

(4) The Minister may prescribe additional duties for the receiving officer contemplated in subsection (3). 10

Duties of provincial accounting officers and treasuries

17. (1) The accounting officer of a provincial department providing any allocation to local government from its vote must, not later than 14 days before the tabling of the annual budget of the province, submit to the provincial treasury information, in such format as may be determined by the provincial treasury after consultation with the National Treasury, on such allocations in order that the provincial treasury may publish, with its annual budget or in the provincial *Gazette*, not later than 30 April 2003, the share for a municipality in respect of that allocation. 15

(2) The MEC responsible for financial matters in the province must, in the publication contemplated in subsection (1), also indicate the envisaged division of the allocation contemplated in that subsection in respect of a municipality, for the next financial year and the 2005/2006 financial years. 20

(3) A provincial treasury must, within 22 days after the end of each month, and in the format determined by the National Treasury, and as part of its consolidated monthly report, report on— 25

- (a) actual transfers received by the province from national departments;
- (b) actual expenditure on such allocations, excluding the allocations set out in Schedule 4, up to the end of that month;
- (c) actual transfers made by the province to municipalities, and projections on actual expenditure by municipalities on such allocations; and 30
- (d) any problems of compliance with this Act, by transferring provincial officers and receiving officers, and the steps taken to deal with such problems.

(4) The report contemplated in subsection (3) must, in respect of the provincial infrastructure allocation, include reports for each quarter and be in such format as may be determined by the National Treasury. 35

(5) Despite anything to the contrary contained in any law, a provincial treasury may, with the permission of the National Treasury and subject to such conditions as may be determined by the National Treasury, make allocations to municipalities that were not published in terms of subsection (1). 40

(6) The allocations contemplated in subsection (5) must be published in the provincial *Gazette*.

Annual financial statements

18. (1) The financial statements contemplated in section 40 of the Public Finance Management Act must, for a department transferring any funds in respect of an allocation set out in Schedules 4, 5, 6, 6A, 7 and 7A, also— 45

- (a) indicate the total amount of that allocation transferred to a province or municipality;
- (b) indicate the funds, if any, that were withheld and the reasons for such withholding in respect of each province or municipality; 50
- (c) certify that all transfers to a province or municipality were deposited into the accredited bank account of a province or municipality;
- (d) certify that, except in respect of allocations contemplated in Schedule 7 or 7A or made in terms of section 9, no other funds were spent, directly or through

- a public or private entity, on a function normally performed by a province or municipality;
- (e) indicate to what extent a province or municipality was monitored for compliance with the conditions of an allocation and the provisions of this Act;
 - (f) indicate to what extent the allocation achieved its purpose and outputs; 5
 - (g) indicate the funds, if any, utilised for the administration of the allocation, and whether any portion of the allocation was retained by the transferring department for that purpose; and
 - (h) indicate any non-compliance with this Act, and the steps taken to deal with such non-compliance. 10
- (2) The financial statements contemplated in section 40 of the Public Finance Management Act, or in any other law, must, for a department or municipality receiving grants in respect of an allocation set out in Schedules 3, 4, 5, 6 and 6A, also—
- (a) indicate the total amount of all allocations received;
 - (b) indicate the total amount of actual expenditure on all allocations except Schedule 3 allocations; 15
 - (c) certify that all transfers in terms of this Act to a province or municipality were deposited into the accredited bank account of such province or municipality;
 - (d) indicate to what extent a province or municipality met the conditions of such an allocation, and complied with the provisions of this Act; 20
 - (e) indicate the extent to which the objectives of the allocation were achieved; and
 - (f) contain such other information as the National Treasury may determine.

PART V

DUTIES OF DIRECTOR-GENERAL AND AUDITOR-GENERAL 25

Duties of Director-General

19. The Director-General must, together with the 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 set out in section 7 or made in terms of section 9.

Duties of Auditor-General 30

- 20.** (1) Without derogating from the powers and duties of the Auditor-General in terms of the Constitution and any other law, the Auditor-General may, in the audit of financial statements on the allocations set out in Part III or in a special report to be submitted to Parliament, report on—
- (a) the extent of compliance with this Act by the Director-General, transferring national officers, transferring provincial officers and receiving officers; 35
 - (b) whether there was compliance with the certification and reporting requirements of this Act;
 - (c) the evaluation of evidence supporting the amounts and disclosures in monthly and annual reports contemplated in this Act; 40
 - (d) whether a transferring national officer or transferring provincial officer made unauthorised transfers to any province or municipality or to any public or other entity;
 - (e) whether the monitoring of the receiving government's compliance with allocation conditions was undertaken in terms of the provisions of this Act; 45
 - (f) whether each allocation to a province or municipality was made in accordance with this Act; and
 - (g) such other intergovernmental financial management matters as may be prescribed.
- (2) The internal audit unit of a department and such department's audit committee must establish procedures, systems and mechanisms to facilitate the external audit contemplated in subsection (1). 50

PART VI

GENERAL

Delaying of payments

21. (1) Subject to subsection (2), the transferring national officer may, after consultation with the National Treasury and the relevant provincial treasury if the National Treasury so determines, for a period not exceeding 30 days, delay the payment of an allocation in terms of Part III or any portion of such allocation, if— 5

- (a) the municipality or province does not comply with the conditions to which the allocation is subject;
- (b) the municipality is in breach of the measures contemplated in section 5(6); or 10
- (c) expenditure on previous transfers reflects significant underspending for which no satisfactory explanation is given.

(2) The National Treasury may, after consultation with the relevant provincial treasury, allow the transfer to be delayed for a period exceeding 30 days if such delay will ensure compliance with the conditions to which an allocation is subject or will ensure significant spending on that allocation. 15

(3) The transferring national officer must, in the monthly reports contemplated in this Act, inform the National Treasury of the steps taken to deal with the causes of the payment delay.

Withholding of payments 20

22. (1) The National Treasury may, subject to section 216 of the Constitution, withhold the transfer of—

- (a) an allocation set out in Schedules 4, 5, 6 and 6A, or any portion of such allocation, if the municipality or province is in serious or persistent material breach of the conditions to which the allocation is subject; or 25
- (b) an allocation in terms of section 5, if the municipality is in serious or persistent material breach of the measures contemplated in section 5(6); or
- (c) an allocation in terms of section 9;

if the transferring national officer has submitted to the province or municipality, as the case may be, a written report, at least 21 days before such allocation is due to be transferred, setting out facts reflecting a serious or persistent material breach of the conditions to which the allocation is subject or the measures contemplated in section 5(6) upon receipt of audit reports which indicate serious or persistent material breach of this Act. 30

(2) The Minister may, by notice in the *Gazette*, approve that an allocation, or any portion of such allocation, withheld from a municipality in terms of subsection (1), be utilised to meet that municipality's outstanding statutory financial commitments. 35

(3) The money contemplated in subsection (2) shall, despite anything to the contrary contained in any law, be a direct charge against the National Revenue Fund.

Reallocation of allocations between municipalities 40

23. (1) The transferring national or provincial officer may, with the written consent of the National Treasury and after consultation with the affected municipalities, reallocate an allocation, or a portion thereof, from one municipality to another municipality in that district, if the reallocation will reduce the risk of underspending or where a category B and C municipality fail to agree on the use of any funds transferred to them in terms of section 7. 45

(2) The National Treasury must publish such reallocation in the *Gazette*.

Spending in terms of purpose and subject to conditions

24. (1) Despite anything to the contrary contained in any law, an allocation set out in Schedule 4, 5, 6, 6A, 7 or 7A may only be utilised for the purpose stipulated in the Schedule concerned and in accordance with the conditions it is subject to, which conditions must, not later than 30 April 2003, be published by the Minister in the *Gazette*, unless such conditions were published on the date on which the annual budget is tabled in the National Assembly. 5

(2) The utilisation of an allocation set out in the Schedules for purposes other than those set out in the Schedules concerned, constitutes a breach of the measures established in terms of section 216(1) of the Constitution. 10

(3) Despite subsections (1) and (2), the National Treasury may authorise a province or municipality to retain and utilise such portion of the funds of an allocation set out in the Schedules listed in section 7, which remains after the fulfillment of that allocation's purpose and compliance with the conditions to which it is subject.

Transfers made in error 15

25. (1) Despite anything to the contrary contained in any law, the transfer of an allocation to a province, in error, is regarded as not legally due to the province for the purpose of its Revenue Fund.

(2) A transfer contemplated in subsection (1) must be recovered without delay by the responsible transferring national officer. 20

(3) The Director-General may direct that the recovery contemplated in subsection (1) be effected by set-off against future transfers to the province, which would otherwise become due in accordance with a payment schedule.

(4) Despite anything to the contrary contained in any law, the transfer of an allocation to a municipality, in error, is regarded as not legally due to that municipality and must be recovered without delay by the responsible transferring national officer. 25

(5) The national accounting officer responsible for local government may direct that the recovery contemplated in subsection (4) be effected by set-off against transfers to the municipality concerned, which would otherwise become due in accordance with any payment schedule. 30

Transfers to municipalities with weak administrative capacity

26. (1) If the national accounting officer responsible for local government reasonably believes that a category B or C municipality is not able to effectively administer an allocation, or portion thereof, that officer may transfer such allocation, or portion thereof, to the province in which the municipality is located or, when appropriate, to another municipality, after consultation with the municipalities and province concerned. 35

(2) Any allocation, or portion thereof, contemplated in subsection (1) must be dealt with by the province or other municipality to which it has been transferred in accordance with any directions by the national accounting officer responsible for local government.

(3) The national accounting officer responsible for local government must publish in the *Gazette* information on the transfer of an allocation contemplated in subsection (1). 40

Funds to follow transfer of functions or obligations

27. (1) Despite anything to the contrary contained in any law, the transfer of functions or obligations from an organ of state in one sphere of government to an organ of state in another sphere of government or from one municipality to another municipality must take place only with the prior written approval of the National Treasury and the national accounting officer responsible for provincial and local government. 45

(2) The transfer of functions or obligations contemplated in subsection (1) must, unless the Minister directs otherwise, include the transfer of funds available to the

transferring organ of state or sphere of government for the purposes of performing such transferred function or obligation.

(3) No financial function or obligation of a national or provincial department may be imposed on a municipality without—

- (a) that municipality's prior written acceptance by resolution of its council; and 5
- (b) the prior written approval of the National Treasury.

(4) A province must utilise its own funds for any function or obligation which is in conflict with subsection (1).

(5) Any liability arising from a determination of functions between a category B and C municipality by a province in terms of section 84 or 85 of the Municipal Structures Act, is a liability of that province and not of the national government. 10

Amendment of payment schedule and transfer mechanism

28. (1) Subject to subsection (2), a transferring national officer may, in respect of an allocation set out in Schedule 5, 6 or 6A, after consultation with the National Treasury and the relevant provincial treasury, if the National Treasury so determines, amend a payment schedule due to the underspending of the funds or for any other exceptional reason. 15

(2) The National Treasury may, in the interest of improved accountability or debt and cash-flow management, or on the grounds of substantial non-compliance with any condition to which an allocation is subject, amend any payment schedule of an allocation listed in Schedule 2, 3, 4, 5, 6 or 6A, and direct that no transfer of funds be effected through the payment schedule amended in accordance with subsection (1) or that the payment schedule be amended as directed by it. 20

Exemptions by National Treasury

29. (1) The National Treasury may, on application in writing by a transferring national or provincial officer, exempt in writing a transferring national or provincial officer from the duty to comply with reporting requirements or any other requirement regarding an allocation set out in a Schedule listed in section 7 or envisaged in section 9: Provided that such exemption may only be granted if such officer satisfies the Director-General that— 25 30

- (a) the duty cannot be complied with at that stage;
- (b) the allocation programme is properly designed; and
- (c) the accounting officer is taking steps to comply with the provisions of this Act.

(2) Any exemption contemplated in subsection (1)—

- (a) may only be granted if the accounting officer provides reasons why information was not included in respect of an allocation set out in a Schedule listed in section 7; and 35
- (b) must set out the conditions, if any, to which it is subject and must be published in the *Gazette*.

Non-compliance with this Act constituting financial misconduct 40

30. Despite anything to the contrary contained in any law, any serious or persistent non-compliance with the provisions of this Act, or the conditions which an allocation in terms of this Act is subject to, constitutes financial misconduct.

Liability for costs incurred in violation of principles of co-operative governance and intergovernmental relations 45

31. (1) An organ of state involved in an intergovernmental dispute regarding any provision of this Act or any financial or fiscal matter must, before approaching a court to resolve such dispute, make every effort to settle the dispute with the other organ of state concerned, including by making use of the structures established in terms of the Intergovernmental Fiscal Relations Act. 50

(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 in approaching the court is regarded as fruitless and wasteful.

(3) The amount of any such fruitless and wasteful expenditure must, in terms of a prescribed procedure, be recovered without delay from the person who caused the organ of state not to comply with the requirements of subsection (1). 5

Acts performed before this Act took effect

32. Despite anything to the contrary contained in any law, any act performed prior to the coming into effect of this Act or in accordance with any prescribed requirements in fulfillment of the objects of this Act is regarded as having been done in terms of the relevant provisions of this Act. 10

Regulations

33. The Minister may, by notice in the *Gazette*, make regulations regarding— 15

- (a) anything which must or may be prescribed in terms of this Act; and
- (b) any matter which is necessary to prescribe for the effective implementation of the provisions and achievement of the objects of this Act.

Repeal and amendment of law

34. (1) Schedule 6 of the Division of Revenue Act, 2002 (Act No. 5 of 2002) is, in respect of the vote of the Department of Water Affairs and Forestry (Vote 33) hereby amended by the deletion of the numbers in bold square brackets and the insertion of the underlined numbers, as set out in Schedule 8 to this Act. 20

(2) Anything done in terms of Schedule 6 of the Division of Revenue Act, 2002 (Act No. 5 of 2002) is deemed as having been done under that Schedule as amended by Schedule 8 to this Act. 25

(3) Subject to subsections (1), (2) and (4), the Division of Revenue Act, 2002 (Act No. 5 of 2002) is hereby repealed with effect from the date on which this Act takes effect or from 1 April 2003, whichever is the later.

(4) The repeal of the Division of Revenue Act, 2002 does not affect any duty or obligation set out in that Act, the execution of which is still outstanding. 30

Short title

35. This Act is called the Division of Revenue Act, 2003, and comes into operation on a date determined by the President by proclamation in the *Gazette*.

SCHEDULE 1

EQUITABLE DIVISION OF REVENUE ANTICIPATED TO BE RAISED
NATIONALLY AMONG THE THREE SPHERES OF GOVERNMENT

| Spheres of Government | Column A | Column B | |
|-----------------------------|-----------------------|--------------------|--------------------|
| | 2003/04 Allocation | Forward Estimates | |
| | R'000 | 2004/05 R'000 | 2005/06 R'000 |
| National ¹ | 185 235 905 | 200 954 497 | 220 351 687 |
| Provincial | 142 386 031 | 155 313 096 | 167 556 442 |
| Local | 6 343 478 | 7 077 546 | 7 698 179 |
| TOTAL | 333 965 414 | 363 345 139 | 395 606 308 |

¹ National share includes conditional grants to provincial and local spheres, debt service cost and the contingency reserve.

SCHEDULE 2

DETERMINATION OF EACH PROVINCES'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 | |
|---------------|-----------------------|--------------------|--------------------|
| | 2003/04 Allocation | Forward Estimates | |
| | R'000 | 2004/05 R'000 | 2005/06 R'000 |
| Eastern Cape | 24 227 559 | 26 427 150 | 28 510 405 |
| Free State | 9 462 691 | 10 321 798 | 11 135 467 |
| Gauteng | 21 875 885 | 23 861 973 | 25 743 013 |
| KwaZulu-Natal | 29 279 286 | 31 937 519 | 34 455 157 |
| Limpopo | 19 352 278 | 21 109 250 | 22 773 294 |
| Mpumalanga | 10 219 531 | 11 147 349 | 12 026 097 |
| Northern Cape | 3 455 244 | 3 768 943 | 4 066 049 |
| North West | 11 821 596 | 12 894 864 | 13 911 367 |
| Western Cape | 12 691 961 | 13 844 250 | 14 935 593 |
| TOTAL | 142 386 031 | 155 313 096 | 167 556 442 |

SCHEDULE 3

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

**(As appropriated in the vote of the Department of
Provincial and Local Government (Vote 5) for the financial year)**

| Category | Number | Municipality | Column A | Column B | |
|---|--------|---|-----------------------|-------------------|----------------|
| | | | 2003/04 Allocation | Forward Estimates | |
| | | | | 2004/05 | 2005/06 |
| WESTERN CAPE | | | R'000 | R'000 | R'000 |
| A | | Cape Town | 159 992 | 172 356 | 178 941 |
| B | WC011 | Matzikama | 5 317 | 6 312 | 6 974 |
| B | WC012 | Cederberg | 4 310 | 5 057 | 5 561 |
| B | WC013 | Bergrivier | 3 313 | 4 015 | 4 492 |
| B | WC014 | Saldanha Bay | 2 464 | 2 741 | 2 878 |
| B | WC015 | Swartland | 5 972 | 6 988 | 7 631 |
| C | DC1 | West Coast District Municipality | 1 485 | 1 108 | 1 087 |
| Total: West Coast Municipalities | | | 22 861 | 26 220 | 28 623 |
| B | WC022 | Witzenberg | 7 513 | 8 927 | 9 935 |
| B | WC023 | Drakenstein | 11 856 | 13 337 | 14 214 |
| B | WC024 | Stellenbosch | 6 954 | 8 144 | 8 889 |
| B | WC025 | Breede Valley | 11 288 | 13 155 | 14 277 |
| B | WC026 | Breede River/Winelands | 7 169 | 8 268 | 9 010 |
| C | DC2 | Boland District Municipality | 2 083 | 1 835 | 1 980 |
| Total: Boland Municipalities | | | 46 863 | 53 667 | 58 306 |
| B | WC031 | Theewaterskloof | 7 642 | 9 316 | 10 432 |
| B | WC032 | Overstrand | 3 414 | 3 816 | 4 025 |
| B | WC033 | Cape Agulhas | 1 982 | 2 337 | 2 530 |
| B | WC034 | Swellendam | 3 449 | 4 040 | 4 414 |
| C | DC3 | Overberg District Municipality | 811 | 432 | 290 |
| Total: Overberg Municipalities | | | 17 297 | 19 941 | 21 691 |
| B | WC041 | Kannaland | 3 668 | 4 178 | 4 558 |
| B | WC042 | Langeberg | 3 375 | 3 906 | 4 303 |
| B | WC043 | Mossel Bay | 3 522 | 3 947 | 4 180 |
| B | WC044 | George | 6 288 | 6 882 | 7 193 |
| B | WC045 | Oudtshoorn | 4 390 | 4 849 | 5 117 |
| B | WC047 | Plettenberg Bay | 2 981 | 3 360 | 3 572 |
| B | WC048 | Knysna | 3 972 | 4 318 | 4 508 |
| C | DC4 | Garden Route Klein Karoo District Municipality | 2 669 | 2 498 | 2 652 |
| Total: Garden Route Klein Karoo Municipalities | | | 30 864 | 33 937 | 36 083 |
| B | WC051 | Laingsburg | 2 333 | 2 472 | 2 566 |
| B | WC052 | Prince Albert | 2 792 | 3 012 | 3 163 |
| B | WC053 | Beaufort West | 3 226 | 3 603 | 3 797 |
| C | DC5 | Central Karoo District Municipality | 5 639 | 5 690 | 5 894 |
| Total: Central Karoo Municipalities | | | 13 990 | 14 777 | 15 420 |
| Total: Western Cape Municipalities | | | 291 867 | 320 898 | 339 064 |

| Category | Number | Municipality | Column A | Column B | |
|--|--------|-------------------------------------|----------------|-------------------|----------------|
| | | | 2003/04 | Forward Estimates | |
| | | | Allocation | 2004/05 | 2005/06 |
| NORTHERN CAPE | | | R'000 | R'000 | R'000 |
| B | NC01B1 | Gamagara | 4 547 | 5 239 | 5 564 |
| B | NW1a1 | Segonyana | 15 429 | 18 212 | 21 131 |
| B | CBLC1 | Ga-Segonyana | 11 726 | 14 074 | 15 914 |
| C | CBDC1 | Kalahari-Kgalagadi | 14 811 | 16 739 | 18 292 |
| Total: Kalahari-Kgalagadi Cross Border Municipalities | | | 46 514 | 54 265 | 60 901 |
| B | NC061 | Richtersveld | 3 023 | 3 330 | 3 541 |
| B | NC062 | Nama Khoi | 6 495 | 7 735 | 8 671 |
| B | NC064 | Kamiesberg | 3 829 | 4 166 | 4 413 |
| B | NC065 | Hantam | 6 000 | 6 691 | 7 122 |
| B | NC066 | Karoo Hoogland | 4 607 | 5 115 | 5 457 |
| B | NC067 | Khai-Ma | 3 098 | 3 426 | 3 650 |
| C | DC6 | Namakwa District Municipality | 2 375 | 2 492 | 2 723 |
| Total: Namakwa Municipalities | | | 29 427 | 32 956 | 35 578 |
| B | NC071 | Ubuntu | 5 867 | 6 903 | 7 715 |
| B | NC072 | Umsobomvu | 7 445 | 8 297 | 8 810 |
| B | NC073 | Emthanjeni | 8 524 | 9 381 | 9 847 |
| B | NC074 | Kareeberg | 4 279 | 4 698 | 4 981 |
| B | NC075 | Renosterberg | 4 200 | 4 577 | 4 813 |
| B | NC076 | Thembelihle | 4 221 | 4 563 | 4 778 |
| B | NC077 | Siyathemba | 5 703 | 6 321 | 6 687 |
| B | NC078 | Siyancuma | 8 991 | 10 419 | 11 523 |
| C | DC7 | Karoo District Municipality | 3 928 | 3 674 | 4 106 |
| Total: Karoo Municipalities | | | 53 158 | 58 834 | 63 261 |
| B | NC081 | Mier | 3 202 | 3 396 | 3 528 |
| B | NC082 | Nama Khoi | 10 161 | 12 079 | 13 542 |
| B | NC083 | Khara Hais | 8 810 | 10 073 | 10 838 |
| B | NC084 | Kheis | 4 267 | 4 780 | 5 165 |
| B | NC085 | Tsantsabane | 6 352 | 7 104 | 7 488 |
| B | NC086 | Kgatelopele | 4 569 | 5 003 | 5 249 |
| C | DC8 | Siyanda District Municipality | 3 691 | 3 740 | 4 314 |
| Total: Siyanda Municipalities | | | 41 052 | 46 175 | 50 125 |
| B | NC091 | Sol Plaatjes | 26 882 | 29 024 | 30 331 |
| B | NC092 | Thusanang | 10 792 | 12 085 | 12 904 |
| B | NC093 | Magareng | 7 372 | 8 134 | 8 521 |
| B | CBLC7 | Phokwane | 14 946 | 16 762 | 17 823 |
| C | DC9 | Frances Baard District Municipality | 1 778 | 1 706 | 1 955 |
| Total: Frances Baard Municipalities | | | 61 771 | 67 711 | 71 534 |
| Total: Northern Cape Municipalities | | | 231 922 | 259 941 | 281 399 |

| Category | Number | Municipality | Column A | Column B | |
|---|--------|----------------------------------|----------------|-------------------|----------------|
| | | | 2003/04 | Forward Estimates | |
| | | | Allocation | 2004/05 | 2005/06 |
| EASTERN CAPE | | | R'000 | R'000 | R'000 |
| A | | Nelson Mandela | 149 300 | 160 599 | 167 011 |
| B | EC101 | Camdeboo | 7 571 | 8 552 | 8 999 |
| B | EC102 | Blue Crane Route | 9 592 | 10 701 | 11 352 |
| B | EC103 | Ikwezi | 3 840 | 4 154 | 4 335 |
| B | EC104 | Makana | 13 843 | 15 854 | 16 866 |
| B | EC105 | Ndlambe | 11 821 | 13 407 | 14 279 |
| B | EC106 | Sundays River Valley | 10 693 | 12 417 | 13 544 |
| B | EC107 | Baviaans | 4 657 | 5 064 | 5 315 |
| B | EC108 | Kouga | 9 577 | 11 098 | 11 947 |
| B | EC109 | Koukamma | 6 387 | 7 618 | 8 521 |
| C | DC10 | Cacadu District Municipality | 6 012 | 4 621 | 4 083 |
| Total: Cacadu Municipalities | | | 83 992 | 93 485 | 99 241 |
| B | EC121 | Mbhashe | 41 760 | 48 061 | 56 765 |
| B | EC122 | Mnquma | 46 850 | 53 068 | 61 644 |
| B | EC123 | Great Kei | 8 788 | 9 761 | 10 962 |
| B | EC124 | Amahlathi | 23 574 | 26 655 | 30 649 |
| B | EC125 | Buffalo City | 187 156 | 191 925 | 194 282 |
| B | EC126 | Ngqushwa | 17 015 | 19 651 | 22 858 |
| B | EC127 | Nkonkobe | 22 295 | 24 243 | 27 102 |
| B | EC128 | Nxuba | 6 005 | 6 117 | 6 357 |
| C | DC12 | Amatole District Municipality | 66 970 | 92 485 | 108 387 |
| Total: Amatole Municipalities | | | 420 413 | 471 967 | 519 004 |
| B | EC131 | Inxuba Yethemba | 7 861 | 8 362 | 8 857 |
| B | EC132 | Tsolwana | 7 872 | 8 868 | 9 901 |
| B | EC133 | Inkwanca | 5 119 | 5 477 | 5 763 |
| B | EC134 | Lukhanji | 25 345 | 25 532 | 26 367 |
| B | EC135 | Intsika Yethu | 37 313 | 43 556 | 51 419 |
| B | EC136 | Emalahleni | 22 759 | 25 903 | 29 694 |
| B | EC137 | Engcobo | 25 732 | 29 631 | 34 709 |
| B | EC138 | Sakhisizwe | 10 270 | 11 105 | 12 148 |
| C | DC13 | Chris Hani District Municipality | 78 798 | 98 002 | 110 516 |
| Total: Chris Hani Municipalities | | | 221 071 | 256 436 | 289 374 |
| B | EC141 | Elundini | 26 108 | 30 182 | 34 809 |
| B | EC142 | Senqu | 23 036 | 27 311 | 31 696 |
| B | EC143 | Maletswai | 6 181 | 6 623 | 6 970 |
| B | EC144 | Gariep | 6 246 | 6 812 | 7 224 |
| C | DC14 | Ukhahlamba District Municipality | 43 562 | 51 781 | 57 603 |
| Total: Ukhahlamba Municipalities | | | 105 132 | 122 708 | 138 302 |
| B | EC151 | Mbizana | 35 133 | 40 475 | 47 784 |
| B | EC152 | Ntabankulu | 22 086 | 25 113 | 29 395 |
| B | EC153 | Qaukeni | 37 861 | 43 324 | 51 071 |
| B | EC154 | Port St. Johns | 25 647 | 29 328 | 34 371 |
| B | EC155 | Nyandeni | 42 972 | 49 553 | 58 639 |
| B | EC156 | Mhlontlo | 33 101 | 37 973 | 44 559 |
| B | EC157 | King Sabata Dalindyebo | 60 851 | 68 890 | 79 520 |
| C | DC15 | O.R. Tambo District Municipality | 147 908 | 192 326 | 221 143 |
| Total: O.R. Tambo Municipalities | | | 405 560 | 486 983 | 566 482 |

| Category | Number | Municipality | Column A | Column B | |
|---|--------|---------------------------------|-----------------------|-------------------|------------------|
| | | | 2003/04 Allocation | Forward Estimates | |
| | | | | 2004/05 | 2005/06 |
| B | EC05b1 | Umzimkhulu | 27 357 | 31 648 | 36 959 |
| B | EC05b2 | Umzimvubu | 63 961 | 75 758 | 89 851 |
| C | DC44 | Afred Nzo District Municipality | 60 285 | 75 956 | 87 053 |
| Total: Alfred Nzo Municipalities | | | 151 603 | 183 361 | 213 863 |
| Total: Eastern Cape Municipalities | | | 1 537 070 | 1 775 539 | 1 993 278 |

| Category | Number | Municipality | Column A | Column B | |
|--|--------|---|----------------|-------------------|----------------|
| | | | 2003/04 | Forward Estimates | |
| | | | Allocation | 2004/05 | 2005/06 |
| FREE STATE | | | R'000 | R'000 | R'000 |
| B | FS161 | Letsemeng | 10 733 | 12 330 | 13 352 |
| B | FS162 | Kopanong | 14 754 | 16 878 | 18 122 |
| B | FS163 | Mohokare | 14 625 | 17 016 | 18 582 |
| C | DC16 | Xhariep District Municipality | 3 350 | 3 349 | 3 405 |
| Total: Xhariep Municipalities | | | 43 462 | 49 574 | 53 461 |
| B | FS171 | Naledi | 10 429 | 11 924 | 12 837 |
| B | FS172 | Mangaung | 199 609 | 203 509 | 202 794 |
| B | FS173 | Mantsopa | 15 543 | 17 987 | 19 615 |
| C | DC17 | Motheo District Municipality | 717 | 456 | 303 |
| Total: Motheo Municipalities | | | 226 299 | 233 875 | 235 548 |
| B | FS181 | Masilonyana | 23 004 | 26 785 | 29 057 |
| B | FS182 | Tokologo | 10 783 | 12 345 | 13 418 |
| B | FS183 | Tswelopele | 18 512 | 21 525 | 23 476 |
| B | FS184 | Matjhabeng | 106 044 | 121 323 | 130 131 |
| B | FS185 | Nala | 26 789 | 30 387 | 32 640 |
| C | DC18 | Lejweleputswa District Municipality | 2 535 | 1 613 | 1 071 |
| Total: Lejweleputswa Municipalities | | | 187 668 | 213 980 | 229 793 |
| B | FS191 | Setsoto | 32 092 | 39 584 | 44 765 |
| B | FS192 | Dihlabeng | 22 876 | 26 742 | 29 132 |
| B | FS193 | Nketoana | 22 291 | 26 126 | 28 520 |
| B | FS194 | Maluti-a-Phofung | 112 538 | 131 092 | 146 487 |
| B | FS195 | Phumelela | 13 182 | 15 111 | 16 443 |
| C | DC19 | Thabo Mofutsanyana District Municipality | 19 273 | 13 259 | 13 497 |
| Total: Thabo Mafutsanyana Municipalities | | | 222 252 | 251 914 | 278 844 |
| B | FS201 | Moqhaka | 37 095 | 42 673 | 46 257 |
| B | FS203 | Ngwathe | 35 056 | 38 981 | 41 459 |
| B | FS204 | Metsimaholo | 19 410 | 21 709 | 23 027 |
| B | FS205 | Mafube | 16 013 | 18 024 | 19 336 |
| C | DC20 | Northern Free State District Municipality | 1 771 | 1 127 | 748 |
| Total: Northern Free State Municipalities | | | 109 344 | 122 515 | 130 828 |
| Total: Free State Municipalities | | | 789 025 | 871 858 | 928 474 |

| Category | Number | Municipality | Column A | Column B | |
|--|--------|-------------------------------------|----------------|-------------------|----------------|
| | | | 2003/04 | Forward Estimates | |
| | | | Allocation | 2004/05 | 2005/06 |
| KWAZULU-NATAL | | | R'000 | R'000 | R'000 |
| A | | eThekwini | 370 461 | 390 382 | 401 122 |
| B | KZ211 | Vulamehlo | 11 370 | 13 362 | 15 364 |
| B | KZ212 | Umdoni | 3 970 | 4 794 | 5 430 |
| B | KZ213 | Umzumbe | 15 713 | 18 643 | 21 678 |
| B | KZ214 | uMuziwabantu | 9 751 | 11 346 | 12 961 |
| B | KZ215 | Izingolweni | 6 408 | 7 387 | 8 337 |
| B | KZ216 | Hibiscus Coast | 11 600 | 13 687 | 15 392 |
| C | DC21 | Ugu District Municipality | 35 201 | 39 865 | 45 168 |
| Total: Ugu Municipalities | | | 94 013 | 109 083 | 124 330 |
| B | KZ221 | uMshwathi | 9 815 | 10 877 | 12 608 |
| B | KZ222 | uMngeni | 7 285 | 6 687 | 6 316 |
| B | KZ223 | Mpofana | 3 250 | 3 538 | 3 803 |
| B | KZ224 | Impendle | 4 086 | 4 278 | 4 627 |
| B | KZ225 | Msunduzi | 75 050 | 74 624 | 72 574 |
| B | KZ226 | Mkhambathini | 4 958 | 5 327 | 5 920 |
| B | KZ227 | Richmond | 7 162 | 8 795 | 9 889 |
| C | DC22 | uMgungundlovu District Municipality | 21 625 | 24 677 | 28 633 |
| Total: uMgungundlovu Municipalities | | | 133 232 | 138 802 | 144 370 |
| B | KZ232 | Emnambithi/Ladysmith | 12 397 | 11 531 | 11 423 |
| B | KZ233 | Indaka | 8 729 | 10 108 | 11 296 |
| B | KZ234 | Umtshezi | 7 240 | 6 616 | 6 096 |
| B | KZ235 | Okhahlamba | 8 836 | 10 263 | 11 506 |
| B | KZ236 | Imbabazane | 7 895 | 9 300 | 10 519 |
| C | DC23 | Uthukela District Municipality | 21 573 | 22 658 | 23 813 |
| Total: Uthukela Municipalities | | | 66 670 | 70 477 | 74 654 |
| B | KZ241 | Endumeni | 3 077 | 3 278 | 3 468 |
| B | KZ242 | Nquthu | 13 505 | 14 593 | 15 870 |
| B | KZ244 | Msinga | 18 146 | 21 591 | 25 118 |
| B | KZ245 | Umvoti | 12 754 | 15 649 | 18 131 |
| C | DC24 | Umzinyathi District Municipality | 34 823 | 36 708 | 40 797 |
| Total: Umzinyathi Municipalities | | | 82 305 | 91 820 | 103 383 |
| B | KZ252 | Newcastle | 28 178 | 27 407 | 26 303 |
| B | KZ253 | Utrecht | 3 240 | 3 452 | 3 694 |
| B | KZ254 | Dannhauser | 7 637 | 8 510 | 9 606 |
| C | DC25 | Amajuba District Municipality | 5 858 | 4 839 | 5 319 |
| Total: Amajuba Municipalities | | | 44 913 | 44 207 | 44 921 |
| B | KZ261 | eDumbe | 5 729 | 6 540 | 7 235 |
| B | KZ262 | uPhongolo | 9 825 | 10 920 | 11 903 |
| B | KZ263 | Abaqulusi | 10 654 | 11 417 | 12 149 |
| B | KZ265 | Nongoma | 14 798 | 16 360 | 18 009 |
| B | KZ266 | Ulundi | 17 167 | 18 004 | 19 009 |
| C | DC26 | Zululand District Municipality | 35 540 | 38 098 | 40 909 |
| Total: Zululand Municipalities | | | 93 714 | 101 340 | 109 214 |

| Category | Number | Municipality | Column A | Column B | |
|--|--------|------------------------------------|------------------|-------------------|------------------|
| | | | 2003/04 | Forward Estimates | |
| | | | Allocation | 2004/05 | 2005/06 |
| B | KZ271 | Umhlabuyalingana | 12 432 | 14 331 | 16 464 |
| B | KZ272 | Jozini | 14 501 | 16 496 | 18 788 |
| B | KZ273 | The Big 5 False Bay | 4 004 | 4 327 | 4 677 |
| B | KZ274 | Hlabisa | 11 106 | 12 564 | 14 255 |
| B | KZ275 | Inyala / Mtubatuba | 5 323 | 5 123 | 5 108 |
| C | DC27 | Umkhanyakude District Municipality | 32 371 | 37 765 | 42 033 |
| Total: Umkhanyakude Municipalities | | | 79 737 | 90 607 | 101 325 |
| B | KZ281 | Mbonambi | 7 473 | 8 530 | 9 595 |
| B | KZ282 | uMhlathuze | 22 242 | 19 476 | 18 180 |
| B | KZ283 | Ntambanana | 5 820 | 6 132 | 6 689 |
| B | KZ284 | Umlalazi | 16 273 | 18 290 | 20 465 |
| B | KZ285 | Mthonjaneni | 4 443 | 5 441 | 5 886 |
| B | KZ286 | Nkandla | 12 512 | 14 066 | 15 822 |
| C | DC28 | uThungulu District Municipality | 21 391 | 24 566 | 27 560 |
| Total: uThungulu Municipalities | | | 90 155 | 96 500 | 104 198 |
| B | KZ291 | eNdodakusuka | 15 248 | 16 312 | 17 611 |
| B | KZ292 | KwaDukuza | 18 529 | 20 476 | 22 366 |
| B | KZ293 | Ndwedwe | 14 894 | 17 273 | 19 986 |
| B | KZ294 | Maphumulo | 13 243 | 15 185 | 17 537 |
| C | DC29 | King Shaka District Municipality | 27 135 | 33 390 | 37 576 |
| Total: King Shaka Municipalities | | | 89 049 | 102 636 | 115 076 |
| B | KZ5a1 | Ingwe | 11 311 | 13 067 | 15 083 |
| B | KZ5a2 | Kwa Sani | 3 651 | 4 099 | 4 530 |
| B | KZ5a3 | Matatiele | 2 879 | 3 027 | 3 160 |
| B | KZ5a4 | Kokstad | 6 800 | 7 274 | 7 791 |
| B | KZ5a5 | Ubuhlebezwe | 10 333 | 11 969 | 13 759 |
| C | DC43 | Sisonke District Municipality | 16 161 | 20 808 | 23 532 |
| Total: Sisonke Municipalities | | | 51 134 | 60 245 | 67 854 |
| Total: KwaZulu-Natal Municipalities | | | 1 195 384 | 1 296 099 | 1 390 448 |

| Category | Number | Municipality | Column A | Column B | |
|---|--------|---------------------------------|----------------|-------------------|----------------|
| | | | 2003/04 | Forward Estimates | |
| | | | Allocation | 2004/05 | 2005/06 |
| MPUMALANGA | | | R'000 | R'000 | R'000 |
| B | MP301 | Albert Luthuli | 26 926 | 31 351 | 35 199 |
| B | MP302 | Msukaligwa | 15 849 | 17 903 | 19 232 |
| B | MP303 | Mkhondo | 10 968 | 12 998 | 14 591 |
| B | MP304 | Seme | 8 385 | 9 905 | 10 938 |
| B | MP305 | Lekwa | 12 495 | 14 108 | 15 160 |
| B | MP306 | Dipaleseng | 6 367 | 7 215 | 7 743 |
| B | MP307 | Govan Mbeki | 31 449 | 34 768 | 36 483 |
| C | DC30 | Eastvaal District Municipality | 5 148 | 3 276 | 2 176 |
| Total: Eastvaal Municipalities | | | 117 589 | 131 524 | 141 522 |
| B | MP311 | Delmas | 5 957 | 6 868 | 7 456 |
| B | MP312 | Emalaheni | 25 566 | 28 456 | 29 995 |
| B | MP313 | Middelburg | 15 290 | 17 351 | 18 555 |
| B | MP314 | Highlands | 6 542 | 7 534 | 8 191 |
| B | MP315 | Thembisile | 17 619 | 20 051 | 21 970 |
| B | MP316 | Dr JS Moroka | 17 367 | 18 369 | 19 303 |
| C | DC31 | Nkangala District Municipality | 2 058 | 1 255 | 836 |
| Total: Nkangala Municipalities | | | 90 398 | 99 883 | 106 306 |
| B | MP321 | Thaba Chweu | 15 187 | 18 617 | 20 876 |
| B | MP322 | Mbombela | 51 965 | 59 208 | 64 854 |
| B | MP323 | Umjindi | 9 111 | 10 688 | 11 729 |
| B | MP324 | Nkomazi | 35 669 | 44 524 | 52 021 |
| C | DC32 | Ehlanzeni District Municipality | 8 549 | 5 440 | 3 613 |
| Total: Ehlanzeni Municipalities | | | 120 481 | 138 478 | 153 093 |
| Total: Mpumalanga Municipalities | | | 328 467 | 369 885 | 400 922 |

| Category | Number | Municipality | Column A | Column B | |
|--|--------|---------------------------------|----------------|-------------------|----------------|
| | | | 2003/04 | Forward Estimates | |
| | | | Allocation | 2004/05 | 2005/06 |
| LIMPOPO | | | R'000 | R'000 | R'000 |
| B | NP03A2 | Makhuduthamaga | 18 783 | 22 988 | 26 997 |
| B | NP03A3 | Fetakgomo | 8 952 | 10 434 | 11 919 |
| B | CBLC3 | Greater Marble Hall | 10 255 | 11 248 | 12 155 |
| B | CBLC4 | Grobblersdal | 16 870 | 16 519 | 16 965 |
| B | CBLC5 | Greater Tubatse | 19 658 | 23 010 | 26 425 |
| C | CBDC3 | Sekhukhune Cross Boundary | 50 421 | 57 818 | 65 717 |
| Total: Sekhukhune Cross Boundary Municipalities | | | 124 938 | 142 016 | 160 179 |
| B | NP04A1 | Maruleng | 9 309 | 10 968 | 12 767 |
| B | CBLC6 | Bushbuckridge | 56 520 | 45 166 | 49 886 |
| C | CBDC4 | Bohlabela | 35 494 | 56 908 | 63 162 |
| Total: Eastern Municipalities | | | 101 322 | 113 041 | 125 815 |
| B | NP331 | Greater Giyani | 37 419 | 35 999 | 35 913 |
| B | NP332 | Greater Letaba | 20 021 | 23 476 | 26 885 |
| B | NP333 | Greater Tzaneen | 31 073 | 35 850 | 40 951 |
| B | NP334 | Ba-Phalaborwa | 17 584 | 16 092 | 15 187 |
| C | DC33 | Mopani District Municipality | 39 495 | 50 278 | 58 441 |
| Total: Mopani Municipalities | | | 145 591 | 161 695 | 177 376 |
| B | NP341 | Musina | 6 557 | 7 118 | 7 759 |
| B | NP342 | Mutale | 13 318 | 13 143 | 13 729 |
| B | NP343 | Thulamela | 51 702 | 55 192 | 61 373 |
| B | NP344 | Makhado | 48 388 | 48 908 | 52 119 |
| C | DC34 | Vhembe District Municipality | 42 843 | 59 392 | 69 593 |
| Total: Vhembe Municipalities | | | 162 807 | 183 753 | 204 573 |
| B | NP351 | Blouberg | 16 723 | 19 266 | 22 062 |
| B | NP352 | Aganang | 9 607 | 11 367 | 13 138 |
| B | NP353 | Molemole | 7 600 | 9 048 | 10 483 |
| B | NP354 | Polokwane | 37 455 | 43 487 | 47 987 |
| B | NP355 | Lepelle-Nkumpi | 13 031 | 14 974 | 16 732 |
| C | DC35 | Capricorn District Municipality | 35 743 | 26 799 | 29 947 |
| Total: Capricorn Municipalities | | | 120 161 | 124 942 | 140 348 |
| B | NP361 | Thabazimbi | 11 015 | 13 818 | 15 650 |
| B | NP362 | Lephalale | 12 437 | 16 386 | 19 233 |
| B | NP364 | Mookgapong | 3 305 | 4 192 | 4 897 |
| B | NP365 | Modimolle | 7 511 | 9 207 | 10 297 |
| B | NP366 | Bela Bela | 6 773 | 8 182 | 8 944 |
| B | NP367 | Mogalakwena | 24 365 | 30 772 | 35 732 |
| C | DC36 | Waterberg District Municipality | 8 664 | 5 514 | 3 662 |
| Total: Waterberg Municipalities | | | 74 071 | 88 069 | 98 415 |
| Total: Limpopo Municipalities | | | 728 890 | 813 517 | 906 705 |

| Category | Number | Municipality | Column A | Column B | |
|--|--------|---|----------------|-------------------|----------------|
| | | | 2003/04 | Forward Estimates | |
| | | | Allocation | 2004/05 | 2005/06 |
| NORTH WEST | | | R'000 | R'000 | R'000 |
| B | NW371 | Moretele | 17 024 | 21 696 | 25 672 |
| B | NW372 | Madibeng | 50 929 | 61 914 | 70 952 |
| B | NW373 | Rustenburg | 50 418 | 58 941 | 64 846 |
| B | NW374 | Kgetlengrivier | 7 189 | 8 489 | 9 395 |
| B | NW375 | Moses Kotane | 36 068 | 43 737 | 50 172 |
| C | DC37 | Bojanala Platinum District Municipality | 18 357 | 9 015 | 3 009 |
| Total: Bojanala Platinum Municipalities | | | 179 985 | 203 792 | 224 047 |
| B | NW381 | Setla-Kgobi | 15 145 | 17 496 | 20 333 |
| B | NW382 | Tswaing | 12 190 | 13 641 | 15 234 |
| B | NW383 | Mafikeng | 21 720 | 25 386 | 29 607 |
| B | NW384 | Ditsobotla | 13 174 | 13 901 | 14 901 |
| B | NW385 | Zeerust | 14 875 | 16 773 | 19 042 |
| C | DC38 | Central District Municipality | 45 640 | 53 923 | 59 027 |
| Total: Central Municipalities | | | 122 743 | 141 121 | 158 144 |
| B | NW391 | Kagisano | 15 653 | 18 194 | 21 267 |
| B | NW392 | Naledi | 6 057 | 6 648 | 7 312 |
| B | NW393 | Mamusa | 7 399 | 7 904 | 8 430 |
| B | NW394 | Greater Taung | 26 347 | 29 629 | 34 090 |
| B | NW395 | Molopo | 3 626 | 4 049 | 4 526 |
| B | NW396 | Lekwa-Teemane | 5 433 | 5 847 | 6 199 |
| C | DC39 | Bophirima District Municipality | 31 208 | 39 340 | 44 609 |
| Total: Bophirima Municipalities | | | 95 723 | 111 611 | 126 434 |
| B | NW401 | Ventersdorp | 8 546 | 9 688 | 10 532 |
| B | NW402 | Potchefstroom | 13 636 | 15 093 | 15 907 |
| B | NW403 | Klerksdorp | 47 483 | 53 424 | 56 803 |
| B | NW404 | Maquassi Hills | 11 822 | 13 396 | 14 404 |
| C | DC40 | Southern District Municipality | 1 901 | 1 210 | 803 |
| Total: Southern Municipalities | | | 83 388 | 92 810 | 98 449 |
| Total: North West Municipalities | | | 481 839 | 549 334 | 607 073 |

| Category | Number | Municipality | Column A | Column B | |
|---|--------|--------------------------------|------------------|-------------------|------------------|
| | | | 2003/04 | Forward Estimates | |
| | | | Allocation | 2004/05 | 2005/06 |
| GAUTENG | | | R'000 | R'000 | R'000 |
| A | | Ekurhuleni | 192 485 | 207 704 | 214 828 |
| A | | Johannesburg | 238 763 | 261 533 | 273 053 |
| A | | Tshwane | 158 737 | 167 805 | 172 232 |
| B | GT02b1 | Nokeng tsa Taemane | 6 027 | 7 349 | 8 079 |
| B | CBLC2 | Kungwini | 9 229 | 10 571 | 11 115 |
| C | CBDC2 | Metsweding | 3 953 | 2 516 | 1 671 |
| Total: Metsweding Municipalities | | | 19 209 | 20 436 | 20 865 |
| B | GT421 | Emfuleni | 53 410 | 58 187 | 60 333 |
| B | GT422 | Midvaal | 9 885 | 11 207 | 12 057 |
| B | GT423 | Lesedi | 7 539 | 8 357 | 8 902 |
| C | DC42 | Sedibeng District Municipality | 1 169 | 744 | 494 |
| Total: Sedibeng Municipalities | | | 72 003 | 78 495 | 81 787 |
| B | GT411 | Mogale City | 21 433 | 23 843 | 25 098 |
| B | GT412 | Randfontein | 10 739 | 11 746 | 12 277 |
| B | GT414 | Westonaria | 20 621 | 22 284 | 23 080 |
| B | CBLC8 | Merafong | 23 054 | 25 002 | 25 957 |
| C | CBDC8 | West Rand | 1 971 | 1 628 | 1 640 |
| Total: West Rand Municipalities | | | 77 818 | 84 502 | 88 052 |
| Total: Gauteng Municipalities | | | 759 015 | 820 475 | 850 816 |
| National Total | | | 6 343 478 | 7 077 546 | 7 698 179 |

SCHEDULE 4

GENERAL AND NATIONALLY ASSIGNED FUNCTION ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|---------------------------------------|--|--|---|------------------|------------------|-------------------|------------------|
| | | | | | 2003/04 | Forward Estimates | |
| | | | | | Allocation | 2004/05 | 2005/06 |
| | | | | | R'000 | R'000 | R'000 |
| Health (Vote 16) | (a) National Tertiary Services Grant | To fund tertiary health services. | Nationally assigned function grant to provinces | Eastern Cape | 195 504 | 272 036 | 353 022 |
| | | | | Free State | 336 501 | 384 165 | 432 116 |
| | | | | Gauteng | 1 679 760 | 1 727 736 | 1 760 465 |
| | | | | KwaZulu-Natal | 551 831 | 619 462 | 686 637 |
| | | | | Limpopo | 46 297 | 46 878 | 46 973 |
| | | | | Mpumalanga | 40 265 | 41 427 | 42 224 |
| | | | | Northern Cape | 32 892 | 42 105 | 51 747 |
| | | | | North West | 35 000 | 35 109 | 34 822 |
| | | | | Western Cape | 1 076 724 | 1 104 087 | 1 121 380 |
| | | | | TOTAL | 3 994 774 | 4 273 005 | 4 529 386 |
| | (b) Health Professions Training and Development Grant | To support the training and development of health professionals. | Nationally assigned function grant to provinces | Eastern Cape | 79 873 | 97 464 | 127 566 |
| | | | | Free State | 90 061 | 93 643 | 92 517 |
| | | | | Gauteng | 539 330 | 560 778 | 554 039 |
| | | | | KwaZulu-Natal | 167 553 | 180 629 | 192 373 |
| | | | | Limpopo | 40 414 | 51 805 | 72 411 |
| | | | | Mpumalanga | 34 421 | 41 808 | 54 363 |
| | | | | Northern Cape | 30 007 | 34 444 | 41 069 |
| North West | | | | 37 144 | 46 351 | 62 564 | |
| Western Cape | | | | 314 696 | 327 210 | 323 278 | |
| TOTAL | | | | 1 333 499 | 1 434 132 | 1 520 180 | |
| National Treasury (Vote 8) | (a) Provincial Infrastructure Grant | To fund the construction and maintenance of provincial infrastructure like roads, school buildings, health facilities and rural development. | General conditional grant to provinces | Eastern Cape | 433 673 | 535 646 | 569 409 |
| | | | | Free State | 141 950 | 175 327 | 186 379 |
| | | | | Gauteng | 235 802 | 291 248 | 309 606 |
| | | | | KwaZulu-Natal | 500 302 | 617 944 | 656 892 |
| | | | | Limpopo | 420 632 | 519 538 | 552 286 |
| | | | | Mpumalanga | 180 066 | 222 407 | 236 426 |
| | | | | Northern Cape | 72 394 | 82 362 | 85 663 |
| | | | | North West | 204 479 | 252 560 | 268 479 |
| | | | | Western Cape | 145 190 | 179 330 | 190 633 |
| | | | | TOTAL | 2 334 488 | 2 876 362 | 3 055 773 |
| | (b) Provincial Infrastructure Grant—Flood Rehabilitation | To fund the reconstruction of provincial infrastructure damaged by the floods in 1999 and 2000. | General conditional grant to provinces | Eastern Cape | 23 000 | — | — |
| | | | | Free State | 21 000 | — | — |
| | | | | Limpopo | 120 000 | — | — |
| Mpumalanga | | | | 36 000 | — | — | |
| TOTAL | 200 000 | — | — | | | | |

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|---------------------------------|--|---|--------------------|---------------|---------------|-------------------|---------|
| | | | | | 2003/04 | Forward Estimates | |
| | | | | | Allocation | 2004/05 | 2005/06 |
| | | | | | R'000 | R'000 | R'000 |
| Agriculture (Vote 26) | (a) Land Care Grant | To address the degradation of natural resources and improve the socio-economic status of rural communities. | Conditional grant | Eastern Cape | 8 000 | — | — |
| | | | | Free State | 1 800 | — | — |
| | | | | Gauteng | 1 600 | — | — |
| | | | | KwaZulu-Natal | 6 500 | — | — |
| | | | | Limpopo | 8 000 | — | — |
| | | | | Mpumalanga | 3 500 | — | — |
| | | | | Northern Cape | 1 800 | — | — |
| | | | | North West | 5 000 | — | — |
| | | | | Western Cape | 1 800 | — | — |
| | | | | TOTAL | 38 000 | — | — |
| Education (Vote 15) | (a) Early Childhood Development Grant | To provide quality education to poor children eligible for the reception year. | Conditional grant | Eastern Cape | 16 280 | — | — |
| | | | | Free State | 5 544 | — | — |
| | | | | Gauteng | 10 824 | — | — |
| | | | | KwaZulu-Natal | 19 448 | — | — |
| | | | | Limpopo | 13 816 | — | — |
| | | | | Mpumalanga | 6 424 | — | — |
| | | | | Northern Cape | 1 672 | — | — |
| | | | | North West | 7 040 | — | — |
| | | | | Western Cape | 6 952 | — | — |
| | TOTAL | 88 000 | — | — | | | |
| | (b) Financial Management and Quality Enhancement Grant | To improve financial management in the education system and improve the quality of education in schools. | Conditional grant | Eastern Cape | 43 367 | 45 969 | 48 727 |
| | | | | Free State | 14 768 | 15 654 | 16 593 |
| | | | | Gauteng | 28 833 | 30 563 | 32 397 |
| KwaZulu-Natal | | | | 51 805 | 54 913 | 58 209 | |
| Limpopo | | | | 36 803 | 39 011 | 41 352 | |
| Mpumalanga | | | | 17 112 | 18 139 | 19 227 | |
| Northern Cape | | | | 4 454 | 4 722 | 5 004 | |
| North West | | | | 18 753 | 19 878 | 21 071 | |
| Western Cape | 18 519 | 19 630 | 20 808 | | | | |
| TOTAL | 234 414 | 248 479 | 263 388 | | | | |

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|-----------------------------|---|--|--------------------|----------------|----------------|-------------------|------------------|
| | | | | | 2003/04 | Forward Estimates | |
| | | | | | Allocation | 2004/05 | 2005/06 |
| | | | | | R'000 | R'000 | R'000 |
| | (c) HIV/Aids (Lifeskills Education) Grant | To promote HIV/Aids and life skills education in primary and secondary schools. | Conditional grant | Eastern Cape | 22 288 | 23 787 | 25 215 |
| | | | | Free State | 7 590 | 8 100 | 8 586 |
| | | | | Gauteng | 14 818 | 15 816 | 16 765 |
| | | | | KwaZulu-Natal | 26 624 | 28 416 | 30 120 |
| | | | | Limpopo | 18 915 | 20 187 | 21 398 |
| | | | | Mpumalanga | 8 794 | 9 386 | 9 949 |
| | | | | Northern Cape | 2 289 | 2 443 | 2 589 |
| | | | | North West | 9 638 | 10 286 | 10 904 |
| | | | | Western Cape | 9 518 | 10 158 | 10 767 |
| | | | | TOTAL | 120 474 | 128 579 | 136 293 |
| Health (Vote 16) | (a) Hospital Revitalisation Grant | To transform and modernise hospitals in line with national policy. | Conditional grant | Eastern Cape | 90 751 | 116 354 | 121 008 |
| | | | | Free State | 50 356 | 52 370 | 54 466 |
| | | | | Gauteng | 87 939 | 155 126 | 232 870 |
| | | | | KwaZulu-Natal | 129 860 | 178 054 | 190 292 |
| | | | | Limpopo | 96 239 | 106 463 | 110 722 |
| | | | | Mpumalanga | 65 666 | 68 292 | 71 025 |
| | | | | Northern Cape | 54 939 | 57 135 | 59 421 |
| | | | | North West | 59 939 | 92 845 | 98 998 |
| | | | | Western Cape | 81 939 | 85 217 | 88 625 |
| | | | | TOTAL | 717 628 | 911 856 | 1 027 427 |
| | (b) Pretoria Academic Hospital Grant | To support the construction and development of the Pretoria Academic Hospital. | Conditional grant | Gauteng | 92 356 | — | — |
| | | | | TOTAL | 92 356 | — | — |
| | (c) HIV/Aids Health Grant | To enable the health sector to develop an effective response to the HIV/Aids epidemic, including expanding access to voluntary HIV counselling and testing, home-based care, prevention of mother-to-child transmission programmes, post exposure prophylaxis, step down care and other HIV/Aids health-related matters. | Conditional grant | Eastern Cape | 38 934 | 58 193 | 77 451 |
| Free State | | | | 30 144 | 40 843 | 42 621 | |
| Gauteng | | | | 55 275 | 87 629 | 91 844 | |
| KwaZulu-Natal | | | | 85 591 | 122 270 | 123 313 | |
| Limpopo | | | | 28 962 | 42 479 | 55 996 | |
| Mpumalanga | | | | 26 287 | 36 364 | 46 441 | |
| Northern Cape | | | | 11 268 | 17 318 | 18 924 | |
| North West | | | | 32 981 | 41 855 | 42 669 | |
| Western Cape | | | | 24 204 | 34 661 | 35 849 | |
| | | | TOTAL | 333 556 | 481 612 | 535 108 | |

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|--------------------------|---|--|--------------------|---------------|------------------|-------------------|------------------|
| | | | | | 2003/04 | Forward Estimates | |
| | | | | | Allocation | 2004/05 | 2005/06 |
| | (d) Integrated Nutrition Programme Grant | To feed children and facilitate nutritional knowledge and education. | Conditional grant | Eastern Cape | R'000 | R'000 | R'000 |
| | | | | Free State | 172 465 | 202 698 | 222 133 |
| | | | | Gauteng | 47 817 | 56 200 | 61 588 |
| | | | | KwaZulu-Natal | 74 273 | 87 293 | 95 662 |
| | | | | Limpopo | 176 646 | 207 612 | 227 518 |
| | | | | Mpumalanga | 146 433 | 172 102 | 188 603 |
| | | | | Northern Cape | 62 789 | 73 796 | 80 872 |
| | | | | North West | 21 617 | 25 407 | 27 842 |
| | | | | Western Cape | 71 967 | 84 583 | 92 693 |
| | | | | Western Cape | 34 653 | 40 727 | 44 632 |
| | | | | TOTAL | 808 660 | 950 418 | 1 041 543 |
| | (e) Hospital Management and Quality Improvement Grant | To improve the management of hospitals and support the quality of care interventions. | Conditional grant | Eastern Cape | 14 553 | 19 529 | 24 530 |
| | | | | Free State | 12 730 | 13 055 | 13 393 |
| | | | | Gauteng | 23 060 | 20 776 | 18 510 |
| | | | | KwaZulu-Natal | 16 375 | 20 065 | 23 778 |
| | | | | Limpopo | 13 337 | 15 388 | 17 457 |
| | | | | Mpumalanga | 13 337 | 12 833 | 12 340 |
| | | | | Northern Cape | 10 906 | 10 490 | 10 083 |
| | | | | North West | 12 730 | 12 713 | 12 642 |
| | | | | Western Cape | 16 376 | 16 983 | 17 608 |
| | | | | TOTAL | 133 404 | 141 832 | 150 342 |
| Housing (Vote 29) | (a) Housing Subsidy Grant | To finance subsidies under the national housing programme. | Conditional grant | Eastern Cape | 641 757 | 598 900 | 635 288 |
| | | | | Free State | 325 403 | 385 641 | 409 072 |
| | | | | Gauteng | 923 892 | 1 117 463 | 1 185 357 |
| | | | | KwaZulu-Natal | 796 390 | 748 463 | 793 936 |
| | | | | Limpopo | 426 160 | 369 818 | 392 287 |
| | | | | Mpumalanga | 275 408 | 296 457 | 314 470 |
| | | | | Northern Cape | 85 973 | 89 442 | 94 877 |
| | | | | North West | 347 974 | 421 378 | 446 981 |
| | | | | Western Cape | 423 282 | 446 035 | 473 136 |
| | | | | TOTAL | 4 246 239 | 4 473 597 | 4 745 404 |
| | (b) Human Resettlement Grant | To fund projects aimed at improving the quality of the environment in urban communities. | Conditional grant | Eastern Cape | 11 000 | 11 660 | 16 396 |
| | | | | Free State | 8 500 | 9 010 | 10 558 |
| | | | | Gauteng | 21 000 | 22 260 | 30 592 |
| | | | | KwaZulu-Natal | 26 000 | 27 560 | 20 490 |
| | | | | Limpopo | 11 000 | 11 660 | 10 124 |
| | | | | Mpumalanga | 7 000 | 7 420 | 8 116 |
| | | | | Northern Cape | 3 000 | 3 180 | 2 449 |
| | | | | North West | 8 000 | 8 480 | 11 536 |
| | | | | Western Cape | 13 500 | 14 310 | 12 211 |
| | | | | TOTAL | 109 000 | 115 540 | 122 472 |

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|---|---|---|--------------------|---------------|----------------|-------------------|---------------|
| | | | | | 2003/04 | Forward Estimates | |
| | | | | | Allocation | 2004/05 | 2005/06 |
| | | | | | R'000 | R'000 | R'000 |
| Provincial and Local Government (Vote 5) | (a) Local Government Capacity Building Grant | To assist municipalities' to built their institutional capacity and improve their systems for sustainable service delivery. | Conditional grant | Eastern Cape | 46 338 | 44 308 | — |
| | | | | Free State | 30 409 | 28 204 | — |
| | | | | Gauteng | 20 399 | 20 266 | — |
| | | | | KwaZulu-Natal | 38 880 | 37 181 | — |
| | | | | Limpopo | 21 633 | 20 751 | — |
| | | | | Mpumalanga | 16 121 | 15 291 | — |
| | | | | Northern Cape | 17 473 | 16 044 | — |
| | | | | North West | 20 372 | 19 112 | — |
| | | | | Western Cape | 20 714 | 19 302 | — |
| | | | | TOTAL | 232 339 | 220 459 | — |
| | (b) Provincial Consolidated Municipal Infrastructure Programme (CMIP) Grant | To assist provinces to manage the CMIP effectively. | Conditional grant | Eastern Cape | 8 643 | 9 169 | 9 770 |
| | | | | Free State | 3 132 | 3 321 | 3 539 |
| | | | | Gauteng | 5 339 | 5 664 | 6 035 |
| | | | | KwaZulu-Natal | 7 874 | 8 353 | 8 900 |
| | | | | Limpopo | 3 957 | 4 198 | 4 472 |
| | | | | Mpumalanga | 2 110 | 2 238 | 2 599 |
| | | | | Northern Cape | 1 737 | 1 843 | 1 963 |
| | | | | North West | 2 309 | 2 439 | 2 542 |
| | | | | Western Cape | 3 307 | 3 508 | 3 738 |
| | | | | TOTAL | 38 408 | 40 733 | 43 558 |
| Social Development (Vote 19) | (a) HIV/Aids Community-Based Care (CBC) Grant | To advance the development of CBC programmes in communities. | Conditional grant | Eastern Cape | 6 658 | 7 089 | 7 514 |
| | | | | Free State | 9 228 | 9 825 | 10 415 |
| | | | | Gauteng | 9 690 | 10 315 | 10 934 |
| | | | | KwaZulu-Natal | 11 996 | 12 773 | 13 540 |
| | | | | Limpopo | 4 353 | 4 634 | 4 912 |
| | | | | Mpumalanga | 9 821 | 10 456 | 11 084 |
| | | | | Northern Cape | 3 691 | 3 930 | 4 165 |
| | | | | North West | 7 580 | 8 070 | 8 554 |
| | | | | Western Cape | 2 900 | 3 088 | 3 273 |
| | | | | TOTAL | 65 917 | 70 180 | 74 391 |

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|------|-----------------------------------|---|--------------------|---------------|------------------|-------------------|------------------|
| | | | | | 2003/04 | Forward Estimates | |
| | | | | | Allocation | 2004/05 | 2005/06 |
| | | | | | R'000 | R'000 | R'000 |
| | (b) Child Support Extension Grant | To fund the phased extension of child support grants to eligible children until their 14th birthday. | Conditional grant | Eastern Cape | 272 130 | 866 885 | 1 669 903 |
| | | | | Free State | 72 497 | 233 242 | 457 870 |
| | | | | Gauteng | 66 449 | 193 815 | 359 609 |
| | | | | KwaZulu-Natal | 235 143 | 723 700 | 1 367 785 |
| | | | | Limpopo | 172 969 | 536 542 | 1 000 815 |
| | | | | Mpumalanga | 78 360 | 239 836 | 442 010 |
| | | | | Northern Cape | 19 671 | 63 540 | 121 421 |
| | | | | North West | 125 426 | 367 979 | 652 257 |
| | | | | Western Cape | 57 355 | 174 461 | 328 330 |
| | | | | TOTAL | 1 100 000 | 3 400 000 | 6 400 000 |
| | (c) Food Relief Grant | To fund rapid food relief to vulnerable households and communities in the form of food parcels and related assistance | Conditional grant | Eastern Cape | 94 133 | 94 133 | 94 133 |
| | | | | Free State | 37 334 | 37 334 | 37 334 |
| | | | | Gauteng | 27 904 | 27 904 | 27 904 |
| | | | | KwaZulu-Natal | 68 185 | 68 185 | 68 185 |
| | | | | Limpopo | 61 146 | 61 146 | 61 146 |
| | | | | Mpumalanga | 27 651 | 27 651 | 27 651 |
| | | | | Northern Cape | 9 998 | 9 998 | 9 998 |
| | | | | North West | 41 615 | 41 615 | 41 615 |
| | | | | Western Cape | 20 034 | 20 034 | 20 034 |
| | | | | TOTAL | 388 000 | 388 000 | 388 000 |

SCHEDULE 6
RECURRENT ALLOCATIONS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Type of Allocation | Column A | Column B | |
|---|---|--|--------------------|-----------------------|-------------------|----------------|
| | | | | 2003/04 Allocation | Forward Estimates | |
| | | | | | 2004/05 | 2005/06 |
| | | | | R'000 | R'000 | R'000 |
| Provincial and Local Government (Vote 5) | (a) Municipal Systems Improvement Grant | To support municipalities in implementing new systems as provided in the Municipal Systems Act, 2000, including integrated development planning, performance management, spatial planning and local development objectives. | Conditional grant | 150 418 | 182 243 | 423 484 |
| National Treasury (Vote 8) | (a) Local Government Financial Management Grant | To promote and support reforms to municipal financial management practices, including the modernisation of budgeting, financial management, accounting, monitoring systems in municipalities and implementation of national legislation on municipal financial management. | Conditional grant | 151 000 | 129 000 | 133 740 |
| | (b) Local Government Restructuring Grant | To modernise large municipalities to become more effective and efficient service delivery organs through assisting them to restructure their organisations, functions and fiscal positions. | Conditional grant | 315 000 | 342 900 | 363 474 |
| | TOTAL | | | 616 418 | 654 143 | 920 698 |

SCHEDULE 6A

INFRASTRUCTURE ALLOCATIONS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Type of Allocation | Column A | Column B | |
|---|--|--|--------------------|------------|-------------------|-----------|
| | | | | 2003/04 | Forward Estimates | |
| | | | | Allocation | 2004/05 | 2005/06 |
| | | | | R'000 | R'000 | R'000 |
| Provincial and Local Government (Vote 5) | (a) Consolidated Municipal Infrastructure Programme (CMIP) Grant | To provide internal bulk, connector and internal infrastructure, community services and facilities for low income households. | Conditional grant | 2 246 253 | 2 724 028 | 3 016 470 |
| | (b) Local Economic Development Fund and Social Plan Measures Grant | To support the planning and implementation of municipal job creation and poverty alleviation projects. | Conditional grant | 117 000 | — | — |
| | (c) Municipal Infrastructure Grant (MIG) | To address infrastructure backlogs in an integrated and co-ordinated way and provide basic bulk, connector and internal infrastructure for municipal services, primarily to poor households. | Conditional grant | 47 000 | 117 000 | 97 000 |
| Sport and Recreation (Vote 20) | (a) Building for Sport and Recreation Programme Grant | Promotion of sport and recreation in disadvantaged communities through upgrading of existing facilities or the construction of new facilities. | Conditional grant | 123 095 | — | — |

| Vote | Name of Allocation | Purpose | Type of Allocation | Column A | Column B | |
|---|--|---|--------------------|-----------------------|-------------------|------------------|
| | | | | 2003/04 Allocation | Forward Estimates | |
| | | | | | 2004/05 | 2005/06 |
| | | | | R'000 | R'000 | R'000 |
| Public Works (Vote 6) | (a) Community Based Public Works Programme Grant | To create community assets in disadvantaged rural communities and empower the communities to manage the facilities in co-operation with the local municipality. Employment of community during construction and promotion of long term jobs associated with the facilities. | Conditional grant | 249 820 | — | — |
| Transport (Vote 33) | (a) Urban Transport Fund | To promote planning of intermodal land transport infrastructure and operations, and the facilitation of integrated land use and transport planning and development. | Conditional grant | 9 100 | — | — |
| Mineral and Energy (Vote 31) | (a) National Electrification Programme Grant | To implement the National Electrification Programme through providing capital subsidies to municipalities to address the electrification backlog in permanently occupied residential dwellings. | Conditional grant | 240 000 | 245 000 | 258 000 |
| | | | TOTAL | 3 032 268 | 3 086 028 | 3 371 470 |

SCHEDULE 7

IN-KIND/INDIRECT ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Province | Column A | Column B | |
|----------------------------------|---|---|---------------|---------------|-------------------|---------|
| | | | | 2003/04 | Forward Estimates | |
| | | | | Allocation | 2004/05 | 2005/06 |
| | | | | R'000 | R'000 | R'000 |
| Agriculture (Vote 26) | (a) Special Food Security Projects Grant | To implement special programmes for food security. | Eastern Cape | 2 000 | — | — |
| | | | Free State | — | — | — |
| | | | Gauteng | — | — | — |
| | | | KwaZulu-Natal | 2 000 | — | — |
| | | | Limpopo | 6 000 | — | — |
| | | | Mpumalanga | — | — | — |
| | | | Northern Cape | — | — | — |
| | | | North West | — | — | — |
| | | | Western Cape | — | — | — |
| | | | TOTAL | 10 000 | — | — |
| Education (Vote 15) | (a) Thuba- Makote: Schools as Centres for Community Development Grant | To develop and pilot a cost effective approach to the design, construction and management of school facilities which will also meet the developmental needs of rural communities. | Eastern Cape | 17 455 | — | — |
| | | | Free State | 5 818 | — | — |
| | | | Gauteng | — | — | — |
| | | | KwaZulu-Natal | 17 455 | — | — |
| | | | Limpopo | 11 636 | — | — |
| | | | Mpumalanga | 5 818 | — | — |
| | | | Northern Cape | — | — | — |
| | | | North West | 5 818 | — | — |
| | | | Western Cape | — | — | — |
| | | | TOTAL | 64 000 | — | — |

| Vote | Name of Allocation | Purpose | Province | Column A | Column B | |
|-------------------------------------|---|--|---------------|---------------|-------------------|---------|
| | | | | 2003/04 | Forward Estimates | |
| | | | | Allocation | 2004/05 | 2005/06 |
| | | | | R'000 | R'000 | R'000 |
| | (b) Poverty Relief Allocation for National Ikhwelo Projects Grant | The overall goal of the project is to provide access to skills development in general education and training for adult learners to enhance their social and economic capacity. | Eastern Cape | 9 250 | — | — |
| | | | Free State | 3 150 | — | — |
| | | | Gauteng | 6 150 | — | — |
| | | | KwaZulu-Natal | 11 050 | — | — |
| | | | Limpopo | 7 850 | — | — |
| | | | Mpumalanga | 3 650 | — | — |
| | | | Northern Cape | 950 | — | — |
| | | | North West | 4 000 | — | — |
| | | | Western Cape | 3 950 | — | — |
| | | | TOTAL | 50 000 | — | — |
| Social Development (Vote 19) | (a) Poverty Relief Grant | To increase self-reliance and improve the social cohesion of specific demographic groups such as women, youth, children, disabled and the aged, who are particularly vulnerable to the conditions associated with poverty. | Eastern Cape | 10 449 | — | — |
| | | | Free State | 5 774 | — | — |
| | | | Gauteng | 3 190 | — | — |
| | | | KwaZulu-Natal | 11 274 | — | — |
| | | | Limpopo | 10 229 | — | — |
| | | | Mupumalanga | 6 874 | — | — |
| | | | Northern Cape | 2 887 | — | — |
| | | | North West | 5 827 | — | — |
| | | | Western Cape | 2 942 | — | — |
| | | | TOTAL | 59 446 | — | — |

SCHEDULE 7A

IN-KIND/INDIRECT ALLOCATIONS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Type of Grant | Column A | Column B | |
|---|--|---|----------------------------|------------------------|-------------------|-------------------|
| | | | | 2003/04 | Forward Estimates | |
| | | | | Allocation | 2004/05 | 2005/06 |
| Public Works (Vote 6) | (a) Community Based Public Works Programme Grant | To create community assets in disadvantaged rural communities and empower the communities to manage the facilities in co-operation with the local municipality through labour intensive methods, managed by the Independent Development Trust. | Indirect Conditional grant | R'000 10 000 | R'000 — | R'000 — |
| National Treasury (Vote 8) | (a) Financial Management Grant | To promote and support reforms to municipal financial management practices, including the modernisation of budgeting, financial management, accounting, monitoring systems in municipalities and implementation of Municipal Financial Management Bill, after its enactment. | Indirect Conditional grant | 60 915 | 70 249 | 74 464 |
| Water Affairs and Forestry (Vote 34) | (a) Water Services Operating Subsidy (via Augmentation to the Water Trading Account) | To augment the Water Trading Account (Sub-Programme 4) of Department of Water Affairs and Forestry in order to provide subsidies to users of water schemes that are owned by the department, which are either directly operated by the department or by other agencies on behalf of the department. | Indirect Conditional grant | 836 436 | 858 334 | 934 434 |
| | (b) Implementation of Water Services Projects Grant | To fund bulk, connector and internal infrastructure for the provision of water services at a basic level of services, and to implement such projects where municipalities lack the required capacity to do so. | Indirect Conditional grant | 1 101 812 | 947 554 | 1 036 607 |
| | TOTAL | | | 2 009 163 | 1 876 137 | 2 045 505 |

SCHEDULE 8

AMENDMENT OF DIVISION OF REVENUE ACT, 2002

(SECTION 34)

| Vote | Name of Allocation | Purpose | Type of Allocation | Column A | Column B | |
|---|---|--|--|---------------------------------|------------------|------------------|
| | | | | 2002/03 Allocation | MTEF Outer Years | |
| | | | | | 2003/04 | 2004/05 |
| Water Affairs and Forestry (Vote 33) | (a) Water Services Operation Subsidy Grant | To augment the Water Services Trading Account (Sub-Programme 4) of the Department of Water Affairs and Forestry thus providing funding for the operation and maintenance of water schemes that are owned and/or operated by the department or by other agencies on behalf of the department. | Indirect Conditional (via Water Trading Account) Grant | [669 687] <u>699 687</u> | 776 436 | 768 334 |
| | (b) Implementation of Water Services Projects Grant | To fund bulk, connector and internal infrastructure for water services at a basic level of service, and implement such projects where municipalities lack the required capacity to do so. | Indirect Conditional Grant | 884 099 | 1 011 812 | 817 554 |
| | | | TOTAL | [1 553 786] <u>1 583 786</u> | 1 788 248 | 1 585 888 |

