

REPUBLIC OF SOUTH AFRICA

DIVISION OF REVENUE BILL

(As amended by the Portfolio Committee on Finance (National Assembly))
(The English text is the official text of the Bill)

(MINISTER OF FINANCE)

[B 8B—2005]

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GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

————— Words underlined with a solid line indicate insertions in existing enactments.

BILL

To provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for the 2005/06 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.

PREAMBLE

WHEREAS section 214(1) of the Constitution requires an Act of Parliament to provide for—

- (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
- (b) the determination of each province’s equitable share of the provincial share of that revenue; and
- (c) any other allocations to provinces, local government or municipalities from the national government’s share of that revenue, and any conditions on which those allocations may be made;

BE IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows:—

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CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

Interpretation

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

“**budget year**” means the financial year commencing on 1 April 2005 and ending on 31 March 2006;

“**category A, B or C municipality**” has the meaning assigned to each category in terms of the Municipal Structures Act, 1998 (Act No. 117 of 1998);

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

“**framework**” means the conditions and other information in respect of an allocation published by the National Treasury in terms of section 28;

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

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

“**next financial year**” means the financial year commencing on 1 April 2006 and ending on 31 March 2007;

“**payment schedule**” means a schedule, which sets out—

(a) the amount of each transfer of an equitable share or any other allocation in terms of this Act to be transferred to a province or municipality for the financial year;

(b) the date on which each transfer must be paid; and

(c) to whom, and to which bank account, each transfer must be paid;

“**prescribe**” means prescribe by regulation in terms of section 45;

“**primary bank account**”—

(a) in relation to a province, means a bank account of the Provincial Revenue Fund held with a commercial bank which the head of the department in the provincial treasury has certified to the National Treasury, as the bank account into which allocations, other than the equitable share allocation and Social Assistance Transfers and Social Assistance Administration allocations, in terms of this Act must be deposited; and

- (b) in relation to a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act; **“Public Finance Management Act”** means the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- “quarter”** means— 5
- (a) 1 April to 30 June;
- (b) 1 July to 30 September;
- (c) 1 October to 31 December; or
- (d) 1 January to 31 March;
- “receiving officer”**— 10
- (a) in relation to a Schedule 4 or 5 allocation transferred to a province, means the accounting officer of the provincial department which receives that allocation or a portion thereof for spending via an appropriation from its Provincial Revenue Fund; or
- (b) in relation to a Schedule 4 or 6 allocation transferred to a municipality, the accounting officer of the municipality, except for that portion of the Municipal Infrastructure allocation, committed before 30 September 2003 and spent by the transferring national officer directly on behalf of the municipality; 15
- “transferring national officer”** means the accounting officer of a national department that transfers a Schedule 4, 5 or 6 allocation to a province or municipality or makes a Schedule 7 allocation on behalf of a municipality; and 20
- “transferring provincial officer”** means the accounting officer of a provincial department that receives a Schedule 5 or 6 allocation for the purpose of transferring it to a municipality in the relevant province.
- (2) Any determination or instruction in terms of this Act must be in writing. 25
- (3) Section 35 of the Public Finance Management Act, section 3 of the Financial and Fiscal Commission Act, 1997 (Act No. 99 of 1997) and sections 9 and 10 of the Municipal Systems Act do not apply in respect of any powers and functions assigned in terms of this Act to a province or municipality.

Objects of Act 30

2. The objects of this Act are to—
- (a) provide for the equitable division of revenue anticipated to be raised nationally among the three spheres of government;
- (b) promote co-operative governance and intergovernmental relations on budgetary matters; 35
- (c) promote better co-ordination between policy, planning, budget preparation and execution processes;
- (d) promote predictability and certainty in respect of all allocations to provinces and municipalities in order that such governments may plan their budgets over a multi-year period; 40
- (e) promote transparency and equity in the resource allocation process;
- (f) promote accountability by ensuring that all allocations are reflected on the budgets of receiving provinces and municipalities; and
- (g) ensure that legal proceedings in respect of division of revenue disputes between organs of state in the three spheres of government are avoided as far as possible. 45

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

Equitable division of revenue anticipated to be raised nationally among spheres of government 50

3. (1) Revenue anticipated to be raised nationally in respect of the budget year must be divided among the national, provincial and local spheres of government for their equitable share allocations as set out in Column A of Schedule 1.
- (2) An envisaged division of revenue anticipated to be raised in respect of the next financial year and the 2007/08 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. 55

(3) Notwithstanding subsection (2), the National Treasury 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 as set out in Column B of Schedule 1, be transferred as a direct charge against the National Revenue Fund to a province or municipality. 5

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 budget year is set out in Column A of Schedule 2.

(2) An envisaged division for each province of revenue anticipated to be raised nationally in respect of the next financial year and the 2007/08 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. 10

(3) Subject to section 32, each province's equitable share allocation contemplated in subsection (1) must be transferred to the corporation for public deposits account of the province, in accordance with a payment schedule determined by the National Treasury, after consultation with the head of the department in the provincial treasury. 15

(4) In determining the payment schedule the National Treasury must take account of the monthly spending commitments of provinces, and seek to minimise risk and debt servicing costs for national and provincial government.

(5) (a) Notwithstanding subsection (3), the National Treasury may for cash management purposes relating to the corporation for public deposits account, or when an intervention in terms of section 100 of the Constitution is taking place, on such conditions as it may determine, advance funds to a province in respect of its equitable share contemplated in subsection (1) or a portion of it, which have not yet fallen due for transfer in accordance with the payment schedule referred to in subsection (3). 20 25

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

Equitable division of local government share among municipalities

5. (1) Each municipality's share of local government's equitable share of revenue anticipated to be raised nationally in respect of the budget year, is set out in Column A of Schedule 3. 30

(2) An envisaged division between municipalities of revenue anticipated to be raised nationally in respect of the next financial year and the 2007/08 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. 35

(3) Each municipality's equitable share contemplated in subsection (1) must be transferred to the primary bank account of the municipality in quarterly transfers before the end of May, August, December and March in the budget year, in accordance with a payment schedule determined by the National Treasury.

(4) Notwithstanding subsection (3), when an intervention in terms of section 139 of the Constitution is taking place in a municipality, the National Treasury may, on such conditions as it may determine, approve a request or direct that the equitable share contemplated in subsection (1), or a portion of it, be— 40

(a) advanced to a municipality in terms of a financial recovery plan prepared in terms of section 141 of the Municipal Finance Management Act, in respect of any portion which has not yet fallen due for transfer in accordance with the payment schedule referred to in subsection (3), and 45

(b) transferred to a municipality via the province in terms of section 226(3) of the Constitution, if the municipality is unable or unwilling to implement its financial recovery plan imposed in terms of section 141 of the Municipal Finance Management Act. 50

(5) Any advances in terms of subsection (4)(a) must be set-off against transfers to the municipality, which would otherwise become due in terms of subsection (3).

Shortfalls and excess revenue

6. (1) If actual revenue raised nationally in respect of the budget year falls short of the anticipated revenue set out in Schedule 1, the national government bears the shortfall. 55

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

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

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

CHAPTER 3

10

OTHER ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

General

Other allocations to provinces

7. (1) Other allocations to provinces in respect of the budget year from the national government's share of revenue anticipated to be raised nationally are set out in Column A of the following Schedules: 15

- (a) Schedule 4A specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets; and
- (b) Schedule 5 specifying specific-purpose allocations to provinces. 20

(2) An envisaged division of other allocations to provinces from the national government's share of revenue anticipated to be raised nationally, for the next financial year and the 2007/08 financial year, which is subject to the annual Division of Revenue Act for those years, is set out in Column B of the Schedules referred to in subsection (1).

(3) Notwithstanding subsection (2), the National Treasury may, in respect of the next financial year and until the commencement of the Division of Revenue Act for that financial year, determine that an amount not exceeding 45 per cent of the envisaged division of an allocation for the next financial year, as set out in Column B of the Schedules, be transferred to a province as a direct charge against the National Revenue Fund. 30

Other allocations to municipalities

8. (1) Other allocations to local government in respect of the budget year from the national government's share of revenue anticipated to be raised nationally are set out in Column A of the following Schedules:

- (a) Schedule 4B specifying allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets; and 35
- (b) Schedule 6 specifying specific-purpose allocations to municipalities; and
- (c) Schedule 7 specifying allocations-in-kind to municipalities for designated special programmes.

(2) An envisaged division of allocations to local government from the national government's share of revenue anticipated to be raised nationally for the next financial year and the 2007/08 financial year, which is subject to the annual Division of Revenue Act for those years, is set out in Column B of the Schedules referred to in subsection (1). 40

(3) The National Treasury must publish in the *Gazette* required in terms of section 28, the share of each municipality in respect of the local government allocations referred to in subsections (1) and (2). 45

(4) Notwithstanding subsection (2), the National Treasury may, in respect of the next financial year and until the commencement of the Division of Revenue Act for that financial year, determine that an amount not exceeding 45 per cent of the envisaged division of the allocation for the next financial year, as set out in Column B of the Schedules, be transferred to a municipality as a direct charge against the National Revenue Fund. 50

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

9. (1) No public entity may receive funds for the provision of a municipal service or municipal function on behalf of a municipality, or of a bulk resource necessary for the performance of a municipal service, from a national or of provincial organ of state except— 5
- (a) via the municipality responsible for that service or function, unless the National Treasury approves otherwise in respect of municipalities it deems to have low capacity; or
 - (b) directly, where the public entity when this Act takes effect, provides such a service or function, and it certifies to the National Treasury by 1 May 2005 10 that it will enter into a written service delivery agreement with the relevant municipality in accordance with subsection (2).
- (2) A public entity contemplated in subsection (1)(b), and the relevant municipality must sign a written service delivery agreement no later than— 15
- (a) 30 June 2005, for all category A municipalities;
 - (b) 30 November 2005, for all category B municipalities with budgets exceeding R1 billion in the 2004/05 municipal financial year; and
 - (c) 30 June 2006, for all other municipalities.
- (3) (a) The National Treasury, after consultation with the accounting officer of the national department responsible for local government, may determine the format of a service delivery agreement contemplated in this section. 20
- (b) The service delivery agreement must, in addition to compliance with other legislation prescribing the contents of service delivery agreements, including section 81 of the Municipal Systems Act in respect of municipal services, provide for— 25
- (i) the service authority role of the municipality;
 - (ii) the service provider role of the public entity;
 - (iii) the principles of co-operative governance as provided for in the Constitution, including the settlement of disputes in accordance with mechanisms and procedures provided for that purpose in legislation;
 - (iv) the National Treasury to assist in resolving disputes between the parties, 30 including by issuing directives on pricing and service delivery standards in the event of any dispute on these matters; and
 - (v) any other matter as may be determined by the National Treasury.
- (4) A municipality is exempted from compliance with Part 2 of Chapter 8 of the Municipal Systems Act to the extent that Part 2 provides for processes and procedures that a municipality must comply with prior to entering into a service delivery agreement in respect of municipal services contemplated in this section. 35
- (5) A public entity that receives funding directly or via the relevant municipality, in the circumstances contemplated in subsection (1), must within 30 days after the end of each month, report to the relevant municipality, the national or provincial organ of state and the National Treasury on the amount spent on the bulk resource, municipal service or function for which it has received funds, or is entitled to reimbursement from funds transferred to a municipality. 40
- (6) A public entity providing water, electricity or any other prescribed municipal service to residential and commercial users within the area of jurisdiction of a municipality, must inform the relevant municipality and the National Treasury— 45
- (a) by 31 May 2005, of the services provided on behalf of that municipality, including the number of residential and commercial users to whom such services are provided, the total volume of electricity and water supplied to users per month and the free basic services provided; 50
 - (b) within 30 days after the end of each month, of—
 - (i) the revenue collected and not collected for that month; and
 - (ii) any material difficulties experienced in respect of revenue collection including amounts not billed and losses; and
 - (c) by 31 August of each year, of the services provided on behalf of the municipality for the preceding municipal financial year. 55
- (7) The National Treasury may—
- (a) instruct the withholding of the transfer or reimbursement of funds to a public entity if that entity fails to comply with this section; or
 - (b) direct that any portion of the equitable share allocation of the municipality be transferred to the public entity if the municipality unreasonably delays entering into a service delivery agreement in accordance with subsection (2). 60

(8) The National Treasury must mediate any dispute between a municipality and a public entity preventing the signing of a service delivery agreement.

Allocations by public entities to municipalities

- 10.** A public entity that provides funds to a province or a municipality as a grant, sponsorship or donation, must— 5
- (a) where any such transfers collectively exceed R500 000 in a financial year, inform the National Treasury of any intended transfer at least 14 days prior to effecting the transfer; and
 - (b) disclose in its financial statements, the purpose and amount of each transfer to a province or a municipality. 10

Allocations not listed in Schedules

- 11.** (1) An allocation not listed in the Schedules referred to in sections 7 and 8 may only be made in terms of section 6(3).
- (2) The National Treasury must publish the allocations and frameworks for such allocations in the *Gazette*, prior to the transfer of any funds to a province or municipality. 15

Part 2

Matters related to Schedule 4 allocations

General

- 12.** (1) The framework for a Schedule 4 allocation must be designed to promote comprehensive outputs for a programme or function funded or partially funded by the allocation, and may not include any condition— 20
- (a) for a national department or any other organ of state, other than the receiving officers, to approve specific projects or budgets; or
 - (b) requiring a report on spending or projects other than the reports required in terms of section 21 or as approved by the National Treasury. 25
- (2) The National Treasury must approve the payment schedules for all Schedule 4 allocations, submitted to it in accordance with section 19(1)(a).

Provincial Infrastructure allocation

- 13.** (1) The Provincial Infrastructure allocation set out in Schedule 4A supplements the funding of infrastructure programmes funded from provincial budgets to enable provinces to address backlogs in provincial infrastructure. 30
- (2) A province must ensure that its provincial departments responsible for education, health and roads—
- (a) are responsible for all capital and maintenance budgets and spending for those functions; 35
 - (b) enter into, implement and manage service delivery agreements with provincial departments responsible for public works or public entities, where such departments and entities manage or undertake construction or maintenance on their behalf;
 - (c) participate, together with the provincial department responsible for public works in the Infrastructure Development Improvement Programme facilitated by the National Treasury, unless any such department is exempted from participation by the National Treasury; and 40
 - (d) take account of any recommendations on infrastructure made by the Cabinet member responsible for that function in terms of section 26. 45
- (3) A province, in allocating the Provincial Infrastructure allocation—
- (a) must consider the capacity requirements of a receiving provincial department to administer an allocation;
 - (b) must take into account the capacity of the receiving provincial department to spend and manage infrastructure, based on the extent of any or any projected roll-overs in the 2003/04 and 2004/05 financial years; and 50
 - (c) may, where a receiving provincial department lacks capacity, with the National Treasury's approval, designate a percentage of the allocation for acquiring such capacity.

Municipal Infrastructure allocation

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

(2) The Municipal Infrastructure allocation—

(a) must be transferred, directly to a category A, B or C municipality that has the executive authority to provide basic municipal service infrastructure, from 1 July 2005, if the municipality is classified as a high or medium capacity municipality by the transferring national officer and the National Treasury; 10
and

(b) may be transferred via the relevant category C municipality to a category B municipality if the category B municipality is classified as a low capacity municipality by the transferring national officer and the National Treasury.

(3) Notwithstanding subsection (2), the transferring national officer, in consultation with the National Treasury, may determine that the Municipal Infrastructure allocation— 15

(a) be transferred directly to a category B municipality not classified as a high or medium capacity municipality in terms of subsection (2)(a); or

(b) be transferred to the relevant province, in accordance with section 226(3) of the Constitution, if section 40 applies. 20

(4) A municipality receiving the municipal infrastructure grant must table and approve a three-year capital budget as part of its budget for the 2005/06 financial year in accordance with the Municipal Finance Management Act, unless exempted in terms of that Act. 25

(5) The transferring national officer may, with the approval of the National Treasury and after consultation with the responsible sector departments, make direct payments to creditors against the Municipal Infrastructure allocation of a municipality for commitments incurred on previous consolidated municipal infrastructure and water capital grants as at 30 September 2003, if the receiving municipality is unable, unwilling or fails to pay for such commitments. 30

Part 3

Matters related to Schedules 5 and 6 allocations

Social Assistance Transfers and Social Assistance Administration conditional allocations 35

15. (1) The transferring national officer must, in addition to the duties contemplated in section 20, take appropriate steps to ensure that—

(a) social assistance transfers and administration spending in each province—
(i) do not exceed the amounts appropriated for that purpose on provincial budgets; and 40
(ii) are in accordance with the approved payment schedule for each month of the year, for each type of social assistance grant included in the Social Assistance Transfers allocation, and administration;

(b) subsection (4) on under and over spending is complied with;

(c) legislation, including legislation providing for social assistance, is adhered to; 45
and

(d) reasonable technical, systems and other support necessary to ensure the sound administration of the Social Assistance Transfers and Social Assistance Administration conditional allocations are provided to provinces”.

- (2) A receiving officer must, in addition to the duties contemplated in section 22—
- (a) ensure that the amount budgeted for each type of social assistance grant included in the Social Assistance Transfers allocation takes into account the indicative allocations for that grant as set out in Schedule 5A;
 - (b) ensure that administrative processes and procedures comply with all requirements set by the transferring national officer; 5
 - (c) ensure that social assistance transfers and administration spending are in accordance with the approved payment schedule for each type of social security grant included in the Social Assistance Transfer allocation, and administration for each month of the year; and 10
 - (d) in addition to complying with the reporting requirements set out in section 32 of the Public Finance Management Act, provide such information and reports, within the specified timeframes, to the transferring national officer as he or she may request in the performance of the duties provided for in subsection (1). 15
- (3) (a) The transferring national officer must, after consultation with the National Treasury and receiving officers, not later than seven days after this Act takes effect submit a Social Assistance Transfers and Social Assistance Administration conditional allocations monitoring plan to the National Treasury. 15
- (b) The plan must set out the key performance indicators, financial procedures, internal audit processes, and monitoring and reporting mechanisms of the national and each provincial department to ensure effective and efficient delivery of social assistance. 20
- (4) In the event that the total amount anticipated to be spent on social assistance in a province in this financial year materially exceeds or is less than the appropriated amount or the amount set out in the approved payment schedule for a specific month, the receiving officer must, within 14 days of detecting the anticipated over or under expenditure, submit a report to the transferring national officer and relevant provincial treasury, which report must— 25
- (a) set out the extent of the anticipated over or under expenditure;
 - (b) provide reasons for the anticipated over or under expenditure, including information on approval processes and number of new beneficiaries; and 30
 - (c) outline the measures taken to ensure that the anticipated over or under expenditure is not due to fraudulent or any other irregular practices.
- (5) Over expenditure attributable to non-compliance with legislative requirements and poor management procedures must be funded from the Provincial Revenue Fund, unless the National Treasury determines otherwise. 35
- (6) (a) The National Treasury must direct the establishment of a dedicated bank account configuration for the transfer of Social Assistance Transfers and Social Assistance Administration conditional allocations.
- (b) Each provincial treasury must ensure that the bank account configuration as directed is in place and operational by 1 April 2005. 40
- (7) The transferring national officer must transfer Social Assistance Transfers and Social Assistance Administration conditional allocations to the dedicated corporation of public deposits account of the province, in accordance with a payment schedule agreed between the transferring national officer and the provincial receiving officer, and approved by the National Treasury. 45
- (8) (a) The transferring national officer may, with the written approval of the National Treasury and after consultation with the affected provinces, reallocate the Social Assistance Transfers and Social Assistance Administration allocations, or a portion of such allocations, from one province to another province.
- (b) Any such reallocation must, together with an explanatory memorandum, be published in the *Gazette* within 30 days of such a reallocation. 50
- (9) Any reallocation by a receiving officer of the indicative allocations for the different types of social security grants included in the Social Assistance Transfers conditional allocation as set out in Schedule 5A, exceeding five per cent must be approved by the transferring national officer, in consultation with the National Treasury, prior to the reallocation. 55

Municipal capacity building allocations

- 16.** (1) Any transfer of an allocation 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 National Treasury. 60

(2) The framework contemplated in subsection (1) must take into account the capacity requirements for implementing the Municipal Systems Act and the Municipal Finance Management Act, including integrated planning, performance management, financial management, budgeting and spatial planning considerations and the need to ensure that the capacity of a municipality is developed in measurable ways. 5

(3) The annual report of the department responsible for any capacity-building allocation must indicate the extent to which the capacity of any municipality was improved in measurable ways by that allocation and the extent to which such an allocation was spent on external consultants contracted to assist a municipality.

Integrated Housing and Human Settlement Development allocations 10

17. (1) The provincial accounting officer responsible for housing must—

(a) facilitate applications for accreditation in terms of the Housing Act, 1997 (Act No. 107 of 1997) from 1 April 2005 from all category A municipalities, and all category B municipalities identified by the transferring national officer in respect of each province; and 15

(b) within six months of receiving applications from the municipalities contemplated in paragraph (a), complete the accreditation of those municipalities.

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

(b) The transferring national officer must on receipt of an objection take all necessary steps to facilitate accreditation as soon as possible, but no later than 60 days after the objection was received. 20

(3) Accreditation granted in terms of subsection (1) must—

(a) at least include—

(i) authority to administer housing programmes, including the administration of all housing subsidy applications; 25

(ii) authority to grant subsidies and approve projects, subject to subsection (4), to be funded from uncommitted housing funds from the 2006/07 financial year;

(iii) an obligation to maintain compliance with the capacity and system requirements prescribed by the provincial accounting officer responsible for housing; 30

(iv) an obligation to provide monthly reports on housing delivery; and

(v) an obligation to provide information on the levying and collection of rental in respect of all municipal owned houses; and 35

(b) be implemented progressively during the financial year and finalised by 30 June 2006.

(4) An accredited municipality must, in exercising its authority in terms of subsection (3)(a)(ii)—

(a) take into account any criteria for the prioritisation of projects as determined by the province; and 40

(b) participate in housing programme forums established by the transferring national department.

(5) Notwithstanding any provision in any law, section 35 of the Public Finance Management Act, section 3 of the Financial and Fiscal Commission Act, 1997 (Act No. 99 of 1997), and sections 9 and 10 of the Municipal Systems Act do not apply to the accreditation of municipalities in terms of the Housing Act, 1997 (Act No. 107 of 1997). 45

Part 4

Specific matters related to Schedule 7 allocation

Water Services Operating and Transfer Subsidy allocations 50

18. (1) The transferring national officer, subsequent to the signing of a transfer agreement between the transferring national officer and the municipality for the transfer of water services assets, may with the written approval of the National Treasury adjust the Water Services Operating and Transfer Subsidy allocation to a municipality to reflect— 55

- (a) the actual personnel allocation payable to a municipality as a result of the number of staff transferred from the transferring national department to the municipality; and
 - (b) the actual operating allocation payable to a municipality as informed by the percentage or portion of assets transferred to a municipality in respect of assets shared across municipal boundaries. 5
- (2) Any adjustments contemplated in subsection (1) must, together with an explanatory memorandum, be published by the National Treasury in the *Gazette*, within 120 days after granting approval for an adjustment.

CHAPTER 4

10

DUTIES OF ACCOUNTING OFFICERS AND TREASURIES

Duties of transferring national officer in respect of Schedule 4 allocation

- 19.** (1) The transferring national officer for a Schedule 4 allocation is responsible for—
- (a) submitting a payment schedule determined after consultation with the receiving officer to the National Treasury for approval before 1 April 2005; 15
 - (b) ensuring that transfers to all provinces and municipalities are in accordance with the payment schedule, unless allocations are withheld or stopped in terms of sections 33 or 34;
 - (c) monitoring expenditure and non-financial performance information on programmes funded by an allocation, provided that such monitoring— 20
 - (i) is approved by the National Treasury; and
 - (ii) does not impose undue administrative burdens on receiving provinces and municipalities beyond the provision of standard management information; and 25
 - (iii) is in accordance with sections 12(1) and 21(3).
 - (d) evaluating the performance of programmes funded or partially funded by the allocation and the submission of such evaluations to the National Treasury, within four months in respect of a province and six months in respect of a municipality after the end of the financial year. 30
- (2) Where more than one national department have responsibilities relating to a Schedule 4 allocation, the transferring national officer must co-ordinate the roles and responsibilities of such national departments and ensure those roles and responsibilities—
- (a) are exercised in a manner that does not duplicate its responsibilities as set out in subsection (1); and 35
 - (b) do not impose undue administrative burdens on provinces or municipalities beyond the provision of standard management information.

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

- 20.** (1) A transferring national officer must, not later than 14 days after this Act takes effect, certify to the National Treasury that— 40
- (a) allocation frameworks, including conditions and monitoring provisions, are reasonable and do not impose an undue administrative burden on receiving provincial governments and municipalities beyond the provision of standard management information; 45
 - (b) any business plans requested in respect of how allocations, other than the Social Assistance Transfers and Social Assistance Administration allocations, will be utilised by a province or municipality have been approved prior to the start of the financial year;
 - (c) funds will only be transferred after information required in terms of this Act has been provided to the National Treasury; 50
 - (d) funds will only be transferred in accordance with a payment schedule determined after consultation with relevant provinces or organised local government;
 - (e) funds will only be deposited into the primary bank account of a province or municipality, or, where appropriate into the corporation for public deposits account of a province; and 55

- (f) all other arrangements or requirements necessary for the transfer of an allocation have been complied with prior to the start of the financial year.
- (2) The transferring national officer must submit all information and documentation referred to in subsections (1)(a) and (b) to the National Treasury within 14 days after this Act takes effect. 5
- (3) A transferring national officer who has not complied with subsection (1) must transfer such allocation as instructed by the National Treasury, including as an unconditional allocation.
- (4) Before making the first transfer of any allocation, the transferring national officer must take note of any notice in terms of section 28(2) from the National Treasury outlining the details of the account for each province or municipality. 10
- (5) Notwithstanding anything to the contrary contained in any law, a transferring national officer must in respect of any allocation, as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, not later than 20 days after the end of each month, and in the format determined by the National Treasury, submit to the National Treasury, information for the month reported on and for the financial year up to the end of that month, on— 15
- (a) the amount of funds transferred to a province or municipality;
 - (b) the amount of funds stopped or withheld from any province or municipality, the reasons for the withholding or stopping and the steps taken to deal with the causes that necessitated the withholding or stopping of the payment; 20
 - (c) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 and 6 allocation; and
 - (d) such other issues as the National Treasury may determine.
- (6) The transferring national officer must evaluate the performance of programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury within four months in respect of a province and six months in respect of a municipality after the end of the financial year. 25

Duties of receiving officer in respect of Schedule 4 allocation

- 21.** (1) A receiving officer is responsible for— 30
- (a) complying with the framework for a Schedule 4 allocation as published in terms of section 28; and
 - (b) the manner in which it allocates and spends a Schedule 4 allocation.
- (2) The receiving officer of a municipality must— 35
- (a) ensure and certify to the National Treasury that the municipality—
 - (i) indicates, or if required, exclusively appropriates each programme funded or partially funded by this allocation in its annual budget; and
 - (ii) makes public, in accordance with the requirements of section 21A of the Municipal Systems Act, the conditions and other information in respect of the allocation to facilitate performance measurement and the use of required inputs and outputs; 40
 - (b) by no later than 1 April 2005, submit to the National Treasury, together with its annual budget, detailed plans for the 2005/06 financial year outlining how the municipality intends to achieve outputs for each programme funded by this allocation; 45
 - (c) submit monthly reports as required by the Municipal Finance Management Act to the National Treasury on spending against programmes; and
 - (d) submit a quarterly performance report within 30 days after the end of each quarter to the transferring national officer.
- (3) The receiving officer in a province must— 50
- (a) submit monthly reports as required by the Public Finance Management Act to the relevant provincial treasury on spending against programmes; and
 - (b) submit a quarterly performance report within 30 days after the end of each quarter to the transferring national officer.
- (4) The receiving officer must report against programmes funded or partially funded by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report. 55
- (5) The receiving officer must annually, within two months after the end of the financial year and where relevant the municipal financial year, evaluate its performance in respect of programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer. 60

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

- 22.** (1) The relevant receiving officer must, in respect of an allocation transferred to—
- (a) a province, as part of the report required in section 40(4)(c) of the Public Finance Management Act, submit a report to the relevant provincial treasury and the transferring national officer; and 5
 - (b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, submit a report to the relevant transferring national or provincial officer.
- (2) A report by a province in terms of subsection (1) must set out for that month and for the financial year up to the end of that month— 10
- (a) the amount received by the province;
 - (b) the amount of funds stopped or withheld from the province;
 - (c) the actual expenditure by the province in respect of a Schedule 5 allocation;
 - (d) the extent of compliance with the conditions of an allocation provided for in a framework and with this Act; 15
 - (e) an explanation for any material problems experienced by the province regarding an allocation which has been received and a summary of the steps taken to deal with such problems or the effect of such variations; and
 - (f) such other issues and information as the National Treasury may determine.
- (3) A report by a municipality in terms of subsection (1) must set out for that month and for the financial year up to the end of that month the amount of funds stopped or withheld from the municipality and such other information as the National Treasury may determine. 20
- (4) The receiving officer must annually, within two months after the end of the financial year and where relevant the municipal financial year, evaluate its performance 25 in respect of programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer.

Duties of transferring provincial officer

- 23.** (1) A transferring provincial officer must, as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, in respect of any allocation to be transferred to municipalities, and in the format determined by the National Treasury, submit, within 15 days after the end of each month, to the transferring national officer and the relevant treasury, information on— 30
- (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; 35
 - (b) the amount of funds stopped or withheld from any municipality in the month reported on;
 - (c) actual expenditure incurred in respect of that allocation; and
 - (d) such other issues as the National Treasury may determine.

Category C municipal budgets and allocations in terms of this Act 40

- 24.** (1) (a) In addition to the requirements of the Municipal Finance Management Act, a category C municipality must, no later than 1 April 2005, submit to the National Treasury and all category B municipalities within its area of jurisdiction, its budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, for the 2005/06 municipal financial year, and the two following municipal financial years. 45
- (b) The budget must indicate all allocations to be transferred to each category B municipality within its area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities.
- (2) A category C municipality must strive to ensure that it does not duplicate a function currently performed by a category B municipality, and transfer funds for infrastructure development or the provision of services to the relevant category B municipalities, taking into account any indicative allocations for such municipalities as determined or published in the *Gazette* by the National Treasury, and may only retain and spend funds directly if— 50
- (a) the category C municipality retained a power or function in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); and 55

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

(3) A category C municipality must before implementing any capital project for water, electricity, roads or any other municipal service secure approval for the project from the category B municipality within whose area of jurisdiction the project will be implemented and agree on which municipality is responsible for its operational costs and collection of user fees. 5

(4) A municipality must ensure that any allocation made to it in terms of this Act, or by a province or another municipality, that is not reflected in its budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, is reflected in its budget to be approved in accordance with section 24 of the Municipal Finance Management Act. 10

(5) Where a function for which a province receives a Schedule 5 allocation is assigned to a municipality during a financial year and the province has not appropriated funds to that municipality for the performance of that function, the province must transfer such funds to the municipality in terms of section 226(3) of the Constitution as a direct charge against that province's Revenue Fund. 15

Duties of provincial treasuries

25. (1) The head of the department in the provincial treasury must ensure and certify to the National Treasury that the province— 20

(a) indicates or, if required, exclusively appropriates each programme funded or partially funded through Schedule 4 allocations in its Appropriation Bill or a schedule to its Appropriation Bill; and

(b) publishes the conditions and other information in respect of these allocations to facilitate performance measurement and the use of required inputs and outputs in its budget documents submitted to its legislature or the *Gazette*. 25

(2) The provincial treasury must in respect of allocations to municipalities other than allocations made in terms of this Act publish, with its annual budget or in the *Gazette*, not later than 1 April 2005— 30

(a) the allocation per municipality for every allocation made by the province to municipalities; and

(b) the envisaged division of the allocation contemplated in paragraph (a) in respect of each municipality, for the next financial year and the 2007/08 financial year. 35

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

(b) These allocations must be published in the *Gazette* before any transfers can be made, unless the allocations were published with its adjustments budget submitted to the provincial legislature. 40

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

(a) actual transfers received by the province from national departments; 45

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

(c) actual transfers made by the province to municipalities, and projections of actual expenditure by municipalities on such allocations; and

(d) any problems of compliance with this Act by transferring provincial officers and receiving officers and the steps taken to deal with such problems. 50

(5) The report contemplated in subsection (4) must include reports for each quarter, and be in the format and include the information as may be determined by the National Treasury.

Duties relating to co-operative governance in respect of concurrent functions 55

26. (1) A Cabinet member responsible for a function falling within Schedule 4 to the Constitution may determine a monitoring system for the performance by provinces and, if applicable, by municipalities of that function, and make recommendations at any stage to a province or municipality on improving performance of the function and compliance with national legislation applicable to the function. 60

(2) If a province or municipality performing a function referred to in subsection (1) fails to meet any applicable national targets and standards for the performance of the function, the relevant Cabinet member may take such steps as may be necessary to assist the province or municipality in meeting those targets or standards, including recommendations to that province or municipality on— 5

- (a) how to improve its performance;
- (b) organisational and administrative arrangements for a provincial department or other provincial organ of state or a municipality;
- (c) human resource arrangements, particularly where a large number of personnel is employed; 10
- (d) human resource development, training and management;
- (e) governance arrangements to prevent or limit corruption and wastage; and
- (f) agency arrangements for delivering or managing any of the core responsibilities pertaining to that function.

(3) The Premier of a province or mayor of a municipality must take into account any recommendations made by the Cabinet member in terms of subsection (1) or (2), in order to improve performance of that function. 15

Annual financial statements and annual reports for 2005/06

27. (1) The annual financial statements for the 2005/06 financial year of a national or provincial department transferring any funds in respect of an allocation set out in Schedules 4, 5, 6 and 7 must, in addition to any requirements in terms of any other applicable law— 20

- (a) indicate the total amount of that allocation transferred to a province or municipality;
- (b) indicate the transfers, if any, that were withheld in respect of each province or municipality; 25
- (c) certify that all transfers to a province or municipality were deposited into the primary bank account of a province or municipality, or where appropriate, into the corporation for public deposits account of a province; and
- (d) 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. 30

(2) The annual report for the 2005/06 financial year of a national or provincial department transferring any funds in respect of an allocation set out in Schedules 4, 5, 6 and 7 must, in addition to any requirements in terms of any other applicable law— 35

- (a) indicate the reasons for the withholding of any transfers to a province or municipality;
- (b) indicate to what extent a province or municipality was monitored for compliance with the conditions of an allocation provided for in the relevant framework and the provisions of this Act; 40
- (c) indicate to what extent the allocation achieved its purpose and outputs; and
- (d) indicate any non-compliance with this Act, and the steps taken to deal with such non-compliance.

(3) The annual financial statements of a provincial department receiving an allocation in terms of Schedules 4 and 5, must, in addition to any requirements in terms of any other applicable law— 45

- (a) indicate the total amount of all allocations received;
- (b) indicate the total amount of actual expenditure on all allocations except Schedule 4 allocations; and
- (c) certify that all transfers in terms of this Act to the province were deposited into the primary bank account of the province, or where appropriate, into the corporation for public deposits account of a province. 50

(4) The annual report of a provincial department receiving an allocation in terms of Schedules 4 and 5, must, in addition to any requirements in terms of any other applicable law— 55

- (a) indicate to what extent the province met the conditions, provided for in the relevant framework of such an allocation, and complied with the provisions of this Act;
- (b) indicate the extent to which the objectives and outputs of the allocation were achieved; and 60
- (c) contain such other information as the National Treasury may determine.

(5) (a) The annual financial statements and annual reports of a municipality for the 2005/06 financial year must be prepared in accordance with the Municipal Finance Management Act.

(b) Municipalities for whom the implementation of section 121 of the Municipal Finance Management Act was delayed by the Minister under section 178 of that Act, must notwithstanding such delay, prepare annual performance management reports in terms of section 46 of the Municipal Systems Act, by no later than 31 December 2005.

(6) The National Treasury may determine how transferring departments and receiving municipalities report on local government allocations on a quarterly basis to facilitate the audit of allocations for both the national and municipal financial years. 5

CHAPTER 5

DUTIES OF NATIONAL TREASURY, POWERS OF AUDITOR-GENERAL AND MATTERS RELATING TO INTERNAL AUDIT UNITS 10

Duties of National Treasury

28. (1) The National Treasury must within 14 days of this Act taking effect—

(a) submit a notice to all transferring national officers, containing the details of the bank accounts of each province and municipality; and

(b) publish in the *Gazette*— 15

(i) the allocations per municipality for each Schedule 4B, 6 or 7 allocation to local government; and

(ii) the framework for each Schedule 4, 5, 6 and 7 allocation.

(2) The National Treasury must publish any revisions or amendments to the allocations or frameworks published in terms of subsection (1)(b) authorised by an adjustment budget in the *Gazette*. 20

(3) The National Treasury must, together with the monthly report contemplated in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in the Schedules referred to in sections 7 and 8 or made in terms of section 11. 25

Powers of Auditor-General

29. (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 Chapter 3 or in a special report to be submitted to Parliament, report on— 30

(a) the extent of compliance with this Act and frameworks published in terms of section 28 by transferring national officers, transferring provincial officers and receiving officers; and

(b) such other intergovernmental financial management matters as may be prescribed. 35

(2) The Auditor-General may, when conducting the audits of the provincial departments responsible for education, health, social grants, housing and roads, take appropriate measures to ensure consistency in the audit processes between provincial departments to promote comparability between the provincial departments and national departments responsible for the same functions. 40

Matters relating to internal audit units

30. (1) (a) The transferring national officer of a Schedule 5 or 6 allocation that exceeds R 1 billion for the budget year must, within seven days after this Act takes effect, determine a minimum set of risks that must be taken into account and mitigated by the receiving province or municipality in respect of that allocation. 45

(b) The internal audit plan of the receiving province or municipality for the financial year must take into account the risks identified in paragraph (a) and any other major fiscal risks to the National Revenue Fund posed by poor enforcement of legislative requirements.

(2) A receiving officer of an allocation contemplated in subsection (1), or if requested by any other transferring national officer, must— 50

(a) by 30 April 2005, submit a risk management plan that includes the internal audit plan referred to in subsection (1)(a) to the transferring national officer and the National Treasury; and

- (b) submit a quarterly report, within 30 days after the end of each quarter, to the transferring national officer, which report must address all material issues and risk that arose in respect of the spending of the allocation and the measures taken to minimise the impact thereof.
- (3) The internal audit unit of the transferring national department must co-ordinate and co-operate with the internal audit units of the provincial departments and municipalities to whom it transfers an allocation. 5
- (4) The accounting officer of the transferring national department, the receiving provincial department and receiving municipality must regularly report to its audit committee on compliance with this section. 10

CHAPTER 6

GENERAL

Spending in terms of purpose and subject to conditions

- 31.** (1) Notwithstanding anything to the contrary contained in any law, an allocation referred to in Schedules 4, 5, 6 or 7 may only be utilised for the purpose stipulated in the Schedules concerned and in accordance with the frameworks published in terms of section 28(1). 15
- (2) A receiving officer may not transfer any Schedule 5 or 6 allocation or a portion of such allocation to any other entity for the performance of a function envisaged in terms of the allocation, unless— 20
- (a) it is a transfer that is approved in the budget of the receiving province or municipality or a framework published in terms of section 28(1);
 - (b) it is a payment for services rendered or goods received, which services or goods were procured in accordance with the supply chain management policy or procurement policy of the relevant province or municipality and for which adequate documentation for payment have been received; or 25
 - (c) it is a transfer not consistent with the budget of the receiving province or municipality, or advance payment, approved by the National Treasury on certification by the receiving officer that such transfer is not an attempt to artificially inflate its spending estimates and there are good reasons for the allocation or advance payment. 30
- (3) Notwithstanding the provisions of this Act, the National Treasury may at the request of a provincial treasury approve that rollovers and unspent funds in respect of conditional allocations made by the national government to a province in previous budget years, be deemed to be unconditional allocations to the Provincial Revenue Fund. 35

Amendment of payment schedule

- 32.** (1) Subject to subsection (2), a transferring national officer may, in respect of an allocation set out in Schedule 5 or 6, amend a payment schedule as a result of the withholding or stopping of an allocation in terms of this Act. 40
- (2) The National Treasury may, in the interest of better debt and cash-flow management or to deal with financial mismanagement or under performance, amend any payment schedule for an allocation listed in Schedules 2, 3, 4, 5 or 6 on notification to—
- (a) the head of a provincial treasury, in the case of a provincial allocation; and
 - (b) the accounting officer of the national department responsible for local government and organised local government, in the case of a local government allocation. 45
- (3) A payment schedule revised in terms of subsection (1) or (2) must take account of the monthly spending commitments of provinces or municipalities, the revenue at the disposal of provinces or municipalities and the minimisation of risk and debt servicing costs for all three spheres of government. 50

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

Withholding of allocation

33. (1) Subject to subsection (2), a transferring national officer may withhold the transfer of a Provincial or Municipal Infrastructure allocation or a Schedule 5, 6 or 7 allocation or any portion of such allocation for a period not exceeding 30 days, if—

- (a) the province or municipality does not comply with the provisions of this Act or conditions to which the allocation, as provided for in the relevant framework, is subject; or
- (b) expenditure on previous transfers during the financial year reflects significant under-spending, for which no satisfactory explanation is given.

(2) A transferring national officer must, seven days prior to withholding an allocation in terms of subsection (1), give the relevant receiving officer—

- (a) written notice of the intention to withhold the allocation; and
- (b) an opportunity to submit written representations, within those seven days as to why the allocation should not be withheld.

(3) A notice contemplated in subsection (2) must include the reasons for withholding the allocation and the intended duration of the withholding.

(4) (a) The National Treasury may instruct or approve a request from a transferring national officer to withhold an allocation for a period longer than 30 days, but not exceeding 120 days, if the withholding will—

- (i) facilitate compliance with this Act or the conditions to which the allocation is subject; or
- (ii) minimise the risk of under spending.
- (b) A transferring national officer must, when requesting the withholding of an allocation in terms of this subsection, submit proof of its compliance with subsection (2) and any representations received from the receiving officer, to the National Treasury.

(c) The transferring national officer must comply with subsection (2) when the National Treasury instructs him or her in terms of subsection (4).

Stopping of allocation

34. (1) Notwithstanding section 33, the National Treasury may stop the transfer of—

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

(2) The National Treasury must comply with section 33(2), and in respect of a municipality, also sections 38 and 39 of the Municipal Finance Management Act, when it intends to Act in terms of subsection (1).

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

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

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

Re-allocation after stopping of allocation

35. The National Treasury may, where it stops an allocation in terms of section 34 determine that a portion or the full allocation that will be under spent be reallocated to one or more provinces or municipalities on condition that the allocation will be spent in the financial year.

Non-committed Schedule 5 or 6 allocation

36. (1) Notwithstanding the provisions of the Public Finance Management Act relating to roll-overs, a Schedule 5 or 6 allocation that is not committed to identifiable projects at the end of a financial year, including any interest earned thereon, reverts to the National Revenue Fund. 5

(2) Notwithstanding subsection (1), the National Treasury may at the request of a provincial treasury or municipality approve—

- (a) roll-overs from a conditional allocation to the next financial year; and
- (b) spending of a portion of a conditional allocation on activities related to the purpose of that allocation where the province or municipality projects significant unforeseen and unavoidable over spending on its budget. 10

Preparations for next budget year

37. (1) (a) The receiving officer of a Provincial Infrastructure allocation must, by 31 July 2005, submit detailed five-year infrastructure plans in a format determined by the National Treasury, to the provincial treasury. 15

(b) The five-year infrastructure plans must indicate the prioritised projects to be funded from the allocations for the next financial year and the 2007/08 financial year as set out in column B of Schedule 4A.

(c) The provincial treasury must co-ordinate the infrastructure plans of all receiving officers and submit the co-ordinated plans to the National Treasury by 1 September 2005. 20

(2) (a) The receiving officer of a Municipal Infrastructure allocation must, by 1 October 2005, submit to the National Treasury a detailed draft three year capital plan for the 2007/08 and 2008/09 municipal financial years in a format determined by the National Treasury. 25

(b) Where the receiving officer is a category C municipality, the municipality must, in addition to complying with paragraph (a) certify to the National Treasury that its capital plan is co-ordinated with all category B municipalities located within that category C municipality.

(3) The transferring national officer of a Schedule 4A or 4B allocation must, by 1 October 2005, submit to the National Treasury for approval the draft frameworks for the allocations set out in column B of Schedules 4A and 4B in the format to be determined by the National Treasury. 30

(4) The National Treasury may, in preparation for the next financial year, instruct departments and municipalities to submit to it such plans and information for any conditional grant, as it may determine, at specified times prior to the start of the next financial year. 35

Unauthorised and irregular expenditure

38. (1) The following transfers constitute unauthorised expenditure in terms of the Public Finance Management Act and the Municipal Finance Management Act, as the case may be, where relevant: 40

- (a) a transfer prohibited in terms of section 31(3) of this Act; or
- (b) a transfer by a transferring national officer to a bank account of a province or municipality that is not the primary bank account, or, in respect of provinces, a corporation for public deposits account. 45

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

Financial misconduct

39. (1) Notwithstanding anything to the contrary contained in any law, any serious or persistent non-compliance with a provision of this Act or a framework constitutes financial misconduct. 50

(2) Section 84 of the Public Finance Management Act and section 171(4) of the Municipal Finance Management Act applies in respect of financial misconduct in terms of subsection (1). 55

- (3) A transferring national officer and a transferring provincial officer must—
- (a) investigate any serious or persistent non-compliance with a provision of this Act or a framework within 15 days of becoming aware of the non-compliance;
 - (b) keep a register of all non-compliance with a provision of this Act or a framework, actions taken in respect of each non-compliance, and, in cases where action was not taken, the reason therefore; and
 - (c) include the register in its section 40(4)(c) report to the National Treasury in terms of the Public Finance Management Act.

Transfers to low capacity municipalities

40. The national accounting officer responsible for local government, in respect of a category B municipality classified as a low capacity municipality by that accounting officer and the National Treasury, may with the concurrence of the National Treasury, determine that an allocation in terms of this Act or portion of such an allocation be transferred to the category C municipality, within whose area of jurisdiction the category B municipality is located, or the relevant province, for purposes of the proper administration of the allocation.

Transfers made in error

41. (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.

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

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

(5) The accounting officer of the national department responsible for local government may instruct 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.

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

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

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

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

Delegations and assignments

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

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

- (a) is subject to any limitations or conditions that the Minister may impose;
- (b) may authorise that official to sub-delegate, in writing, the delegated power or assigned duty to another National Treasury official; and
- (c) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty. 5

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

Exemptions

44. (1) The National Treasury may, on written application by a transferring national or provincial officer, exempt such officer in writing from complying with a provision of this Act, if the officer satisfies the National Treasury that— 10

- (a) the duty cannot be complied with at that stage;
- (b) the relevant allocation and framework are properly designed; and
- (c) the officer is taking steps to comply with the provisions of this Act. 15

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

Regulations

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

- (a) anything which must or may be prescribed in terms of this Act; and 20
- (b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act.

Repeal of laws

46. (1) Subject to subsection (2), the Division of Revenue Act, 2004 (Act No. 5 of 2004), is hereby repealed. 25

(2) The repeal of the Division of Revenue Act, 2004, does not affect any duty or obligation set out in that Act, the execution of which is still outstanding.

Short title and commencement

47. This Act is called the Division of Revenue Act, 2005, and takes effect on 1 April 2005. 30

SCHEDULE 1

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

| Spheres of Government | Column A | Column B | |
|-----------------------|-----------------------|--------------------|--------------------|
| | 2005/06 Allocation | Forward Estimates | |
| | | 2006/07 | 2007/08 |
| | R'000 | R'000 | R'000 |
| National ¹ | 273 469 694 | 299 120 613 | 325 845 497 |
| Provincial | 134 706 191 | 146 757 275 | 157 677 779 |
| Local | 9 643 341 | 10 514 940 | 11 370 620 |
| TOTAL | 417 819 226 | 456 392 828 | 494 893 896 |

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

SCHEDULE 2

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

| Province | Column A | Column B | |
|---------------|-----------------------|--------------------|--------------------|
| | 2005/06 Allocation | Forward Estimates | |
| | | 2006/07 | 2007/08 |
| | R'000 | R'000 | R'000 |
| Eastern Cape | 22 202 309 | 23 839 059 | 25 238 734 |
| Free State | 8 660 286 | 9 261 995 | 9 765 081 |
| Gauteng | 20 810 204 | 22 864 963 | 24 774 603 |
| KwaZulu-Natal | 28 398 760 | 31 388 210 | 34 204 801 |
| Limpopo | 18 375 726 | 20 017 878 | 21 506 369 |
| Mpumalanga | 9 976 192 | 10 970 046 | 11 894 723 |
| Northern Cape | 3 124 184 | 3 326 755 | 3 491 843 |
| North West | 11 086 061 | 11 989 563 | 12 786 822 |
| Western Cape | 12 072 469 | 13 098 806 | 14 014 803 |
| TOTAL | 134 706 191 | 146 757 275 | 157 677 779 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|---|--------|----------------------------------|--------------------|-------------------|------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| EASTERN CAPE | | | | | |
| A | | Nelson Mandela | 205 630 | 228 289 | 270 844 |
| B | EC101 | Camdeboo | 9 786 | 10 728 | 12 777 |
| B | EC102 | Blue Crane Route | 10 948 | 11 901 | 13 729 |
| B | EC103 | Ikwezi | 4 163 | 4 483 | 5 046 |
| B | EC104 | Makana | 18 321 | 20 159 | 23 970 |
| B | EC105 | Ndlambe | 15 364 | 16 884 | 19 868 |
| B | EC106 | Sundays River Valley | 10 022 | 10 741 | 11 049 |
| B | EC107 | Baviaans | 4 399 | 4 713 | 5 248 |
| B | EC108 | Kouga | 13 435 | 14 803 | 17 409 |
| B | EC109 | Koukamma | 8 148 | 8 838 | 9 796 |
| C | DC10 | Cacadu District Municipality | 3 374 | 3 275 | 4 019 |
| Total: Cacadu Municipalities | | | 97 961 | 106 523 | 122 910 |
| B | EC121 | Mbhashe | 40 853 | 41 678 | 33 564 |
| B | EC122 | Mnquma | 44 857 | 48 400 | 48 502 |
| B | EC123 | Great Kei | 8 813 | 9 415 | 10 172 |
| B | EC124 | Amahlathi | 24 214 | 26 145 | 29 284 |
| B | EC125 | Buffalo City | 191 519 | 206 759 | 235 688 |
| B | EC126 | Ngqushwa | 16 973 | 18 062 | 19 948 |
| B | EC127 | Nkonkobe | 24 997 | 27 088 | 30 703 |
| B | EC128 | Nxuba | 5 756 | 6 210 | 6 898 |
| C | DC12 | Amatole District Municipality | 95 063 | 102 725 | 120 834 |
| Total: Amatole Municipalities | | | 453 046 | 486 481 | 535 594 |
| B | EC131 | Inxuba Yethemba | 10 608 | 11 707 | 13 802 |
| B | EC132 | Tsolwana | 7 101 | 7 282 | 7 907 |
| B | EC133 | Inkwanca | 4 919 | 5 269 | 5 717 |
| B | EC134 | Lukhanji | 28 849 | 31 426 | 36 492 |
| B | EC135 | Intsika Yethu | 37 054 | 35 520 | 29 395 |
| B | EC136 | Emalahleni | 21 364 | 20 997 | 21 767 |
| B | EC137 | Engcobo | 24 982 | 25 588 | 20 228 |
| B | EC138 | Sakhisizwe | 10 075 | 10 774 | 11 657 |
| C | DC13 | Chris Hani District Municipality | 89 813 | 95 719 | 106 109 |
| Total: Chris Hani Municipalities | | | 234 764 | 244 281 | 253 074 |
| B | EC141 | Elundini | 25 190 | 26 913 | 21 628 |
| B | EC142 | Senqu | 24 685 | 26 275 | 28 237 |
| B | EC143 | Maletswai | 6 374 | 6 869 | 7 361 |
| B | EC144 | Gariep | 6 820 | 7 364 | 8 216 |
| C | DC14 | Ukhahlamba District Municipality | 45 684 | 47 995 | 49 283 |
| Total: Ukhahlamba Municipalities | | | 108 753 | 115 415 | 114 725 |
| B | EC151 | Mbizana | 34 371 | 35 200 | 32 257 |
| B | EC152 | Ntabankulu | 21 384 | 22 799 | 17 929 |
| B | EC153 | Qaukeni | 36 740 | 38 926 | 31 618 |
| B | EC154 | Port St. Johns | 24 716 | 24 114 | 19 126 |
| B | EC155 | Nyandeni | 42 199 | 43 438 | 37 944 |
| B | EC156 | Mhlontlo | 32 060 | 33 480 | 29 274 |
| B | EC157 | King Sabata Dalindyebo | 57 257 | 55 092 | 56 599 |
| C | DC15 | O.R. Tambo District Municipality | 153 236 | 159 493 | 155 529 |
| Total: O.R Tambo Municipalities | | | 401 962 | 412 541 | 380 277 |
| B | EC05b1 | Umzimkhulu | 26 632 | 28 089 | 25 451 |
| B | EC05b2 | Umzimvubu | 64 870 | 64 636 | 54 776 |
| C | DC44 | Alfred Nzo District Municipality | 61 825 | 64 528 | 62 612 |
| Total: Alfred Nzo Municipalities | | | 153 328 | 157 253 | 142 838 |
| Total: Eastern Cape Municipalities | | | 1 655 443 | 1 750 784 | 1 820 263 |

Cat = Category of Municipality

Number = Demarcation code of Municipality

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|---|--------------------|-------------------|------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| FREE STATE | | | | | |
| B | FS161 | Letsemeng | 13 892 | 15 217 | 17 902 |
| B | FS162 | Kopanong | 23 847 | 26 455 | 32 306 |
| B | FS163 | Mohokare | 14 934 | 15 382 | 18 144 |
| C | DC16 | Xhariep District Municipality | 3 139 | 3 142 | 1 748 |
| Total: Xhariep Municipalities | | | 55 813 | 60 196 | 70 099 |
| B | FS171 | Naledi | 10 709 | 11 372 | 13 227 |
| B | FS172 | Mangaung | 175 080 | 188 001 | 220 454 |
| B | FS173 | Mantsopa | 18 434 | 20 107 | 23 892 |
| C | DC17 | Motheo District Municipality | 1 072 | 1 287 | 1 603 |
| Total: Motheo Municipalities | | | 205 295 | 220 767 | 259 176 |
| B | FS181 | Masilonyana | 23 852 | 25 452 | 29 232 |
| B | FS182 | Tokolologo | 11 907 | 12 846 | 15 108 |
| B | FS183 | Tswelopele | 18 125 | 18 423 | 21 604 |
| B | FS184 | Matjhabeng | 124 581 | 135 646 | 162 703 |
| B | FS185 | Nala | 37 224 | 41 037 | 49 864 |
| C | DC18 | Lejweleputswa District Municipality | 1 784 | 2 053 | 2 728 |
| Total: Lejweleputswa Municipalities | | | 217 474 | 235 456 | 281 238 |
| B | FS191 | Setsoto | 45 181 | 49 493 | 59 437 |
| B | FS192 | Dihlabeng | 34 813 | 38 535 | 46 758 |
| B | FS193 | Nketoana | 22 840 | 23 322 | 27 654 |
| B | FS194 | Maluti-a-Phofung | 105 417 | 105 403 | 121 353 |
| B | FS195 | Phumelela | 15 497 | 16 837 | 19 582 |
| C | DC19 | Thabo Mofutsanyana District Municipality | 12 930 | 12 897 | 3 793 |
| Total: Thabo Mofutsanyane Municipalities | | | 236 679 | 246 486 | 278 577 |
| B | FS201 | Moqhaka | 44 963 | 48 239 | 59 032 |
| B | FS203 | Ngwathe | 42 120 | 45 460 | 56 044 |
| B | FS204 | Metsimaholo | 27 364 | 30 304 | 36 494 |
| B | FS205 | Mafube | 20 658 | 22 715 | 27 467 |
| C | DC20 | Northern Free State District Municipality | 1 687 | 1 923 | 2 515 |
| Total: Northern Free State Municipalities | | | 136 792 | 148 641 | 181 552 |
| Total: Free State Municipalities | | | 852 052 | 911 546 | 1 070 642 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|---|--------|----------------------------------|--------------------|-------------------|------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| GAUTENG | | | | | |
| A | | Ekurhuleni | 472 390 | 530 030 | 595 474 |
| A | | City of Johannesburg | 540 664 | 613 393 | 643 272 |
| A | | City of Tshwane | 269 741 | 300 956 | 264 898 |
| B | GT02b1 | Nokeng tsa Taemane | 10 409 | 11 413 | 12 533 |
| B | CBLC2 | Kungwini | 24 372 | 26 907 | 30 282 |
| C | CBDC2 | Metsweding District Municipality | 1 601 | 1 099 | 733 |
| Total: Metsweding Municipalities | | | 36 382 | 39 419 | 43 548 |
| B | GT421 | Emfuleni | 160 060 | 180 070 | 220 885 |
| B | GT422 | Midvaal | 13 629 | 15 044 | 17 360 |
| B | GT423 | Lesedi | 15 965 | 17 892 | 21 622 |
| C | DC42 | Sedibeng District Municipality | 1 023 | 1 000 | 584 |
| Total: Sedibeng Municipalities | | | 190 677 | 214 006 | 260 452 |
| B | GT411 | Mogale City | 58 667 | 65 623 | 76 585 |
| B | GT412 | Randfontein | 25 422 | 28 441 | 33 444 |
| B | GT414 | Westonaria | 38 523 | 43 106 | 33 672 |
| B | CBLC8 | Merafong City | 61 069 | 68 625 | 62 561 |
| C | CBDC8 | West Rand District Municipality | 1 894 | 1 849 | 1 030 |
| Total: West Rand Municipalities | | | 185 575 | 207 644 | 207 293 |
| Total: Gauteng Municipalities | | | 1 695 428 | 1 905 448 | 2 014 936 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|-------------------------------------|--------------------|-------------------|----------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| KWAZULU-NATAL | | | | | |
| A | | eThekweni | 535 540 | 593 898 | 673 805 |
| B | KZ211 | Vulamehlo | 13 247 | 14 045 | 10 470 |
| B | KZ212 | Umdoni | 7 314 | 8 020 | 8 954 |
| B | KZ213 | Umzumbe | 26 958 | 29 134 | 25 985 |
| B | KZ214 | uMuziwabantu | 14 612 | 15 676 | 13 109 |
| B | KZ215 | Ezinqolweni | 9 437 | 10 022 | 7 752 |
| B | KZ216 | Hibiscus Coast | 26 067 | 28 678 | 32 668 |
| C | DC21 | Ugu District Municipality | 57 169 | 62 459 | 69 597 |
| Total: Ugu Municipalities | | | 154 805 | 168 032 | 168 535 |
| B | KZ221 | uMshwathi | 17 806 | 19 354 | 12 804 |
| B | KZ222 | uMngeni | 10 082 | 10 959 | 12 324 |
| B | KZ223 | Mooi Mpfana | 6 513 | 7 082 | 7 115 |
| B | KZ224 | Impendle | 6 995 | 7 404 | 5 460 |
| B | KZ225 | Msunduzi | 104 671 | 114 407 | 133 564 |
| B | KZ226 | Mkhambathini | 10 813 | 11 682 | 6 537 |
| B | KZ227 | Richmond | 10 502 | 11 211 | 9 101 |
| C | DC22 | uMgungundlovu District Municipality | 41 406 | 46 359 | 56 330 |
| Total: uMgungundlovu Municipalities | | | 208 788 | 228 459 | 243 236 |
| B | KZ232 | Emnambithi/Ladysmith | 28 473 | 31 316 | 35 850 |
| B | KZ233 | Indaka | 16 117 | 17 450 | 18 890 |
| B | KZ234 | Umtshezi | 8 630 | 8 921 | 9 697 |
| B | KZ235 | Okhahlamba | 18 974 | 20 346 | 19 010 |
| B | KZ236 | Imbabazane | 16 977 | 18 385 | 20 156 |
| C | DC23 | Uthukela District Municipality | 57 320 | 63 286 | 74 262 |
| Total: Uthukela Municipalities | | | 146 491 | 159 705 | 177 865 |
| B | KZ241 | Endumeni | 7 060 | 7 800 | 8 955 |
| B | KZ242 | Nquthu | 19 778 | 20 975 | 20 536 |
| B | KZ244 | Msinga | 25 268 | 27 149 | 19 906 |
| B | KZ245 | Umvoti | 14 779 | 15 818 | 12 856 |
| C | DC24 | Umzinyathi District Municipality | 42 506 | 46 271 | 50 091 |
| Total: Umzinyathi Municipalities | | | 109 391 | 118 014 | 112 344 |
| B | KZ252 | Newcastle | 75 432 | 83 900 | 103 122 |
| B | KZ253 | Utrecht | 5 216 | 5 528 | 4 000 |
| B | KZ254 | Dannhauser | 13 363 | 14 326 | 14 684 |
| C | DC25 | Amajuba District Municipality | 11 263 | 12 509 | 14 597 |
| Total: Amajuba Municipalities | | | 105 274 | 116 264 | 136 404 |
| B | KZ261 | eDumbe | 11 441 | 12 356 | 11 400 |
| B | KZ262 | uPhongolo | 18 303 | 19 622 | 18 682 |
| B | KZ263 | Abaqulusi | 20 684 | 22 402 | 24 429 |
| B | KZ265 | Nongoma | 23 546 | 25 030 | 21 107 |
| B | KZ266 | Ulundi | 26 311 | 27 710 | 24 035 |
| C | DC26 | Zululand District Municipality | 60 769 | 66 245 | 73 725 |
| Total: Zululand Municipalities | | | 161 053 | 173 365 | 173 377 |
| B | KZ271 | Umhlabuyalingana | 19 347 | 20 869 | 15 363 |
| B | KZ272 | Jozini | 24 345 | 26 310 | 20 820 |
| B | KZ273 | The Big Five False Bay | 6 374 | 6 775 | 4 096 |
| B | KZ274 | Hlabisa | 18 764 | 20 211 | 16 406 |
| B | KZ275 | Mtubatuba | 5 764 | 5 898 | 5 083 |
| C | DC27 | Umkhanyakude District Municipality | 48 599 | 51 824 | 50 320 |
| Total: Umkhanyakude Municipalities | | | 123 193 | 131 887 | 112 088 |
| B | KZ281 | Mbonambi | 13 713 | 14 777 | 12 986 |
| B | KZ282 | uMhlathuze | 54 196 | 59 395 | 67 802 |
| B | KZ283 | Ntambanana | 8 411 | 8 894 | 6 011 |
| B | KZ284 | Umlalazi | 28 690 | 30 730 | 24 645 |
| B | KZ285 | Mthonjaneni | 10 139 | 10 799 | 7 854 |
| B | KZ286 | Nkandla | 19 516 | 20 897 | 14 742 |
| C | DC28 | uThungulu District Municipality | 41 816 | 45 791 | 50 914 |
| Total: uThungulu Municipalities | | | 176 481 | 191 283 | 184 954 |
| B | KZ291 | eNdongakusuka | 18 559 | 19 513 | 20 791 |
| B | KZ292 | KwaDukuza | 20 154 | 21 957 | 24 381 |
| B | KZ293 | Ndwedwe | 21 764 | 23 444 | 18 468 |
| B | KZ294 | Maphumulo | 17 257 | 18 488 | 14 384 |
| C | DC29 | Ilembe District Municipality | 46 096 | 50 500 | 58 591 |
| Total: Ilembe Municipalities | | | 123 830 | 133 902 | 136 616 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|-------------------------------|--------------------|-------------------|------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| B | KZ5a1 | Ingwe | 16 855 | 18 099 | 15 078 |
| B | KZ5a2 | Kwa Sani | 4 406 | 4 645 | 3 756 |
| B | KZ5a3 | Matatiele | 4 155 | 4 479 | 4 688 |
| B | KZ5a4 | Greater Kokstad | 12 881 | 14 261 | 16 061 |
| B | KZ5a5 | Ubuhlebezwe | 16 527 | 17 876 | 15 123 |
| C | DC43 | Sisonke District Municipality | 36 380 | 40 231 | 47 396 |
| Total: Sisonke Municipalities | | | 91 203 | 99 590 | 102 103 |
| | | | | | |
| Total: KwaZulu-Natal Municipalities | | | 1 936 049 | 2 114 399 | 2 221 326 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|-----------------------------------|--------------------|-------------------|------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| LIMPOPO | | | | | |
| B | NP03A2 | Makhuduthamaga | 37 445 | 40 816 | 45 317 |
| B | NP03A3 | Fetakgomo | 14 191 | 15 178 | 13 948 |
| B | CBLC3 | Greater Marble Hall | 18 664 | 20 076 | 21 922 |
| B | CBLC4 | Greater Groblersdal | 34 654 | 37 421 | 41 906 |
| B | CBLC5 | Greater Tubatse | 36 727 | 39 410 | 40 148 |
| C | CBDC3 | Greater Sekhukhune Cross Boundary | 89 361 | 96 360 | 100 385 |
| Total: Greater Sekhukhune Cross Boundary Municipalities | | | 231 042 | 249 261 | 263 626 |
| B | NP04A1 | Maruleng | 16 000 | 17 188 | 16 440 |
| B | CBLC6 | Bushbuckridge | 76 520 | 82 355 | 92 474 |
| C | CBDC4 | Bohlabela District Municipality | 60 613 | 65 923 | 73 157 |
| Total: Bohlabela Municipalities | | | 153 134 | 165 466 | 182 070 |
| B | NP331 | Greater Giyani | 40 926 | 40 925 | 41 746 |
| B | NP332 | Greater Letaba | 35 746 | 38 760 | 42 311 |
| B | NP333 | Greater Tzaneen | 56 410 | 61 393 | 66 774 |
| B | NP334 | Ba-Phalaborwa | 18 585 | 18 851 | 19 823 |
| C | DC33 | Mopani District Municipality | 92 810 | 103 321 | 120 876 |
| Total: Mopani Municipalities | | | 244 478 | 263 250 | 291 530 |
| B | NP341 | Musina | 8 603 | 9 345 | 10 009 |
| B | NP342 | Mutale | 14 946 | 15 332 | 12 614 |
| B | NP343 | Thulamela | 76 298 | 81 421 | 87 502 |
| B | NP344 | Makhado | 67 823 | 73 177 | 80 116 |
| C | DC34 | Vhembe District Municipality | 111 122 | 123 459 | 145 657 |
| Total: Vhembe Municipalities | | | 278 792 | 302 734 | 335 898 |
| B | NP351 | Blouberg | 24 522 | 26 134 | 25 523 |
| B | NP352 | Aganang | 21 276 | 22 887 | 23 309 |
| B | NP353 | Molemole | 19 828 | 21 583 | 23 964 |
| B | NP354 | Polokwane | 111 076 | 122 255 | 138 284 |
| B | NP355 | Lepelle-Nkumpi | 32 923 | 35 805 | 39 542 |
| C | DC35 | Capricorn District Municipality | 62 120 | 69 817 | 83 169 |
| Total: Capricorn Municipalities | | | 271 744 | 298 482 | 333 793 |
| B | NP361 | Thabazimbi | 17 155 | 18 944 | 19 544 |
| B | NP362 | Lephalale | 25 780 | 28 308 | 31 649 |
| B | NP364 | Mookgaphong | 6 872 | 7 538 | 8 05 |
| B | NP365 | Modimolle | 16 159 | 17 742 | 19 660 |
| B | NP366 | Bela Bela | 12 428 | 13 699 | 15 907 |
| B | NP367 | Mogalakwena | 68 591 | 75 585 | 86 793 |
| C | DC36 | Waterberg District Municipality | 3 508 | 2 409 | 2 602 |
| Total: Waterberg Municipalities | | | 150 491 | 164 226 | 184 206 |
| Total: Limpopo Municipalities | | | 1 329 681 | 1 443 420 | 1 591 124 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|---|--------|------------------------------------|--------------------|-------------------|----------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| MPUMALANGA | | | | | |
| B | MP301 | Albert Luthuli | 43 127 | 47 031 | 52 738 |
| B | MP302 | Msukaligwa | 28 526 | 31 643 | 36 753 |
| B | MP303 | Mkhondo | 27 066 | 29 657 | 32 441 |
| B | MP304 | Seme | 22 565 | 25 003 | 29 537 |
| B | MP305 | Lekwa | 21 846 | 24 204 | 27 653 |
| B | MP306 | Dipaleseng | 12 380 | 13 621 | 15 712 |
| B | MP307 | Govan Mbeki | 56 859 | 63 198 | 72 589 |
| C | DC30 | Gert Sibande District Municipality | 2 180 | 2 266 | 2 881 |
| Total: Gert Sibande Municipalities | | | 214 549 | 236 623 | 270 303 |
| B | MP311 | Delmas | 14 099 | 15 615 | 18 058 |
| B | MP312 | Emalahleni | 53 806 | 59 599 | 66 766 |
| B | MP313 | Steve Tshwete | 26 463 | 29 402 | 34 295 |
| B | MP314 | Highlands | 9 980 | 10 935 | 12 370 |
| B | MP315 | Thembisile | 60 517 | 66 391 | 76 185 |
| B | MP316 | Dr JS Moroka | 61 288 | 67 372 | 78 557 |
| C | DC31 | Nkangala District Municipality | 1 760 | 2 107 | 2 843 |
| Total: Nkangala Municipalities | | | 227 912 | 251 421 | 289 074 |
| B | MP321 | Thaba Chweu | 21 430 | 23 364 | 25 890 |
| B | MP322 | Mbombela | 93 309 | 101 724 | 110 538 |
| B | MP323 | Umjindi | 13 476 | 14 717 | 16 025 |
| B | MP324 | Nkomazi | 74 330 | 81 310 | 88 576 |
| C | DC32 | Ehlanzeni District Municipality | 3 564 | 2 684 | 3 092 |
| Total: Ehlanzeni Municipalities | | | 206 108 | 223 799 | 244 121 |
| Total: Mpumalanga Municipalities | | | 648 570 | 711 843 | 803 499 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|---|--------|-------------------------------------|--------------------|-------------------|----------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| NORTHERN CAPE | | | | | |
| B | NC01B1 | Gamagara | 4 146 | 4 076 | 4 856 |
| B | NW1a1 | Moshaweng | 16 425 | 17 566 | 18 617 |
| B | CBLC1 | Ga-Segonyana | 17 364 | 18 857 | 21 374 |
| C | CBDC1 | Kgalagadi District Municipality | 14 832 | 14 652 | 7 197 |
| Total: Kgalagadi Cross Border Municipalities | | | 52 766 | 55 150 | 52 044 |
| B | NC061 | Richtersveld | 3 235 | 3 484 | 3 998 |
| B | NC062 | Nama Khoi | 8 749 | 9 623 | 11 535 |
| B | NC064 | Kamiesberg | 3 342 | 3 410 | 3 965 |
| B | NC065 | Hantam | 5 613 | 5 843 | 6 773 |
| B | NC066 | Karoo Hoogland | 3 869 | 3 864 | 4 278 |
| B | NC067 | Khai-Ma | 3 418 | 3 670 | 4 003 |
| C | DC6 | Namakwa District Municipality | 1 911 | 1 648 | 1 722 |
| Total: Namakwa Municipalities | | | 30 137 | 31 542 | 36 274 |
| B | NC071 | Ubuntu | 5 473 | 5 420 | 6 091 |
| B | NC072 | Umsobomvu | 8 183 | 8 880 | 10 387 |
| B | NC073 | Emthanjeni | 9 445 | 10 268 | 12 334 |
| B | NC074 | Kareeberg | 3 529 | 3 520 | 3 937 |
| B | NC075 | Renosterberg | 3 930 | 4 186 | 4 817 |
| B | NC076 | Thembelihle | 3 764 | 4 018 | 4 548 |
| B | NC077 | Siyathemba | 5 499 | 5 759 | 6 762 |
| B | NC078 | Siyancuma | 9 336 | 10 074 | 11 309 |
| C | DC7 | Karoo District Municipality | 2 908 | 2 447 | 2 739 |
| Total: Karoo Municipalities | | | 52 068 | 54 571 | 62 923 |
| B | NC081 | Mier | 2 844 | 2 938 | 2 852 |
| B | NC082 | Kai ! Garib | 13 241 | 14 577 | 15 191 |
| B | NC083 | //Khara Hais | 13 296 | 14 799 | 18 367 |
| B | NC084 | ! Kheis | 4 363 | 4 639 | 5 003 |
| B | NC085 | Tsantsabane | 7 869 | 8 593 | 10 119 |
| B | NC086 | Kgatelopele | 4 199 | 4 237 | 5 104 |
| C | DC8 | Siyanda District Municipality | 3 868 | 3 929 | 3 960 |
| Total: Siyanda Municipalities | | | 49 679 | 53 712 | 60 596 |
| B | NC091 | Sol Plaatje | 43 125 | 47 808 | 56 865 |
| B | NC092 | Dikgatlong | 12 114 | 13 158 | 15 222 |
| B | NC093 | Magareng | 7 825 | 8 482 | 9 968 |
| B | CBLC7 | Phokwane | 17 413 | 18 916 | 22 041 |
| C | DC9 | Frances Baard District Municipality | 2 617 | 2 571 | 3 114 |
| Total: Frances Baard Municipalities | | | 83 094 | 90 934 | 107 210 |
| Total: Northern Cape Municipalities | | | 267 743 | 285 909 | 319 047 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|---|--------------------|-------------------|----------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| NORTH WEST | | | | | |
| B | NW371 | Moretele | 40 463 | 44 282 | 49 326 |
| B | NW372 | Madibeng | 78 709 | 85 966 | 96 399 |
| B | NW373 | Rustenburg | 79 402 | 87 839 | 90 557 |
| B | NW374 | Kgetlengrivier | 11 281 | 12 375 | 14 313 |
| B | NW375 | Moses Kotane | 61 733 | 67 449 | 78 022 |
| C | DC37 | Bojanala Platinum District Municipality | 2 829 | 1 863 | 2 154 |
| Total: Bojanala Platinum Municipalities | | | 274 416 | 299 774 | 330 772 |
| B | NW381 | Ratlou | 17 343 | 18 643 | 20 734 |
| B | NW382 | Tswaing | 16 753 | 18 163 | 20 265 |
| B | NW383 | Mafikeng | 33 316 | 36 521 | 41 591 |
| B | NW384 | Ditsobotla | 20 404 | 22 359 | 25 251 |
| B | NW385 | Zeerust | 21 100 | 22 842 | 25 345 |
| C | DC38 | Central District Municipality | 74 506 | 81 850 | 98 177 |
| Total: Central Municipalities | | | 183 422 | 200 378 | 231 365 |
| B | NW391 | Kagisano | 16 423 | 17 636 | 19 413 |
| B | NW392 | Naledi | 9 056 | 9 974 | 11 382 |
| B | NW393 | Mamusa | 8 576 | 9 303 | 10 268 |
| B | NW394 | Greater Taung | 26 479 | 28 189 | 30 507 |
| B | NW395 | Molopo | 3 727 | 3 877 | 3 484 |
| B | NW396 | Lekwa-Teemane | 7 577 | 8 265 | 9 132 |
| C | DC39 | Bophirima District Municipality | 48 742 | 53 424 | 63 885 |
| Total: Bophirima Municipalities | | | 120 580 | 130 669 | 148 071 |
| B | NW401 | Ventersdorp | 12 433 | 13 606 | 15 601 |
| B | NW402 | Potchefstroom | 24 072 | 26 854 | 31 858 |
| B | NW403 | Klerksdorp | 95 190 | 106 369 | 126 105 |
| B | NW404 | Maquassi Hills | 20 176 | 22 277 | 26 165 |
| C | DC40 | Southern District Municipality | 1 205 | 1 416 | 1 776 |
| Total: Southern Municipalities | | | 153 076 | 170 523 | 201 504 |
| Total: North West Municipalities | | | 731 494 | 801 343 | 911 712 |

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(by National Financial Year)**

| Cat | Number | Municipality | Column A | Column B | |
|--|--------|--------------------------------------|--------------------|-------------------|-------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| | | | R'000 | R'000 | R'000 |
| WESTERN CAPE | | | | | |
| A | | City of Cape Town | 275 565 | 311 970 | 292 912 |
| B | WC011 | Matzikama | 8 920 | 9 878 | 11 586 |
| B | WC012 | Cederberg | 7 579 | 8 342 | 9 424 |
| B | WC013 | Bergrivier | 6 208 | 6 897 | 7 989 |
| B | WC014 | Saldanha Bay | 9 369 | 10 587 | 12 978 |
| B | WC015 | Swartland | 7 596 | 8 343 | 9 489 |
| C | DC1 | West Coast District Municipality | 1 787 | 1 791 | 2 151 |
| Total: West Coast Municipalities | | | 41 459 | 45 838 | 53 618 |
| B | WC022 | Witzenberg | 12 612 | 13 926 | 15 838 |
| B | WC023 | Drakenstein | 20 820 | 23 287 | 27 342 |
| B | WC024 | Stellenbosch | 13 118 | 14 662 | 17 068 |
| B | WC025 | Breede Valley | 18 705 | 20 778 | 24 430 |
| B | WC026 | Breede River Winelands | 13 687 | 15 292 | 18 187 |
| C | DC2 | Cape Winelands District Municipality | 2 208 | 1 807 | 695 |
| Total: Boland Municipalities | | | 81 149 | 89 752 | 103 561 |
| B | WC031 | Theewaterskloof | 14 431 | 16 031 | 18 681 |
| B | WC032 | Overstrand | 10 172 | 11 459 | 13 987 |
| B | WC033 | Cape Agulhas | 4 456 | 5 008 | 6 237 |
| B | WC034 | Swellendam | 5 428 | 5 960 | 6 913 |
| C | DC3 | Overberg District Municipality | 1 064 | 1 187 | 1 386 |
| Total: Overberg Municipalities | | | 35 551 | 39 644 | 47 204 |
| B | WC041 | Kannaland | 5 610 | 6 117 | 6 883 |
| B | WC042 | Langeberg | 7 187 | 8 072 | 10 021 |
| B | WC043 | Mossel Bay | 10 967 | 12 394 | 15 379 |
| B | WC044 | George | 20 679 | 23 259 | 28 021 |
| B | WC045 | Oudtshoorn | 11 296 | 12 675 | 15 342 |
| B | WC047 | Plettenberg Bay | 6 539 | 7 341 | 8 972 |
| B | WC048 | Knysna | 8 922 | 10 014 | 12 062 |
| C | DC4 | Eden District Municipality | 3 437 | 3 460 | 4 091 |
| Total: Eden Municipalities | | | 74 637 | 83 332 | 100 771 |
| B | WC051 | Laingsburg | 2 501 | 2 682 | 2 960 |
| B | WC052 | Prince Albert | 2 968 | 3 123 | 3 352 |
| B | WC053 | Beaufort West | 7 420 | 8 270 | 9 950 |
| C | DC5 | Central Karoo District Municipality | 5 629 | 5 639 | 3 744 |
| Total: Central Karoo Municipalities | | | 18 518 | 19 712 | 20 007 |
| Total: Western Cape Municipalities | | | 526 880 | 590 248 | 618 072 |
| National Total | | | 9 643 341 | 10 514 940 | 11 370 620 |

SCHEDULE 4A

GENERAL OR NATIONALLY ASSIGNED FUNCTION ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|----------------------------------|---|--|---|---------------|-----------------------|-------------------|------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| Agriculture (Vote 25) | Comprehensive Agricultural Support Programme Grant | To expand the provision of support services to promote and facilitate agricultural development. | Conditional grant, to be phased in the provincial equitable share | Eastern Cape | R'000 | R'000 | R'000 |
| | | | | Free State | 47 552 | 57 061 | 69 838 |
| | | | | Gauteng | 21 088 | 25 306 | 38 084 |
| | | | | KwaZulu-Natal | 5 727 | 6 873 | 19 651 |
| | | | | Limpopo | 46 270 | 55 524 | 68 301 |
| | | | | Mpumalanga | 41 786 | 50 143 | 62 921 |
| | | | | Northern Cape | 23 629 | 28 355 | 41 133 |
| | | | | Northern Cape | 13 148 | 15 777 | 28 555 |
| | | | | North West | 33 594 | 40 313 | 53 091 |
| | | | | Western Cape | 17 206 | 20 648 | 33 426 |
| | | | | TOTAL | 250 000 | 300 000 | 415 000 |
| Health (Vote 16) | (a) Health Professions Training and Development Grant | To support the training and development of health professionals. | Nationally assigned function grant to provinces | Eastern Cape | 127 566 | 127 566 | 133 944 |
| | | | | Free State | 92 517 | 92 517 | 97 143 |
| | | | | Gauteng | 554 039 | 554 039 | 581 741 |
| | | | | KwaZulu-Natal | 192 373 | 192 373 | 201 992 |
| | | | | Limpopo | 72 411 | 72 411 | 76 032 |
| | | | | Mpumalanga | 54 363 | 54 363 | 57 081 |
| | | | | Northern Cape | 41 069 | 41 069 | 43 122 |
| | | | | North West | 62 564 | 62 564 | 65 692 |
| | | | | Western Cape | 323 278 | 323 278 | 339 442 |
| | | | | TOTAL | 1 520 180 | 1 520 180 | 1 596 189 |
| | (b) National Tertiary Services Grant | To fund provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives. | Nationally assigned function grant to provinces | Eastern Cape | 353 022 | 374 203 | 392 913 |
| | | | | Free State | 432 116 | 458 043 | 480 945 |
| | | | | Gauteng | 1 760 465 | 1 866 094 | 1 959 399 |
| KwaZulu-Natal | | | | 691 451 | 732 167 | 768 078 | |
| Limpopo | | | | 71 182 | 71 579 | 71 648 | |
| Mpumalanga | | | | 42 224 | 44 757 | 46 995 | |
| Northern Cape | | | | 76 353 | 92 286 | 107 975 | |
| North West | | | | 67 889 | 69 380 | 70 509 | |
| Western Cape | 1 214 684 | 1 272 640 | 1 322 744 | | | | |
| TOTAL | 4 709 386 | 4 981 149 | 5 221 206 | | | | |

SCHEDULE 4A

GENERAL OR NATIONALLY ASSIGNED FUNCTION ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|-------------------------------------|--|---|---|---------------|-------------------------|-------------------------|-------------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| National Treasury (Vote 8) | Provincial Infrastructure Grant | To fund the construction, maintenance and rehabilitation of new and existing infrastructure in education, roads, health and agriculture. | General conditional grant to provinces | Eastern Cape | R'000 675 330 | R'000 742 057 | R'000 984 943 |
| | | | | Free State | 220 921 | 242 678 | 438 423 |
| | | | | Gauteng | 369 777 | 407 745 | 406 127 |
| | | | | KwaZulu-Natal | 787 803 | 870 486 | 1 120 474 |
| | | | | Limpopo | 660 898 | 729 464 | 830 980 |
| | | | | Mpumalanga | 285 533 | 316 596 | 410 263 |
| | | | | Northern Cape | 180 529 | 201 733 | 279 241 |
| | | | | North West | 321 135 | 354 373 | 496 918 |
| | | | | Western Cape | 228 847 | 252 987 | 356 656 |
| | | | | TOTAL | 3 730 773 | 4 118 119 | 5 324 025 |
| Social Development (Vote 18) | Integrated Social Development Services Grant | To support and provide appropriate social welfare services and development interventions, and for immediate and appropriate short-term relief to vulnerable individuals and households who are not eligible and not receiving any form of assistance. | Conditional grant, to be phased in the provincial equitable share | Eastern Cape | 94 133 | 99 781 | 104 770 |
| | | | | Free State | 37 334 | 39 574 | 41 553 |
| | | | | Gauteng | 27 904 | 29 578 | 31 057 |
| | | | | KwaZulu-Natal | 68 185 | 72 276 | 75 890 |
| | | | | Limpopo | 61 146 | 64 815 | 68 056 |
| | | | | Mpumalanga | 27 651 | 29 310 | 30 775 |
| | | | | Northern Cape | 9 998 | 10 598 | 11 128 |
| | | | | North West | 41 615 | 44 112 | 46 317 |
| | | | | Western Cape | 20 034 | 21 236 | 22 298 |
| | | | | TOTAL | 388 000 | 411 280 | 431 844 |

SCHEDULE 4B

GENERAL OR NATIONALLY ASSIGNED FUNCTION ALLOCATIONS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Column A | Column B | |
|---|--------------------------------------|---|---------------------------|---------------------------|---------------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| Provincial and Local Government (Vote 5) | Municipal Infrastructure Grant (MIG) | To supplement municipal capital budgets to fund backlogs in basic municipal infrastructure for the provision of basic services primarily for poor households. | R'000 5 436 161 | R'000 7 453 595 | R'000 8 301 274 |
| TOTAL | | | 5 436 161 | 7 453 595 | 8 301 274 |

1) The allocations per municipality are listed in Appendix E4 of Annexure E.

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|--|---|--|--------------------|--------------------------------|--|--|-----------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| Agriculture (Vote 25) | Land Care Programme Grant: Poverty Relief and Infrastructure Development | To address the degradation problems of natural/agricultural resources and to improve the socio-economic status and food security of rural communities. | Conditional grant | Eastern Cape | R'000 8 000 | R'000 8 500 | R'000 8 748 |
| | | | | Free State | 2 000 | 2 500 | 2 747 |
| | | | | Gauteng | 2 000 | 2 500 | 2 747 |
| | | | | KwaZulu-Natal | 8 000 | 8 500 | 8 748 |
| | | | | Limpopo | 5 000 | 5 500 | 5 747 |
| | | | | Mpumalanga | 5 500 | 6 000 | 6 247 |
| | | | | Northern Cape | 2 000 | 2 500 | 2 747 |
| | | | | North West | 5 000 | 5 500 | 5 747 |
| | | | | Western Cape | 2 500 | 3 000 | 3 247 |
| | | | | TOTAL | 40 000 | 44 500 | 46 725 |
| | | | | Education (Vote 15) | (a) Further Education and Training College Sector Recapitalisation Grant | Recapitalisation of Further Education and Training colleges. | Conditional grant |
| TOTAL | - | 500 000 | 500 000 | | | | |
| (b) HIV and Aids (Life Skills Education) Grant | To promote HIV and Aids and life skills education in primary and secondary schools. | Conditional grant | Eastern Cape | | 23 692 | 25 113 | 26 369 |
| | | | Free State | | 7 947 | 8 424 | 8 845 |
| | | | Gauteng | | 18 880 | 20 012 | 21 013 |
| | | | KwaZulu-Natal | | 31 126 | 32 994 | 34 644 |
| | | | Limpopo | | 20 371 | 21 594 | 22 673 |
| | | | Mpumalanga | | 10 317 | 10 936 | 11 483 |
| | | | Northern Cape | | 2 318 | 2 457 | 2 580 |
| | | | North West | | 10 444 | 11 071 | 11 624 |
| | | | Western Cape | | 11 198 | 11 870 | 12 464 |
| TOTAL | 136 293 | 144 471 | 151 695 | | | | |
| (c) National School Nutrition Programme Grant | To alleviate hunger and enhance active learning capacity. | Conditional grant | Eastern Cape | | 194 288 | 233 882 | 245 576 |
| | | | Free State | 53 817 | 64 784 | 68 023 | |
| | | | Gauteng | 83 006 | 99 921 | 104 917 | |
| | | | KwaZulu-Natal | 198 849 | 239 372 | 251 341 | |
| | | | Limpopo | 167 836 | 202 039 | 212 141 | |
| | | | Mpumalanga | 70 235 | 84 549 | 88 777 | |
| | | | Northern Cape | 24 628 | 29 647 | 31 129 | |
| | | | North West | 79 357 | 95 529 | 100 305 | |
| | | | Western Cape | 40 135 | 48 313 | 50 729 | |
| TOTAL | 912 151 | 1 098 036 | 1 152 938 | | | | |

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|-----------------------------|---|--|--------------------|------------------|-------------------------|-------------------------|-------------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| Health (Vote 16) | (a) Comprehensive HIV and Aids Grant | To enable the health sector to develop an effective response to the HIV and Aids epidemic and other matters. | Conditional grant | Eastern Cape | R'000 159 005 | R'000 218 021 | R'000 228 922 |
| | | | | Free State | 100 874 | 142 265 | 149 378 |
| | | | | Gauteng | 185 048 | 252 695 | 265 330 |
| | | | | KwaZulu-Natal | 251 468 | 344 304 | 361 519 |
| | | | | Limpopo | 125 899 | 175 861 | 184 654 |
| | | | | Mpumalanga | 81 392 | 107 479 | 112 853 |
| | | | | Northern Cape | 48 050 | 68 603 | 72 033 |
| | | | | North West | 100 921 | 142 316 | 149 432 |
| | | | | Western Cape | 82 451 | 115 670 | 121 454 |
| | | | | TOTAL | 1 135 108 | 1 567 214 | 1 645 575 |
| | (b) Hospital Management and Quality Improvement Grant | To transform hospital management and improve quality of care in line with national policy. | Conditional grant | Eastern Cape | 24 531 | 26 003 | 27 303 |
| | | | | Free State | 13 393 | 14 197 | 14 907 |
| | | | | Gauteng | 18 510 | 19 621 | 20 602 |
| | | | | KwaZulu-Natal | 23 778 | 25 204 | 26 464 |
| | | | | Limpopo | 17 457 | 18 505 | 19 430 |
| | | | | Mpumalanga | 12 340 | 13 081 | 13 735 |
| | | | | Northern Cape | 10 083 | 10 688 | 11 223 |
| | | | | North West | 12 642 | 13 400 | 14 070 |
| | | | | Western Cape | 17 608 | 18 664 | 19 597 |
| | | | | TOTAL | 150 342 | 159 363 | 167 331 |
| | (c) Hospital Revitalisation Grant | To fund provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, management, monitoring and evaluation of hospitals in line with national policy objectives. | Conditional grant | Eastern Cape | 157 732 | 71 666 | 102 552 |
| Free State | | | | 113 082 | 128 853 | 104 360 | |
| Gauteng | | | | 17 955 | 148 664 | 133 093 | |
| KwaZulu-Natal | | | | 128 977 | 60 940 | 81 090 | |
| Limpopo | | | | 212 918 | 123 698 | 160 690 | |
| Mpumalanga | | | | 57 018 | 101 032 | 117 071 | |
| Northern Cape | | | | 69 651 | 217 464 | 234 960 | |
| North West | | | | 98 056 | 125 493 | 106 495 | |
| Western Cape | | | | 172 038 | 202 474 | 198 987 | |
| TOTAL | | | | 1 027 427 | 1 180 284 | 1 239 298 | |

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|--|---|---|--------------------|------------------------------|---|--|-------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| | | | | | R'000 | R'000 | R'000 |
| Health (Vote 16) | (d) Integrated Nutrition Programme Grant | To implement integrated nutrition activities aimed at improving the nutritional status of South Africans. | Conditional grant | Eastern Cape | 26 316 | - | - |
| | | | | Free State | 7 296 | - | - |
| | | | | Gauteng | 11 333 | - | - |
| | | | | KwaZulu-Natal | 26 954 | - | - |
| | | | | Limpopo | 22 344 | - | - |
| | | | | Mpumalanga | 9 581 | - | - |
| | | | | Northern Cape | 3 299 | - | - |
| | | | | North West | 10 981 | - | - |
| | | | | Western Cape | 5 288 | - | - |
| | | | | TOTAL | 123 392 | - | - |
| | | | | Housing (Vote 28) | (a) Integrated Housing and Human Settlement Development Grant | To finance the implementation of National Housing programmes, and to facilitate habitable, stable and sustainable human settlements. | Conditional grant |
| Free State | 398 618 | 465 814 | 569 347 | | | | |
| Gauteng | 1 340 675 | 1 566 674 | 1 914 887 | | | | |
| KwaZulu-Natal | 799 659 | 934 457 | 1 142 153 | | | | |
| Limpopo | 397 650 | 464 682 | 567 963 | | | | |
| Mpumalanga | 321 123 | 375 255 | 458 660 | | | | |
| Northern Cape | 79 917 | 93 389 | 114 146 | | | | |
| North West | 467 880 | 546 751 | 668 274 | | | | |
| Western Cape | 456 740 | 533 733 | 652 362 | | | | |
| TOTAL | 4 843 480 | 5 659 949 | 6 917 946 | | | | |
| (b) Human Settlement and Redevelopment Grant | To fund projects that aim to improve the quality of the environment by identifying dysfunctionalities in human settlements. | Conditional grant | Free State | | 9 475 | - | - |
| | | | Gauteng | | 4 130 | - | - |
| | | | Western Cape | | 9 373 | - | - |
| TOTAL | 24 396 | - | - | | | | |
| Land Affairs (Vote 29) | Land Distribution: Alexandra Urban Renewal Project Grant | To contribute towards the purchase of land for the relocation and settlement of Alexandra residents and other qualifying beneficiaries. | Conditional grant | Gauteng | 8 000 | 8 000 | - |
| | | | | TOTAL | 8 000 | 8 000 | - |

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|---|---|--|--------------------|-------------------|------------------------|------------------------|------------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| Social Development (Vote 18) | (a) HIV and Aids (Community-Based Care) Grant | To provide social welfare services to orphans and vulnerable children who are infected and affected by HIV and Aids. | Conditional grant | Eastern Cape | R'000 13 979 | R'000 14 026 | R'000 14 424 |
| | | | | Free State | 19 374 | 19 439 | 19 991 |
| | | | | Gauteng | 20 341 | 20 409 | 20 988 |
| | | | | KwaZulu-Natal | 25 187 | 25 272 | 25 990 |
| | | | | Limpopo | 9 138 | 9 168 | 9 429 |
| | | | | Mpumalanga | 20 619 | 20 688 | 21 275 |
| | | | | Northern Cape | 7 750 | 7 776 | 7 997 |
| | | | | North West | 15 914 | 15 967 | 16 420 |
| | | | | Western Cape | 6 089 | 6 109 | 6 283 |
| | | | | TOTAL | 138 391 | 138 854 | 142 797 |
| | (b) Social Assistance Administration Grant | To fund the administration of social assistance grants. | Conditional grant | Eastern Cape | 649 890 | 696 113 | 717 079 |
| | | | | Free State | 232 876 | 242 899 | 255 044 |
| | | | | Gauteng | 350 000 | 375 514 | 391 923 |
| | | | | KwaZulu-Natal | 784 235 | 819 796 | 840 402 |
| | | | | Limpopo | 500 000 | 516 290 | 542 292 |
| | | | | Mpumalanga | 246 139 | 268 391 | 283 142 |
| | | | | Northern Cape | 94 688 | 97 710 | 102 596 |
| | | | | North West | 287 993 | 316 768 | 327 974 |
| | | | | Western Cape | 236 234 | 250 839 | 273 738 |
| | | | | TOTAL | 3 382 055 | 3 584 320 | 3 734 190 |
| | (c) Social Assistance Transfers Grant | To fund social assistance transfer payments to eligible beneficiaries. | Conditional grant | Eastern Cape | 9 946 979 | 11 049 415 | 11 951 314 |
| Free State | | | | 3 725 860 | 4 103 041 | 4 447 815 | |
| Gauteng | | | | 6 454 145 | 7 221 414 | 7 838 460 | |
| KwaZulu-Natal | | | | 11 986 896 | 13 012 642 | 14 006 710 | |
| Limpopo | | | | 6 814 594 | 7 375 574 | 7 974 876 | |
| Mpumalanga | | | | 3 531 761 | 3 834 151 | 4 163 859 | |
| Northern Cape | | | | 1 232 391 | 1 349 015 | 1 461 636 | |
| North West | | | | 4 328 016 | 4 873 356 | 5 345 759 | |
| Western Cape | | | | 4 002 671 | 4 251 501 | 4 639 629 | |
| TOTAL | | | | 52 023 313 | 57 070 109 | 61 830 058 | |

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

| Vote | Name of Allocation | Purpose | Type of Allocation | Province | Column A | Column B | |
|--|---|--|--------------------|---------------|-----------------------|-----------------------|-----------------------|
| | | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | | 2006/07 | 2007/08 |
| Sport and Recreation South Africa (Vote 19) | Mass Sport and Recreation Participation Programme Grant | To fund the promotion of mass participation within disadvantaged communities in a selected number of sport activities and the empowerment of communities to manage these activities. | Conditional grant | Eastern Cape | R'000 2 670 | R'000 4 340 | R'000 6 491 |
| | | | | Free State | 2 670 | 4 340 | 3 068 |
| | | | | Gauteng | 2 670 | 4 340 | 4 690 |
| | | | | KwaZulu-Natal | 2 670 | 4 340 | 7 596 |
| | | | | Limpopo | 2 670 | 4 340 | 5 115 |
| | | | | Mpumalanga | 2 670 | 4 340 | 3 087 |
| | | | | Northern Cape | 2 640 | 4 280 | 3 115 |
| | | | | North West | 2 670 | 4 340 | 3 460 |
| | | | | Western Cape | 2 670 | 4 340 | 4 328 |
| | | | | TOTAL | 24 000 | 39 000 | 40 950 |

SCHEDULE 5A: SOCIAL ASSISTANCE TRANSFERS GRANT

| Vote | Name of Allocation | Social Assistance Transfers Grant by Grant Type | Province | Column A | Column B | |
|---|-----------------------------------|--|------------------|-------------------------|-------------------|------------------|
| | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | 2006/07 | 2007/08 |
| Social Development (Vote 18) | Social Assistance Transfers Grant | (a) Care Dependency Grant | Eastern Cape | R'000 224 190 | 249 346 | 272 894 |
| | | | Free State | 36 838 | 40 177 | 44 250 |
| | | | Gauteng | 110 983 | 119 463 | 129 049 |
| | | | KwaZulu-Natal | 244 560 | 272 876 | 303 652 |
| | | | Limpopo | 105 366 | 117 595 | 130 874 |
| | | | Mpumalanga | 46 846 | 50 286 | 54 988 |
| | | | Northern Cape | 22 425 | 25 868 | 29 369 |
| | | | North West | 75 146 | 87 681 | 99 547 |
| | | | Western Cape | 70 955 | 75 877 | 81 972 |
| | | | TOTAL | 937 309 | 1 039 169 | 1 146 595 |
| | | (b) Child Support Grant (0 - 6 years) | Eastern Cape | 1 409 533 | 1 518 561 | 1 645 377 |
| | | | Free State | 489 966 | 512 345 | 549 823 |
| | | | Gauteng | 1 104 682 | 1 171 930 | 1 233 611 |
| | | | KwaZulu-Natal | 2 033 048 | 2 094 900 | 2 205 158 |
| | | | Limpopo | 1 405 410 | 1 461 347 | 1 538 259 |
| | | | Mpumalanga | 676 395 | 696 973 | 733 656 |
| | | | Northern Cape | 149 783 | 154 340 | 162 689 |
| | | | North West | 703 146 | 755 386 | 811 890 |
| | | | Western Cape | 539 553 | 564 307 | 602 918 |
| | | | TOTAL | 8 511 516 | 8 930 089 | 9 483 381 |
| | | (c) Child Support Extension Grant (7 - 13 years) | Eastern Cape | 1 136 141 | 1 560 292 | 1 689 304 |
| Free State | 404 921 | | 537 892 | 593 385 | | |
| Gauteng | 759 633 | | 1 067 721 | 1 178 037 | | |
| KwaZulu-Natal | 1 254 859 | | 1 593 557 | 1 744 753 | | |
| Limpopo | 952 156 | | 1 067 961 | 1 175 430 | | |
| Mpumalanga | 457 795 | | 504 418 | 553 413 | | |
| Northern Cape | 126 964 | | 165 366 | 180 044 | | |
| North West | 579 919 | | 793 883 | 905 098 | | |
| Western Cape | 283 372 | | 350 836 | 392 004 | | |
| TOTAL | 5 955 760 | | 7 641 926 | 8 411 468 | | |

SCHEDULE 5A: SOCIAL ASSISTANCE TRANSFERS GRANT

| Vote | Name of Allocation | Social Assistance Transfers Grant by Grant Type | Province | Column A | Column B | |
|---|-----------------------------------|---|-------------------|---------------------------|---------------------------|---------------------------|
| | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | 2006/07 | 2007/08 |
| Social Development (Vote 18) | Social Assistance Transfers Grant | (d) Disability Grant | Eastern Cape | R'000 2 749 764 | R'000 2 931 524 | R'000 3 182 133 |
| | | | Free State | 1 305 816 | 1 392 130 | 1 507 163 |
| | | | Gauteng | 1 756 393 | 1 900 131 | 2 074 495 |
| | | | KwaZulu-Natal | 3 862 642 | 4 117 965 | 4 458 234 |
| | | | Limpopo | 1 021 525 | 1 126 558 | 1 258 310 |
| | | | Mpumalanga | 794 495 | 881 728 | 984 847 |
| | | | Northern Cape | 441 030 | 477 571 | 525 171 |
| | | | North West | 1 080 462 | 1 199 094 | 1 339 329 |
| | | | Western Cape | 1 391 382 | 1 451 698 | 1 580 508 |
| | | | TOTAL | 14 403 509 | 15 478 399 | 16 910 190 |
| | | (e) Foster Care Grant | Eastern Cape | 409 714 | 490 579 | 563 622 |
| | | | Free State | 244 662 | 283 474 | 323 182 |
| | | | Gauteng | 286 546 | 336 837 | 388 926 |
| | | | KwaZulu-Natal | 441 480 | 492 897 | 555 145 |
| | | | Limpopo | 192 746 | 231 051 | 266 410 |
| | | | Mpumalanga | 105 470 | 140 905 | 168 556 |
| | | | Northern Cape | 59 519 | 64 293 | 70 909 |
| | | | North West | 129 840 | 150 984 | 172 340 |
| | | | Western Cape | 175 840 | 187 235 | 205 197 |
| | | | TOTAL | 2 045 817 | 2 378 255 | 2 714 287 |
| | | (f) Old Age Grant | Eastern Cape | 3 995 009 | 4 275 986 | 4 574 262 |
| Free State | 1 235 709 | | 1 328 802 | 1 421 494 | | |
| Gauteng | 2 416 756 | | 2 606 456 | 2 815 608 | | |
| KwaZulu-Natal | 4 123 026 | | 4 412 483 | 4 711 025 | | |
| Limpopo | 3 121 673 | | 3 354 875 | 3 588 898 | | |
| Mpumalanga | 1 442 982 | | 1 551 766 | 1 660 012 | | |
| Northern Cape | 426 713 | | 455 571 | 487 350 | | |
| North West | 1 750 238 | | 1 876 793 | 2 007 711 | | |
| Western Cape | 1 526 845 | | 1 607 364 | 1 763 248 | | |
| TOTAL | 20 038 951 | | 21 470 096 | 23 029 608 | | |

SCHEDULE 5A: SOCIAL ASSISTANCE TRANSFERS GRANT

| Vote | Name of Allocation | Social Assistance Transfers Grant by Grant Type | Province | Column A | Column B | |
|---|-----------------------------------|---|---------------|------------------------|------------------------|------------------------|
| | | | | 2005/06 Allocation | Forward Estimates | |
| | | | | | 2006/07 | 2007/08 |
| Social Development (Vote 18) | Social Assistance Transfers Grant | (g) Social Relief of Distress | Eastern Cape | R'000 18 953 | R'000 19 901 | R'000 20 896 |
| | | | Free State | 7 098 | 7 453 | 7 826 |
| | | | Gauteng | 12 281 | 12 894 | 13 539 |
| | | | KwaZulu-Natal | 22 821 | 23 962 | 25 160 |
| | | | Limpopo | 12 974 | 13 623 | 14 304 |
| | | | Mpumalanga | 6 724 | 7 060 | 7 413 |
| | | | Northern Cape | 5 000 | 5 251 | 5 513 |
| | | | North West | 8 240 | 8 652 | 9 085 |
| | | | Western Cape | 7 620 | 8 001 | 8 401 |
| | | | TOTAL | 101 711 | 106 797 | 112 137 |
| | | (h) War Veterans Grant | Eastern Cape | 3 675 | 3 226 | 2 826 |
| | | | Free State | 850 | 768 | 692 |
| | | | Gauteng | 6 871 | 5 982 | 5 195 |
| | | | KwaZulu-Natal | 4 460 | 4 002 | 3 583 |
| | | | Limpopo | 2 744 | 2 564 | 2 391 |
| | | | Mpumalanga | 1 054 | 1 015 | 974 |
| | | | Northern Cape | 957 | 755 | 591 |
| | | | North West | 1 025 | 883 | 759 |
| | | | Western Cape | 7 104 | 6 183 | 5 381 |
| TOTAL | 28 740 | | 25 378 | 22 392 | | |

SCHEDULE 6

RECURRENT GRANTS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Column A | Column B | |
|---|--|---|-------------------------|-------------------------|-------------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| Provincial and Local Government (Vote 5) | Municipal Systems Improvement Grant | To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems. | R'000 200 000 | R'000 200 000 | R'000 200 000 |
| National Treasury (Vote 8) | (a) Local Government: Financial Management Grant | To promote and support reforms to municipal financial management and the implementation of the Municipal Finance Management Act. | 132 500 | 145 250 | 145 250 |
| | (b) Local Government Restructuring Grant | To support municipal restructuring initiatives of large budget municipalities. | 350 000 | 350 000 | 350 000 |
| Water Affairs and Forestry (Vote 34) | Water Services Operating Subsidy (Augmentation to the Water Trading Account) | To augment the Water Trading Account to subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department. | 106 296 | 68 494 | 46 351 |
| TOTAL | | | 788 796 | 763 744 | 741 601 |

1) The allocations per municipality are listed in Appendix E3 of Annexure E.

SCHEDULE 6

INFRASTRUCTURE GRANTS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Column A | Column B | |
|--------------------------------------|------------------------------------|--|-------------------------|-------------------|-------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| Minerals and Energy (Vote 30) | National Electrification Programme | To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address electrification backlogs of permanently occupied residential dwellings. | R'000 258 000 | R'000 - | R'000 - |
| TOTAL | | | 258 000 | - | - |

SCHEDULE 7

ALLOCATIONS-IN-KIND / INDIRECT GRANTS TO LOCAL GOVERNMENT

| Vote | Name of Allocation | Purpose | Column A | Column B | |
|---|--|--|------------------------|------------------------|------------------------|
| | | | 2005/06 Allocation | Forward Estimates | |
| | | | | 2006/07 | 2007/08 |
| National Treasury (Vote 8) | Local Government: Financial Management Grant | To promote and support reforms to municipal financial management and the implementation of the Municipal Finance Management Act. | R'000 66 240 | R'000 53 407 | R'000 53 407 |
| Water Affairs and Forestry (Vote 34) | (a) Water Services Operating Subsidy (Augmentation to the Water Trading Account) ¹⁾ | To augment the Water Trading Account to subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department. | 828 138 | 922 006 | 993 674 |
| | (b) Implementation of Water Services Projects ¹⁾ | To fund bulk, connector and internal infrastructure for water services at a basic level of service and to implement such projects on behalf of municipalities. | 138 679 | - | - |
| TOTAL | | | 1 033 057 | 975 413 | 1 047 081 |

1) The allocations per municipality are listed in Appendix E5 of Annexure E.

**MEMORANDUM ON THE OBJECTS OF THE
DIVISION OF REVENUE BILL, 2005**

1. Section 214(1) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) (“the Constitution”), requires that an Act of Parliament must provide for—
 - 1.1 the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
 - 1.2 the determination of each province’s equitable share of the provincial share of that revenue; and
 - 1.3 any other allocations to provinces, local government or municipalities from the national government’s share of that revenue, and for any conditions on which those allocations may be made.
2. Section 10 of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997) (“the Act”), requires that, as part of the process of the enactment of the Act of Parliament referred to in paragraph 1, each year when the annual budget is introduced, the Minister of Finance (“the Minister”) must introduce in the National Assembly, a Division of Revenue Bill (“the Bill”) for the financial year to which that budget relates.
3. The Act requires that the Bill be accompanied by a memorandum explaining—
 - 3.1 how the Bill takes account of each of the matters listed in section 214(2)(a) to (j) of the Constitution;
 - 3.2 the extent to which account was taken of any recommendations of the Financial and Fiscal Commission (“the FFC”) submitted to the Minister or as a result of consultations with the FFC; and
 - 3.3 any assumptions or formulae used in arriving at the respective shares of the three spheres of government and the division of the provincial share between the nine provinces.
4. The Bill is introduced in compliance with the requirements of the Constitution and the Act as set out in paragraphs 1 to 3 above.
5. The memorandum referred to in paragraph 3 above will be attached as “Annexure E” to the Budget Review which will be made available on Budget Day.
6. The allocations contemplated in section 214(1) of the Constitution are set out in seven schedules to the Bill, namely—
 - 6.1 Schedule 1, which sets out the respective shares of anticipated revenue raised nationally in respect of the national, provincial and local spheres of government;
 - 6.2 Schedule 2, which sets out the respective shares of each province;
 - 6.3 Schedule 3, which deals with the respective shares of each municipality;
 - 6.4 Schedule 4, which sets out allocations to provinces and municipalities to supplement the funding of programmes funded from provincial and municipal budgets;
 - 6.5 Schedule 5, which sets out specific-purpose allocations to identified provincial departments;
 - 6.6 Schedule 6, which sets out specific-purpose allocations to local government; and

6.7 Schedule 7, which sets out allocations-in-kind to municipalities for designated special programmes.

7. The following is a brief summary of the Bill:

- Clause 1 contains the relevant definitions;
- Clause 2 sets out the object of this Bill;
- Clause 3 provides for the equitable division of anticipated revenue raised nationally among the national, provincial and local spheres of government in Schedule 1;
- Clause 4 provides for each province's equitable share, which is set out in Schedule 2, and for a payment schedule in terms of which such shares must be transferred;
- Clause 5 provides for local government's equitable share of revenue and the determination of each municipality's share of that revenue;
- Clause 6 determines what must happen if actual revenue raised falls short of or exceeds anticipated revenue for the financial year;
- Clause 7 provides for other allocations to provinces from the national government's equitable share, set out in Schedules 4 and 5 to the Bill;
- Clause 8 provides for other allocations to municipalities from the national government's equitable share, set out in Schedules 6 and 7 to the Bill;
- Clause 9 provides for transfers to public entities for the provision of bulk resources, municipal services or municipal functions;
- Clause 10 provides for transfers by public entities to municipalities;
- Clause 11 provides for the process of dealing with allocations to provinces and municipalities, which are not set out in the Schedules to the Bill;
- Clauses 12 to 14 provide for matters related to Schedule 4 allocations, specifically the Provincial and Municipal Infrastructure allocations;
- Clauses 15 to 17 provide for matters related to Schedule 5 and 6 allocations, specifically the Social Assistance Transfers and Social Assistance Administrative conditional allocations, the municipal capacity building allocations and the Integrated Housing and Human Settlement Development allocation;
- Clause 18 provides for matters related to Schedule 7 allocations, specifically the Water Services Operating and Transfer Subsidy;
- Clauses 19 to 27 set out the responsibilities of transferring national officers, receiving officers, transferring provincial officers, category C municipalities, provincial accounting officers and provincial treasuries and also provides for duties relating to cooperative governance in respect of concurrent functions;
- Clause 28 to 30 sets out the responsibilities of the National Treasury, the powers of the Auditor-General and matters relating to internal audit units;
- Clause 31 requires that conditional allocations may only be used for their stated purpose and subject to stated conditions;
- Clause 32 provides for the amendment of a payment schedule and transfer mechanism by a transferring national officer or the National Treasury;
- Clause 33 provides for the withholding of conditional allocations until conditions are met;

- Clause 34 provides for the stopping of allocations under certain circumstances;
- Clause 35 enables the National Treasury to reallocate allocations stopped where significant under expenditure is anticipated and to reallocate such allocations to other provinces or municipalities;
- Clause 36 provides for uncommitted Schedule 5 or 6 allocations to revert to the National Revenue Fund at the end of the financial year;
- Clause 37 enables the National Treasury to require preparatory information and plans from national and provincial departments, and municipalities in preparation for the 2006/07 financial year;
- Clause 38 provides for certain transfers to constitute unauthorised or irregular expenditure in terms of the Public Finance Management Act;
- Clause 39 provides that non-compliance with the Bill constitutes financial misconduct;
- Clause 40 provides that an allocation to a category B municipality with low capacity may be transferred to the Category C municipality, within whose area of jurisdiction it is located, or the relevant province to facilitate the proper administration of the allocation;
- Clause 41 provides for the correction of any allocation in error;
- Clause 42 allocates financial liability for costs incurred in respect of litigation in violation of the principles of co-operative governance and intergovernmental relations;
- Clause 43 enables the Minister to delegate any powers or assign any duties entrusted to the National Treasury in this Bill to an official of the National Treasury;
- Clause 44 enables the National Treasury to exempt transferring officers from reporting requirements and other responsibilities;
- Clause 45 enables the Minister to make regulations regarding any matter which may or must be prescribed or which is necessary for effective implementation of this Bill;
- Clause 46 makes provision for the repeal of the Division of Revenue Act, 2004 (Act No. 5 of 2004);
- Clause 47 sets out the short title and commencement date of this Bill.

8. PARLIAMENTARY PROCEDURE

- 8.1 The State Law Advisers and the National Treasury are of the opinion that this Bill must be dealt with in accordance with the procedure prescribed by section 76(1) of the Constitution since it provides for legislation envisaged in Chapter 13 of the Constitution and it includes provisions affecting the financial interests of the provincial sphere of government as contemplated in section 76(4)(b) of the Constitution.
- 8.2 The State Law Advisers are of the opinion that it is not necessary to refer this Bill to the National House of Traditional Leaders in terms of section 18(1)(a) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), since it does not contain provisions pertaining to customary law or customs of traditional communities.
- 8.3 The Explanatory Memorandum to the Division of Revenue (“Annexure E” of Budget Review) which appeared as an Annexure in the Bill as introduced, was not reprinted in Bill 8B—2005.

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DIVISION OF REVENUE ATTACHMENTS

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**EXPLANATORY MEMORANDUM
TO THE DIVISION OF REVENUE
(“Annexure E” of Budget Review)**

E

Explanatory memorandum to the Division of Revenue

Background

Section 214(1) of the Constitution of South Africa requires that every year a *Division of Revenue Act* determine the equitable division of nationally raised revenue between the three spheres of government. The Act should also explain the formulae for dividing the equitable shares among the 9 provinces and 284 municipalities.

The *Intergovernmental Fiscal Relations Act (No. 97 of 1997)* reinforces section 214 of the Constitution by promoting co-operative governance on fiscal, budgetary and financial matters and by prescribing the process for determining the equitable sharing and allocation of revenue raised nationally. It establishes the Budget Council and Budget Forum – the consultative intergovernmental forums for the budget and fiscal management process. Sections 9 and 10(4) of the Act set out the consultation process to be followed with the Financial and Fiscal Commission (FFC), including the process of considering recommendations made with regard to the equitable division of nationally raised revenue.

This explanatory memorandum to the 2005 Division of Revenue Bill fulfils the requirement set out in Section 10(5) of the *Intergovernmental Fiscal Relations Act* which requires the Division of Revenue Bill to be accompanied by an explanatory memorandum detailing how the Bill takes account of the matters listed in section 214(2) (a) to (j) of the Constitution, Government's response to the recommendations of the Financial and Fiscal Commission and any assumptions and formulae used in arriving at the respective divisions among provinces and municipalities.

The explanatory memorandum contains six parts. Part 1 is a summary of how the Bill and the division of revenue take account of Section 214(2)(a) to (j) of the Constitution. Part 2 sets out how the FFC's recommendations on the 2004 division of revenue have been taken into account. Part 3 outlines the fiscal framework that informs the division of resources between the three spheres of government. Part 4 explains the new formula and criteria for the division of the provincial equitable share among provinces, and also for conditional grants to provinces. Part 5 sets out the new formula and criteria for the division of the local government equitable share and conditional grants between municipalities. Part 6 summarises issues that will form part of subsequent reviews of sub-national fiscal frameworks.

This explanatory memorandum must be read with the Division of Revenue Bill. The Division of Revenue Bill and its underlying allocations are the culmination of extensive consultation processes between the three spheres of government. The Budget Council deliberated on the matters discussed in this memorandum at its annual Lekgotla from 2 to 5 September 2004, and meetings of 8 June, 14 October and 6 December 2004 and 3 February 2005. The approach to local government allocations were discussed with organised local government at several technical meetings with the South African Local Government Association (SALGA), culminating in a meeting of the Budget Forum (Budget Council plus SALGA) on 14 October 2004. The Ministers' Committee on the Budget (which also consulted MECs for Finance on social sector budgets) forwarded its recommendations on the division of revenue to Cabinet for consideration. An Extended Cabinet meeting, involving Cabinet Ministers, Premiers of provinces and the chairperson of SALGA, was held on 20 October 2004 and agreed on the final budget priorities and the division of revenue over

the next three years. Subsequent revisions to the provincial and local government framework after the Medium Term Budget Policy Statement tabled on 26 October 2004 have also been discussed in the Ministers' Committee on the Budget, Budget Council, SALGA and FFC, and approved by Cabinet.

Part 1: Taking account of factors set out in the Constitution

This part shows how Government complies with section 214(2) of the Constitution, which requires that the annual *Division of Revenue Act* only be enacted after taking account of the factors in sub-section 214(2) (a) to (j) of the Constitution. Government's medium term strategic goals give effect to section 214(2) (a) to (j) of the Constitution and form the thrust of the 2005 MTEF which consolidates efforts targeted at strengthening investment and job creation, reducing poverty and supporting vulnerable groups, education and skills development, creating sustainable communities, and enhancing service delivery. Government's priorities centre on the following key focal points:

- Promoting economic growth through an increase in the rate of productive investment in the economy.
- Improving the quality of livelihoods for the marginalised by encouraging employment and enterprise development.
- Maintaining a social security net, while mobilising human resources and investing in community services.
- Improving the State's capacity by enhancing public administration and fighting crime.
- Promoting international and regional relations for growth and development.

The *2005 Budget Review* sets out in detail how the constitutional issues and Government's priorities are taken into account in the 2005 Division of Revenue. It focuses on the economic and fiscal policy considerations, revenue issues, debt and financing considerations and expenditure plans of Government, and aspects of provincial and local government financing, are discussed in chapters 6 and 7. Readers are thus advised to read this annexure with the *2005 Budget Review*. Below is a summary of the Constitutional principles that informed the division of revenue.

National interest and the division of resources

After 10 years of democracy during which Government has consistently and steadfastly pursued the objective of a stable macroeconomic environment, and reduction in income poverty, South Africa has begun to enjoy the fruits of this policy through higher growth, low and stable inflation and signs that the economy is beginning to experience the creation of jobs. Government remains committed to eradicating social exclusion, creating more employment opportunities, reducing crime, addressing HIV and Aids, developing an efficient public service and nation-building which are key contributors to a better life for all South Africans. Since programmes to meet these goals cut across all three spheres of government, and often across departments, they are most appropriately guided by policies set by national government. Broad-based programmes in the national interest introduced by Government include the prioritisation of the social sectors (education, health and social welfare), expansion of the social safety net, nutrition (including food security), housing, sustainable infrastructure development (at provincial and municipal level) and rural development. One of the key reforms introduced in the national interest includes a change in the way social grants are to be funded, by centralising its funding from the national equitable share.

Provision for debt costs

Government's debt management strategy over the past few years has contributed to the current strong macroeconomic environment. Government has succeeded in bringing down debt service costs, thus freeing up more funds for essential public expenditure, while contributing to capital market stability. Debt service costs as a percentage of GDP are set to continue to decline. Government will continue with its prudent debt management strategy over the medium term. Chapter 5 in the *2005 Budget Review* deals with financing the budget deficit and debt service costs.

In deciding the division of revenue between the three spheres of government provision is made for the proceeds of borrowing by national government. The bulk of that borrowing is in the form of savings of South African citizens and the remainder is in foreign savings. In recognition of Government's obligation to repay those citizens and to protect the capacity to borrow at the lowest rates, the costs of servicing debt are met before resources are shared. Most of this borrowing went into financing Government programmes across the three spheres of government. Chapters 3 and 5 discuss debt costs and their financing in more detail.

National government needs and interests

While taking into account the exclusive and concurrent functions assigned to provincial and local governments, the 2005 division of revenue provides for functions that transcend provincial and local boundaries and serve national interest. These include growing the economy, creating a stable macroeconomic environment, protecting its citizens, dealing with equity and fairness in society and at the same time addressing poverty and vulnerability. More directly, national government is strengthening foreign relations through, involvement in peacekeeping efforts in other parts of Africa and its representation in multilateral institutions such as the World Bank, International Monetary Fund, World Trade Organisation, SADC and the African Union, among others. Key priorities on the national budget are the strengthening of the integrated justice sector, infrastructure development and rehabilitation, employment creation and programmes aimed at alleviating poverty. The national sphere is also responsible for meeting the contractual and statutory commitments of the state and for providing transversal systems of governance, including tax administration and financial information systems. National government is responsible for policy development, regulation and monitoring of functions shared with provincial and local government.

Provincial and local government basic services

The division of revenue provides equitable share increases to provinces and local government to give effect to Government's commitment in progressively meeting basic needs. The formulae used to divide resources among the 9 provinces and among the 284 municipalities takes into account the powers and functions of these spheres. This year's division of revenue strengthens current pro-poor programmes and seeks to extend the outreach of basic services to the poor. The housing programme is allocated an additional R2 billion rand over the next three years reflecting Government's commitment to speed up housing delivery and at the same time develop sustainable communities. Government also recognises the need to invest in old townships and new housing estates aimed at creating integrated and dynamic urban livelihoods alongside the municipal infrastructure investment programme – focused on basic residential services infrastructure such as water, sanitation, roads and refuse removal. In this regard R3 billion is set aside for this community investment programme. To improve access to free basic services and deal with backlogs in basic municipal infrastructure, all funds for municipal infrastructure have been consolidated into the Municipal Infrastructure Grant (MIG). The MIG is further augmented by R1,2 billion to eradicate the bucket system and replace it with a proper waterborne sanitation system. Chapter 7 contains further details on national transfers to provinces and local government.

Fiscal capacity and efficiency

The Constitution assigns substantial revenue-raising powers to the national sphere. Despite the promulgation of the *Provincial Tax Regulation Process Act (No. 53 of 2001)*, no province has as yet introduced a new provincial tax. Consequently provinces still have limited revenue-raising capacity relative to the resources required to deliver provincial functions, which do not lend themselves to self-funding or cost recovery. To compensate for this, provinces receive the largest share of nationally raised revenue. Local governments finance most of their expenditure through property rates, user charges and fees. It is recognised, however, that rural municipalities raise significantly less revenue than the urban metro municipalities.

Developmental needs

Government's priorities and the division of revenue are aligned to the Millennium Development Goals which seek to, among other things, eradicate poverty, ensure a minimum level of schooling, reduce child mortality, combat HIV and Aids and other diseases, ensure environmental sustainability, and develop a global partnership for development. The extent of interventions needed in South Africa differs among provinces and among municipalities mainly due to the disproportionate development strategies of the apartheid era. Government's priorities over the years have sought to ensure that social and economic deficits inherited from apartheid are addressed. The 2005 Budget reinforces Government's commitment of addressing and achieving its developmental goals.

The equitable share formulae for provincial and local government and specific conditional grants are revised to deal with the disproportionate levels of development among provinces and among municipalities. Further, various infrastructure grants and growing capital budgets aim to boost economic and rural development of provinces and municipalities and at the same time address the social and economic infrastructure backlogs.

Economic disparities

Economic disparities exist between and within provinces and municipalities. The equitable share formulae are redistributive and recognise that provinces and municipalities have different demographic and economic profiles and markedly different levels of economic development. In particular, Government has increased allocations to invest in economic infrastructure like roads, and social infrastructure like schools, hospitals and clinics, in order to accelerate economic growth and job creation. Under the umbrella of programmes such as the Expanded Public Works, Government intends to spread opportunities for more South Africans to engage in income earning activities.

Obligations in terms of national legislation

While the Constitution confers significant autonomy on provincial governments to determine provincial priorities within a national policy framework and allocate provincial budgets, national government retains responsibility for policy development and for monitoring implementation within concurrent functions. Although the equitable share allocations and other transfers allow provinces and local government discretion, national policies create mandates, which define the broad framework within which provincial and municipal budgets are framed. Conditional grants also provide funding for national priorities that are implemented by provincial or local government. These include grants for housing and integrated nutrition.

The enactment of the National Health Act, Social Assistance Act and Social Security Agency Act impacts on future obligations of the provincial and local spheres of government. These sets of legislation are implemented on a phased basis in order to minimise their impact on the services delivered by provincial and local governments. For example, the primary health care function currently administered by district and local municipalities is shifting to the provincial sphere and will be phased in over the next few years. The social security grant function will be administered by national government through an agency and will, as an interim measure be funded through a conditional grant from 1 April 2005 to ensure its smooth transition to the national agency.

Predictability and stability

Government has resolved that the equitable shares for a given year will be based on estimates of nationally raised revenues, as announced in the Budget. Provincial and local government equitable share allocations are based on projections of revenue to be raised nationally. These allocations are protected. In the event that nationally raised revenue falls short of the estimates, the equitable share will not be adjusted downwards. All conditional grants to be allocated to provinces and local government are allocated on a three-year basis to enable the two spheres to undertake forward planning of programmes funded through these grants. The Bill also requires provincial governments to publish all their grants to local government per municipality. In addition, care is taken when the provincial and local government formulae are revised that their impact on the funding streams to these spheres are minimal.

Furthermore, the Division of Revenue Bill specifies that all allocations must be transferred according to a payment schedule. Thus, at the beginning of the financial year, provinces and local governments are assured of the resources they will receive and know the dates on which the allocations will be transferred. Any amendments to the payment schedule require a fair and transparent process. The Bill also enables provincial and local governments to account for all transfers from the national government. Greater certainty of revenues improves the quality of budget planning and expenditure projections in all spheres of government.

Need for flexibility in responding to emergencies

When Government introduced multi-year rolling budgets seven years ago, it also introduced the concept of a contingency reserve. Government has flexibility to respond to emergencies or other needs through a contingency reserve that provides a cushion for “unforeseeable and unavoidable” expenditure. Sections 16 and 25 of the *Public Finance Management Act* make specific provision in relation to allocation of funds to deal with emergency situations while section 30(7) deals with adjustment allocations in respect of unforeseeable and unavoidable expenditure. The *Disaster Management Act* provides the legal framework for government to respond to emergencies. In addition to the prescripts of the PFMA and the MFMA, Government is developing a framework that would allow it to respond more speedily to disasters, where these may occur.

Part 2: Response to the Financial and Fiscal Commission recommendations

Section 214 of the Constitution and Section 9 of the *Intergovernmental Fiscal Relations Act* require the Financial and Fiscal Commission (FFC) to make recommendations on or soon after April every year on the division of revenue for the coming budget. In view of the April 2004 elections, the FFC complied with this obligation by tabling its submission entitled “*Submission for the Division of Revenue 2005/06-Proposals from the FFC Review of the Intergovernmental Fiscal relation System*” in Parliament in June 2004. Subsequently, the FFC also submitted two supplementary proposals at the end of January 2005. The first one suggests a possible approach on

how to determine the amount of funds to be shifted from the provincial equitable share with the social security function. The second proposal is a further elaboration of the FFC's model for allocating capital grants to provinces.

The Constitution and section 10 of the *Intergovernmental Fiscal Relations Act* require national government to take account of the annual recommendations of the FFC when determining the division of revenue between the three spheres of government. This part of the explanatory memorandum sets out how the Government has taken into account the FFC's recommendations when determining the division of revenue for the 2005 MTEF.

The 2005 FFC proposals, although covering a broad range of issues, are divided into three main parts:

- Part 1 reviews the provincial equitable sharing system and covers the provincial equitable share formula, provincial own revenue and the use of conditional grants in the transfer system.
- Part 2 reviews the local government equitable sharing system and covers the different 'funding windows' of the local government equitable share formula, measurement of municipal revenue-raising capacity, explores any linkages between the local government equitable share and the infrastructure grant formulae, and pronounces on the ceding of the equitable share as security for municipal loans.
- Part 3 reviews the Intergovernmental Fiscal Relations system and covers poverty targeting, the budgeting systems supporting the IGFR system, and evaluates the key data sources needed to support the IGFR system.

While some of the proposals contained in the FFC's submission for the 2005 Budget are new, others represent reiteration, improvements and refinements of past proposals. Accordingly, some of Government's past responses are still relevant and where this is not the case explanation is given. For instance, the FFC calls for a review of the intergovernmental system and a change in the financing of social security grant. The two proposals were accepted last year, and as it will be evident in the later discussion, Government has also taken steps to address the two proposals.

A major part of the review of the intergovernmental system focused on the need to implement new formulae for both the provincial and local government equitable share grant. This has required careful examination and analysis of policy and implementation issues surrounding the shifting of social grant funding from the provincial equitable share to the national equitable share, and for the local government equitable share on the creation of Regional Electricity Distributors (REDs). Work on other aspects of the review is still under way and its recommendations will be considered for implementation in future budgets.

Significant progress has been made on the tax frameworks for provinces and local government. Despite the provincial taxation framework, no province has as yet formally submitted a proposal for any new provincial tax. With regard to municipalities, aspects of the new property rates system will be implemented over the 2005 MTEF.

With regard to borrowing, municipalities are now able to borrow more easily with the Local Government: *Municipal Finance Management Act (MFMA)*, which took effect from 1 July 2004. Coming regulations on municipal borrowing will give further effect to the local government borrowing framework.

In relation to provinces, Government is exploring how to give effect to provincial borrowing, beginning with loans from the Development Bank of South Africa. However, the biggest challenge facing both provinces and municipalities is that of modernising and improving capacity to spend on capital before considering borrowing, as spending capacity is still significantly lower than budgetary resources.

Part 2.1: Review of the Provincial Equitable Sharing System

FFC proposal on the weights assigned to the different components in the provincial equitable share formula

The FFC proposes that the weights assigned to the different components of the provincial equitable share formula need to be revised to take account of the changing priorities and changing composition of shares of social services in total provincial expenditure.

Government's response

Part of the divergence in the weights in the formula and shares of education, health and welfare in expenditure has been due to very rapid changes in the composition of provincial expenditure. This was largely influenced by two factors: a very sharp growth in social security expenditure and strong growth in expenditure on non-social services functions mainly attributed to substantial resources allocated towards infrastructure and other non-personnel inputs.

The weights in the new formula have been rescaled, to take into account the impact of the shifting of the payment of social security grants to national government on expenditure. The rescaled weights were then adjusted to be in line with the average share of education and health in total provincial expenditure over the last three years. The shares are based on provincial expenditure exclusive of conditional grants.

FFC proposal on the education component of the formula

The FFC proposes that 'the formula used to allocate the education component of the equitable share be revised to end the double weighting of school age children.' In this respect, the department of education should ensure that reliable school enrolment data is collected regularly.

Government's response

Government has taken this recommendation into account by proposing equal weights for the two elements - school age and enrolment - rather than a complete abolishment of the school age element. There are still good arguments for retaining the school age cohort in the education component. Firstly, unlike the enrolment data, the age cohort data are gathered independently of schools through censuses, and will therefore not have any systematic bias. They therefore attenuate the impact of any systematic inaccuracies that might exist in the enrolment data. Secondly, the measure reflects the approximate number of pupils who ought to be at school at any given time in a province.

Previously, the inclusion and double weighting of school age was a carefully considered decision, and took into account the objective of eliminating out-of-age enrolment, which reflects an inefficiency in the education system. Notwithstanding evidence of a drop in out-of-age enrolment, in view of the above considerations, Government has decided to retain this element in the formula, albeit with a reduced weight.

FFC proposal on the funding for Early Childhood Development (ECD)

The FFC proposes that, given that ECD is funded through the provincial equitable share, the education component should be augmented by at least the full amount of the current conditional grant.

Government's response

In relation to ECD the approach taken by Government is consistent with the FFC recommendation. The funds that previously flowed as a conditional grant are now part of the provincial equitable share. The adjusted weight for education has taken into account the share of education budget, including the full amount of the current ECD conditional grant. Further, the age cohort data in the formula includes the age group attending grade R.

FFC proposal on the health component of the formula

FFC proposes that 'in the case of health care services, the formula should be revised to take account of the gender and age profile of the population in order to reflect differential needs for health care services.' Furthermore, the national department of health should ensure that data on health care utilisation rates for different population groups is regularly collected.

Government's response

Government explored the possibility of using age and gender profiles, as well as taking into account health utilisation rates when the health component was reviewed. This would be a better approximation of relative demand for health care. However, the data required to make such a change in the formula are not readily available.

The proposed use of data on differential utilisation rates for different age groups and gender, while sensible, is not possible to implement immediately, as there are variations in the manner in which such data are collected across health institutions. Indeed, if such data were to be available and comparable, it would be worthwhile exploring more sophisticated measures of relative demand for health services. The FFC notes in its review of the health component that a survey would have to be undertaken "*to quantify the intensity of use of public health facilities...to design the variable and weighting system.*"

A further constraint is that even if utilisation information were available per hospital and per clinic, cost centre information is generally not available per hospital or per clinic. This makes it impossible at this stage to "consider the possibility of economies of scale or unit cost differences among the provinces resulting from population density" in the fashion proposed by the FFC.

Government is in agreement with the FFC that steps need be taken to collect data on health utilisation rates for the different age and gender groups regularly. The health sector will need to put in place mechanisms for collecting such information, and ensuring that they are reliable and comparable. It will take several years before such information will be available.

FFC proposal on the welfare component of the formula

The FFC proposes that the welfare component (social security grants) should be removed from the formula and the function be converted into a conditional grant or any other appropriate funding mechanism while the issue of the National Social Security Agency is addressed. In addition the national Department of Social Development must ensure that adequate measures are in place to monitor the proper administration and payment of social security grants.

In its supplementary submission titled "*The financial and institutional implications of shifting the social security transfers and their administration to national government*" the FFC presents three options for dealing with the function shift. The first option is to shift an amount equal to the share of welfare in the equitable share formula, which is 18 per cent. The second option is to take an amount equal to 18 per cent plus 6,8 per cent. The last option is to separate social security expenditure from total provincial social development expenditure so that only the portion spent on social security is shifted from the provincial equitable share.

Government's response

In the main, the FFC proposal regarding social security is a reiteration of a previous recommendation, which Government is already implementing. In this regard, the South African Social Security Agency Act was enacted and amendments to the Social Assistance Act have been effected. The shifting of the financing and administration of social security grants impacts significantly on the current size and formula of the provincial equitable share. The provincial equitable share will be reduced while the national equitable share will be increased to fund social grants.

A key decision in this respect for the 2005 MTEF is the amount or percentage share of funds to be taken away from the provincial equitable share. After taking into account current trends in social security expenditure and based on projected demand for grants, taking account of future changes in grant values, the provincial equitable share has been reduced. At the same time, two conditional grants totalling R181 billion over the next three years, have been created. Overall the approach adopted by Government (and after consultations with the Budget Council and Extended Cabinet) takes account of both options 2 and 3 proposed by the FFC in its supplementary submission. The supplementary submission from FFC on social grants was submitted to Government after Government adopted its approach, and after their tabling on 26 October 2004 in the Medium-Term Budget Policy Statement.

The national Department of Social Development will administer social grants as two conditional grants to provinces until such time that the Agency is fully established and ready to take over the function. Like all conditional grant the funds will thus be appropriated on both the vote of the national Department of Social Development and provincial departments.

FFC proposal on the economic activity component of the formula

The FFC proposes that 'in the absence of significant own revenue from provinces, the economic activity component of the provincial equitable share formula should be defined to provide for the maintenance expenditure requirements of social and public infrastructure and should be redesigned accordingly'.

Government's response

Government accepts the need to support provinces in funding the maintenance of social and public expenditure, but believes that existing conditional grants like the provincial infrastructure conditional grant and hospital revitalisation grant are adequate, when taking account of capacity. Government believes that the review of provincial conditional grants must first be completed before a determination can be made on whether the provincial equitable share formula needs to be adjusted for maintenance of social infrastructure. A further point to note is since some provinces have relatively more backlogs than others, it may be more feasible at this stage to fund such backlogs through a conditional grant. Furthermore, Government supports the FFC proposal that provinces should be encouraged to raise more own revenue.

Arising from the review of the equitable share formula, Government proposes to retain the economic activity component with a weight or share of 1 per cent. This is because this component significantly reduces the redistributive thrust of the equitable share formula.

FFC proposal on equity and efficiency aspects of the formula

The FFC proposes that, to address certain equity and efficiency considerations, the ‘provincial equitable share formula should be revised to account for relevant cost disabilities of provinces’.

Government’s response

While conceptually appealing, this proposal would be hard to implement at this stage. Firstly, very few of the services that provinces are responsible for delivering lend themselves to succinctly defined standards at this stage to allow calculation of the cost differential of rendering the same standard of service across provinces. Secondly, the costs of providing certain public services are difficult to ascertain (given that provinces need to have better cost centre information) and determining them would require more information than is currently available. A further challenge would be to separate the component of the differential that is due to factors beyond each province's control from variations in efficiency levels. Lastly, it is unclear how one would control for the quality aspects of the inputs in determining the cost differentials. It would appear that this proposal has elements of a costed norms approach and some of the reasons why Government did not adopt the approach would hold against the “cost disabilities” argument.

The FFC proposal on the provincial infrastructure grant

The FFC proposes that Government should incorporate the backlog component of the provincial equitable share formula into the basic component and a separate conditional grant should be set up for financing capital infrastructure. This should be allocated to provinces using the FFC’s proposed provincial capital grants model.

The FFC further submitted a supplementary proposal in which it explains in more detail its proposed capital grant model.

Government’s response

Firstly, as the revised provincial equitable share formula shows, Government accepts the proposal that the backlog component be removed from the equitable share formula. Secondly, the proposal of using a conditional grant to fund infrastructure is also accepted hence the continued retention of the infrastructure grant for provinces.

Nevertheless, a number of practical problems make it impossible to implement the FFC’s capital grant proposal beyond the two aspects referred to above. Firstly, the model needs data that are not available, for example very little is known about the value and condition of Government’s capital stock. Secondly, given the very dynamic nature of population migration patterns in South Africa, an appropriate infrastructure model would need to take this into account to prevent building infrastructure in areas that are losing people while not attending to pressure on infrastructure in areas where people are moving. This is the real dilemma that Government is facing to which there are no easy answers. Nevertheless, the National Spatial Development Perspective that has been adopted by Government will begin to provide an overarching framework to guide future infrastructure plans. Lastly, there are other developments that need to be explored further before changing the way provincial infrastructure development is financed, going forward. Chief among these are the possible introduction of new taxes and introduction of borrowing by provinces, and the exploration of alternative approaches to the financing of large-scale capital projects that have national economic effects.

The FFCs observations in the use of conditional grants in the transfer system

The FFC makes a number of conclusions on the conditional grant system. Firstly, that the mobilisation of resources within the conditional grant system may require a review of the policy on the shifting of funds from provinces that are not spending their conditional grants to provinces that are spending. Secondly, that there is a need for formal agreements between the national sphere and the recipient province in the conditional grant system. Thirdly, that there is a case for relaxing some of the stringent conditions for different conditional grants, especially those that seek to ensure adherence to norms and standards.

Government's response

Government agrees with the FFC on the need to review provincial conditional grants, and deal more systematically with how underspending on conditional grants can be taken into account when determining how to divide such grants between provinces. The dilemma facing Government is that in many instances it is poor provinces with relatively large backlogs in infrastructure that have poor capacity, and hence will be further discriminated against if spending capacity is taken into account. Notwithstanding this dilemma, for the first time, the Division of Revenue Bill proposes reallocation of conditional grant funds within the financial year precisely to deal with the problem of underspending.

Cabinet has also agreed that a review of all hospital grants be prioritised for the 2006 MTEF, and should be completed by the Department of Health and National Treasury by September 2005. This is an area that Government hopes the FFC will make further recommendations in its 2006 submission.

Part 2.2: Review of the Local Government Equitable Sharing System

FFC proposal on the use of funding windows in the local government equitable share formula

The FFC proposes that Government should avoid the use of funding windows in the equitable share formula. The following concerns are raised with respect to the use of funding windows in the equitable share:

- a) There is no indication from Government that these windows are temporary.
- b) There is no information on the basis for determining the global allocation to each funding window, or for that matter the S and I components.
- c) There is duplication between the S component and the Free Basic Electricity and Free Basic Services windows.

Government's response

Government has previously indicated that the current equitable share formula for local government has shortcomings, and requires a fundamental review. However, replacing this formula has not been an easy task due to lack of data on each municipality. Government is in agreement with the FFC that the windows approach in the equitable share formula should be avoided where possible, hence the new formula abolishes the windows approach, replacing it with a component-based approach.

FFC proposal on the structure of the local government equitable share formula

The FFC reiterates its previous proposal that the long-term equitable share formula should be based upon the constitutional requirements, which suggests the following formula:

$$LES = S + B + I + T + m$$

Where:

LES = Local government equitable share allocation

S = Component to support the delivery of basic municipal services

B = Component to fulfil other constitutional and legislative requirements

I = Component to finance core administrative functions

T = Component for tax capacity equalisation

m = Spillover grant to provide finance for services with intermunicipal spillover effects

Government's response

Government is in agreement with the broad approach proposed by the FFC on the structure of a new formula. This is particularly important for the I and S components. Government has also taken a revenue-raising component into account in the new formula. However, Government does not believe that it is practical to consider a spillover grant and a component to fulfil other constitutional and legislative requirements.

FFC's proposal on assessment of municipal service cost

The FFC proposes that the assessment of municipal service costs should be informed by the following principle:

- a) Residents in a given jurisdiction have the right to a basic level of service provision.
- b) That there will be different types of service delivery within the basic level owing to the nature of the technology required.

Government's response

Government is in agreement with the FFC that residents have a right to basic level of service provision, and that municipalities need to be funded for this taking account of their fiscal capacity. However, this approach also has potential weaknesses, particularly where a municipality is unable to provide or fails to prioritise provision of basic services to all its residents. The fact that many municipalities have weak management and data systems makes the monitoring of services very difficult at this stage. Census information only allows a form of measurement once every five or ten years, rather than annually. Government is considering what forms of annual surveys may be undertaken to produce information on progressive improvements in service delivery per municipality.

The new formula also makes provision for municipalities that offer higher levels of service, for example, water-borne sanitation as opposed to more basic sanitation systems. However, this approach is in an early stage of development, with Government using indicative costs based on its own research. Government is mindful that the formula is not a costed norm for services, but an indicative guide for the budget of the municipality – this is even more relevant where a

municipality has significant revenue raising capacity. More research will be necessary to further develop the approach of catering for different levels of service, but a basic form is adopted for the new formula.

FFC's proposal on the review of the local government equitable share formula

The FFC proposes that the following principles should inform the development of the methodology for assessing municipal service costs:

- a) In developing a measure of expenditure needs, municipalities should not be able to influence the magnitude of their expenditure needs through fiscal decisions;
- b) The methodology should not be too data intensive;
- c) A strategy that combines statistical analysis of data with expert opinion provides a realistic approach for South Africa;
- d) Calculations of the costs of providing basic services should be built up separately for each local government function; and
- e) It is important that the grant formula should be as simple as possible.

Government's response

Government is in agreement with the FFC that the formula should be as simple as possible, and not too data intensive. Indeed, Government does not have much choice in this respect given data limitations. The new formula adheres to this approach.

Government also agrees that more information and data are required on each basic service, for purposes of research, modelling and analysis, rather than for allocations. In this respect, Government concurs with the FFC that a more accurate measure of expenditure needs of municipalities should be developed, but for the purpose of better modelling and analysis only. Lastly, Government is of the view that consideration should also be given to exploring alternative data sources in the absence of a Census. However, an approach should be developed similar to the one proposed by the FFC to ensure that credibility of data is not compromised.

Government also believes that the impact of the establishment of regional electricity distributors will have a significant impact on municipal finances. Government has adopted a set of working principles to guide such restructuring of electricity distribution (outlined in Part 6), and it is hoped that the FFC will make recommendations on the impact of this restructuring in its 2006 submission.

FFC proposal on a revenue-raising capacity measure

The FFC proposes that consideration should be given to applying a revenue raising-capacity measure to the local government equitable share formula as a whole, rather than only on the I-component.

Government's response

Government accepts the FFC proposal that a revenue-raising component should be applied to the whole formula rather than only the I-component. This is given effect in the new formula by removing it from the I grant, and incorporating a new component specifically for in the new formula.

FFC proposal on the disbursement of capacity-building funds

The FFC suggests that it is currently inappropriate to develop a formula for the disbursement of capacity-building funds directly to municipalities, as most capacity building initiatives are not supported by direct grants to municipalities. However, it is advisable to develop appropriate administrative or institutional instruments that ensure that capacity needs are identified and adequately targeted.

Government's response

Government agrees that building the capacity of municipalities is one of the biggest challenges it is facing. It is also aware that current capacity-building programmes are not as successful as they should be, irrespective of whether capacity-building grants are paid directly to a municipality or paid to a province. One of the key challenges facing such grants is to ensure that they build capacity in municipalities, and do not inadvertently build greater dependence on consultants. The funding mechanism is therefore not necessarily the critical factor as to the success or failure of such grants. Government has accepted that current funding levels of all capacity building grants is relatively high, and that capacity-building grants should be phased out over the medium-term and incorporated into the equitable share formula. For this reason, Government intends to review the performance of current grants, rather than developing an extensive formula for their disbursement. In the short-term, the allocation criteria for distributing capacity-building funds should be transparent and should be published with the Budget.

FFC proposal on the collection of municipal-level data

The FFC proposes that Government should ensure that the following municipal-level data is collected:

- a) Regional levies: skills development levy data disaggregated to district municipal level (if the payroll is retained);
- b) Property tax: municipal valuation roll data and specific rates data (that is, rates charged for each category of property); and
- c) Electricity; consumption data (disaggregated into consumer categories)

Government's response

Government agrees that comprehensive information and data are required on each basic service and tax source for purposes of research, modelling and analysis. Government will explore how such a database can be established, and be accessible to key stakeholders. Such a system will target key revenue and expenditure information, which is crucial for policy-making purposes. Given that the RSC levy will be phased out, there is little point in collecting more information on these levies. Data on property taxes and municipal valuation will be highly welcome, but depend on the systems for recording in each municipality, and even if available, will not necessarily be comparable – in spite of these difficulties, Government agrees that it is necessary to collect such information.

FFC proposal on the subsidisation of tariff charges of low-income households

The FFC proposes that funds required to subsidise tariff charges of low-income households should be carefully assessed in order to ensure that poor residents in all jurisdictions have access to a minimum levels of basic service provision.

Government's response

While Government accepts the need for ensuring municipalities use their equitable share grants to provide subsidised services to low-income households, it is not constitutionally possible to do so by imposing conditions on the equitable share grant. The focus will rather be to ensure that all municipalities report against their budget on spending programmes to support poor households, and to put in place support systems to assist municipalities to better identify and target poor households, and to provide basic services to such households. Government will also consider issuing guidelines and norms and standards on how the equitable share should be utilised, to target poor households for the provision of basic services.

FFC proposal on linking the Municipal Infrastructure Grant and the equitable share formula

The FFC proposes that consideration should be given to linking the MIG and the equitable share formula. In doing so, the following should be taken into account:

- a) The need to provide municipalities with appropriate incentives to extend municipal infrastructure;
- b) The need to achieve equity in addressing the expenditure needs of local government;
- c) The need to take account of the differing capacities of municipalities; and
- d) The need to ensure that LES allocations keep pace with the installation of household infrastructure.

Government's response

The MIG and the current equitable share formula are already linked in various ways and the above issues have already been taken into account in the design of the grant. The objectives outlined by the FFC are general in nature, and already taken into account in the design of the MIG grant. Furthermore, the MIG formula has an M component to provide a negative or positive allocation related to the past performance for each municipality relative to grant conditions. This element will be introduced once the MIG programme has been given sufficient time to mature.

It should also be noted that at this stage the MIG has a projected lifespan of 10 years and, though subject to a review, will ultimately be incorporated into the equitable share formula.

FFC proposal on ceding of equitable share revenue

The FFC proposes that Government should consider two broad options with respect to the ceding of equitable share revenue as security to obtain loan finance:

- a) The Municipal Finance Management Act could be amended to ensure safeguards proposed in section 48(3) and (4) apply also to ceding of equitable share revenue.
- b) In light of the overall safeguard provided by the Constitution and national legislation, Government could issue guidelines to municipalities with respect to the ceding of equitable share revenue. This could propose safeguards and recommend that the pledging of equitable share revenue only occur when the loan is intended to finance infrastructure for basic service delivery.

Government's response

Government believes that it is too soon to consider amending the MFMA at this stage. While Government approves the need for a guide on borrowing for municipalities to ensure that they do not recklessly cede part of their equitable share, the FFC proposal does not take into account the comprehensive process requirements and consultations required before a municipality is allowed to cede its future equitable share grants. The proposal made by the FFC was also considered by Parliament during the process to approve the MFMA, but was not accepted by Parliament.

Part 2.3: Review of the Intergovernmental Fiscal Relations System

The FFC proposals on the data requirement for the Intergovernmental Relations System

The FFC proposals on the intergovernmental fiscal relations (IGR) system covers poverty targeting, the budgeting systems supporting the IGFR system, and evaluates the key data sources needed to support the IGFR system.

Government's response

Government notes the proposals on the Intergovernmental Fiscal System. The proposals on the intergovernmental system (Part 3 of the proposals) are a welcome contribution on the system of government in South Africa. It encourages broader discussion, by going beyond financial and fiscal matters, on how best to co-ordinate the policy-making, planning and budgeting processes between sectors and spheres of government.

The issue of performance accountability and co-ordination is a major priority for all governments in all spheres. These objectives are given effect in legislation like the *Public Finance Management Act (PFMA)*, the *Municipal Systems Act* and the *Municipal Finance Management Act (MFMA)*, which focus on outputs, outcomes and performance. Government has also taken a number of steps in this regard, such as designing performance measures and targets, and implementing performance agreements to improve the system of accountability. However, further steps need to be taken by departments that use management information and data to improve management systems needed for the collection of credible data that could be used to inform division of revenue decisions.

Part 3: Fiscal Framework for 2005 MTEF

Table E.1 Medium-term macroeconomic assumptions, 2004/05 – 2007/08

| | 2004/05 | | 2005/06 | | 2006/07 | | 2007/08 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2004 Budget | 2005 Budget | 2004 Budget | 2005 Budget | 2004 Budget | 2005 Budget | 2005 Budget |
| R billion | | | | | | | |
| Gross domestic product | 1 331.8 | 1 403.9 | 1 455.6 | 1 528.6 | 1 592.6 | 1 674.0 | 1 847.3 |
| Real GDP growth | 3.3% | 4.2% | 3.6% | 4.1% | 4.0% | 3.9% | 4.4% |
| GDP inflation | 5.4% | 5.4% | 5.5% | 5.7% | 5.2% | 5.2% | 5.3% |
| National Budget Framework | | | | | | | |
| Revenue | 327.0 | 338.0 | 360.3 | 369.9 | 394.0 | 405.4 | 444.6 |
| Percentage of GDP | 24.6% | 24.1% | 24.7% | 24.2% | 24.7% | 24.2% | 24.1% |
| Expenditure | 368.9 | 370.1 | 404.7 | 417.8 | 439.1 | 456.4 | 494.9 |
| Percentage of GDP | 27.7% | 26.4% | 27.8% | 27.3% | 27.6% | 27.3% | 26.8% |
| Budget deficit | -41.9 | -32.2 | -44.4 | -47.9 | -45.1 | -51.0 | -50.3 |
| Percentage of GDP | -3.1% | -2.3% | -3.0% | -3.1% | -2.8% | -3.0% | -2.7% |

Fiscal framework

Table E1 presents medium-term macroeconomic forecasts for the 2005 Budget. It sets out the growth assumptions and fiscal policy targets on which the fiscal framework is based.

Table E2 sets out the impact of these policy decisions on the division of revenue. Before resources can be divided, provision is made for national commitments such as debt service costs and a contingency reserve. Debt service obligations of R53,1 billion, R56,6 billion and R59,4 billion are projected for the three MTEF years, and a contingency reserve amount of R2 billion, R4 billion and R8 billion is set aside. Once these allocations are deducted, the total to be shared between the three spheres amounts to R362,7 billion, R395,8 billion and R427,5 billion over the three MTEF years.

Table E.2 Division of revenue between spheres of government, 2001/02 – 2007/08

| R million | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
|---------------------------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | Outcome | | | Revised | Medium-term estimates | | |
| National departments | 87 705 | 99 091 | 108 459 | 121 101 | 136 262 | 146 800 | 157 817 |
| Provinces | 121 099 | 136 873 | 161 494 | 185 354 | 209 273 | 229 282 | 248 236 |
| <i>Equitable share</i> | 81 670 | 93 827 | 110 004 | 122 426 | 134 706 | 146 757 | 157 678 |
| <i>Conditional grants</i> | 39 429 | 43 046 | 51 490 | 62 928 | 74 567 | 82 525 | 90 558 |
| Local government | 6 520 | 8 759 | 12 396 | 14 757 | 17 159 | 19 708 | 21 461 |
| <i>Equitable share</i> | 3 184 | 4 187 | 6 350 | 7 678 | 9 643 | 10 515 | 11 371 |
| <i>Conditional grants</i> | 3 336 | 4 572 | 6 045 | 7 080 | 7 516 | 9 193 | 10 090 |
| Non-interest allocations | 215 324 | 244 722 | 282 349 | 321 212 | 362 694 | 395 789 | 427 513 |
| <i>Percentage increase</i> | 14,8% | 13,7% | 15,4% | 13,8% | 12,9% | 9,1% | 8,0% |
| State debt cost | 47 581 | 46 808 | 46 313 | 48 901 | 53 125 | 56 603 | 59 381 |
| Contingency reserve | – | – | – | – | 2 000 | 4 000 | 8 000 |
| Main budget expenditure | 262 904 | 291 530 | 328 662 | 370 113 | 417 819 | 456 392 | 494 894 |
| <i>Percentage increase</i> | 22,4% | 10,9% | 12,7% | 12,6% | 12,9% | 9,2% | 8,4% |
| Percentage shares | | | | | | | |
| <i>National departments</i> | 40,7% | 40,5% | 38,4% | 37,7% | 37,6% | 37,1% | 36,9% |
| <i>Provinces</i> | 56,2% | 55,9% | 57,2% | 57,7% | 57,7% | 57,9% | 58,1% |
| <i>Local government</i> | 3,0% | 3,6% | 4,4% | 4,6% | 4,7% | 5,0% | 5,0% |

The revised fiscal framework aims at further strengthening social service delivery and is prepared within Government's medium term strategic goals which focus on key developmental goals with specific targets in key service delivery areas. The revisions to the fiscal framework put Government in a stronger position to:

- Step up spending on education, including making provision for pay progression for educators and investment in further education and training colleges, key curriculum support material and improved maintenance of infrastructure and other inputs needed to further strengthen the quality of school education especially in poor communities
- Raising spending on health, including improved remuneration of professional staff, and comprehensive HIV and Aids prevention and treatment programmes
- Extending social assistance through enhanced income support to the poor, including completion of the take up of 11, 12 and 13 year old children, protecting the real value of social security grants and improvements in the social grant payment system
- Supporting provincial economic development programmes with high potential for creating employment opportunities, such as the Expanded Public Works Programme and Comprehensive Agricultural Support Programme

- Increasing allocations for road infrastructure to improve national and provincial road networks in line with the National Roads Strategy
- Accelerating the rollout of free basic electricity, water, refuse removal and sanitation to poor households and investment in municipal infrastructure to create sustainable local communities
- Consolidating local government financial management and budget reforms as envisaged in the *Municipal Finance Management Act (No. 56 of 2003)*
- Stepping up resources for land restitution to complete this process
- Supporting the implementation of the new housing delivery strategy premised on the creation of sustainable human settlements
- Expanding capacity in the safety and security sector in support of the sector policing strategy and the establishment of a new Protection and Security Services Division
- Taking core administrative services to citizens, particularly in rural areas where access is limited
- Supporting South Africa's ongoing commitment to actively promote peace in Africa and support regional trade and development.

Government determines the division of revenue between national, provincial and local government spheres using the previous year's baseline division as a point of departure and taking account of ongoing commitments, current and new policy priorities, and the FFC recommendations. The new priorities, and expansions of previous year's programmes, are accommodated through reprioritisation and growth in the resource envelope.

Both the shares for provincial and local government allocations increase significantly, with the provincial share increasing from 57,5 per cent to 58,1 per cent, and the local government allocation from 4,6 per cent in 2004/05 to 5,0 per cent in 2007/08. The share of national government decreases from 37,9 per cent in 2004/05 to 36,9 per cent in 2007/08. Over half of the additional resources are allocated to provinces in recognition of the challenges they face in delivering social services, building and maintaining economic infrastructure, employment creation, promoting rural development and coping with HIV and Aids.

Table E3 reflects the additional resources available over last year's baseline allocations, totalling R16,0 billion in 2005/06, R22,7 billion in 2006/07 and R35,7 billion over the new baseline for 2007/08. The additional funds are divided between the spheres depending on which sphere is responsible for the prioritised functions and taking account of each sphere's revenue raising capacity.

Table E.3 Changes over baseline, 2005/06 – 2007/08

| | 2005/06 | 2006/07 | 2007/08 ¹ |
|------------------------------|---------------|---------------|----------------------|
| National | 5 287 | 8 111 | 12 282 |
| Provincial | 9 540 | 12 916 | 20 963 |
| Local | 1 200 | 1 650 | 2 500 |
| Allocated expenditure | 16 027 | 22 677 | 35 745 |

1. The assumed baseline for 2007/08 is the 2006/07 baseline plus 5 per cent.

Table E4 sets out Schedule 1 of the Division of Revenue Bill that reflects the legal division of revenue between the three spheres. In this division, the national share includes all conditional grants to the other two spheres in line with section 214(1) of the Constitution, and the provincial and local government allocations reflect their equitable shares only.

Table E.4 Schedule 1 of the Division of Revenue Bill, 2005/06 – 2007/08

| Sphere of government | Column A Allocation 2005/06 | Column B Medium-term forward estimates | |
|-------------------------|-----------------------------------|---|----------------|
| | | 2006/07 | 2007/08 |
| R million | | | |
| National ^{1,2} | 273 470 | 299 120 | 325 846 |
| Provincial | 134 706 | 146 757 | 157 678 |
| Local | 9 643 | 10 515 | 11 371 |
| Total | 417 819 | 456 392 | 494 894 |

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

2. The direct charges for the provincial equitable share are netted out.

Nationally raised revenue is distributed between spheres in accordance with the Division of Revenue Act and the Constitution. The national equitable share is divided between national departments through an Appropriation Act. Provincial equitable shares are direct charges on the National Revenue Fund and flow directly into Provincial Revenue Funds, where provincial legislatures appropriate the funds to votes and their main divisions – in this instance, votes and programmes of provincial departments. Various local government allocations are appropriated on national votes, as the Constitution does not make them a direct charge on the National Revenue Fund. The local government equitable share is appropriated on the vote of the Department of Provincial and Local Government. The actual division of all grants (whether appropriated or a direct charge) between provinces or municipalities is in accordance with the Division of Revenue Act and this memorandum.

Part 4: Provincial Allocations

Sections 214 and 227 of the Constitution require that an equitable share of nationally raised revenue be allocated to the provincial sphere of government to enable it to provide basic services and perform the functions allocated to it. The size of the equitable share and conditional grant allocations to the provincial sphere of government takes account of the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs, to the extent that such information is available for all provinces.

Table E.5 Total transfers to provinces, 2005/06

| R million | Equitable share | Conditional grants | Total transfers |
|---------------|-----------------|--------------------|-----------------|
| Eastern Cape | 22 202 | 13 086 | 35 288 |
| Free State | 8 660 | 5 491 | 14 152 |
| Gauteng | 20 810 | 11 235 | 32 045 |
| KwaZulu-Natal | 28 399 | 16 054 | 44 453 |
| Limpopo | 18 376 | 9 205 | 27 580 |
| Mpumalanga | 9 976 | 4 802 | 14 778 |
| Northern Cape | 3 124 | 1 899 | 5 023 |
| North West | 11 086 | 5 947 | 17 033 |
| Western Cape | 12 072 | 6 849 | 18 922 |
| Total | 134 706 | 74 567 | 209 273 |

National transfers to provinces for 2005/06 comprise more than 97 per cent of provincial revenues, with provinces raising less than 3 per cent of their revenues from own sources. The size of transfers also takes into account the basic services and functions allocated to provinces, including concurrent functions like the provision of school education, further education (but not higher education), tertiary and primary health care, social grants and welfare services, housing and exclusive functions like provincial roads. Some concurrent functions like housing (and now social

grants and their administration) are funded through conditional grants from the national equitable share. National transfers in 2005 comprise of 64,4 per cent equitable share and 35,6 per cent conditional grants. Table E5 shows all transfers to provinces for 2005/06.

Changes to Provincial Fiscal Framework

A major change in the provincial fiscal framework for the 2005 MTEF is the shift of the social security grant function from the provincial to the national sphere of government which impacts directly on the composition of provincial allocations, and the size of the provincial equitable share relative to conditional grants. The social security grant function will be administered as a conditional grant from 1 April 2005.

Another change to the provincial fiscal framework relates to the delivery of primary health care by municipalities. Though provinces currently provide most primary health services, the Health Act (Act No. 61 of 2003) also shifts the basic primary health care currently provided by some municipalities, excluding environmental health, from municipalities to provincial governments from 2005. Annual expenditure by municipalities on this function is approximately R1 billion. Government has decided to adopt a phased approach in shifting this function. As a first step, provinces will in 2005/06 fund the components of primary health that are performed by non-metropolitan municipalities. During the transition, non-metropolitan municipalities will continue to render the function on behalf of provinces on an agency basis. Government adjusted the provincial budget framework upwards by R200 million in 2005/06, R300 million 2006/07 and R400 million in 2007/08 to augment funds in non-metropolitan municipalities budgets for this function.

With the impending accreditation of metropolitan municipalities to take more responsibility for housing planning and delivery, it is expected that most metropolitan and large urban municipalities will have received accreditation by the end of this financial year. Where this occurs, the housing grant will be allocated to municipalities via the province.

No changes on provincial taxes will take effect in 2005/06, as no province has as yet submitted to the Minister of Finance any formal application for a new provincial tax in accordance with the Provincial Tax Regulation Process Act (Act No. 53 of 2001). However, provinces are expected to apply for some new taxes to be approved during the course of the 2005 MTEF.

Although provinces have the power to borrow for capital, the Budget Council has in the past few years agreed not to exercise this power. However, going forward, the Budget Council is exploring whether provinces should not consider borrowing over the next few years, as they improve their capital planning and spending capacity. If provincial borrowing were to be re-introduced, it may take the form of project-linked borrowing through Development Bank of Southern Africa (DBSA) in the initial stages. Nevertheless, no borrowing is expected to take place in 2005/06.

Provincial equitable share

The provincial equitable share allocation is the main source of revenue for funding provincial expenditure on the bulk of public services. It is divided between provinces on the basis of the provincial equitable share formula. The provincial equitable share is R134,7 billion in 2005/06, R146,8 billion in 2006/07 and R157,7 billion in 2007/08.

The shifting of the social security grant function from the provincial to the national sphere of government results in the equitable share component of national transfers to provinces decreasing from 88,4 per cent in 2004/05 to 64,4 per cent in 2005/06, while the share of conditional grants increase from 12,6 per cent to 35,6 per cent. In deciding the portion of the equitable share to be shifted, Government sought to balance the full liability related to the function (the administration, grant beneficiary numbers and the grant values) with the need to leave sufficient resources in

provinces to further augment funding for key provincial programmes and priorities. In this regard Government agreed to reduce the provincial equitable share by an amount that was less than what provinces had budgeted for social security grants in 2004/05.

The equitable share formula

The division of the equitable share allocation among provinces is done through an objective redistributive formula. The formula is reviewed and updated every year for new data, taking account the recommendations of the Financial and Fiscal Commission (FFC). For the 2005 MTEF, a broad-ranging review of the formula has been undertaken to deal with the shift of the funding of social security grants. The review covered the structure of the formula, weights of components and other economic development and poverty related policy considerations. It also took into account the change in the financing and administrative arrangements relating to the delivery of social security grants.

Table E.6 Distributing the equitable share, percentages by province

| | Education | Health | Social welfare | Basic share | Economic activity | Institutional | Backlog | Target shares |
|------------------|--------------|--------------|----------------|--------------|-------------------|---------------|--------------|---------------|
| <i>Weighting</i> | 41,0 | 19,0 | 18,0 | 7,0 | 7,0 | 5,0 | 3,0 | 100,0 |
| Eastern Cape | 17,3 | 17,0 | 19,6 | 14,4 | 8,1 | 11,1 | 20,7 | 16,6 |
| Free State | 6,0 | 6,5 | 7,1 | 6,0 | 5,4 | 11,1 | 5,6 | 6,5 |
| Gauteng | 13,6 | 14,7 | 13,9 | 19,7 | 33,4 | 11,1 | 5,0 | 15,3 |
| KwaZulu-Natal | 22,8 | 21,7 | 19,6 | 21,0 | 16,5 | 11,1 | 23,0 | 20,9 |
| Limpopo | 15,0 | 13,3 | 13,7 | 11,8 | 6,6 | 11,1 | 22,9 | 13,7 |
| Mpumalanga | 7,6 | 7,2 | 6,5 | 7,0 | 6,9 | 11,1 | 8,5 | 7,4 |
| Northern Cape | 1,7 | 2,0 | 2,2 | 1,8 | 2,0 | 11,1 | 1,3 | 2,3 |
| North West | 7,8 | 8,6 | 8,7 | 8,2 | 6,7 | 11,1 | 9,5 | 8,3 |
| Western Cape | 8,2 | 8,9 | 8,8 | 10,1 | 14,2 | 11,1 | 3,6 | 9,0 |
| Total | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

Table E.6 shows the old formula, its structure, components, component weights and the target shares it generates. The formula has seven components of which the social services components (health, education and welfare) made up 78 per cent of the formula. Details relating to this formula are contained in *Annexure E* of the *2004 Budget Review*.

The new formula (Table E.7) consists of four main components and two smaller elements, which capture the relative demand for services between provinces and take into account particular provincial circumstances:

- An *education share (51 per cent)* based on the size of the school-age population (ages 5-17) and the average number of learners (Grade R to 12) enrolled in public ordinary schools for the past three years
- A *health share (26 per cent)* based on the proportion of the population with and without access to medical aid
- A *basic share (14 per cent)* derived from each province's share of the total population of the country
- An *institutional component (5 per cent)* divided equally between the provinces
- A *poverty component (3 per cent)* reinforcing the redistributive bias of the formula
- An *economic output component (1 per cent)* based on Gross Domestic Product by Region (GDP-R) data

Table E7 shows the new structure and distribution of shares by component. The elements of the formula are neither indicative budgets nor guidelines as to how much should be spent on those functions. Rather, the education and health components are weighted broadly in line with expenditure patterns to provide an indication of relative need for the purpose of allocating funds. Provincial Executive Committees have discretion regarding the determination of departmental allocations for each function.

Table E.7 Distributing the equitable share, percentages by province

| | Education | Health | Basic | Poverty | Economic activity | Institutional | Target shares |
|------------------|--------------|--------------|--------------|--------------|-------------------|---------------|---------------|
| <i>Weighting</i> | 51,0 | 26,0 | 14,0 | 3,0 | 1,0 | 5,0 | 100,0 |
| Eastern Cape | 17,4 | 15,1 | 14,2 | 20,7 | 8,1 | 11,1 | 16,0 |
| Free State | 5,8 | 6,0 | 6,0 | 7,1 | 5,5 | 11,1 | 6,2 |
| Gauteng | 13,9 | 17,9 | 20,0 | 11,3 | 33,0 | 11,1 | 15,7 |
| KwaZulu-Natal | 22,8 | 21,8 | 21,0 | 23,3 | 16,5 | 11,1 | 21,7 |
| Limpopo | 14,9 | 12,6 | 11,7 | 17,0 | 6,5 | 11,1 | 13,7 |
| Mpumalanga | 7,6 | 7,2 | 7,0 | 6,7 | 7,0 | 11,1 | 7,5 |
| Northern Cape | 1,7 | 1,8 | 1,8 | 2,0 | 2,4 | 11,1 | 2,2 |
| North West | 7,7 | 8,4 | 8,2 | 8,0 | 6,5 | 11,1 | 8,1 |
| Western Cape | 8,2 | 9,4 | 10,2 | 3,8 | 14,5 | 11,1 | 8,9 |
| Total | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

The phasing-in of the formula

The revised formula results in shifts in individual provincial equitable shares. To avoid disruptive adjustments in provincial allocations and to ensure stability in provincial budgets, Government agreed to phase in the impact of the new formula over the next three years, from 2005/06 to 2007/08. Table E8 shows the phasing.

Table E.8 Phasing in the equitable share, 2004/05 – 2007/08

| Percentage | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
|----------------|---------------|----------------|---------------|---------------|
| | Base shares | 3-year phasing | | |
| <i>Phasing</i> | <i>Year 1</i> | <i>Year 2</i> | <i>Year 3</i> | <i>Year 4</i> |
| Eastern Cape | 16,7 | 16,5 | 16,3 | 16,0 |
| Free State | 6,5 | 6,4 | 6,3 | 6,2 |
| Gauteng | 15,3 | 15,5 | 15,6 | 15,7 |
| KwaZulu-Natal | 20,8 | 21,1 | 21,4 | 21,7 |
| Limpopo | 13,6 | 13,7 | 13,7 | 13,7 |
| Mpumalanga | 7,3 | 7,4 | 7,5 | 7,5 |
| Northern Cape | 2,4 | 2,3 | 2,3 | 2,2 |
| North West | 8,3 | 8,2 | 8,2 | 8,1 |
| Western Cape | 9,0 | 8,9 | 8,9 | 8,9 |
| Total | 100,0 | 100,0 | 100,0 | 100,0 |

Education component

The education component is weighted 51 per cent of the equitable share formula. Like in the previous formula, the weight is derived from average provincial spending on education in total provincial spending for the past three years excluding conditional grants.

The education component is intended to enable provinces to fund school education, which accounts for roughly 80 per cent of provincial education spending. For the 2005 MTEF, Government decided that the new formula should use the school-age population (5 to 17 years) and enrolment elements to reflect the relative demand for education with each element assigned a weight of 50 per cent.

Table E9 shows the weighted target shares for the 2005 MTEF after updating the education component for new data.

Table E.9 Calculation of education component

| Thousands | 2004/05 | 2005 Medium-term estimates | | |
|------------------|--------------------|----------------------------|-------------------|---------------------|
| | Weighted share (%) | Enrolment | School-age (5-17) | Weighted target (%) |
| <i>Weighting</i> | | <i>1</i> | <i>1</i> | |
| Eastern Cape | 17,3 | 2 114 | 2 219 | 17,4 |
| Free State | 6,0 | 694 | 760 | 5,8 |
| Gauteng | 13,6 | 1 669 | 1 786 | 13,9 |
| KwaZulu-Natal | 22,8 | 2 750 | 2 946 | 22,8 |
| Limpopo | 15,0 | 1 812 | 1 915 | 14,9 |
| Mpumalanga | 7,6 | 918 | 969 | 7,6 |
| Northern Cape | 1,7 | 203 | 222 | 1,7 |
| North West | 7,8 | 892 | 1 021 | 7,7 |
| Western Cape | 8,2 | 957 | 1 095 | 8,2 |
| Total | 100,0 | 12 009 | 12 933 | 100,0 |

Health component

The health component is weighted 26 per cent of the equitable share formula. Its weight is derived from average provincial spending on health in total provincial spending for the past three years excluding conditional grants.

The health component (table E10) addresses the need for provinces to deliver health care. As all citizens are eligible for health services, the provincial shares of the total population form the basis for the health share. Within the health component, people without medical aid are assigned a weight four times the weight assigned to people with medical aid on the grounds that the former group is likely to use public health care more. The proportions of the population with and without medical aid are taken from the 2002 and 2003 General Household Surveys (GHS) and applied to average total population derived from the 2001 Census and the 2002 and 2003 GHS figures.

Table E.10 Calculation of health component

| Thousands | With medical aid | Without medical aid | Weighted share (%) |
|------------------|------------------|---------------------|--------------------|
| <i>Weighting</i> | <i>1</i> | <i>4</i> | |
| Eastern Cape | 607 | 23 603 | 15,1 |
| Free State | 405 | 9 187 | 6,0 |
| Gauteng | 2 281 | 26 448 | 17,9 |
| KwaZulu-Natal | 1 077 | 33 954 | 21,8 |
| Limpopo | 381 | 19 820 | 12,6 |
| Mpumalanga | 392 | 11 170 | 7,2 |
| Northern Cape | 133 | 2 693 | 1,8 |
| North West | 460 | 13 084 | 8,4 |
| Western Cape | 1 183 | 13 867 | 9,4 |
| Total | 6 917 | 153 826 | 100,0 |

It should be noted that the health component would be greatly enhanced if better data on utilisation rates by different population and gender groups were available at the level of hospitals and clinics. Given the difficulties of collecting such information, it will appear that it may take several years before such information is available in the level of detail required to implement more sophisticated proxies of demand for health care.

Poverty component

Arising from the review of the equitable share formula the welfare and backlog components were removed from the equitable share formula thus reducing the redistributive nature of the formula. A poverty component with a weight of 3 per cent is introduced in order to retain some degree redistribution within the formula. The poor population is defined as those people whose incomes fall in quintiles 1 and 2 based on the 2000 Income and Expenditure Survey. Each province's share is then expressed as the percentage of the "poor" population residing in that province, where the population figure is the average population from the census 2001 and the 2002 and 2003 General Household Surveys. Table E11 shows the new shares of the poverty component.

Table E.11 Calculation of poverty component

| Thousands | IES Survey 2000 (Q1+Q2) | Basic component value | Poverty index | Weighted share |
|---------------|----------------------------|--------------------------|------------------|-------------------|
| Eastern Cape | 56,4% | 6 475 | 3 654 | 20,7% |
| Free State | 45,7% | 2 722 | 1 245 | 7,1% |
| Gauteng | 21,9% | 9 119 | 1 997 | 11,3% |
| KwaZulu-Natal | 43,0% | 9 574 | 4 113 | 23,3% |
| Limpopo | 56,3% | 5 334 | 3 003 | 17,0% |
| Mpumalanga | 36,9% | 3 184 | 1 174 | 6,7% |
| Northern Cape | 44,0% | 820 | 361 | 2,0% |
| North West | 37,9% | 3 730 | 1 415 | 8,0% |
| Western Cape | 14,6% | 4 631 | 674 | 3,8% |
| Total | 100,0% | 45 589 | 17 635 | 100,0% |

Economic activity component

The economic activity component is a proxy for provincial tax capacity. Table E12 shows the new target shares for the economic activity component based on the 2001 GDP-R data.

Table E.12 Economic activity shares

| Percentage | 2004/05 GDP-R, 2001 | 2005 Medium-term estimates GDP-R, 2003 |
|---------------|------------------------|---|
| Eastern Cape | 8,1 | 8,1 |
| Free State | 5,4 | 5,5 |
| Gauteng | 33,4 | 33,0 |
| KwaZulu-Natal | 16,5 | 16,5 |
| Limpopo | 6,6 | 6,5 |
| Mpumalanga | 6,9 | 7,0 |
| Northern Cape | 2,0 | 2,4 |
| North West | 6,7 | 6,5 |
| Western Cape | 14,2 | 14,5 |
| Total | 100,0 | 100,0 |

Arising from the review of the equitable share formula, the weight of this component is reduced to 1 per cent as this component reduces the redistributive thrust of the formula. Furthermore, now that the Provincial Tax Regulation Process Act (Act No. 53 of 2001) is in place and provinces,

particularly those with relatively high economic activity, can impose new taxes in order to raise more revenues. This is consistent with the FFC proposal that provinces should be encouraged to raise more own revenue.

Basic component

The basic component is derived from each province's share of the total population of the country and is weighted 14 per cent. The average population of the 2001 Census and the 2002 and 2003 General Household Surveys determines this component. The inclusion of GHS population estimates ensures that population data used in the formula is not very outdated. Table E13 shows the new weighted target share.

Table E.13 Basic component shares

| Thousands | Population: | General household survey | | Average ¹ | Weighted share |
|---------------|---------------|--------------------------|---------------|----------------------|----------------|
| | 2001 Census | July 2002 | July 2003 | | |
| Eastern Cape | 6 437 | 6 483 | 6 505 | 6 475 | 14,2 |
| Free State | 2 707 | 2 719 | 2 741 | 2 722 | 6,0 |
| Gauteng | 8 837 | 9 077 | 9 442 | 9 119 | 20,0 |
| KwaZulu-Natal | 9 426 | 9 531 | 9 766 | 9 574 | 21,0 |
| Limpopo | 5 274 | 5 313 | 5 415 | 5 334 | 11,7 |
| Mpumalanga | 3 123 | 3 178 | 3 252 | 3 184 | 7,0 |
| Northern Cape | 823 | 819 | 818 | 820 | 1,8 |
| North West | 3 669 | 3 721 | 3 799 | 3 730 | 8,2 |
| Western Cape | 4 524 | 4 612 | 4 757 | 4 631 | 10,2 |
| Total | 44 820 | 45 453 | 46 495 | 45 589 | 100,0 |

1. Average of 2001 Census Population and Population of General Household Surveys of 2002 & 2003.

Institutional component

The institutional component recognises that some costs associated with running a provincial government, and providing services, are not directly related to the size of a province's population. It is therefore distributed equally between provinces, as was the case in the previous formula. It constitutes 5 per cent of the total equitable share, of which each province gets 11,1 per cent.

Conditional grants to provinces

Conditional grants were introduced in 1998 to provide for national priorities and compensate provinces for cross-boundary use of services, particularly for specialised or tertiary services provided by central or academic hospitals. The current conditional grant system has been shaped by reforms introduced through successive Division of Revenue Acts since 2000. These reforms have contributed to clarifying accountability for conditional grant funds between spheres. They have also helped sharpen description of policy objectives and grant outputs, thus resulting in improved use of grants in speeding delivery, and the strengthening of Parliamentary oversight.

There are two types of provincial conditional grants, classified as Schedule 4 and 5 grants. Governance arrangements for the two types differs, as Schedule 4 grants are more general grants that supplement various programmes also funded by the province, like infrastructure and central hospitals. Transfer and spending accountability arrangements differ, as more than one national or provincial department may be responsible for different outputs expected from the grant, so accountability is broader and more comprehensive and related to entire programmes rather than specific projects. On the other hand, Schedule 5 grants are specific conditional grants, with specific responsibilities for both the transferring and receiving provincial accounting officers.

In this year's budget framework three new grants are introduced. The Social Assistance Transfers and the Social Assistance Administration which together add up to over R181,0 billion over the MTEF represent the most significant changes to conditional grants. The third new grant is the Further Education and Recapitalisation Grant to be administered by Education from 2006/07. Another change in the framework is the phasing out of the Local Government Capacity Building Fund and the Consolidated Municipal Infrastructure Programme (for capacity building) administered by the Department of Provincial and Local Government. These grants will now flow directly to municipalities. Table E14 provides a summary of conditional grants by sector and province for 2005/06.

Table E.14 Conditional grants to provinces, 2005/06

| | Agriculture | Health | Land Affairs | Provincial Infrastructure Grant | Housing | Education | Social Development | Sport & Recreation SA | Total |
|------------------|-------------|--------------|--------------|---------------------------------|--------------|--------------|--------------------|-----------------------|---------------|
| R million | | | | | | | | | |
| Eastern Cape | 56 | 848 | – | 675 | 581 | 218 | 10 705 | 3 | 13 086 |
| Free State | 23 | 759 | – | 221 | 408 | 62 | 4 015 | 3 | 5 491 |
| Gauteng | 8 | 2 547 | 8 | 370 | 1 345 | 102 | 6 852 | 3 | 11 235 |
| KwaZulu-Natal | 54 | 1 315 | – | 788 | 800 | 230 | 12 865 | 3 | 16 054 |
| Limpopo | 47 | 522 | – | 661 | 399 | 188 | 7 385 | 3 | 9 205 |
| Mpumalanga | 29 | 257 | – | 286 | 321 | 81 | 3 826 | 3 | 4 802 |
| Northern Cape | 15 | 249 | – | 181 | 80 | 27 | 1 345 | 3 | 1 899 |
| North West | 39 | 353 | – | 321 | 468 | 90 | 4 674 | 3 | 5 947 |
| Western Cape | 20 | 1 815 | – | 229 | 466 | 51 | 4 265 | 3 | 6 849 |
| Total | 290 | 8 666 | 8 | 3 731 | 4 868 | 1 048 | 55 932 | 24 | 74 567 |

More detailed information, including the framework and formula for each grant, is provided in Appendix E1 of the Division of Revenue Bill. The frameworks provide the conditions for each grant, the outputs expected, the allocation criteria used for the dividing the grant between provinces, the audit outcome in 2003/04 and any other material issues to be addressed. Table E15 presents a summary of all the conditional grants listed in Schedules 4 and 5 of the Bill for the 2005 MTEF. Conditional grants to provinces grow considerably from R62,9 billion in 2004/05 to R74,6 billion in 2005/06 mainly due to the two Social Development grants. Conditional grants to provinces increase to R90,6 billion by 2007/08.

Agriculture grants

The Department of Agriculture administers two programmes: the *Land Care Programme* and the *Comprehensive Agriculture Support Programme*.

The *Land Care Programme* is allocated R131 million over the next three years. The goal of the *Land Care Programme* is to promote sustainable use and management of natural resources by encouraging and empowering communities to take responsibility for the management of resources in order to support food security and job creation through increased productivity. Other objectives of this grant relate to taking care of resources such as water, soil, and veldt and land.

The second programme administered by the Department is the *Comprehensive Agriculture Support Programme (CASP)*, which is allocated R250 million, R300 million and R415 million over the MTEF years to promote and facilitate agricultural development to farmers benefiting from the land reform programme. The programme seeks to provide management, capacity building and business development support to emerging farmers. In addition, the programme aims to further expand farm infrastructure for dipping, fencing, and the rehabilitation of irrigation schemes.

Table E.15 Conditional grants to provinces, 2004/05 – 2007/08

| R million | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
|--|---------------|---------------|---------------|---------------|
| Agriculture | 344 | 290 | 345 | 462 |
| Comprehensive Agricultural Support Programme Grant | 200 | 250 | 300 | 415 |
| Land Care Programme Grant: Poverty Relief and Infrastructure Development | 44 | 40 | 45 | 47 |
| Agricultural Disaster Management Grant | 100 | – | – | – |
| Education | 991 | 1 048 | 1 743 | 1 805 |
| Further Education and Training College Sector Recapitalisation Grant | – | – | 500 | 500 |
| HIV and Aids (Life Skills Education) Grant | 134 | 136 | 144 | 152 |
| National School Nutrition Programme Grant | 832 | 912 | 1 098 | 1 153 |
| Early Childhood Development Grant | 2 | – | – | – |
| Financial Management and Quality Enhancement Grant | 22 | – | – | – |
| Health | 7 655 | 8 666 | 9 408 | 9 870 |
| Comprehensive HIV and Aids Grant | 782 | 1 135 | 1 567 | 1 646 |
| Health Professions Training and Development Grant | 1 434 | 1 520 | 1 520 | 1 596 |
| Hospital Management and Quality Improvement Grant | 142 | 150 | 159 | 167 |
| Hospital Revitalisation Grant | 912 | 1 027 | 1 180 | 1 239 |
| Integrated Nutrition Programme Grant | 112 | 123 | – | – |
| National Tertiary Services Grant | 4 273 | 4 709 | 4 981 | 5 221 |
| Housing | 4 589 | 4 868 | 5 660 | 6 918 |
| Integrated Housing and Human Settlement Development Grant | 4 474 | 4 843 | 5 660 | 6 918 |
| Human Settlement and Redevelopment Grant | 116 | 24 | – | – |
| Land Affairs | 6 | 8 | 8 | – |
| Land Distribution: Alexandra Urban Renewal Project Grant | 6 | 8 | 8 | – |
| National Treasury | 3 348 | 3 731 | 4 118 | 5 324 |
| Provincial Infrastructure Grant | 3 348 | 3 731 | 4 118 | 5 324 |
| Provincial and Local Government | 220 | – | – | – |
| Local Government Capacity Building Fund Grant | 220 | – | – | – |
| Social Development | 45 766 | 55 932 | 61 205 | 66 139 |
| Integrated Social Development Services Grant | 388 | 388 | 411 | 432 |
| HIV and Aids (Community-Based Care) Grant | 70 | 138 | 139 | 143 |
| Social Assistance Administration Grant | – | 3 382 | 3 584 | 3 734 |
| Social Assistance Transfers Grant | 45 308 | 52 023 | 57 070 | 61 830 |
| Sport and Recreation South Africa | 9 | 24 | 39 | 41 |
| Mass Sport and Recreation Participation Programme Grant | 9 | 24 | 39 | 41 |
| Total | 62 928 | 74 567 | 82 525 | 90 558 |

Education grants

The Department of Education administers three conditional grants: the *National School Nutrition Programme*, *Recapitalisation of FET Colleges*, and the *HIV and Aids (Life Skills Education) Grants*.

The *National School Nutrition Programme* seeks to improve nutrition of poor school children and to enhance active learning capacity and improve attendance in schools. The programme targets about 15 000 schools in poor communities at which about 5 million learners will be fed for approximately 156 school days. The programme is allocated R912 million in 2005/06, R1,1 billion in 2006/07 and R1,2 billion in 2007/08.

The *FET Recapitalisation Grant* is introduced in 2006/07 to fund the recapitalisation of further education and training institutions in order to equip them to provide more appropriate courses that

facilitate the modernisation of skills critical to the needs of the economy. The recapitalisation targets the rehabilitation of infrastructure (modernisation of equipment and facilities), improved governance and administration, and greater curriculum flexibility. The grant is allocated R500 million in each of the outer years of the MTEF.

The national Department of Education also manages the *HIV and Aids (Life Skills) Programme Grant*, which provides care and support to children infected and affected by HIV and Aids. In addition, the grant is spent on provision of life skills training, sexuality and HIV and Aids education in primary and secondary schools. The *HIV and Aids Grant* is allocated R136 million in 2005/06, R144 million in 2006/07 and R152 million in 2007/08. The programme is now fully integrated into the schooling system with learner and teacher support material provided for grades 1 to 9 learners. Since the inception of the programme in 1999/00 provinces trained 12 989 learners as peer educators and 34 470 educators in life skills. In addition, over 300 district officials were trained as master trainers to train educators in life skills.

Health grants

The national Department of Health administers the most number of conditional grants, and second largest in size, with its 6 conditional grants that comprise 11,6 per cent of total conditional grants and 4,1 per cent of national transfers to provinces. Health grants are R8,7 billion in 2005/06, and are budgeted to increase to R9,9 billion by 2007/08.

Four of the grants are linked to tertiary and central hospital services and training. These are the *National Tertiary Services Grant*, the *Health Professions Training and Development Grant*, the *Hospital Revitalisation Grant*, the *Hospital Management and Quality Improvement Grant*. The other two grants are the *Comprehensive HIV and Aids Grant* and the *Integrated Nutrition Grant* that will be phased into the provincial equitable share from 1 April 2006. The *National Tertiary Services* and *Health Professions Training and Development Grant* are both Schedule 4 grants.

The *National Tertiary Services Grant* is allocated R4,7 billion in 2005/06, increasing to R5,2 billion in 2007/08 to fund national tertiary services delivered in 27 hospitals across the nine provinces and ensure the equitable access to basic tertiary services in the country. Given the specialised nature of tertiary and other hospital services, these services tend to be concentrated in larger cities such as Johannesburg, Pretoria, Cape Town, Durban and Bloemfontein. Consequently, Western Cape and Gauteng receive 63,6 per cent of the grant as they provide the largest proportion of these sophisticated services for the benefit of the health sector countrywide. However, the grant has declined in real terms for Gauteng and Western Cape, as national health policy has attempted to better redistribute such services to other provinces, and also due to the scaling down of the number of hospitals offering tertiary services in favour of lower levels of care to community and district hospitals. However, such restructuring requires a broad strategy to shift staff, resources, assets, and a realistic phasing-in period. Government is currently in the process of reviewing its long-term vision for such hospitals and for tertiary services, their distribution between provinces, the restructuring required to effect such transformation, and the link between financing of academic hospitals and university medical faculties. Such vision will be finalised through the Modernisation of Tertiary Services Project, which is examining a ten-year framework for future provision of highly specialised services. The review is still in progress, and will be concluded ahead of the finalisation of the 2006 Budget. In line with a Cabinet decision, the review will focus on all current hospital grants.

It also appears that the current four hospital grants may be not properly aligned to provincial hospital and training programmes and provincial budgets. There is also a lack of available information on the outputs achieved by the hospital grants. A review of these grants will seek to determine whether there might be a case for rationalising them.

The *Health Professions Training and Development Grant (HPTD)* compensates provinces for their role in supporting teaching and training of health science students. It enables the shifting of teaching activities from central to regional and district hospitals. It increases from R1,4 billion in 2004/05 to R1,5 billion in 2005/06 and to R1,6 billion in 2007/08. The largest portion is distributed to provinces according to a formula based on the number of current medical students. A further component (developmental component) provides for a phased increase in the number of medical specialists and registrars in historically under-served provinces to address inter-provincial inequities in post-graduate training capacity. The grant is kept constant in nominal terms pending completion of the review of this grant and its improved alignment with higher educational funding streams.

The *Hospital Revitalisation Grant* plays a key role in transforming and modernising infrastructure and equipment in hospitals. It funds the upgrading and replacement of hospital infrastructure and focuses primarily on projects in which an entire hospital is upgraded. The grant also includes a component aimed at improving systems for medical equipment. Since the start of the grant in 1999/00, 210 hospitals have been fully revamped. In 2002/03 the grant focused on large upgrading and replacement projects. The first 27 of these are under way of which 10 will be completed in 2005/06. The largest hospitals funded and completed through this grant is Inkosi Albert Luthuli Hospital (with 846 beds) in KwaZulu-Natal, Nelson Mandela Hospital (with 460 beds) in Eastern Cape and Pretoria Academic (with 777 beds) in Gauteng. The grant is allocated R3,4 billion to rehabilitate and upgrade 59 hospitals over the next three years.

The *Hospital Management and Quality Improvement Grant* is allocated R150 million in 2005/06, increasing to R167 million in 2007/08. This grant facilitates a range of management development initiatives, including personnel, and procurement delegations and financial management capacity. It also supports the implementation of a range of hospital quality of care interventions specified in the national policy and can be seen as complimentary to the aims of the hospital revitalisation programme.

The *Comprehensive HIV and Aids Grant* enables the health sector to develop a specific response to the HIV and Aids epidemic. The grant supports, in addition to maintaining other HIV and Aids prevention programmes, specific interventions, which include voluntary counselling and testing, prevention of mother to child transmission, post exposure prophylaxis and home based care. So far 650 sites provide comprehensive prevention of mother to child transmission interventions to more than 80 000 women. KwaZulu-Natal, Western Cape and Gauteng achieved full coverage in the implementation of post-exposure prophylaxis. By 2002/03 about 1 625 sites were providing voluntary counselling and testing for HIV and Aids. The grant is allocated R1,1 million in 2005/06 growing to R1,6 million in 2007/08 to, in addition to other HIV and Aids interventions, implement Government's Comprehensive HIV and Aids Treatment and Care plan.

The *Integrated Nutrition Programme (INP)* is being phased-out as most of this grant was transferred to the National School Nutrition Programme under the Department of Education from 1 April 2004. It currently is aimed at assisting malnourished pre-school children under the age of five through feeding schemes. The grant is allocated R123 million in 2005/06 and phased into the equitable share formula from 1 April 2006 with the programme continuing and funded directly by provinces.

Housing grants

Government approved a comprehensive housing strategy to speed up housing delivery and at the same time develop sustainable human settlements. To streamline the funding for housing development, the *Housing Subsidy Grant*, which provides subsidies for low-income housing, and the *Human Settlement Redevelopment Grant*, which funds projects that aim to address dysfunctions in human settlements, have been subsumed into a single grant (the *Integrated Housing and Human Settlements Grant*). The new grant takes effect from 1 April 2005. However,

part of the *Human Settlement Grant* is retained for 2005/06 to fund outstanding commitments on some of the projects not finalised in 2004/05.

To implement the comprehensive housing strategy, R2 billion is added to the new *Integrated Housing and Human Settlement Grant* over the next three years. The *Integrated Housing and Human Settlement Grant* increases from R4,5 billion in 2004/05 to R6,9 billion in 2007/08. Part of the *Human Settlement Grant*, which is retained to fund outstanding commitments in 2005/06, is allocated R24 million.

A major change expected over the 2005 MTEF relates to the accreditation of municipalities in terms of the Housing Act (Act No. 107 of 1997 as amended). Municipalities, particularly the ones with sufficient capacity, will be encouraged to apply for accreditation.

Land Affairs grants

The *Land Redistribution: Alexandra Urban Renewal Project Grant* contributes towards the purchase of land for the relocation and settlement of Alexandra residents and other qualifying beneficiaries. The grant is allocated R8 million in 2005/06 and 2006/07 upon which it is phased out.

National Treasury grants

In line with Government's commitment to sustain social and economic infrastructure investment in provinces and at the same time stimulating rural and provincial economic development and addressing unemployment through an Expanded Public Works Programme, R1,0 billion is added to the *Provincial Infrastructure Grant* bringing its allocation over the next three years to R13,6 billion. The grant grows from R3,3 billion in 2004/05 to R3,7 billion in 2005/06 and is budgeted to grow to R5,3 billion by 2007/08. The growth in this grant enables Government to direct funds towards provinces with large backlogs, without neglecting provinces that have inherited higher levels of infrastructure. Provinces are expected to use these funds mainly for rehabilitation and construction of roads, schools, and health facilities and to address infrastructure needs for rural development focusing on agriculture. Since this is a Schedule 4 grant, provincial treasuries administer the grant and allocations are made to the line departments. In order to deal effectively with backlogs, the provincial division has been effected using a combination of the equitable share formula, roads element, and backlog component.

Provincial and Local Government grants to provinces

The two grants administered by the Department of Provincial and Local Government and transferred to provinces – *Local Government Capacity Building Fund* and the *Municipal Infrastructure Grant* – to enable provinces to assist municipalities have been discontinued. These grants will now flow directly to municipalities. Provinces are expected to fund their own capacity-building programmes for municipalities from their own revenue.

Social development grants

The shift in funding of social grants from 1 April 2005 means that the Department of Social Development manages the largest share (75 per cent) of conditional grant allocations to provinces constituting 26,7 per cent of total national transfers to provinces. Total conditional grants administered by the Department of Social Development are R55,4 billion in 2005/06 growing to R65,6 billion by 2007/08. The Department will administer 4 grants from 1 April 2006, two of which are for social security transfers and their administration, and the other two are for integrated social development services and HIV and Aids (Community-Based Care).

The shift of funding social security transfers and their administration is a transitional measure until such time that the social security agency is fully established at a national and regional level. The social security grant function will be administered through two conditional grants: the *Social Assistance Transfer Payment Grant*, which will fund the actual transfers to beneficiaries, and the *Social Assistance Administration Grant*, which will fund the overall administration of the function.

The *Social Assistance Transfers Grant* is allocated R52,0 billion in 2005/06, R57,1 billion in 2006/07 and R61,8 billion in 2007/08 and will fund grant payments in terms of the Social Assistance Act (Act No. 13 of 2004). These allocations now incorporate the *Child Support Extension Grant* conditional grant that was funding the phased extension of the means-tested child support grant. The phasing started with 7 and 8 year old children in 2003/04, was extended to 9 and 10 year old children in 2004/05 and is expected to cover 11, 12 and 13 year-old children in 2005/06.

The *Social Assistance Administration Grant* is allocated R3,4 billion in 2005/06, R3,6 billion in 2006/07 and R3,7 billion in 2007/08. This grant will fund the overall administration of the function, which includes employees, cost of payment contractors and other administrative aspects that are involved in the processes of paying grants to beneficiaries. The administrative function will discharge its responsibilities such as the processing of grant applications.

The introduction of the two social grant programmes has necessitated revisions to the 2005 Division of Revenue Bill, to deal with the risk of moral hazard (where provinces spend national government funds), and ensure that national and provincial accounting officers and treasuries exercise their responsibilities in a way that reduces such risk.

The *Integrated Social Development Services Grant* (formerly called Emergency Food Relief Grant) has been reconfigured into a general-purpose grant (Schedule 4 grant) to enable provinces to support and provide appropriate social welfare services, development interventions, and immediate and appropriate short-term relief to vulnerable individuals and households who are not receiving any form of assistance in terms of the Social Assistance Act. Allocations for this grant are R388 million in 2005/06, R411 million in 2006/07 and R432 million in 2007/08.

The *HIV and Aids (Community-Based Care) Grant* amounts to R138 million in 2005/06 and increases to R143 million in 2007/08. The grant provides social welfare services to orphans and vulnerable children who are infected and affected by HIV and Aids, within family and community context, in partnership with non-profit organizations (NGOs, CBOs and other community organisations). It further seeks to develop and support institutional structures, professionals, community workers, and child and youth care workers through targeted training programmes in order to ensure effective support to people affected by HIV and Aids.

Sports and Recreation grants

The Department of Sport and Recreation has been allocated R24 million in 2005/06, R39 million in 2006/07 and R41 million in 2007/08 to promote mass participation within historically disadvantaged communities in a selected number of development sporting activities.

Part 5: Local government fiscal framework and allocations

The local government fiscal framework

During 2004, the local government fiscal framework was subjected to a two-part review. The first part focused on the local government equitable share formula, while the second part covered matters pertaining to local government taxes, among other things. Although the reform of the local

government equitable share formula is now completed, further work on the local government fiscal framework will continue in a number of areas.

In exercising their revenue powers, it is important that municipalities do so in a manner that does not impact materially on national macroeconomic policy imperatives, such as inflation targeting. A local government taxation bill may need to be prepared by national government to deal with the future of the Regional Services Council (RSC) levy, and to regulate the exercise of all other taxation powers of municipalities.

An assessment of the impact of the new property rates legislation on public infrastructure and state-owned properties, particularly those offering local services like schools and clinics will be undertaken. The review will investigate the possibility of an intergovernmental agreement on low or no rates to be charged on such categories of infrastructure, including the possibility that the I component be reviewed in 2006 to compensate for public infrastructure and per local service.

National legislation in terms of sections 155 and 229 of the Constitution may regulate how fiscal powers and functions are to be divided or shared between B and C municipalities. At present, property taxes are allocated to category A and B municipalities on the basis that category B municipalities are responsible for functions such as water, sanitation, electricity, refuse removal. Due to an asymmetric division of powers and functions between category B and C municipalities, certain category C municipalities are assigned the water function by the Minister for Provincial and Local Government, even though it is category B municipalities that collect (and retain) property taxes. Similarly, although certain category C municipalities have no major functions to perform, they receive RSC levy income.

In preparation for the local government elections at the end of this year or early next year, the Demarcation Board is in the process of delimiting municipal wards and reviewing provincial boundaries to do away with cross-boundary municipalities. Changes may be required to the framework due to new demarcations and other changes for the newly-elected municipalities, including potential adjustments to the I component and other components of Equitable Share and MIG formula.

While the equitable share provides support for operational expenditure on providing basic services for poor households, MIG supports the rollout of infrastructure for poor households to have access to these basic services. Therefore as MIG reduces backlogs in infrastructure delivery, the equitable share needs to account for the fact that a greater percentage of the population is serviced. Reliable and regular data at a municipal level are difficult to obtain. Data used for determining the current equitable share and MIG allocations were obtained from the 2001 Census. The next census will only take place in 2011 and the Census Replacement Survey will only provide data up to district municipal level. As agreed to by the Budget Forum, an annual data survey will be put in place, possibly with the assistance of STATS SA, in an attempt to update the data used in the equitable share and MIG formulas on an annual basis.

The National Treasury has conducted a survey among all municipalities, and classified them into three categories of high, medium or low capacity municipalities as published in Gazette No. 26511. National government is increasingly dealing with municipalities depending on this classification to phase in sections of MFMA, as well as to phase in specific powers and functions, as well as whether grants like MIG are to be given directly to the municipality or not.

National transfers to local government

The local government share increases over the next three years by R5,4 billion to R58,3 billion over the 2004 budget baseline of R52,9 billion. National allocations to local government (Table E16) grow from a revised allocation of R14, 8 billion in 2004/05 to R17, 2 billion in 2005/06, R19,7 billion in 2006/07 and R21,5 billion by the end of the MTEF in 2007/08.

Table E16 indicates that the share of nationally raised revenue for local government rises from 4,6 per cent in 2004/05 to 5,0 per cent in 2007/08. National allocations are an important source of revenue for municipalities, comprising around 14,7 per cent of total local government budgets of over R100 billion in 2004/05, varying between 3 to 6,7 per cent for metros, and as high as 87,3 per cent in some districts. Major sources of own revenue for municipalities include property taxes, regional service levies, user charges on electricity, water, refuse removal and other municipal services.

Table E.16 National transfers to local government, 2004/05 – 2007/08

| R million | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
|--|---------------|---------------|---------------|---------------|
| Equitable share and related | 8 626 | 10 578 | 11 505 | 12 411 |
| Equitable share | 7 678 | 9 643 | 10 515 | 11 371 |
| Water and sanitation operating | 949 | 934 | 991 | 1 040 |
| Infrastructure | 5 363 | 5 833 | 7 454 | 8 301 |
| Programme | – | – | – | – |
| Water Services Project | 217 | 139 | – | – |
| Community Based Public Works Programme | – | – | – | – |
| Local Economic Development Fund | – | – | – | – |
| Sport and Recreation Facilities | 134 | – | – | – |
| National Electrification Programme | 251 | 258 | – | – |
| Urban Transport Fund | – | – | – | – |
| Municipal Infrastructure Grant | 4 481 | 5 436 | 7 454 | 8 301 |
| Disaster relief | 280 | – | – | – |
| Current transfers | 768 | 749 | 749 | 749 |
| Restructuring grant | 388 | 350 | 350 | 350 |
| Financial management grant | 198 | 199 | 199 | 199 |
| Municipal Systems Improvement | 182 | 200 | 200 | 200 |
| Total | 14 757 | 17 159 | 19 708 | 21 461 |

National transfers to local government are divided into three major categories, namely:

- the equitable share grant (together with the water operating grant);
- infrastructure conditional grants; and
- capacity-building and restructuring conditional grants.

The unconditional equitable share allocation is the largest and most significant national allocation, in accordance with section 214 of the Constitution, and grows in significance relative to all other grants, rising from 52 per cent in 2004/05 to 56,2 per cent in 2005/06. This amount rises to 61,7 per cent when the water operating grant is included in total national grants. The second largest allocation to local government is the *municipal infrastructure conditional grant (MIG)*, which is 32 per cent in 2005/06, and the third and smallest category of grants are the capacity and restructuring grants, whose share amounts to 4,4 per cent in 2005/06.

The biggest reform to the local government grants system in 2005/06 is the adoption of a new local government equitable share formula, which is phased in over the MTEF. By introducing a revenue raising component, the new formula addresses concern about the varying fiscal capacities of municipalities.

Government has also announced further supplementary allocations to be allocated between all three spheres of government, but from which many municipalities will benefit, including:

- R1,2 billion for sanitation to eradicate the bucket sanitation system, which is fully incorporated into the *Municipal Infrastructure Grant*;

- R3 billion for community infrastructure, which is not allocated, but a significant portion is expected to be allocated to municipalities through the MIG; and
- R3 billion for public transport infrastructure, which is not allocated, but a significant portion will be allocated to those municipalities, which have stadiums that will be used for the 2010 World Cup.

All grants to municipalities are published per municipality to enable municipalities to plan fully for their coming 2005/06 budgets, and to promote better accountability by ensuring that all national allocations are included in municipal budgets. The allocations are published for both the national and municipal financial years. The municipal financial year commences three months later than the national and provincial financial year, on 1 July. The allocation in terms of the national financial year serves as the legal appropriation requirement for national and provincial transferring departments. The allocations in terms of the municipal financial year facilitate proper reconciliation for audit purposes.

These allocations include the sanitation allocation of R1,2 billion, but exclude the R3 billion for community infrastructure and R3 billion for public transport infrastructure to be allocated within six months for publication in a gazette.

The local government equitable share formula: Its evolution since 1998

Sections 214 and 227 of the Constitution require that an equitable share of nationally raised revenue be allocated to the local sphere of government to enable it to provide basic services and perform the functions allocated to it. The size of the equitable share allocation to the local sphere of government takes account of the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities, to the extent that such information is available for all municipalities.

The equitable share grant is an unconditional grant assisting municipalities to supplement their revenue to deliver services to poor households. Table E16 shows that the equitable share increase by R3,7 billion from the 2004/05 allocation of R7,7 billion to R11,4 billion in 2007/08.

The equitable share grant and formula were first introduced in 1998/99. It has undergone a number of changes since its inception, to take account of costs of transformation, data updates and new priorities. These changes are listed below as follows:

- 2000/01 – incorporation of the former R293 town subsidies (excluding R293 personnel),
- 2001/02 – incorporation of the R293 personnel subsidies, adjustments to the method of measuring poverty, and increasing the poverty threshold from R800 to R1 100,
- 2002/03 – the re-alignment of functions to the newly demarcated municipalities, the funding of district municipalities and the introduction of a nodal component to support the operational costs,
- 2003/04 – the introduction of free basic services to support poor communities and the alignment of the equitable share to the division of powers and functions between local and districts,
- 2004/05 – update data from the 2001 census, and adjusting the guarantee mechanism to phase in the impact of the new census results, and
- 2005/06 – will see the introduction of the new formula, which is more redistributive with a revenue raising and development component.

In 2002 Government recognised the need to review the formula, given the major restructuring that the local government sphere has undergone since 1998, and announced a comprehensive review. This review has, however, taken much longer than initially expected largely because of difficulties in obtaining consistent data across all municipalities. Notwithstanding the challenges of data and the uncertainty on some of the broad policy issues that will impact on the local government framework such as the establishment of Regional Electricity Distributors and the Municipal Property Rates Act, a new formula is introduced in this Budget. The new formula will be phased in over the 2005 MTEF with full implementation in 2007/08.

Structure of previous local government equitable share formula

$$\text{Grant} = S + I + \text{FBS} + \text{FBE} + \text{R293} + \text{Nodal Allocation} + \text{Top up}$$

where

S is the basic services component

I is the institutional support component

FBS and FBE are for free basic services and electricity

R293, Nodal Allocations are transitional or specific windows

The previous formula is explained in detail in previous Budget documentation (refer to *Annexure E* of the *Budget Review 2004*), and is not dealt with here. A detailed explanation of the new formula follows below.

New equitable share formula

Guiding principles

The point of departure for the equitable share formula is the constitutional requirement that the local government equitable share must take into account, among other things:

- the ability of municipalities to provide basic services
- the fiscal capacity and efficiency of municipalities
- developmental and other needs of local government
- the desirability of stable and predictable revenue shares.

The guiding principles for the new formula remain the same as those for the previous formula, and include:

- a) *Equity*: Intergovernmental transfers should promote the constitutional goal of ensuring that all South Africans have access to basic services.
- b) *Efficiency*: The new transfer system should promote allocative efficiency by ensuring that interjurisdictional competition is an effective check on fiscal performance. This would imply a certain amount of fiscal equalisation, but such flows should not be of such a magnitude as to deter investment or cripple particular areas.
- c) *Spillover effects*: The transfer system should find ways of ensuring that projects with strong spillover effects are appropriately funded.
- d) *Facilitating democracy*: The transfer system should help build the capacity of local authorities as one of the cornerstones of a democratic society.

e) *Additional considerations*: Several additional principles were listed to enable the system to meet these objectives:

- Rationality – the system should be based on clearly articulated arguments about how the transfers would promote the goals of equity, economic growth and efficiency
- Unintended consequences should be limited. In particular perverse incentives should be avoided
- Predictability – the transfers should facilitate proper budgeting
- Accountability – since without accountability valuable national resources could be wasted
- Political acceptability and institutional capacity building – the transfer system should be seen to be as broadly based as possible and should facilitate the consolidation of South Africa’s new democracy
- Simplicity and transparency – to keep the systems and mechanisms simple.

Using the above principles, and recommendations of the Financial and Fiscal Commission, the National Treasury, working closely with the Department of Provincial and Local Government, South African Local Government Association, Statistics South Africa and the FFC, developed the following formula for discussion at the Budget Forum of 14 October 2004, and thereafter for adoption by Cabinet on 20 October 2004 and 16 February 2005.

The structure of the new formula

The new formula for the local government equitable share grant consists of four main components, for basic services, development needs, institutional needs and fiscal capacity.

Structure of new local government equitable share formula

$$\text{Grant} = BS + D + I - R \pm C$$

where

BS is the basic services component

D is the development component

I is the institutional support component

R is the Revenue Raising Capacity Correction and

C is a correction and stabilisation factor.

The Basic Services Component

Municipalities are expected to provide water, sanitation, electricity, refuse removal and other municipal services. The purpose of the basic services component is to enable municipalities to provide basic services and free basic services to poor households.

The previous formula supported basic services through several “windows” like the S grant, the FBS grant and the FBE grant resulting in some duplication in funding basic services. The new Basic Services component has the following characteristics:

- Supporting only poor households earning less than R800 per month;
- Distinguishing between poor households provided with services and those provided with lesser or no services; and

- Recognising water reticulation, sanitation, refuse removal and electricity reticulation as the core services.

| |
|---|
| <p>The Basic Services Component</p> <p><i>BS=[Water Subsidy 1*Poor with Water + Water Subsidy 2*Poor without Water] +</i> <i>[Sanitation Subsidy 1*Poor with Sanitation + Sanitation Subsidy 2*Poor without Sanitation] +</i> <i>[Refuse Subsidy 1*Poor with Refuse + Refuse Subsidy 2*Poor without Refuse] +</i> <i>[Electricity Subsidy 1*Poor with Electricity + Electricity Subsidy 2*Poor without Electricity]</i></p> |
|---|

For each of the subsidised services there are two levels of support: a full subsidy for those households that actually receive services from the municipality and a partial subsidy for unserved households, currently set at a third of the cost of the subsidy to serviced households.

The Institutional Support Component

The *Institutional component* is also retained from the previous formula, as it is a standard component required for both the local government and provincial equitable share formulae. It is particularly important for poor municipalities, who often are unable to raise sufficient revenue to fund the basic costs of administration and governance. Such funding gaps make it impossible for poor municipalities to provide basic services to all their residents, businesses and other clients or customers.

The aim of this component is to supplement the funding of a municipality for administrative and governance costs, but not to fully fund the entire administration and governance cost of a municipality – this remains the primary responsibility of each municipality.

| |
|---|
| <p>The Institutional Component</p> <p>There are two elements to the institutional component: administrative capacity and local electoral accountability – the grant therefore is as follows:</p> <p><i>I = Base allocation + [Admin support * Population] + [Council support * Number of Seats]</i></p> <p>Where the values used in the formula are:</p> <p><i>I = R350 000 + [R1*population] + [R36 000* councillors]</i></p> |
|---|

The I grant in the previous formula assumed that there are strong economies of scale in the functioning of local government – that larger municipalities are able to operate more cheaply than smaller ones. The new formula maintains this assumption of decreasing average costs by incorporating a base allocation that goes to all municipalities regardless of size.

The “Base Allocation” is an amount that will go to every municipal structure (except for a district management area (DMA)). The higher this allocation is set at, the more the formula benefits smaller municipalities. The second term of this formula recognises that costs go up with population. The third term is a contribution to the cost of maintaining councillors for the legislative and oversight role. The number of “seats” that will be recognised for purposes of the formula is that determined by the Minister for Provincial and Local Government.

The I grant will be updated for the 2006 MTEF to take into account any changes that may occur when new councils take over after the local government elections to be held later this year or early next year.

The Development Component

This component seeks to give effect to the developmental objectives for local government, beyond those identified with basic municipal services, and as envisaged in terms of section 214 of the Constitution. It is also intended as a policy component for future policy as the development objective is better identified, particularly for previously deprived areas.

The previous formula gave effect to the development component through a window for nodal allocations. The FFC has questioned the appropriateness of allocating a portion of the equitable share to selected municipalities. The new formula provides for clearer and specified criteria for all municipalities.

This component will not take effect immediately, but has been included in the formula as a future variable. A series of consultations held with various stakeholders could not yield any agreement in the limited time available on the factors to be taken into account for the development component. Further research and consultations will take place during 2005, including a request to the FFC to recommend an approach to give effect to this component. In the meantime, for the 2005 MTEF, it was decided to set this component at zero.

The Revenue Raising Capacity Correction

The FFC has recommended the inclusion of a fiscal capacity or revenue raising capacity measure in the equitable share formula. Government accepted this recommendation, but the lack of data to measure fiscal capacity has made it difficult to implement this recommendation earlier. The fundamental problem is that at present there is no national property valuation roll that can be used to approximate revenue raising capacity consistently across the country. It would not be desirable or equitable to use actual revenues raised, since this would immediately create perverse incentives in the system. Furthermore some municipalities do not seem to make enough effort to raise revenues. The National Treasury has considered suitable ways of creating proxies that would deal with all of these problems. The basic approach is to use the relationship between demonstrated revenue raising capacity among municipalities that report information and objective municipal information from Statistics South Africa to proxy revenue raising capacity for all municipalities. The total revenue that should be available to a municipality then is converted to a "correction" by imposing a "tax" rate of 5 per cent. At this level, municipalities end up contributing around R1,2 billion in 2005/06 towards the cost of basic services and administrative infrastructure.

Stabilising Constraint

The local government equitable share has been characterised by many large-scale changes since its inception in 1998, including the addition of different windows. In an effort to ensure some stability in grant allocations, the previous formula provided a 70 per cent guarantee on previous year's allocation. With the publication of three-year budget allocations it is more sensible to apply the guarantee mechanism to the indicative outer-year baseline amounts rather than to current or past year allocations. In particular the aim should be to give municipalities what they were promised in the previous MTEF round of allocations, as far as this is possible.

An additional constraint is to ensure that allocations are not negative due to the revenue raising correction.

Other considerations in applying the formula

The formula as outlined above has to be modified somewhat in order to take account of some of the intricacies of the allocation process. In particular one needs to ensure that powers and functions are taken into account and that the overall budget balances.

a) Powers and Functions

The local government system has a number of asymmetries, not only between different categories of municipalities, but also between the same category of municipalities. Firstly, there is the broad division of the sphere into category A, B and C municipalities. Secondly, the division of powers and functions between category B and C municipalities differs, even between the different category B municipalities within the same category C district. For example, a category B municipality may or may not have the power or function for potable water, which may be with the category C municipality. However, the formula still provides an indicative amount for that category B municipality, as there may be another category B municipality within the same district that has the water function assigned to it. In order to deal with these differences the model has to ensure that the allocations made in terms of the “Basic Services” component have to go to the municipality that actually performs the function.

b) Balancing allocations

The “horizontal division” of allocations made between municipalities depends on the size of the overall allocation that is made to the local government sphere, normally determined through a separate consultative process to determine the equitable share of nationally raised for each of the three spheres of government (i.e. the “vertical division”). Since there is no guarantee that allocations made in terms of the vertical division add up precisely to the amount allocated to the local government equitable share, such allocations need to be adjusted to fit within the constraints outlined above.

Rescaling of the BS, D and I Components

The simplest way of making the system balance is to rescale the BS, D and I components to the available budget, hence the formula actually becomes:

$$\text{Grant} = \text{Adjustment Factor} * (\text{BS} + \text{D} + \text{I}) - R \pm C$$

This adjustment factor is calculated so as to ensure that the system balances.

In order to deal with the constraints, municipalities are divided into two groups. Those municipalities that require a “top up” in order to meet the stabilising constraints and those that do not. The total size of the top up is calculated and this is deducted from those that do not require a top up in proportion to the “surplus”.

In the previous formula this process is done in a more complicated way. The disadvantage of the previous formula is that the final allocations had to be calculated iteratively, making the model very complex (and hence difficult for many policy-makers and the public to comprehend).

Measurement Issues

In order to implement the revised formula, one has to be able to measure the variables quite accurately. The integrity of the data is as important as the set of equations in determining whether the allocations meet the constitutional requirement of equity. It should be noted that measurement is itself a dynamic issue – new data sets become available, while existing data series might be discontinued. This means that the allocation process is subject to regular changes and innovation.

a) Poverty

The baseline information for the measurement of poverty comes from Census 2001. A technical issue is whether to use the “income” or “imputed expenditure” method to estimate poverty at the municipal level. At present the “imputed expenditure” method does not allow for

a cross-tabulation of poverty against servicing levels, so the “income” method is used for the formula, as it matters whether the poor are actually receiving services or not.

b) Servicing levels

A key ingredient in the current formula is the subsidy received by poor households for various services delivered to them. Given that most municipalities are unable to provide cost information per service, alternative sources of information are required for key data on costing of services.

In the previous formula the amounts were based on a study that was conducted in the late 1990s by the Development Bank of Southern Africa (DBSA). The subsidy amounts are updated in the new formula, using a more recent study by the Department of Provincial and Local Government.

The new service costs are R130 per month for a serviced household and R45 per month for an unserviced household.

Table E.17 Service costs

| Service costs per month | 1998 Estimates | Serviced households | Unserviced households ¹ |
|-------------------------|-------------------|---------------------|------------------------------------|
| Electricity | 36,0 | 40,0 | 15,0 |
| Water | 20,0 | 30,0 | 10,0 |
| Refuse | 20,0 | 30,0 | 10,0 |
| Sanitation | 10,0 | 30,0 | 10,0 |
| Total | 86,0 | 130,0 | 45,0 |

1. One third of serviced households (2004 DPLG study).

c) Revenue Raising Capacity

In order to introduce the revenue raising capacity measure one has to be able to approximate revenue capacity reasonably accurately. This has been the major impediment to introducing this component. Information on revenue collected (by source) is only available from each municipality, and even where a municipality is able to provide such information, it must be comparable between municipalities so as not to expose the formula to data manipulation. The lack of such information requires the use of alternative research. For the new formula an imputation process using municipal revenue data and census information was undertaken. This process has the advantage that:

- It leads to measures of revenue raising capacity that are highly correlated with actual revenues raised
- Municipalities cannot manipulate it in order to influence their equitable share allocations.

Phasing-in of the new formula

The new formula will be phased-in and fully introduced only in the 2007/08 financial year. The new formula is used to generate the allocations by municipality based on the new baseline allocations for 2005/06, 2006/07 and 2007/08 announced in the 2005 National Budget. The indicative allocations for 2005/06 and 2006/07, which were generated by the previous formula, are guaranteed.

The Water Service Operating Subsidy

This is a transitional operational grant closely related to the local government equitable share grant and in principle should be part of the equitable share grant. The grant is also an indirect grant, used to fund over 300 water schemes in municipalities through the Water Trading Account on the vote of the Department of Water Affairs and Forestry (DWAF). DWAF has administered a number of these schemes in poor areas prior to 1994. The operating grant amounts to R948 million in 2004/05, R934 million in 2005/06, R990 million in 2006/07 and R1 040 million in 2007/08 or a total of R2,9 billion over the MTEF.

DWAF is in the process of transferring schemes over the next three years, for which funding will be phased out from 2007/08. Like the process for the R293 staff, DWAF plans to conclude bilateral negotiations with municipalities by 31 March 2006. All funds on this programme will thereafter be transferred to municipalities directly as soon as such transfers occur. Direct grants to DWAF will be phased progressively downwards and those to municipalities upwards.

The transfer of water schemes involves the transfer of both assets and staff, and the resulting operating costs of salaries and free basic services. The 300 schemes employ 8 094 staff and affect 53 municipalities. So far 25 agreements had been signed, 495 staff transferred, 301 staff seconded and 84 schemes with a total asset value of approximately R1 billion. Over 40 per cent of the staff is to be transferred to municipalities in Limpopo. Estimated 'once off' personnel related costs over the three years amount to R393 million. Full costs for the operations of the schemes are being finalised. The medium-term plan is to transfer at least 4 000 staff in 2005/06 and the remainder of the staff in the 2006/07 and 2007/08 financial years.

All receiving municipalities will be required to conclude formal transfer agreements where the latest effective date of transfer is 31 March 2006. The operating and transfer subsidy will be treated as a grant-in-kind until the effective date of transfer, and thereafter progressively phased into the equitable share. The operating subsidy will cover staff related costs (HR component) and direct operating and maintenance costs (O component), whilst provision is also made for the refurbishment of infrastructure. The allocation per municipality will be according to the operational budget for each scheme and the funding requirements identified and agreed in the transfer agreement. Clear performance targets will be set with the assistance of the Department of Provincial and Local Government and SALGA to complete the process.

Conditional grants to local government

Schedules 4, 6, 6A and 7 of the Division of Revenue Bill provides for the conditional grants to municipalities. Despite the growing importance of the unconditional equitable share grant, conditional grants are still a significant portion of national grants to local government. In particular, conditional grants are used to:

- Incorporate national priorities in municipal budgets
- Promote national norms and standards
- Address backlogs and regional disparities in municipal infrastructure
- Effect transition by supporting capacity building and restructuring of municipalities.

Total conditional grants, including the water operating subsidy, to municipalities increase from R7,1 billion in 2004/05, to R7,5 billion in 2005/06, R9,2 billion in 2006/07 and R10,1 billion in 2007/08. There are two categories of conditional grants, infrastructure and capacity-building/restructuring grants. The most significant development for 2005/06 is the finalisation of the consolidation of the remaining infrastructure grants into the Municipal Infrastructure Grant. The capacity building and restructuring grants are capped at R749 million for the two outer years, and

are being rationalised over the medium term. Below is a summary of all the conditional grants listed in Schedules 4, 6, 6A and 7 of the 2005 Division of Revenue Bill.

Infrastructure conditional grants to local government

The *Municipal Infrastructure Grant* is a critical instrument for achieving Government's objective of expanding the delivery of basic services to poor households and alleviating poverty. This grant is listed on Schedule 4 of the Division of Revenue Bill, as it supplements municipal allocations for infrastructure expenditure. For this reason, the role of national departments in relation to this grant is limited only to enforcing compliance with the minimal conditions set out in its framework and monitoring performance by receiving municipalities.

The *Municipal Infrastructure Grant* complements the equitable share allocations to give effect to Government's commitment towards access to basic services to all households, including the delivery of free basic services to poor households and other poverty alleviation objectives.

This grant is also aimed at stimulating local economic development and job creation over the medium term. Municipalities are therefore required to dedicate a portion of their capital budgets to labour-based infrastructure methods to meet the objectives of the Expanded Public Works Programme. The total allocation for infrastructure is R5,4 billion, R7,5 billion, R8,3 billion for each of the MTEF years.

The *Municipal Infrastructure Grant (MIG)* established in 2004 simplifies and rationalises policy and funding mechanisms for municipal infrastructure. The MIG merged the following grants in a phased manner over a three-year period ending by 2005/06:

- *Consolidated Municipal Infrastructure Programme*, in support of internal bulk, connector infrastructure and community facilities to poor households
- *Water Service Capital Fund*, in support of bulk, connector and internal infrastructure for water services at a basic level
- *Community Based Public Works Programme*, in support of the creation of community assets in rural, historically disadvantage communities
- *Local Economic Development Fund*, in support of planning, and implementation of job creation and poverty alleviation
- *Building for Sport and Recreation Programme*, in support of promoting sport and recreation facilities within disadvantage communities
- *Electrification* funding in support of addressing the electrification backlog of permanently occupied residential dwellings that are situated in historically under-supplied areas.

The MIG is geared to making the system of transfers to municipalities simpler, more certain, direct and reduces the number of steps in decision-making processes. Its conditions are more flexible, designed to support the capital budgets of municipalities, and to facilitate integrated development planning. The MIG does not fund specific projects, but is designed to complement the capital budgets of municipalities (similar to the provincial infrastructure grant).

The MIG gives municipalities a central role in coordinating development activity and the delivery of municipal infrastructure within their jurisdictions. It is focused on achieving a number of outputs, including the achievement of service coverage targets, employment creation and linking Integrated Development Plans (IDPs) and budgets. The role of national and provincial government is to support, and monitor policy outcomes of municipal infrastructure investments. Crucially, the policy reform around infrastructure grants will bring the grant system in line with the general direction and path of the intergovernmental system, which is focused on improving the capacity, efficiency, effectiveness, sustainability and accountability of the local government

sphere, and making integrated development plans the primary mechanisms for intergovernmental coordination. Hence the MIG is re-classified as a Schedule 4 grant.

To ensure that commitments made by departments whose grants are subsumed in MIG before 30 September 2003 are honoured by municipalities, a specific condition is imposed. The remaining commitments by the Water Services Capital Grant and the Integrated National Electrification Programme run out by 2005/06, thereafter these programmes will be fully phased into the MIG.

The MIG policy also makes provision for various capacity levels of municipalities namely, high, medium and low capacity municipalities. As from the 2005/06 financial year, all high, medium and selected low capacity municipalities will receive allocations directly. The final allocations equal either the existing commitments for the municipality or the allocation as calculated by the MIG formula, whichever is higher. The high and medium capacity municipalities will be expected to produce medium term capital plans and budgets, reflecting all projects to be funded in each sector.

The low capacity municipalities, with the exception of a few selected municipalities will receive their grants, via the district municipality. Various levels of support are available to municipalities either by the national government, provincial government and Project Management Units to ensure that low capacity municipalities improve their capacity to the point where they can receive their grants directly.

The grant framework for the MIG reflects the output-based reporting as required in terms of the Division of Revenue Act. Municipalities will be required to report on spending on capital in accordance with the Municipal Finance Management Act through monthly reports, quarterly on performance and the annual reports, particularly for priority sectors like water and sanitation, refuse removal, roads and community facilities and on expanded public works.

MIG Formula

The 2005 MTEF introduces a ring-fenced amount for the eradication of the bucket sanitation system by 2010. The programme has been kick started with an additional allocation of R1,2 billion over the 2005 MTEF. For the 2005/06 financial year, R200 million is to be targeted to specific municipalities with a high prevalence of the bucket sanitation system that would be able to implement projects sooner. Although an upfront allocation is made for the 2006/07 and outer years, municipalities should prepare and submit plans to demonstrate their readiness in meeting this challenge over the medium term. These plans are to be submitted to the Department of Water Affairs and Forestry by no later than 1 October 2005.

There are five main components of the formula, after accounting for funds flowing to the Special Municipal Infrastructure Fund (SMIF) (R128 million of total funds in 2005/06) for innovation and region-wide programmes. The SMIF is a project-based allocation made by the Department of Provincial and Local Government to municipalities.

For the 2005/06 municipal financial year, R128 million is top-sliced from the MIG allocation and distributed on a project basis to municipalities through the SMIF. The balance of the MIG allocation is then applied through the formula to determine the allocation due to each municipality using the formula. Since no multi-year applications have been received, no allocation is set aside for the SMIF in 2006/07 and 2007/08. However, the DPLG will be allowed to commit up to R155 million in each of the outer years. These amounts will then to be top-sliced from the increase in the baseline for the MIG programme in the 2006 MTEF.

Depending on the level of existing commitments and the capacity of the municipality, a proportion will flow as MIG funds to the municipality as described above. The key condition over this initial period is the submission of three-year capital plans. The other applicable conditions and outputs are contained in the MIG framework as per the Division of Revenue Gazette.

| | |
|--|--|
| MIG_(F) = B + P + E + N + M | |
| B | Basic residential infrastructure (new and rehabilitated) Proportional allocations for water supply and sanitation, electricity, roads and 'other' (Street lighting and solid waste removal) |
| P | Public municipal service infrastructure (new and rehabilitated) |
| E | Allocation for social institutions and micro-enterprises infrastructure |
| N | Allocation to all nodal municipalities |
| M | Negative or positive allocation related to past performance of each municipality relative to grant conditions |

Over the 2005 MTEF, R21,2 billion is available for the MIG Programme. The Electricity Programme (both municipal and Eskom programmes) is incorporated into the MIG in 2006/07. This requires a rescaling of the weights of the B component. The rescaling and weighted shares per sector are illustrated in Table E18.

Table E.18 Municipal Infrastructure Grant (MIG) allocations per sector, 2004/05 – 2007/08

| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | |
|---|------------------|------------------|--------------|--------------|--------------|
| Weights | Original weights | Adjusted weights | | | |
| Municipal Infrastructure Grant (a) | 100,0% | | | | |
| Special Municipal Infrastructure Fund and Management (b) | 4,0% | | | | |
| Ring-fenced allocation: Eradication of Bucket Sanitation System (c) | | | | | |
| Municipal Infrastructure Grant (formula) | 96,0% | (a)-(b) | (a)-(b)-(c) | (a)-(b)-(c) | (a)-(b)-(c) |
| of which Municipal Infrastructure Grant (formula) | | | | | |
| B Component | 75,0% | 75,0% | 75,0% | 75,0% | 75,0% |
| <i>Water and sanitation</i> | 72,0% | 72,0% | 72,0% | 53,0% | 53,0% |
| <i>Electricity</i> | 0,0% | 0,0% | 0,0% | 22,0% | 22,0% |
| <i>Roads</i> | 23,0% | 23,0% | 23,0% | 20,0% | 20,0% |
| <i>Other</i> | 5,0% | 5,0% | 5,0% | 5,0% | 5,0% |
| P Component | 15,0% | 15,0% | 15,0% | 15,0% | 15,0% |
| E Component | 5,0% | 5,0% | 5,0% | 5,0% | 5,0% |
| N Component | 5,0% | 5,0% | 5,0% | 5,0% | 5,0% |

Table E19 shows the respective components of the MIG allocation and how they are distributed by the formula. The formula allocations have been adjusted to provide funds to the municipality assigned the function to perform the particular service, in line with Government Gazette No. 24228 of 3 January 2003 issued by the Minister of Provincial and Local Government.

Table E.19 Municipal Infrastructure Grant (MIG) allocations per sector, 2004/05 – 2007/08

| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | |
|---|-------------------------|-------------------------|--------------|--------------|--------------|
| R million | Original weights | Adjusted weights | | | |
| Municipal Infrastructure Grant (a) | 4 446 | 4 440 | 5 436 | 7 454 | 8 301 |
| Special Municipal Infrastructure Fund and Management (b) | 178 | 33 | 129 | – | – |
| Ring-fenced allocation: Eradication of Bucket Sanitation System (c) | – | – | 200 | 400 | 600 |
| Municipal Infrastructure Grant (formula) | 4 268 | 4 407 | 5 107 | 7 054 | 7 701 |
| of which Municipal Infrastructure Grant (formula) | | | | | |
| B Component | 3 201 | 3 305 | 3 830 | 5 291 | 5 776 |
| <i>Water and sanitation</i> | 2 305 | 2 380 | 2 758 | 2 804 | 3 061 |
| <i>Electricity</i> | – | – | – | 1 164 | 1 271 |
| <i>Roads</i> | 736 | 760 | 881 | 1 058 | 1 155 |
| <i>Other</i> | 160 | 165 | 192 | 265 | 289 |
| P Component | 640 | 661 | 766 | 1 058 | 1 155 |
| E Component | 213 | 220 | 255 | 353 | 385 |
| N Component | 213 | 220 | 255 | 353 | 385 |

Capacity building and restructuring grants

The capacity building grants were set up to assist municipalities in building management, planning, technical, budgeting and financial management skills. There are two capacity building grants, the *Financial Management Grant* and the *Municipal Systems Improvement Programme*, and a *Restructuring Grant*. These grants total R749 million each for the 2005 MTEF. Government intends to phase these grants into the equitable share over the medium term.

During the past few years, national and provincial governments have committed significant resources to capacity building. The capacity building funds have been directed to a number of initiatives. The success of this programme will only be measurable during this MTEF period. Emphasis has shifted towards building in-house municipal capacity, supporting an internship programme to develop new skills in financial management, improve service delivery and value-for-money. The primary beneficiaries of these grants are municipalities.

The *Municipal Systems Improvement Grant (MSIG)* under the vote of the Provincial and Local Government Department assists municipalities to build through district and selected local municipal support and focuses on stabilising municipal and governance systems, planning and implementation management support centres (PIMS), reviewing IDP's and implementing the Municipal Systems Act. To date 47 PIMS centres have been established in all districts. Allocations over the 2005 MTEF amount to a further R600 million.

The *Financial Management Grant* under the National Treasury vote funds the modernisation of financial management, including building in-house municipal capacity to implement multi-year budgeting, link integrated development plans to budgets, produce quality and timely in-year and annual reports, and generally supports municipalities in the implementation of the Municipal Finance Management Act, Act 56 of 2003. A portion of the grant is used to leverage international technical assistance support. Currently over thirty advisors are working in selected municipalities supporting the implementation of the Act. Furthermore, to facilitate skills development in financial management, municipalities have utilised the grant to appoint over two hundred and fifty Interns, to qualify in terms of the newly registered Level 6 Financial Management Certification Qualification registered with SAQA. The programme funded budget training for over 600 municipal officials from high, medium and low capacity municipalities. Allocations over the 2005 MTEF amount to R596 million.

The *Restructuring Grant* under the National Treasury vote is a demand driven grant and is aimed at funding municipal restructuring initiatives of a financial, institutional and developmental nature that are locally designed and supported. Only large municipalities are eligible for this grant. Reviews of implementation plans have been undertaken during 2004 in the all the Metropolitan municipalities and some other large municipalities. Multi-year contracts will be concluded with several new municipalities, and future efforts will focus on assessing the successful implementation in terms of agreed milestones. The grant has been capped at R350 million from 2006 and will be reviewed thereafter.

Part 6: Future work on sub-national fiscal frameworks

Crosscutting issue: data

The review of the provincial and local government fiscal frameworks has highlighted major problems of unavailability of consistent and comparable data for a number of key variables that are important in informing policy, decision-making and resource allocation within each sphere. This problem hampers a number of possible improvements that could be effected to the resource allocation formulae for equitable shares and conditional grants. In some cases it implies that components of formulae use outdated information. This problem needs urgent attention. In this regard a number of initiatives are under way or are being considered. Firstly, departments are encouraged to establish and improve systems for maintaining administration records, for example health records on utilisation of health care services by different gender groups. Relevant national departments have a central role to play insofar as ensuring consistency in approaches to record keeping, measurement and comparability. A process for verifying and accrediting information has to be part of this process. Secondly, on the issue of capital and infrastructure, there is a clear need to put in place mechanisms for defining and measuring backlogs, taking account of the dynamic nature of population migration across provinces and between rural and urban areas. This is vitally important for both the provincial and municipal government infrastructure grants. Thirdly, major users of information have to liaise with StatsSA with the view of presenting their information needs and agreeing how such requirements could be met as well as the regularity with which certain information can be gathered.

Provincial fiscal framework issue for future budgets

In reviewing the provincial fiscal framework for the 2005 Budget the following issues have been identified as requiring further work:

- The first issue relates to the major hospital grants such as the National Tertiary Services Grant and the Health Professions and Training Grant, which will be reviewed ahead of the 2006 Budget. Among other things, the review will seek to determine whether the current trends in total allocations for these grants and their distribution among provinces are consistent with their original and future policy objectives.
- The second issue relates to borrowing and financing of major infrastructure projects. About six years ago, Budget Council agreed to a moratorium on provincial borrowing in part because provinces did not have adequate capacity to utilise available resources. With evidence of improvement in capacity, the policy position on borrowing is under review. It is anticipated that during the course of the current, provinces will be allowed to borrow for specific projects. In the initial stages such borrowing may be limited to the Development Bank of Southern Africa, which will also be expected to agree terms for providing technical support to provinces that borrow from it.

Local government fiscal framework issues for future budgets

The national framework for municipal taxation powers is determined by section 229 of the Constitution, which empowers municipalities to impose a property tax and surcharge on fees for municipal services, subject to national regulation. Other taxes, levies and duties appropriate to local government or to the category of local government may also be allocated in terms of national legislation. A review of the local government fiscal framework is currently being undertaken and is aligned to and complements the work on the reform of the local government equitable share formula discussed above.

Reform of regional services council (RSC) levies

The Regional Services Council (RSC) levies (referred to as Joint Services Board levies in the KwaZulu-Natal Province) consist of two components, a regional services levy and a regional establishment levy, calculated on payroll and turnover respectively. The RSC levy is allowed in terms of section 21 in Schedule 6 of the Constitution until the national legislation required for section 229(1)(b) is enacted. The RSC levy is an important source of revenue for metropolitan and district municipalities making up 9 per cent or R5,2 billion of total local government revenue in the 2003/04 municipal fiscal year.

The RSC levy has been criticised as an inefficient, inequitable and poorly administered tax instrument. A good local tax relates the tax burden to the ability to pay. Neither component of the RSC levy complies with this criterion. Though it is possible to improve the design of the RSC levy and to reform it, there is a strong case for it to be phased out completely. A menu of alternative sources of revenue such as new taxes, levies and surcharges and grants are being explored as replacements for revenue currently collected from RSC levies. It is the intention to table legislation to this effect before the end of the year.

Transitional mechanisms will be dealt with in the 2006 MTEF, as actual impact on funds will only take effect from 1 July 2006 for the 2006/07 municipal financial year. National government will request the FFC to provide a specific report on what tax it would recommend, as well as whether a transitional or new grant should fund category A or C municipalities. The FFC will be requested to make recommendations during their 2006 submission.

Restructuring of the electricity distribution industry (EDI) and the establishment of regional electricity distributors (REDs)

The coming EDI restructuring will have a significant impact on metro and large category B municipalities, as electricity comprises about 40 per cent of their revenue budget. It is estimated that municipalities will have to shift over R21 billion of their operating budgets to REDs as part of the restructuring effort, resulting in municipal operating budgets shrinking from R73 billion to R52 billion. The value of assets to be shifted is not yet known.

In order to minimise such fiscal risk, and to ensure that municipal finances are not adversely affected, the National Treasury has convened a process involving key stakeholders (SALGA, metro municipalities, dplg, DME, EDI Holdings, Eskom) to develop a set of guiding principles to assist EDI when establishing a RED. The following four principles are proposed for the establishment of REDs:

- Restructuring must be in accordance with the Constitution
- Financial state of municipalities currently performing the electricity function must not be adversely affected
- Aggregate personnel costs must not increase

- No additional funds or taxes to fund restructuring.

It is hoped that a preliminary report by the Task Team on the impact of REDs on the local government fiscal framework will be completed by 30 April 2005. National government will request the FFC to consider the impact of REDs on municipalities and to recommend by 31 August 2005 whether any other fiscal steps necessary to protect municipalities from negative fiscal impact.

Implementation of the Local Government: Municipal Property Rates Act

An assessment of the impact of the new property rates legislation on public infrastructure and state-owned properties, particularly those offering local services like schools and clinics will be undertaken. The review will investigate the possibility of an intergovernmental agreement on low or no rates to be charged on such categories of infrastructure, including the possibility that the I grant be reviewed in 2006 to compensate for public infrastructure and per local service.

National legislation in terms of sections 155 and 229 of the Constitution may regulate how fiscal powers and functions are to be divided or shared between B and C municipalities. At present, property taxes are allocated to category (A and B) municipalities on the basis that category B municipalities are responsible for functions such as water, sanitation, electricity, refuse removal. Due to an asymmetric division of powers and functions between category B and C municipalities, certain category C municipalities will be responsible for the water function but the category B municipalities will still have all the property tax. Similarly, although certain category C municipalities have no major functions to perform, they have access to RSC levies.

The 2005 Budget Review and attendant documentation are available on the National Treasury website (www.treasury.gov.za).

APPENDIX E1:
FRAMEWORKS FOR CONDITIONAL
GRANTS TO PROVINCES

Appendix E1: Frameworks for Conditional Grants to Provinces

Detailed frameworks on Schedules 4A and 5 grants to provinces

Introduction

This appendix provides a brief description of the framework for each grant in Schedules 4A and 5 of the Division of Revenue Bill. The following are key areas considered for each grant:

- Purpose and measurable objectives of the grant
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between provinces or municipalities
- Rationale for funding through a conditional grant
- Monitoring mechanisms
- Past performance
- The projected life of the grant
- 2005 MTEF allocation
- The payment schedule
- Responsibility of national transferring department
- Grant review process
- Review of business plans for 2006/07

The attached frameworks are not part of the Division of Revenue Bill, but are published in order to provide more information on each grant to Parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the 2005 Division of Revenue Bill is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2004/05 will report against the Division of Revenue Act and its schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved. The Auditor-General is expected to audit compliance to the 2004 Division of Revenue Act and gazetted grant framework by both transferring national departments and receiving provincial departments or municipalities.

AGRICULTURE GRANTS

| Comprehensive Agricultural Support Programme Grant | |
|---|--|
| Transferring department | <ul style="list-style-type: none"> Agriculture (Vote 25) |
| Purpose | <ul style="list-style-type: none"> To expand the provision of agricultural support services and to promote and facilitate agricultural development by targeting beneficiaries of the Land and Agrarian Reform programmes |
| Measurable outputs | <ul style="list-style-type: none"> Increased access to and improvement in the quality of agricultural support services provided to targeted beneficiaries (i.e. advisory, information and knowledge management, training and capacity building, market and business development support, financial, on and off farm infrastructure such as dipping) Improvement in the capacity of the departments to deliver agricultural support services Number of targeted beneficiaries (from Land and Agrarian Reform Programmes) getting access to public agricultural support services Increased access by resource poor farmers to timeous market and technical information Improvement of availability and farm and off farm infrastructure supporting targeted farmers(for example dipping , fencing , rehabilitation of irrigation scheme, etc.) Number of LRAD reform beneficiaries who accessed/accessing markets, market information and training on markets |
| Conditions | <ul style="list-style-type: none"> Funds to be used to supplement provincial budgets in order to improve and increase farmer support services within the CASP framework Confirmed capacity to implement projects and operational funding to support this capacity Quarterly reports agreed between the provinces and national department Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> The formula used to allocate funds is a weighted average of the following variables: <ul style="list-style-type: none"> The size of agricultural land, with higher weights for arable land, and the nature of agricultural activities Number of targeted farmers emerging from the land reform programme Rural population as determined by Stats SA based on 2001 Census |
| Reason why not incorporated in equitable share | <ul style="list-style-type: none"> The development of support services is a national priority given that they will enhance the productive capacity and economics success of the resource limited land users, households and communal food producers, beneficiaries of the land Reform and Agrarian Reforms Programme |
| Monitoring mechanisms | <ul style="list-style-type: none"> Quarterly progress reports on outputs against plans Quarterly visits to Provinces by the national Department of Agriculture to monitor performance and provide support |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> Not applicable, introduced in the 2004/05 financial year <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> Not applicable, introduced in the 2004/05 financial year |
| Projected life | <ul style="list-style-type: none"> Approximately 5 years |
| MTEF allocation | <ul style="list-style-type: none"> 2005/06: R250 million; 2006/07: R300 million; 2007/08: R415 million |
| Payment schedule | <ul style="list-style-type: none"> 10%: 11 Apr 2005; 35%: 11 Jul 2005; 35%: 10 Oct 2005; 20% 10 Jan 2006 |
| Responsibilities of the National Department | <ul style="list-style-type: none"> Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 Provide the guidelines and criteria for the development and approval of business plans Monitor implementation and provide support Submit quarterly performance reports to SCOF in NCOP and National Treasury Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> Provide provincial departments with business plan format guidelines, criteria and outputs by 13 May 2005 Submission of business plans by provinces on the 30th of September 2005 Engagement with provinces on business plans October/November 2005 Evaluation of business plans, last week of November 2005 Approval by Minister, December 2005 Inform provinces of approval by 2nd week of January 2006 |

| Land Care Programme Grant: Poverty Relief and Infrastructure Development | |
|---|---|
| Transferring Department | <ul style="list-style-type: none"> • Agriculture (Vote 25) |
| Purpose | <ul style="list-style-type: none"> • To address the degradation problems of natural/agricultural resources and to improve the socio-economic status and food security of rural communities |
| Measurable outputs | <ul style="list-style-type: none"> • Number of beneficiaries and kilometres of irrigation channels • Hectares of veldt under improved management systems • Number of beneficiaries that benefiting from improved production systems • Number of farmers benefiting from farming practices in reducing the depletion of soil fertility and acidity • Number of beneficiaries benefiting from training facilitated • Number of awareness activities to show how inappropriate use of agricultural resources impact negatively on the resources base i.e. project launches, farmers' days • Number of youth benefiting from sound management practices |
| Conditions | <ul style="list-style-type: none"> • Confirmed capacity to implement projects and operational funding to support this capacity • Quarterly reports agreed between the provinces and national department • Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> • The formula used to allocate funds is a weighted average of the following variables: <ul style="list-style-type: none"> – Communal land capability (% classes 1-3 of communal cultivated land) – Areas of severe degradation (degradation index) taking into consideration national priorities for critical agricultural natural resources use through the themes of soil care, water care and veldt care – Nodal areas according to ISRDP nodes – Poor households living below minimum poverty line (% medium level to high) – Size of the land in million hectares within the Province – Subsistence farming/ agriculture in terms of cultivated land percentages |
| Reason why not incorporated in equitable share | <ul style="list-style-type: none"> • The funding originated with the special poverty allocations made by national government and is not part of the equitable share |
| Monitoring mechanisms | <ul style="list-style-type: none"> • Quarterly progress reports on outputs against plans • Quarterly visits to Provinces by the national Department of Agriculture to monitor performance and provide support |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> • A total of R38 million was transferred to the Provinces <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> • 240 kilometres of irrigation channels repaired • 32 581 hectares of veldt under improved management systems • 7 154 beneficiaries benefiting from improved production systems • 800 farmers benefiting from farming practices in reducing the depletion of soil fertility and acidity • 4 953 people benefiting from training facilitated • 380 awareness activities took place to show how inappropriate use of agricultural resources impact negatively on the resources base i.e. project launches, farmers' days • 919 youth benefiting from sound management practices |
| Projected Life | <ul style="list-style-type: none"> • 5 years and subject to business plans and performance of the programme |
| MTEF allocation | <ul style="list-style-type: none"> • 2005/06: R40 million; 2006/07: R45 million; 2007/08: R47 million |
| Payment schedule | <ul style="list-style-type: none"> • 10%: 11 April 2005; 35%: 11 July 2005; 35%: 10 October 2005; 20%: 10 January 2006 |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 • Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation and provide support • Submit quarterly performance reports to SCOF in NCOP and National Treasury • Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury • Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> • Provide provincial departments with business plan format guidelines, criteria and outputs by 13 May 2005 • Submission of business plans by provinces on the 30th of September 2005 • Engagement with provinces on business plans October/November 2005 • Evaluation of business plans, last week of November 2005 • Approval by Minister, December 2005 • Inform provinces of approval by 2nd week of January 2006 |

EDUCATION GRANTS

| HIV and Aids (Life Skills Education) Grant | |
|---|---|
| Transferring department | <ul style="list-style-type: none"> Education (Vote 15) |
| Purpose | <ul style="list-style-type: none"> To coordinate and support the structured integration of life skills and HIV and Aids programmes across all Learning Areas in the school curriculum To ensure access to an appropriate and effective, integrated system of prevention, care and support for children infected and affected by HIV and Aids To deliver life skills, sexual and HIV and Aids education programmes in primary and secondary schools |
| Measurable outputs | <ul style="list-style-type: none"> 400 master trainers (in nodal areas) trained on the integration of Life skills and HIV and Aids programmes across all Learning Areas of the curriculum 10 000 educators trained to integrate the programmes across all learning areas of the curriculum Peer education, care and support programmes for learners and educators implemented in at least 200 schools |
| Conditions | <ul style="list-style-type: none"> Provincial business plans must be developed in accordance with the stipulated requirements as set out by the Department Each business plan should distribute the allocation to activities according to the following weightings: <ul style="list-style-type: none"> – Advocacy: 5% – Training and Development: Educator and EMGD training: 30% – Peer Education: 15% – Care and Support: 15% – Learning and Teaching Support Materials: 25% – Monitoring, Support and Evaluation: 7% – Management and administration: 3% <p>N.B The above percentages are given as a guideline and may be deviated from in line with the provincial needs with the written approval of the national accounting officer</p> <ul style="list-style-type: none"> Grant must be kept on separate responsibility and objective codes Provincial education departments to ensure that they have the necessary skills and capacity to manage the grant Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> Education component of the Equitable Share Formula as explained in Annexure E of Budget Review is used to allocate this grant amongst provinces |
| Reason why not incorporated in equitable share | <ul style="list-style-type: none"> Enables the Department of Education to provide overall direction, such that congruency, coherence and alignment with the Department's national strategy for HIV and Aids and the National Integrated Plan (NIP) for children infected and affected by HIV and Aids is ensured. This also enables the Department of Education to play an oversight role in the implementation of the life skills programmes in primary and secondary schools |
| Monitoring mechanisms | <ul style="list-style-type: none"> Bi-annual visits to track progress against business plan National Department should visit district offices to monitor management of implementation in district level Visit schools to verify implementation progress as reported by provinces Provincial officials will monitor implementation at district and school levels as indicated in their business plans District officials would monitor implementation of the programme at school levels Evaluation of the impact of the grant to inform the exit strategy The Departments of Education, Health and Social Development will schedule bi-annual inter-departmental meetings and inter-provincial visits as part of the integrated plan Provinces should submit the monthly, quarterly and annual reports |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> Of a total allocation of R131,6 million (R120,5 million + R11,1 million national roll over), provinces spent R106,1 million (80,6 per cent) An amount of R5,6 million was withheld from the Eastern Cape because of under-expenditure by the province <p>2003/04 service delivery</p> <ul style="list-style-type: none"> Provinces trained 12 989 learners as peer educators 34 470 educators trained in life skills More than 300 district officials trained as master trainers to train educators in life skills |
| Projected life | <ul style="list-style-type: none"> It is envisaged that, given the nature of the pandemic in the country, the need for the grant will persist for at least another three years The life cycle of the project may be extended subject to the results of the impact study The results of the impact study will also inform new emphases that the extended project would need to address |
| MTEF allocation | <ul style="list-style-type: none"> 2005/06: R136 million, 2006/07: R145 million, 2007/08 R152 million |
| Payment schedule | <ul style="list-style-type: none"> Four instalments (15 April 2005, 15 July 2005, 31 October 2005 and 31 January 2006) |

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| Responsibilities of the national Department | <ul style="list-style-type: none"> • Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 • Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation and provide support • Submit quarterly performance reports to SCOF in NCOP and National Treasury • Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury • Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> • Meeting with provinces to identify targets and activities for 2006/07 (25 April 2005) • Provinces submit draft business plans to the national Department of Education for evaluation (30 June 2005) • National Department of Education evaluates provincial business plans (30 July 2005) • Comments sent to provinces for amending the plans (15 August 2005) • Provinces submit amended, signed plans to national Department of Education (31 August 2005) • Director General: national Department of Education approve national and provincial business plans (30 September 2005) |

| National School Nutrition Programme Grant | |
|---|--|
| Transferring department | <ul style="list-style-type: none"> Education (Vote 15) |
| Purpose | <ul style="list-style-type: none"> To alleviate hunger, enhance active learning capacity and improve school attendance |
| Measurable outputs | <ul style="list-style-type: none"> Reach about 15 000 poorest schools or schools serving poorest communities Feed about 5 million learners at the identified 15 000 schools Feed for a minimum of 156 school days in all nine provinces |
| Conditions | <ul style="list-style-type: none"> Meals should comply with approved menus, nutrition quality and quantities and food safety standards Grant must be kept on separate responsibility and objective codes Provincial education departments to ensure that they have the capacity to manage the grant Measurable objectives/outputs as outlined in this framework document must be achieved Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> The distribution formula that is based on an index comprising of three indicators, namely the poverty gap (1996), poverty distribution according to population (1996) and anthropometric indicators of children (2000). The national Department of Education is currently reviewing the formula that was used by the national Department of Health and will propose a formula that will ensure that schools serving the poorest communities participate in feeding and that this formula will be phased in from 2007/08 |
| Reason why not incorporated in equitable share | <ul style="list-style-type: none"> South Africa continues to have high levels of unemployment which impact negatively on household food security, school attendance, and active learning capacity and health status. In order to redress this anomaly a conditional grant is warranted to assist in providing food to children from these poor households. A conditional grant enables the national Department of Education to exercise an oversight function in the planning and implementation of the programme |
| Monitoring mechanisms | <ul style="list-style-type: none"> Provinces must report monthly in terms of expenditure and risk management Provinces must report quarterly in terms of progress indicators. These are number of schools accessed, number of learners fed, number of days feeding occurred, number of service providers contracted and number that are SMME's, expenditure on feeding and on administration, compliance with menu options, quality, health, hygiene and project efficiency National to undertake bi-monthly monitoring visits to track progress against business plans, to monitor management and implementation at district level and to verify implementation at school level Monitoring visits by Education and Health departments on nutrition quality, quantity and food safety |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> During this reporting period the function was administered by the national Department of Health In terms of the national Department of Health's annual financial statements R711,6 million of the R808,7 million allocation in 2003/04 was spent <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> The programme was successfully transferred from the Department of Health and implemented by the Department of Education in April 2004 During monitoring visits by the Department in October 2004 across all provinces, it was evident that children in targeted schools receive food and stipulated guidelines are mostly adhered to Infrastructure such as, water and sanitation, continue to challenge all provinces although the magnitude differs |
| Projected life | <ul style="list-style-type: none"> It is envisaged that, given the economic climate in the country and the impact of various health conditions like Diabetes, HIV and AIDS and TB, the need for such a grant will persist for at least another 8 to 10 years |
| MTEF allocation | <ul style="list-style-type: none"> 2005/06: R912 million, 2006/07:R1 098 million, 2007/08:R1 153 million |
| Payment schedule | <ul style="list-style-type: none"> Four instalments (15 April 2005, 15 July 2005, 31 October 2005 and 31 January 2006) |
| Responsibilities of the national department | <ul style="list-style-type: none"> Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 Provide the guidelines and criteria for the development and approval of business plans Monitor implementation and provide support Undertake a literature review of international best practice and a baseline study to inform policy, identify good practice and improve implementation Evaluate the impact of the grant during 2006/07 Submit quarterly performance reports to SCOP in NCOP and National Treasury Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> Inter-provincial planning meeting to discuss minimum requirements (8 - 9 June 2005) Provinces submit draft plans for evaluation by the national Department of Education (8 July 2005) National Department of Education evaluates draft business plans (11 July 2005) Comments sent to provinces (12 August 2005) Provinces submit revised business plans to the national Department of Education (16 September 2005) DG: national Department of Education approves national and provincial business plans (31 October 2005) |

HEALTH GRANTS

| National Tertiary Services Grant | |
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| Transferring department | <ul style="list-style-type: none"> Health (Vote 16) |
| Purpose | <ul style="list-style-type: none"> To compensate provinces for the supra-provincial nature of tertiary services provision and spill over effects To provide strategic funding to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives including improving access and equity |
| Measurable outputs | <ul style="list-style-type: none"> Provision of designated national tertiary services levels in 27 hospitals as agreed between the province and the national Department of Health |
| Conditions | <ul style="list-style-type: none"> Completion of service level agreement (SLA) in the provided format signed by the Head of Department and the transferring officer prior to the first transfer Quarterly reporting of activity data by specialised units within the identified hospital within 14 days of end of each quarter Maintenance of separate budget and management centre for each identified hospital Department that receive this grant must communicate in writing to each benefiting hospital the allocation made, the relevant conditions and expected outputs. For monitoring purposes this information must be supplied to the National Department of Health Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> Cost of designated tertiary services as determined by the costing and the review of NTSG Costs are based on SLA and should a province provide less than the agreed services, funding may be adjusted downward accordingly, in consultation with National Treasury |
| Reason why not incorporated in equitable share | <ul style="list-style-type: none"> Tertiary services are not limited to provincial boundaries and their specialised nature makes them a national asset requiring collective agreement and management |
| Monitoring mechanisms | <ul style="list-style-type: none"> Quarterly performance reports Monthly financial reports Quarterly visits to provinces |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> The allocated amount of R4,2 billion was transferred to provinces and funding flowed to institutions as planned Administrations of conditional grants was a qualification item in the 2003/04 audit of the national department of Health <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> All provinces are submitting monitoring returns National Department has analysed activity data for 2002/03 and 2003/04 to inform the resource allocation Modernisation of Tertiary services report has been developed and submitted to Cabinet |
| Projected life | <ul style="list-style-type: none"> Support for tertiary services will continue because of their spill over effects. The grant is likely to be reformulated to support the Modernisation of Tertiary Services strategy. The planning of the service configuration and the basis for the calculation of the grant will be constantly reviewed |
| MTEF allocation | <ul style="list-style-type: none"> 2005/06: R4 709 million, 2006/07: R4 981 million, 2007/08: R5 221 million |
| Payment schedule | <ul style="list-style-type: none"> Monthly |
| Responsibilities of the national department | <ul style="list-style-type: none"> Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 Provide framework for service level agreements, assess and approve SLA's prior to transfer of funds Management of SLA Undertake grant reform process Monitor implementation and provide support Submit quarterly performance reports to SCOP in NCOP and National Treasury Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 |
| Process for approval of 2006/07 Service Level Agreement | <ul style="list-style-type: none"> Service Level Agreement will be drafted according to National Framework on Modernisation of Tertiary Services |
| Grant Reform Process | <ul style="list-style-type: none"> The grant to be reformed/reviewed in conjunction with the National Treasury The review process to be concluded and draft proposals for the development of tertiary services to be submitted to the National Treasury by 31st June 2005 Recommendations emanating from this review to be presented to Cabinet by 31 August 2005 for approval Provinces to develop costed hospital specific plans for Modernisation of Tertiary Services |

| Integrated Nutrition Programme Grant | |
|---|---|
| Transferring department | <ul style="list-style-type: none"> • Health (Vote 16) |
| Purpose | <ul style="list-style-type: none"> • To implement integrated nutrition activities aimed at improving the nutritional status of South Africans according to the following focus areas and support systems: <p>Focus Areas:</p> <ul style="list-style-type: none"> • Disease-specific nutrition support, treatment and counselling <ul style="list-style-type: none"> – Growth monitoring and promotion – Nutrition education, promotion and advocacy – Micronutrient malnutrition control – Food service management – Promotion, protection and support of breastfeeding – Contribution to household food security <p>Support Systems:</p> <ul style="list-style-type: none"> • Nutrition information system • Human resource plan • Financial and administrative system |
| Measurable objectives | <ul style="list-style-type: none"> • 80% of children under 5 years attending a clinic weighed • 5% of children under 5 years of age attending a clinic not gaining weight • 2% of children under 5 years of age identified with severe malnutrition, marasmus or kwashiorkor when attending a clinic • 140 of 480 Proportion of health facilities with maternity beds assessed for Baby-friendly Hospital Initiative |
| Conditions | <ul style="list-style-type: none"> • Access of funding through business plans • Use of funds only for approved purposes • Grant must be kept on separate responsibility and objective codes • Compliance with minimum norms and standards as determined by policy and implementation guidelines • Funding for provincial programme management functions restricted to a maximum of 10 % of the Grant • Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> • The methodology used to divide the Conditional Grant between the Provincial Departments of Health ensures that the funds earmarked for nutrition are targeted at the most vulnerable areas and population groups in terms of poverty and malnutrition. The INP conditional grant is distributed according to an index comprised of three indicators: <ul style="list-style-type: none"> – Indicator 1: 1996 Poverty gap (65 per cent of Index) – Indicator 2: 1996 Population 0 to 15 years living under the poverty line (30 per cent of index) – Indicator 3: 2000 Anthropometric indicators (5 per cent of Index) <ul style="list-style-type: none"> ○ Height for Age (1,2%) ○ Weight for Age (1,5%) ○ Weight for Height (0,3%) |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • Will be incorporated in equitable share from 2006/07 |
| Monitoring mechanisms | <ul style="list-style-type: none"> • Quarterly performance reports • Monthly financial reports • Quarterly visits to provinces |
| Past performance 2003/04 | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> • 98% expenditure in 2003/04 • R112 million was allocated in 2004/05 and transferred to provinces <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> • Number of Primary schools reached: 15 500 of 16 000 targeted (97%) • Number of Primary school learners reached: 4,7 million of 5,2 million targeted (87%) • Children under 5 years weighed attending a clinic: 12,8 million of 18,7 million (68,6%) (cumulative) • Children under 5 years of age not gaining weight attending a clinic: 198 000 of 18,7 million (1,1%) (cumulative) • Children under 5 years of age identified with severe malnutrition, marasmus or kwashiorkor when attending a clinic: 63 000 of 18,7 million (0,3%) (cumulative) • Proportion of health facilities with maternity beds assessed for Baby-friendly Hospital Initiative: 104 of 480 (21,6%) |
| MTEF allocation | <ul style="list-style-type: none"> • R123 million for 2005/06. Phased into the provincial equitable share from 1 April 2006 |
| Projected life | <ul style="list-style-type: none"> • The programme will be phased into equitable share in 2006/07 |
| Payment schedule | <ul style="list-style-type: none"> • Four instalments based on approved cash flow plans: <ul style="list-style-type: none"> – On approval of Business Plan on 15 March (first instalment on 1 April 2005) – On receipt of monthly financial reports for 1st quarter (1 July 2005) – On receipt of monthly financial reports for 2nd quarter (1 October 2005) – On receipt of monthly financial reports for 3rd quarter (1 January 2006) |

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| Responsibilities of the national department | <ul style="list-style-type: none">• Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005• Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005• Provide the guidelines and criteria for the development and approval of business plans• Monitor implementation and provide support• Submit quarterly performance reports to SCOF in NCOP and National Treasury• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury• Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 |
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| Comprehensive HIV and Aids Grant (Health) | |
|---|--|
| Transferring department | <ul style="list-style-type: none"> Health (Vote 16) |
| Purpose | <ul style="list-style-type: none"> Enable the health sector to develop an effective response to HIV and Aids Support approved interventions including high transmission area (HTA) interventions, voluntary counselling and testing (VCT), mother to child transmission prevention (PMTCT), strengthening of provincial and district management (PM), establishment of Regional Training Centres (RTC), post exposure prophylaxis (PEP) after sexual assault, home-based care (HBC), step-down care (SDC), ARV treatment component (ART) to provide a comprehensive prevention, treatment care and support package and improved management of sexually transmitted infections (STI) Support implementation of the National Operational Plan for Comprehensive HIV and AIDS Treatment and Care |
| Measurable outputs | <ul style="list-style-type: none"> 284 hospitals and fixed PHC facilities accredited as ART service points implementing the Comprehensive HIV and Aids management, care, and treatment plan, and number of ART patients 22 000 home-based carers receiving stipends 149 HTA intervention sites 35 million male condoms distributed per month 100 000 STIs treated and 100% of partners notified per month 4 037 PHC facilities offering PMTCT 4 037 PHC facilities offering VCT |
| Conditions | <ul style="list-style-type: none"> Flow of instalments will be dependent on the compliance with each condition. Non-compliance will result in the delay of transfer payments, withholding of funds or re-allocation of funds to other provinces A certified annual business plan using the standard format as determined by the National Department Monthly financial reports to be submitted latest by the 15th of the following month using standard formats as determined by the National Department. An electronic version and hard copy signed by the provincial grant receiving manager and the chief financial officer need to be submitted Quarterly performance output reports to be submitted latest by the 20th of the month following the reporting period using standard formats as determined by the National Department. An electronic version and hard copy signed by the provincial grant receiving manager need to be submitted Payment of all suppliers (including NHLS) will be effected within 30 days of receipt of invoice Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> Ante-natal HIV prevalence, estimated share of HIV positive births, estimated share of Aids cases, share of reported rapes, establishment of at least 1 treatment point per district |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> Due to the high national priority and the need for a coordinated response for the country as a whole Distribution of epidemic differs from equitable share distribution |
| Monitoring mechanisms | <ul style="list-style-type: none"> Quarterly performance reports as specified by the National Monitoring and Evaluation Framework for Comprehensive Treatment and Care Programme Monthly financial reports Quarterly provincial liaisons and visits to provinces |
| Past performance 2003/04 | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> 96 per cent expenditure in 2003/04 <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> 2 877 counsellors trained and providing services at service points 2 582 facilities were providing Voluntarily Counselling and Testing services were provided More than 300 000 people received counselling and approximately 70% of these agreed to be tested 1 652 facilities provided Prevention of Mother to Child Transmission Access to home based care services were 893 by end of March 2004 |
| MTEF Allocation | <ul style="list-style-type: none"> 2005/06: R1 135 million, 2006/07: R1 567 million, 2007/08: R1 646 million |
| Payment schedule | <ul style="list-style-type: none"> Monthly instalments based on quarterly budgets of provincial business plans |
| Responsibilities of the National Department | <ul style="list-style-type: none"> Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 Provide the guidelines and criteria for the development and approval of business plans Monitor implementation and provide support Submit quarterly performance reports to SCOF in NCOP and National Treasury Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> First draft of the business plans on the format determined by national Department of Health must be submitted to the National Department of Health by 30 September 2005 National Department of Health provides provincial budget allocations for provinces to Treasury by 15 November 2005 National Department of Health approves provincial business plans by 30 November 2005 |

| Hospital Revitalisation Grant | |
|---|--|
| Transferring department | <ul style="list-style-type: none"> Health (Vote 16) |
| Purpose | <ul style="list-style-type: none"> To provide strategic funding to enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, organizational management and development and monitoring and evaluation of hospitals in line with national policy objectives |
| Measurable objectives | <ul style="list-style-type: none"> 11 additional hospital projects approved and added to the current programme of 30 hospitals Progress of projects as recorded quarterly through monitoring and evaluation system Number of hospitals completed on the programme Each completed hospital should have achieved modernized infrastructure, up to date equipment, improved management systems and quality assurance systems |
| Conditions | <ul style="list-style-type: none"> With the exception of funding for planning, all new projects commencing in 2005/06 must have business cases and project implementation plans approved before funds can be released for such projects Provincial strategic plans must include comprehensive hospital plans, which provide a framework in which business cases are subsequently developed Adhere to the process of approval of business plans for the 2006 MTEF contained in this framework Adherence to monitoring requirements National Department to strengthen grant management and capacity and business planning and reporting processes Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> Allocations based on projected cashflow figures for approved projects for MTEF period, including Health Technology Sustain at least 4 active sites per province Past expenditure performance of the provinces Project based allocation approach is aligned with equity based approach over longer term |
| Reason not incorporated in to equitable share | <ul style="list-style-type: none"> Strategic investment in hospital services to bring all provinces up to national target These are large projects requiring substantial capital investments. Their size, lumpiness and national strategic importance is suited to dedicated funding |
| Monitoring mechanisms | <ul style="list-style-type: none"> Quarterly performance reports Monthly financial reports Quarterly visits to provinces |
| Past performance 2003/04 | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> Allocation amounted to R 717, 6 million. All funds were transferred. Provinces spent 71 per cent of transferred funds, with low spending in the Free State, Gauteng, KwaZulu-Natal, Mpumalanga, Northern Cape and North West <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> During this period 30 projects were registered in the programme. Two hospitals were completed: Calvinia and Colesberg Hospitals in Northern Cape Province |
| MTEF allocation | <ul style="list-style-type: none"> 2005/06: R 1 027 million, 2006/07: R 1 180 million, 2007/08: R 1 239 million |
| Payment schedule | <ul style="list-style-type: none"> Monthly |
| Responsibilities of the National Department | <ul style="list-style-type: none"> Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 Provide the guidelines and criteria for the development and approval of business plans Monitor implementation and provide support Submit quarterly performance reports to SCOF in NCOP and National Treasury Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> Business case for each new project planned to commence in 2006/07 must be submitted to the national Department of Health by 1 May 2005. These should use the standard framework, comply with national and provincial strategic objectives and demonstrate sustainability Approved business cases along with funding requirements for 2006/07 to be submitted to National Treasury by 30 June 2005. This should be accompanied by certificate of approval for each approved business case with required cash flow Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury Project Implementation Plan in required format covering all 4 components for each hospital signed by Head of Department must be submitted to National Department by 1 February 2006. This should contain a costed implementation plan as described in the Project Implementation Manual |
| Grant reform process | <ul style="list-style-type: none"> The grant to be reformed/reviewed in consultation with the National Treasury. The review process to be concluded by 30 June 2005 Recommendations emanating from this review to be presented to Cabinet by 31 July 2005 for approval Investigate consolidation of Hospital Management and Quality Improvement grant into this grant |

| Health Professions Training and Development Grant | |
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| Transferring department | <ul style="list-style-type: none"> • Health (Vote 16) |
| Purpose | <ul style="list-style-type: none"> • Support provinces to fund costs associated with training of health professionals • Development and recruitment of medical specialists in under-served provinces • Support and strengthen undergraduate and post graduate teaching and training processes in health facilities • Enable shifting of teaching activities from central hospital to regional and district hospital |
| Measurable outputs | <ul style="list-style-type: none"> • Number and composition of health sciences students by province and training institution • Number of registrars and students per discipline and per institution • Expanded specialist and teaching infrastructure in target provinces (Mpumalanga, Limpopo, Eastern Cape and North West) |
| Conditions | <ul style="list-style-type: none"> • National Department to research and develop reform proposals for this grant and make recommendations to National Treasury on restructuring of this grant by 15 June 2005 • Adhere to the process of approval of business plans for the 2006 MTEF contained in this framework • Submission of monitoring reports as described below • Each province to publish in its strategic plan for 2005/06, information as required by the national office, on the training of all health care personnel by training institution • Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> • A specific increment has been allocated to previously disadvantaged provinces to develop specialist and teaching capacity • Target allocation criteria will be reviewed in year for 2006 • Allocation of the training component is based on the historical approach on the basis of training of medical students |
| Reason not incorporated in the equitable share | <ul style="list-style-type: none"> • Grant primarily targets certain provinces, which currently provide the bulk of health professions training nationally • Expansion and shifting of location of teaching activities requires national coordination |
| Monitoring mechanism | <ul style="list-style-type: none"> • Quarterly performance reports • Monthly financial reports • Bi-annual reporting by provinces on the number of students enrolled by discipline, level and training institution using the prescribed format • Bi-annual reporting by targeted province on achievement of planned expansion of specialist and teaching infrastructure and on number of specialists, registrars by institution biannually |
| Past performance 2003/04 | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> • The entire R1 299 million was transferred to provinces and funding flowed to institutions as planned • Administration of conditional grants was a qualification item in the 2003/04 Audit • A total of 19 113 students (from various occupational classes) were trained during 2003/04 • A total of students in training for 2003/04 remains as 19 113 <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> • Nurse training intake at colleges has doubled |
| MTEF allocation | <ul style="list-style-type: none"> • 2005/06: R 1 520 million, 2006/07: R 1 520 million, 2007/08: R 1 596 million |
| Payment Schedule | <ul style="list-style-type: none"> • Monthly instalments |
| Responsibilities of National Department | <ul style="list-style-type: none"> • Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 • Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation and provide support • Submit quarterly performance reports to SCOF in NCOP and National Treasury • Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury • Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 • The grant will be reviewed through a comprehensive research project in conjunction with the national department of Education and National Treasury and the recommendations of the research will be shared with all stakeholders before the end of June 2005 • Strengthen capacity to manage this grant |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> • Business plans for development and training component signed by the Head of Department and approved by the National department as per developed format. The plans will be informed by the review process • First draft of the business plans must be submitted to the national department by 31 July 2005 • National Department of Health approve national and provincial business plans by 30 September 2005 |
| Grant Reform Process | <ul style="list-style-type: none"> • The grant to be reformed/reviewed, in conjunction with the national Department of Education and National Tertiary Services grants • The review process to be concluded by 30 June 2005 • Recommendations emanating from this review to be presented to Cabinet by 31 August 2005 for approval |

| Hospital Management and Quality Improvement Grant | |
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| Transferring department | <ul style="list-style-type: none"> Health (Vote 16) |
| Purpose | <ul style="list-style-type: none"> To transform hospital management and improve quality of care in line with national policy |
| Measurable outputs | <ul style="list-style-type: none"> Implementation of delegations for human resources, financial management and procurement in 27 hospitals To improve functioning of 20 hospital boards Improve financial management systems including cost centre management accounting in 12 hospitals Improve hospital information systems including patient administration systems in 20 hospitals Improve organisational management and development in 27 hospitals Develop and strengthen hospital management, systems and structures in 27 hospitals Strengthen management and leadership competencies of hospital managers in 27 hospitals Improve quality assurance systems including clinical audit, mortality and morbidity reviews, and hospital accreditation in 20 hospitals Strengthen community empowerment and participation Establish functioning patient complaint systems in 27 hospitals |
| Conditions | <ul style="list-style-type: none"> Business plans for 2005/06 to be approved before the 1st transfer Business plans for 2006/07 in the prescribed format must be approved by 15 February 2006 Progress must be reported on a quarterly and annual basis as described below The grant must support revitalisation projects, but may additionally be used for other appropriate approved projects, provided revitalisation project needs are met At least 60 per cent of the grant must be used to support revitalisation sites Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> Number of hospitals in the revitalisation programme Population and number of beds per province |
| Reason not incorporated in to equitable share | <ul style="list-style-type: none"> This is a short-term grant aimed at addressing a key priority area. It is likely the grant will be phased out as a separate entity in the next budget cycle |
| Monitoring mechanisms | <ul style="list-style-type: none"> Quarterly performance reports Monthly financial reports Quarterly visits to provinces |
| Past performance 2003/04 | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> Allocation amounted to R 133,4 million. All funds were transferred. Provinces spent 74 per cent of transferred funds, with low spending in the Eastern Cape, Free State, Limpopo, Mpumalanga and Northern Cape <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> All central hospitals are now headed by chief executive officers and most have fully fledged general management teams in place Policy on financial, personnel and procurement delegations developed Cost centre accounting system introduced in 46 public hospitals |
| MTEF allocation | <ul style="list-style-type: none"> 2005/06: R 150 million, 2006/07 R 159 million, 2007/08: R 167 million in 2007/08 |
| Payment schedule | <ul style="list-style-type: none"> Quarterly instalments |
| Responsibilities of National Department | <ul style="list-style-type: none"> Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 Provide the guidelines and criteria for the development and approval of business plans Monitor implementation and provide support Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 Submit quarterly performance reports to SCOF in NCOP and National Treasury Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 Lead grant reform process |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> Business plans for Hospital Management and Quality Improvement Component signed by the Head of Department and approved by the National Department as per developed format First draft of the business plans must be submitted to the National Department of Health by 31 July 2005 National Department of Health to approve provincial business plans by 30 September 2005 |
| Grant reform process | <ul style="list-style-type: none"> Conduct an evaluation of grant performance and develop proposals for grant reform/review together with the other hospital grants to be submitted to National treasury by 14 June 2005 Recommendations emanating from this review to be presented to Cabinet by 31 August 2005 for approval Investigate consolidation of this grant with the Hospital Revitalisation grant To strengthen grant management capacity, business planning and reporting processes |

HOUSING GRANTS

| Integrated Housing and Human Settlement Development Grant (IHAHSD) | |
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| Transferring department | <ul style="list-style-type: none"> • Housing (Vote 28) |
| Purpose | <ul style="list-style-type: none"> • To finance the implementation of National Housing programmes (excluding recurrent costs recoverable from assets falling under the pre-1994 stock) • To facilitate the establishment and maintenance of habitable, stable and sustainable human settlements in which all citizens will have access to selected social and economic amenities • Progressive eradication of informal settlements on a phased basis in accordance with the goals set out through the target for reducing slum dwellers through formalisation of informal settlements by 2014 and eradication of such by 2020 |
| Measurable outputs | <ul style="list-style-type: none"> • Implementation of 9 pilot projects on integrated human settlement • Completion of current business in respect housing developments • Number of hectares of state land (donated/ free of charge) as well as privately owned land purchased for housing development purposes • Number of housing chapters of IDP's funded and formulated to ensure alignment of housing planning with Integrated Development planning • Number and value of approved subsidies as well as constructed- in the category below R3500- by province/accredited local authorities • Number and value of subsidies approved to support the income categories R3501 to R7000 • Number and composition of multi- purpose facility clusters containing social facilities initiated within informal settlement upgrading projects as well as existing and new housing developments • Number of job opportunities created • Number of emerging contractors and amount of funding contributed to meet the goal of Black Economic Empowerment by the programme • Number of women contractors that were employed. Number of women headed households assisted with subsidies • Number of households assisted in the Urban and Rural Renewal Nodes |
| Conditions | <ul style="list-style-type: none"> • Provincial cash flows linked to projects for 2005/06 must be submitted to the National Department of Housing and business plans before the flow of the first instalment. No monthly transfer is to be made unless the province has submitted and National approved the cash flow and business plans • Business plans, which must be aligned to the new comprehensive plan as well as the provincial strategic plans for 2005/06 must be submitted to the National Department and be approved by the national department by 15 March 2005 • The development of the housing chapter must be undertaken as part of the IDP process in line with procedures for integrated development planning • Province's and accredited municipalities may, if a proven need exists and subject to approval by the Accounting Officer of the Provincial Department of housing acting in consultation with the Member of the Executive Council (MEC), utilize, to a maximum of 2% of the voted allocation to support the approved national and provincial housing programmes and priorities • Housing allocations must be in terms of National Housing Programmes and priorities, but with due consideration of: <ul style="list-style-type: none"> – Creating quality living environments – A needs orientated approach – Delivery constraints identified and addressed – Adequate capacity for effective project /financial/ monitoring management/measures for the execution of the projects, – The establishment of an integrated non-racial society • The accreditation of local authorities by the Member of the Executive Council as prescribed in the Housing Act, 1997 (as amended) • Provinces and accredited local authorities must utilize the Housing Subsidy System for budgeting, subsidy administration, financial administration and reporting purposes • Provincial Housing Departments and accredited local authorities must submit comprehensive reports on individual projects as specified in the Monitoring Guidelines by the 15th of each and every month • Provincial housing departments must set aside a allocation to finance emergency housing needs • Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> • A formula, which is consistent with the principles and provisions contained in Section 214 of the Constitution, has been applied in Housing for provincial allocations. Provincial allocations are currently made according to a formula determined by MINMEC and approved by Cabinet. The formula recognises the following factors: <ul style="list-style-type: none"> – The needs of each province as measured by the housing backlog. Backlog is a function of people who are homeless, staying in inadequate housing or conditions, and is assigned a weight of 50 percent – A poverty indicator as measured by the number of households earning less than R3 500 in each province and is weighted 30 percent |

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| | <ul style="list-style-type: none"> - A population indicator, weighted at 20 percent, as measured by each province's share of total population as per the 2001 census date with effect from the 2005/06 financial year • The formula provides for weighting in order of the priority of the elements as defined below- <ul style="list-style-type: none"> - A=HN(50%) +HH(30%) +P(20%), where <ul style="list-style-type: none"> -A = Allocation -HN = Housing Need -HH = Households earning less than R3 500 per month (affordability indicator) -P = Population - Housing need used in the formula is defined on a weighted formula that takes into account the following: <ul style="list-style-type: none"> -HN = HL (1.25) + SE (1.2)+SBY ((1.0)+ TC (1.0) +FR (0.5) where <ul style="list-style-type: none"> -HN = Housing Need -HL = Homeless People -SE = Shacks Elsewhere -TC = Tents and Caravans -FR =Flat/room on shared property - No changes in respect of the 2005/06 MTEF period allocation criteria will be made, but it is envisaged that as the new comprehensive housing plan is implemented consideration could be given to adjust the allocation formula |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • The provision of housing to the poor is a national priority • The housing development is viewed as an initiative through which projects and programmes can be funded that are in support of the housing investment being made in an effort to create viable communities <u>living in sustainable integrated human settlements</u> • The conditional grant enables the national government to provide for the implementation of housing delivery in provinces and accredited local authorities, and the monitoring of provinces and accredited local authorities accordingly |
| Monitoring mechanisms | <ul style="list-style-type: none"> • The national Department of Housing has installed a transversal computerized subsidy management system (HSS) and the related database system in all provincial housing departments for the administration of the subsidy scheme and to allow the national department to monitor progress and expenditure • Monitoring in terms of the provisions of DORA and the Monitoring Guidelines approved by the Committee of Heads of Housing • The national Department of Housing requires that the provincial Departments of Housing focus in particular attention on the submission of comprehensive non-financial information to form part of prescribed conditional grant reporting • Quarterly visits to provinces, interaction by the housing sector Chief Financial Officers and Heads of Housing and MINMEC meetings • The establishment by the national department of an internal audit team, which will visit the provinces on a regular basis to ensure that provincial departments have adequate systems in place to provide assurance that conditional grant funds are appropriately managed and controlled |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> • R4,2 billion was allocated and transferred to provinces. When including unspent funds in 2002/03, the total funds available for spending amounted to R5,2 billion, of which R538,9 million was not spent <p>2003/04 service delivery outcomes</p> <ul style="list-style-type: none"> • The number of subsidies approved in the last three years averaged 315 142 subsidies per annum, while the number of houses built during the same period averaged 180 161 houses per annum |
| Projected life | <ul style="list-style-type: none"> • Unless government directs otherwise and taking into account the level of backlogs in housing, it is anticipated that the need for funding will exist for at least the next 20 years |
| MTEF allocation | <ul style="list-style-type: none"> • 2005/06:R4 843 billion, 2006/07:R5 659 billion, 2007/08: R6 917 billion |
| Payment schedule | <ul style="list-style-type: none"> • Monthly instalments (payment schedules) as determined through predetermined provincial expenditure projections inclusive of accredited local authorities |
| Responsibility of national department and provincial department | <p>National Department</p> <ul style="list-style-type: none"> • Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 • Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation and provide support • Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 • Submit quarterly performance reports to SCOF in NCOP and National Treasury • Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury <p>Provincial Department</p> <ul style="list-style-type: none"> • Submission of audited outcomes for 2004/05 in each province by 31 August 2005 to the National Department of Housing • Submission of audited outcomes from all accredited Local Governments by 31 December 2005 |

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| Processes for approval of 2006/07 business plans | <ul style="list-style-type: none">• Business plans for 2006/07 must be submitted to the National Department on or before 31 December 2005 and be approved by the national department by 15 March 2006• No monthly transfer of funds for 2006/07 will take place to provinces unless the national department is in possession of the cash flows linked to projects for 2006/07 as well as approved the business plans as indicated above. Should it become necessary after 30 November 2005 to amend the cash flows a well motivated request must be submitted to the national department within 14 days of the promulgation of the Act• Provincial Housing Department to ensure that all subsidy allocations for 2006/07 are allocated by 31 October 2005 and such allocations should be submitted to National Housing Department for evaluation by 30th November 2005• Accredited local authorities to ensure that all subsidy allocations for 2006/07 are allocated by 31 October 2005 and such allocations schedules should be submitted to the provincial housing department for evaluation and inclusion in the comprehensive provincial housing allocation document |
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| Human Settlement and Redevelopment Grant | |
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| Transferring department | <ul style="list-style-type: none"> Housing (Vote 28) |
| Purpose | <ul style="list-style-type: none"> To fund projects that aim to improve the quality of the environment by identifying and addressing dysfunctionalities in human settlements |
| Measurable outputs | <ul style="list-style-type: none"> The outputs of the programme depend largely on the unique content of each project funded in terms of the Programme. This will include: <ul style="list-style-type: none"> Number of projects supporting the upgrading of infrastructure in depressed areas (multi year projects approved within previous financial years) Number of existing depressed areas replanned and redeveloped such as inner city redevelopment initiatives and urban renewal projects -(multi year projects approved within previous financial years) |
| Conditions | <ul style="list-style-type: none"> Projects are concluded in terms of the already approved project business plans and in terms of conditions captured in the letters of allocation issued Submit comprehensive reporting on expenditure and specified non-financial indicators as specified in the approved Programme Monitoring and Reporting Framework Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> Division between provinces is based on the outstanding commitments for 2005/06 |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> The Programme is viewed as an initiative through which projects and programmes can be funded that is in support of the housing investment being made in an effort to create viable communities. This programme is, however, in the process of being phased out and only existing commitments entered into through the approval of multi year project business plans during previous financial years will be funded during this financial year |
| Monitoring mechanisms | <ul style="list-style-type: none"> The Directorate: Special Programmes Support monitors projects on a monthly basis through financial and implementation progress reports, as well as site visits in order to ensure compliance and correct reporting on Key Performance Indicators, in accordance with an approved monitoring framework The National Department of Housing requires that provincial departments' of housing focus particularly on the submission of comprehensive, non-financial, performance related information that forms part of the conditional grant reports |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> R109 million was transferred to the provinces, in 2002/03 the grant was underspent by R106 million, this increased total funds available for spending by provinces to R215 million, and spending amounted to R86,7 million resulting in provincial underspending by about R128 million <p>2003/04 service delivery outcomes</p> <ul style="list-style-type: none"> 82 project plans were approved and implementation started: <ul style="list-style-type: none"> Twenty-one of the 82 business plans are for planning and or replanning exercises. Furthermore 12 of the 21 business plans are located within urban renewal nodes and an additional 2 are located within rural development nodes The remaining 61 business plans will upon completion provide upgraded infrastructure in depressed areas, of which 17 will lead to upgraded infrastructure in urban renewal nodes, and an additional 4 will provide infrastructure in rural development nodes |
| Projected life | <ul style="list-style-type: none"> This programme is, in the process of being phased out and only existing commitments entered into through the approval of multi year project business plans during previous financial years will be funded this financial year. No additional commitments with funding implications for future financial years will be considered |
| MTEF allocation | <ul style="list-style-type: none"> R 24,4 million in 2005/06 |
| Payment schedule | <ul style="list-style-type: none"> Monthly instalments as determined through predetermined provincial expenditure projections |
| Responsibilities of national department and provincial department | <ul style="list-style-type: none"> Department to provide report to SCOF on audited outcomes for 2004/05 of provincial receiving departments and the national department, identifying any corrective steps to be taken on any problems identified during the audit Submission of quarterly performance (i.e. outputs) reports with a quarter lag to SCOF in NCOP and National Treasury |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> Grant not foreseen to be in place in 2006/07 |

LAND AFFAIRS GRANT

| Land Redistribution: Alexandra Urban Renewal Project | |
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| Transferring department | <ul style="list-style-type: none"> Land Affairs (Vote 29) |
| Purpose | <ul style="list-style-type: none"> To contribute towards the purchase of land for the relocation and settlement of Alexandra residents and other qualifying beneficiaries |
| Measurable outputs | <ul style="list-style-type: none"> To contribute towards the acquisition of land for human settlement purposes To build 8 000 housing units for the Alexandra people and other qualifying applicants To settle approximately 32 000 people who qualify for housing subsidies on the purchased land |
| Conditions | <ul style="list-style-type: none"> The funds to be used for the sole purpose of acquisition of land for settlement only The Provincial Department will account to the Department and lawful state organs on the expenditure of the funds The funds must be used in full before the end of the financial year The Provincial Department must give a report in writing when the fund are expended and continue to report until housing projected has been completed and provide a list of beneficiaries for the land bought Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> Need-Based on the total budget allocated for land reform in the Department Based on the competing land reform programmes to be implemented |
| Reason why not incorporated in equitable share | <ul style="list-style-type: none"> This is a special Presidential project specifically in Gauteng |
| Monitoring mechanisms | <ul style="list-style-type: none"> Submission of monthly reports as per the Division of Revenue Act Quarterly reports on the progress made to date and on measurable outputs of the grant Arrange site visits to the projects to actual access progress Enforcement of conditions included in the standard agreement signed the Department of Land Affairs and Provincial Department of Housing |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> New grant <p>2003/04 service delivery</p> <ul style="list-style-type: none"> New grant |
| Projected life | <ul style="list-style-type: none"> The project will be completed in the 2007/08 financial year dependent on the request for funding by the Provincial Department of Housing |
| MTEF allocation | <ul style="list-style-type: none"> R 8 million for 2005/06 and R 8 million for 2006/07 |
| Payment schedule | <ul style="list-style-type: none"> Lump sum payment on 30 May 2005 |
| Responsibilities of the national department | <ul style="list-style-type: none"> Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 Provide the guidelines and criteria for the development and approval of business plans Monitor implementation and provide support Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 Submit quarterly performance reports to SCOF in NCOP and National Treasury Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> Provincial Business Plan to be drafted according to national framework Submission of business plan by province on the 30th of September 2005 Engagement of province on business plan October/November 2005 Evaluation of business plans, last week of November 2005 Approval by national Department of Land Affairs, December 2005 Inform provinces of approval by 2nd week of January 2006 |

NATIONAL TREASURY GRANT

| Provincial Infrastructure Grant | |
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| Transferring department | <ul style="list-style-type: none"> National Treasury (Vote 8) |
| Purpose | <ul style="list-style-type: none"> Help accelerate construction, maintenance and rehabilitation of new and existing infrastructure in education, roads, health and agriculture Gradually increase the labour-intensity of certain specific types of projects over the next five years Enhance capacity to deliver infrastructure |
| Measurable objectives/ outputs | <ul style="list-style-type: none"> Construction, rehabilitation and maintenance of roads, schools, health facilities and agriculture infrastructure Average length of employment for labour intensive projects Number of persons participating in the training programs under the expanded public works programme |
| Conditions | <ul style="list-style-type: none"> Submission of detailed infrastructure plans for 2005 Budget by 14 April 05 for departments that are targeted by the grant. These plans must comply with the prescribed format. The flow of the first instalment depend on the submission and approval of infrastructure plans and submission of fourth quarter report for the 2004/05 financial year Additional allocation of R500 distributed in terms of the Provincial Infrastructure Grant formula is included in 2007/08 to be added to roads sector share of the infrastructure grant Roads is expected to use 60 percent of the additional allocation to upgrade access roads into all weather roads, 40 per cent to upgrade and rehabilitate class 2 roads, prioritising identified freight corridors Submission of draft infrastructure plans, which include organisational support plan and infrastructure programme implementation plan for 2006/07 Budget in the prescribed format by 1 September 2005, or any other date as determined by National Treasury. The flow of the third instalment will in addition to reporting requirements be conditional upon the submission of these plans Submission of quarterly reports on physical progress with implementation of infrastructure projects in addition to in-year expenditure monitoring reports. Reported information should cover the full infrastructure budget in the province, not only the grant allocation. Reports should also indicate progress in terms of expenditure and jobs created with EPWP designated projects. The flow of the 2nd, and 3rd instalment will be conditional upon submission and approval of quarterly reports Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> The formula to allocate the grant takes account of equitable share formula and the infrastructure backlogs. In the 2004 MTEF, an average percentage of equitable share and the backlog component of the equitable share formula were used to allocate the grant among the provinces. Amounts of R115million and R130 million for 2005/06 and 2006/07 were topsliced for Northern Cape to take account of the vastness of the and area and resulting length of roads The grant allocation formula has been adjusted to take account of the revised equitable share formula and roads component. The adjustment to new formula is phased in over the 2005 MTEF by applying it to 2007/08 allocations. The allocations for the 2005/06 and 2006/07 remain unchanged as published in the 2004 Division of Revenue Act The components for the new formula used to allocate infrastructure comprises the equitable share formula, a backlog (education and health) component and a roads component, each of which is assigned an equal weight of 33,3 per cent R500 million is added to the grant allocation in 2007/08 to be added to roads share. The new formula is used to distribute this amount to each province |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> This grant ensures that provinces give priority to infrastructure maintenance, rehabilitation and construction, and support rural development initiatives in line with Government priorities |
| Monitoring mechanisms | <ul style="list-style-type: none"> Provinces are required to submit detailed quarterly reports, which capture the full details of the projects including the allocation for the year, the expenditure for the period in question and on outputs achieved |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> Allocation of the grant amounted to R2 534 million, which include R200 million for flood rehabilitation, was transferred to provinces. The grant aims to encourage increased allocation for infrastructure on roads, health and education and improved performance in the implementation of projects. Provinces increased spending on payments for capital assets from R7 920 million in 2002/03 to R9 112 million in 2003/04, which amounts to 15 percent. This grant only constitutes 13 percent of total payments for capital assets budgets in provinces, indicating that this grant has achieved its objective of increasing provincial budgets and spending capacity for infrastructure <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> The real outcome of the higher levels of spending on infrastructure is left to each province, and relevant MinMecs for key concurrent functions like education, health and roads |
| Projected life | <ul style="list-style-type: none"> To be reviewed after five years |
| MTEF allocation | <ul style="list-style-type: none"> 2005/06:R3 731 million, 2006/07:R4 118 million, 2007/08: R5 324 million |
| Payment schedule | <ul style="list-style-type: none"> Quarterly instalments |

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| Responsibilities of the national department | <ul style="list-style-type: none"> • Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 • Provide the guidelines/format for the development of infrastructure plans for 2006/07 • Monitor implementation of infrastructure plans • Support provinces to improve infrastructure delivery capacity and systems • Relevant sector department to report on quarterly performance in infrastructure delivery to NCOP |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> • Infrastructure plans are drafted according to prescribed format • Draft provincial infrastructure plans for departments that are targeted by the grant National Treasury by: 1 September 2005 • National Treasury reviews plans and give feedback to provinces by: 5 December 2005 • Final approval of provincial infrastructure plans by National Treasury: 15 March 2006 |

SOCIAL DEVELOPMENT GRANTS

| Social Assistance Administration Grant | |
|---|---|
| Transferring department | <ul style="list-style-type: none"> Department of Social Development (Vote 18) |
| Purpose | <ul style="list-style-type: none"> To fund the administration of social assistance grants which are payable in terms of the Social Assistance Act, 1992 (or the Social Assistance Act, 2004 once this new Act becomes operational) |
| Measurable outputs | <ul style="list-style-type: none"> As agreed between the transferring and receiving officers and set out per province in the monitoring plan to be submitted in terms of the Division of Revenue Act, 2005 and encompassing the following performance areas: <ul style="list-style-type: none"> Grant process integrity Service delivery quality Business planning and financial management Fraud minimisation Beneficiary payment processes and management of payment contractors |
| Conditions | <ul style="list-style-type: none"> These funds may only be used to defray costs related to the administration and payment of social assistance grants Receiving officers must: <ul style="list-style-type: none"> Cooperate in the finalisation of the monitoring plan (in terms of the Division of Revenue Act, 2005) including agreement on appropriate performance levels for a province Under the guidance of the transferring national officer ensure that systems and processes, including management information systems, are in place to report in terms of the monitoring plan and, where this is impossible, inform the transferring officer of the situation and requirements to put in place the required systems and processes After reasonable notification and consultation, in cases where prior notification is appropriate, provide access and support to investigations and investigation teams (including audit and inspection teams) Report in line with the requirements of the monitoring plan Act promptly to rectify any deficiencies in administration identified through monitoring or audits and inform the transferring officer in reasonable time where such corrective action cannot be implemented and the reasons why they cannot be implemented Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> Projected costs related to the administration of social grants taking into account historical levels of expenditure, projected trends in beneficiary numbers and service delivery and efficiency improvement requirements |
| Reason why not incorporated in equitable share | <ul style="list-style-type: none"> The grant is an interim funding mechanism to allow for a smooth transition from provincial responsibility for administration to national responsibility while national capacity is being established The rising trend in social grant expenditure and an increased need for monitoring in the transition to national responsibility requires dedicated funding from the national department and enhanced national monitoring |
| Monitoring mechanisms | <ul style="list-style-type: none"> Reports, data analysis, inspections, process and performance audits and other relevant mechanisms as to be spelt out in the monitoring plan to be submitted in terms of the Division of Revenue Act, 2005 |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> New grant <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> New grant |
| Projected life | <ul style="list-style-type: none"> This grant is envisaged to be in place only for one year as national capacity is being established to take over grant administration. Unforeseen delays in setting up this capacity may necessitate an extension of the life of the grant |
| MTEF allocation | <ul style="list-style-type: none"> 2005/06: R3 382 million, 2006/07: R 3 584 million, 2007/08: R3 734 million |
| Payment schedule | <ul style="list-style-type: none"> Monthly transfers to provinces in line with the payment schedule agreed between the Department of Social Development and the province |
| Responsibilities of the national department | <ul style="list-style-type: none"> Transfers to provinces in terms of the payment schedule Finalisation and agreement of monitoring plan Monitoring of performance as per monitoring plan and measurable outputs Ensuring that appropriate regulations and guidelines are in place with respect to grant eligibility and processes related to the social grant system |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> Grant not foreseen to be in place in 2006/07 |

| Social Assistance Transfers Grant | |
|---|--|
| Transferring department | <ul style="list-style-type: none"> Department of Social Development (Vote 18) |
| Purpose | <ul style="list-style-type: none"> To fund social assistance transfer payments to eligible beneficiaries in terms of the Social Assistance Act, 1992 (or the Social Assistance Act, 2004 once this new Act becomes operational) |
| Measurable outputs | <ul style="list-style-type: none"> The monthly number of social assistance beneficiaries in payment and the monthly amount spent per grant type for care dependency grants, child support grants, foster care grants, temporary and permanent disability grants, the grant-in-aid grants; old age grants, the war veterans grants The monthly number of people in receipt of social relief of distress and the amount spent per month on social relief of distress Beneficiaries on the system relative to estimates of eligible numbers and spending relative to allocated budgets Other indicators as agreed between the transferring and receiving officers and set out per province in the monitoring plan to be submitted in terms of the Division of Revenue Act, 2005 Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Conditions | <ul style="list-style-type: none"> The funds are exclusively for the payment of social assistance grants to eligible beneficiaries Provincial treasuries must earmark allocations per grant type per province as set out in the Annexure to this Act. Consultation and approval from the relevant provincial treasury is required where the provincial receiving officer intends to reallocate funding between grant types within a province Where it is proposed by a provincial receiving officer that an indicative/earmarked allocation to a grant type as set out in the Annexure to this Act be adjusted in-year by more than 5 per cent of the allocation for that grant type, prior approval with full motivation must be sought from the transferring national officer in consultation with the Director-General: National Treasury or his designated representative Receiving officers must: <ul style="list-style-type: none"> Cooperate in the finalisation of the monitoring plan (in terms of the Division of Revenue Act, 2005)] including agreement on appropriate performance levels for a province Under the guidance of the transferring national officer ensure that systems and processes, including management information systems, are in place to report in terms of the monitoring plan and, where this is impossible, inform the transferring officer of the situation and requirements to put in place the required systems and processes After reasonable notification and consultation, in cases where prior notification is appropriate, provide access and support to investigations and investigation teams (including audit and inspection teams) Report in line with the requirements of the monitoring plan Act promptly to rectify any deficiencies in administration identified through monitoring or audits and inform the transferring officer in reasonable time where such corrective action cannot be implemented and the reasons why it cannot be implemented |
| Allocation criteria | <ul style="list-style-type: none"> Projected number of beneficiaries and expenditure by grant type by provinces based on eligibility criteria, historical trends, demographic change and socio-economic conditions |
| Reason why not incorporated in equitable share | <ul style="list-style-type: none"> The grant is an interim funding mechanism to allow for a smooth transition from provincial responsibility for administration to national responsibility while national capacity is being established |
| Monitoring mechanisms | <ul style="list-style-type: none"> Reports, data analysis and other relevant mechanisms to be spelt out in the monitoring plan to be submitted in terms of 15(3) of the Division of Revenue Act, 2005 |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> New grant <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> New grant |
| Projected life | <ul style="list-style-type: none"> This grant is envisaged to be in place only for one year as national capacity is being established to take over grant administration. Unforeseen delays in setting up this capacity may necessitate an extension of the life of the grant |
| MTEF allocation | <ul style="list-style-type: none"> 2005/06: R52 023 million, 2006/07: R 57 070 million, 2007/08: R61 830 million |
| Payment schedule | <ul style="list-style-type: none"> Weekly transfers to provinces in line with the payment schedule agreed between the national Department of Social Development and the province |
| Responsibilities of the national department | <ul style="list-style-type: none"> Transfers to provinces in terms of the payment schedule Finalisation and agreement of monitoring plan Monitoring of performance as per monitoring plan and measurable outputs Notifying National Treasury in the case of threatened under and overspending by provinces, request approval for reallocating funding between provinces where appropriate, consult National Treasury prior to approving a shift between grants of more than 5 per cent of an allocation per grant type Ensuring that appropriate regulations and guidelines are in place with respect to grant eligibility and processes related to the social grant system |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> Grant not foreseen to be in place in 2006/07 |

| Integrated Social Development Services Grant | |
|---|--|
| Transferring department | <ul style="list-style-type: none"> • Social Development (Vote 18) |
| Purpose | <ul style="list-style-type: none"> • To enable the provinces to support and provide appropriate social welfare services and development interventions, and for immediate and appropriate short-term relief to vulnerable individuals and households who are not eligible and not receiving any form of assistance in terms of the Social Assistance Act, 1992 or Social Assistance Act, 2004 whenever this comes into effect |
| Measurable outputs | <ul style="list-style-type: none"> • The number of social welfare services and development intervention projects and or programmes delivered and supported by either the department of social development in the province or non-profit and community-based organisations • The number of individuals and households provided with short-term relief by location (municipality) and composition (gender, age and recipient of social security benefit) • Number of implementation agent (whether departmental offices, non-profit and faith based organisations and the nature of associations) |
| Conditions | <ul style="list-style-type: none"> • The funds may only defray costs related to the implementation and administration of: <ul style="list-style-type: none"> – Social welfare services interventions – Social development initiatives – Short-term relief such as drop-in centres, food parcels, soup kitchens and in other such relief that is deemed appropriate by the province to vulnerable individuals and households • Provinces must ensure that the different interventions indicated above are implemented in partnership with the non-profit sector • Provinces must with the full participation of the national Department of Social Development design social welfare and development strategies, which includes short-term relief interventions to vulnerable individuals and communities by 31 March 2005 • Provinces must ensure that appropriate systems and processes are in place to monitor the implementation of its province-specific social welfare services • Provinces must ensure that development interventions are in place • Provinces must ensure that a register is kept of individuals and households and the type and period of short-term relief provided • Provinces must submit quarterly reports to the national accounting officer within 20 days after the end of each quarter, including such information as maybe requested by the national Department of Social Development • Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> • The allocation per province is based on the proportional shares of poverty and income adjustment distribution per province |
| Reason why not incorporated in equitable share | <ul style="list-style-type: none"> • Expansion of social welfare services, development interventions and short-term relief is a national priority that requires further expansion in provinces. A conditional grant is required to ensure adequate monitoring and national support and to ensure that the capacity is further expanded without impacting on other provincial functions |
| Monitoring mechanisms | <ul style="list-style-type: none"> • Quarterly reports as set out under conditions |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> • Grant was known as the Food Emergency Relief Grant • Although overall expenditure on this grant ranges between 94 per cent and 97 per cent across the provinces it has been unable to enhance the integrated nature of social development services or address concerns pertaining to sustainability of the programme • The nature of the intervention is also short-term further complicates sustainability in service delivery to provide longer term interventions to support targeted individuals and households <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> • The centralised nature of the programme impeded fast-tracking of services through provinces • Centralise process has also impeded implementation of the programme • Programme was unable to ensure as originally conceptualised that provinces would contribute to operational and service delivery efficiencies providing food relief support to vulnerable individuals and communities |
| Projected life | <ul style="list-style-type: none"> • This grant is envisaged to be in place for one year or as soon as the necessary capacity is established within provincial departments of social development |
| MTEF Allocation | <ul style="list-style-type: none"> • 2005/06:R388 million, 2006/07:R411 million, 2007/08: R432 million |
| Payment schedule | <ul style="list-style-type: none"> • Equal bi-annual transfers on condition that a report is provided in terms of the above conditions |

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|---|--|
| Responsibilities of the national department | <ul style="list-style-type: none"> • Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 • Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation and provide support • Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 • Submit quarterly performance reports to SCOF in NCOP and National Treasury • Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> • Provincial Business Plans to be drafted according to national framework • Draft Business Plans: 31 July 2005 • National approval of draft Business Plans: 31 September 2005 • Provincial HoD approval of final Business Plans: 31 September 2005 • Final National approval of provincial Business Plans: 31 October 2005 • Submission of Business Plans and Certificate of Compliance to National Treasury by 15 April 2006 |

| HIV and Aids (Community-Based Care) Grant | |
|---|--|
| Transferring Department | <ul style="list-style-type: none"> Department of Social Development (Vote 18) |
| Purpose | <ul style="list-style-type: none"> To provide social welfare services to orphans and vulnerable children who are infected and affected by HIV and Aids, within family and community context, in partnership with non profit making organizations (NGOs, CBOs and other community organisations) To develop and support institutional structures and professionals, community workers and child and youth care workers through targeted training programmes in order to ensure effective delivery of services |
| Measurable objectives/outputs | <ul style="list-style-type: none"> Increased number of orphans and other children made vulnerable by HIV and AIDS receiving appropriate care and support 100 per cent of identified children and families receive essential material assistance 100 per cent of orphans and vulnerable children identified to be in need of alternative care referred 70 per cent of caregivers identified from communities, NGOs, CBOs, faith based organizations, families and volunteers to be capacitated through training and support 70 per cent of caregivers received a stipend 70 per cent of the identified children and families provided with counselling and support services Number of coordinating structures and partnerships for management and maintenance of social welfare services to children infected and affected by HIV/Aids increased |
| Conditions | <ul style="list-style-type: none"> Approved business plans with measurable outputs must exist for each province in line with the framework for the grant Each operational plan should be approved and signed by the Head of Department and submitted to the Director-General before 20 February of each year. The first instalment will only flow if plans are approved Legal contracts signed between provincial departments of social development and the implementing agencies by 1 April each year Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> In developing the National Integrated Plan for HIV/Aids, the HIV/Aids prevalence figure as reflected in the ante-natal survey was a guiding principle |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> The National Integrated Plan for Children Infected and Affected by HIV/Aids is a programme involving three social service departments (Education, Health and Social Development) The conditional grant provides the opportunity to establish a coordinated approach across the provinces in terms of planning and implementation, and also enables more effective monitoring by the national departments |
| Monitoring mechanisms | <ul style="list-style-type: none"> Monthly expenditure reporting by provinces Quarterly performance evaluation and reporting by national and provincial coordinators Quarterly provincial visits to evaluate implementation of the programmes Structured site visits twice a year by a team consisting of both Social Development and Health officials on the national and provincial levels |
| Performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> More than 95 per cent of the allocated amount (R65,9 million) was spent by March 2004 <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> Increase in the number of identified children infected and affected by HIV/AIDS: <ul style="list-style-type: none"> 61 582 orphaned and vulnerable children were identified and received appropriate services 9 787 child headed households were identified and received appropriate services 144 703 families were provided with food parcels and 20 945 families with special protein products 6 375 children were referred for foster care placement 50 percent of caregivers identified from communities, non-governmental organisation (NGO's), community-based organisation (CBOs) and faith-based organisations (FBOs), families and volunteers to be capacitated through training and support 4215 care givers were trained on Home Community Based Care and Support programme 5988 caregivers are receiving a stipend Counselling and support services to children and families: <ul style="list-style-type: none"> 144 703 were assisted with counselling, care and support 144 support groups were established and supported 550 families received bereavement support and burials Increase in the number of co-ordinating structures and partnership for management and maintenance of social welfare to children infected and affected by HIV and Aids: <ul style="list-style-type: none"> 169 income-generating projects were linked to home community based care 212 childcare forums were established 421 NGOs, CBOs, FBOs and sites were strengthened |
| Projected life | <ul style="list-style-type: none"> For the duration of the allocation |
| MTEF Allocation | <ul style="list-style-type: none"> 2005/06: R138 million, 2006/07: R139 million, 2007/08: R143 million |
| Payment schedule | <ul style="list-style-type: none"> Three instalments of (16 May) 60 per cent, (16 September) 30 per cent and (16 January) 10 per cent |

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|---|--|
| Responsibilities of the national department | <ul style="list-style-type: none"> • Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 July 2005 • Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 April 2005 • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation and provide support • Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 • Submit quarterly performance reports to SCOF in NCOP and National Treasury • Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> • Provincial Business Plans to be drafted according to national framework • Draft Business Plans: 31 July 2005 • National approval of draft Business Plans: 31 September 2005 • Provincial HoD approval of final Business Plans: 31 September 2005 • Final National approval of provincial Business Plans: 31 October 2005 • Submission of Business Plans and Certificate of Compliance to National Treasury by 15 April 2006 |

DEPARTMENT OF SPORT AND RECREATION GRANTS

| Mass Sport and Recreation Participation Programme Grant | |
|--|---|
| Transferring department | <ul style="list-style-type: none"> • Sport and Recreation SA (SRSA) (Vote 19) |
| Purpose | <ul style="list-style-type: none"> • Promotion of mass participation within disadvantaged communities in a selected number of sport activities and the empowerment of communities to manage these activities in conjunction with provincial departments responsible for sport |
| Measurable outputs | <ul style="list-style-type: none"> • 220 People trained in Sport and Recreation administration • 220 coaches trained • 220 referees trained • 500 000 people participating actively in the programme • 450 people trained in First Aid • 450 people trained in events management • 450 people trained in life skills programme • 100 recreation clubs formed |
| Conditions | <ul style="list-style-type: none"> • Provincial departments responsible for sport will be required to enter into formal agreements after approval of business plans prior to the start of the financial year • Each approved project must have a sustainability plan • Provinces identify priority areas in accordance with presidential nodes and high crime areas • Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with national department |
| Allocation criteria | <ul style="list-style-type: none"> • Funds are distributed equally among provinces (except for 1 province) in the first and second year (2005-2006 and 2006-2007). Thereafter it will be based on a formula using the equitable share and number of municipalities per province |
| Reason why not incorporated in equitable share | <ul style="list-style-type: none"> • A conditional grant is necessary to ensure: <ul style="list-style-type: none"> – National coordination and facilitation – National coordinated and integrated campaign to get the nation active |
| Monitoring mechanisms | <ul style="list-style-type: none"> • Performance monitoring based on in-person inspections by national department to 8 hubs per month • Provincial Performance monitored at 12 monthly national workshops • Annual Impact study by external agent |
| Past performance | <p>2003/04 audited financial outcomes</p> <ul style="list-style-type: none"> • New grant introduced in the 2004/05 financial year <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> • New grant introduced in the 2004/05 financial year |
| Projected life | <ul style="list-style-type: none"> • SRSA will provide project funding and support for the 3 years for specific areas. As an exit strategy business training will be provided in 2006/07 that will develop franchises in the hubs that will continue with the programme after 2007/08. Provinces will implement and monitor the projects on an ongoing basis |
| MTEF Allocation | <ul style="list-style-type: none"> • 2005/06: R24 million; 2006/7: R39 million; 2007/08: R41 million |
| Payment schedule | <ul style="list-style-type: none"> • Four instalments 44,4% (25 April 2005); 22,6% (25 July 2005); 17,1% (25 October 2005); 15,9% (25 January 2006) |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • Evaluate Annual Reports for the 2004/05 grants for submission to NCOP and National Treasury by 31 July 2005 • Agree on output and targets with provincial departments in line with grant objectives for 2006/07 by 30 September 2005 • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation and provide support • Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005 • Submit quarterly performance reports to SCOF in NCOP and National Treasury • Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury |
| Process for approval of 2006/07 business plans | <ul style="list-style-type: none"> • SRSA provide business plan blue prints to provinces (15 November 2005) • Provinces provide draft business plans to SRSA. (30 November 2005) • SRSA evaluates draft business plans (15 December 2005) • Comments send to provinces (15 January 2006) • Provinces submit revised business plans to SRSA (30 January 2006) • HOD approves business plans (15 February 2006) |

APPENDIX E2:
FRAMEWORKS FOR CONDITIONAL
GRANTS TO MUNICIPALITIES

Appendix E2: Frameworks for Conditional Grants to Municipalities

Detailed frameworks on schedules 4B, 6, 6A and 7 grants to municipalities

Introduction

This appendix provides a brief description for each grant in Schedules 4B, 6, 6A and 7 of the Division of Revenue Bill. The following are key areas considered for each grant:

- Purpose and measurable objectives of the grant
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Monitoring mechanisms
- Past performance
- The projected life of the grant
- 2005 MTEF allocation
- The payment schedule
- Responsibility of national transferring department

NATIONAL TREASURY GRANTS

| | Local Government Financial Management Grant |
|---|--|
| Transferring department | <ul style="list-style-type: none"> National Treasury (Vote 8) |
| Purpose | <ul style="list-style-type: none"> To promote and support reforms to municipal financial management and the implementation of the Municipal Finance Management Act (MFMA) |
| Measurable outputs | <ul style="list-style-type: none"> The preparation and implementation of multi-year budgets meeting uniform norms and standards The implementation of accounting reforms Improvements in internal and external reporting on budgets, finances and annual reports Implement the Municipal Finance Management Act |
| Conditions | <ul style="list-style-type: none"> The submission of a Council resolution striving to achieve multi-year budgets and implementation of accounting and reporting reforms The employment of an appropriately skilled chief financial officer Completion and submission of a checklist identifying critical financial management areas to be addressed Submission of a plan to implement budget and financial management reforms |
| Allocation criteria | <ul style="list-style-type: none"> The allocation of funds was initially targeted at pilot municipalities in all categories of municipalities (A, B and C) to implement and refine the financial reforms. With the phased implementation of the MFMA and the countrywide roll out of the reforms, the grant will be extended to cover all municipalities over the MTEF Multi-year allocations by municipality are published in this gazette |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> To provide for the critical need to develop municipal financial management capacity and to lend support to the implementation of the Municipal Finance Management legislation |
| Monitoring system | <ul style="list-style-type: none"> Monthly monitoring is undertaken by the National Treasury per the requirements contained in Division of Revenue Act and the signed agreements |
| Past performance | <p>2003/04 audited financial outcome</p> <ul style="list-style-type: none"> All funds have been transferred. All 284 municipalities are now part of the programme. Municipalities were required to provide certified bank account details prior to transfer of resources during September 2004 and a short delay was experienced in making transfers. The monthly reports submitted by most municipalities on actual spending show varying levels of spending No adverse audit issues were identified The department's 2003/04 annual report contains a detailed explanation of the grant outcomes. The audit process for municipalities receiving these grants has also not been concluded, as some municipalities have not submitted their financial statements, so it is not possible to assess whether the funds received were spent as stipulated <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> The MFMA became effective 1 July 2004. Municipalities have been classified into 50 high, 107 medium and 127 low capacity resulting in a phased approach to the implementation of the Act. SAQA accredited unit standards NQF level 6 certificate qualification in Municipal Finance Management were approved All 284 municipalities are currently participating in the reform programme. Over 200 finance interns have been appointed using this funding to increase finance management capacity in local government Budget training conducted with all high and medium capacity municipalities in terms of the phase in of the Act |
| Projected life | <ul style="list-style-type: none"> The programme is designed to support and implement the MFMA. This initiative is also linked to governments' international contractual obligations with regards the international advisor programme. The programme will continue until 2007/08. The grant forms part of government's broader capacity building initiative and focuses on building in-house municipal capacity. After this period the grant will be distributed via the local government equitable share formula to all municipalities |
| MTEF allocation | <ul style="list-style-type: none"> R198,7 million in each of the 2005/06, 2006/07 and 2007/08 financial years |
| Payment schedule | <ul style="list-style-type: none"> The grant will be disbursed during July 2005 |
| Responsibilities by national department | <ul style="list-style-type: none"> National Treasury is responsible for monitoring and management of the programme Funds will continue to be transferred to municipalities as well as leveraging a portion of the grant to secure international expertise through the Municipal Finance Management Technical Assistance Programme administered by DBSA The programme will encompass implementation of the Municipal Finance Management Act |

| Local Government Restructuring Grant | |
|---|---|
| Transferring department | <ul style="list-style-type: none"> National Treasury (Vote 8) |
| Purpose | <ul style="list-style-type: none"> To support municipal restructuring initiatives of large municipalities |
| Measurable outputs | <ul style="list-style-type: none"> Outputs of individual grants are specified by municipality in their restructuring plans, and are subject to negotiation and agreement with the National Treasury |
| Conditions | <ul style="list-style-type: none"> Funds will be made available on the basis of a municipality's commitment to a locally owned restructuring plan that addresses challenges in a sustainable manner The municipal council must pass a resolution agreeing to the plan Quarterly reports measuring progress towards achieving agreed milestones Transfers will depend upon the progressive implementation and achievement of agreed milestones |
| Allocation criteria | <ul style="list-style-type: none"> Municipalities with total annual budgets exceeding R300 million qualify for this grant, on the grounds of the macroeconomic risk should they not restructure or modernise. This allocation is demand-driven, with applications subjected to an intensive assessment, evaluation and review prior to negotiation of milestones, and credible plans to achieve such restructuring or modernisation |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> The grant supports implementation of municipal restructuring or modernisation plans necessary to avoid financial distress and possible risks to the national fiscus |
| Monitoring system | <ul style="list-style-type: none"> National Treasury conducts a technical evaluation of applications and reviews regular reports in terms of the grant agreements |
| Past performance | <p>2003/04 Audited financial outcome</p> <ul style="list-style-type: none"> Five applications have been assessed during 2004 Mangaung's payments were withheld due to non-compliance and the grant agreement will be extended until 2005/06 Further agreements undertaken with the City of Johannesburg in December 2004 No audit issues were identified The department's 2003/04 annual report contains a detailed explanation of the grant outcomes <p>2003/04 Service delivery performance</p> <ul style="list-style-type: none"> Cacadu District Municipality has commenced its role as a development facilitator to the local municipalities in the district. Quarterly assessments for Emfuleni and Buffalo City will be undertaken in 2005 to ensure compliance with the conditions of the grant |
| Projected life | <ul style="list-style-type: none"> The grant is anticipated to continue for a further three years and will be subject to a progress review in 2006/07. The grant will thereafter be incorporated into the Equitable Share |
| MTEF allocation | <ul style="list-style-type: none"> R350 million in each of the 2005/06, 2006/07 and 2007/08 financial years |
| Payment schedule | <ul style="list-style-type: none"> Quarterly transfers are planned in accordance with restructuring agreements and achievements of milestones |
| Responsibilities by national department | <ul style="list-style-type: none"> Ongoing assessment to determine progress against agreed milestones and the future of the grant to be reviewed following the achievements of restructuring plans in 2007 |

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT GRANTS

| Municipal Systems Improvement Grant (MSIG) | |
|--|--|
| Transferring Department | <ul style="list-style-type: none"> Provincial and Local Government (Vote 5) |
| Purpose | <ul style="list-style-type: none"> To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Local Government Municipal Systems Act of 2000 |
| Measurable Outputs | <ul style="list-style-type: none"> Review IDPs and ensure alignment to the Budgets Implementation of Performance Management Systems Implementation of Section 78 of MSA - division of powers and functions Number of Ward Committee meetings to promote Public Participation Development and implementation of District wide Capacity Building framework in line with the National Capacity Building Framework Develop municipal rates policies and compile of property valuation rolls by municipalities in terms of Local Government: Municipal Property Rates Act No. 6 of 2004 Support to Planning Implementation and Management Support Centers |
| Conditions | <ul style="list-style-type: none"> Submission of a district wide action plan in a prescribed format including time frames on the implementation of the measurable outputs Submission of a council resolution striving to achieve the measurable outputs in the action plan Submission of an impact report on the past performance of the grant Submission of PIMS Centre annual work plan |
| Allocation Criteria | <ul style="list-style-type: none"> Allocations are made to district municipalities, and selected category B local municipalities Allocations to be determined according to assessed need |
| Reasons not incorporated in Equitable Share | <ul style="list-style-type: none"> The grant gives effect to assist municipalities implement Local Government Legislation |
| Monitoring system | <ul style="list-style-type: none"> Submission of quarterly reports on support provided to municipalities and the progress made with the implementation of the plan according to the outputs identified Submission of PIMS Centre quarterly reports on progress with PIMS Centre annual work plan to dplg (Chief Director: Development Planning) Submission of monthly expenditure reports by municipalities as stipulated in the Division of Revenue Act Random site visits |
| Past Performance | <p>2003/2004 audited financial outcome</p> <ul style="list-style-type: none"> The Auditor- General reported as an emphasis of matter material contravention of the requirements of the Division of Revenue Act. The department did not have a single composite documented policy and procedure manual on how to deal with and ensure compliance with DORA, 2003 (Act No. 7 of 2003) or how to apply the remedies in terms of the act, such as delaying funds and withholding funds <p>2003/2004 service delivery performance</p> <ul style="list-style-type: none"> 54% out of the 154 Water Service Authorities has commenced with the Sec 78 assessments (Municipal Systems Act, 2000) for appropriate water service provision 47 PIMS Centres have been established in all 47-district municipalities by March 2004 234 out of 284 IDPs reviewed for 2004/05 financial year 68% of municipalities are satisfied with PIMS support and assistance 92 % of municipalities have established Performance Management Systems (PMS) frameworks 77% of municipalities participated in the Municipal Performance Excellence Awards 53% submitted their annual performance reports |
| Projected Life | <ul style="list-style-type: none"> The grant will be phased into the local government equitable share over the medium term |
| MTEF allocation | <ul style="list-style-type: none"> R200 million in each of the 2005/06, 2006/07 and 2007/08 financial years |
| Payment Schedule | <ul style="list-style-type: none"> Transfers will be made in accordance with the requirements of the Division of Revenue Act. The first transfer will be made on receipt of action plans. The second transfer will be made upon progress in implementation |
| Responsibilities by national department | <ul style="list-style-type: none"> Department to report to SCOF on audited outcomes for 2003/04, identifying any corrective steps to be taken on any problems with this grant identified during audit. Also report on outputs achieved in 2003/04 Detailed information on the allocation formula and data used, and on monitoring system, to be submitted to SCOF in NCOP Submission of quarterly performance (i.e outputs) reports with a quarter lag to SCOF in NCOP |

| Municipal Infrastructure Grant (MIG) | |
|--|---|
| Transferring department | <ul style="list-style-type: none"> Provincial and Local Government (Vote 5) |
| Purpose | <ul style="list-style-type: none"> To supplement municipal capital budgets to eradicate backlogs in basic municipal infrastructure utilised in providing basic services for the benefit of poor households To eradicate the bucket sanitation system mainly in urban townships |
| Measurable outputs | <ul style="list-style-type: none"> Number of new households receiving water and sanitation services per annum Number of additional kilometres' roads developed Number of households receiving new electricity connections Number of jobs created using expanded public works guidelines for above outputs Number of households where the bucket sanitation system has been replaced with an alternative system |
| Conditions | <ul style="list-style-type: none"> Prioritise residential infrastructure for water, sanitation, electricity, refuse removal, streets lighting, solid waste, connector and bulk infrastructure, and other municipal infrastructure like roads, in line with any MIG or government sector policies established before the start of the municipal financial year Compliance with section 16 and 20 of 2005 Division of Revenue Act, including tabling of capital budgets. District municipalities to also comply with section 24 of the 2005 Division of Revenue Act, on transfers and project agreements with local municipalities . Municipalities must finalise the commitments made by 30 September 2003 on CMIP and DWAF capital programmes by year-end 2005/06 Municipalities must adhere to the labour-intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines Municipalities to submit reports in terms of the format prescribed by section 71 and 72 of the MFMA Municipalities that have prioritised the eradication of the bucket sanitation system for 2005/06, should submit detailed plans to DWAF by 30 June 2005 together with projects and estimated costs Identified projects for 2005/06 should demonstrate that the new sanitation system meets the necessary technical and operational requirements Municipalities that have prioritised the eradication of the bucket sanitation system for 2006/07 and beyond, should submit detailed plans to DWAF by 1 October 2005 together with projects and estimated costs |
| Allocation criteria | <ul style="list-style-type: none"> Part 5 of Annexure E spells out the MIG formula in detail. The formula incorporates backlog and poverty-weighted data Indicative allocations of portion earmarked for eradication of the bucket sanitation system may change subject to readiness of projects, municipality plans for future years and changes in the cost thereof. |
| Reasons not incorporated in equitable share | <ul style="list-style-type: none"> This is a specific purpose grant with objectives and distribution criteria (e.g. backlogs on infrastructure) different from that of the equitable share |
| Monitoring system | <ul style="list-style-type: none"> This grant requires monitoring of the overall capital budget of municipalities. Each sector national or provincial department will be expected to fulfil sectoral monitoring role National and provincial treasuries will monitor municipal capital budgets, and the reporting on spending information |
| Past performance | <p>2003/2004 audited financial outcome</p> <ul style="list-style-type: none"> The Auditor- General reported as an emphasis of matter material contravention of the requirements of the Division of Revenue Act by the national department, noting that it did not have a single composite documented policy and procedure manual on how to deal with and ensure compliance with the Division of Revenue Act, 2003 (Act No. 7 of 2003) or how to apply the remedies in terms of the Act. The 2005 Division of Revenue Act clarifies responsibilities of the national transferring department, now that the MIG is classified as a Schedule 4 grant. |
| Projected life | <ul style="list-style-type: none"> The programme will continue up to 2013 subject to availability of funding |
| MTEF allocation | <ul style="list-style-type: none"> 2005/06: R5 436 million; 2006/07: R7 454 million; 2007/08: R8 301 million. A ring-fenced allocation of R200 million, R400 million and R600 million has been included in MIG over the 2005 MTEF to fast track the eradication of bucket sanitation system |
| Phasing arrangements | <ul style="list-style-type: none"> Consolidation process will be completed at the end of the 2005/06 financial year Commitments made before 30 September 2003 by national departments administering grants incorporated into MIG are prioritised and would be fully phased out by year end 2005/06 |
| Payment schedule | <ul style="list-style-type: none"> Transfers are made in terms of the Division of Revenue Act |
| Responsibilities of national departments | <ul style="list-style-type: none"> dplg – Administer the municipal infrastructure grant and co-ordinating Municipal Infrastructure Task Team meetings DWAF –support and monitor municipalities to prepare and implement Water Services Development Plans (WSDP's) and monitor progress on water and sanitation budgets Department of Public Works to monitor compliance with the EPWP National Treasury – ensure receipt of budgets of municipalities by 31 July 2005, monitor-spending trends in terms of MFMA Sports and Recreation SA to play an advocacy role and assist the municipalities with planning of sports and recreation facilities and monitor implementation None of the responsibilities listed herein should be construed to imply approval of projects by any national or provincial department |

DEPARTMENT OF WATER AFFAIRS AND FORESTRY GRANTS

| Implementation of Water Service Projects | |
|---|--|
| Transferring department | <ul style="list-style-type: none"> Water Affairs and Forestry (Vote 34) |
| Purpose | <ul style="list-style-type: none"> To fund bulk, connector and internal infrastructure for water services at a basic level of service and to implement such projects on behalf of municipalities |
| Measurable outputs | <ul style="list-style-type: none"> Number of people to be served with water – 45 000 (targeted) Number of jobs to be created: 3 200 for all categories Number of people to be impacted through health and hygiene programme – 68 000 (targeted) Number of toilets to be constructed: 17 100 |
| Conditions | <ul style="list-style-type: none"> Municipalities are required to meet the following outputs: <ul style="list-style-type: none"> Submit the necessary service plans (e.g. WSDP) and budget for the operation and maintenance costs of projects, including the implementation thereof Have demonstrated acceptable level of expertise in managing water services projects Have established the mechanisms and structures for reporting Enter into formal service provision agreements (including provision for payment of services rendered by the department) with the department Completed projects will be transferred to municipalities |
| Allocation criteria | <ul style="list-style-type: none"> The commitments for ongoing projects as well as operational, capacity and transference of completed projects will receive preference in the programme No new infrastructure projects will be implemented. Only projects previously approved by the Minister will be implemented |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> This is a specific capital transfer focused programme with the national policy priority of ensuring all South Africans have access to safe water sources and acceptable sanitation systems This capital programme comes to end in this financial year. Ongoing project commitments will be completed with final year funding |
| Monitoring system | <ul style="list-style-type: none"> Projects are managed and monitored by DWAF through the principles of the build, operate, train and transfer mechanism |
| Past performance | 2003/04 audited financial outcome <ul style="list-style-type: none"> There were no specific comments on the Water Services Capital Grant with regards to the 2003/04 financial year |
| | 2003/04 service delivery performance <ul style="list-style-type: none"> Approximately 10,5 million people have been provided with access to basic water services and 123 projects have been transferred to municipalities. Approximately 317 000 toilets have been constructed in the past six years and 1,7 million people have benefited from accompanied health and hygiene programmes |
| Projected life | <ul style="list-style-type: none"> The programme is in its final year and will be fully incorporated into MIG in 2006/07 |
| MTEF allocation | <ul style="list-style-type: none"> R138,7 million for the 2005/06 financial year |
| Payment schedule | <ul style="list-style-type: none"> Based on monthly and quarterly cash flow forecasts from implementing agents and provinces |
| Responsibilities by national department | <ul style="list-style-type: none"> Department to ensure that ongoing projects are completed and transferred to appropriate municipalities Department report to SCOF on audited outcomes for 2004/05, identifying any corrective steps to be taken on any problems with this grant identified during audit. Also to report on outputs achieved in 2004/05 Detailed information on the allocation formula and data used, and on monitoring system, to be submitted to SCOF in NCOP during the hearings on the Division of Revenue Bill or as agreed. Internal control documents such as the Water Services Financial Delegation and Water Services Work Plan will be used to achieve monitor outputs Submission of quarterly performance (i.e. outputs) reports with a quarter lag to SCOF in NCOP |

| Water Services Operating and Transfer Subsidy (via augmentation to the Water Trading Account) | |
|--|---|
| Transferring department | <ul style="list-style-type: none"> Water Affairs and Forestry (Vote 34) |
| Purpose | <ul style="list-style-type: none"> To augment the Water Trading Account of the Department of Water Affairs and Forestry (DWAF) to subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department |
| Measurable outputs | <ul style="list-style-type: none"> Operating outputs: <ul style="list-style-type: none"> Operation of water services schemes and improved revenue collection Support to complete Water Services Development Plans linked to municipal operating budgets and IDPs All transfer agreements signed and formalised by 31 March 2006 Successful transfer of all appropriate staff, budgets and schemes to municipalities by 31 March 2006 Transfer outputs: <ul style="list-style-type: none"> Schemes refurbished to standards outlined in terms of the agreed policy framework Sustainability assessments completed per scheme or group of schemes to be transferred Water Services Authority/Provider has developed sufficient capacity in line with funding requirements Cost recovery plan in place to support the sustainability of schemes |
| Conditions | <ul style="list-style-type: none"> The operating and transfer subsidy is a grant in kind until the effective date of transfer. The operating subsidy (grant in kind) will cover staff related costs (HR component), the direct operating and maintenance costs (O component), the refurbishment costs and will facilitate the transfer of schemes All receiving municipalities and providers will be required to conclude formal transfer agreements where the latest effective date of transfer is 31 March 2006 The necessary capacity must be in place in the receiving institution for the implementation of the conditional grant 2005/06 – Where transfer agreements are in place by 31 March 2006, schemes transferred during the year will be transferred with the remaining 3 year O component and remaining 3 year HR component of the budget 2006/07 – All transfer agreements concluded. Receiving institutions continue to receive the O and HR components for 2 years 2007/08 – All transfer agreements concluded. Receiving institutions continue to receive the O and HR components for 1 year 2008/09 – Onwards incorporation into the local government equitable share |
| Allocation criteria | <ul style="list-style-type: none"> Basic allocation per Water Services Authority in accordance with the operational requirements identified and agreed to in transfer agreements |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> To facilitate the transfer of schemes to Water Service Authorities/Providers, following which funds will be incorporated into the local government equitable share |
| Monitoring system | <ul style="list-style-type: none"> A comprehensive Information and monitoring and evaluation system has been developed and is being implemented |
| Past Performance | <p>2003/04 audited financial outcome</p> <ul style="list-style-type: none"> There were no specific comments on the Water Services Operating and Transfer Subsidy with regards to the 2003/04 financial year <p>2003/04 service delivery performance</p> <ul style="list-style-type: none"> Progress can be summarised as follows: 25 agreements signed, 495 staff transferred, 301 staff seconded and 84 schemes with a total asset value of approximating R1 000 million transferred. The department has conducted a joint study with dplg outlining the process of transferring over 300 water schemes with their staff to 53 municipalities |
| Projected life | <ul style="list-style-type: none"> The transfer of assets and staff to be completed by 31 March 2006. DWAF role as service provide will terminate at the end of 2005/06. DWAF to continue to monitor implementation of conditional grants to the end of 2011/12 |
| MTEF allocation | <ul style="list-style-type: none"> R934,4 million for 2005/06 and R990,5 million for 2006/07 and R1 040 million for 2007/08 financial years |
| Payment schedule | <ul style="list-style-type: none"> The payments will be made on a quarterly basis as agreed to in the transfer agreement for each specific scheme/municipality |
| Responsibilities by national department | <ul style="list-style-type: none"> Detailed information on the allocation formula and data used, and on monitoring system, to be submitted with SCOF in NCOP during the hearings on the Division of Revenue Bill or as agreed Submission of quarterly performance (i.e outputs) reports with a quarter lag to SCOF in NCOP |

DEPARTMENT OF MINERALS AND ENERGY GRANTS

| Integrated National Electrification Programme | |
|--|---|
| Transferring department | <ul style="list-style-type: none"> Minerals and Energy (Vote 30) |
| Purpose | <ul style="list-style-type: none"> To implement the Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings |
| Measurable outputs | <ul style="list-style-type: none"> The number of connections to households, schools and clinics per annum, Progress on reduction of electrification backlog Implementation of labour intensive methods on electrification projects and the number of jobs created |
| Conditions | <ul style="list-style-type: none"> Municipalities must contractually undertake to: <ul style="list-style-type: none"> Account for the allocated funds on a monthly basis by the 10th of every month Pass all benefits to end-customers Not utilise the fund for any purpose other than electrification Adhere to the approved electrification programme and agreed cash flow budgets Ring-fence electricity function Adhere to the labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles etc |
| Allocation criteria | <ul style="list-style-type: none"> Applications from licensed municipal distributors based on: <ul style="list-style-type: none"> High backlog Rural bias Integration with other programmes such as URP, ISRD, other infrastructure programmes like RDP housing etc Ability to provide top-up or seed capital for project finance The requirements to furnish appropriate documentation, approved tariffs, ring-fenced functions The financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks Effective credit control policies Consultation with communities in terms of IDP process |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> This is a specific conditional capital transfer in support of the Integrated National Electrification Programme |
| Monitoring system | <ul style="list-style-type: none"> Monthly reports in accordance with PFMA and Division of Revenue Act together with a technical audit process |
| Past performance | 2003/04 audited financial outcome <ul style="list-style-type: none"> There were no specific comments on the INEP with regards to 2003/4 financial year |
| | 2003/04 service delivery performance <ul style="list-style-type: none"> From 2001, 185 935 households and 11 schools were connected with a total expenditure of R1 047 million |
| Projected life | <ul style="list-style-type: none"> This grant will be fully incorporated into the Municipal Infrastructure Grant (MIG) in 2006/7 |
| MTEF allocation | <ul style="list-style-type: none"> R258 million for the 2005/06 financial year |
| Payment schedule | <ul style="list-style-type: none"> Transfers are made monthly based on pre-agreed plans and cash flows |
| Responsibilities by national department | <ul style="list-style-type: none"> Department report to SCOF on audited outcomes for 2003/4, identifying any corrective steps to be taken on any problems with this grant identified during audit. Also to report on outputs achieved in 2004/05 Detailed information on the allocation formula and data used and on monitoring system, to be submitted to SCOF in NCOP during the hearings on the Division of Revenue Bill or as agreed Submission of quarterly performance (outputs) reports with a quarterly lag to SCOF in NCOP |

APPENDIX E3:
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6)
(National and Municipal Financial Year)

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | Local Government Restructuring Grant | | |
|---|---------------------------------------|---|--------------------|--------------------|--------------------------------------|--------------------|--------------------|
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| EASTERN CAPE | | | | | | | |
| A | Nelson Mandela | 3 500 | 1 000 | 1 000 | 1 000 | 50 000 | 50 000 |
| B | ECI01 Camdeboo | 250 | 500 | 500 | 500 | | |
| B | ECI02 Blue Crane Route | 250 | 500 | 500 | 500 | | |
| B | ECI03 Ikwezi | 250 | 500 | 500 | 500 | | |
| B | ECI04 Makana | 750 | 750 | 750 | 750 | | |
| B | ECI05 Ndlambe | 750 | 750 | 750 | 750 | | |
| B | ECI06 Sundays River Valley | 250 | 500 | 500 | 500 | | |
| B | ECI07 Baviaans | 250 | 500 | 500 | 500 | | |
| B | ECI08 Kouga | 750 | 750 | 750 | 750 | | |
| B | ECI09 Koukamma | 250 | 500 | 500 | 500 | | |
| C | DCI0 Cacadu District Municipality | 1 000 | 500 | 500 | 500 | | |
| Total: Cacadu Municipalities | | 2 500 | 5 750 | 5 750 | 5 750 | 50 000 | 50 000 |
| B | ECI121 Mbashe | 250 | 500 | 500 | 500 | | |
| B | ECI122 Mquma | 500 | 500 | 500 | 500 | | |
| B | ECI123 Great Kei | 250 | 500 | 500 | 500 | | |
| B | ECI124 Amahlathi | 500 | 500 | 500 | 500 | | |
| B | ECI125 Buffalo City | 2 500 | 500 | 500 | 500 | | |
| B | ECI126 Ngqushwa | 250 | 500 | 500 | 500 | | |
| B | ECI127 Nkonkobe | 750 | 750 | 750 | 750 | | |
| B | ECI128 Nxuba | 250 | 500 | 500 | 500 | | |
| C | DCI2 Amatole District Municipality | 1 500 | 500 | 500 | 500 | | |
| Total: Amatole Municipalities | | 5 000 | 4 750 | 4 750 | 4 750 | 35 000 | 35 000 |
| B | ECI131 Inxuba Yethemba | 250 | 500 | 500 | 500 | | |
| B | ECI132 Tsolwana | 250 | 500 | 500 | 500 | | |
| B | ECI133 Inkwanca | 250 | 500 | 500 | 500 | | |
| B | ECI134 Lukhanji | 750 | 750 | 750 | 750 | | |
| B | ECI135 Intsika Yethu | 250 | 500 | 500 | 500 | | |
| B | ECI136 Emalahleni | 250 | 500 | 500 | 500 | | |
| B | ECI137 Engcobo | 250 | 500 | 500 | 500 | | |
| B | ECI138 Sakhsizwe | 250 | 500 | 500 | 500 | | |
| C | DCI3 Chris Hani District Municipality | 1 000 | 500 | 500 | 500 | | |
| Total: Chris Hani Municipalities | | 2 500 | 4 250 | 4 250 | 4 250 | 35 000 | 35 000 |

1) Allocations for the Restructuring Grant to the City of Cape Town, eThekweni, Nelson Mandela and City of Tshwane are indicative only, and subject to approval by National Treasury of their grant application and negotiations on conditions. Final allocations will be gazetted by 1 May 2005.

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | | Local Government Restructuring Grant | | | | | | | |
|--------|---|---|--------------------|--------------------------|--------------------|--------------------------------------|--------------------|--------------------------|--------------------|---------------|---------------|---------------|---------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | | | | |
| B | EC141 Elundini | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| B | EC142 Senqu | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| B | EC143 Maletswai | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| B | EC144 Gariep | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| C | DC14 Ukhahlamba District Municipality | 1 000 | 500 | 500 | 1 000 | 500 | 500 | | | | | | |
| | Total: Ukhahlamba Municipalities | 2 000 | 2 500 | 2 500 | 2 000 | 2 500 | 2 500 | | | | | | |
| B | EC151 Mbizana | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| B | EC152 Ntshankulu | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| B | EC153 Qaukeni | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| B | EC154 Port St. Johns | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| B | EC155 Nyandeni | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| B | EC156 Mhlonlo | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| B | EC157 King Sabata Dalindyebo | 1 000 | 500 | 500 | 1 000 | 500 | 500 | | | | | | |
| C | DC15 O.R. Tambo District Municipality | 2 500 | 500 | 500 | 2 500 | 500 | 500 | | | | | | |
| | Total: O.R. Tambo Municipalities | 5 000 | 4 000 | 4 000 | 5 000 | 4 000 | 4 000 | | | | | | |
| B | EC05b1 Umzimkhulu | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| B | EC05b2 Umzimvubu | 250 | 500 | 500 | 250 | 500 | 500 | | | | | | |
| C | DC44 Alfred Nzo District Municipality | 1 000 | 500 | 500 | 1 000 | 500 | 500 | | | | | | |
| | Total: Alfred Nzo Municipalities | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | | | | | | |
| | Total: Eastern Cape Municipalities | 22 000 | 23 750 | 23 750 | 22 000 | 23 750 | 23 750 | 85 000 | 90 000 | 50 000 | 85 000 | 90 000 | 50 000 |

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | | Local Government Restructuring Grant | | | |
|-------------------|--|---|--------------------|--------------------|--------------------|--------------------------------------|--------------------|--------------------|--------------------|
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) |
| FREE STATE | | | | | | | | | |
| B | FS161 Letsemeng | 250 | 500 | 500 | 500 | | | | |
| B | FS162 Kopanong | 1 000 | 500 | 1 000 | 500 | | | | |
| B | FS163 Mokokare | 250 | 500 | 250 | 500 | | | | |
| C | DC16 Xhariep District Municipality | 250 | 500 | 250 | 500 | | | | |
| | Total: Xhariep Municipalities | 1 750 | 2 000 | 2 000 | 2 000 | | | | |
| B | FS171 Naledi | 250 | 500 | 500 | 500 | | | | |
| B | FS172 Mangaung | 2 000 | 500 | 2 000 | 500 | | | | |
| B | FS173 Mantsopa | 250 | 500 | 250 | 500 | | | | |
| C | DC17 Mofheo District Municipality | 750 | 750 | 750 | 750 | | | | |
| | Total: Mofheo Municipalities | 2 500 | 2 250 | 2 250 | 2 250 | | | | |
| B | FS181 Masiyonyana | 500 | 500 | 500 | 500 | | | | |
| B | FS182 Tokologo | 250 | 500 | 250 | 500 | | | | |
| B | FS183 Tswelopele | 250 | 500 | 250 | 500 | | | | |
| B | FS184 Matjhabeng | 2 500 | 500 | 2 500 | 500 | | | | |
| B | FS185 Nala | 500 | 500 | 500 | 500 | | | | |
| C | DC18 Lejweleputswa District Municipality | 1 000 | 500 | 1 000 | 500 | | | | |
| | Total: Lejweleputswa Municipalities | 4 000 | 3 000 | 4 000 | 3 000 | | | | |
| B | FS191 Setsoto | 750 | 750 | 750 | 750 | | | | |
| B | FS192 Drihabeng | 750 | 750 | 750 | 750 | | | | |
| B | FS193 Nketoana | 750 | 750 | 750 | 750 | | | | |
| B | FS194 Matuli-a-Phofung | 2 000 | 500 | 2 000 | 500 | | | | |
| B | FS195 Phumelela | 250 | 500 | 250 | 500 | | | | |
| C | DC19 Thabo Mofutsanyana District Municipality | 750 | 750 | 750 | 750 | | | | |
| | Total: Thabo Mofutsanyane Municipalities | 2 250 | 4 000 | 4 000 | 4 000 | | | | |
| B | FS201 Mophaka | 750 | 750 | 750 | 750 | | | | |
| B | FS203 Ngwathe | 2 000 | 500 | 2 000 | 500 | | | | |
| B | FS204 Meisimaholo | 250 | 500 | 250 | 500 | | | | |
| B | FS205 Mafube | 750 | 750 | 750 | 750 | | | | |
| C | DC20 Northern Free State District Municipality | 2 250 | 2 500 | 2 250 | 2 500 | | | | |
| | Total: Northern Free State Municipalities | 2 250 | 2 500 | 2 250 | 2 500 | | | | |
| | Total: Free State Municipalities | 12 750 | 13 750 | 13 750 | 13 750 | | | | |

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | | Local Government Restructuring Grant ¹⁾ | | | | | |
|---|--|---|--------------------|--------------------|--|--|--------------------|--------------------|--------------------|--------------------|----------------|
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | Municipal Financial Year 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | |
| GAUTENG | | | | | | | | | | | |
| A | Ekurhuleni | 3 000 | 500 | 500 | 3 000 | 500 | 500 | | | | |
| A | City of Johannesburg | 3 000 | 500 | 500 | 3 000 | 500 | 500 | 35 000 | | 35 000 | |
| A | City of Tshwane | 3 000 | 500 | 500 | 3 000 | 500 | 500 | 65 000 | 75 000 | 100 000 | 100 000 |
| B | GT02b1 Nokeng Isa Taemane | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | CBLC2 Kungwini | | 500 | 500 | | 500 | 500 | | | | |
| C | CBDC2 Metsweding District Municipality | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| Total: Metsweding Municipalities | | 500 | 1 500 | 1 500 | 500 | 1 500 | 1 500 | | | | |
| B | GT421 Emfuleni | 1 000 | 500 | 500 | 1 000 | 500 | 500 | 35 000 | | 35 000 | 35 000 |
| B | GT422 Midvaal | | 500 | 500 | | 500 | 500 | | | | |
| B | GT423 Lesedi | | 500 | 500 | | 500 | 500 | | | | |
| C | DC42 Sedibeng District Municipality | | 500 | 500 | | 500 | 500 | | | | |
| Total: Sedibeng Municipalities | | 1 000 | 2 000 | 2 000 | 1 000 | 2 000 | 2 000 | 35 000 | | 35 000 | 35 000 |
| B | GT411 Mogale City | | 500 | 500 | | 500 | 500 | | | | |
| B | GT412 Randfontein | 1 000 | 500 | 500 | 1 000 | 500 | 500 | | | | |
| B | GT414 Westonaria | | 500 | 500 | | 500 | 500 | | | | |
| B | CBLC8 Merafong City | | 500 | 500 | | 500 | 500 | | | | |
| C | CBDC8 West Rand District Municipality | | 500 | 500 | | 500 | 500 | | | | |
| Total: West Rand Municipalities | | 1 000 | 2 500 | 2 500 | 1 000 | 2 500 | 2 500 | | | | |
| Total: Gauteng Municipalities | | 11 500 | 7 500 | 7 500 | 11 500 | 7 500 | 7 500 | 135 000 | 110 000 | 100 000 | 100 000 |

1) Allocations for the Restructuring Grant to the City of Cape Town, eThekweni, Nelson Mandela and City of Tshwane are indicative only, and subject to approval by National Treasury of their grant application and negotiations on conditions. Final allocations will be gazetted by 1 May 2005.

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | Local Government Restructuring Grant | | |
|----------------------|--|---|--|--------------------|---|--------------------|--------------------|
| | | National Financial Year 2005/06 (R'000) | Municipal Financial Year 2006/07 (R'000) | 2007/08 (R'000) | National Financial Year 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| KWAZULU-NATAL | | | | | | | |
| A | eThekweni | 3 500 | 500 | 500 | 65 000 | 75 000 | 100 000 |
| B | KZ211 Vulamehlo | 250 | 500 | 500 | | | |
| B | KZ212 Umdoni | 500 | 500 | 500 | | | |
| B | KZ213 Umzambe | 250 | 500 | 500 | | | |
| B | KZ214 uMuziwabantu | 250 | 500 | 500 | | | |
| B | KZ215 Eziqolweni | 250 | 500 | 500 | | | |
| B | KZ216 Hibiscus Coast | 500 | 500 | 500 | | | |
| C | DC21 Ugu District Municipality | 500 | 500 | 500 | | | |
| | Total: Ugu Municipalities | 1 000 | 3 500 | 3 500 | 1 000 | 3 500 | 3 500 |
| B | KZ221 uMshwathi | 250 | 500 | 500 | | | |
| B | KZ222 uMngeni | 500 | 500 | 500 | | | |
| B | KZ223 Mooi Mpošana | 250 | 500 | 500 | | | |
| B | KZ224 Impendle | 250 | 500 | 500 | | | |
| B | KZ225 Msunduzi | 2 500 | 500 | 500 | | | |
| B | KZ226 Mkhambathini | 250 | 500 | 500 | | | |
| B | KZ227 Richmond | 250 | 500 | 500 | | | |
| C | DC22 uMgungundlovu District Municipality | 1 000 | 500 | 500 | | | |
| | Total: uMgungundlovu Municipalities | 4 750 | 4 000 | 4 000 | 4 750 | 4 000 | 4 000 |
| B | KZ232 Emmaambithi/Ladysmith | 1 000 | 500 | 500 | | | |
| B | KZ233 Indaka | 250 | 500 | 500 | | | |
| B | KZ234 Umishezi | 500 | 500 | 500 | | | |
| B | KZ235 Okhahlamba | 250 | 500 | 500 | | | |
| B | KZ236 Imbabazane | 250 | 500 | 500 | | | |
| C | DC23 Uthukela District Municipality | 250 | 500 | 500 | | | |
| | Total: Uthukela Municipalities | 2 000 | 3 000 | 3 000 | 2 000 | 3 000 | 3 000 |
| B | KZ241 Endumeni | | | | | | |
| B | KZ242 Nquthu | 250 | 500 | 500 | | | |
| B | KZ244 Msinga | 250 | 500 | 500 | | | |
| B | KZ245 Umvoti | 250 | 500 | 500 | | | |
| C | DC24 Umzinyathi District Municipality | 500 | 500 | 500 | | | |
| | Total: Umzinyathi Municipalities | 750 | 2 000 | 2 000 | 750 | 2 000 | 2 000 |
| B | KZ252 Newcastle | 1 000 | 500 | 500 | | | |
| B | KZ253 Utrecht | 250 | 500 | 500 | | | |
| B | KZ254 Dannhauser | 250 | 500 | 500 | | | |
| C | DC25 Amajuba District Municipality | 250 | 500 | 500 | | | |
| | Total: Amajuba Municipalities | 1 750 | 2 000 | 2 000 | 1 750 | 2 000 | 2 000 |

1) Allocations for the Restructuring Grant to the City of Cape Town, eThekweni, Nelson Mandela and City of Tshwane are indicative only, and subject to approval by National Treasury of their grant application and negotiations on conditions. Final allocations will be Gazetted by 1 May 2005.

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | | Local Government Restructuring Grant | | | | | |
|--------|--|---|--------------------|--------------------------|--------------------|--------------------------------------|--------------------|--------------------------|--------------------|----------------|----------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | | |
| B | KZ261 eDumbe | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ262 uPhongolo | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ263 Absolutisi | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ265 Nongoma | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ266 Ulundi | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| C | DC26 Zululand District Municipality | 1 500 | 500 | 500 | 1 500 | 500 | 500 | | | | |
| | Total: Zululand Municipalities | 2 250 | 3 000 | 3 000 | 2 250 | 3 000 | 3 000 | | | | |
| B | KZ271 Umhlabuyalingana | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ272 Jozini | 500 | 500 | 500 | 500 | 500 | 500 | | | | |
| B | KZ273 The Big Five False Bay | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ274 Hlabisa | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ275 Mtubatuba | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| C | DC27 Umkhanyakude District Municipality | 500 | 500 | 500 | 500 | 500 | 500 | | | | |
| | Total: Umkhanyakude Municipalities | 1 000 | 3 000 | 3 000 | 1 000 | 3 000 | 3 000 | | | | |
| B | KZ281 Mbonambi | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ282 uMhlathuze | 1 000 | 500 | 500 | 1 000 | 500 | 500 | | | | |
| B | KZ283 Ntambanana | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ284 Umlalazi | 500 | 500 | 500 | 500 | 500 | 500 | | | | |
| B | KZ285 Mthonjaneni | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ286 Nkandla | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| C | DC28 uThungulu District Municipality | 500 | 500 | 500 | 500 | 500 | 500 | | | | |
| | Total: uThungulu Municipalities | 2 000 | 3 500 | 3 500 | 2 000 | 3 500 | 3 500 | | | | |
| B | KZ291 eNdongakusuka | 500 | 500 | 500 | 500 | 500 | 500 | | | | |
| B | KZ292 KwaDukuza | 500 | 500 | 500 | 500 | 500 | 500 | | | | |
| B | KZ293 Ndwedwe | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ294 Maphumulo | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| C | DC29 Ilembe District Municipality | 500 | 500 | 500 | 500 | 500 | 500 | | | | |
| | Total: Ilembe Municipalities | 500 | 2 500 | 2 500 | 500 | 2 500 | 2 500 | | | | |
| B | KZ5a1 Ingwe | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ5a2 Kwa Sani | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ5a3 Matatiele | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| B | KZ5a4 Greater Kokstad | 500 | 500 | 500 | 500 | 500 | 500 | | | | |
| B | KZ5a5 Ubuhlebezwe | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| C | DC43 Sisonke District Municipality | 250 | 500 | 500 | 250 | 500 | 500 | | | | |
| | Total: Sisonke Municipalities | 1 250 | 3 000 | 3 000 | 1 250 | 3 000 | 3 000 | | | | |
| | Total: KwaZulu-Natal Municipalities | 20 750 | 30 000 | 30 000 | 20 750 | 30 000 | 30 000 | 65 000 | 75 000 | 100 000 | 100 000 |

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | Local Government Restructuring Grant | | |
|----------------|--|---|--|--------------------|---|--|--------------------|
| | | National Financial Year 2005/06 (R'000) | Municipal Financial Year 2006/07 (R'000) | 2007/08 (R'000) | National Financial Year 2005/06 (R'000) | Municipal Financial Year 2006/07 (R'000) | 2007/08 (R'000) |
| LIMPOPO | | | | | | | |
| B | NP03A2 Makhuduthamaga | 250 | 500 | 500 | | | |
| B | NP03A3 Fetakgomo | 250 | 500 | 500 | | | |
| B | CBLC3 Greater Marble Hall | 250 | 500 | 500 | | | |
| B | CBLC4 Greater Groblersdal | | 500 | 500 | | | |
| B | CBLC5 Greater Tubatse | 250 | 500 | 500 | | | |
| C | CBDC3 Greater Sekhukhune Cross Boundary | 500 | 500 | 500 | | | |
| | Total: Greater Sekhukhune Cross Boundary Municipalities | 1 000 | 3 000 | 3 000 | 1 000 | 3 000 | 3 000 |
| B | NP04A1 Maruleng | 250 | 500 | 500 | | | |
| B | CBLC6 Bushbuckridge | | 500 | 500 | | | |
| C | CBDC4 Bohlabela District Municipality | 250 | 500 | 500 | | | |
| | Total: Bohlabela Municipalities | 500 | 1 500 | 1 500 | 500 | 1 500 | 1 500 |
| B | NP331 Greater Giyani | 250 | 500 | 500 | | | |
| B | NP332 Greater Letaba | 250 | 500 | 500 | | | |
| B | NP333 Greater Tzaneen | 1 000 | 500 | 500 | | | |
| B | NP334 Ba-Phalaborwa | | 500 | 500 | | | |
| C | DC33 Mopani District Municipality | 250 | 500 | 500 | | | |
| | Total: Mopani Municipalities | 1 750 | 2 500 | 2 500 | 1 750 | 2 500 | 2 500 |
| B | NP341 Musina | 250 | 500 | 500 | | | |
| B | NP342 Mutale | 250 | 500 | 500 | | | |
| B | NP343 Thulamela | 2 000 | 500 | 500 | | | |
| B | NP344 Makhado | 1 000 | 500 | 500 | | | |
| C | DC34 Vhembe District Municipality | 500 | 500 | 500 | | | |
| | Total: Vhembe Municipalities | 3 500 | 2 500 | 2 500 | 3 500 | 2 500 | 2 500 |
| B | NP351 Blouberg | 250 | 500 | 500 | | | |
| B | NP352 Aganang | 250 | 500 | 500 | | | |
| B | NP353 Molemole | 250 | 500 | 500 | | | |
| B | NP354 Polokwane | 2 500 | 500 | 500 | | | |
| B | NP355 Lepelle-Nkumpi | 250 | 500 | 500 | | | |
| C | DC35 Capricorn District Municipality | 1 000 | 500 | 500 | | | |
| | Total: Capricorn Municipalities | 4 500 | 3 000 | 3 000 | 4 500 | 3 000 | 3 000 |
| B | NP361 Thabazimbi | 500 | 500 | 500 | | | |
| B | NP362 Lephalele | 500 | 500 | 500 | | | |
| B | NP364 Mookgospong | 250 | 500 | 500 | | | |
| B | NP365 Modimolle | 250 | 500 | 500 | | | |
| B | NP366 Bela Bela | | 500 | 500 | | | |
| B | NP367 Mogalakwena | | 500 | 500 | | | |
| C | DC36 Waterberg District Municipality | 500 | 500 | 500 | | | |
| | Total: Waterberg Municipalities | 1 000 | 3 500 | 3 500 | 1 000 | 3 500 | 3 500 |
| | Total: Limpopo Municipalities | 12 250 | 16 000 | 16 000 | 12 250 | 16 000 | 16 000 |

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | | Local Government Restructuring Grant | | | |
|---|---|---|--------------------|--------------------|--------------------|--------------------------------------|--------------------|--------------------|--------------------|
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) |
| MPUMALANGA | | | | | | | | | |
| B | MP301 Albert Luthuli | 250 | 500 | 500 | 250 | 500 | 500 | | |
| B | MP302 Msukaligwa | | 500 | 500 | 500 | 500 | 500 | | |
| B | MP303 Mkhondo | | 500 | 500 | 500 | 500 | 500 | | |
| B | MP304 Seme | | 500 | 500 | 500 | 500 | 500 | | |
| B | MP305 Lekva | | 500 | 500 | 500 | 500 | 500 | | |
| B | MP306 Dipaleseng | 250 | 500 | 500 | 250 | 500 | 500 | | |
| B | MP307 Govan Mbeki | 2 000 | 500 | 500 | 2 000 | 500 | 500 | | |
| C | DC30 Gert Sibande District Municipality | 1 500 | 500 | 500 | 1 500 | 500 | 500 | | |
| Total: Gert Sibande Municipalities | | 4 000 | 4 000 | 4 000 | 4 000 | 4 000 | 4 000 | | |
| B | MP311 Delmas | | 500 | 500 | 500 | 500 | 500 | | |
| B | MP312 Emalahleni | 2 000 | 500 | 500 | 2 000 | 500 | 500 | | |
| B | MP313 Steve Tshwete | 1 000 | 500 | 500 | 1 000 | 500 | 500 | | |
| B | MP314 Highlands | 250 | 500 | 500 | 250 | 500 | 500 | | |
| B | MP315 Thebessile | | 500 | 500 | 500 | 500 | 500 | | |
| B | MP316 Dr. JS Moroka | 250 | 500 | 500 | 250 | 500 | 500 | | |
| C | DC31 Nkangala District Municipality | | 500 | 500 | 500 | 500 | 500 | | |
| Total: Nkangala Municipalities | | 3 500 | 3 500 | 3 500 | 3 500 | 3 500 | 3 500 | | |
| B | MP321 Thaba Chweu | | 500 | 500 | 500 | 500 | 500 | | |
| B | MP322 Mbombela | 2 500 | 500 | 500 | 2 500 | 500 | 500 | | |
| B | MP323 Umjindi | | 500 | 500 | 500 | 500 | 500 | | |
| B | MP324 Nkomazi | | 500 | 500 | 500 | 500 | 500 | | |
| C | DC32 Ehlanzeni District Municipality | 2 000 | 500 | 500 | 2 000 | 500 | 500 | | |
| Total: Ehlanzeni Municipalities | | 4 500 | 2 500 | 2 500 | 4 500 | 2 500 | 2 500 | | |
| Total: Mpumalanga Municipalities | | 12 000 | 10 000 | 10 000 | 12 000 | 10 000 | 10 000 | | |

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | Local Government Restructuring Grant | | |
|----------------------|---|---|--------------------|--------------------|---|--------------------|--------------------|
| | | National Financial Year 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | National Financial Year 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| NORTHERN CAPE | | | | | | | |
| B | NC01B1 Gamagara | 250 | 500 | 500 | | | |
| B | NW1a1 Moshaweng | 250 | 500 | 250 | 500 | 500 | |
| B | CBLC1 Ga-Segonyana | 500 | 500 | 500 | 500 | 500 | |
| C | CBDC1 Kgalagadi District Municipality | 1 000 | 500 | 500 | 1 000 | 500 | |
| | Total: Kgalagadi Cross Border Municipalities | 1 500 | 2 000 | 2 000 | 1 500 | 2 000 | 2 000 |
| B | NC061 Richtersveld | 250 | 500 | 500 | 250 | 500 | |
| B | NC062 Nama Khoi | 500 | 500 | 500 | 500 | 500 | |
| B | NC064 Kamiesberg | 250 | 500 | 250 | 250 | 500 | |
| B | NC065 Hantam | 250 | 500 | 500 | 250 | 500 | |
| B | NC066 Karoo Hoogland | 250 | 500 | 500 | 250 | 500 | |
| B | NC067 Khai-Ma | 250 | 500 | 250 | 250 | 500 | |
| C | DC6 Namaakwa District Municipality | 1 000 | 500 | 500 | 1 000 | 500 | |
| | Total: Namaakwa Municipalities | 2 250 | 3 500 | 3 500 | 2 250 | 3 500 | 3 500 |
| B | NC071 Ubuntu | 1 000 | 500 | 500 | 1 000 | 500 | |
| B | NC072 Umsobomvu | 250 | 500 | 500 | 250 | 500 | |
| B | NC073 Emthanjani | 500 | 500 | 500 | 500 | 500 | |
| B | NC074 Kareeberg | 250 | 500 | 500 | 250 | 500 | |
| B | NC075 Renosterberg | 250 | 500 | 500 | 250 | 500 | |
| B | NC076 Thembelihle | 250 | 500 | 500 | 250 | 500 | |
| B | NC077 Siyathemba | 250 | 500 | 250 | 250 | 500 | |
| B | NC078 Siyanecuma | 250 | 500 | 500 | 250 | 500 | |
| C | DC7 Karoo District Municipality | 1 000 | 500 | 500 | 1 000 | 500 | |
| | Total: Karoo Municipalities | 3 500 | 4 500 | 4 500 | 3 500 | 4 500 | 4 500 |
| B | NC081 Mier | 250 | 500 | 500 | 250 | 500 | |
| B | NC082 Kai ! Garib | 250 | 500 | 500 | 250 | 500 | |
| B | NC083 //Khara Hais | 500 | 500 | 500 | 500 | 500 | |
| B | NC084 !Kheis | 250 | 500 | 500 | 250 | 500 | |
| B | NC085 Tsantsabane | 250 | 500 | 500 | 250 | 500 | |
| B | NC086 Kgatelopele | 250 | 500 | 250 | 250 | 500 | |
| C | DC8 Siyanda District Municipality | 1 000 | 500 | 500 | 1 000 | 500 | |
| | Total: Siyanda Municipalities | 2 250 | 3 500 | 3 500 | 2 250 | 3 500 | 3 500 |
| B | NC091 Sol Plaatje | 2 500 | 500 | 500 | 2 500 | 500 | |
| B | NC092 Dikgatlong | 250 | 500 | 250 | 250 | 500 | |
| B | NC093 Magareng | 250 | 500 | 500 | 250 | 500 | |
| B | CBLC7 Phokwane | 500 | 500 | 500 | 500 | 500 | |
| C | DC9 Frances Baard District Municipality | 2 000 | 500 | 500 | 2 000 | 500 | |
| | Total: Frances Baard Municipalities | 5 000 | 2 500 | 2 500 | 5 000 | 2 500 | 2 500 |
| | Total: Northern Cape Municipalities | 14 500 | 16 000 | 16 000 | 14 500 | 16 000 | 16 000 |

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | Local Government Restructuring Grant | | |
|-------------------|--|---|--------------------|--------------------|--------------------------------------|--------------------|--------------------|
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| NORTH WEST | | | | | | | |
| B | NW371 Moretele | 250 | 500 | 500 | | | |
| B | NW372 Madibeng | | 500 | 500 | 500 | | |
| B | NW373 Rustenburg | 1 000 | 500 | 500 | 500 | | |
| B | NW374 Kgetlengrivier | 250 | 500 | 500 | 500 | | |
| B | NW375 Moses Kotane | | 500 | 500 | 500 | | |
| C | DC37 Bojanala Platinum District Municipality | | 500 | 500 | 500 | | |
| | Total: Bojanala Platinum Municipalities | 1 500 | 3 000 | 3 000 | 1 500 | 3 000 | |
| B | NW381 Ratlou | 250 | 500 | 500 | 500 | | |
| B | NW382 Tswaing | 250 | 500 | 500 | 500 | | |
| B | NW383 Mafikeng | 1 500 | 500 | 500 | 500 | | |
| B | NW384 Ditsobotla | | 500 | 500 | 500 | | |
| B | NW385 Zeerust | | 500 | 500 | 500 | | |
| C | DC38 Central District Municipality | | 500 | 500 | 500 | | |
| | Total: Central Municipalities | 2 000 | 3 000 | 3 000 | 2 000 | 3 000 | |
| B | NW391 Kagisano | 250 | 500 | 500 | 500 | | |
| B | NW392 Naledi | | 500 | 500 | 500 | | |
| B | NW393 Mamusa | 250 | 500 | 500 | 500 | | |
| B | NW394 Greater Taung | 250 | 500 | 500 | 500 | | |
| B | NW395 Molopo | 250 | 500 | 500 | 500 | | |
| B | NW396 Lekwa-Teemane | | 500 | 500 | 500 | | |
| C | DC39 Bophirima District Municipality | | 500 | 500 | 500 | | |
| | Total: Bophirima Municipalities | 1 000 | 3 500 | 3 500 | 1 000 | 3 500 | |
| B | NW401 Ventersdorp | 250 | 500 | 500 | 500 | | |
| B | NW402 Potchefstroom | 1 000 | 500 | 500 | 500 | | |
| B | NW403 Klerksdorp | 1 000 | 500 | 500 | 500 | | |
| B | NW404 Maquassi Hills | | 500 | 500 | 500 | | |
| C | DC40 Southern District Municipality | 1 500 | 500 | 500 | 1 500 | | |
| | Total: Southern Municipalities | 3 750 | 2 500 | 2 500 | 3 750 | 2 500 | |
| | Total: North West Municipalities | 8 250 | 12 000 | 12 000 | 8 250 | 12 000 | 12 000 |

APPENDIX E3
RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 1 OF 2

| Number | Municipality | Local Government Financial Management Grant | | | Local Government Restructuring Grant | | |
|---------------------|--|---|--|--------------------|---|--|--------------------|
| | | National Financial Year 2005/06 (R'000) | Municipal Financial Year 2006/07 (R'000) | 2007/08 (R'000) | National Financial Year 2005/06 (R'000) | Municipal Financial Year 2006/07 (R'000) | 2007/08 (R'000) |
| WESTERN CAPE | | | | | | | |
| A | City of Cape Town | 4 000 | 500 | 500 | 65 000 | 75 000 | 100 000 |
| B | WC011 Matzikama | | 500 | 500 | | | |
| B | WC012 Cederberg | 250 | | 500 | | | |
| B | WC013 Bergrivier | | 500 | 500 | | | |
| B | WC014 Saldanha Bay | | 500 | 500 | | | |
| B | WC015 Swartland | 500 | | 500 | | | |
| C | DC1 West Coast District Municipality | 1 000 | 500 | 500 | | | |
| | Total: West Coast Municipalities | 1 750 | 3 000 | 3 000 | 1 750 | 3 000 | 3 000 |
| B | WC022 Witzberg | | 500 | 500 | | | |
| B | WC023 Drakenstein | 2 000 | 1 000 | 1 000 | | | |
| B | WC024 Stellenbosch | 1 000 | 500 | 500 | | | |
| B | WC025 Breede Valley | | 500 | 500 | | | |
| B | WC026 Breede River Winelands | | 500 | 500 | | | |
| C | DC2 Cape Winelands District Municipality | 2 000 | 1 000 | 1 000 | | | |
| | Total: Boland Municipalities | 5 000 | 4 000 | 4 000 | 5 000 | 4 000 | 4 000 |
| B | WC031 Theewaterskloof | | 750 | 750 | | | |
| B | WC032 Overstrand | 1 500 | | 500 | | | |
| B | WC033 Cape Agulhas | | 500 | 500 | | | |
| B | WC034 Swellendam | 250 | | 250 | | | |
| C | DC3 Overberg District Municipality | 1 500 | 750 | 750 | | | |
| | Total: Overberg Municipalities | 3 250 | 2 500 | 2 500 | 3 250 | 2 500 | 2 500 |
| B | WC041 Kamalaland | 250 | | 500 | | | |
| B | WC042 Langeberg | | 500 | 500 | | | |
| B | WC043 Mossel Bay | | 500 | 500 | | | |
| B | WC044 George | 1 000 | | 1 000 | | | |
| B | WC045 Oudtshoorn | | 500 | 500 | | | |
| B | WC047 Plettenberg Bay | | 500 | 500 | | | |
| B | WC048 Knysna | 1 000 | | 500 | | | |
| C | DC4 Eden District Municipality | 1 500 | 750 | 750 | | | |
| | Total: Eden Municipalities | 3 750 | 4 250 | 4 250 | 3 750 | 4 250 | 4 250 |
| B | WC051 Laingsburg | 250 | | 500 | | | |
| B | WC052 Prince Albert | 250 | | 500 | | | |
| B | WC053 Beaufort West | | 500 | 500 | | | |
| C | DC5 Central Karoo District Municipality | 250 | 500 | 500 | | | |
| | Total: Central Karoo Municipalities | 750 | 2 000 | 2 000 | 750 | 2 000 | 2 000 |
| | Total: Western Cape Municipalities | 18 500 | 16 250 | 16 250 | 18 500 | 16 250 | 16 250 |
| | National Total | 132 500 | 145 250 | 145 250 | 132 500 | 145 250 | 145 250 |

1) Allocations for the Restructuring Grant to the City of Cape Town, eThekweni, Nelson Mandela and City of Tshwane are indicative only, and subject to approval by National Treasury of their grant application and negotiations on conditions. Final allocations will be gazetted by 1 May 2005.

RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 2 OF 2

| Number | Municipality | Municipal Systems Improvement Programme | | | | | | Water Services Operating & Transfer Subsidy (DWAf) - Signed Agreements | | | | | | SUB-TOTAL: RECURRENT | | | | | |
|---------------------|---|---|-----------------|--------------------------|-----------------|-------------------------|-----------------|--|-----------------|-------------------------|-----------------|--------------------------|-----------------|-------------------------|-----------------|--------------------------|-----------------|---------------|--|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Signed Agreements | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | | |
| EASTERN CAPE | | | | | | | | | | | | | | | | | | | |
| A | Nelson Mandela | 4 000 | 4 000 | 4 000 | 4 000 | 4 000 | 4 000 | | | | | | | 60 000 | 55 000 | 57 500 | 60 000 | 55 000 | |
| B | EC101 Camdeboo | | | | | | | | | | | | | 500 | 500 | 250 | 500 | 500 | |
| B | EC102 Blue Crane Route | | | | | | | | | | | | | 500 | 500 | 250 | 500 | 500 | |
| B | EC103 Ikwezi | 150 | 150 | 150 | 150 | 150 | 150 | | | | | | | 650 | 400 | 650 | 650 | 650 | |
| B | EC104 Makana | 900 | 900 | 900 | 900 | 900 | 900 | | | | | | | 1 650 | 1 650 | 900 | 1 650 | 1 650 | |
| B | EC105 Ndlambe | | | | | | | | | | | | | 750 | 750 | | 750 | 750 | |
| B | EC106 Sundays River Valley | | | | | | | | | | | | | 500 | 500 | 250 | 500 | 500 | |
| B | EC107 Baviaans | | | | | | | | | | | | | 500 | 500 | 250 | 500 | 500 | |
| B | EC108 Kouga | 150 | 150 | 150 | 150 | 150 | 150 | | | | | | | 900 | 900 | 150 | 900 | 900 | |
| B | EC109 Koukamma | | | | | | | | | | | | | 500 | 500 | 250 | 500 | 500 | |
| C | DC10 Cacadu District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | 1 500 | 1 500 | 2 000 | 1 500 | 1 500 | |
| | Total: Cacadu Municipalities | 2 200 | 2 200 | 2 200 | 2 200 | 2 200 | 2 200 | | | | | | | 7 950 | 7 950 | 4 700 | 7 950 | 7 950 | |
| B | EC121 Mbashe | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 1 234 | 1 234 | 984 | 1 234 | 1 234 | |
| B | EC122 Mquma | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 1 234 | 1 234 | 734 | 1 234 | 1 234 | |
| B | EC123 Great Kei | | | | | | | | | | | | | 500 | 500 | 250 | 500 | 500 | |
| B | EC124 Amathlathi | | | | | | | | | | | | | 500 | 500 | | 500 | 500 | |
| B | EC125 Buffalo City | 4 250 | 4 250 | 4 250 | 4 250 | 4 250 | 4 250 | | | 1 971 | 3 721 | 1 971 | | 42 566 | 6 721 | 45 471 | 41 721 | 7 355 | |
| B | EC126 Ngqushwa | | | | | | | | | | | | | 250 | 250 | 250 | 250 | 250 | |
| B | EC127 Nkonkobe | | | | | | | | | | | | | 750 | 750 | 750 | 750 | 750 | |
| B | EC128 Nxuba | 1 750 | 1 750 | 1 750 | 1 750 | 1 750 | 1 750 | | | | | | | 2 250 | 2 250 | 3 250 | 2 250 | 2 250 | |
| C | DC12 Amatole District Municipality | 7 468 | 7 468 | 7 468 | 7 468 | 7 468 | 7 468 | | | 2 816 | 1 971 | 3 721 | | 50 034 | 14 189 | 51 189 | 49 189 | 14 823 | |
| | Total: Amatole Municipalities | 7 468 | 7 468 | 7 468 | 7 468 | 7 468 | 7 468 | | | 4 023 | 2 816 | 1 971 | | 51 491 | 14 189 | 51 189 | 49 189 | 14 823 | |
| B | EC131 Inxuba Yethemba | | | | | | | | | | | | | 400 | 650 | 400 | 650 | 650 | |
| B | EC132 Tsolwana | 150 | 150 | 150 | 150 | 150 | 150 | | | | | | | 250 | 500 | 250 | 500 | 500 | |
| B | EC133 Inkwanca | | | | | | | | | | | | | 1 000 | 1 750 | 1 000 | 1 750 | 1 750 | |
| B | EC134 Lukhanji | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | 984 | 1 234 | 984 | 1 234 | 1 234 | |
| B | EC135 Intsika Yethu | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | 1 234 | |
| B | EC136 Emalahleni | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | 1 234 | |
| B | EC137 Engcobo | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | 1 234 | |
| B | EC138 Sakhisizwe | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | 1 234 | |
| C | DC13 Chris Hani District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | 2 000 | 1 500 | 2 000 | 1 500 | 1 500 | |
| | Total: Chris Hani Municipalities | 5 086 | 5 086 | 5 086 | 5 086 | 5 086 | 5 086 | | | | | | | 7 586 | 9 336 | 7 586 | 9 336 | 9 336 | |

RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 2 OF 2

| Number | Municipality | Municipal Systems Improvement Programme | | | | | | Water Services Operating & Transfer Subsidy (DWAF) - Signed Agreements | | | | | | SUB-TOTAL: RECURRENT | | | | | | | |
|--------|---|---|-----------------|--------------------------|-----------------|-------------------------|-----------------|--|-----------------|-------------------------|-----------------|--------------------------|-----------------|-------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|----------------|----------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | | |
| B | EC141 Elundini | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | 984 | 1 234 | 1 234 | 1 234 | | |
| B | EC142 Senqu | | | | | | | | | | | | | | | | 250 | 500 | 500 | 500 | |
| B | EC143 Maletswai | | | | | | | | | | | | | | | | 250 | 500 | 500 | 500 | |
| B | EC144 Gariep | | | | | | | | | | | | | | | | 250 | 500 | 500 | 500 | |
| C | DC14 Ukhahlamba District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 5 137 | 3 640 | | | | 4 921 | | | | 7 137 | 5 140 | 1 500 | 6 921 | 1 500 | 4 614 |
| | Total: Ukhahlamba Municipalities | 1 734 | 1 734 | 1 734 | 1 734 | 1 734 | 5 137 | 3 640 | | | | 4 921 | | | | 8 871 | 7 874 | 4 234 | 8 655 | 4 234 | 7 348 |
| B | EC151 Mbizana | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | 984 | 1 234 | 1 234 | 1 234 | 1 234 | |
| B | EC152 Ntabankulu | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | 984 | 1 234 | 1 234 | 984 | 1 234 | 1 234 |
| B | EC153 Oukeni | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | 984 | 1 234 | 1 234 | 984 | 1 234 | 1 234 |
| B | EC154 Port St. Johns | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | 984 | 1 234 | 1 234 | 984 | 1 234 | 1 234 |
| B | EC155 Nyandeni | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | 984 | 1 234 | 1 234 | 984 | 1 234 | 1 234 |
| B | EC156 Mhlonito | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | 984 | 1 234 | 1 234 | 984 | 1 234 | 1 234 |
| B | EC157 King Sabata Dalindyebo | 884 | 884 | 884 | 884 | 884 | | | | | | | | | | 1 884 | 1 384 | 1 384 | 1 884 | 1 384 | 1 384 |
| C | DC15 O.R. Tambo District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | | | | 3 500 | 1 500 | 1 500 | 3 500 | 1 500 | 1 500 |
| | Total: O.R. Tambo Municipalities | 6 288 | 6 288 | 6 288 | 6 288 | 6 288 | | | | | | | | | | 11 288 | 10 288 | 10 288 | 11 288 | 10 288 | 10 288 |
| B | EC05b1 Umzimkhulu | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | 984 | 1 234 | 1 234 | 984 | 1 234 | 1 234 |
| B | EC05b2 Umzimvubu | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | 984 | 1 234 | 1 234 | 984 | 1 234 | 1 234 |
| C | DC44 Alfred Nzo District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | | | | 2 000 | 1 500 | 1 500 | 2 000 | 1 500 | 1 500 |
| | Total: Alfred Nzo Municipalities | 2 468 | 2 468 | 2 468 | 2 468 | 2 468 | | | | | | | | | | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 |
| | Total: Eastern Cape Municipalities | 29 244 | 29 244 | 29 244 | 29 244 | 29 244 | 9 160 | 6 456 | 1 971 | 8 642 | 1 971 | 8 642 | 1 971 | 8 642 | 1 971 | 145 404 | 149 450 | 104 965 | 144 886 | 144 965 | 108 713 |

APPENDIX E3

RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 2 OF 2

| Number | Municipality | Municipal Systems Improvement Programme | | | | | | Water Services Operating & Transfer Subsidy (DWAF) - Signed Agreements | | | | | | SUB-TOTAL: RECURRENT | | | | | |
|----------------------|--|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|--|--|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | | |
| KWAZULU-NATAL | | | | | | | | | | | | | | | | | | | |
| A | eThekweni | 2 000 | 2 000 | 2 000 | 2 000 | 2 000 | 2 000 | 1 393 | | | 1 045 | | | 71 545 | 102 500 | 77 500 | 102 500 | | |
| B | KZ211 Vulamshelo | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | | |
| B | KZ212 Umdoni | | | | | | | | | | | | | 500 | 500 | 500 | 500 | | |
| B | KZ213 Umzumbe | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | | |
| B | KZ214 uMuziwabantu | | | | | | | | | | | | | 250 | 500 | 250 | 500 | | |
| B | KZ215 Ezinqolweni | | | | | | | | | | | | | 250 | 500 | 250 | 500 | | |
| B | KZ216 Hibiscus Coast | | | | | | | | | | | | | 500 | 500 | 500 | 500 | | |
| C | DC21 Ugu District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 582 | 253 | 187 | 534 | 187 | 243 | 1 582 | 1 687 | 1 534 | 1 687 | | |
| | Total: Ugu Municipalities | 2 468 | 2 468 | 2 468 | 2 468 | 2 468 | 2 468 | 582 | 253 | 187 | 534 | 187 | 243 | 4 050 | 6 221 | 4 002 | 6 155 | | |
| B | KZ221 uMshwathi | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | | |
| B | KZ222 uMngeni | 2 734 | 2 734 | 2 734 | 2 734 | 2 734 | 2 734 | | | | | | | 2 734 | 3 234 | 2 734 | 3 234 | | |
| B | KZ223 Mooi Mpotana | 150 | 150 | 150 | 150 | 150 | 150 | | | | | | | 400 | 650 | 400 | 650 | | |
| B | KZ224 Impendle | | | | | | | | | | | | | 250 | 500 | 250 | 500 | | |
| B | KZ225 Msunduzi | | | | | | | | | | | | | 500 | 500 | 500 | 500 | | |
| B | KZ226 Mkhambathini | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | | |
| B | KZ227 Richmond | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | | |
| C | DC22 uMgungundlovu District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | 2 000 | 1 500 | 2 000 | 1 500 | | |
| | Total: uMgungundlovu Municipalities | 6 086 | 6 086 | 6 086 | 6 086 | 6 086 | 6 086 | | | | | | | 10 836 | 10 086 | 10 836 | 10 086 | | |
| B | KZ232 Enmambithi/Ladysmith | | | | | | | | | | | | | 1 000 | 500 | 1 000 | 500 | | |
| B | KZ233 Indaka | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | | |
| B | KZ234 Umishezi | | | | | | | | | | | | | 500 | 500 | 500 | 500 | | |
| B | KZ235 Okhahlamba | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | | |
| B | KZ236 Imbabazane | | | | | | | | | | | | | 250 | 500 | 250 | 500 | | |
| C | DC23 Uthukela District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 5 073 | 2 376 | 1 664 | 4 683 | 1 664 | 2 273 | 6 323 | 3 876 | 5 933 | 3 164 | | |
| | Total: Uthukela Municipalities | 2 468 | 2 468 | 2 468 | 2 468 | 2 468 | 2 468 | 5 073 | 2 376 | 1 664 | 4 683 | 1 664 | 2 273 | 9 541 | 7 844 | 9 151 | 7 132 | | |
| B | KZ241 Endumeni | | | | | | | | | | | | | | | | | | |
| B | KZ242 Nquthu | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | | |
| B | KZ244 Misinga | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | | |
| B | KZ245 Umvoti | | | | | | | | | | | | | 250 | 500 | 250 | 500 | | |
| C | DC24 Umzinyathi District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 438 | 1 513 | 1 059 | 1 449 | 1 059 | 1 447 | 2 438 | 3 013 | 2 559 | 2 449 | | |
| | Total: Umzinyathi Municipalities | 2 468 | 2 468 | 2 468 | 2 468 | 2 468 | 2 468 | 1 438 | 1 513 | 1 059 | 1 449 | 1 059 | 1 447 | 4 656 | 5 981 | 5 527 | 4 667 | | |
| B | KZ252 Newcastle | | | | | | | 2 847 | | | 2 135 | | | 3 847 | 500 | 3 135 | 500 | | |
| B | KZ253 Utrecht | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 1 234 | 984 | 1 234 | | |
| B | KZ254 Dannhauser | | | | | | | | | | | | | 250 | 500 | 250 | 500 | | |
| C | DC25 Amajuba District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 777 | 250 | | 698 | | 197 | 2 027 | 1 730 | 1 948 | 1 500 | | |
| | Total: Amajuba Municipalities | 1 734 | 1 734 | 1 734 | 1 734 | 1 734 | 1 734 | 3 624 | 230 | | 2 833 | | 197 | 7 108 | 3 964 | 6 317 | 3 734 | | |

APPENDIX E3

RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 2 OF 2

| Number | Municipality | Municipal Systems Improvement Programme | | | | | | Water Services Operating & Transfer Subsidy (DWAF) - Signed Agreements | | | | | | SUB-TOTAL: RECURRENT | | | | | |
|--------|--|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| B | KZ261 eDumbe | | | | | | | | | | | | | | | | | | |
| B | KZ262 uPhongolo | | | | | | | | | | | | | | | | | | |
| B | KZ263 Abaqulusi | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ265 Nongoma | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ266 Ulundi | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| C | DC26 Zululand District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 15 111 | 9 082 | 6 357 | 14 240 | 6 357 | 8 688 | 17 611 | 10 582 | 7 857 | 16 740 | 7 857 |
| | Total: Zululand Municipalities | 3 202 | 3 202 | 3 202 | 3 202 | 3 202 | 3 202 | 3 202 | 15 111 | 9 082 | 6 357 | 14 240 | 6 357 | 8 688 | 20 563 | 15 284 | 12 559 | 19 692 | 12 559 |
| B | KZ271 Umhlabyalingana | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ272 Jozini | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ273 The Big Five False Bay | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ274 Hlabisa | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ275 Mtubatuba | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| C | DC27 Umkhanyakude District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 4 460 | 3 353 | 4 300 | 4 300 | 4 300 | 2 868 | 5 460 | 4 853 | 1 500 | 5 300 | 1 500 |
| | Total: Umkhanyakude Municipalities | 3 936 | 3 936 | 3 936 | 3 936 | 3 936 | 3 936 | 3 936 | 4 460 | 3 353 | 4 300 | 4 300 | 4 300 | 2 868 | 9 396 | 10 289 | 6 936 | 9 236 | 6 936 |
| B | KZ281 Mbonambi | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ282 uMhlatuze | 734 | 734 | 734 | 734 | 734 | 734 | 734 | 930 | | | | | | | | | | |
| B | KZ283 Ntambanana | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ284 Umlalazi | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ285 Mthonjaneni | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ286 Nkandla | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| C | DC28 uThungulu District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | | | | | |
| | Total: uThungulu Municipalities | 4 670 | 4 670 | 4 670 | 4 670 | 4 670 | 4 670 | 4 670 | 930 | | | 698 | | | 7 600 | 8 170 | 8 170 | 7 368 | 8 170 |
| B | KZ291 eNdongakusuka | | | | | | | | | | | | | | | | | | |
| B | KZ292 KwaDukuza | | | | | | | | | | | | | | | | | | |
| B | KZ293 Ndwedwe | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ294 Maphumulo | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| C | DC29 Ilembe District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 2 194 | | | | | | | | | | |
| | Total: Ilembe Municipalities | 2 468 | 2 468 | 2 468 | 2 468 | 2 468 | 2 468 | 2 468 | 2 194 | | | 1 877 | | | 5 162 | 4 968 | 4 968 | 4 845 | 4 968 |
| B | KZ5a1 Ingwe | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ5a2 Kwa Sani | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ5a3 Matatiele | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| B | KZ5a4 Greater Kokstad | 2 734 | 2 734 | 2 734 | 2 734 | 2 734 | 2 734 | 2 734 | | | | | | | | | | | |
| B | KZ5a5 Ubhlebezwe | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | | | |
| C | DC43 Sisonke District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | | | | | |
| | Total: Sisonke Municipalities | 5 936 | 5 936 | 5 936 | 5 936 | 5 936 | 5 936 | 5 936 | | | | | | | 7 186 | 8 936 | 8 936 | 7 186 | 8 936 |
| | Total: KwaZulu-Natal Municipalities | 37 436 | 37 436 | 37 436 | 37 436 | 37 436 | 37 436 | 37 436 | 34 805 | 16 807 | 9 267 | 31 659 | 9 267 | 15 716 | 157 991 | 159 243 | 176 703 | 154 845 | 151 703 |

APPENDIX E3

RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 2 OF 2

| Number | Municipality | Municipal Systems Improvement Programme | | | | | | Water Services Operating & Transfer Subsidy (DWAF) - Signed Agreements | | | | | | SUB-TOTAL: RECURRENT | | | | | |
|----------------|--------------|--|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|---------------|--|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | | |
| LIMPOPO | | | | | | | | | | | | | | | | | | | |
| B | NP03A2 | Makhuduthamaga | 1 870 | 1 870 | 1 870 | 1 870 | 1 870 | 1 870 | | | | | | | 2 370 | 2 370 | 2 370 | 2 370 | |
| B | NP03A3 | Fetakgomo | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 1 234 | 1 234 | 1 234 | 1 234 | |
| B | CBLC3 | Greater Marble Hall | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 984 | 984 | 984 | |
| B | CBLC4 | Greater Groblersdal | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 734 | 734 | 734 | 734 | |
| B | CBLC5 | Greater Tubatse | 1 484 | 1 484 | 1 484 | 1 484 | 1 484 | 1 484 | | | | | | | 1 734 | 1 734 | 1 734 | 1 734 | |
| C | CBDC3 | Greater Sekhukhune Cross Boundary | 1 150 | 1 150 | 1 150 | 1 150 | 1 150 | 1 150 | | | | | | | 1 650 | 1 650 | 1 650 | 1 650 | |
| | | Total: Greater Sekhukhune Cross Boundary Municipalities | 6 706 | 6 706 | 6 706 | 6 706 | 6 706 | 6 706 | | | | | | | 9 706 | 9 706 | 9 706 | 9 706 | |
| B | NP04A1 | Maruleng | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 984 | 984 | 984 | |
| B | CBLC6 | Bushbuckridge | 884 | 884 | 884 | 884 | 884 | 884 | | | | | | | 1 384 | 1 384 | 1 384 | 1 384 | |
| C | CBDC4 | Bohlabela District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | 1 250 | 1 250 | 1 250 | 1 250 | |
| | | Total: Bohlabela Municipalities | 2 618 | 2 618 | 2 618 | 2 618 | 2 618 | 2 618 | | | | | | | 4 118 | 4 118 | 4 118 | 4 118 | |
| B | NP331 | Greater Giyani | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 984 | 984 | 984 | |
| B | NP332 | Greater Letaba | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 984 | 984 | 984 | |
| B | NP333 | Greater Tzaneen | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | | | | | | | 1 000 | 1 000 | 1 000 | 1 000 | |
| B | NP334 | Ba-Phalaborwa | 1 900 | 1 900 | 1 900 | 1 900 | 1 900 | 1 900 | | | | | | | 2 400 | 2 400 | 2 400 | 2 400 | |
| C | DC33 | Mopani District Municipality | 1 900 | 1 900 | 1 900 | 1 900 | 1 900 | 1 900 | | | | | | | 2 400 | 2 400 | 2 400 | 2 400 | |
| | | Total: Mopani Municipalities | 3 518 | 3 518 | 3 518 | 3 518 | 3 518 | 3 518 | | | | | | | 6 018 | 6 018 | 6 018 | 6 018 | |
| B | NP341 | Musina | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 500 | 500 | 500 | 500 | |
| B | NP342 | Mutale | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 984 | 984 | 984 | |
| B | NP343 | Thulamela | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 2 734 | 2 734 | 2 734 | 2 734 | |
| B | NP344 | Makhado | 1 644 | 1 644 | 1 644 | 1 644 | 1 644 | 1 644 | | | | | | | 2 144 | 2 144 | 2 144 | 2 144 | |
| C | DC34 | Vhembe District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | 1 000 | 1 000 | 1 000 | 1 000 | |
| | | Total: Vhembe Municipalities | 4 112 | 4 112 | 4 112 | 4 112 | 4 112 | 4 112 | | | | | | | 6 612 | 6 612 | 6 612 | 6 612 | |
| B | NP351 | Blouberg | 772 | 772 | 772 | 772 | 772 | 772 | | | | | | | 1 022 | 1 022 | 1 022 | 1 022 | |
| B | NP352 | Aganang | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 984 | 984 | 984 | |
| B | NP353 | Molemole | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 250 | 250 | 250 | 250 | |
| B | NP354 | Polokwane | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 500 | 500 | 500 | 500 | |
| B | NP355 | Lepelle-Nkumpi | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 984 | 984 | 984 | 984 | |
| C | DC35 | Capricorn District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | 2 000 | 2 000 | 2 000 | 2 000 | |
| | | Total: Capricorn Municipalities | 3 240 | 3 240 | 3 240 | 3 240 | 3 240 | 3 240 | | | | | | | 6 240 | 6 240 | 6 240 | 6 240 | |
| B | NP361 | Thabazimbi | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 1 234 | 1 234 | 1 234 | 1 234 | |
| B | NP362 | Lephalale | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | 3 398 | 3 398 | 3 398 | 3 398 | |
| B | NP364 | Mookgopong | 750 | 750 | 750 | 750 | 750 | 750 | | | | | | | 1 000 | 1 000 | 1 000 | 1 000 | |
| B | NP365 | Modimolle | 750 | 750 | 750 | 750 | 750 | 750 | | | | | | | 1 250 | 1 250 | 1 250 | 1 250 | |
| B | NP366 | Bela Bela | 750 | 750 | 750 | 750 | 750 | 750 | | | | | | | 500 | 500 | 500 | 500 | |
| B | NP367 | Mogalakwena | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | 1 000 | 1 000 | 1 000 | 1 000 | |
| C | DC36 | Waterberg District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | 1 500 | 1 500 | 1 500 | 1 500 | |
| | | Total: Waterberg Municipalities | 2 484 | 2 484 | 2 484 | 2 484 | 2 484 | 2 484 | | | | | | | 8 882 | 8 882 | 8 882 | 8 882 | |
| | | Total: Limpopo Municipalities | 22 678 | 22 678 | 22 678 | 22 678 | 22 678 | 22 678 | | | | | | | 41 576 | 41 576 | 41 576 | 41 698 | |

RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 2 OF 2

| Number | Municipality | Municipal Systems Improvement Programme | | | | | | Water Services Operating & Transfer Subsidy (DWAF) - Signed Agreements | | | | | | SUB-TOTAL: RECURRENT | | | | | |
|-------------------|---|---|-----------------|--------------------------|-----------------|--------------------------|-----------------|--|-----------------|--------------------------|-----------------|--------------------------|-----------------|-------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
| | | National Financial Year | | Municipal Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| MPUMALANGA | | | | | | | | | | | | | | | | | | | |
| B | MP301 Albert Luthuli | 1 484 | 1 484 | 1 484 | 1 484 | 1 484 | 1 484 | | | | | | | | | 1 984 | 1 984 | 1 984 | |
| B | MP302 Miskaligwa | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | 734 | 734 | 734 | |
| B | MP303 Mkhondo | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | 734 | 734 | 734 | |
| B | MP304 Seme | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | 734 | 734 | 734 | |
| B | MP305 Lekwa | 750 | 750 | 750 | 750 | 750 | 750 | | | | | | | | | 750 | 750 | 750 | |
| B | MP306 Dipaleseng | | | | | | | | | | | | | | | 500 | 500 | 500 | |
| B | MP307 Govan Mbeki | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | 2 734 | 2 734 | 2 734 | |
| C | DC30 Gert Sibande District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | | | 1 500 | 1 500 | 1 500 | |
| | Total: Gert Sibande Municipalities | 6 170 | 6 170 | 6 170 | 6 170 | 6 170 | 6 170 | | | | | | | | | 10 170 | 10 170 | 10 170 | |
| B | MP311 Delmas | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | 734 | 734 | 734 | |
| B | MP312 Emalahleni | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | 1 500 | | | | | | | | | 2 000 | 2 000 | 2 000 | |
| B | MP313 Steve Tshwete | 984 | 984 | 984 | 984 | 984 | 984 | | | | | | | | | 1 984 | 1 984 | 1 984 | |
| B | MP314 Highlands | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | 984 | 984 | 984 | |
| B | MP315 Thembsisile | 1 634 | 1 634 | 1 634 | 1 634 | 1 634 | 1 634 | | | | | | | | | 1 634 | 1 634 | 1 634 | |
| B | MP316 Dr JS Moroka | 2 484 | 2 484 | 2 484 | 2 484 | 2 484 | 2 484 | | | | | | | | | 2 734 | 2 734 | 2 984 | |
| C | DC31 Nkangala District Municipality | 1 750 | 1 750 | 1 750 | 1 750 | 1 750 | 1 750 | | | | | | | | | 2 250 | 2 250 | 2 250 | |
| | Total: Nkangala Municipalities | 9 820 | 9 820 | 9 820 | 9 820 | 9 820 | 9 820 | | | | | | | | | 13 320 | 13 320 | 13 320 | |
| B | MP321 Thaba Chweu | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | 734 | 734 | 734 | |
| B | MP322 Mbombela | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | 3 234 | 3 234 | 3 234 | |
| B | MP323 Umjindi | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | | 734 | 734 | 734 | |
| B | MP324 Nkomazi | 1 484 | 1 484 | 1 484 | 1 484 | 1 484 | 1 484 | | | | | | | | | 31 849 | 25 078 | 21 428 | |
| C | DC32 Ehlanzeni District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | | | 3 000 | 1 500 | 1 500 | |
| | Total: Ehlanzeni Municipalities | 4 686 | 4 686 | 4 686 | 4 686 | 4 686 | 4 686 | | | | | | | | | 30 280 | 26 630 | 26 630 | |
| | Total: Mpumalanga Municipalities | 20 676 | 20 676 | 20 676 | 20 676 | 20 676 | 20 676 | | | | | | | | | 53 770 | 50 120 | 50 120 | |
| | | | | | | | | | | | | | | | | | | | 52 858 |

APPENDIX E3

RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 6) 2 OF 2

| Number | Municipality | Municipal Systems Improvement Programme | | | | | | Water Services Operating & Transfer Subsidy (DWAF) - Signed Agreements | | | | | | SUB-TOTAL: RECURRENT | | | | | |
|-------------------|--|---|-----------------|--------------------------|-----------------|-------------------------|-----------------|--|-----------------|-------------------------|-----------------|--------------------------|-----------------|-------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| NORTH WEST | | | | | | | | | | | | | | | | | | | |
| B | NW371 Moretele | 3 734 | 3 734 | 3 734 | 3 734 | 3 734 | 3 734 | 3 734 | | | | | | | | 4 234 | 4 234 | 4 234 | |
| B | NW372 Madibeng | | | | | | | | | | | | | | | 500 | 500 | 500 | |
| B | NW373 Rustenburg | | | | | | | | | | | | | | | 500 | 500 | 500 | |
| B | NW374 Kgetlengrivier | | | | | | | | | | | | | | | 500 | 500 | 500 | |
| B | NW375 Moses Kotane | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 1 234 | 1 234 | 1 234 | |
| C | DC37 Bojanala Platinum District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | | 1 500 | 1 500 | 1 500 | |
| | Total: Bojanala Platinum Municipalities | 5 468 | 5 468 | 5 468 | 5 468 | 5 468 | 5 468 | 5 468 | | | | | | | | 8 468 | 8 468 | 8 468 | |
| B | NW381 Ratlou | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 984 | 984 | 1 234 | |
| B | NW382 Tswang | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 984 | 984 | 1 234 | |
| B | NW383 Mafikeng | 3 734 | 3 734 | 3 734 | 3 734 | 3 734 | 3 734 | 3 734 | | | | | | | | 4 234 | 4 234 | 4 234 | |
| B | NW384 Ditsobotla | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 734 | 734 | 1 234 | |
| B | NW385 Zeerust | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 734 | 734 | 1 234 | |
| C | DC38 Central District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | | 1 500 | 1 500 | 1 500 | |
| | Total: Central Municipalities | 7 670 | 7 670 | 7 670 | 7 670 | 7 670 | 7 670 | 7 670 | | | | | | | | 10 670 | 10 670 | 10 670 | |
| B | NW391 Kagisano | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 984 | 984 | 1 234 | |
| B | NW392 Naledi | | | | | | | | | | | | | | | 500 | 500 | 500 | |
| B | NW393 Mamsisa | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 984 | 984 | 1 234 | |
| B | NW394 Greater Taung | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 984 | 984 | 1 234 | |
| B | NW395 Molopo | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 984 | 984 | 1 234 | |
| B | NW396 Lekwa-Teemane | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 734 | 734 | 1 234 | |
| C | DC39 Bophirima District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | | 1 500 | 1 500 | 1 500 | |
| | Total: Bophirima Municipalities | 4 670 | 4 670 | 4 670 | 4 670 | 4 670 | 4 670 | 4 670 | | | | | | | | 8 170 | 8 170 | 8 170 | |
| B | NW401 Ventersdorp | 734 | 734 | 734 | 734 | 734 | 734 | 734 | | | | | | | | 984 | 984 | 1 234 | |
| B | NW402 Potchefstroom | | | | | | | | | | | | | | | 500 | 500 | 500 | |
| B | NW403 Klerksdorp | | | | | | | | | | | | | | | 500 | 500 | 500 | |
| B | NW404 Maquassi Hills | | | | | | | | | | | | | | | 500 | 500 | 500 | |
| C | DC40 Southern District Municipality | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | | | | | | | | 2 500 | 2 500 | 2 500 | |
| | Total: Southern Municipalities | 1 734 | 1 734 | 1 734 | 1 734 | 1 734 | 1 734 | 1 734 | | | | | | | | 4 234 | 4 234 | 4 234 | |
| | Total: North West Municipalities | 19 542 | 19 542 | 19 542 | 19 542 | 19 542 | 19 542 | 19 542 | | | | | | | | 31 542 | 31 542 | 31 542 | |

APPENDIX E4:

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

(National and Municipal Financial Year)

APPENDIX E4

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

| Number | Municipality | Municipal Infrastructure Grant (Schedule 4B) ^{1,2} | | | | | | National Electrification Programme (Schedule 6A) | | | | | | SUB-TOTAL: INFRASTRUCTURE | | | | | |
|---------------------|---|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|--------------------------|--------------------|-------------------------|--------------------|---------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) |
| EASTERN CAPE | | | | | | | | | | | | | | | | | | | |
| A | Nelson Mandela | 71 372 | 199 761 | 253 817 | 81 596 | 202 339 | 253 817 | 7 049 | | | | | | 7 049 | | | | | |
| B | EC101 Camdeboo | | 8 535 | 2 986 | 684 | 8 598 | 2 986 | 1 000 | | | | | | 1 000 | | | | | |
| B | EC102 Blue Crane Route | | 8 773 | 11 122 | 1 247 | 8 887 | 11 122 | 1 380 | | | | | | 1 380 | | | | | |
| B | EC103 Ikwezi | | 5 227 | 7 840 | 5 227 | 7 840 | 7 840 | 78 | | | | | | 78 | | | | | |
| B | EC104 Makana | | 7 839 | 16 418 | 8 733 | 16 634 | 17 283 | 627 | | | | | | 627 | | | | | |
| B | EC105 Ndlambe | | 5 303 | 8 966 | 6 219 | 9 172 | 9 789 | | | | | | | | | | | | |
| B | EC106 Sundays River Valley | | 6 674 | 12 677 | 6 775 | 12 840 | 7 727 | | | | | | | | | | | | |
| B | EC107 Baviaans | | | 3 203 | 4 805 | 3 203 | 4 805 | | | | | | | | | | | | |
| B | EC108 Kouga | | 5 580 | 18 277 | 6 473 | 18 487 | 23 680 | 2 000 | | | | | | 2 000 | | | | | |
| B | EC109 Koukamma | | | 4 876 | 4 483 | 1 027 | 4 483 | | | | | | | | | | | | |
| B | EC110 Cacadu District Municipality | | 25 796 | 3 679 | 4 017 | 21 517 | 3 764 | 4 017 | | | | | | 4 017 | | | | | |
| | Total: Cacadu Municipalities | 51 192 | 90 631 | 93 732 | 52 674 | 91 781 | 93 732 | 5 085 | | | | | | 5 085 | | | | | |
| B | EC121 Mbashe | | 14 716 | 16 067 | 3 679 | 15 053 | 16 067 | | | | | | | | | | | | |
| B | EC122 Mquma | | 19 678 | 21 485 | 15 912 | 20 130 | 21 485 | | | | | | | | | | | | |
| B | EC123 Great Kei | | 4 136 | 4 516 | 1 034 | 4 231 | 4 516 | | | | | | | | | | | | |
| B | EC124 Amahlathi | | 12 340 | 13 474 | 3 085 | 12 624 | 13 474 | | | | | | | | | | | | |
| B | EC125 Buffalo City | | 85 603 | 121 337 | 95 111 | 124 123 | 132 479 | 12 150 | | | | | | 12 150 | | | | | |
| B | EC126 Ngushwa | | 3 999 | 5 455 | 4 363 | 5 581 | 5 956 | | | | | | | | | | | | |
| B | EC127 Nkonkobe | | 10 436 | 11 394 | 2 609 | 10 675 | 11 394 | 4 000 | | | | | | 4 000 | | | | | |
| B | EC128 Nxuba | | 2 101 | 2 294 | 525 | 2 149 | 2 294 | | | | | | | | | | | | |
| B | EC129 Amatole District Municipality | | 148 259 | 157 976 | 150 196 | 161 465 | 183 598 | | | | | | | | | | | | |
| | Total: Amatole Municipalities | 252 517 | 348 175 | 391 262 | 276 515 | 356 031 | 391 262 | 16 150 | | | | | | 16 150 | | | | | |
| B | EC131 Inxuba Yethemba | | 3 078 | 3 361 | 770 | 3 149 | 3 361 | | | | | | | | | | | | |
| B | EC132 Tsolwana | | 2 234 | 2 439 | 558 | 2 285 | 2 439 | | | | | | | | | | | | |
| B | EC133 Inkwanca | | | | | | | 2 781 | | | | | | 2 781 | | | | | |
| B | EC134 Lukhanji | | 6 996 | 13 422 | 8 603 | 13 730 | 14 655 | | | | | | | | | | | | |
| B | EC135 Intsika Yethu | | | 12 066 | 3 017 | 12 343 | 13 174 | | | | | | | | | | | | |
| B | EC136 Emaahlani | | | 11 094 | 2 774 | 11 349 | 12 113 | | | | | | | | | | | | |
| B | EC137 Engcobo | | 6 340 | 8 683 | 6 926 | 8 883 | 9 481 | | | | | | | | | | | | |
| B | EC138 Sakhisizwe | | | 5 074 | 5 539 | 5 190 | 5 539 | | | | | | | | | | | | |
| B | EC139 Chris Hani District Municipality | | 135 003 | 143 330 | 137 749 | 146 451 | 170 054 | | | | | | | | | | | | |
| | Total: Chris Hani Municipalities | 148 339 | 198 981 | 230 816 | 161 664 | 203 380 | 230 816 | 12 273 | | | | | | 12 273 | | | | | |
| | Total: Eastern Cape | 1 606 667 | 3 481 175 | 3 912 262 | 2 926 665 | 3 560 031 | 3 912 262 | 356 031 | | | | | | 356 031 | | | | | |

APPENDIX E4

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

| Number | Municipality | Municipal Infrastructure Grant (Schedule 4B) ^{1,2} | | | | | | National Electrification Programme (Schedule 6A) | | | | | | SUB-TOTAL: INFRASTRUCTURE | | | | | | |
|--------|---|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|--------------------------|--------------------|-------------------------|--------------------|---------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | |
| B | ECl41 Elundini | | 18 898 | 20 633 | 4 724 | 19 332 | 20 633 | 1 700 | | | | | | | 1 700 | 18 898 | 20 633 | 6 424 | 19 332 | 20 633 |
| B | ECl42 Senqu | 6 565 | 13 208 | 14 421 | 8 226 | 13 512 | 14 421 | | | | | | | | | 13 208 | 14 421 | 8 226 | 13 512 | 14 421 |
| B | ECl43 Maletswai | | 4 610 | 5 034 | 1 153 | 4 716 | 5 034 | 1 550 | | | | | | | 1 550 | 4 610 | 5 034 | 2 703 | 4 716 | 5 034 |
| B | ECl44 Gantep | | 2 472 | 2 699 | 618 | 2 529 | 2 699 | 1 550 | | | | | | | 1 550 | 2 472 | 2 699 | 2 168 | 2 529 | 2 699 |
| C | DCI14 Ukhahlamba District Municipality | 91 670 | 65 712 | 87 037 | 85 532 | 67 023 | 87 037 | | | | | | | | | 65 712 | 87 037 | 85 532 | 67 023 | 87 037 |
| | Total: Ukhahlamba Municipalities | 98 235 | 104 901 | 129 824 | 100 253 | 107 111 | 129 824 | 4 800 | | | | | | | 4 800 | 104 901 | 129 824 | 105 053 | 107 111 | 129 824 |
| B | ECl51 Mbizana | 8 787 | 23 625 | 25 795 | 12 497 | 24 168 | 25 795 | | | | | | | | | 23 625 | 25 795 | 12 497 | 24 168 | 25 795 |
| B | ECl52 Ntshankulu | | 7 414 | 8 095 | 1 854 | 7 585 | 8 095 | | | | | | | | | 7 414 | 8 095 | 1 854 | 7 585 | 8 095 |
| B | ECl53 Qaukeni | | 13 822 | 15 091 | 3 455 | 14 139 | 15 091 | | | | | | | | | 13 822 | 15 091 | 3 455 | 14 139 | 15 091 |
| B | ECl54 Port St. Johns | 5 815 | 8 001 | 8 735 | 6 362 | 8 184 | 8 735 | | | | | | | | | 8 001 | 8 735 | 6 362 | 8 184 | 8 735 |
| B | ECl55 Nyandeni | | 15 068 | 16 451 | 3 767 | 15 413 | 16 451 | | | | | | | | | 15 068 | 16 451 | 3 767 | 15 413 | 16 451 |
| B | ECl56 Mhlonitlo | | 12 016 | 13 120 | 3 004 | 12 292 | 13 120 | | | | | | | | | 12 016 | 13 120 | 3 004 | 12 292 | 13 120 |
| B | ECl57 King Sabata Dalindyebo | 16 011 | 39 217 | 42 818 | 21 812 | 40 117 | 42 818 | 8 000 | | | | | | | | 39 217 | 42 818 | 21 812 | 40 117 | 42 818 |
| C | DCI15 O.R. Tambo District Municipality | 296 751 | 335 265 | 367 583 | 306 480 | 342 901 | 367 583 | | | | | | | | | 335 265 | 367 583 | 306 480 | 342 901 | 367 583 |
| | Total: O.R Tambo Municipalities | 327 365 | 454 427 | 497 688 | 359 231 | 464 799 | 497 688 | 8 000 | | | | | | | 8 000 | 454 427 | 497 688 | 367 231 | 464 799 | 497 688 |
| B | EC0561 Umzimkhulu | 6 843 | 9 399 | 10 262 | 7 482 | 9 615 | 10 262 | | | | | | | | | 9 399 | 10 262 | 7 482 | 9 615 | 10 262 |
| B | EC0562 Umzimvubu | 7 706 | 23 707 | 25 884 | 11 706 | 24 252 | 25 884 | | | | | | | | | 23 707 | 25 884 | 11 706 | 24 252 | 25 884 |
| C | DC44 Alfred Nzo District Municipality | 100 248 | 132 783 | 145 969 | 107 882 | 135 786 | 145 969 | | | | | | | | | 132 783 | 145 969 | 107 882 | 135 786 | 145 969 |
| | Total: Alfred Nzo Municipalities | 114 797 | 165 890 | 182 116 | 127 070 | 169 652 | 182 116 | | | | | | | | | 165 890 | 182 116 | 127 070 | 169 652 | 182 116 |
| | Total: Eastern Cape Municipalities | 1 063 817 | 1 562 766 | 1 779 255 | 1 159 002 | 1 595 094 | 1 779 255 | 53 357 | | | | | | | 53 357 | 1 562 766 | 1 779 255 | 1 212 359 | 1 595 094 | 1 779 255 |

APPENDIX E4

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

| Number | Municipality | Municipal Infrastructure Grant (Schedule 4B) ^{1,2} | | | | | | National Electrification Programme (Schedule 6A) | | | | | | SUB-TOTAL: INFRASTRUCTURE | | | | | |
|-------------------|--|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|-------------------------|--------------------|--------------------------|--------------------|---------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| FREE STATE | | | | | | | | | | | | | | | | | | | |
| B | FS161 | Letsemeng | 3 905 | 10 643 | 13 380 | 4 511 | 10 788 | 13 380 | 400 | 400 | 400 | 4 305 | 10 643 | 13 380 | 4 911 | 10 788 | 13 380 | | |
| B | FS162 | Kopanong | | 11 191 | 14 152 | 1 614 | 11 339 | 14 152 | 400 | 400 | 400 | 400 | 11 191 | 14 152 | 2 014 | 11 339 | 14 152 | | |
| B | FS163 | Mohokare | 3 000 | 13 493 | 18 262 | 4 211 | 13 604 | 18 262 | | | | 3 000 | 13 493 | 18 262 | 4 211 | 13 604 | 18 262 | | |
| C | DC16 | Xhariep District Municipality | 13 347 | | 10 011 | 20 346 | 35 731 | 45 795 | 800 | | | 13 347 | | 10 011 | 21 146 | 35 731 | 45 795 | | |
| | Total: Xhariep Municipalities | | 20 252 | 35 327 | 45 795 | 20 346 | 35 731 | 45 795 | 800 | | | 21 052 | 35 327 | 45 795 | 21 146 | 35 731 | 45 795 | | |
| B | FS171 | Naledi | 3 000 | 8 208 | 4 435 | 4 016 | 8 301 | 4 435 | | | | 3 000 | 8 208 | 4 435 | 4 016 | 8 301 | 4 435 | | |
| B | FS172 | Mangung | 79 430 | 93 769 | 102 379 | 84 252 | 95 921 | 102 379 | 5 000 | | | 84 430 | 93 769 | 102 379 | 89 252 | 95 921 | 102 379 | | |
| B | FS173 | Mantsopa | 6 318 | 15 615 | 32 142 | 6 802 | 15 805 | 32 142 | | | | 6 318 | 15 615 | 32 142 | 6 802 | 15 805 | 32 142 | | |
| C | DC17 | Motho District Municipality | 13 245 | | 9 934 | 105 003 | 120 027 | 138 956 | 5 000 | | | 13 245 | | 9 934 | 110 003 | 120 027 | 138 956 | | |
| | Total: Motheo Municipalities | | 101 992 | 117 591 | 138 956 | 105 003 | 120 027 | 138 956 | 5 000 | | | 106 992 | 117 591 | 138 956 | 110 003 | 120 027 | 138 956 | | |
| B | FS181 | Masitunyana | 5 261 | 42 271 | 47 996 | 8 498 | 42 568 | 47 996 | 1 390 | | | 5 261 | 42 271 | 47 996 | 9 888 | 42 568 | 47 996 | | |
| B | FS182 | Tokologo | | 11 181 | 23 144 | 1 469 | 11 316 | 23 144 | 500 | | | 500 | 11 181 | 23 144 | 1 969 | 11 316 | 23 144 | | |
| B | FS183 | Tswelopele | 6 947 | 14 889 | 31 598 | 7 198 | 15 071 | 31 598 | | | | 6 947 | 14 889 | 31 598 | 7 198 | 15 071 | 31 598 | | |
| B | FS184 | Matjhabeng | 74 266 | 96 862 | 136 515 | 81 015 | 98 728 | 136 515 | 1 000 | | | 74 266 | 96 862 | 136 515 | 81 015 | 98 728 | 136 515 | | |
| B | FS185 | Nala | 24 419 | 27 590 | 48 476 | 25 414 | 28 012 | 48 476 | 1 000 | | | 25 419 | 27 590 | 48 476 | 26 414 | 28 012 | 48 476 | | |
| C | DC18 | Lejweletswa District Municipality | 14 162 | 1 371 | 1 496 | 10 964 | 1 402 | 1 496 | | | | 14 162 | 1 371 | 1 496 | 10 964 | 1 402 | 1 496 | | |
| | Total: Lejweletswa Municipalities | | 125 055 | 194 164 | 289 226 | 134 558 | 197 098 | 289 226 | 2 890 | | | 127 945 | 194 164 | 289 226 | 137 448 | 197 098 | 289 226 | | |
| B | FS191 | Setsoo | 17 491 | 34 747 | 53 291 | 21 179 | 35 373 | 53 291 | | | | 17 491 | 34 747 | 53 291 | 21 179 | 35 373 | 53 291 | | |
| B | FS192 | Dihlabeng | 26 754 | 23 755 | 35 281 | 26 082 | 24 193 | 35 281 | | | | 26 754 | 23 755 | 35 281 | 26 082 | 24 193 | 35 281 | | |
| B | FS193 | Nketoana | 11 110 | 16 272 | 20 137 | 11 699 | 16 513 | 20 137 | | | | 11 110 | 16 272 | 20 137 | 11 699 | 16 513 | 20 137 | | |
| B | FS194 | Maluti-a-Phofung | 52 684 | 88 114 | 96 205 | 61 541 | 90 137 | 96 205 | 1 000 | | | 52 684 | 88 114 | 96 205 | 62 541 | 90 137 | 96 205 | | |
| B | FS195 | Phumelela | 3 000 | 17 619 | 23 136 | 5 017 | 17 805 | 23 136 | 500 | | | 3 000 | 17 619 | 23 136 | 5 517 | 17 805 | 23 136 | | |
| C | DC19 | Thabo Mofutsanyana District Municipality | 13 828 | 2 | 2 | 10 371 | 2 | 2 | | | | 13 828 | 2 | 2 | 10 371 | 2 | 2 | | |
| | Total: Thabo Mofutsanyana Municipalities | | 124 866 | 180 510 | 228 052 | 135 888 | 184 022 | 228 052 | 1 500 | | | 126 366 | 180 510 | 228 052 | 137 388 | 184 022 | 228 052 | | |
| B | FS201 | Mochaka | 17 254 | 21 426 | 32 436 | 18 376 | 21 801 | 32 436 | 1 000 | | | 17 254 | 21 426 | 32 436 | 19 376 | 21 801 | 32 436 | | |
| B | FS203 | Ngwathe | 19 981 | 24 035 | 39 838 | 19 084 | 24 411 | 39 838 | 1 000 | | | 19 981 | 24 035 | 39 838 | 20 084 | 24 411 | 39 838 | | |
| B | FS204 | Metsimaholo | 14 172 | 19 470 | 22 300 | 15 358 | 19 858 | 22 300 | 1 000 | | | 14 172 | 19 470 | 22 300 | 16 358 | 19 858 | 22 300 | | |
| B | FS205 | Matibe | 8 341 | 14 952 | 19 292 | 8 926 | 15 128 | 19 292 | 310 | | | 8 341 | 14 952 | 19 292 | 9 236 | 15 128 | 19 292 | | |
| C | DC20 | Northern Free State District Municipality | 3 000 | | 2 250 | 63 994 | 81 199 | 113 867 | 3 310 | | | 3 000 | | 2 250 | 67 304 | 81 199 | 113 867 | | |
| | Total: Northern Free State Municipalities | | 62 748 | 79 882 | 113 867 | 63 994 | 81 199 | 113 867 | 3 310 | | | 66 058 | 79 882 | 113 867 | 67 304 | 81 199 | 113 867 | | |
| | Total: Free State Municipalities | | 434 913 | 607 475 | 815 895 | 459 790 | 618 076 | 815 895 | 13 500 | | | 448 413 | 607 475 | 815 895 | 473 290 | 618 076 | 815 895 | | |

APPENDIX E4

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

| Number | Municipality | Municipal Infrastructure Grant (Schedule 4B) ^{1,2} | | | | | | National Electrification Programme (Schedule 6A) | | | | | | SUB-TOTAL: INFRASTRUCTURE | | | | | | |
|----------------------|--|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|--------------------------|--------------------|-------------------------|--------------------|---------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|----------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | |
| KWAZULU-NATAL | | | | | | | | | | | | | | | | | | | | |
| A | eThekweni | 260 311 | 359 724 | 392 755 | 285 164 | 367 982 | 392 755 | 25 000 | | | | | | | 285 311 | 359 724 | 392 755 | 310 164 | 367 982 | 392 755 |
| B | KZ211 Vulemehlo | | 4 289 | 4 683 | 1 072 | 4 388 | 4 683 | | | | | | | | | 4 289 | 4 683 | 1 072 | 4 388 | 4 683 |
| B | KZ212 Umdoni | 5 172 | 3 509 | 3 831 | 4 757 | 3 590 | 3 831 | | | | | | | | 5 172 | 3 509 | 3 831 | 4 757 | 3 590 | 3 831 |
| B | KZ213 Umzumbe | | 9 829 | 10 731 | 2 457 | 10 055 | 10 731 | | | | | | | | | 9 829 | 10 731 | 2 457 | 10 055 | 10 731 |
| B | KZ214 uMuziwabantu | | 9 516 | 10 390 | 2 379 | 9 735 | 10 390 | | | | | | | | | 9 516 | 10 390 | 2 379 | 9 735 | 10 390 |
| B | KZ215 Ezinqolweni | | 2 851 | 3 112 | 713 | 2 916 | 3 112 | | | | | | | | | 2 851 | 3 112 | 713 | 2 916 | 3 112 |
| B | KZ216 Hibiscus Coast | 17 571 | 10 089 | 11 016 | 15 701 | 10 321 | 11 016 | | | | | | | | 17 571 | 10 089 | 11 016 | 15 701 | 10 321 | 11 016 |
| C | DC21 Ugu District Municipality | 95 091 | 118 745 | 129 649 | 101 005 | 121 471 | 129 649 | | | | | | | | 95 091 | 118 745 | 129 649 | 101 005 | 121 471 | 129 649 |
| | Total: Ugu Municipalities | 117 834 | 158 828 | 173 412 | 128 083 | 162 474 | 173 412 | | | | | | | | 117 834 | 158 828 | 173 412 | 128 083 | 162 474 | 173 412 |
| B | KZ221 uMshwathi | | 5 452 | 5 952 | 1 363 | 5 577 | 5 952 | | | | | | | | | 5 452 | 5 952 | 1 363 | 5 577 | 5 952 |
| B | KZ222 uMngeni | 2 863 | 5 844 | 6 381 | 3 609 | 5 979 | 6 381 | 2 035 | | | | | | | 2 863 | 5 844 | 6 381 | 3 609 | 5 979 | 6 381 |
| B | KZ223 Mooi Mpošana | | 3 577 | 3 906 | 894 | 3 659 | 3 906 | | | | | | | | | 3 577 | 3 906 | 894 | 3 659 | 3 906 |
| B | KZ224 Impendle | | | | | | | | | | | | | | | | | | | |
| B | KZ225 Misunduzi | 44 246 | 57 031 | 62 267 | 47 442 | 58 340 | 62 267 | 4 009 | | | | | | | 44 246 | 57 031 | 62 267 | 47 442 | 58 340 | 62 267 |
| B | KZ226 Mkhambathini | 2 141 | 2 940 | 3 210 | 2 341 | 3 007 | 3 210 | | | | | | | | 2 141 | 2 940 | 3 210 | 2 341 | 3 007 | 3 210 |
| B | KZ227 Richmond | | 4 507 | 4 921 | 1 127 | 4 611 | 4 921 | | | | | | | | | 4 507 | 4 921 | 1 127 | 4 611 | 4 921 |
| C | DC22 uMgungundlovu District Municipality | 46 604 | 45 679 | 49 874 | 47 373 | 46 728 | 49 874 | | | | | | | | 46 604 | 45 679 | 49 874 | 47 373 | 46 728 | 49 874 |
| | Total: uMgungundlovu Municipalities | 95 854 | 125 031 | 136 511 | 104 148 | 127 901 | 136 511 | 6 044 | | | | | | | 101 898 | 125 031 | 136 511 | 110 192 | 127 901 | 136 511 |
| B | KZ232 Emmaambithi/Ladysmit | 6 805 | 14 722 | 16 073 | 8 784 | 15 059 | 16 073 | 1 002 | | | | | | | 6 805 | 14 722 | 16 073 | 8 784 | 15 059 | 16 073 |
| B | KZ233 Indaka | | 4 993 | 5 451 | 1 248 | 5 107 | 5 451 | | | | | | | | | 4 993 | 5 451 | 1 248 | 5 107 | 5 451 |
| B | KZ234 Umishezi | | 3 748 | 4 093 | 937 | 3 834 | 4 093 | 1 002 | | | | | | | 1 002 | 3 748 | 4 093 | 937 | 3 834 | 4 093 |
| B | KZ235 Okhahlamba | | 6 818 | 7 444 | 1 704 | 6 974 | 7 444 | | | | | | | | | 6 818 | 7 444 | 1 704 | 6 974 | 7 444 |
| B | KZ236 Imbabazane | | 5 335 | 5 824 | 1 334 | 5 457 | 5 824 | | | | | | | | | 5 335 | 5 824 | 1 334 | 5 457 | 5 824 |
| C | DC23 Uthukela District Municipality | 64 150 | 67 484 | 73 681 | 65 309 | 69 033 | 73 681 | | | | | | | | 64 150 | 67 484 | 73 681 | 65 309 | 69 033 | 73 681 |
| | Total: Uthukela Municipalities | 70 955 | 103 099 | 112 566 | 79 316 | 105 466 | 112 566 | 2 004 | | | | | | | 72 959 | 103 099 | 112 566 | 81 320 | 105 466 | 112 566 |
| B | KZ241 Endumeni | | 3 323 | 3 628 | 831 | 3 399 | 3 628 | | | | | | | | | 3 323 | 3 628 | 831 | 3 399 | 3 628 |
| B | KZ242 Nquthu | | 13 568 | 14 814 | 3 392 | 13 879 | 14 814 | | | | | | | | | 13 568 | 14 814 | 3 392 | 13 879 | 14 814 |
| B | KZ244 Misinga | | 9 010 | 9 837 | 2 252 | 9 837 | 9 837 | | | | | | | | | 9 010 | 9 837 | 2 252 | 9 837 | 9 837 |
| B | KZ245 Umvoti | 4 249 | 10 085 | 11 011 | 5 708 | 10 316 | 11 011 | | | | | | | | 4 249 | 10 085 | 11 011 | 5 708 | 10 316 | 11 011 |
| C | DC24 Umzinyathi District Municipality | 77 205 | 72 112 | 78 733 | 76 107 | 73 767 | 78 733 | | | | | | | | 77 205 | 72 112 | 78 733 | 76 107 | 73 767 | 78 733 |
| | Total: Umzinyathi Municipalities | 81 455 | 108 097 | 118 023 | 88 290 | 110 579 | 118 023 | | | | | | | | 81 455 | 108 097 | 118 023 | 88 290 | 110 579 | 118 023 |
| B | KZ252 Newcastle | 23 535 | 30 555 | 33 361 | 25 290 | 31 257 | 33 361 | | | | | | | | 23 535 | 30 555 | 33 361 | 25 290 | 31 257 | 33 361 |
| B | KZ253 Utrecht | | 2 952 | 3 223 | 738 | 3 020 | 3 223 | | | | | | | | | 2 952 | 3 223 | 738 | 3 020 | 3 223 |
| B | KZ254 Dannhauser | | 4 402 | 4 806 | 1 101 | 4 503 | 4 806 | | | | | | | | | 4 402 | 4 806 | 1 101 | 4 503 | 4 806 |
| C | DC25 Amajuba District Municipality | 17 525 | 17 145 | 18 720 | 17 430 | 17 539 | 18 720 | | | | | | | | 17 525 | 17 145 | 18 720 | 17 430 | 17 539 | 18 720 |
| | Total: Amajuba Municipalities | 41 060 | 55 055 | 60 110 | 44 559 | 56 319 | 60 110 | | | | | | | | 41 060 | 55 055 | 60 110 | 44 559 | 56 319 | 60 110 |

APPENDIX E4

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

| Number | Municipality | Municipal Infrastructure Grant (Schedule 4B) ^{1,2} | | | | National Electrification Programme (Schedule 6A) | | | | SUB-TOTAL: INFRASTRUCTURE | | | |
|--------|--|---|--------------------|--------------------------|--------------------|--|--------------------|--------------------------|--------------------|---------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) |
| B | KZ261 eDumbe | | 7 058 | 7 706 | 7 220 | 7 706 | | | | 7 058 | 7 706 | 7 220 | 7 706 |
| B | KZ262 uPhongolo | | 10 276 | 11 219 | 10 511 | 11 219 | | | | 10 276 | 11 219 | 2 569 | 10 511 |
| B | KZ263 Abaqulusi | | 14 082 | 15 375 | 14 405 | 15 375 | 1 550 | | | 14 082 | 15 375 | 5 070 | 14 405 |
| B | KZ265 Nongoma | | 7 974 | 8 706 | 8 157 | 8 706 | | | | 7 974 | 8 706 | 1 993 | 8 157 |
| B | KZ266 Ulundi | | 17 203 | 18 782 | 17 598 | 18 782 | 2 660 | | | 17 203 | 18 782 | 6 961 | 17 598 |
| C | DC26 Zululand District Municipality | 124 755 | 102 267 | 111 658 | 104 615 | 111 658 | | | | 124 755 | 102 267 | 111 658 | 104 615 |
| | Total: Zululand Municipalities | 124 755 | 158 859 | 173 446 | 162 506 | 173 446 | 4 210 | | | 158 859 | 173 446 | 137 491 | 162 506 |
| B | KZ271 Umhlabuyalingane | 5 290 | 7 219 | 7 882 | 7 385 | 7 882 | | | | 5 290 | 7 219 | 7 882 | 7 385 |
| B | KZ272 Jozini | | 19 440 | 21 225 | 19 886 | 21 225 | | | | 19 440 | 21 225 | 4 860 | 19 886 |
| B | KZ273 The Big Five False Bay | | | | | | | | | | | | |
| B | KZ274 Hlabisa | | 6 722 | 7 339 | 6 876 | 7 339 | | | | 6 722 | 7 339 | 1 680 | 6 876 |
| B | KZ275 Mtubatuba | | 2 226 | 2 430 | 2 277 | 2 430 | | | | 2 226 | 2 430 | 556 | 2 277 |
| C | DC27 Umkhanyakude District Municipality | 83 545 | 93 734 | 102 341 | 86 092 | 102 341 | | | | 83 545 | 93 734 | 86 092 | 102 341 |
| | Total: Umkhanyakude Municipalities | 88 835 | 129 341 | 141 217 | 98 962 | 141 217 | | | | 129 341 | 141 217 | 98 962 | 132 310 |
| B | KZ281 Mbonambi | 3 675 | 4 999 | 5 458 | 5 114 | 5 458 | | | | 3 675 | 4 999 | 4 006 | 5 114 |
| B | KZ282 uMhlatuze | 25 533 | 32 360 | 35 331 | 33 102 | 35 331 | | | | 25 533 | 32 360 | 27 240 | 33 102 |
| B | KZ283 Ntambanana | | 2 737 | 2 988 | 2 800 | 2 988 | | | | 2 737 | 2 988 | 684 | 2 800 |
| B | KZ284 Umlalazi | | 18 611 | 20 319 | 19 038 | 20 319 | | | | 18 611 | 20 319 | 4 653 | 19 038 |
| B | KZ285 Mthonjaneni | | 5 636 | 6 154 | 5 766 | 6 154 | | | | 5 636 | 6 154 | 1 409 | 5 766 |
| B | KZ286 Nkandla | 4 909 | 6 727 | 7 345 | 6 882 | 7 345 | | | | 4 909 | 6 727 | 5 364 | 6 882 |
| C | DC28 uThungulu District Municipality | 77 691 | 75 223 | 82 131 | 76 950 | 82 131 | | | | 77 691 | 75 223 | 77 074 | 76 950 |
| | Total: uThungulu Municipalities | 111 808 | 146 294 | 159 727 | 149 652 | 159 727 | | | | 146 294 | 159 727 | 120 429 | 149 652 |
| B | KZ291 eNdongakusuka | | 11 387 | 12 433 | 11 649 | 12 433 | | | | 11 387 | 12 433 | 2 847 | 11 649 |
| B | KZ292 KwaDukuza | 9 124 | 15 693 | 17 134 | 16 053 | 17 134 | 3 000 | | | 12 124 | 15 693 | 13 766 | 16 053 |
| B | KZ293 Ndwedwe | | 8 201 | 8 954 | 8 390 | 8 954 | | | | 8 201 | 8 954 | 2 050 | 8 390 |
| B | KZ294 Maphumulo | 4 274 | 5 874 | 6 414 | 6 009 | 6 414 | | | | 4 274 | 5 874 | 4 674 | 6 009 |
| C | DC29 Iembe District Municipality | 66 991 | 69 754 | 76 159 | 71 355 | 76 159 | | | | 66 991 | 69 754 | 67 681 | 71 355 |
| | Total: Iembe Municipalities | 80 389 | 110 910 | 121 094 | 113 456 | 121 094 | 3 000 | | | 83 389 | 110 910 | 121 094 | 113 456 |
| B | KZ5a1 Ingwe | 4 099 | 10 925 | 11 928 | 11 175 | 11 928 | | | | 4 099 | 10 925 | 11 928 | 11 175 |
| B | KZ5a2 Kwa Sani | | | | | | | | | | | | |
| B | KZ5a3 Matatiele | | 1 863 | 2 034 | 1 906 | 2 034 | | | | 1 863 | 2 034 | 466 | 1 906 |
| B | KZ5a4 Greater Kokstad | 3 509 | 8 078 | 8 820 | 8 263 | 8 820 | 2 000 | | | 5 509 | 8 078 | 6 651 | 8 263 |
| B | KZ5a5 Ubuhlebezwe | | 6 232 | 6 804 | 6 375 | 6 804 | | | | 6 232 | 6 804 | 1 558 | 6 375 |
| C | DC43 Sisonke District Municipality | 35 414 | 37 335 | 40 763 | 38 192 | 40 763 | | | | 35 414 | 37 335 | 35 895 | 38 192 |
| | Total: Sisonke Municipalities | 43 022 | 64 432 | 70 349 | 65 912 | 70 349 | 2 000 | | | 45 022 | 64 432 | 50 375 | 65 912 |
| | Total: KwaZulu-Natal Municipalities | 1 116 278 | 1 519 671 | 1 659 211 | 1 218 627 | 1 659 211 | 42 258 | | | 1 158 537 | 1 519 671 | 1 659 211 | 1 260 885 |
| | | | | | | | | | | | | | 1 554 556 |
| | | | | | | | | | | | | | 1 659 211 |

APPENDIX E4

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

| Number | Municipality | Municipal Infrastructure Grant (Schedule 4B) ^{1,2} | | | | | | National Electrification Programme (Schedule 6A) | | | | | | SUB-TOTAL: INFRASTRUCTURE | | | | | |
|----------------|--|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|--------------------------|--------------------|-------------------------|--------------------|---------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) |
| LIMPOPO | | | | | | | | | | | | | | | | | | | |
| B | NP03A2 | 10 135 | 13 790 | 15 056 | 11 049 | 14 107 | 15 056 | | | | | | | | 13 790 | 15 056 | 11 049 | 14 107 | 15 056 |
| B | NP03A3 | | 4 932 | 5 385 | 1 233 | 5 045 | 5 385 | | | | | | | | 4 932 | 5 385 | 1 233 | 5 045 | 5 385 |
| B | CBLC3 | | 8 576 | 8 576 | 1 964 | 8 036 | 8 576 | | | | | | | | 7 855 | 8 576 | 1 964 | 8 036 | 8 576 |
| B | CBLC4 | 8 414 | 13 998 | 15 284 | 9 810 | 14 320 | 15 284 | | | | | | | | 13 998 | 15 284 | 9 810 | 14 320 | 15 284 |
| B | CBLC5 | | 15 532 | 16 958 | 3 883 | 15 889 | 16 958 | | | | | | | | 15 532 | 16 958 | 3 883 | 15 889 | 16 958 |
| C | CBDC3 | 153 289 | 161 704 | 176 552 | 155 393 | 165 416 | 176 552 | | | | | | | | 161 704 | 176 552 | 155 393 | 165 416 | 176 552 |
| | Total: Greater Sekhukhune Cross Boundary Municipalities | 171 839 | 217 811 | 237 811 | 183 332 | 222 811 | 237 811 | | | | | | | | 217 811 | 237 811 | 183 332 | 222 811 | 237 811 |
| B | NP04A1 | | 5 583 | 6 096 | 1 396 | 5 711 | 6 096 | | | | | | | | 5 583 | 6 096 | 1 396 | 5 711 | 6 096 |
| B | CBLC6 | | 24 624 | 26 885 | 6 156 | 25 189 | 26 885 | | | | | | | | 24 624 | 26 885 | 6 156 | 25 189 | 26 885 |
| C | CBDC4 | 94 922 | 93 279 | 101 844 | 94 511 | 95 420 | 101 844 | | | | | | | | 93 279 | 101 844 | 94 511 | 95 420 | 101 844 |
| | Total: Boihabela Municipalities | 94 922 | 123 485 | 134 824 | 102 063 | 126 320 | 134 824 | | | | | | | | 123 485 | 134 824 | 102 063 | 126 320 | 134 824 |
| B | NP331 | | 12 263 | 13 389 | 3 066 | 12 544 | 13 389 | | | | | | | | 12 263 | 13 389 | 3 066 | 12 544 | 13 389 |
| B | NP332 | | 19 897 | 21 724 | 4 974 | 20 353 | 21 724 | | | | | | | | 19 897 | 21 724 | 4 974 | 20 353 | 21 724 |
| B | NP333 | 16 455 | 32 420 | 35 397 | 20 447 | 33 164 | 35 397 | 4 828 | | | | | | | 32 420 | 35 397 | 25 275 | 33 164 | 35 397 |
| B | NP334 | | 8 976 | 9 801 | 2 244 | 9 183 | 9 801 | | | | | | | | 8 976 | 9 801 | 2 244 | 9 183 | 9 801 |
| C | DC33 | 98 257 | 98 519 | 107 565 | 98 323 | 100 780 | 107 565 | | | | | | | | 98 519 | 107 565 | 98 323 | 100 780 | 107 565 |
| | Total: Mopani Municipalities | 114 713 | 172 074 | 187 875 | 129 053 | 176 024 | 187 875 | 4 828 | | | | | | | 172 074 | 187 875 | 133 881 | 176 024 | 187 875 |
| B | NP341 | | 5 040 | 5 503 | 1 260 | 5 156 | 5 503 | | | | | | | | 5 040 | 5 503 | 1 260 | 5 156 | 5 503 |
| B | NP342 | | 4 340 | 4 738 | 1 085 | 4 439 | 4 738 | | | | | | | | 4 340 | 4 738 | 1 085 | 4 439 | 4 738 |
| B | NP343 | 20 969 | 28 773 | 31 415 | 22 920 | 29 434 | 31 415 | | | | | | | | 28 773 | 31 415 | 22 920 | 29 434 | 31 415 |
| B | NP344 | 18 442 | 37 807 | 41 278 | 23 283 | 38 675 | 41 278 | 4 503 | | | | | | | 37 807 | 41 278 | 27 786 | 38 675 | 41 278 |
| C | DC34 | 86 737 | 132 753 | 144 943 | 98 241 | 135 801 | 144 943 | | | | | | | | 132 753 | 144 943 | 98 241 | 135 801 | 144 943 |
| | Total: Vhembe Municipalities | 126 148 | 208 713 | 227 878 | 146 789 | 213 504 | 227 878 | 4 503 | | | | | | | 208 713 | 227 878 | 151 292 | 213 504 | 227 878 |
| B | NP351 | | 16 840 | 18 386 | 4 210 | 17 227 | 18 386 | | | | | | | | 16 840 | 18 386 | 4 210 | 17 227 | 18 386 |
| B | NP352 | | 7 828 | 8 546 | 1 957 | 8 007 | 8 546 | | | | | | | | 7 828 | 8 546 | 1 957 | 8 007 | 8 546 |
| B | NP353 | 69 081 | 92 726 | 101 240 | 74 992 | 94 854 | 101 240 | | | | | | | | 92 726 | 101 240 | 74 992 | 94 854 | 101 240 |
| B | NP354 | | 11 434 | 12 484 | 2 859 | 11 697 | 12 484 | | | | | | | | 11 434 | 12 484 | 2 859 | 11 697 | 12 484 |
| C | DC35 | 78 824 | 77 714 | 84 850 | 78 547 | 79 498 | 84 850 | | | | | | | | 77 714 | 84 850 | 78 547 | 79 498 | 84 850 |
| | Total: Capricorn Municipalities | 147 905 | 215 699 | 235 505 | 164 853 | 220 651 | 235 505 | 7 005 | | | | | | | 215 699 | 235 505 | 171 858 | 220 651 | 235 505 |
| B | NP361 | | 16 993 | 18 553 | 4 248 | 17 383 | 18 553 | | | | | | | | 16 993 | 18 553 | 4 248 | 17 383 | 18 553 |
| B | NP362 | 12 639 | 17 801 | 19 436 | 13 930 | 18 210 | 19 436 | | | | | | | | 17 801 | 19 436 | 13 930 | 18 210 | 19 436 |
| B | NP364 | 3 710 | 5 609 | 6 124 | 4 185 | 5 738 | 6 124 | | | | | | | | 5 609 | 6 124 | 4 185 | 5 738 | 6 124 |
| B | NP365 | | 16 472 | 17 984 | 4 118 | 16 850 | 17 984 | 2 767 | | | | | | | 16 472 | 17 984 | 6 885 | 16 850 | 17 984 |
| B | NP366 | 3 992 | 6 017 | 6 570 | 4 499 | 6 155 | 6 570 | | | | | | | | 6 017 | 6 570 | 4 499 | 6 155 | 6 570 |
| B | NP367 | | 51 776 | 56 530 | 12 944 | 52 965 | 56 530 | 1 550 | | | | | | | 51 776 | 56 530 | 14 494 | 52 965 | 56 530 |
| C | DC36 | 51 902 | | | 38 927 | | | | | | | | | | | | 38 927 | | |
| | Total: Waterberg Municipalities | 72 243 | 114 668 | 125 197 | 82 849 | 117 300 | 125 197 | 4 317 | | | | | | | 114 668 | 125 197 | 87 166 | 117 300 | 125 197 |
| | Total: Limpopo Municipalities | 727 769 | 1 052 451 | 1 149 090 | 808 939 | 1 076 611 | 1 149 090 | 20 653 | | | | | | | 1 052 451 | 1 149 090 | 829 592 | 1 076 611 | 1 149 090 |

APPENDIX E4

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

| Number | Municipality | Municipal Infrastructure Grant (Schedule 4B) ^{1,2} | | | | | | National Electrification Programme (Schedule 6A) | | | | | | SUB-TOTAL: INFRASTRUCTURE | | | | | | |
|-------------------|--|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|--------------------------|--------------------|-------------------------|--------------------|---------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|----------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | |
| MPUMALANGA | | | | | | | | | | | | | | | | | | | | |
| B | MP301 | 19 416 | 31 445 | 34 332 | 22 423 | 32 167 | 34 332 | 733 | | | | | | | | | | | | |
| B | MP302 | | 16 834 | 18 380 | 4 209 | 17 221 | 18 380 | | | | | | | | | | | | | |
| B | MP303 | | 24 594 | 26 852 | 6 149 | 25 159 | 26 852 | 2 000 | | | | | | | | | | | | |
| B | MP304 | 7 566 | 10 475 | 11 436 | 8 293 | 10 715 | 11 436 | | | | | | | | | | | | | |
| B | MP305 | 10 125 | 17 030 | 18 594 | 14 383 | 17 421 | 18 594 | 5 720 | | | | | | | | | | | | |
| B | MP306 | | 6 219 | 6 790 | 1 555 | 6 362 | 6 790 | 1 050 | | | | | | | | | | | | |
| B | MP307 | 37 504 | 38 768 | 42 327 | 40 351 | 39 658 | 42 327 | 1 653 | | | | | | | | | | | | |
| C | DC30 | 50 208 | | | 37 656 | | | | | | | | | | | | | | | |
| | Total: Gert Sibande District Municipality | 124 819 | 145 365 | 158 713 | 135 018 | 148 702 | 158 713 | 11 156 | | | | | | | | | | | | |
| B | MP311 | 5 610 | 8 214 | 8 968 | 6 261 | 8 402 | 8 968 | | | | | | | | | | | | | |
| B | MP312 | 32 462 | 41 948 | 45 800 | 34 834 | 42 911 | 45 800 | 2 931 | | | | | | | | | | | | |
| B | MP313 | 10 138 | 14 740 | 16 094 | 11 289 | 15 079 | 16 094 | 2 850 | | | | | | | | | | | | |
| B | MP314 | | 4 597 | 5 019 | 1 149 | 4 703 | 5 019 | 1 542 | | | | | | | | | | | | |
| B | MP315 | | 35 942 | 39 242 | 8 986 | 36 767 | 39 242 | | | | | | | | | | | | | |
| B | MP316 | 31 397 | 35 159 | 38 388 | 32 338 | 35 966 | 38 388 | | | | | | | | | | | | | |
| C | DC31 | 34 617 | 3 752 | 4 096 | 26 901 | 3 838 | 4 096 | | | | | | | | | | | | | |
| | Total: Nkangala Municipalities | 114 224 | 144 352 | 157 607 | 121 756 | 147 666 | 157 607 | 7 323 | | | | | | | | | | | | |
| B | MP321 | | 12 874 | 14 056 | 3 218 | 13 169 | 14 056 | | | | | | | | | | | | | |
| B | MP322 | 58 729 | 79 083 | 86 345 | 63 817 | 80 898 | 86 345 | 1 815 | | | | | | | | | | | | |
| B | MP323 | 8 042 | 10 145 | 11 077 | 8 568 | 10 378 | 11 077 | 3 000 | | | | | | | | | | | | |
| B | MP324 | 17 460 | 58 961 | 64 375 | 27 835 | 60 314 | 64 375 | | | | | | | | | | | | | |
| C | DC32 | 37 231 | 239 | 261 | 27 983 | 245 | 261 | | | | | | | | | | | | | |
| | Total: Ehlanzeni District Municipality | 121 463 | 161 302 | 176 113 | 131 423 | 165 005 | 176 113 | 4 815 | | | | | | | | | | | | |
| | Total: Mpumalanga Municipalities | 360 506 | 451 019 | 492 433 | 388 197 | 461 373 | 492 433 | 23 294 | | | | | | | | | | | | |
| | Total: Mpumalanga Municipalities | 383 800 | 451 019 | 492 433 | 411 491 | 461 373 | 492 433 | 461 373 | 492 433 | 411 491 | 461 373 | 492 433 | 492 433 | 461 373 | 492 433 | 461 373 | 492 433 | 492 433 | 461 373 | 492 433 |

APPENDIX E4

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

| Number | Municipality | Municipal Infrastructure Grant (Schedule 4B) ^{1,2} | | | | | | National Electrification Programme (Schedule 6A) | | | | | | SUB-TOTAL: INFRASTRUCTURE | | | | | |
|----------------------|---|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|--------------------------|--------------------|-------------------------|--------------------|---------------------------|--------------------|--------------------------|--------------------|--|--|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | | |
| NORTHERN CAPE | | | | | | | | | | | | | | | | | | | |
| B | NC01B1 | | 1 059 | 1 157 | 265 | 1 084 | 1 157 | 1 157 | 1 059 | 1 157 | 965 | 1 084 | 1 157 | 1 084 | 1 157 | | | | |
| B | NW1a1 | | 13 254 | 14 471 | 3 314 | 13 559 | 14 471 | 14 471 | 13 254 | 14 471 | 3 314 | 13 559 | 14 471 | 13 559 | 14 471 | | | | |
| B | CBLC1 | 16 749 | 11 669 | 12 740 | 15 479 | 11 937 | 12 740 | 12 740 | 11 669 | 12 740 | 15 479 | 11 937 | 12 740 | 11 937 | 12 740 | | | | |
| C | CBDC1 | 37 361 | 11 930 | 13 025 | 31 004 | 12 204 | 13 025 | 13 025 | 11 930 | 13 025 | 31 004 | 12 204 | 13 025 | 12 204 | 13 025 | | | | |
| | Total: Kgalagadi Cross Border Municipalities | 54 111 | 37 912 | 41 394 | 50 061 | 38 783 | 41 394 | 41 394 | 37 912 | 41 394 | 50 061 | 38 783 | 41 394 | 38 783 | 41 394 | | | | |
| B | NC061 | | 513 | 561 | 128 | 525 | 561 | 561 | 513 | 561 | 128 | 525 | 561 | 525 | 561 | | | | |
| B | NC062 | 8 527 | 8 907 | 3 406 | 8 175 | 8 979 | 3 406 | 3 406 | 8 907 | 3 406 | 8 175 | 8 979 | 3 406 | 8 979 | 3 406 | | | | |
| B | NC064 | | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | | | | |
| B | NC065 | | 3 128 | 2 061 | 3 643 | 2 061 | 2 061 | 2 061 | 3 128 | 2 061 | 3 643 | 2 061 | 2 061 | 3 643 | 2 061 | | | | |
| B | NC066 | 196 | 1 310 | 1 430 | 523 | 1 340 | 1 430 | 1 430 | 1 310 | 1 430 | 523 | 1 340 | 1 430 | 1 340 | 1 430 | | | | |
| B | NC067 | | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | | | | |
| C | DC6 | 5 579 | 4 646 | 3 011 | 5 346 | 4 237 | 3 011 | 3 011 | 4 646 | 3 011 | 5 346 | 4 237 | 3 011 | 4 237 | 3 011 | | | | |
| | Total: Namakwa Municipalities | 15 054 | 18 913 | 10 469 | 14 924 | 19 133 | 10 469 | 10 469 | 18 913 | 10 469 | 14 924 | 19 133 | 10 469 | 19 133 | 10 469 | | | | |
| B | NC071 | | 3 292 | 2 017 | 462 | 3 334 | 2 017 | 2 017 | 3 292 | 2 017 | 462 | 3 334 | 2 017 | 3 334 | 2 017 | | | | |
| B | NC072 | | 7 862 | 3 061 | 701 | 7 926 | 3 061 | 3 061 | 7 862 | 3 061 | 701 | 7 926 | 3 061 | 7 926 | 3 061 | | | | |
| B | NC073 | | 2 762 | 3 016 | 691 | 2 826 | 3 016 | 3 016 | 2 762 | 3 016 | 691 | 2 826 | 3 016 | 2 826 | 3 016 | | | | |
| B | NC074 | | 4 473 | 1 095 | 251 | 4 496 | 1 095 | 1 095 | 4 473 | 1 095 | 251 | 4 496 | 1 095 | 4 496 | 1 095 | | | | |
| B | NC075 | | 5 838 | 1 221 | 279 | 5 864 | 1 221 | 1 221 | 5 838 | 1 221 | 279 | 5 864 | 1 221 | 5 864 | 1 221 | | | | |
| B | NC076 | | 1 085 | 2 023 | 1 085 | 1 590 | 2 023 | 2 023 | 1 085 | 2 023 | 1 085 | 1 590 | 2 023 | 1 590 | 2 023 | | | | |
| B | NC077 | | 4 554 | 1 341 | 307 | 4 582 | 1 341 | 1 341 | 4 554 | 1 341 | 307 | 4 582 | 1 341 | 4 582 | 1 341 | | | | |
| B | NC078 | 6 532 | 5 093 | 5 561 | 6 923 | 5 210 | 5 561 | 5 561 | 5 093 | 5 561 | 6 923 | 5 210 | 5 561 | 5 210 | 5 561 | | | | |
| C | DC7 | 22 620 | 2 425 | 625 | 17 571 | 1 975 | 625 | 625 | 2 425 | 625 | 17 571 | 1 975 | 625 | 1 975 | 625 | | | | |
| | Total: Karoo District Municipality | 29 152 | 37 384 | 19 960 | 27 184 | 37 804 | 19 960 | 19 960 | 37 384 | 19 960 | 27 184 | 37 804 | 19 960 | 37 804 | 19 960 | | | | |
| B | NC081 | 338 | 7 152 | 7 809 | 338 | 7 317 | 7 809 | 7 809 | 7 152 | 7 809 | 338 | 7 317 | 7 809 | 7 317 | 7 809 | | | | |
| B | NC082 | 599 | 7 211 | 6 874 | 2 387 | 7 356 | 6 874 | 6 874 | 599 | 6 874 | 2 387 | 7 356 | 6 874 | 7 356 | 6 874 | | | | |
| B | NC083 | 3 000 | 1 667 | 1 820 | 4 574 | 1 706 | 1 820 | 1 820 | 1 667 | 1 820 | 4 574 | 1 706 | 1 820 | 1 706 | 1 820 | | | | |
| B | NC084 | | 2 559 | 2 794 | 6 245 | 2 617 | 2 794 | 2 794 | 2 559 | 2 794 | 6 245 | 2 617 | 2 794 | 2 617 | 2 794 | | | | |
| B | NC085 | 7 473 | 203 | 203 | 203 | 203 | 203 | 203 | 7 473 | 203 | 203 | 203 | 203 | 203 | 203 | | | | |
| B | NC086 | 16 873 | 4 446 | 4 855 | 13 767 | 4 548 | 4 855 | 4 855 | 4 446 | 4 855 | 13 767 | 4 548 | 4 855 | 4 548 | 4 855 | | | | |
| C | DC8 | | 2 425 | 625 | 17 571 | 1 975 | 625 | 625 | 2 425 | 625 | 17 571 | 1 975 | 625 | 1 975 | 625 | | | | |
| | Total: Siyanda Municipalities | 28 485 | 23 036 | 24 152 | 27 929 | 23 544 | 24 152 | 24 152 | 23 036 | 24 152 | 27 929 | 23 544 | 24 152 | 23 544 | 24 152 | | | | |
| B | NC091 | 23 753 | 20 207 | 20 186 | 22 866 | 20 632 | 20 186 | 20 186 | 20 207 | 20 186 | 22 866 | 20 632 | 20 186 | 20 632 | 20 186 | | | | |
| B | NC092 | 3 000 | 6 027 | 6 580 | 4 507 | 6 165 | 6 580 | 6 580 | 3 000 | 6 580 | 4 507 | 6 165 | 6 580 | 6 165 | 6 580 | | | | |
| B | NC093 | | 2 353 | 2 569 | 588 | 2 407 | 2 569 | 2 569 | 2 353 | 2 569 | 588 | 2 407 | 2 569 | 2 407 | 2 569 | | | | |
| B | CBLC7 | 6 929 | 8 147 | 8 895 | 7 532 | 8 334 | 8 895 | 8 895 | 6 929 | 8 147 | 7 532 | 8 334 | 8 895 | 8 334 | 8 895 | | | | |
| C | DC9 | 11 700 | 767 | 837 | 8 967 | 784 | 837 | 837 | 11 700 | 767 | 8 967 | 784 | 837 | 784 | 837 | | | | |
| | Total: Frances Baard District Municipality | 45 382 | 37 500 | 39 067 | 44 460 | 38 321 | 39 067 | 39 067 | 45 382 | 39 067 | 44 460 | 38 321 | 39 067 | 38 321 | 39 067 | | | | |
| | Total: Northern Cape Municipalities | 172 184 | 154 745 | 135 041 | 164 558 | 157 585 | 135 041 | 135 041 | 154 745 | 135 041 | 164 558 | 157 585 | 135 041 | 157 585 | 135 041 | | | | |

APPENDIX E4

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

| Number | Municipality | Municipal Infrastructure Grant (Schedule 4B) ^{1,2} | | | | | | National Electrification Programme (Schedule 6A) | | | | | | SUB-TOTAL: INFRASTRUCTURE | | | | | |
|-------------------|--|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--|--------------------|--------------------------|--------------------|-------------------------|--------------------|---------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/09 (R'000) |
| NORTH WEST | | | | | | | | | | | | | | | | | | | |
| B | NW371 Moretele | 29 397 | 32 844 | 35 860 | 33 598 | 35 860 | | | | | | | | 30 259 | 32 844 | 35 860 | | | |
| B | NW372 Madibeng | 64 167 | 76 331 | 83 339 | 78 083 | 83 339 | | | | | | | | 67 208 | 76 331 | 83 339 | | | |
| B | NW373 Rustenburg | 57 898 | 89 150 | 97 336 | 65 711 | 97 336 | 1 650 | | | | | | | 65 711 | 89 150 | 97 336 | | | |
| B | NW374 Kgetlengrivier | | 7 800 | 6 415 | 7 935 | 6 415 | 4 300 | | | | | | | 7 800 | 7 800 | 6 415 | | | |
| B | NW375 Moses Kotane | 34 845 | 40 563 | 44 288 | 41 494 | 44 288 | | | | | | | | 40 563 | 44 288 | 44 288 | | | |
| C | DC37 Bojanala Platinum District Municipality | 14 939 | 5 983 | 6 533 | 12 700 | 6 533 | | | | | | | | 12 700 | 5 983 | 6 533 | | | |
| | Total: Bojanala Platinum Municipalities | 201 246 | 252 671 | 273 771 | 213 621 | 273 771 | 5 950 | | | | | | | 213 621 | 252 671 | 273 771 | 219 571 | 258 427 | 273 771 |
| B | NW381 Ratlou | | 5 727 | 6 253 | 5 859 | 6 253 | | | | | | | | 1 432 | 5 727 | 6 253 | | | |
| B | NW382 Tswaing | | 9 614 | 10 497 | 9 835 | 10 497 | | | | | | | | 2 404 | 9 614 | 10 497 | | | |
| B | NW383 Marikeng | 11 423 | 14 580 | 15 919 | 14 915 | 15 919 | | | | | | | | 14 580 | 14 580 | 15 919 | | | |
| B | NW384 Ditsobotla | | 13 263 | 14 481 | 13 567 | 14 481 | | | | | | | | 13 263 | 13 263 | 14 481 | | | |
| B | NW385 Zeerust | | 11 209 | 12 238 | 2 802 | 11 466 | 12 238 | | | | | | | 11 209 | 11 209 | 12 238 | | | |
| C | DC38 Central District Municipality | 71 630 | 69 938 | 76 360 | 71 544 | 76 360 | | | | | | | | 69 938 | 69 938 | 76 360 | | | |
| | Total: Central Municipalities | 83 053 | 124 331 | 135 747 | 127 185 | 135 747 | | | | | | | | 94 022 | 124 331 | 135 747 | 94 022 | 127 185 | 135 747 |
| B | NW391 Kagisano | 4 218 | 5 769 | 6 299 | 5 902 | 6 299 | | | | | | | | 4 606 | 5 769 | 6 299 | | | |
| B | NW392 Naledi | | 4 551 | 4 969 | 4 655 | 4 969 | | | | | | | | 1 138 | 4 551 | 4 969 | | | |
| B | NW393 Mmusisa | 2 844 | 4 670 | 5 098 | 4 777 | 5 098 | | | | | | | | 3 301 | 4 670 | 5 098 | | | |
| B | NW394 Greater Taung | 7 594 | 17 356 | 18 950 | 17 755 | 18 950 | | | | | | | | 10 035 | 17 356 | 18 950 | | | |
| B | NW395 Molepo | | 4 465 | 4 875 | 4 568 | 4 875 | | | | | | | | 1 116 | 4 465 | 4 875 | | | |
| B | NW396 Lekwa-Teemane | | 37 860 | 41 336 | 40 871 | 41 336 | | | | | | | | 40 871 | 37 860 | 41 336 | | | |
| C | DC39 Bophirima District Municipality | 40 809 | 37 860 | 41 336 | 38 729 | 41 336 | | | | | | | | 38 729 | 37 860 | 41 336 | | | |
| | Total: Bophirima Municipalities | 55 465 | 74 671 | 81 527 | 76 385 | 81 527 | | | | | | | | 61 066 | 74 671 | 81 527 | 61 066 | 76 385 | 81 527 |
| B | NW401 Ventersdorp | 6 301 | 7 517 | 8 207 | 7 690 | 8 207 | | | | | | | | 6 879 | 7 517 | 8 207 | | | |
| B | NW402 Potchefstroom | 10 780 | 15 080 | 16 465 | 15 427 | 16 465 | 2 480 | | | | | | | 11 855 | 15 080 | 16 465 | | | |
| B | NW403 Klerksdorp | 52 137 | 71 602 | 99 951 | 56 560 | 72 723 | 2 860 | | | | | | | 99 951 | 71 602 | 99 951 | | | |
| B | NW404 Maquassi Hills | 8 173 | 29 337 | 12 552 | 9 004 | 12 552 | 3 000 | | | | | | | 9 004 | 29 337 | 12 552 | | | |
| C | DC40 Southern District Municipality | 5 100 | 3 825 | 3 825 | 5 100 | 3 825 | 1 020 | | | | | | | 3 825 | 3 825 | 3 825 | | | |
| | Total: Southern Municipalities | 82 491 | 123 537 | 137 175 | 88 123 | 137 175 | 9 360 | | | | | | | 88 123 | 123 537 | 137 175 | 97 483 | 125 441 | 137 175 |
| | Total: North West Municipalities | 422 254 | 575 210 | 628 220 | 456 832 | 628 220 | 15 310 | | | | | | | 456 832 | 575 210 | 628 220 | 472 142 | 587 438 | 628 220 |

APPENDIX E4

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4B AND 6A)

| Number | Municipality | Municipal Infrastructure Grant (Schedule 4B) ^{1,2} | | | | National Electrification Programme (Schedule 6A) | | | | SUB-TOTAL: INFRASTRUCTURE | | | | | | | |
|---------------------|---|---|--------------------|--------------------------|--------------------|--|--------------------|--------------------------|--------------------|---------------------------|--------------------|--------------------------|--------------------|------------------|------------------|------------------|------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | | | | |
| WESTERN CAPE | | | | | | | | | | | | | | | | | |
| A | City of Cape Town | 167 802 | 230 325 | 251 474 | 183 433 | 235 612 | 251 474 | 20 000 | | | | 187 802 | 230 325 | 251 474 | 203 433 | 235 612 | 251 474 |
| B | WC011 Matzikama | 3 078 | 6 833 | 4 476 | 3 334 | 6 927 | 4 476 | | | | | 3 078 | 6 833 | 4 476 | 3 334 | 6 927 | 4 476 |
| B | WC012 Cederberg | 4 031 | 2 904 | 3 171 | 3 750 | 2 971 | 3 171 | 500 | | | | 4 531 | 2 904 | 3 171 | 4 250 | 2 971 | 3 171 |
| B | WC013 Bergvliet | | 2 368 | 2 585 | 592 | 2 422 | 2 585 | | | | | 2 368 | 2 585 | 2 585 | 592 | 2 422 | 2 585 |
| B | WC014 Saldanha Bay | 2 553 | 3 631 | 3 964 | 2 823 | 3 714 | 3 964 | 300 | | | | 2 853 | 3 631 | 3 964 | 3 123 | 3 714 | 3 964 |
| B | WC015 Swartland | 4 598 | 3 644 | 3 979 | 4 359 | 3 728 | 3 979 | 300 | | | | 4 898 | 3 644 | 3 979 | 4 659 | 3 728 | 3 979 |
| C | DC1 West Coast District Municipality | 5 504 | 2 886 | 520 | 4 247 | 2 897 | 520 | | | | | 2 886 | 520 | 4 247 | 2 897 | 520 | 520 |
| | Total: West Coast Municipalities | 19 764 | 22 266 | 18 695 | 19 104 | 22 659 | 18 695 | 1 100 | | | | 20 864 | 22 266 | 18 695 | 20 204 | 22 659 | 18 695 |
| B | WC022 Witzenberg | 5 551 | 6 060 | 5 678 | 1 388 | 5 678 | 6 060 | 500 | | | | 5 500 | 5 551 | 6 060 | 1 888 | 5 678 | 6 060 |
| B | WC023 Drakenstein | 9 527 | 12 570 | 13 724 | 10 438 | 12 858 | 13 724 | 200 | | | | 9 727 | 12 570 | 13 724 | 10 638 | 12 858 | 13 724 |
| B | WC024 Stellenbosch | 10 138 | 8 036 | 8 774 | 9 888 | 8 220 | 8 774 | 700 | | | | 10 838 | 8 036 | 8 774 | 10 588 | 8 220 | 8 774 |
| B | WC025 Breede Valley | 6 325 | 8 799 | 9 607 | 6 944 | 9 001 | 9 607 | 400 | | | | 6 725 | 8 799 | 9 607 | 7 344 | 9 001 | 9 607 |
| B | WC026 Breede River Winelands | 3 551 | 5 067 | 5 532 | 3 930 | 5 183 | 5 532 | 300 | | | | 3 851 | 5 067 | 5 532 | 4 230 | 5 183 | 5 532 |
| C | DC2 Cape Winelands District Municipality | 3 955 | 439 | 479 | 3 076 | 449 | 479 | | | | | 3 955 | 439 | 479 | 3 076 | 449 | 479 |
| | Total: Cape Winelands Municipalities | 33 497 | 40 461 | 44 177 | 35 663 | 41 390 | 44 177 | 2 100 | | | | 35 597 | 40 461 | 44 177 | 37 763 | 41 390 | 44 177 |
| B | WC031 Theewaterskloof | 8 134 | 8 798 | 9 606 | 8 800 | 9 000 | 9 606 | 500 | | | | 8 634 | 8 798 | 9 606 | 9 300 | 9 000 | 9 606 |
| B | WC032 Overstrand | 3 002 | 5 828 | 5 093 | 3 418 | 5 935 | 5 093 | 400 | | | | 3 402 | 5 828 | 5 093 | 3 818 | 5 935 | 5 093 |
| B | WC033 Cape Agulhas | | | | | | | 200 | | | | 200 | | | 200 | | |
| B | WC034 Swellendam | | | | | | | 300 | | | | 300 | | | 300 | | |
| C | DC3 Overberg District Municipality | 3 857 | 2 978 | 3 251 | 3 637 | 3 046 | 3 251 | | | | | 3 857 | 2 978 | 3 251 | 3 637 | 3 046 | 3 251 |
| | Total: Overberg Municipalities | 14 992 | 17 603 | 17 950 | 15 854 | 17 981 | 17 950 | 1 400 | | | | 16 392 | 17 603 | 17 950 | 17 254 | 17 981 | 17 950 |
| B | WC041 Kamaland | | 4 222 | 2 070 | 474 | 4 265 | 2 070 | | | | | | 4 222 | 2 070 | 474 | 4 265 | 2 070 |
| B | WC042 Langeberg | 400 | 2 553 | 2 787 | 1 038 | 2 611 | 2 787 | 200 | | | | 600 | 2 553 | 2 787 | 1 238 | 2 611 | 2 787 |
| B | WC043 Mossel Bay | 3 477 | 6 417 | 4 535 | 3 646 | 6 513 | 4 535 | 1 900 | | | | 5 377 | 6 417 | 4 535 | 5 546 | 6 513 | 4 535 |
| B | WC044 George | 8 205 | 11 174 | 12 200 | 8 947 | 11 430 | 12 200 | 1 500 | | | | 9 705 | 11 174 | 12 200 | 10 447 | 11 430 | 12 200 |
| B | WC045 Oudshoorn | 6 162 | 4 546 | 4 963 | 6 143 | 4 650 | 4 963 | 400 | | | | 6 562 | 4 546 | 4 963 | 6 543 | 4 650 | 4 963 |
| B | WC047 Plettenberg Bay | 6 271 | 3 255 | 3 554 | 5 652 | 3 330 | 3 554 | 500 | | | | 6 771 | 3 255 | 3 554 | 6 152 | 3 330 | 3 554 |
| B | WC048 Knysna | 6 012 | 6 914 | 7 549 | 6 430 | 7 073 | 7 549 | 465 | | | | 6 477 | 6 914 | 7 549 | 6 895 | 7 073 | 7 549 |
| C | DC4 Eden District Municipality | 4 302 | 4 624 | 4 887 | 3 430 | 4 642 | 4 887 | | | | | 4 302 | 4 624 | 4 887 | 3 430 | 4 642 | 4 887 |
| | Total: Eden Municipalities | 34 830 | 43 704 | 38 545 | 35 760 | 44 514 | 38 545 | 4 965 | | | | 39 795 | 43 704 | 38 545 | 40 725 | 44 514 | 38 545 |
| B | WC051 Laingsburg | | 501 | 548 | 125 | 513 | 548 | 330 | | | | 330 | 501 | 548 | 455 | 513 | 548 |
| B | WC052 Prince Albert | | 668 | 729 | 167 | 683 | 729 | 835 | | | | 835 | 668 | 729 | 1 002 | 683 | 729 |
| B | WC053 Beaufort West | | 1 567 | 1 711 | 392 | 1 603 | 1 711 | 1 300 | | | | 1 300 | 1 567 | 1 711 | 1 692 | 1 603 | 1 711 |
| C | DC5 Central Karoo District Municipality | 26 141 | 1 429 | 1 560 | 19 963 | 1 462 | 1 560 | | | | | 26 141 | 1 429 | 1 560 | 19 963 | 1 462 | 1 560 |
| | Total: Central Karoo Municipalities | 26 141 | 4 165 | 4 548 | 20 647 | 4 261 | 4 548 | 2 465 | | | | 28 606 | 4 165 | 4 548 | 23 112 | 4 261 | 4 548 |
| | Total: Western Cape Municipalities | 297 027 | 358 525 | 375 388 | 310 462 | 366 417 | 375 388 | 32 030 | | | | 329 057 | 358 525 | 375 388 | 342 492 | 366 417 | 375 388 |
| | National Total | 5 436 161 | 7 453 595 | 8 301 274 | 5 890 520 | 7 615 515 | 8 301 274 | 258 000 | | | | 5 694 161 | 7 453 595 | 8 301 274 | 6 148 519 | 7 615 515 | 8 301 274 |

1) Allocations include an earmarked amount for the eradication of bucket sanitation system. See Appendix E7 to Schedule 4B.

2) The difference in allocations between the national and municipal financial years for 2005/06 and 2006/07 is due to the different financial years for the respective spheres of Government.

APPENDIX E5:

INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 7)

(National and Municipal Financial Year)

APPENDIX E5
INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 7)

| Number | Municipality | Water Services Operating Subsidy (via augmentation to the Water Trading Account) | | | | | | Implementation of Water Services Projects (Capital) | | | | | | SUB-TOTAL: INDIRECT GRANTS | | | | | |
|---|---------------------------------------|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|---|--------------------|-------------------------|--------------------|--------------------------|--------------------|----------------------------|--------------------|--------------------------|--------------------|--|--|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2007/08 (R'000) | | |
| EASTERN CAPE | | | | | | | | | | | | | | | | | | | |
| A | Nelson Mandela | | | | | | | | | | | | | | | | | | |
| B | EC101 Camdeboo | | | | | | | | | | | | | | | | | | |
| B | EC102 Blue Crane Route | | | | | | | | | | | | | | | | | | |
| B | EC103 Ikwezi | | | | | | | | | | | | | | | | | | |
| B | EC104 Makana | | | | | | | | | | | | | | | | | | |
| B | EC105 Ndlambe | | | | | | | | | | | | | | | | | | |
| B | EC106 Sundays River Valley | | | | | | | | | | | | | | | | | | |
| B | EC107 Baviaans | | | | | | | | | | | | | | | | | | |
| B | EC108 Kouga | | | | | | | | | | | | | | | | | | |
| B | EC109 Koukamma | | | | | | | | | | | | | | | | | | |
| C | DC10 Cacadu District Municipality | | | | | | | | | | | | | | | | | | |
| Total: Cacadu Municipalities | | | | | | | | | | | | | | | | | | | |
| B | EC121 Mbashe | | | | | | | | | | | | | | | | | | |
| B | EC122 Mquma | | | | | | | | | | | | | | | | | | |
| B | EC123 Great Kei | | | | | | | | | | | | | | | | | | |
| B | EC124 Amahlathi | | | | | | | | | | | | | | | | | | |
| B | EC125 Buffalo City | 2 039 | 2 447 | 2 452 | 2 141 | 2 448 | 2 452 | 2 232 | 2 232 | | | | | 2 232 | | | 2 452 | | |
| B | EC126 Ngqushwa | | | | | | | | | | | | | | | | | | |
| B | EC127 Nkonkobe | | | | | | | | | | | | | | | | | | |
| B | EC128 Nxuba | | | | | | | | | | | | | | | | | | |
| C | DC12 Amatole District Municipality | 19 221 | 19 515 | 18 121 | 19 263 | 19 314 | 18 121 | 30 442 | 30 442 | | | | | 30 442 | | | 18 121 | | |
| Total: Amatole Municipalities | | 21 260 | 21 962 | 20 573 | 21 404 | 21 762 | 20 573 | 32 673 | 32 673 | | | | | 32 673 | | | 20 573 | | |
| B | EC131 Inxuba Yethemba | | | | | | | | | | | | | | | | | | |
| B | EC132 Tsolwana | | | | | | | | | | | | | | | | | | |
| B | EC133 Inkwanca | | | | | | | | | | | | | | | | | | |
| B | EC134 Lukhanji | | | | | | | | | | | | | | | | | | |
| B | EC135 Insika Yethu | | | | | | | | | | | | | | | | | | |
| B | EC136 Emalahleni | | | | | | | | | | | | | | | | | | |
| B | EC137 Engcobo | | | | | | | | | | | | | | | | | | |
| B | EC138 Sakhisizwe | | | | | | | | | | | | | | | | | | |
| C | DC13 Chris Hani District Municipality | 18 425 | 19 895 | 21 065 | 18 637 | 20 064 | 21 065 | 12 850 | 12 850 | | | | | 12 850 | | | 21 065 | | |
| Total: Chris Hani Municipalities | | 18 425 | 19 895 | 21 065 | 18 637 | 20 064 | 21 065 | 12 850 | 12 850 | | | | | 12 850 | | | 21 065 | | |

APPENDIX E5

INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 7)

| Number | Municipality | Water Services Operating Subsidy (via augmentation to the Water Trading Account) | | | | | | Implementation of Water Services Projects (Capital) | | | | | | SUB-TOTAL: INDIRECT GRANTS | | | | | |
|-------------------|--|--|--------------------|--------------------------|--------------------|-------------------------|--------------------|---|--------------------|-------------------------|--------------------|--------------------------|--------------------|----------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| FREE STATE | | | | | | | | | | | | | | | | | | | |
| B | FS161 | Letsemeng | | | | | | | | | | | | | | | | | |
| B | FS162 | Kopanong | 255 | 336 | 544 | 275 | 388 | 544 | | | | | | | | | | | |
| B | FS163 | Mohokare | | | | | | | | | | | | | | | | | |
| C | DC16 | Xhariep District Municipality | | | | | | | | | | | | | | | | | |
| | Total: Xhariep Municipalities | | 255 | 336 | 544 | 275 | 388 | 544 | | | | | | | | | 275 | 388 | 544 |
| B | FS171 | Naledi | | | | | | | | | | | | | | | | | |
| B | FS172 | Mangaung | | | | | | | | | | | | | | | | | |
| B | FS173 | Mantsopa | | | | | | | | | | | | | | | | | |
| C | DC17 | Motheo District Municipality | | | | | | | | | | | | | | | | | |
| | Total: Motheo Municipalities | | | | | | | | | | | | | | | | | | |
| B | FS181 | Masilonyana | | | | | | | | | | | | | | | | | |
| B | FS182 | Tokologo | | | | | | | | | | | | | | | | | |
| B | FS183 | Tswelopele | | | | | | | | | | | | | | | | | |
| B | FS184 | Matjhabeng | | | | | | | | | | | | | | | | | |
| B | FS185 | Nala | | | | | | | | | | | | | | | | | |
| C | DC18 | Leyweleputswa District Municipality | | | | | | | | | | | | | | | | | |
| | Total: Leyweleputswa Municipalities | | | | | | | | | | | | | | | | | | |
| B | FS191 | Setso | | | | 18 | | | | | | | | | | | | | |
| B | FS192 | Ditlhabeng | 24 | | | | | | | | | | | | | | 18 | | |
| B | FS193 | Nketoana | | | | | | | | | | | | | | | | | |
| B | FS194 | Maluti-a-Phofung | 24 226 | 24 445 | 21 303 | 24 281 | 23 660 | 21 303 | | | | | | | | | 24 281 | 23 660 | 21 303 |
| B | FS195 | Phumelela | | | | | | | | | | | | | | | | | |
| C | DC19 | Thabo Mofutsanyana District Municipality | | | | | | | | | | | | | | | | | |
| | Total: Thabo Mofutsanyana Municipalities | | 24 250 | 24 445 | 21 303 | 24 299 | 23 660 | 21 303 | | | | | | | | | 24 299 | 23 660 | 21 303 |
| B | FS201 | Moghaka | | | | | | | | | | | | | | | | | |
| B | FS203 | Ngwathe | | | | | | | | | | | | | | | | | |
| B | FS204 | Metismaholo | | | | | | | | | | | | | | | | | |
| B | FS205 | Mafube | | | | | | | | | | | | | | | | | |
| C | DC20 | Northern Free State District Municipality | | | | | | | | | | | | | | | | | |
| | Total: Northern Free State Municipalities | | | | | | | | | | | | | | | | | | |
| | Total: Free State Municipalities | | 24 505 | 24 781 | 21 847 | 24 574 | 24 048 | 21 847 | | | | | | | | | 24 574 | 24 048 | 21 847 |

APPENDIX E5
INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 7)

| Number | Municipality | Water Services Operating Subsidy (via augmentation to the Water Trading Account) | | | | | | Implementation of Water Services Projects (Capital) | | | | | | SUB-TOTAL: INDIRECT GRANTS | | | | | |
|---|--|--|-----------------|--------------------------|-----------------|-------------------------|-----------------|---|-----------------|-------------------------|-----------------|--------------------------|-----------------|----------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| GAUTENG | | | | | | | | | | | | | | | | | | | |
| A | Ekurhuleni | | | | | | | | | | | | | | | | | | |
| A | City of Johannesburg | | | | | | | | | | | | | | | | | | |
| A | City of Tshwane | 12 028 | 12 426 | 15 201 | 12 086 | 12 827 | 15 201 | | | | | | | | | | | | |
| B | GT02b1 Nokeng Isa Taemane | | | | | | | | | | | | | | | | | | |
| B | CBLC2 Kungwini | 2 435 | 2 508 | 2 516 | 2 453 | 2 510 | 2 516 | | | | | | | | | | | | |
| C | CBDC2 Metsweding District Municipality | | | | | | | | | | | | | | | | | | |
| Total: Metsweding Municipalities | | 2 435 | 2 508 | 2 516 | 2 453 | 2 510 | 2 516 | | | | | | | | | | | | |
| B | GT421 Emfuleni | | | | | | | | | | | | | | | | | | |
| B | GT422 Midvaal | | | | | | | | | | | | | | | | | | |
| B | GT423 Lesedi | | | | | | | | | | | | | | | | | | |
| C | DC42 Sedibeng District Municipality | | | | | | | | | | | | | | | | | | |
| Total: Sedibeng Municipalities | | | | | | | | | | | | | | | | | | | |
| B | GT411 Mogale City | | | | | | | | | | | | | | | | | | |
| B | GT412 Randfontein | | | | | | | | | | | | | | | | | | |
| B | GT414 Westonaria | | | | | | | | | | | | | | | | | | |
| B | CBLC8 Merafong City | | | | | | | | | | | | | | | | | | |
| C | CBDC8 West Rand District Municipality | | | | | | | | | | | | | | | | | | |
| Total: West Rand Municipalities | | | | | | | | | | | | | | | | | | | |
| Total: Gauteng Municipalities | | 14 463 | 14 934 | 17 717 | 14 539 | 15 337 | 17 717 | 100 | 100 | 15 337 | 17 717 | 100 | 100 | 14 539 | 15 337 | 17 717 | 14 639 | 15 337 | 17 717 |

APPENDIX E5
INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 7)

| Number | Municipality | Water Services Operating Subsidy (via augmentation to the Water Trading Account) | | | | | | Implementation of Water Services Projects (Capital) | | | | | | SUB-TOTAL: INDIRECT GRANTS | | | | | | |
|--|--------------|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|---|--------------------|-------------------------|--------------------|--------------------------|--------------------|----------------------------|--------------------|--------------------------|--------------------|-------|-----|-----|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | | | |
| KWAZULU-NATAL | | | | | | | | | | | | | | | | | | | | |
| A | eThekweni | | 1 234 | 916 | 309 | 1 155 | 916 | | | | | | | | 1 234 | 916 | 309 | 1 155 | 916 | |
| B | KZ211 | | | | | | | | | | | | | | | | | | | |
| B | KZ212 | | | | | | | | | | | | | | | | | | | |
| B | KZ213 | | | | | | | | | | | | | | | | | | | |
| B | KZ214 | | | | | | | | | | | | | | | | | | | |
| B | KZ215 | | | | | | | | | | | | | | | | | | | |
| B | KZ216 | | | | | | | | | | | | | | | | | | | |
| C | DC21 | | | | | | | | | | | | | | | | | | | |
| Total: Ugu Municipalities | | | | | | | | | | | | | | | | | | | | |
| B | KZ221 | | | | | | | | | | | | | | | | | | | |
| B | KZ222 | | | | | | | | | | | | | | | | | | | |
| B | KZ223 | | | | | | | | | | | | | | | | | | | |
| B | KZ224 | | | | | | | | | | | | | | | | | | | |
| B | KZ225 | | | | | | | | | | | | | | | | | | | |
| B | KZ226 | | | | | | | | | | | | | | | | | | | |
| B | KZ227 | | | | | | | | | | | | | | | | | | | |
| C | DC22 | | | | | | | | | | | | | | | | | | | |
| Total: uMgungundlovu Municipalities | | | | | | | | | | | | | | | | | | | | |
| B | KZ232 | | | | | | | | | | | | | | | | | | | |
| B | KZ233 | | | | | | | | | | | | | | | | | | | |
| B | KZ234 | | | | | | | | | | | | | | | | | | | |
| B | KZ235 | | | | | | | | | | | | | | | | | | | |
| B | KZ236 | | | | | | | | | | | | | | | | | | | |
| C | DC23 | | | 122 | | 18 | | 122 | | | | | | | | 122 | | | | 18 |
| Total: Uthukela Municipalities | | | | | | | | | | | | | | | | | | | | |
| B | KZ241 | | | | | | | | | | | | | | | | | | | |
| B | KZ242 | | | | | | | | | | | | | | | | | | | |
| B | KZ244 | | | | | | | | | | | | | | | | | | | |
| B | KZ245 | | | | | | | | | | | | | | | | | | | |
| C | DC24 | | 133 | 139 | 165 | 134 | 143 | 165 | | | | | | | 133 | 139 | 165 | 134 | 143 | 165 |
| Total: Umzinyathi Municipalities | | | | | | | | | | | | | | | | | | | | |
| B | KZ252 | | | | | | | | | | | | | | | | | | | |
| B | KZ253 | | | | | | | | | | | | | | | | | | | |
| B | KZ254 | | | | | | | | | | | | | | | | | | | |
| C | DC25 | | 459 | 511 | 66 | 467 | 511 | | | | | | | | 459 | 511 | 66 | 467 | 511 | |
| Total: Amajuba Municipalities | | | | | | | | | | | | | | | | | | | | |

APPENDIX E5
INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 7)

| Number | Municipality | Water Services Operating Subsidy (via augmentation to the Water Trading Account) | | | | | | Implementation of Water Services Projects (Capital) | | | | | | SUB-TOTAL: INDIRECT GRANTS | | | | | |
|--------|--|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|---|--------------------|-------------------------|--------------------|--------------------------|--------------------|----------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| B | KZ261 eDumbe | | | | | | | | | | | | | | | | | | |
| B | KZ262 uPhongolo | | | | | | | | | | | | | | | | | | |
| B | KZ263 Abaqulusi | | | | | | | | | | | | | | | | | | |
| B | KZ265 Nongoma | | | | | | | | | | | | | | | | | | |
| B | KZ266 Ulundi | | | | | | | | | | | | | | | | | | |
| C | DC26 Zululand District Municipality | 5 | 2 246 | 3 525 | 329 | 2 431 | 3 525 | | | | | | | | 329 | 2 431 | | 3 525 | |
| | Total: Zululand Municipalities | 5 | 2 246 | 3 525 | 329 | 2 431 | 3 525 | | | | | | | | 329 | 2 431 | | 3 525 | |
| B | KZ271 Umhlabyalingana | | | | | | | | | | | | | | | | | | |
| B | KZ272 Jozini | | | | | | | | | | | | | | | | | | |
| B | KZ273 The Big Five False Bay | | | | | | | | | | | | | | | | | | |
| B | KZ274 Hlabisa | | | | | | | | | | | | | | | | | | |
| B | KZ275 Mthabatha | | | | | | | | | | | | | | | | | | |
| C | DC27 Umkhanyakude District Municipality | | 581 | 2 831 | 84 | 906 | 2 831 | 860 | | | 860 | | | | 860 | 906 | | 2 831 | |
| | Total: Umkhanyakude Municipalities | | 581 | 2 831 | 84 | 906 | 2 831 | 860 | | | 860 | | | | 860 | 906 | | 2 831 | |
| B | KZ281 Mbonambi | | | | | | | | | | | | | | | | | | |
| B | KZ282 uMhlathuze | | | | | | | | | | | | | | | | | | |
| B | KZ283 Ntambana | | | | | | | | | | | | | | | | | | |
| B | KZ284 Umlalazi | | | | | | | | | | | | | | | | | | |
| B | KZ285 Mthonjaneni | | | | | | | | | | | | | | | | | | |
| B | KZ286 Nkandla | | | | | | | | | | | | | | | | | | |
| C | DC28 uThungulu District Municipality | | | | | | | | | | | | | | | | | | |
| | Total: uThungulu Municipalities | | | | | | | | | | | | | | | | | | |
| B | KZ291 eNdongakusuka | | | | | | | | | | | | | | | | | | |
| B | KZ292 KwaDukuza | | | | | | | | | | | | | | | | | | |
| B | KZ293 Ndwedwe | | | | | | | | | | | | | | | | | | |
| B | KZ294 Maphumulo | | | | | | | | | | | | | | | | | | |
| C | DC29 Ilembe District Municipality | | | | | | | | | | | | | | | | | | |
| | Total: Ilembe Municipalities | | | | | | | | | | | | | | | | | | |
| B | KZ5a1 Ingwe | | | | | | | | | | | | | | | | | | |
| B | KZ5a2 Kwa Sani | | | | | | | | | | | | | | | | | | |
| B | KZ5a3 Matatiele | | | | | | | | | | | | | | | | | | |
| B | KZ5a4 Greater Kokstad | | | | | | | | | | | | | | | | | | |
| B | KZ5a5 Ubuhlebezwe | | | | | | | | | | | | | | | | | | |
| C | DC43 Sisonke District Municipality | | | | | | | | | | | | | | | | | | |
| | Total: Sisonke Municipalities | | | | | | | | | | | | | | | | | | |
| | Total: KwaZulu-Natal Municipalities | 138 | 4 659 | 8 070 | 922 | 5 120 | 8 070 | 860 | | | 860 | | | | 1 782 | 5 120 | | 8 070 | |
| | Total: KwaZulu-Natal Municipalities | 998 | 4 659 | 8 070 | | | | | | | | | | | 1 782 | 5 120 | | 8 070 | |

APPENDIX E5

INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 7)

| Number | Municipality | Water Services Operating Subsidy (via augmentation to the Water Trading Account) | | | | | | Implementation of Water Services Projects (Capital) | | | | | | SUB-TOTAL: INDIRECT GRANTS | | | | | |
|-------------------|--------------|--|-----------------|--------------------------|-----------------|-------------------------|-----------------|---|-----------------|-------------------------|-----------------|--------------------------|-----------------|----------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| MPUMALANGA | | | | | | | | | | | | | | | | | | | |
| B | MP301 | Albert Luthuli | 3 393 | 16 404 | 18 145 | 6 646 | 16 839 | 18 145 | | | | | | | | | | | |
| B | MP302 | Msakaligwa | | | | | | | | | | | | | | | | | |
| B | MP303 | Mkhondo | | | | | | | | | | | | | | | | | |
| B | MP304 | Seme | | | | | | | | | | | | | | | | | |
| B | MP305 | Lekwa | | | | | | | | | | | | | | | | | |
| B | MP306 | Dipaleseng | | | | | | | | | | | | | | | | | |
| B | MP307 | Govan Mbeki | | | | | | | | | | | | | | | | | |
| C | DC30 | Gert Sibande District Municipality | | | | | | | | | | | | | | | | | |
| | | Total: Gert Sibande Municipalities | 3 393 | 16 404 | 18 145 | 6 646 | 16 839 | 18 145 | | | | | | | | | | | |
| B | MP311 | Delmas | | | | | | | | | | | | | | | | | |
| B | MP312 | Emalaheni | | | | | | | | | | | | | | | | | |
| B | MP313 | Steve Tshwete | | | | | | | | | | | | | | | | | |
| B | MP314 | Highlands | | | | | | | | | | | | | | | | | |
| B | MP315 | Thembeisile | 17 748 | 18 888 | 20 648 | 18 033 | 19 328 | 20 648 | | | | | | | | | | | |
| B | MP316 | Dr JS Moroka | 44 976 | 47 479 | 50 801 | 45 602 | 48 310 | 50 801 | | | | | | | | | | | |
| C | DC31 | Nkangala District Municipality | | | | | | | | | | | | | | | | | |
| | | Total: Nkangala Municipalities | 62 724 | 66 367 | 71 449 | 63 635 | 67 638 | 71 449 | | | | | | | | | | | |
| B | MP321 | Thaba Chweu | | | | | | | | | | | | | | | | | |
| B | MP322 | Mbombela | 33 093 | 35 065 | 38 415 | 33 586 | 35 903 | 38 415 | | | | | | | | | | | |
| B | MP323 | Umjindi | | | | | | | | | | | | | | | | | |
| B | MP324 | Nkomazi | 1 262 | 11 325 | 10 419 | 3 778 | 11 099 | 10 419 | | | | | | | | | | | |
| C | DC32 | Ehlanzeni District Municipality | | | | | | | | | | | | | | | | | |
| | | Total: Ehlanzeni Municipalities | 34 355 | 46 390 | 48 834 | 37 364 | 47 002 | 48 834 | | | | | | | | | | | |
| | | Total: Mpumalanga Municipalities | 100 472 | 129 161 | 138 428 | 107 645 | 131 479 | 138 428 | | | | | | | | | | | |

APPENDIX E5
INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 7)

| Number | Municipality | Water Services Operating Subsidy (via augmentation to the Water Trading Account) | | | | | | Implementation of Water Services Projects (Capital) | | | | | | SUB-TOTAL: INDIRECT GRANTS | | | | | |
|----------------------|--------------|--|-----------------|--------------------------|-----------------|-------------------------|-----------------|---|-----------------|-------------------------|-----------------|--------------------------|-----------------|----------------------------|-----------------|--------------------------|-----------------|--|--|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2008/07 (R'000) | 2009/08 (R'000) | 2010/09 (R'000) | 2011/12 (R'000) | 2012/13 (R'000) | 2013/14 (R'000) | 2014/15 (R'000) | 2015/16 (R'000) | 2016/17 (R'000) | 2017/18 (R'000) | 2018/19 (R'000) | 2019/20 (R'000) | 2020/21 (R'000) | | |
| NORTHERN CAPE | | | | | | | | | | | | | | | | | | | |
| B | NC01B1 | Gamaqara | | | | | | | | | | | | | | | | | |
| B | NW1a1 | Moshaweng | | | | | | | | | | | | | | | | | |
| B | CBLC1 | Ga-Segonyana | | | | | | | | | | | | | | | | | |
| C | CBDC1 | Kgalagadi District Municipality | | | | | | | | | | | | | | | | | |
| | | Total: Kgalagadi Cross Border Municipalities | | | | | | | | | | | | | | | | | |
| B | NC061 | Richtersveld | 500 | 518 | | | | | | | | | | | | | | | |
| B | NC062 | Nama Khoi | | | 389 | | | | | | | | | | | | | | |
| B | NC064 | Kamiesberg | 600 | 518 | 389 | | | | | | | | | | | | | | |
| B | NC065 | Hantam | 500 | 518 | 389 | | | | | | | | | | | | | | |
| B | NC066 | Karoo Hoogland | | | | | | | | | | | | | | | | | |
| B | NC067 | Khai-Ma | 500 | 310 | 233 | | | | | | | | | | | | | | |
| C | DC6 | Namakwa District Municipality | | | | | | | | | | | | | | | | | |
| | | Total: Namakwa Municipalities | 2 100 | 1 864 | 1 400 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 2 083 | 1 400 | | | | |
| B | NC071 | Ubutu | | | | | | | | | | | | | | | | | |
| B | NC072 | Umsobomvu | 1 000 | 1 022 | 767 | | | | | | | | | | | | | | |
| B | NC073 | Emthanjeni | | | | | | | | | | | | | | | | | |
| B | NC074 | Kareeberg | 950 | 990 | 743 | | | | | | | | | | | | | | |
| B | NC075 | Renosterberg | | | | | | | | | | | | | | | | | |
| B | NC076 | Thembelihle | | | | | | | | | | | | | | | | | |
| B | NC077 | Siyathamba | | | | | | | | | | | | | | | | | |
| B | NC078 | Siyancuma | 569 | 430 | 323 | | | | | | | | | | | | | | |
| C | DC7 | Karoo District Municipality | | | | | | | | | | | | | | | | | |
| | | Total: Karoo Municipalities | 2 519 | 2 442 | 1 833 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 2 559 | 2 442 | 1 833 | | | |
| B | NC081 | Mier | 800 | 410 | 308 | | | | | | | | | | | | | | |
| B | NC082 | Kai ! Garib | 260 | 310 | 233 | | | | | | | | | | | | | | |
| B | NC083 | //Khara Hais | | | | | | | | | | | | | | | | | |
| B | NC084 | !Kheis | 500 | 310 | 233 | | | | | | | | | | | | | | |
| B | NC085 | Tsantsabane | | | | | | | | | | | | | | | | | |
| B | NC086 | Kgatelopele | | | | | | | | | | | | | | | | | |
| C | DC8 | Siyanda District Municipality | | | | | | | | | | | | | | | | | |
| | | Total: Siyanda Municipalities | 1 630 | 1 240 | 932 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 1 670 | 1 240 | 932 | | | |
| B | NC091 | Sol Plaatje | | | | | | | | | | | | | | | | | |
| B | NC092 | Dikgatlong | 3 908 | 4 215 | 3 776 | | | | | | | | | | | | | | |
| B | NC093 | Magareng | 1 227 | 1 147 | 1 076 | | | | | | | | | | | | | | |
| B | CBLC7 | Phokwane | | | | | | | | | | | | | | | | | |
| C | DC9 | Frances Baard District Municipality | | | | | | | | | | | | | | | | | |
| | | Total: Frances Baard Municipalities | 5 135 | 5 362 | 4 852 | 4 852 | 4 852 | 4 852 | 4 852 | 4 852 | 4 852 | 4 852 | 4 852 | 5 175 | 5 362 | 4 852 | 4 852 | | |
| | | Total: Northern Cape Municipalities | 11 384 | 10 908 | 9 399 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 11 584 | 10 908 | 4 852 | 4 852 | | |

APPENDIX E5
INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 7)

| Number | Municipality | Water Services Operating Subsidy (via augmentation to the Water Trading Account) | | | | Implementation of Water Services Projects (Capital) | | | | SUB-TOTAL: INDIRECT GRANTS | | | | | | | |
|---|--|---|--------------------|--------------------------|--------------------|---|--------------------|--------------------------|--------------------|----------------------------|--------------------|--------------------------|--------------------|--------|--------|---------|-----------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | | | | |
| WESTERN CAPE | | | | | | | | | | | | | | | | | |
| A | City of Cape Town | | | | | | | | | | | | | | | | |
| B | WC011 Matzikama | | | | | | | | | | | | | | | | |
| B | WC012 Cederberg | | | | | | | | | | | | | | | | |
| B | WC013 Bergrivier | | | | | | | | | | | | | | | | |
| B | WC014 Saldanha Bay | | | | | | | | | | | | | | | | |
| B | WC015 Swartland | | | | | | | | | | | | | | | | |
| C | DC1 West Coast District Municipality | | | | | | | | | | | | | | | | |
| Total: West Coast Municipalities | | | | | | | | | | | | | | | | | |
| B | WC022 Witzenberg | | | | | | | | | | | | | | | | |
| B | WC023 Drakenstein | | | | | | | | | | | | | | | | |
| B | WC024 Stellenbosch | | | | | | | | | | | | | | | | |
| B | WC025 Breede Valley | | | | | | | | | | | | | | | | |
| B | WC026 Breede River Winelands | | | | | | | | | | | | | | | | |
| C | DC2 Cape Winelands District Municipality | | | | | | | | | | | | | | | | |
| Total: Cape Winelands Municipalities | | | | | | | | | | | | | | | | | |
| B | WC031 Theewaterskloof | | | | | | | | | | | | | | | | |
| B | WC032 Overstrand | | | | | | | | | | | | | | | | |
| B | WC033 Cape Agulhas | | | | | | | | | | | | | | | | |
| B | WC034 Swellendam | | | | | | | | | | | | | | | | |
| C | DC3 Overberg District Municipality | | | | | | | | | | | | | | | | |
| Total: Overberg Municipalities | | | | | | | | | | | | | | | | | |
| B | WC041 Kannaland | | | | | | | | | | | | | | | | |
| B | WC042 Langeberg | | | | | | | | | | | | | | | | |
| B | WC043 Mossel Bay | | | | | | | | | | | | | | | | |
| B | WC044 George | | | | | | | | | | | | | | | | |
| B | WC045 Oudshoorn | | | | | | | | | | | | | | | | |
| B | WC047 Plettenberg Bay | | | | | | | | | | | | | | | | |
| B | WC048 Knysna | | | | | | | | | | | | | | | | |
| C | DC4 Eden District Municipality | | | | | | | | | | | | | | | | |
| Total: Eden Municipalities | | | | | | | | | | | | | | | | | |
| B | WC051 Laingsburg | | | | | | | | | | | | | | | | |
| B | WC052 Prince Albert | | | | | | | | | | | | | | | | |
| B | WC053 Beaufort West | | | | | | | | | | | | | | | | |
| C | DC5 Central Karoo District Municipality | | | | | | | | | | | | | | | | |
| Total: Central Karoo Municipalities | | | | | | | | | | | | | | | | | |
| Total: Western Cape Municipalities | | | | | | | | | | | | | | | | | |
| National Allocations | | | | | | | | | | | | | | | | | |
| Financial Management Grant - DBSA | | | | | | | | | | | | | | | | | |
| National Total | | 828 138 | 922 006 | 993 674 | 846 003 | 932 565 | 993 674 | 138 679 | 138 679 | | | | 66 240 | 53 407 | 53 407 | 985 972 | 1 047 081 |

APPENDIX E6:

EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:

EQUITABLE SHARE (SCHEDULE 3) + RECURRENT GRANTS (SCHEDULE 6) + INFRASTRUCTURE GRANTS (SCHEDULE 4B AND 6A) + INDIRECT GRANTS (SCHEDULE 7)

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 4B AND 6A) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | | Grand Total | | | | | | |
|---|---------------------------------------|-------------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|-------------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|--|
| | | National Financial Year | | | Municipal Financial Year | | | National Financial Year | | | Municipal Financial Year | | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | |
| EASTERN CAPE | | | | | | | | | | | | | | |
| A | Nelson Mandela | 205 630 | 228 289 | 270 844 | 199 333 | 228 289 | 270 844 | 341 551 | 488 051 | 579 661 | 345 478 | 490 628 | 579 661 | |
| B | EC101 Camdeboo | 9 786 | 10 728 | 12 777 | 9 428 | 10 728 | 12 777 | 11 036 | 19 763 | 16 263 | 11 362 | 19 826 | 16 263 | |
| B | EC102 Blue Crane Route | 10 948 | 11 901 | 13 729 | 10 512 | 11 901 | 13 729 | 12 578 | 21 173 | 25 351 | 13 390 | 21 288 | 25 351 | |
| B | EC103 Ikwezi | 4 163 | 4 483 | 5 046 | 4 001 | 4 483 | 5 046 | 4 640 | 10 360 | 13 536 | 4 479 | 10 360 | 13 536 | |
| B | EC104 Makana | 18 321 | 20 159 | 23 970 | 17 651 | 20 159 | 23 970 | 27 687 | 38 227 | 42 903 | 27 912 | 38 443 | 42 903 | |
| B | EC105 Ndlambe | 15 364 | 16 884 | 19 868 | 14 810 | 16 884 | 19 868 | 20 668 | 26 599 | 30 407 | 21 029 | 26 805 | 30 407 | |
| B | EC106 Sundays River Valley | 10 022 | 10 741 | 11 049 | 9 514 | 10 741 | 11 049 | 16 946 | 23 918 | 19 276 | 16 539 | 24 080 | 19 276 | |
| B | EC107 Baviaans | 4 399 | 4 713 | 5 248 | 4 201 | 4 713 | 5 248 | 4 649 | 8 416 | 10 553 | 4 451 | 8 416 | 10 553 | |
| B | EC108 Kouga | 13 435 | 14 803 | 17 409 | 12 965 | 14 803 | 17 409 | 21 164 | 33 980 | 41 988 | 21 588 | 34 190 | 41 988 | |
| B | EC109 Koukamma | 8 148 | 8 838 | 9 796 | 7 833 | 8 838 | 9 796 | 8 398 | 14 214 | 14 780 | 9 110 | 14 309 | 14 780 | |
| C | DC10 Cacadu District Municipality | 3 374 | 3 275 | 4 019 | 3 292 | 3 275 | 4 019 | 31 170 | 8 454 | 9 536 | 26 809 | 8 538 | 9 536 | |
| Total: Cacadu Municipalities | | 97 961 | 106 523 | 122 910 | 94 208 | 106 523 | 122 910 | 158 937 | 205 104 | 224 592 | 156 667 | 206 254 | 224 592 | |
| B | EC121 Mbashe | 40 853 | 41 678 | 33 564 | 39 283 | 41 678 | 33 564 | 41 837 | 57 628 | 50 864 | 43 946 | 57 965 | 50 864 | |
| B | EC122 Mquma | 44 857 | 48 400 | 48 502 | 43 122 | 48 400 | 48 502 | 60 248 | 69 311 | 71 221 | 59 768 | 69 763 | 71 221 | |
| B | EC123 Great Kei | 8 813 | 9 415 | 10 172 | 8 483 | 9 415 | 10 172 | 9 063 | 14 051 | 15 188 | 9 767 | 14 146 | 15 188 | |
| B | EC124 Amahlathi | 24 214 | 26 145 | 29 284 | 23 331 | 26 145 | 29 284 | 24 214 | 38 986 | 43 258 | 26 417 | 39 269 | 43 258 | |
| B | EC125 Buffalo City | 191 519 | 206 759 | 235 688 | 184 233 | 206 759 | 235 688 | 339 315 | 373 110 | 377 340 | 341 337 | 375 051 | 377 340 | |
| B | EC126 Ngqushwa | 16 973 | 18 062 | 19 948 | 16 307 | 18 062 | 19 948 | 21 222 | 24 018 | 26 404 | 20 920 | 24 143 | 26 404 | |
| B | EC127 Nkonkobe | 24 997 | 27 088 | 30 703 | 24 210 | 27 088 | 30 703 | 28 997 | 38 274 | 42 847 | 30 819 | 38 513 | 42 847 | |
| B | EC128 Nxuba | 5 756 | 6 210 | 6 898 | 5 558 | 6 210 | 6 898 | 6 006 | 8 811 | 9 693 | 6 333 | 8 859 | 9 693 | |
| C | DC12 Amatole District Municipality | 95 063 | 102 725 | 120 834 | 90 285 | 102 725 | 120 834 | 296 235 | 282 466 | 324 804 | 293 436 | 285 754 | 324 804 | |
| Total: Amatole Municipalities | | 453 046 | 486 481 | 535 594 | 434 812 | 486 481 | 535 594 | 827 137 | 906 652 | 961 618 | 832 743 | 913 463 | 962 252 | |
| B | EC131 Inxuba Yethemba | 10 608 | 11 707 | 13 802 | 10 324 | 11 707 | 13 802 | 12 020 | 14 785 | 17 164 | 12 506 | 14 856 | 17 164 | |
| B | EC132 Tsolwana | 7 101 | 7 282 | 7 907 | 6 789 | 7 282 | 7 907 | 8 101 | 10 166 | 10 995 | 8 347 | 10 217 | 10 995 | |
| B | EC133 Inkwanca | 4 919 | 5 269 | 5 717 | 4 727 | 5 269 | 5 717 | 7 950 | 5 769 | 6 217 | 7 758 | 5 769 | 6 217 | |
| B | EC134 Luikhani | 28 849 | 31 426 | 36 492 | 28 030 | 31 426 | 36 492 | 43 645 | 46 598 | 52 897 | 44 433 | 46 906 | 52 897 | |
| B | EC135 Intsika Yethu | 37 054 | 35 520 | 29 395 | 35 573 | 35 520 | 29 395 | 38 038 | 48 820 | 43 803 | 39 574 | 49 097 | 43 803 | |
| B | EC136 Emalahleni | 21 364 | 20 997 | 21 767 | 20 482 | 20 997 | 21 767 | 23 028 | 33 325 | 35 114 | 24 919 | 33 579 | 35 114 | |
| B | EC137 Engcobo | 24 982 | 25 588 | 20 228 | 23 987 | 25 588 | 20 228 | 32 306 | 35 505 | 30 943 | 31 897 | 35 704 | 30 943 | |
| B | EC138 Sakhisizwe | 10 075 | 10 774 | 11 657 | 9 702 | 10 774 | 11 657 | 11 059 | 17 081 | 18 431 | 11 954 | 17 198 | 18 431 | |
| C | DC13 Chris Hani District Municipality | 89 813 | 95 719 | 106 109 | 85 239 | 95 719 | 106 109 | 258 091 | 260 443 | 298 729 | 256 475 | 263 734 | 298 729 | |
| Total: Chris Hani Municipalities | | 234 764 | 244 281 | 253 074 | 224 853 | 244 281 | 253 074 | 434 237 | 472 494 | 514 291 | 437 863 | 477 062 | 514 291 | |

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 4B AND 6A) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | | Grand Total | | | | | |
|--------|---|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| B | EC141 | 25 190 | 26 913 | 21 628 | 24 122 | 26 913 | 21 628 | 27 874 | 47 045 | 43 495 | 31 530 | 47 479 | 43 495 |
| B | EC142 | 24 685 | 26 275 | 28 237 | 23 693 | 26 275 | 28 237 | 31 501 | 39 983 | 43 159 | 32 169 | 40 287 | 43 159 |
| B | EC143 | 6 374 | 6 869 | 7 361 | 6 136 | 6 869 | 7 361 | 8 174 | 11 979 | 12 895 | 9 089 | 12 085 | 12 895 |
| B | EC144 | 6 820 | 7 364 | 8 216 | 6 572 | 7 364 | 8 216 | 8 620 | 10 336 | 11 414 | 8 990 | 10 392 | 11 414 |
| C | DC14 | 45 684 | 47 995 | 49 283 | 43 414 | 47 995 | 49 283 | 144 492 | 118 846 | 137 820 | 135 867 | 116 518 | 140 934 |
| | Total: Ukhahlamba Municipalities | 108 753 | 115 415 | 114 725 | 103 937 | 115 415 | 114 725 | 220 660 | 228 190 | 248 783 | 217 645 | 226 761 | 251 897 |
| B | EC151 | 34 371 | 35 200 | 32 257 | 33 048 | 35 200 | 32 257 | 44 143 | 60 060 | 59 285 | 46 529 | 60 602 | 59 285 |
| B | EC152 | 21 384 | 22 799 | 17 929 | 20 567 | 22 799 | 17 929 | 22 368 | 31 447 | 27 259 | 23 404 | 31 618 | 27 259 |
| B | EC153 | 36 740 | 38 926 | 31 618 | 35 336 | 38 926 | 31 618 | 37 724 | 53 982 | 47 943 | 39 775 | 54 299 | 47 943 |
| B | EC154 | 24 716 | 24 114 | 19 126 | 23 753 | 24 114 | 19 126 | 31 515 | 33 348 | 29 096 | 31 099 | 33 532 | 29 096 |
| B | EC155 | 42 199 | 43 438 | 37 944 | 40 582 | 43 438 | 37 944 | 43 183 | 59 739 | 55 629 | 45 333 | 60 085 | 55 629 |
| B | EC156 | 32 060 | 33 480 | 29 274 | 30 808 | 33 480 | 29 274 | 33 044 | 46 730 | 43 628 | 34 796 | 47 006 | 43 628 |
| B | EC157 | 57 257 | 55 092 | 56 599 | 54 988 | 55 092 | 56 599 | 83 152 | 95 692 | 100 801 | 86 685 | 96 593 | 100 801 |
| C | DC15 | 153 236 | 159 493 | 155 529 | 143 953 | 159 493 | 155 529 | 479 181 | 520 644 | 551 342 | 479 700 | 528 620 | 551 342 |
| | Total: O.R Tambo Municipalities | 401 962 | 412 541 | 380 277 | 383 035 | 412 541 | 380 277 | 774 309 | 901 644 | 914 983 | 787 321 | 912 355 | 914 983 |
| B | EC05b1 | 26 632 | 28 089 | 25 451 | 25 545 | 28 089 | 25 451 | 34 460 | 38 722 | 36 947 | 34 011 | 38 938 | 36 947 |
| B | EC05b2 | 64 870 | 64 636 | 54 776 | 62 227 | 64 636 | 54 776 | 73 560 | 89 577 | 81 894 | 74 917 | 90 122 | 81 894 |
| C | DC44 | 61 825 | 64 528 | 62 612 | 58 346 | 64 528 | 62 612 | 178 112 | 214 161 | 227 170 | 182 455 | 217 239 | 227 170 |
| | Total: Alfred Nzo Municipalities | 153 328 | 157 253 | 142 838 | 146 118 | 157 253 | 142 838 | 286 131 | 342 460 | 346 011 | 291 384 | 346 298 | 346 011 |
| | Total: Eastern Cape Municipalities | 1 655 443 | 1 750 784 | 1 820 263 | 1 586 295 | 1 750 784 | 1 820 263 | 3 042 963 | 3 544 594 | 3 789 940 | 3 069 101 | 3 572 820 | 3 793 688 |

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 4B AND 6A) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | | Grand Total | | | | | |
|--|--------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| FREE STATE | | | | | | | | | | | | | |
| B | FS161 | 13 892 | 15 217 | 17 902 | 13 395 | 15 217 | 17 902 | 18 446 | 26 360 | 31 782 | 18 556 | 26 506 | 31 782 |
| B | FS162 | 23 847 | 26 455 | 32 306 | 23 160 | 26 455 | 32 306 | 26 236 | 39 216 | 48 236 | 27 182 | 39 416 | 48 236 |
| B | FS163 | 14 934 | 15 382 | 18 144 | 14 240 | 15 382 | 18 144 | 18 918 | 30 108 | 37 640 | 19 434 | 30 219 | 37 640 |
| C | DC16 | 3 139 | 3 142 | 1 748 | 3 029 | 3 142 | 1 748 | 17 737 | 4 642 | 14 290 | 4 642 | 3 248 | |
| Total: Xhariep Municipalities | | 55 813 | 60 196 | 70 099 | 53 824 | 60 196 | 70 099 | 81 338 | 100 326 | 120 906 | 79 462 | 100 783 | 120 906 |
| B | FS171 | 10 709 | 11 372 | 13 227 | 10 227 | 11 372 | 13 227 | 14 693 | 20 814 | 18 896 | 15 226 | 20 907 | 18 896 |
| B | FS172 | 175 080 | 188 001 | 220 454 | 167 319 | 188 001 | 220 454 | 265 083 | 283 519 | 324 582 | 261 563 | 285 672 | 324 582 |
| B | FS173 | 18 434 | 20 107 | 23 892 | 17 703 | 20 107 | 23 892 | 25 751 | 36 973 | 57 284 | 25 505 | 37 162 | 57 284 |
| C | DC17 | 1 072 | 1 287 | 1 603 | 1 042 | 1 287 | 1 603 | 15 317 | 3 037 | 3 353 | 11 976 | 3 037 | 3 353 |
| Total: Motheo Municipalities | | 205 295 | 220 767 | 259 176 | 196 291 | 220 767 | 259 176 | 320 844 | 344 342 | 404 116 | 314 270 | 346 778 | 404 116 |
| B | FS181 | 23 852 | 25 452 | 29 232 | 22 742 | 25 452 | 29 232 | 30 502 | 68 223 | 77 727 | 32 630 | 68 520 | 77 727 |
| B | FS182 | 11 907 | 12 846 | 15 108 | 11 410 | 12 846 | 15 108 | 13 391 | 25 261 | 39 486 | 14 363 | 25 396 | 39 486 |
| B | FS183 | 18 125 | 18 423 | 21 604 | 17 242 | 18 423 | 21 604 | 26 056 | 34 546 | 54 436 | 25 424 | 34 728 | 54 436 |
| B | FS184 | 124 581 | 135 646 | 162 703 | 119 573 | 135 646 | 162 703 | 203 347 | 235 008 | 301 718 | 205 088 | 236 873 | 301 718 |
| B | FS185 | 37 224 | 41 037 | 49 864 | 35 987 | 41 037 | 49 864 | 63 377 | 69 861 | 99 574 | 63 134 | 70 283 | 99 574 |
| C | DC18 | 1 784 | 2 053 | 2 728 | 1 765 | 2 053 | 2 728 | 17 947 | 4 924 | 5 724 | 14 729 | 4 955 | 5 724 |
| Total: Lejweletswa Municipalities | | 217 474 | 235 456 | 281 238 | 208 719 | 235 456 | 281 238 | 354 620 | 437 821 | 578 666 | 355 369 | 440 755 | 578 666 |
| B | FS191 | 45 181 | 49 493 | 59 437 | 43 474 | 49 493 | 59 437 | 63 406 | 85 725 | 114 213 | 65 386 | 86 350 | 114 213 |
| B | FS192 | 34 813 | 38 535 | 46 758 | 33 688 | 38 535 | 46 758 | 61 591 | 63 040 | 82 788 | 59 788 | 63 478 | 82 788 |
| B | FS193 | 22 840 | 23 322 | 27 654 | 21 745 | 23 322 | 27 654 | 33 950 | 40 344 | 48 541 | 33 444 | 40 585 | 48 541 |
| B | FS194 | 105 417 | 105 403 | 121 353 | 100 044 | 105 403 | 121 353 | 186 061 | 219 196 | 240 095 | 189 601 | 220 434 | 240 095 |
| B | FS195 | 15 497 | 16 837 | 19 582 | 14 880 | 16 837 | 19 582 | 19 981 | 35 690 | 43 952 | 21 381 | 35 875 | 43 952 |
| C | DC19 | 12 930 | 12 897 | 3 793 | 12 754 | 12 897 | 3 793 | 27 757 | 14 648 | 5 544 | 24 125 | 14 648 | 5 544 |
| Total: Thabo Mofutsanyane District Municipality | | 236 679 | 246 486 | 278 577 | 226 585 | 246 486 | 278 577 | 392 746 | 458 644 | 535 134 | 393 725 | 461 370 | 535 134 |
| B | FS201 | 44 963 | 48 239 | 59 032 | 43 212 | 48 239 | 59 032 | 63 951 | 70 399 | 92 202 | 63 322 | 70 774 | 92 202 |
| B | FS203 | 42 120 | 45 460 | 56 044 | 40 543 | 45 460 | 56 044 | 63 101 | 70 245 | 96 632 | 60 627 | 70 621 | 96 632 |
| B | FS204 | 27 364 | 30 304 | 36 494 | 26 487 | 30 304 | 36 494 | 45 587 | 51 139 | 59 808 | 45 850 | 51 176 | 60 071 |
| B | FS205 | 20 658 | 22 715 | 27 467 | 19 931 | 22 715 | 27 467 | 29 559 | 38 166 | 47 259 | 29 418 | 38 343 | 47 259 |
| C | DC20 | 1 687 | 1 923 | 2 515 | 1 673 | 1 923 | 2 515 | 5 687 | 3 673 | 4 265 | 4 923 | 3 673 | 4 265 |
| Total: Northern Free State Municipalities | | 136 792 | 148 641 | 181 552 | 131 846 | 148 641 | 181 552 | 207 885 | 233 623 | 300 166 | 204 140 | 234 588 | 300 429 |
| Total: Free State Municipalities | | 852 052 | 911 546 | 1 070 642 | 817 265 | 911 546 | 1 070 642 | 1 357 434 | 1 574 757 | 1 938 988 | 1 346 966 | 1 584 274 | 1 939 251 |

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 4B AND 6A) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | | Grand Total | | | | | |
|----------------|---|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| GAUTENG | | | | | | | | | | | | | |
| A | Ekurhuleni | 472 390 | 530 030 | 595 474 | 460 058 | 530 030 | 595 474 | 709 440 | 866 339 | 962 434 | 725 048 | 874 002 | 962 434 |
| A | City of Johannesburg | 540 664 | 613 393 | 643 272 | 524 760 | 613 393 | 643 272 | 856 535 | 973 280 | 1 035 791 | 867 548 | 981 438 | 1 035 791 |
| A | City of Tshwane | 269 741 | 300 956 | 264 898 | 261 870 | 300 956 | 264 898 | 544 115 | 639 520 | 653 503 | 552 304 | 645 217 | 653 503 |
| B | GT02b1 Nokeng tsa Taemane | 10 409 | 11 413 | 12 533 | 10 074 | 11 413 | 12 533 | 11 159 | 20 876 | 22 819 | 13 065 | 21 081 | 22 819 |
| B | CBLC2 Kungwini | 24 372 | 26 907 | 30 282 | 23 718 | 26 907 | 30 282 | 27 541 | 47 745 | 52 698 | 31 179 | 48 139 | 52 698 |
| C | CBD C2 Metsweding District Municipality | 1 601 | 1 099 | 733 | 1 570 | 1 099 | 733 | 23 173 | 2 599 | 2 233 | 18 062 | 2 599 | 2 233 |
| | Total: Metsweding Municipalities | 36 382 | 39 419 | 43 548 | 35 362 | 39 419 | 43 548 | 61 874 | 71 220 | 77 750 | 62 306 | 71 820 | 77 750 |
| B | GT421 Emfuleni | 160 060 | 180 070 | 220 885 | 156 954 | 180 070 | 220 885 | 242 339 | 273 301 | 284 418 | 242 096 | 274 627 | 284 418 |
| B | GT422 Midvaal | 13 629 | 15 044 | 17 360 | 13 180 | 15 044 | 17 360 | 21 180 | 25 748 | 29 001 | 21 644 | 25 982 | 29 001 |
| B | GT423 Lesedi | 15 965 | 17 892 | 21 622 | 15 634 | 17 892 | 21 622 | 29 712 | 30 650 | 31 987 | 29 468 | 30 842 | 31 987 |
| C | DC42 Sedibeng District Municipality | 1 023 | 1 000 | 584 | 1 000 | 1 000 | 584 | 13 773 | 3 250 | 2 834 | 11 000 | 3 250 | 2 834 |
| | Total: Sedibeng Municipalities | 190 677 | 214 006 | 260 452 | 186 767 | 214 006 | 260 452 | 307 003 | 332 950 | 348 240 | 304 208 | 334 701 | 348 240 |
| B | GT411 Mogale City | 58 667 | 65 623 | 76 585 | 57 322 | 65 623 | 76 585 | 86 812 | 103 905 | 118 337 | 88 252 | 104 772 | 118 337 |
| B | GT412 Randfontein | 25 422 | 28 441 | 33 444 | 24 853 | 28 441 | 33 444 | 36 870 | 43 943 | 50 310 | 37 592 | 44 283 | 50 310 |
| B | GT414 Westonaria | 38 523 | 43 106 | 33 672 | 37 422 | 43 106 | 33 672 | 65 825 | 77 998 | 68 697 | 67 184 | 78 719 | 68 697 |
| B | CBLC8 Merafong City | 61 069 | 68 625 | 62 561 | 59 317 | 68 625 | 62 561 | 94 256 | 113 009 | 104 776 | 95 524 | 113 870 | 104 776 |
| C | CBD C8 West Rand District Municipality | 1 894 | 1 849 | 1 030 | 1 852 | 1 849 | 1 030 | 4 923 | 4 025 | 3 268 | 4 543 | 4 040 | 3 268 |
| | Total: West Rand Municipalities | 185 575 | 207 644 | 207 293 | 180 766 | 207 644 | 207 293 | 288 687 | 342 879 | 345 387 | 293 095 | 345 685 | 345 387 |
| | Total: Gauteng Municipalities | 1 695 428 | 1 905 448 | 2 014 936 | 1 649 583 | 1 905 448 | 2 014 936 | 2 767 654 | 3 226 187 | 3 423 104 | 2 804 509 | 3 252 862 | 3 423 413 |

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 4B AND 6A) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | | Grand Total | | | | | |
|----------------------|--|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| KWAZULU-NATAL | | | | | | | | | | | | | |
| A | eThekweni | 535 540 | 593 898 | 673 805 | 520 958 | 593 898 | 673 805 | 892 744 | 1 032 356 | 1 169 976 | 902 977 | 1 040 535 | 1 169 976 |
| B | KZ211 Vulamshlo | 13 247 | 14 045 | 10 470 | 12 751 | 14 045 | 10 470 | 14 231 | 19 568 | 16 387 | 14 807 | 19 666 | 16 387 |
| B | KZ212 Umdoni | 7 314 | 8 020 | 8 954 | 7 125 | 8 020 | 8 954 | 12 487 | 12 029 | 13 285 | 11 881 | 12 109 | 13 285 |
| B | KZ213 Umzumba | 26 958 | 29 134 | 25 985 | 26 266 | 29 134 | 25 985 | 27 942 | 40 197 | 37 951 | 29 707 | 40 422 | 37 951 |
| B | KZ214 uMuzwabantu | 14 612 | 15 676 | 13 109 | 14 191 | 15 676 | 13 109 | 14 862 | 25 692 | 23 999 | 16 820 | 25 911 | 23 999 |
| B | KZ215 Ezinqolweni | 9 437 | 10 022 | 7 752 | 9 163 | 10 022 | 7 752 | 9 687 | 13 372 | 11 364 | 10 126 | 13 438 | 11 364 |
| B | KZ216 Hibiscus Coast | 26 067 | 28 678 | 32 668 | 25 485 | 28 678 | 32 668 | 43 639 | 39 267 | 44 184 | 41 185 | 39 499 | 44 184 |
| C | DC21 Ugu District Municipality | 57 169 | 62 459 | 69 597 | 55 581 | 62 459 | 69 597 | 153 842 | 182 957 | 200 939 | 158 119 | 185 617 | 200 939 |
| | Total: Ugu Municipalities | 154 805 | 168 032 | 168 535 | 150 561 | 168 032 | 168 535 | 276 689 | 333 081 | 348 103 | 282 646 | 336 661 | 348 159 |
| B | KZ221 uMshwathi | 17 806 | 19 354 | 12 804 | 17 442 | 19 354 | 12 804 | 18 790 | 26 040 | 19 990 | 19 789 | 26 165 | 19 990 |
| B | KZ222 uMngeni | 10 082 | 10 959 | 12 324 | 9 850 | 10 959 | 12 324 | 17 714 | 20 038 | 21 939 | 18 227 | 20 172 | 21 939 |
| B | KZ223 Mooti/Mpofana | 6 513 | 7 082 | 7 115 | 6 336 | 7 082 | 7 115 | 6 913 | 11 309 | 11 671 | 7 630 | 11 391 | 11 671 |
| B | KZ224 Impendle | 6 995 | 7 404 | 5 460 | 6 820 | 7 404 | 5 460 | 7 245 | 7 904 | 5 960 | 7 070 | 7 904 | 5 960 |
| B | KZ225 Msunduzi | 104 671 | 114 407 | 133 564 | 101 800 | 114 407 | 133 564 | 155 426 | 171 938 | 196 332 | 155 751 | 173 247 | 196 332 |
| B | KZ226 Mkhambathini | 10 813 | 11 682 | 6 537 | 10 565 | 11 682 | 6 537 | 13 938 | 15 856 | 13 924 | 13 890 | 15 924 | 10 981 |
| B | KZ227 Richmond | 10 502 | 11 211 | 9 101 | 10 124 | 11 211 | 9 101 | 11 486 | 16 952 | 15 256 | 12 235 | 17 056 | 15 256 |
| C | DC22 uMgungundlovu District Municipality | 41 406 | 46 359 | 56 330 | 40 409 | 46 359 | 56 330 | 90 010 | 93 538 | 107 704 | 89 782 | 94 587 | 107 704 |
| | Total: uMgungundlovu Municipalities | 208 788 | 228 459 | 243 236 | 203 346 | 228 459 | 243 236 | 321 522 | 363 575 | 389 833 | 324 375 | 366 445 | 389 833 |
| B | KZ232 Emmaambithi/Ladysmith | 28 473 | 31 316 | 35 850 | 27 914 | 31 316 | 35 850 | 37 280 | 46 538 | 52 423 | 38 700 | 46 876 | 52 423 |
| B | KZ233 Indaka | 16 117 | 17 450 | 18 890 | 15 673 | 17 450 | 18 890 | 17 101 | 23 676 | 25 575 | 17 906 | 23 791 | 25 575 |
| B | KZ234 Umsheszi | 8 630 | 8 921 | 9 697 | 8 366 | 8 921 | 9 697 | 9 632 | 13 170 | 14 289 | 10 305 | 13 256 | 14 289 |
| B | KZ235 Okhahlamba | 18 974 | 20 346 | 19 010 | 18 461 | 20 346 | 19 010 | 19 958 | 28 398 | 27 688 | 21 149 | 28 555 | 27 688 |
| B | KZ236 Imbarazane | 16 977 | 18 385 | 20 156 | 16 520 | 18 385 | 20 156 | 17 227 | 24 219 | 26 480 | 18 104 | 24 342 | 26 480 |
| C | DC23 Uthukela District Municipality | 57 320 | 63 286 | 74 262 | 55 973 | 63 286 | 74 262 | 127 793 | 134 646 | 151 229 | 127 215 | 135 501 | 151 838 |
| | Total: Uthukela Municipalities | 146 491 | 159 705 | 177 865 | 142 908 | 159 705 | 177 865 | 228 991 | 270 648 | 297 685 | 233 378 | 272 320 | 298 294 |
| B | KZ241 Endumeni | 7 060 | 7 800 | 8 955 | 6 896 | 7 800 | 8 955 | 7 060 | 11 123 | 12 583 | 7 727 | 11 199 | 12 583 |
| B | KZ242 Nquthu | 19 778 | 20 975 | 20 536 | 19 253 | 20 975 | 20 536 | 20 762 | 35 777 | 36 584 | 23 629 | 36 089 | 36 584 |
| B | KZ244 Msinga | 25 268 | 27 149 | 19 906 | 24 456 | 27 149 | 19 906 | 26 252 | 37 393 | 30 977 | 27 693 | 37 600 | 30 977 |
| B | KZ245 Umvoti | 14 779 | 15 818 | 12 856 | 14 163 | 15 818 | 12 856 | 19 279 | 26 403 | 24 367 | 20 121 | 26 634 | 24 367 |
| C | DC24 Umzinyathi District Municipality | 42 506 | 46 271 | 50 091 | 41 539 | 46 271 | 50 091 | 122 282 | 121 535 | 131 548 | 120 229 | 122 740 | 131 936 |
| | Total: Umzinyathi Municipalities | 109 391 | 118 014 | 112 344 | 106 307 | 118 014 | 112 344 | 195 635 | 232 231 | 236 059 | 199 399 | 234 263 | 236 447 |
| B | KZ252 Newcastle | 75 432 | 83 900 | 103 122 | 73 900 | 83 900 | 103 122 | 102 814 | 114 955 | 136 983 | 102 325 | 115 656 | 136 983 |
| B | KZ253 Utrecht | 5 216 | 5 528 | 4 000 | 5 071 | 5 528 | 4 000 | 6 200 | 9 714 | 8 457 | 6 793 | 9 782 | 8 457 |
| B | KZ254 Dannhauser | 13 363 | 14 326 | 14 684 | 13 613 | 14 326 | 14 684 | 13 613 | 19 229 | 19 991 | 14 381 | 19 330 | 19 991 |
| C | DC25 Amajuba District Municipality | 11 263 | 12 509 | 14 597 | 11 019 | 12 509 | 14 597 | 30 815 | 31 844 | 35 328 | 30 463 | 32 015 | 35 525 |
| | Total: Amajuba Municipalities | 105 274 | 116 264 | 136 404 | 103 019 | 116 264 | 136 404 | 153 442 | 175 742 | 200 759 | 153 961 | 176 783 | 200 956 |

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 4B AND 6A) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | | Grand Total | | | | | |
|--------|--|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| B | KZ261 eDumbe | 11 441 | 12 356 | 11 400 | 11 126 | 12 356 | 11 400 | 19 914 | 19 607 | 13 141 | 20 076 | 19 607 | |
| B | KZ262 uPhongolo | 18 303 | 19 622 | 18 682 | 17 816 | 19 622 | 18 682 | 30 398 | 30 401 | 20 635 | 30 634 | 30 401 | |
| B | KZ263 Abaqutusi | 20 684 | 22 402 | 24 429 | 20 116 | 22 402 | 24 429 | 37 718 | 41 037 | 25 920 | 38 041 | 41 037 | |
| B | KZ265 Nongoma | 23 546 | 25 030 | 21 107 | 22 927 | 25 030 | 21 107 | 34 238 | 31 047 | 25 904 | 34 421 | 31 047 | |
| B | KZ266 Umtata | 26 311 | 27 710 | 24 035 | 25 599 | 27 710 | 24 035 | 46 147 | 44 051 | 33 293 | 46 541 | 44 051 | |
| C | DC26 Zululand District Municipality | 60 769 | 66 245 | 73 725 | 59 130 | 66 245 | 73 725 | 181 339 | 196 764 | 195 332 | 181 148 | 199 095 | |
| | Total: Zululand Municipalities | 161 053 | 173 365 | 173 377 | 156 713 | 173 365 | 173 377 | 349 755 | 362 907 | 314 225 | 350 861 | 365 238 | |
| B | KZ271 Umhlabuyalingana | 19 347 | 20 869 | 15 363 | 18 832 | 20 869 | 15 363 | 29 322 | 24 479 | 25 589 | 29 488 | 24 479 | |
| B | KZ272 Jozini | 24 345 | 26 310 | 20 820 | 23 755 | 26 310 | 20 820 | 46 984 | 43 279 | 29 349 | 47 430 | 43 279 | |
| B | KZ273 The Big Five False Bay | 6 374 | 6 775 | 4 096 | 6 200 | 6 775 | 4 096 | 7 358 | 8 009 | 7 184 | 8 009 | 8 009 | |
| B | KZ274 Hlabisa | 18 764 | 20 211 | 16 406 | 18 307 | 20 211 | 16 406 | 28 166 | 24 979 | 20 971 | 28 320 | 24 979 | |
| B | KZ275 Mtubatuba | 5 764 | 5 898 | 5 083 | 5 602 | 5 898 | 5 083 | 8 014 | 8 624 | 8 013 | 8 675 | 8 013 | |
| C | DC27 Umkhanyakude District Municipality | 48 599 | 51 824 | 50 320 | 47 034 | 51 824 | 50 320 | 150 992 | 156 992 | 139 370 | 150 116 | 159 860 | |
| | Total: Umkhanyakude Municipalities | 123 193 | 131 887 | 112 088 | 119 730 | 131 887 | 112 088 | 272 097 | 263 072 | 228 872 | 272 038 | 265 940 | |
| B | KZ281 Mbonambi | 13 713 | 14 777 | 12 986 | 13 362 | 14 777 | 12 986 | 21 010 | 19 678 | 18 352 | 21 125 | 19 678 | |
| B | KZ282 uMhlabuze | 54 196 | 59 395 | 67 802 | 52 985 | 59 395 | 67 802 | 92 255 | 103 633 | 81 923 | 92 998 | 103 633 | |
| B | KZ283 Ntambana | 8 411 | 8 894 | 6 011 | 8 209 | 8 894 | 6 011 | 9 395 | 12 865 | 10 233 | 9 877 | 12 928 | |
| B | KZ284 Umlalazi | 28 690 | 30 730 | 24 645 | 27 971 | 30 730 | 24 645 | 50 575 | 46 199 | 33 358 | 51 002 | 46 199 | |
| B | KZ285 Mthonjaneni | 10 139 | 10 799 | 7 854 | 9 802 | 10 799 | 7 854 | 17 670 | 15 242 | 12 196 | 17 799 | 15 242 | |
| B | KZ286 Nkandla | 19 516 | 20 897 | 14 742 | 19 007 | 20 897 | 14 742 | 25 409 | 28 858 | 23 321 | 25 355 | 23 321 | |
| C | DC28 uThungulu District Municipality | 41 816 | 45 791 | 50 914 | 40 661 | 45 791 | 50 914 | 120 507 | 122 514 | 134 544 | 118 735 | 134 544 | |
| | Total: uThungulu Municipalities | 176 481 | 191 283 | 184 954 | 171 999 | 191 283 | 184 954 | 345 747 | 352 851 | 299 797 | 349 105 | 352 851 | |
| B | KZ291 eNdongakusuka | 18 559 | 19 513 | 20 791 | 17 996 | 19 513 | 20 791 | 31 401 | 33 724 | 20 842 | 31 662 | 33 724 | |
| B | KZ292 KwaDukuza | 20 154 | 21 957 | 24 381 | 19 480 | 21 957 | 24 381 | 38 149 | 42 015 | 33 246 | 38 509 | 42 015 | |
| B | KZ293 Ndwedwe | 21 764 | 23 444 | 18 468 | 21 157 | 23 444 | 18 468 | 32 880 | 28 656 | 24 192 | 33 068 | 28 656 | |
| B | KZ294 Maphumulo | 17 257 | 18 488 | 14 384 | 16 730 | 18 488 | 14 384 | 22 515 | 22 032 | 22 389 | 25 731 | 22 032 | |
| C | DC29 Ilembe District Municipality | 46 096 | 50 500 | 58 591 | 44 549 | 50 500 | 58 591 | 116 280 | 121 754 | 115 108 | 123 356 | 136 250 | |
| | Total: Ilembe Municipalities | 123 830 | 133 902 | 136 616 | 119 913 | 133 902 | 136 616 | 249 781 | 262 678 | 215 777 | 252 327 | 262 678 | |
| B | KZ5a1 Ingwe | 16 855 | 18 099 | 15 078 | 16 393 | 18 099 | 15 078 | 30 257 | 28 240 | 23 182 | 30 508 | 28 240 | |
| B | KZ5a2 Kwa Sani | 4 406 | 4 645 | 3 756 | 4 257 | 4 645 | 3 756 | 5 879 | 4 990 | 5 241 | 5 879 | 4 990 | |
| B | KZ5a3 Matatiele | 4 155 | 4 479 | 4 688 | 4 035 | 4 479 | 4 688 | 6 842 | 7 222 | 4 751 | 6 884 | 7 222 | |
| B | KZ5a4 Greater Kokstad | 12 881 | 14 261 | 16 061 | 12 602 | 14 261 | 16 061 | 25 573 | 28 115 | 21 988 | 25 758 | 28 115 | |
| B | KZ5a5 Ubuthebeze | 16 527 | 17 876 | 15 123 | 16 100 | 17 876 | 15 123 | 17 511 | 25 342 | 18 642 | 25 485 | 23 161 | |
| C | DC43 Sisonke District Municipality | 36 380 | 40 231 | 47 396 | 35 356 | 40 231 | 47 396 | 73 044 | 79 067 | 89 659 | 79 924 | 89 659 | |
| | Total: Sisonke Municipalities | 91 203 | 99 590 | 102 103 | 88 743 | 99 590 | 102 103 | 172 959 | 181 388 | 146 304 | 174 438 | 181 388 | |
| | Total: KwaZulu-Natal Municipalities | 1 936 049 | 2 114 399 | 2 221 326 | 1 884 198 | 2 114 399 | 2 221 326 | 3 797 972 | 4 065 310 | 3 301 710 | 3 825 778 | 4 071 759 | |

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 4B AND 6A) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | Grand Total | | | | | | |
|----------------|--------------|--|--------------------|--------------------------|--------------------|--------------------|-------------------------|--------------------|--------------------------|------------------|--------------------|------------------|------------------|
| | | National Financial Year | | Municipal Financial Year | | 2007/08 (R'000) | National Financial Year | | Municipal Financial Year | | 2007/08 (R'000) | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | | 2006/07 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | | | | |
| LIMPOPO | | | | | | | | | | | | | |
| B | NP03A2 | Maakhuduthamaga | 37 445 | 40 816 | 45 317 | 40 816 | 45 317 | 49 701 | 56 976 | 62 744 | 49 716 | 57 293 | 62 744 |
| B | NP03A3 | Fetakgomo | 14 191 | 15 178 | 13 948 | 13 802 | 13 948 | 15 175 | 21 344 | 20 567 | 16 019 | 21 457 | 20 567 |
| B | CBLC3 | Greater Marble Hall | 18 664 | 20 076 | 21 922 | 18 140 | 20 076 | 19 648 | 29 165 | 31 732 | 21 087 | 29 345 | 31 732 |
| B | CBLC4 | Greater Groblersdal | 34 654 | 37 421 | 41 906 | 33 813 | 37 421 | 43 802 | 52 653 | 58 424 | 44 357 | 52 975 | 58 424 |
| B | CBLC5 | Greater Tubatse | 36 727 | 39 410 | 40 148 | 35 786 | 39 410 | 38 461 | 56 926 | 59 090 | 41 403 | 57 282 | 59 090 |
| C | CBCD3 | Greater Sekhukhune Cross Boundary | 89 361 | 96 360 | 100 385 | 86 739 | 96 360 | 318 631 | 330 047 | 355 158 | 318 743 | 334 660 | 355 158 |
| | | Total: Greater Sekhukhune Cross Boundary Municipalities | 231 042 | 249 261 | 263 626 | 224 827 | 249 261 | 485 418 | 547 111 | 587 111 | 491 326 | 553 012 | 587 111 |
| B | NP04A1 | Maruleng | 16 000 | 17 188 | 16 440 | 15 604 | 17 188 | 16 984 | 24 005 | 23 769 | 17 984 | 24 133 | 23 769 |
| B | CBLC6 | Bushbuckridge | 76 520 | 82 355 | 92 474 | 74 560 | 82 355 | 77 404 | 108 363 | 120 743 | 81 600 | 108 928 | 120 743 |
| C | CBCD4 | Bohlabela District Municipality | 60 613 | 65 923 | 73 157 | 58 721 | 65 923 | 231 249 | 216 931 | 237 941 | 229 797 | 219 826 | 237 941 |
| | | Total: Bohlabela Municipalities | 153 134 | 165 466 | 182 070 | 148 885 | 165 466 | 325 638 | 349 300 | 382 453 | 329 381 | 352 887 | 382 453 |
| B | NP331 | Greater Giyani | 40 926 | 40 925 | 41 746 | 39 730 | 40 925 | 41 910 | 54 421 | 56 368 | 43 780 | 54 703 | 56 368 |
| B | NP332 | Greater Letaba | 35 746 | 38 760 | 42 311 | 34 852 | 38 760 | 36 730 | 59 891 | 65 269 | 40 810 | 60 347 | 65 269 |
| B | NP333 | Greater Tzaneen | 56 410 | 61 393 | 66 774 | 55 078 | 61 393 | 78 694 | 94 313 | 102 671 | 81 353 | 95 057 | 102 671 |
| B | NP334 | Ba-Phalaborwa | 18 585 | 18 851 | 19 823 | 18 076 | 18 851 | 18 735 | 28 477 | 30 273 | 20 470 | 28 683 | 30 273 |
| C | DC33 | Mopani District Municipality | 92 810 | 103 321 | 120 876 | 90 480 | 103 321 | 311 725 | 318 240 | 355 882 | 310 904 | 322 087 | 355 882 |
| | | Total: Mopani Municipalities | 244 478 | 263 250 | 291 530 | 238 217 | 263 250 | 487 793 | 555 343 | 610 463 | 497 317 | 560 878 | 610 463 |
| B | NP341 | Musina | 8 603 | 9 345 | 10 009 | 8 364 | 9 345 | 8 853 | 14 885 | 16 012 | 9 874 | 15 001 | 16 012 |
| B | NP342 | Mutale | 14 946 | 15 332 | 12 614 | 14 535 | 15 332 | 15 930 | 20 906 | 18 586 | 16 604 | 21 006 | 18 586 |
| B | NP343 | Thulamela | 76 298 | 81 421 | 87 502 | 74 522 | 81 421 | 100 001 | 111 428 | 120 152 | 100 176 | 112 089 | 120 152 |
| B | NP344 | Makhado | 67 823 | 73 177 | 80 116 | 66 243 | 73 177 | 93 411 | 113 128 | 123 538 | 96 673 | 113 996 | 123 538 |
| C | DC34 | Vhembe District Municipality | 111 122 | 123 459 | 145 657 | 108 000 | 123 459 | 392 232 | 436 116 | 486 285 | 402 786 | 441 443 | 486 285 |
| | | Total: Vhembe Municipalities | 278 792 | 302 734 | 335 898 | 271 665 | 302 734 | 610 427 | 696 462 | 764 573 | 626 113 | 703 533 | 764 573 |
| B | NP351 | Blouberg | 24 522 | 26 134 | 25 523 | 23 823 | 26 134 | 32 549 | 44 246 | 45 182 | 36 060 | 44 632 | 45 182 |
| B | NP352 | Aganang | 21 276 | 22 887 | 23 309 | 20 731 | 22 887 | 22 260 | 31 949 | 33 090 | 23 672 | 32 129 | 33 090 |
| B | NP353 | Molemole | 19 828 | 21 583 | 23 964 | 19 336 | 21 583 | 20 078 | 31 240 | 34 462 | 21 875 | 31 450 | 34 462 |
| B | NP354 | Polokwane | 111 076 | 122 255 | 138 284 | 108 322 | 122 255 | 209 567 | 244 460 | 269 794 | 213 242 | 246 786 | 269 794 |
| B | NP355 | Lepelle-Nkumpi | 32 923 | 35 805 | 39 542 | 32 084 | 35 805 | 33 907 | 48 473 | 53 261 | 35 927 | 48 736 | 53 261 |
| C | DC35 | Capricorn District Municipality | 62 120 | 69 817 | 83 169 | 61 006 | 69 817 | 215 485 | 224 905 | 253 209 | 214 966 | 227 819 | 253 209 |
| | | Total: Capricorn Municipalities | 271 744 | 298 482 | 333 793 | 265 303 | 298 482 | 533 846 | 625 273 | 688 997 | 545 742 | 631 552 | 688 997 |
| B | NP361 | Thabazimbi | 17 155 | 18 944 | 19 544 | 16 534 | 18 944 | 18 389 | 37 171 | 39 331 | 22 016 | 37 561 | 39 331 |
| B | NP362 | Lephalale | 25 780 | 28 308 | 31 649 | 25 043 | 28 308 | 44 578 | 53 192 | 57 357 | 45 238 | 53 276 | 57 357 |
| B | NP364 | Moogopong | 6 872 | 7 538 | 8 051 | 6 660 | 7 538 | 10 831 | 13 648 | 14 676 | 11 095 | 13 777 | 14 676 |
| B | NP365 | Modimolle | 16 159 | 17 742 | 19 660 | 15 694 | 17 742 | 19 926 | 35 464 | 38 894 | 23 579 | 35 842 | 38 894 |
| B | NP366 | Bela Bela | 12 428 | 13 699 | 15 907 | 12 058 | 13 699 | 16 420 | 20 217 | 22 977 | 16 557 | 20 355 | 22 977 |
| B | NP367 | Mogalakwena | 68 591 | 75 585 | 86 793 | 66 917 | 75 585 | 94 127 | 153 597 | 172 430 | 105 835 | 155 504 | 172 430 |
| C | DC36 | Waterberg District Municipality | 3 508 | 2 409 | 2 602 | 3 441 | 2 409 | 60 410 | 3 909 | 4 102 | 47 368 | 3 909 | 4 102 |
| | | Total: Waterberg Municipalities | 150 491 | 164 226 | 184 206 | 146 347 | 164 226 | 264 680 | 317 197 | 349 767 | 271 687 | 320 222 | 349 767 |
| | | Total: Limpopo Municipalities | 1 329 681 | 1 443 420 | 1 591 124 | 1 295 245 | 1 443 420 | 2 707 802 | 3 090 686 | 3 383 969 | 2 761 566 | 3 122 085 | 3 383 969 |

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 4B AND 6A) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | | Grand Total | | | | | | |
|---|--------------|------------------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | |
| MPUMALANGA | | | | | | | | | | | | | | |
| B | MP301 | Albert Luthuli | 43 127 | 47 031 | 52 738 | 41 867 | 47 031 | 52 738 | 68 403 | 96 864 | 107 200 | 73 403 | 98 021 | 107 200 |
| B | MP302 | Msakaligwa | 28 526 | 31 643 | 36 753 | 27 795 | 31 643 | 36 753 | 29 260 | 49 711 | 56 367 | 32 737 | 50 097 | 56 367 |
| B | MP303 | Mkhonto | 27 066 | 29 657 | 32 441 | 26 340 | 29 657 | 32 441 | 29 800 | 55 485 | 60 527 | 35 222 | 56 050 | 60 527 |
| B | MP304 | Seme | 22 565 | 25 003 | 29 537 | 22 032 | 25 003 | 29 537 | 30 865 | 36 712 | 42 208 | 31 059 | 36 952 | 42 208 |
| B | MP305 | Lekwa | 21 846 | 24 204 | 27 653 | 21 272 | 24 204 | 27 653 | 38 441 | 42 485 | 47 497 | 42 124 | 42 876 | 47 497 |
| B | MP306 | Dipaleseng | 12 380 | 13 621 | 15 712 | 12 056 | 13 621 | 15 712 | 13 680 | 20 340 | 23 002 | 14 911 | 20 483 | 23 002 |
| B | MP307 | Govan Mbeki | 56 859 | 63 198 | 72 589 | 55 436 | 63 198 | 72 589 | 98 750 | 103 199 | 116 150 | 100 175 | 104 089 | 116 150 |
| C | DC30 | Gert Sibande District Municipality | 2 180 | 2 266 | 2 881 | 2 140 | 2 266 | 2 881 | 54 888 | 3 766 | 4 381 | 42 296 | 3 766 | 4 381 |
| Total: Gert Sibande Municipalities | | | 214 549 | 236 623 | 270 303 | 208 938 | 236 623 | 270 303 | 364 087 | 408 562 | 457 331 | 371 928 | 412 334 | 457 331 |
| B | MP311 | Delmas | 14 099 | 15 615 | 18 058 | 13 750 | 15 615 | 18 058 | 20 443 | 25 063 | 28 259 | 20 745 | 25 251 | 28 259 |
| B | MP312 | Emalaheni | 53 806 | 59 599 | 66 766 | 52 398 | 59 599 | 66 766 | 92 699 | 103 547 | 114 566 | 93 663 | 104 510 | 114 566 |
| B | MP313 | Steve Tshwete | 26 463 | 29 402 | 34 295 | 25 753 | 29 402 | 34 295 | 41 435 | 45 626 | 51 873 | 41 875 | 45 965 | 51 873 |
| B | MP314 | Highlands | 9 980 | 10 935 | 12 370 | 9 671 | 10 935 | 12 370 | 12 506 | 16 766 | 18 623 | 13 346 | 16 871 | 18 623 |
| B | MP315 | Thembisile | 60 517 | 66 391 | 76 185 | 59 029 | 66 391 | 76 185 | 79 899 | 123 355 | 138 209 | 87 681 | 124 620 | 138 209 |
| B | MP316 | Dr JS Moroka | 61 288 | 67 372 | 78 557 | 59 887 | 67 372 | 78 557 | 140 395 | 152 994 | 170 730 | 140 560 | 154 632 | 170 730 |
| C | DC31 | Nkangala District Municipality | 1 760 | 2 107 | 2 843 | 1 754 | 2 107 | 2 843 | 38 127 | 8 109 | 9 189 | 30 405 | 8 195 | 9 189 |
| Total: Nkangala Municipalities | | | 227 912 | 251 421 | 289 074 | 222 242 | 251 421 | 289 074 | 425 504 | 475 460 | 531 450 | 428 276 | 480 044 | 531 450 |
| B | MP321 | Thaba Chweu | 21 430 | 23 364 | 25 890 | 20 620 | 23 364 | 25 890 | 22 164 | 37 472 | 41 180 | 24 572 | 37 767 | 41 180 |
| B | MP322 | Mbombela | 93 309 | 101 724 | 110 538 | 90 706 | 101 724 | 110 538 | 190 180 | 217 106 | 236 532 | 193 158 | 219 759 | 236 532 |
| B | MP323 | Umgjini | 13 476 | 14 717 | 16 025 | 13 024 | 14 717 | 16 025 | 25 252 | 26 096 | 28 326 | 25 326 | 26 329 | 28 326 |
| B | MP324 | Nkomazi | 74 330 | 81 310 | 88 576 | 72 336 | 81 310 | 88 576 | 124 901 | 176 674 | 184 798 | 133 978 | 174 151 | 187 536 |
| C | DC32 | Ehlanzeni District Municipality | 3 564 | 2 684 | 3 092 | 3 497 | 2 684 | 3 092 | 43 795 | 4 424 | 4 853 | 34 481 | 4 429 | 4 853 |
| Total: Ehlanzeni Municipalities | | | 206 108 | 223 799 | 244 121 | 200 182 | 223 799 | 244 121 | 406 292 | 461 771 | 495 099 | 411 515 | 462 436 | 498 437 |
| Total: Mpumalanga Municipalities | | | 648 570 | 711 843 | 803 499 | 631 362 | 711 843 | 803 499 | 1 195 883 | 1 345 793 | 1 484 480 | 1 211 719 | 1 354 814 | 1 487 218 |

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 6) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | | Grand Total | | | | | | |
|----------------------|--------------|---|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|----------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | |
| NORTHERN CAPE | | | | | | | | | | | | | | |
| B | NC01B1 | Gamagara | 4 146 | 4 076 | 4 856 | 3 924 | 4 076 | 4 856 | 5 996 | 6 535 | 7 412 | 6 039 | 6 559 | 7 412 |
| B | NW1a1 | Moshaweng | 16 425 | 17 566 | 18 617 | 15 739 | 17 566 | 18 617 | 26 819 | 37 659 | 38 025 | 28 496 | 36 062 | 39 451 |
| B | CBLC1 | Ga-Segonyana | 17 364 | 18 857 | 21 374 | 16 781 | 18 857 | 21 374 | 38 648 | 34 664 | 37 382 | 36 570 | 34 060 | 38 045 |
| C | CBDCl | Kgalagadi District Municipality | 14 832 | 14 652 | 7 197 | 14 164 | 14 652 | 7 197 | 54 984 | 28 832 | 22 473 | 47 958 | 29 105 | 22 473 |
| | | Total: Kgalagadi Cross Border Municipalities | 52 766 | 55 150 | 52 044 | 50 608 | 55 150 | 52 044 | 126 445 | 107 689 | 105 292 | 119 063 | 105 787 | 107 381 |
| B | NC061 | Richtersveld | 3 235 | 3 484 | 3 998 | 3 106 | 3 484 | 3 998 | 4 435 | 5 015 | 5 059 | 4 439 | 4 898 | 5 059 |
| B | NC062 | Nama Khoi | 8 749 | 9 623 | 11 535 | 8 430 | 9 623 | 11 535 | 17 476 | 19 030 | 15 441 | 16 805 | 19 102 | 15 441 |
| B | NC064 | Kamiesberg | 3 342 | 3 410 | 3 965 | 3 184 | 3 410 | 3 965 | 4 926 | 5 571 | 5 199 | 4 748 | 5 442 | 5 199 |
| B | NC065 | Hantam | 5 613 | 5 843 | 6 773 | 5 348 | 5 843 | 6 773 | 7 097 | 10 722 | 10 068 | 6 837 | 11 109 | 10 068 |
| B | NC066 | Karoo Hoogland | 3 869 | 3 864 | 4 278 | 3 669 | 3 864 | 4 278 | 5 398 | 6 658 | 7 192 | 5 526 | 6 688 | 7 192 |
| B | NC067 | Khai-Ma | 3 418 | 3 670 | 4 003 | 3 286 | 3 670 | 4 003 | 4 920 | 4 480 | 4 480 | 4 403 | 4 403 | 4 503 |
| C | DC6 | Namakwa District Municipality | 1 911 | 1 648 | 1 722 | 1 832 | 1 648 | 1 722 | 9 530 | 7 794 | 6 233 | 9 218 | 7 385 | 6 233 |
| | | Total: Namakwa Municipalities | 30 137 | 31 542 | 36 274 | 28 855 | 31 542 | 36 274 | 53 783 | 59 271 | 53 695 | 52 314 | 59 027 | 53 695 |
| B | NC071 | Ubuntu | 5 473 | 5 420 | 6 091 | 5 196 | 5 420 | 6 091 | 7 307 | 9 946 | 9 342 | 7 492 | 9 988 | 9 342 |
| B | NC072 | Umsobomvu | 8 183 | 8 880 | 10 387 | 7 854 | 8 880 | 10 387 | 10 167 | 18 997 | 14 682 | 10 545 | 18 807 | 14 682 |
| B | NC073 | Ernhanjeni | 9 445 | 10 268 | 12 334 | 9 070 | 10 268 | 12 334 | 9 645 | 13 530 | 15 850 | 9 961 | 13 594 | 15 850 |
| B | NC074 | Kareeberg | 3 529 | 3 520 | 3 937 | 3 348 | 3 520 | 3 937 | 5 463 | 10 216 | 6 267 | 5 542 | 9 992 | 6 267 |
| B | NC075 | Renosberg | 3 930 | 4 186 | 4 817 | 3 753 | 4 186 | 4 817 | 4 914 | 11 259 | 7 272 | 5 017 | 11 284 | 7 272 |
| B | NC076 | Thembihlile | 3 764 | 4 018 | 4 548 | 3 590 | 4 018 | 4 548 | 4 748 | 6 336 | 7 804 | 4 574 | 6 842 | 7 804 |
| B | NC077 | Siyathamba | 5 499 | 5 759 | 6 762 | 5 251 | 5 759 | 6 762 | 5 749 | 10 813 | 8 603 | 5 809 | 10 841 | 8 603 |
| B | NC078 | Siyancuma | 9 336 | 10 074 | 11 309 | 8 921 | 10 074 | 11 309 | 17 421 | 16 831 | 18 103 | 17 362 | 16 841 | 18 103 |
| C | DC7 | Karoo District Municipality | 2 908 | 2 447 | 2 739 | 2 830 | 2 447 | 2 739 | 27 568 | 6 372 | 4 864 | 22 441 | 5 922 | 4 864 |
| | | Total: Karoo Municipalities | 52 068 | 54 571 | 62 923 | 49 813 | 54 571 | 62 923 | 92 983 | 104 301 | 92 787 | 88 742 | 104 112 | 92 787 |
| B | NC081 | Mier | 2 844 | 2 938 | 2 852 | 2 717 | 2 938 | 2 852 | 4 965 | 4 582 | 4 086 | 4 741 | 4 480 | 4 086 |
| B | NC082 | Kai ! Garib | 13 241 | 14 577 | 15 191 | 12 747 | 14 577 | 15 191 | 16 083 | 23 274 | 24 234 | 17 391 | 23 361 | 24 234 |
| B | NC083 | //Khara Hais | 13 296 | 14 799 | 18 367 | 12 883 | 14 799 | 18 367 | 17 083 | 22 511 | 25 741 | 18 244 | 22 655 | 25 741 |
| B | NC084 | ! Kheis | 4 363 | 4 639 | 5 003 | 4 176 | 4 639 | 5 003 | 5 847 | 7 850 | 8 058 | 6 030 | 7 811 | 8 058 |
| B | NC085 | Tsantsabane | 7 869 | 8 593 | 10 119 | 7 582 | 8 593 | 10 119 | 18 326 | 14 386 | 16 146 | 16 811 | 14 444 | 16 146 |
| B | NC086 | Kgatelopele | 4 199 | 4 237 | 5 104 | 4 001 | 4 237 | 5 104 | 4 651 | 4 737 | 5 604 | 4 454 | 4 737 | 5 604 |
| C | DC8 | Siyanda District Municipality | 3 868 | 3 929 | 3 960 | 3 744 | 3 929 | 3 960 | 22 851 | 10 085 | 10 314 | 19 656 | 10 135 | 10 314 |
| | | Total: Siyanda Municipalities | 49 679 | 53 712 | 60 596 | 47 850 | 53 712 | 60 596 | 89 807 | 87 424 | 94 183 | 87 326 | 87 624 | 94 183 |
| B | NC091 | Sol Plaaufe | 43 125 | 47 808 | 56 865 | 42 001 | 47 808 | 56 865 | 70 577 | 68 515 | 77 551 | 68 568 | 68 940 | 77 551 |
| B | NC092 | Dikgatlong | 12 114 | 13 158 | 15 222 | 11 636 | 13 158 | 15 222 | 20 206 | 24 633 | 26 812 | 21 312 | 24 662 | 26 812 |
| B | NC093 | Magareng | 7 825 | 8 482 | 9 968 | 7 504 | 8 482 | 9 968 | 9 302 | 12 482 | 14 113 | 9 549 | 12 518 | 14 113 |
| B | CBLC7 | Phokwane | 17 413 | 18 916 | 22 041 | 16 741 | 18 916 | 22 041 | 29 408 | 30 988 | 34 058 | 28 929 | 30 938 | 34 659 |
| C | DC9 | Frances Baard District Municipality | 2 617 | 2 571 | 3 114 | 2 552 | 2 571 | 3 114 | 17 357 | 14 551 | 14 559 | 14 559 | 4 855 | 5 451 |
| | | Total: Frances Baard Municipalities | 83 094 | 90 934 | 107 210 | 80 435 | 90 934 | 107 210 | 146 851 | 141 455 | 157 980 | 142 917 | 141 911 | 158 585 |
| | | Total: Northern Cape Municipalities | 267 743 | 285 909 | 319 047 | 257 562 | 285 909 | 319 047 | 509 868 | 500 140 | 503 938 | 490 361 | 498 461 | 506 632 |

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 6) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | | Grand Total | | | | | |
|-------------------|---|-------------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|-------------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|
| | | National Financial Year | | | Municipal Financial Year | | | National Financial Year | | | Municipal Financial Year | | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| NORTH WEST | | | | | | | | | | | | | |
| B | NW371 | 40 463 | 44 282 | 49 326 | 39 425 | 44 282 | 49 326 | 85 324 | 93 237 | 102 824 | 85 246 | 94 373 | 102 824 |
| B | NW372 | 78 709 | 85 966 | 96 399 | 76 129 | 85 966 | 96 399 | 157 648 | 178 038 | 191 420 | 158 639 | 178 775 | 191 420 |
| B | NW373 | 79 402 | 87 839 | 90 557 | 76 937 | 87 839 | 90 557 | 146 554 | 181 492 | 194 051 | 151 915 | 183 953 | 194 051 |
| B | NW374 | 11 281 | 12 375 | 14 313 | 10 927 | 12 375 | 14 313 | 11 531 | 20 675 | 21 228 | 12 645 | 20 810 | 21 228 |
| B | NW375 | 61 733 | 67 449 | 78 022 | 59 896 | 67 449 | 78 022 | 107 502 | 123 976 | 139 752 | 108 229 | 125 277 | 139 752 |
| C | DC37 | 2 829 | 1 863 | 2 154 | 2 682 | 1 863 | 2 154 | 22 768 | 9 346 | 10 187 | 20 383 | 9 484 | 10 187 |
| | Total: Bojanala Platinum District Municipality | 274 416 | 299 774 | 330 772 | 265 995 | 299 774 | 330 772 | 531 326 | 606 765 | 659 462 | 537 057 | 612 672 | 659 462 |
| B | NW381 | 17 343 | 18 643 | 20 734 | 16 733 | 18 643 | 20 734 | 18 327 | 25 604 | 28 222 | 19 149 | 25 736 | 28 222 |
| B | NW382 | 16 753 | 18 163 | 20 265 | 16 273 | 18 163 | 20 265 | 17 737 | 29 011 | 31 996 | 19 661 | 29 232 | 31 996 |
| B | NW383 | 33 316 | 36 521 | 41 591 | 32 435 | 36 521 | 41 591 | 49 973 | 55 335 | 61 744 | 49 881 | 55 670 | 61 744 |
| B | NW384 | 20 404 | 22 359 | 25 251 | 19 941 | 22 359 | 25 251 | 21 138 | 36 856 | 40 966 | 23 991 | 37 160 | 40 966 |
| B | NW385 | 21 100 | 22 842 | 25 345 | 20 514 | 22 842 | 25 345 | 21 834 | 35 285 | 38 817 | 24 050 | 35 542 | 38 817 |
| C | DC38 | 74 506 | 81 850 | 98 177 | 71 991 | 81 850 | 98 177 | 180 886 | 188 330 | 220 128 | 179 074 | 191 243 | 220 128 |
| | Total: Central Municipalities | 183 422 | 200 378 | 231 365 | 177 886 | 200 378 | 231 365 | 309 894 | 370 421 | 421 873 | 315 805 | 374 583 | 421 873 |
| B | NW391 | 16 423 | 17 636 | 19 413 | 15 795 | 17 636 | 19 413 | 21 625 | 24 639 | 26 945 | 21 385 | 24 772 | 26 945 |
| B | NW392 | 9 056 | 9 974 | 11 382 | 8 832 | 9 974 | 11 382 | 9 056 | 15 025 | 16 851 | 9 969 | 15 129 | 16 851 |
| B | NW393 | 8 576 | 9 303 | 10 268 | 8 308 | 9 303 | 10 268 | 12 404 | 15 207 | 16 600 | 12 592 | 15 314 | 16 600 |
| B | NW394 | 26 479 | 28 189 | 30 507 | 25 482 | 28 189 | 30 507 | 35 057 | 46 779 | 50 691 | 36 500 | 47 177 | 50 691 |
| B | NW395 | 3 727 | 3 877 | 3 484 | 3 584 | 3 877 | 3 484 | 4 711 | 5 111 | 4 718 | 4 568 | 5 111 | 4 718 |
| B | NW396 | 7 577 | 8 265 | 9 132 | 7 371 | 8 265 | 9 132 | 8 311 | 13 964 | 15 241 | 9 222 | 14 067 | 15 241 |
| C | DC39 | 48 742 | 53 424 | 63 885 | 46 842 | 53 424 | 63 885 | 111 255 | 114 784 | 131 303 | 109 606 | 116 026 | 131 303 |
| | Total: Bophirima Municipalities | 120 580 | 130 669 | 148 071 | 116 214 | 130 669 | 148 071 | 202 420 | 235 509 | 262 350 | 203 842 | 237 597 | 262 350 |
| B | NW401 | 12 433 | 13 606 | 15 601 | 12 045 | 13 606 | 15 601 | 22 198 | 22 357 | 25 042 | 22 387 | 22 530 | 25 042 |
| B | NW402 | 24 072 | 26 854 | 31 858 | 23 469 | 26 854 | 31 858 | 38 712 | 42 434 | 48 823 | 39 185 | 42 780 | 48 823 |
| B | NW403 | 95 190 | 106 369 | 126 105 | 93 001 | 106 369 | 126 105 | 151 326 | 178 472 | 226 556 | 153 561 | 179 593 | 226 556 |
| B | NW404 | 20 176 | 22 277 | 26 165 | 19 634 | 22 277 | 26 165 | 29 369 | 52 114 | 39 217 | 29 657 | 52 378 | 39 217 |
| C | DC40 | 1 205 | 1 416 | 1 776 | 1 190 | 1 416 | 1 776 | 8 805 | 2 916 | 3 276 | 7 515 | 2 916 | 3 276 |
| | Total: Southern Municipalities | 153 076 | 170 523 | 201 504 | 149 339 | 170 523 | 201 504 | 250 410 | 298 294 | 342 913 | 252 306 | 300 197 | 342 913 |
| | Total: North West Municipalities | 731 494 | 801 343 | 911 712 | 709 435 | 801 343 | 911 712 | 1 294 051 | 1 510 989 | 1 686 598 | 1 309 010 | 1 525 049 | 1 686 598 |

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES BY NATIONAL AND MUNICIPAL FINANCIAL YEARS:
Equitable Share (SCHEDULE 3) + Recurrent (SCHEDULE 6) + Infrastructure (SCHEDULE 4B AND 6A) + Indirect Grants (SCHEDULE 7)**

| Number | Municipality | Equitable Share | | | | | | Grand Total | | | | | |
|--|---|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | | National Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| WESTERN CAPE | | | | | | | | | | | | | |
| A | City of Cape Town | 275 565 | 311 970 | 292 912 | 267 461 | 311 970 | 292 912 | 534 368 | 619 795 | 646 886 | 541 894 | 625 082 | 646 886 |
| B | WC011 Matzikama | 8 920 | 9 878 | 11 586 | 8 655 | 9 878 | 11 586 | 12 982 | 18 195 | 17 546 | 12 973 | 18 289 | 17 546 |
| B | WC012 Cederberg | 7 579 | 8 342 | 9 424 | 7 369 | 8 342 | 9 424 | 15 308 | 14 499 | 15 051 | 14 767 | 13 769 | 15 648 |
| B | WC013 Bergriver | 6 208 | 6 897 | 7 989 | 6 037 | 6 897 | 7 989 | 6 208 | 9 765 | 11 075 | 6 629 | 9 819 | 11 075 |
| B | WC014 Saldanha Bay | 9 369 | 10 587 | 12 978 | 9 185 | 10 587 | 12 978 | 12 973 | 15 467 | 18 192 | 13 057 | 15 550 | 18 192 |
| B | WC015 Swartland | 7 596 | 8 343 | 9 489 | 7 308 | 8 343 | 9 489 | 12 994 | 12 487 | 13 968 | 12 467 | 12 570 | 13 968 |
| C | DC1 West Coast District Municipality | 1 787 | 1 791 | 2 151 | 1 757 | 1 791 | 2 151 | 10 756 | 7 428 | 5 271 | 9 438 | 7 288 | 5 399 |
| Total: West Coast Municipalities | | 41 459 | 45 838 | 53 618 | 40 311 | 45 838 | 53 618 | 71 220 | 77 841 | 81 103 | 69 332 | 77 287 | 81 829 |
| B | WC022 Wiltzenberg | 12 612 | 13 926 | 15 838 | 12 243 | 13 926 | 15 838 | 13 846 | 20 711 | 23 132 | 14 865 | 20 838 | 23 132 |
| B | WC023 Drakenstein | 20 820 | 23 287 | 27 342 | 20 285 | 23 287 | 27 342 | 32 547 | 36 857 | 42 066 | 32 923 | 37 146 | 42 066 |
| B | WC024 Stellenbosch | 13 118 | 14 662 | 17 068 | 12 781 | 14 662 | 17 068 | 24 956 | 23 197 | 26 342 | 24 368 | 23 382 | 26 342 |
| B | WC025 Breede Valley | 18 705 | 20 778 | 24 430 | 18 165 | 20 778 | 24 430 | 25 580 | 30 227 | 34 688 | 25 658 | 30 429 | 34 688 |
| B | WC026 Breede River Wineands | 13 687 | 15 292 | 18 187 | 13 353 | 15 292 | 18 187 | 17 538 | 20 859 | 24 219 | 17 583 | 20 975 | 24 219 |
| C | DC2 Cape Wineands District Municipality | 2 208 | 1 807 | 695 | 2 153 | 1 807 | 695 | 12 663 | 4 246 | 3 174 | 8 229 | 4 256 | 3 174 |
| Total: Cape Wineands Municipalities | | 81 149 | 89 752 | 103 561 | 78 980 | 89 752 | 103 561 | 123 627 | 136 097 | 153 621 | 123 627 | 137 026 | 153 621 |
| B | WC031 Theewaterskloof | 14 431 | 16 031 | 18 681 | 14 035 | 16 031 | 18 681 | 23 798 | 25 563 | 29 021 | 24 069 | 25 765 | 29 021 |
| B | WC032 Overstrand | 10 172 | 11 459 | 13 987 | 9 969 | 11 459 | 13 987 | 15 074 | 18 037 | 19 830 | 15 287 | 18 144 | 19 830 |
| B | WC033 Cape Agulhas | 4 456 | 5 008 | 6 237 | 4 354 | 5 008 | 6 237 | 4 656 | 5 508 | 6 737 | 4 554 | 5 508 | 6 737 |
| B | WC034 Swellendam | 5 428 | 5 960 | 6 913 | 5 259 | 5 960 | 6 913 | 5 978 | 6 460 | 7 413 | 5 809 | 6 460 | 7 413 |
| C | DC3 Overberg District Municipality | 1 064 | 1 187 | 1 386 | 1 048 | 1 187 | 1 386 | 7 421 | 5 914 | 6 387 | 7 185 | 5 983 | 6 387 |
| Total: Overberg Municipalities | | 35 551 | 39 644 | 47 204 | 34 665 | 39 644 | 47 204 | 56 927 | 61 481 | 69 388 | 56 903 | 61 859 | 69 388 |
| B | WC041 Kannaland | 5 610 | 6 117 | 6 883 | 5 444 | 6 117 | 6 883 | 8 744 | 13 723 | 12 338 | 9 052 | 13 766 | 12 338 |
| B | WC042 Langeberg | 7 187 | 8 072 | 10 021 | 7 030 | 8 072 | 10 021 | 7 787 | 11 125 | 13 308 | 8 268 | 11 183 | 13 308 |
| B | WC043 Mossel Bay | 10 967 | 12 394 | 15 379 | 10 764 | 12 394 | 15 379 | 16 344 | 19 311 | 20 413 | 16 310 | 19 406 | 20 413 |
| B | WC044 George | 20 679 | 23 259 | 28 021 | 20 251 | 23 259 | 28 021 | 31 384 | 34 932 | 40 720 | 31 698 | 35 189 | 40 720 |
| B | WC045 Oudtshoorn | 11 296 | 12 675 | 15 342 | 11 065 | 12 675 | 15 342 | 22 306 | 21 276 | 23 294 | 21 832 | 20 313 | 24 094 |
| B | WC047 Plettenberg Bay | 6 539 | 7 341 | 8 972 | 6 401 | 7 341 | 8 972 | 13 310 | 11 096 | 13 026 | 12 553 | 11 171 | 13 026 |
| B | WC048 Knysna | 8 922 | 10 014 | 12 062 | 8 740 | 10 014 | 12 062 | 16 549 | 17 578 | 20 261 | 16 785 | 17 737 | 20 261 |
| C | DC4 Eden District Municipality | 3 437 | 3 460 | 4 091 | 3 351 | 3 460 | 4 091 | 10 239 | 9 834 | 6 728 | 9 280 | 9 853 | 6 728 |
| Total: Eden Municipalities | | 74 637 | 83 332 | 100 771 | 73 046 | 83 332 | 100 771 | 126 663 | 138 875 | 150 088 | 125 779 | 138 618 | 150 888 |
| B | WC051 Laingsburg | 2 501 | 2 682 | 2 960 | 2 409 | 2 682 | 2 960 | 3 815 | 4 417 | 4 742 | 3 848 | 4 429 | 4 742 |
| B | WC052 Prince Albert | 2 968 | 3 123 | 3 352 | 2 853 | 3 123 | 3 352 | 4 787 | 5 024 | 5 315 | 4 839 | 5 040 | 5 315 |
| B | WC053 Beaufort West | 7 420 | 8 270 | 9 950 | 7 252 | 8 270 | 9 950 | 9 454 | 11 071 | 12 895 | 9 678 | 11 107 | 12 895 |
| C | DC5 Central Karoo District Municipality | 5 629 | 5 639 | 3 744 | 5 443 | 5 639 | 3 744 | 33 020 | 8 568 | 6 804 | 26 656 | 8 601 | 6 804 |
| Total: Central Karoo Municipalities | | 18 518 | 19 712 | 20 007 | 17 957 | 19 712 | 20 007 | 51 077 | 29 080 | 29 756 | 45 021 | 29 175 | 29 756 |
| Total: Western Cape Municipalities | | | | | | | | | | | | | |
| National Allocations | | | | | | | | | | | | | |
| Financial Management Grant - DBSA | | | | | | | | | | | | | |
| National Total | | 9 643 341 | 10 514 940 | 11 370 620 | 9 343 365 | 10 514 940 | 11 370 620 | 17 159 354 | 19 707 693 | 21 460 577 | 17 323 737 | 19 858 598 | 21 478 425 |

**APPENDIX E7:
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME**

(National and Municipal Financial Year)

**APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME**

| Category Number Municipality | | ERADICATION OF BUCKET SANITATION PROGRAMME ¹ | | | | | |
|---|---------------------------------------|---|--------------------|--------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| EASTERN CAPE | | | | | | | |
| A | Nelson Mandela | | 87 494 | 131 240 | | 87 494 | 131 240 |
| B | EC101 Camdeboo | | 5 800 | | | 5 800 | |
| B | EC102 Blue Crane Route | | 3 783 | 5 674 | | 3 783 | 5 674 |
| B | EC103 Ikwezi | | 5 227 | 7 840 | | 5 227 | 7 840 |
| B | EC104 Makana | 2 000 | 7 000 | 7 000 | 2 000 | 7 000 | 7 000 |
| B | EC105 Ndlambe | | | | | | |
| B | EC106 Sundays River Valley | | 5 600 | | | 5 600 | |
| B | EC107 Baviaans | | 3 203 | 4 805 | | 3 203 | 4 805 |
| B | EC108 Kouga | | 9 125 | 13 688 | | 9 125 | 13 688 |
| B | EC109 Koukamma | | 770 | | | 770 | |
| C | DC10 Cacadu District Municipality | 5 000 | | | 5 000 | | |
| Total: Cacadu Municipalities | | 7 000 | 40 508 | 39 007 | 7 000 | 40 508 | 39 007 |
| B | EC121 Mbashe | | | | | | |
| B | EC122 Mquma | | | | | | |
| B | EC123 Great Kei | | | | | | |
| B | EC124 Amahlathi | | | | 2 300 | | |
| B | EC125 Buffalo City | | | | | | |
| B | EC126 Ngqushwa | 2 300 | | | | | |
| B | EC127 Nkonkobe | | | | | | |
| B | EC128 Nxuba | | | | | | |
| C | DC12 Amatole District Municipality | 4 000 | 5 968 | 17 633 | 4 000 | 5 968 | 17 633 |
| Total: Amatole Municipalities | | 6 300 | 5 968 | 17 633 | 6 300 | 5 968 | 17 633 |
| B | EC131 Inxuba Yethemba | | | | | | |
| B | EC132 Tsolwana | | | | | | |
| B | EC133 Inkwanca | | | | | | |
| B | EC134 Lukhanji | | | | | | |
| B | EC135 Intsika Yethu | | | | | | |
| B | EC136 Emalahleni | | | | | | |
| B | EC137 Engcobo | | | | | | |
| B | EC138 Sakhisizwe | | | | | | |
| C | DC13 Chris Hani District Municipality | 10 000 | 7 343 | 21 581 | 10 000 | 7 343 | 21 581 |
| Total: Chris Hani Municipalities | | 10 000 | 7 343 | 21 581 | 10 000 | 7 343 | 21 581 |

APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME

| Category | | National Financial Year | | Municipal Financial Year | | | | | |
|----------|---|----------------------------------|---------------|--------------------------|----------------|---------------|----------------|----------------|--|
| | | 2005/06 | | 2005/06 | | | | | |
| | | (R'000) | (R'000) | (R'000) | (R'000) | | | | |
| | Number | Municipality | | | | | | | |
| B | EC141 | Elundini | | | | | | | |
| B | EC142 | Senqu | | | | | | | |
| B | EC143 | Maletswai | | | | | | | |
| B | EC144 | Gariep | | | | | | | |
| C | DC14 | Ukhahlamba District Municipality | 10 000 | 8 595 | 24 675 | 10 000 | 8 595 | 24 675 | |
| | Total: Ukhahlamba Municipalities | | 10 000 | 8 595 | 24 675 | 10 000 | 8 595 | 24 675 | |
| B | EC151 | Mbizana | | | | | | | |
| B | EC152 | Nabankulu | | | | | | | |
| B | EC153 | Qaukeni | | | | | | | |
| B | EC154 | Port St. Johns | | | | | | | |
| B | EC155 | Nyandeni | | | | | | | |
| B | EC156 | Mhlontlo | | | | | | | |
| B | EC157 | King Sabata Dalindyebo | | | | | | | |
| C | DC15 | O.R. Tambo District Municipality | 3 000 | 2 600 | 4 373 | 3 000 | 2 600 | 4 373 | |
| | Total: O.R. Tambo Municipalities | | 3 000 | 2 600 | 4 373 | 3 000 | 2 600 | 4 373 | |
| B | EC05b1 | Umzimkhulu | | | | | | | |
| B | EC05b2 | Umzimvubu | | | | | | | |
| C | DC44 | Alfred Nzo District Municipality | | 2 000 | 3 177 | | 2 000 | 3 177 | |
| | Total: Alfred Nzo Municipalities | | | 2 000 | 3 177 | | 2 000 | 3 177 | |
| | Total: Eastern Cape Municipalities | | 36 300 | 154 507 | 241 685 | 36 300 | 154 507 | 241 685 | |

APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME

| | | ERADICATION OF BUCKET SANITATION PROGRAMME ¹ | | | | | | | |
|--|--------|---|--------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | Municipal Financial Year | | Municipal Financial Year | |
| Category | Number | Municipality | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) |
| FREE STATE | | | | | | | | | |
| B | FS161 | Letsemeng | | 4 312 | 6 468 | | | 4 312 | 6 468 |
| B | FS162 | Kopanong | | 4 737 | 7 106 | | | 4 737 | 7 106 |
| B | FS163 | Mohokare | 3 000 | 8 650 | 12 975 | 3 000 | 3 000 | 8 650 | 12 975 |
| C | DC16 | Xhariep District Municipality | | | | | | | |
| Total: Xhariep Municipalities | | | 3 000 | 17 699 | 26 548 | 3 000 | 3 000 | 17 699 | 26 548 |
| B | FS171 | Naledi | 3 000 | 4 146 | | 3 000 | 3 000 | 4 146 | |
| B | FS172 | Mangaung | 4 950 | | | 4 950 | 4 950 | | |
| B | FS173 | Mantsoa | | 7 359 | 23 128 | | | 7 359 | 23 128 |
| C | DC17 | Motheo District Municipality | | | | | | | |
| Total: Motheo Municipalities | | | 7 950 | 11 505 | 23 128 | 7 950 | 7 950 | 11 505 | 23 128 |
| B | FS181 | Masilonyana | 5 261 | 29 321 | 33 857 | 5 261 | 5 261 | 29 321 | 33 857 |
| B | FS182 | Tokologo | | 5 304 | 16 728 | | | 5 304 | 16 728 |
| B | FS183 | Tswelopele | | 6 937 | 22 916 | | | 6 937 | 22 916 |
| B | FS184 | Matjhabeng | 20 000 | 15 602 | 47 793 | 20 000 | 20 000 | 15 602 | 47 793 |
| B | FS185 | Nala | 10 000 | 9 192 | 28 389 | 10 000 | 10 000 | 9 192 | 28 389 |
| C | DC18 | Lejweleputswa District Municipality | | | | | | | |
| Total: Lejweleputswa Municipalities | | | 35 261 | 66 355 | 149 682 | 35 261 | 35 261 | 66 355 | 149 682 |
| B | FS191 | Seisoto | 5 000 | 7 506 | 23 548 | 5 000 | 5 000 | 7 506 | 23 548 |
| B | FS192 | Ditlhabeng | 5 000 | 4 690 | 14 465 | 5 000 | 5 000 | 4 690 | 14 465 |
| B | FS193 | Nketoana | 3 000 | 5 807 | 8 711 | 3 000 | 3 000 | 5 807 | 8 711 |
| B | FS194 | Maluti-a-Phofung | | | | | | | |
| B | FS195 | Phumelela | 3 000 | 9 552 | 14 328 | 3 000 | 3 000 | 9 552 | 14 328 |
| C | DC19 | Thabo Mofutsanyana District Municipality | | | | | | | |
| Total: Thabo Mofutsanyane Municipalities | | | 16 000 | 27 555 | 61 052 | 16 000 | 16 000 | 27 555 | 61 052 |
| B | FS201 | Moqhaka | 5 400 | 5 083 | 14 592 | 5 400 | 5 400 | 5 083 | 14 592 |
| B | FS203 | Ngwathe | | 7 642 | 21 940 | | | 7 642 | 21 940 |
| B | FS204 | Meisimaholo | 2 000 | 2 554 | 3 831 | 2 000 | 2 000 | 2 554 | 3 831 |
| B | FS205 | Matibe | 3 000 | 7 270 | 10 905 | 3 000 | 3 000 | 7 270 | 10 905 |
| C | DC20 | Northern Free State District Municipality | | | | | | | |
| Total: Northern Free State Municipalities | | | 10 400 | 22 549 | 51 268 | 10 400 | 10 400 | 22 549 | 51 268 |
| Total: Free State Municipalities | | | 72 611 | 145 663 | 311 679 | 72 611 | 72 611 | 145 663 | 311 679 |

APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME

| | | ERADICATION OF BUCKET SANITATION PROGRAMME ¹ | | | | | | |
|---|--------|---|--------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | Municipal Financial Year | | |
| Category | Number | Municipality | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| GAUTENG | | | | | | | | |
| A | | Ekurhuleni | | | | | | |
| A | | City of Johannesburg | | | | | | |
| A | | City of Tshwane | | | | | | |
| B | GT02b1 | Nokeng Isa Taemane | | | | | | |
| B | CBLC2 | Kungwini | | | | | | |
| C | CBDC2 | Metsweding District Municipality | | | | | | |
| Total: Metsweding Municipalities | | | | | | | | |
| B | GT421 | Emfuleni | | | | | | |
| B | GT422 | Midvaal | 3 000 | 3 160 | | 3 000 | 3 160 | |
| B | GT423 | Lesedi | | | | | | |
| C | DC42 | Sedibeng District Municipality | | | | | | |
| Total: Sedibeng Municipalities | | | 3 000 | 3 160 | | 3 000 | 3 160 | |
| B | GT411 | Mogale City | | | | | | |
| B | GT412 | Randfontein | 4 000 | 2 750 | | 4 000 | 2 750 | |
| B | GT414 | Westonaria | 5 000 | 5 616 | | 5 000 | 5 616 | |
| B | CBLC8 | Merafong City | | | | | | |
| C | CBDC8 | West Rand District Municipality | | | | | | |
| Total: West Rand Municipalities | | | 9 000 | 8 366 | | 9 000 | 8 366 | |
| Total: Gauteng Municipalities | | | 12 000 | 11 526 | | 12 000 | 11 526 | |

**APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME**

| Category | Number | Municipality | ERADICATION OF BUCKET SANITATION PROGRAMME ¹ | | | |
|--|--------|-------------------------------------|---|--------------------|--------------------|--|
| | | | National Financial Year 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | Municipal Financial Year 2006/07 (R'000) |
| KWAZULU-NATAL | | | | | | |
| A | | eThekweni | | | | |
| B | KZ211 | Vulamehlo | | | | |
| B | KZ212 | Umdoni | | | | |
| B | KZ213 | Umzumbhe | | | | |
| B | KZ214 | uMuziwabantu | | | | |
| B | KZ215 | Eziqolweni | | | | |
| B | KZ216 | Hhiscous Coast | | | | |
| C | DC21 | Ugu District Municipality | | | | |
| Total: Ugu Municipalities | | | | | | |
| B | KZ221 | uMshwathi | | | | |
| B | KZ222 | uMngeni | | | | |
| B | KZ223 | Mooi Mpozana | | | | |
| B | KZ224 | Impendle | | | | |
| B | KZ225 | Msunduzi | | | | |
| B | KZ226 | Mkhambathini | | | | |
| B | KZ227 | Richmond | | | | |
| C | DC22 | uMgungundlovu District Municipality | 4 000 | | | 4 000 |
| Total: uMgungundlovu Municipalities | | | 4 000 | | | 4 000 |
| B | KZ232 | Emmaambithi/Ladysmith | | | | |
| B | KZ233 | Indaka | | | | |
| B | KZ234 | Umtshezi | | | | |
| B | KZ235 | Okhahlamba | | | | |
| B | KZ236 | Imbabazane | | | | |
| C | DC23 | Uthukela District Municipality | 1 300 | | | 1 300 |
| Total: Uthukela Municipalities | | | 1 300 | | | 1 300 |
| B | KZ241 | Endumeni | | | | |
| B | KZ242 | Nquthu | | | | |
| B | KZ244 | Msinga | | | | |
| B | KZ245 | Umvoti | | | | |
| C | DC24 | Umzinyathi District Municipality | 700 | | | 700 |
| Total: Umzinyathi Municipalities | | | 700 | | | 700 |
| B | KZ252 | Newcastle | | | | |
| B | KZ253 | Utrecht | | | | |
| B | KZ254 | Dannhauser | | | | |
| C | DC25 | Amajuba District Municipality | | | | |
| Total: Amajuba Municipalities | | | | | | |

**APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME**

| Category | | National Financial Year | | Municipal Financial Year | |
|---|---|-------------------------|---------|--------------------------|---------|
| | | 2005/06 | 2006/07 | 2005/06 | 2006/07 |
| | | (R'000) | (R'000) | (R'000) | (R'000) |
| ERADICATION OF BUCKET SANITATION PROGRAMME' | | | | | |
| Total: Zululand Municipalities | | | | | |
| B | KZ261 eDumbe | | | | |
| B | KZ262 uPhongolo | | | | |
| B | KZ263 Abaqulusi | | | | |
| B | KZ265 Nongoma | | | | |
| B | KZ266 Ulundi | | | | |
| C | DC26 Zululand District Municipality | | | | |
| Total: Umkhanyakude Municipalities | | | | | |
| B | KZ271 Umhlabuyalingana | | | | |
| B | KZ272 Jozini | | | | |
| B | KZ273 The Big Five False Bay | | | | |
| B | KZ274 Hlabisa | | | | |
| B | KZ275 Mtubatuba | | | | |
| C | DC27 Umkhanyakude District Municipality | | | | |
| Total: uThungulu Municipalities | | | | | |
| B | KZ281 Mbonambi | | | | |
| B | KZ282 uMhlatuze | | | | |
| B | KZ283 Naumbana | | | | |
| B | KZ284 Umlalazi | | | | |
| B | KZ285 Mthonjaneni | | | | |
| B | KZ286 Nkandla | | | | |
| C | DC28 uThungulu District Municipality | | | | |
| Total: uThungulu Municipalities | | | | | |
| B | KZ291 eNdongakusuka | | | | |
| B | KZ292 KwaDukuza | | | | |
| B | KZ293 Ndwedwe | | | | |
| B | KZ294 Maphumulo | | | | |
| C | DC29 Ilembe District Municipality | | | | |
| Total: Ilembe Municipalities | | | | | |
| B | KZ5a1 Ingwe | | | | |
| B | KZ5a2 Kwa Sani | | | | |
| B | KZ5a3 Matatiele | | | | |
| B | KZ5a4 Greater Kokstad | | | | |
| B | KZ5a5 Ubuhlebezwe | | | | |
| C | DC43 Sisonke District Municipality | | | | |
| Total: Sisonke Municipalities | | | | | |
| Total: KwaZulu-Natal Municipalities | | 6 000 | | | 6 000 |

APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME

| Category | | National Financial Year | | Municipal Financial Year | |
|----------------|---|-------------------------|---------|--------------------------|---------|
| | | 2007/08 | | 2007/08 | |
| | | (R'000) | (R'000) | (R'000) | (R'000) |
| LIMPOPO | | | | | |
| B | NP03A2 Makhuduthamaga | | | | |
| B | NP03A3 Fetakgomo | | | | |
| B | CBLC3 Greater Marble Hall | | | | |
| B | CBLC4 Greater Groblersdal | | | | |
| B | CBLC5 Greater Tubatse | | | | |
| C | CBDC3 Greater Sekhukhune Cross Boundary | | | | |
| | Total: Greater Sekhukhune | | | | |
| B | NP04A1 Maruleng | | | | |
| B | CBLC6 Bushbuckridge | | | | |
| C | CBDC4 Bohlabela District Municipality | | | | |
| | Total: Bohlabela Municipalities | | | | |
| B | NP331 Greater Giyani | | | | |
| B | NP332 Greater Letaba | | | | |
| B | NP333 Greater Tzaneen | | | | |
| B | NP334 Ba-Phalaborwa | | | | |
| C | DC33 Mopani District Municipality | | | | |
| | Total: Mopani Municipalities | | | | |
| B | NP341 Musina | | | | |
| B | NP342 Mutale | | | | |
| B | NP343 Thulamela | | | | |
| B | NP344 Makhado | | | | |
| C | DC34 Vhembe District Municipality | | | | |
| | Total: Vhembe Municipalities | | | | |
| B | NP351 Blouberg | | | | |
| B | NP352 Aganang | | | | |
| B | NP353 Molemole | | | | |
| B | NP354 Polokwane | | | | |
| B | NP355 Lepelle-Nkumpi | | | | |
| C | DC35 Capricorn District Municipality | | | | |
| | Total: Capricorn Municipalities | | | | |
| B | NP361 Thabazimbi | | | | |
| B | NP362 Lephalale | | | | |
| B | NP364 Mookgopong | | | | |
| B | NP365 Modimolle | | | | |
| B | NP366 Bela Bela | | | | |
| B | NP367 Mogalakwena | | | | |
| C | DC36 Waterberg District Municipality | | | | |
| | Total: Waterberg Municipalities | | | | |
| | Total: Limpopo Municipalities | | | | |

APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME

| Category Number Municipality | | ERADICATION OF BUCKET SANITATION PROGRAMME ¹ | | | | | |
|---|-------|---|--------------------|--------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| MPUMALANGA | | | | | | | |
| B | MP301 | Albert Luthuli | | | | | |
| B | MP302 | Msakaligwa | | | | | |
| B | MP303 | Mkhondo | | | | | |
| B | MP304 | Seme | | | | | |
| B | MP305 | Lekwa | 10 125 | | | 10 125 | |
| B | MP306 | Dipaleseng | | | | | |
| B | MP307 | Govan Mbeki | 10 125 | | | 10 125 | |
| C | DC30 | Gert Sibande District Municipality | | | | | |
| Total: Gert Sibande Municipalities | | | 20 250 | | | 20 250 | |
| Total: Nkangala Municipalities | | | | | | | |
| B | MP311 | Delmas | | | | | |
| B | MP312 | Enalahleni | | | | | |
| B | MP313 | Sieve Tshwete | | | | | |
| B | MP314 | Highlands | | | | | |
| B | MP315 | Thembisile | | | | | |
| B | MP316 | Dr JS Moroka | | | | | |
| C | DC31 | Nkangala District Municipality | | | | | |
| Total: Nkangala Municipalities | | | | | | | |
| B | MP321 | Thaba Chweu | | | | | |
| B | MP322 | Mbombela | | | | | |
| B | MP323 | Umjindi | | | | | |
| B | MP324 | Nkomazi | | | | | |
| C | DC32 | Ehlanzeni District Municipality | | | | | |
| Total: Ehlanzeni Municipalities | | | | | | | |
| Total: Mpumalanga Municipalities | | | 20 250 | | | 20 250 | |

APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME

| Category | | ERADICATION OF BUCKET SANITATION PROGRAMME ¹ | | | | | |
|--|--------|---|--------------------|--------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| NORTHERN CAPE | | | | | | | |
| B | NC01B1 | Gamaqara | | | | | |
| B | NW1a1 | Moshaweng | | | | | |
| B | CBLC1 | Ga-Segonyana | | | | | |
| C | CBDC1 | Kgalagadi District Municipality | | | | | |
| Total: Kgalagadi Cross Border | | | | | | | |
| B | NC061 | Richtersveld | | | | | |
| B | NC062 | Nama Khoi | 4 000 | 5 788 | | 4 000 | 5 788 |
| B | NC064 | Kamiesberg | | 410 | | | 410 |
| B | NC065 | Hantam | | 3 128 | | | 3 128 |
| B | NC066 | Karoo Hoogland | 196 | | | 196 | |
| B | NC067 | Khai-Ma | 752 | | | 752 | |
| C | DC6 | Namakwa District Municipality | | | | | |
| Total: Namakwa Municipalities | | | 4 947 | 9 325 | | 4 947 | 9 325 |
| B | NC071 | Ubuntu | | 1 445 | | | 1 445 |
| B | NC072 | Umsobomvu | | 5 058 | | | 5 058 |
| B | NC073 | Emthanjeni | | | | | |
| B | NC074 | Kareeberg | | 3 470 | | | 3 470 |
| B | NC075 | Renosterberg | | 4 721 | | | 4 721 |
| B | NC076 | Thembelihle | | 1 085 | | | 1 085 |
| B | NC077 | Siyathemba | | 3 326 | | | 3 326 |
| B | NC078 | Siyancuma | 3 000 | | | 3 000 | |
| C | DC7 | Karoo District Municipality | | | | | |
| Total: Karoo Municipalities | | | 3 000 | 19 103 | | 3 000 | 19 103 |
| B | NC081 | Mier | 338 | | | 338 | |
| B | NC082 | Kai ! Garib | 599 | | | 599 | |
| B | NC083 | //Khara Hai | 3 000 | 915 | | 3 000 | 915 |
| B | NC084 | ! Kheis | | | | | |
| B | NC085 | Tsantsabane | | | | | |
| B | NC086 | Kgatelopele | 203 | | | 203 | |
| C | DC8 | Siyanda District Municipality | | | | | |
| Total: Siyanda Municipalities | | | 4 139 | 915 | | 4 139 | 915 |
| B | NC091 | Sol Plaatje | 1 719 | 1 719 | | 1 719 | 1 719 |
| B | NC092 | Dikgatlong | 3 000 | | | 3 000 | |
| B | NC093 | Magareng | | | | | |
| B | CBLC7 | Phokwane | 1 193 | | | 1 193 | |
| C | DC9 | Frances Baard District Municipality | | | | | |
| Total: Frances Baard Municipalities | | | 5 912 | 1 719 | | 5 912 | 1 719 |
| Total: Northern Cape Municipalities | | | 17 997 | 31 061 | | 17 997 | 31 061 |

APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME

| Category | Number | Municipality | ERADICATION OF BUCKET SANITATION PROGRAMME ¹ | | | | | |
|--|--------|---|---|--------------------|--------------------------|--------------------|--------------------------|--------------------|
| | | | National Financial Year | | Municipal Financial Year | | Municipal Financial Year | |
| | | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| NORTH WEST | | | | | | | | |
| B | NW371 | Moretele | | | | | | |
| B | NW372 | Madibeng | | | | | | |
| B | NW373 | Kustenburg | | 1 925 | | | 1 925 | |
| B | NW374 | Kgetlengrivier | | | | | | |
| B | NW375 | Moses Kotane | | | | | | |
| C | DC37 | Bojanala Platinum District Municipality | | | | | | |
| Total: Bojanala Platinum Municipalities | | | | 1 925 | | | 1 925 | |
| B | NW381 | Ratlou | | | | | | |
| B | NW382 | Tswaing | | | | | | |
| B | NW383 | Matikeng | | | | | | |
| B | NW384 | Ditsobotla | | | | | | |
| B | NW385 | Zeerust | | | | | | |
| C | DC38 | Central District Municipality | 2 600 | | | 2 600 | | |
| Total: Central Municipalities | | | 2 600 | | | 2 600 | | |
| B | NW391 | Kagisano | | | | | | |
| B | NW392 | Naledi | | | | | | |
| B | NW393 | Mamusa | | | | | | |
| B | NW394 | Greater Taung | | | | | | |
| B | NW395 | Molopo | | | | | | |
| B | NW396 | Lekwa-Teemane | | | | | | |
| C | DC39 | Bophirima District Municipality | 3 200 | | | 3 200 | | |
| Total: Bophirima Municipalities | | | 3 200 | | | 3 200 | | |
| B | NW401 | Ventersdorp | 1 093 | | | 1 093 | | |
| B | NW402 | Potchefstroom | | | | | | |
| B | NW403 | Klerksdorp | 21 000 | 22 772 | 46 636 | 21 000 | 22 772 | |
| B | NW404 | Maquassi Hills | | 17 841 | | | 17 841 | |
| C | DC40 | Southern District Municipality | | | | | | |
| Total: Southern Municipalities | | | 22 093 | 40 612 | 46 636 | 22 093 | 40 612 | |
| Total: North West Municipalities | | | 27 893 | 42 537 | 46 636 | 27 893 | 42 537 | |
| Total: North West Municipalities | | | 27 893 | 42 537 | 46 636 | 27 893 | 42 537 | |
| Total: North West Municipalities | | | 27 893 | 42 537 | 46 636 | 27 893 | 42 537 | |

**APPENDIX E7
(APPENDIX TO MUNICIPAL INFRASTRUCTURE GRANT - SCHEDULE 4B)
ERADICATION OF BUCKET SANITATION PROGRAMME**

| Category Number Municipality | | ERADICATION OF BUCKET SANITATION PROGRAMME ¹⁾ | | | | | |
|---|--|--|--------------------|--------------------------|--------------------|--------------------------|--------------------|
| | | National Financial Year | | Municipal Financial Year | | Municipal Financial Year | |
| | | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) | 2005/06 (R'000) | 2006/07 (R'000) | 2007/08 (R'000) |
| WESTERN CAPE | | | | | | | |
| A | City of Cape Town | | | | | | |
| B | WC011 Matzikama | | 2 734 | | | 2 734 | |
| B | WC012 Cederberg | | | | | | |
| B | WC013 Bergrivier | | | | | | |
| B | WC014 Saldanha Bay | | | | | | |
| B | WC015 Swartland | | 2 410 | | | 2 410 | |
| C | DC1 West Coast District Municipality | | 5 144 | | | 5 144 | |
| Total: West Coast Municipalities | | | | | | | |
| B | WC022 Wizenberg | | | | 600 | | |
| B | WC023 Drakenstein | 600 | | | 1 100 | | |
| B | WC024 Stellenbosch | | | | | | |
| B | WC025 Breede Valley | | | | | | |
| B | WC026 Breede River Winelands | | | | | | |
| C | DC2 Cape Winelands District Municipality | | | | 1 700 | | |
| Total: Cape Winelands Municipalities | | | | | | | |
| B | WC031 Theewaterskloof | 2 000 | | | | 2 000 | |
| B | WC032 Overstrand | | 1 163 | | | | 1 163 |
| B | WC033 Cape Agulhas | | | | | | |
| B | WC034 Swellendam | | | | | | |
| C | DC3 Overberg District Municipality | | | | 1 163 | | |
| Total: Overberg Municipalities | | | | | | | |
| B | WC041 Kamalaland | | 2 325 | | | 2 325 | |
| B | WC042 Langeberg | 400 | | | 400 | | |
| B | WC043 Mossel Bay | | 2 264 | | | 2 264 | |
| B | WC044 George | | | | | | |
| B | WC045 Oudshoorn | 1 540 | | | 1 540 | | |
| B | WC047 Plettenberg Bay | 539 | | | 539 | | |
| B | WC048 Krystna | 770 | | | 770 | | |
| C | DC4 Eden District Municipality | | 3 812 | | | 3 812 | |
| Total: Eden Municipalities | | | | | | | |
| | | 3 249 | 8 401 | | 3 249 | 8 401 | |
| B | WC051 Laingsburg | | | | | | |
| B | WC052 Prince Albert | | | | | | |
| B | WC053 Beaufort West | | | | | | |
| C | DC5 Central Karoo District Municipality | | | | | | |
| Total: Central Karoo Municipalities | | | | | | | |
| Total: Western Cape Municipalities | | 6 949 | 14 707 | | 6 949 | 14 707 | |
| National Total | | 200 000 | 400 000 | 600 000 | 200 000 | 400 000 | 600 000 |

¹⁾ These allocations are included in the Municipal Infrastructure Grant and are not additional allocations to the MIG allocations.

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