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## GOVERNMENT NOTICE

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### NATIONAL TREASURY

No. 1275

8 December 2006

In accordance with sections 6(3) and 37 of the Division of Revenue Act, 2006 (Act No. 2 of 2006), I hereby give notice of my approval of the allocations set out in the attached Schedules which are to be transferred to provincial and local government spheres in accordance with the transfer mechanism set out in the Schedules and for the purposes and on the conditions set out therein.

I also hereby publish and make known particulars of re-allocations within the local government sphere in terms of section 20 of the Division of Revenue Act, 2006 (Act No. 2 of 2006); exemptions granted to the provisions in the Division of Revenue Act, 2006 (Act No. 2 of 2006) in terms of section 47 of the Act; and, with the exception of the Social Assistance Transfers and Social Assistance Administration grants, approval is granted for possible provincial roll-overs of unspent Schedule 5 conditional grant allocations from the 2005/06 financial year in terms of section 36 of the Division of Revenue Act, 2005 (Act No. 1 of 2005).

For ease of reference only and where applicable, the Schedules of this Government Notice bear the main allocations as Column A, additional allocations and re-allocations as Column B and total adjusted allocations as Column C.

This Government Notice is set out as follows:

- Part 1: Schedules;
- Part 2: Amended and additional frameworks for conditional grants to provincial and local government spheres; and
- Part 3: Exemptions granted to provisions in the Division of Revenue Act, 2006 (Act No. 2 of 2006).



**Trevor A Manuel, MP**  
**Minister of Finance**

## **PART ■ SCHEDULES**



## SCHEDULE 4

## ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	Column C
					2006/07 Main allocation R'000	2006/07 Additional allocation R'000	2006/07 Adjusted allocation R'000
National Treasury (Vote 8)	Provincial Infrastructure grant		<p><b>Plus:</b> Unforeseeable and unavoidable expenditure allocated for rehabilitating infrastructure following flood damage.</p> <p><b>Plus:</b> Use of funds in emergency situations in terms of Section 16 of the Public Finance Management Act, 1999 for flood disasters in the Bophirima district.</p> <p><b>Total</b></p>	Eastern Cape	-	-	-
				Free State	-	-	-
				Gauteng	-	-	-
				KwaZulu-Natal	-	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	-	-	-
				North West	-	-	-
				Western Cape	103 638	-	-
				<b>TOTAL</b>	<b>103 638</b>	-	-
				Eastern Cape	-	-	-
				Free State	-	-	-
				Gauteng	-	-	-
				KwaZulu-Natal	-	-	-
Limpopo	-	-	-				
Mpumalanga	-	-	-				
Northern Cape	-	-	-				
North West	-	15 081	-				
Western Cape	-	-	-				
<b>TOTAL</b>	<b>15 081</b>	-	-				
				<b>Eastern Cape</b>	742 057	-	742 057
				<b>Free State<sup>1</sup></b>	242 678	51 365	294 043
				<b>Gauteng<sup>1</sup></b>	407 745	277 333	685 078
				<b>KwaZulu-Natal</b>	870 486	-	870 486
				<b>Limpopo<sup>1</sup></b>	729 464	218 882	948 346
				<b>Mpumalanga</b>	316 596	37 106	353 702
				<b>Northern Cape<sup>1</sup></b>	201 733	41 974	243 707
				<b>North West</b>	354 373	70 081	424 454
				<b>Western Cape</b>	252 987	168 638	421 625
				<b>TOTAL</b>	<b>4 118 119</b>	<b>865 379</b>	<b>4 983 498</b>

1. Additional funds for this grant might not be appropriated by provinces due to the over expenditure that occurred during the 2005/06 financial year.

**SCHEDULE 5**  
**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	Column C				
					2006/07 Main allocation R'000	2006/07 Additional allocation R'000	2006/07 Adjusted allocation R'000				
Agriculture (Vote 25)	(a) Agricultural Disaster Management grant	Flood relief to farmers in identified areas of the Western Cape and Eastern Cape provinces (unforeseeable and unavoidable expenditure allocated for flood disasters).	Conditional allocation	Eastern Cape	-	12 403	12 403				
				Free State	-	-	-				
				Gauteng	-	-	-				
				KwaZulu-Natal	-	-	-				
				Limpopo	-	-	-				
				Mpumalanga	-	-	-				
				Northern Cape	-	-	-				
				North West	-	-	-				
				Western Cape	-	33 000	-				
				<b>TOTAL</b>	-	<b>45 403</b>	<b>45 403</b>				
				Health (Vote 16)	(b) 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 (viirement of funds for new Land Care projects).	Conditional allocation	Eastern Cape	6 675	4 375	11 050
								Free State	3 115	785	3 900
								Gauteng	3 115	335	3 450
KwaZulu-Natal	6 675	3 680	10 355								
Limpopo	7 565	385	7 950								
Mpumalanga	4 005	345	4 350								
Northern Cape	5 785	365	6 150								
North West	4 450	350	4 800								
Western Cape	3 115	615	3 730								
<b>TOTAL</b>	<b>44 500</b>	<b>11 235</b>	<b>55 735</b>								
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 (national roll-over of funds to provinces given faster roll-out of the grant in certain provinces).	Conditional allocation					Eastern Cape	218 021	14 000	232 021
								Free State	142 265	-	142 265
								Gauteng	252 695	17 500	270 195
				KwaZulu-Natal	344 304	-	344 304				
				Limpopo	175 861	-	175 861				
				Mpumalanga	107 479	-	107 479				
				Northern Cape	68 603	-	68 603				
				North West	142 316	-	142 316				
				Western Cape	115 670	17 500	133 170				
				<b>TOTAL</b>	<b>1 567 214</b>	<b>49 000</b>	<b>1 616 214</b>				





**SCHEDULE 5**  
**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	2006/07					
					Main allocation R'000	Additional allocation R'000	Adjusted allocation R'000			
Housing (Vote 28)	Integrated Housing and Human Settlement Development grant	<p>Plus: Use of funds in emergency situations in terms of Section 16 of the Public Finance Management Act, 1999 for constructing 2 000 subsidised houses in the Tsauing district in North West, which experienced floods during the year.</p> <p><b>Total</b></p>	<p>Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape <b>TOTAL</b></p>	<p>761 994 522 601 1 757 666 1 048 376 521 331 421 002 104 774 613 405 598 800 <b>6 349 949</b></p>	<p>- - - - - - 84 014 - - <b>84 014</b></p>	<p>- - - - - - - - - - <b>6 822 169</b></p>				
							Eastern Cape	761 994	-	761 994
							Free State	522 601	-	522 601
							Gauteng	1 757 666	-	1 757 666
							KwaZulu-Natal	1 048 376	-	1 048 376
							Limpopo	521 331	-	521 331
							Mpumalanga	421 002	-	421 002
							Northern Cape	104 774	-	104 774
							North West	613 405	84 014	697 419
							Western Cape	598 800	388 206	987 006
							<b>TOTAL</b>	<b>6 349 949</b>	<b>472 220</b>	<b>6 822 169</b>
Trade and Industry (Vote 32)	Industrial Development Zones grant	<p>Conditional allocation</p> <p>To provide funding to the Eastern Cape Provincial Government to support the necessary infrastructure development in the East London Industrial Development Zone (IDZ) to attract investors. This grant is specifically for the purpose to fast-track the process for investors to set up their business operations in this IDZ.</p>	<p>Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape <b>TOTAL</b></p>	<p>- - - - - - - - - <b>58 200</b></p>	<p>- - - - - - - - - <b>58 200</b></p>	<p>- - - - - - - - - <b>58 200</b></p>				
							Eastern Cape	-	-	-
							Free State	-	58 200	58 200
							Gauteng	-	-	-
							KwaZulu-Natal	-	-	-
							Limpopo	-	-	-
							Mpumalanga	-	-	-
							Northern Cape	-	-	-
							North West	-	-	-
							Western Cape	-	-	-
							<b>TOTAL</b>	<b>58 200</b>	<b>58 200</b>	<b>58 200</b>

## Explanatory Memorandum to the Municipal Allocations set out in Schedules 6 and 7

This *Gazette* is published in terms of the 2006 Division of Revenue Act and provides information on additional allocations and adjustments to existing allocations to municipalities in the 2006/07 national financial year.

This is necessitated by the need to allocate funds to municipalities that have been rolled over and the need to allocate additional funds to municipalities, as approved in terms of the 2006 Adjustments Appropriation Act. It is also necessitated by the need to reallocate funds in terms of Section 20 of the 2006 Division of Revenue Act due to anticipated underspending.

This *Gazette* therefore updates information that was originally published in *Government Gazette* No. 28 740 of 13 April 2006. The introductory information provided in that *Gazette* thus applies equally to this *Gazette*, and is not repeated here.

This notice affects the following grant programmes:

- a) Water Services Operating Subsidy (via augmentation to the Water Trading Account):
  - In compliance with Section 13 of the 2006 Division of Revenue Act, the national Department of Water Affairs and Forestry technically moves allocations to the value of R50,3 million, from Schedule 7 allocations to Schedule 6, following the finalisation of transfer agreements with municipalities. The baseline of the Water Services Operating and Transfer Subsidy will however remain unchanged.
- b) Local Government Restructuring grant: Rollover of R95 million from the 2005/06 to 2006/07 financial year.
- c) R490,8 million for emergency funding is allocated through the Municipal Infrastructure grant. Of this, R339,6 million, R25,7 million and R114,1 million are allocated to municipalities in the Eastern Cape, Northern Cape and the Western Cape provinces respectively for flood disaster relief as well as R11,5 million to the Greater Taung municipality for costs related to flood damages.
- d) National Department of Sports and Recreation South Africa is allocated R600 million to allow the 10 host cities to start the process of constructing new stadiums and upgrading existing ones in preparation for the 2010 FIFA World Cup.
- e) The national Department of Minerals and Energy and Eskom are reallocating funds between municipalities, under the National Electrification Programme. This follows from slow spending and unavailability of houses to electrify.
- f) Furthermore, a correction is made to shift R84 million from Eskom's allocation for non-grid funds to the national Department of Minerals and Energy. The funds were incorrectly allocated to Eskom.

- g) During the publication of the 2006 Division of Revenue Act the framework for the Water Services and Transfer Operating Subsidy was omitted and will now be published.
- h) The establishment of a new conditional grant was approved and its framework will be published in this *Gazette*. The grant is called the Stadium Development Grant and under it, R600 million is provided in the 2006/07 financial year to the 10 host cities for the construction of new stadiums and upgrading of existing ones in preparation for the 2010 FIFA World Cup.

Municipalities are requested to effect adjustments to their projections of grant income from these programmes accordingly, through the passing of a municipal adjustments budget.

**SCHEDULE 6: RECURRENT GRANT ALLOCATIONS  
TO MUNICIPALITIES:**

**LOCAL GOVERNMENT RESTRUCTURING GRANT**

## SCHEDULE 6

## RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES

National Treasury (Vote 8)		Local Government Restructuring Grant				
Category	Number	Municipality	Column A	Column B		Column C
			2006/07 Main allocation	Roll-overs	Adjustments	2006/07 Adjusted allocation
			R'000	R'000	R'000	R'000
<b>EASTERN CAPE</b>						
A		Nelson Mandela	55 000	20 000		75 000
B	EC125	Buffalo City	35 000			35 000
<b>Total: Eastern Cape Municipalities</b>			<b>90 000</b>	<b>20 000</b>		<b>110 000</b>
<b>FREE STATE</b>						
B	FS172	Mangaung		10 000		10 000
<b>Total: Free State Municipalities</b>				<b>10 000</b>		<b>10 000</b>
<b>GAUTENG</b>						
A		City of Tshwane	75 000			75 000
B	GT421	Emfuleni	35 000	35 000		70 000
<b>Total: Gauteng Municipalities</b>			<b>110 000</b>	<b>35 000</b>		<b>145 000</b>
<b>KWAZULU-NATAL</b>						
<b>Total: KwaZulu-Natal Municipalities</b>			<b>75 000</b>			<b>75 000</b>
<b>WESTERN CAPE</b>						
A		City of Cape Town	75 000	30 000		105 000
<b>Total: Western Cape Municipalities</b>			<b>75 000</b>	<b>30 000</b>		<b>105 000</b>
<b>National Total</b>			<b>350 000</b>	<b>95 000</b>		<b>445 000</b>

**SCHEDULE 6: RECURRENT GRANT ALLOCATIONS  
TO MUNICIPALITIES:**

**WATER SERVICES OPERATING AND TRANSFER  
SUBSIDY**

## SCHEDULE 6

## RECURRENT GRANT ALLOCATIONS TO MUNICIPALITIES

(Vote 34)			Column A	Column B	Column C	
Category	Number	Municipality	2006/07	Roll-overs	Adjustments	
			Main allocation			
			R'000	R'000	R'000	
					Adjusted allocation	
					R'000	
<b>EASTERN CAPE</b>						
B	EC125	Buffalo City	7 645		- 1 368	6 277
C	DC12	Amatole District Municipality	5 919		2 354	8 273
<b>Total: Amatole Municipalities</b>			<b>13 564</b>		<b>986</b>	<b>14 550</b>
C	DC13	Chris Hani District Municipality	18 877		- 14 957	3 920
<b>Total: Chris Hani Municipalities</b>			<b>18 877</b>		<b>- 14 957</b>	<b>3 920</b>
C	DC14	Ukhahlamba District Municipality	5 445		- 1 849	3 596
<b>Total: Ukhahlamba Municipalities</b>			<b>5 445</b>		<b>- 1 849</b>	<b>3 596</b>
C	DC15	O.R. Tambo District Municipality			6 356	6 356
<b>Total: O.R. Tambo Municipalities</b>					<b>6 356</b>	<b>6 356</b>
C	DC44	Alfred Nzo District Municipality	7 916		- 6 339	1 577
<b>Total: Alfred Nzo Municipalities</b>			<b>7 916</b>		<b>- 6 339</b>	<b>1 577</b>
<b>Total: Eastern Cape Municipalities</b>			<b>45 803</b>		<b>- 15 803</b>	<b>30 000</b>
<b>FREE STATE</b>						
B	FS162	Kopanong			536	536
<b>Total: Xhariep Municipalities</b>					<b>536</b>	<b>536</b>
B	FS172	Mangaung	2 000			2 000
<b>Total: Motheo Municipalities</b>			<b>2 000</b>			<b>2 000</b>
B	FS194	Maluti-a-Phofung	23 324		66	23 390
<b>Total: Thabo Mofutsanyana Municipalities</b>			<b>23 324</b>		<b>66</b>	<b>23 390</b>
B	FS204	Metsimaholo	1 114			1 114
<b>Total: Fezile Dabi Municipalities</b>			<b>1 114</b>			<b>1 114</b>
<b>Total: Free State Municipalities</b>			<b>26 438</b>		<b>602</b>	<b>27 040</b>
<b>GAUTENG</b>						
A		City of Tshwane	14 249			14 249
B	GT02b2	Kungwini			2 124	2 124
<b>Total: Metsweding Municipalities</b>					<b>2 124</b>	<b>2 124</b>
<b>Total: Gauteng Municipalities</b>			<b>14 249</b>		<b>2 124</b>	<b>16 373</b>
<b>KWAZULU-NATAL</b>						
A		eThekweni	1 477		- 243	1 234
C	DC21	Ugu District Municipality	517		718	1 235
<b>Total: Ugu Municipalities</b>			<b>517</b>		<b>718</b>	<b>1 235</b>
C	DC23	Uthukela District Municipality	3 800		- 716	3 084
<b>Total: Uthukela Municipalities</b>			<b>3 800</b>		<b>- 716</b>	<b>3 084</b>
C	DC24	Umzinyathi District Municipality	1 725		- 79	1 646
<b>Total: Umzinyathi Municipalities</b>			<b>1 725</b>		<b>- 79</b>	<b>1 646</b>
B	KZ252	Newcastle	3 179		877	4 056
C	DC25	Amajuba District Municipality	824		- 135	689
<b>Total: Amajuba Municipalities</b>			<b>4 003</b>		<b>742</b>	<b>4 745</b>
C	DC26	Zululand District Municipality	15 164		253	15 417
<b>Total: Zululand Municipalities</b>			<b>15 164</b>		<b>253</b>	<b>15 417</b>
C	DC27	Umkhanyakude District Municipality	4 679		67	4 746
<b>Total: Umkhanyakude Municipalities</b>			<b>4 679</b>		<b>67</b>	<b>4 746</b>
B	KZ282	uMhlathuze	1 700		- 1 700	
C	DC28	uThungulu District Municipality	295		314	609
<b>Total: uThungulu Municipalities</b>			<b>1 995</b>		<b>- 1 386</b>	<b>609</b>
C	DC29	iLembe District Municipality	2 850		450	3 300
<b>Total: iLembe Municipalities</b>			<b>2 850</b>		<b>450</b>	<b>3 300</b>
C	DC43	Sisonke District Municipality	952			952
<b>Total: Sisonke Municipalities</b>			<b>952</b>			<b>952</b>
<b>Total: KwaZulu-Natal Municipalities</b>			<b>37 160</b>		<b>- 194</b>	<b>36 966</b>
<b>LIMPOPO</b>						
C	DC47	Greater Sekhukhune District Municipality	72 793			72 793
<b>Total: Greater Sekhukhune District Municipalities</b>			<b>72 793</b>			<b>72 793</b>
C	DC33	Mopani District Municipality	54 288		24 953	79 241
<b>Total: Mopani Municipalities</b>			<b>54 288</b>		<b>24 953</b>	<b>79 241</b>
C	DC34	Vhembe District Municipality	41 049			41 049
<b>Total: Vhembe Municipalities</b>			<b>41 049</b>			<b>41 049</b>
B	NP354	Polokwane	12 900			12 900
C	DC35	Capricorn District Municipality	30 687		6 460	37 147
<b>Total: Capricorn Municipalities</b>			<b>43 587</b>		<b>6 460</b>	<b>50 047</b>
B	NP362	Lephalale	7 258		- 4 198	3 060
B	NP367	Mogalakwena	26 730		- 12 527	14 203
<b>Total: Waterberg Municipalities</b>			<b>33 988</b>		<b>- 16 725</b>	<b>17 263</b>
<b>Total: Limpopo Municipalities</b>			<b>245 704</b>		<b>14 600</b>	<b>260 304</b>

## SCHEDULE 6

Water Affairs and Forestry (Vote 34)		Water Services Operating and Transfer Subsidy				
Category	Number	Municipality	2006/07 Main allocation R'000	Roll-overs R'000	Adjustments R'000	2006/07 Adjusted allocation R'000
<b>MPUMALANGA</b>						
B	MP301	Albert Luthuli			5 724	5 724
Total: Gert Sihande Municipalities					5 724	5 724
B	MP315	Thembisile			10 147	10 147
B	MP316	Dr JS Moroka	24 904			24 904
Total: Nkangala Municipalities			24 904		10 147	35 051
B	MP321	Thaba Chweu			1 576	1 576
B	MP322	Mbombela			35 113	35 113
B	MP324	Nkomazi	30 588		- 509	30 079
B	MP325	Bushbuckridge				
C	DC32	Ehlanzeni District Municipality	38 901		- 38 901	
Total: Ehlanzeni Municipalities			69 489		- 2 721	66 768
Total: Mpumalanga Municipalities			94 393		13 150	107 543
<b>NORTHERN CAPE</b>						
B	NC451	Moshaweng	6 936		2 379	9 315
B	NC452	Ga-Segonyana	4 044			4 044
Total: Kgalagadi Municipalities			10 980		2 379	13 359
B	NC094	Phokwane	5 863		62	5 925
C	DC9	Frances Baard District Municipality				
Total: Frances Baard Municipalities			5 863		62	5 925
Total: Northern Cape Municipalities			16 843		2 441	19 284
<b>NORTH WEST</b>						
B	NW372	Madibeng	12 860		- 3 288	9 572
B	NW375	Moses Kotane			14 640	14 640
Total: Bojanala Platinum Municipalities			12 860		11 352	24 212
C	DC39	Bophirima District Municipality			21 897	21 897
<b>WESTERN CAPE</b>						
B	WC012	Cederberg	1 173			1 173
C	DCI	West Coast District Municipality	741			741
Total: West Coast Municipalities			1 914			1 914
B	WC045	Oudtshoorn	4 636			4 636
Total: Eden Municipalities			4 636			4 636
Total: Western Cape Municipalities			6 550			6 550
National Total			500 000		50 257	550 257

**SCHEDULE 4: INFRASTRUCTURE GRANT  
ALLOCATIONS TO MUNICIPALITIES:  
MUNICIPAL INFRASTRUCTURE GRANT (MIG)**

## SCHEDULE 4

Provincial and Local Government (Vote 5)		Municipal Infrastructure Grant (MIG)				
Category	Number	Municipality	Column A	Column B		Column C
			2006107 Main allocation	Roll-overs	Adjustments	2006107 Adjusted allocation
			R'000	R000	R'000	R'000
<b>EASTERNCAPE</b>						
A		Nelson Mandela	179 125		106 3461	285 471
C	DC10	Cacadu Distnet Municipality			187 601	187 601
C	DC12	Amatole District Municipality	142 742		19 295	162 037
<b>Total: Amatole Municipalities</b>			<b>289 133</b>		<b>19 295</b>	<b>308 428</b>
C	DC13	Chris Hani District Municipality	129 964		11 525	141 489
<b>Total: Chris Hani Municipalities</b>			<b>164 914</b>		<b>11 525</b>	<b>116 439</b>
C	DC14	Ukhahlamba District Municipality	69 739		6 660	76 399
<b>Total: Ukhahlamba Municipalities</b>			<b>88 951</b>		<b>6 660</b>	<b>95 611</b>
C	DC15	O.R. Tambo District Municipality	295 864		3 056	298 919
<b>Total: O.R. Tambo Municipalities</b>			<b>367 130</b>		<b>3 056</b>	<b>370 186</b>
C	DC44	Alfred Nzo District Municipality	61 423		5 068	66 491
<b>Total: Eastern Cape Municipalities</b>			<b>1 288 257</b>		<b>339 551</b>	<b>1 627 809</b>
<b>NORTHERN CAPE</b>						
C	DC6	Namakwa District Municipality	4 568		17 899	22 467
<b>Total: Namakwa Municipalities</b>			<b>16 460</b>		<b>17 899</b>	<b>34 359</b>
C	DC7	Karoo District Municipality	6 214		7 824	14 039
<b>Total: Karoo Municipalities</b>			<b>34 042</b>		<b>7 824</b>	<b>41 867</b>
<b>Total: Northern Cape Municipalities</b>			<b>130 922</b>		<b>25 723</b>	<b>156 646</b>
<b>NORTH WEST</b>						
B	NW394	Greater Taung	8 988		11 451	20 439
<b>Total: North West Municipalities</b>			<b>525 574</b>		<b>11 451</b>	<b>537 025</b>
<b>WESTERN CAPE</b>						
B	WC026	Breede River Winelands	4 223		1 428	5 652
C	DC2	Cape Winelands District Municipality				
<b>Total: Cape Winelands District Municipality</b>			<b>34 154</b>		<b>1 428</b>	<b>35 582</b>
B	WC031	Theewaterskloof	6 674		1 099	7 772
<b>Total: Overberg Municipalities</b>			<b>13 659</b>		<b>1 099</b>	<b>14 758</b>
B	WC041	Kannaland	3 818		800	4 618
B	WC042	Hessequa			18 914	18 914
B	WC043	Mossel Bay	5 750		19 937	25 687
B	WC044	George	9 461		26 050	35 511
B	WC045	Oudtshoorn	3 609		7 000	10 609
O	WC047	Bitou	2 602		1 076	3 678
B	WC048	Knysna	5 969		31 819	37 787
<b>Total: Western Cape Municipalities</b>						
<b>Total: Provincial and Local Government (Vote 5)</b>			<b>1 954 743</b>		<b>400 109</b>	<b>2 354 852</b>

**SCHEDULE 6: INFRASTRUCTURE GRANT  
ALLOCATIONS TO MUNICIPALITIES:  
INTEGRATED NATIONAL ELECTRIFICATION  
PROGRAMME: MUNICIPAL**

## SCHEDULE 6

## INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Minerals and Energy (Vote 30)		Integrated National Electrification Programme: Municipal			
Category	Number	Municipality	Column A	Column B	Column C
			2006/07 Main allocation R'000	Roll-overs R'000	Adjustments R'000
<b>EASTERNSCAPE</b>					
A		Nelson Mandela	21 000		21 000
B	EC101	Camdeboo	1 000		-1 000
B	EC102	Blue Crane Route	2 520		-2 120
B	EC103	Ikwezi			
B	EC104	Makana	1 584		-1 584
B	EC105	Ndlambe	1 080		-1 080
B	EC108	Kouga	1 800		
B	EC109	Koukamma	2 664		
<b>Total: Cacadu Municipalities</b>			<b>10 648</b>		<b>-5 784</b>
B	EC124	Amahlathi			2 200
B	EC125	Buffalo City	13 000		2 200
B	EC128	Nxuba	3 600		-3 600
<b>Total: Amatole Municipalities</b>			<b>16 600</b>		<b>800</b>
B	EC132	Tsolwana	360		
B	EC133	Inkwanca	540		
B	EC134	Lukhanji	1 500		
B	EC136	Emalahleni	620		-620
<b>Total: Chris Hani Municipalities</b>			<b>3 020</b>		<b>-620</b>
B	EC141	Elundini	5 700		1 000
B	EC143	Maletswai	1 800		-1 800
B	EC144	Gariep	720		-720
<b>Total: Ukhahlamba Municipalities</b>			<b>8 220</b>		<b>-1 520</b>
B	EC157	King Sabata Dalindyebo	1 700		10 000
C	DC15	O.R. Tambo District Municipality			
<b>Total: O.R. Tambo Municipalities</b>			<b>1 700</b>		<b>10 000</b>
<b>Total: Eastern Cape Municipalities</b>			<b>61 188</b>		<b>2 876</b>
<b>FREE STATE</b>					
B	FS161	Letsemeng	800		800
<b>Total: Xhariep Municipalities</b>			<b>800</b>		<b>800</b>
B	FS172	Mangaung	4 000		4 000
<b>Total: Motheo Municipalities</b>			<b>4 000</b>		<b>4 000</b>
B	FS182	Tokologo	550		-277
<b>Total: Lejweleputswa Municipalities</b>			<b>550</b>		<b>-277</b>
B	FS194	Maluti-a-Phofung	1 000		-1 000
<b>Total: Thabo Mofutsanyana Municipalities</b>			<b>1 000</b>		<b>-1 000</b>
B	FS201	Moghaka	2 060		-2 060
B	FS204	Metsimaholo	7 500		
B	FS205	Mafube	11 000		
<b>Total: Fezile Dabi Municipalities</b>			<b>20 560</b>		<b>-2 060</b>
<b>Total: Free State Municipalities</b>			<b>26 910</b>		<b>-3 337</b>
<b>GAUTENG</b>					
A		Ekyibhlini Johannesburg	15 594		15 594
A		City of Tshwane	33 000		33 000
A			25 000		25 000
B	GT02b1	Nokeng tsa Tacmane	1 000		-1 000
<b>Total: Metsweding Municipalities</b>			<b>1 000</b>		<b>-1 000</b>
B	GT421	Emfuleni	2 000		-2 000
B	GT423	Lesedi	4 000		
<b>Total: Sedibeng Municipalities</b>			<b>6 000</b>		<b>-2 000</b>
B	GT481	Mogale City	1 050		
B	GT482	Randfontein	2016		-2 016
B	GT483	Westonaria	6 000		-6 000
<b>Total: West Rand Municipalities</b>			<b>9 066</b>		<b>-8 016</b>
<b>Total: Gauteng Municipalities</b>			<b>89 660</b>		<b>7 416</b>
<b>KWAZULU-NATAL</b>					
A		eThekweni	37 500		1 106
B	KZ222	uMngeni	3 340		
B	KZ223	Mooi Mpofana			10 000
B	KZ225	Msunduzi	4 000		
<b>Total: uMgungundlovu Municipalities</b>					<b>11 106</b>

## SCHEDULE 6

Minerals and Energy (Vote 30)		Integrated National Electrification Programme: Municipal				
Category	Number	Municipality	Column A	Column B		Column C
			2006/07 Main allocation	Roll-over	Adjustments	2006/07 Adjusted allocation
B	KZ232	Ennambithi/Ladysmith				2 000
B	KZ234	Umtshezi	3 800		360	4 160
<b>Total: Uthukela Municipalities</b>			<b>5 800</b>		360	6 160
B	KZ241	Endumeni	2 000			2 000
<b>Total: Umzinyathi Municipalities</b>			<b>2 000</b>			2 000
B	KZ263	Abaqulusi	3 500		1 400	4 900
B	KZ266	Ulundi	3 500			3 500
<b>Total: Zululand Municipalities</b>			<b>7 000</b>		1 400	8 400
B	E 292	KwaDukuza	6 000			6 000
<b>Total: iLembe Municipalities</b>			<b>6 000</b>			6 000
B	KZ5a4	Greater Kokstad	3 000		-3 000	
<b>Total: Sisonke Municipalities</b>			<b>3 000</b>		-3 000	
<b>Total: KwaZulu-Natal Municipalities</b>			<b>68 640</b>		<b>9 866</b>	78 506
<b>LIMPOPO</b>						
B	NP333	Greater Tzaneen	3 000		1 478	4 478
<b>Total: Mopani Municipalities</b>			<b>3 000</b>		1 478	4 478
B	NP344	Makhado	3 000		-2 783	217
<b>Total: Vhembe Municipalities</b>			<b>3 000</b>		-2 783	217
B	NP351	Blouberg	5 500		2 405	7 905
B	NP354	Polokwane	1 200			1 200
<b>Total: Capricorn Municipalities</b>			<b>6 700</b>		2 405	9 105
B	NP366	Bela Bcla	2 400		-2 400	
B	NP367	Mogalakwena	3 600		173	3 773
<b>Total: Waterberg Municipalities</b>			<b>6 000</b>		-2 227	3 773
<b>Total: Limpopo Municipalities</b>			<b>18 700</b>		-1 127	17 573
<b>MPUMALANGA</b>						
B	MP301	Albert Luthuli	1 500		4 277	5 777
B	MP302	Msukaligwa	1 000			1 000
B	MP303	Mkhondo	2 000		-2 000	
B	MP304	Pixley Ka Seme	504		-504	
B	MP305	Lekwa	8 115		86	8 201
B	MP306	Dipaleseng	2 083		1 739	3 822
B	MP307	Govan Mbeki	4 500		-2 000	2 500
C	DC30	Gert Sibande District Municipality				
<b>Total: Gert Sibande Municipalities</b>			<b>19 702</b>		<b>1 598</b>	21 300
B	MP311	Delmas	1 500		476	1 976
B	MP312	Emalahleni	2 000		1 000	3 000
B	MP313	Steve Tshwete	5 000		-3 613	1 387
<b>Total: Gert Sibande Municipalities</b>						
B	MP322	Mbombela	2 000		560	2 560
B	MP323	Umjindi	7 100		-2 739	4 361
B	MP324	Nkomazi	1 500		7 582	9 082
<b>Total: Ehlanzeni Municipalities</b>			<b>10 600</b>		<b>5 403</b>	16 003
<b>Total: Mpumalanga Municipalities</b>			<b>41 802</b>		<b>4 864</b>	46 666
<b>NORTHERN CAPE</b>						
B	NC452	Ga-Segonyana	2 500		1 100	3 600
B	NC453	Garmagara	1 500		-1 500	
<b>Total: Kgalagadi Municipalities</b>			<b>4 000</b>		-400	3 600
B	NC062	Nama Khoi	1 152			1 152
B	NC066	Karoo Hoogland	40			40
B	NC067	Khai-Ma	180		-180	
C	DC6	Namakwa Distinct Municipality				
<b>Total: Namakwa Municipalities</b>			<b>1 372</b>		-180	1 192
B	NC073	Emthanjeni	400			400
B	NC078	Siyancuma			1 100	1 100
<b>Total: Karoo Municipalities</b>			<b>400</b>		<b>1 100</b>	1 500

## SCHEDULE 6

## INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Minerals and Energy (Vote 30)		Integrated National Electrification Programme: Municipal				
Category	Number	Municipality	Column A	Column B		Column C
			2006/07 Main allocation	Roll-overs	Adjustments	2006/07 Adjusted allocation
			R'000	R'000	R'000	R'000
B	NC082	Kaif Ganb	1 200			1 200
B	NC083	Khara Hais	2 500		-840	1 660
<b>Total: Siyanda Municipalities</b>			<b>3 700</b>		<b>-840</b>	<b>2 860</b>
B						2 860
B			1 000			1 000
B	NC094	Phokwane	2 500			2 500
<b>Total: Frances Baard Municipalities</b>			<b>5 500</b>		<b>450</b>	<b>5 950</b>
<b>Total: Northern Cape Municipalities</b>			<b>14 972</b>		<b>130</b>	<b>15 102</b>
<b>NORTH WEST</b>						
S	NW372	Madibeng	2 500		-2 500	
B	NW373	Rustenburg	3 000			3 000
B	NW374	Kgetlengrui	1 500			1 500
<b>Total: Bojanala Platinum Municipalities</b>			<b>7 000</b>			<b>7 000</b>
B			5 000			5 000
B			4 000			4 000
B						
B	NW405	Merapong City	5 500		-4 500	1 000
C	DC405	Southern District Municipality				
<b>Total: Southern Municipalities</b>			<b>14 500</b>		<b>-3 236</b>	<b>11 264</b>
<b>Total: North West Municipalities</b>			<b>35 000</b>		<b>-5 736</b>	<b>29 264</b>
<b>WESTERN CAPE</b>						
A		City of Cape Town	16 000		-10 686	5 314
B	WC011	Matzikarna	1 500		1 200	2 700
B	WC012	Cederberg	1 500		-1 500	
B	WC013	Bergrivier	300		-300	
B	WC014	Saldanha Bay	1 500		-1 500	
B	WC015	Swartland	400		-400	
C	DC1	West Coast Distinct Municipality				
<b>Total: West Coast Municipalities</b>			<b>5 200</b>		<b>-2 500</b>	<b>2 700</b>
B	WC022	Witzenberg	1 500			1 500
B	WC023	Drakenstein	500			500
B	WC024	Stellenbosch	800		4 080	4 880
B	WC025	Breede Valley	700			700
B	WC026	Breede River Winelands	1 600		-1 000	600
C	DC2	Cape Winelands Distinct Municipality				
<b>Total: Cape Winelands District Municipality</b>			<b>5 100</b>		<b>3 080</b>	<b>8 180</b>
B	WC031	Theewaterskloof	500		2 555	3 055
B	WC032	Overstrand	500		1 000	1 500
B	WC033	Cape Agulhas	216			216
B	WC034	Swellendam	300		-300	
C	DC3	Overberg District Municipality				
<b>Total: Overberg Municipalities</b>			<b>1 516</b>		<b>3 255</b>	<b>4 771</b>
B	WC041	Kannaland	500		-500	
B	WC042	Hessouqua	1 000		1 800	2 800
B	WC043	Mossel Bay	600			600
B	WC044	George	1 600		-1 000	600
B	WC045	Oudtshoorn	1 500			1 500
B	WC047	Bitou	600			600
B	WC048	Knysna	200			200
C	DC4	Eden Distinct Municipality			954	1 154
<b>Total: Eden Municipalities</b>			<b>5 400</b>		<b>1 254</b>	<b>6 654</b>
B	WC051	Laingsburg	1 700		-170	1 530
B	WC052	Prince Albert	480		-480	
B	WC053	Beaufort West	392		5 761	6 153
C	DC5	Central Karoo District Municipality			360	360
<b>Total: Central Karoo Municipalities</b>			<b>1 042</b>		<b>5 477</b>	<b>6 519</b>
<b>Total: Western Cape Municipalities</b>			<b>34 258</b>		<b>-1 201</b>	<b>33 057</b>
<b>National Total</b>			<b>34 258</b>		<b>-1 201</b>	<b>33 057</b>

**SCHEDULE 6: INFRASTRUCTURE GRANT  
ALLOCATIONS TO MUNICIPALITIES:  
2010 FIFA WORLD CUP STADIA DEVELOPMENT**

## SCHEDULE 6

Sport and Recreation South Africa		2010 FIFA World Cup Stadia Development				
Category	Number	Municipality	Column A	Column B		Column C
			2006/07 Main allocation	Roll-overs	Adjustments	2006/07 Adjusted allocation
			R'000	R'000	R'000	R'000
<b>EASTERN CAPE</b>						
<b>A</b>		Nelson Mandela			110 087	110 087
Total: Eastern Cape Municipalities					<b>110 087</b>	<b>110 087</b>
<b>FREE STATE</b>						
<b>B</b>	FS172	Mangaung			4 000	4 000
Total: Free State Municipalities					<b>4 000</b>	<b>4 000</b>
<b>GAUTENG</b>						
<b>A</b>		City of Johannesburg			101 476	101 476
<b>A</b>		City of Tshwane			4 000	4 000
Total: Gauteng Municipalities					<b>105 476</b>	<b>105 416</b>
<b>KWAZULU-NATAL</b>						
<b>A</b>		eThekweni			108 977	108 977
Total: KwaZulu-Natal Municipalities					<b>108 977</b>	<b>108 977</b>
<b>LIMPOPO</b>						
<b>B</b>	NP354	Polokwane			81 152	81 152
Total: Capricorn Municipalities					<b>81 152</b>	<b>81 152</b>
Total: Limpopo Municipalities					<b>81 152</b>	<b>81 152</b>
<b>MPUMALANGA</b>						
<b>B</b>	MP322	Mbombela			88 052	88 052
Total: Ehlanzeni Municipalities					<b>88 052</b>	<b>88 052</b>
Total: Mpumalanga Municipalities					<b>88 052</b>	<b>88 052</b>
<b>NORTHERN CAPE</b>						
Total: Northern Cape Municipalities						
<b>NORTH WEST</b>						
<b>B</b>	NW373	Rustenburg			4 000	4 000
Total: North West Municipalities					<b>4 000</b>	<b>4 000</b>
<b>WESTERN CAPE</b>						
<b>A</b>		City of Cape Town			98 256	98 256
Total: Western Cape Municipalities					<b>98 256</b>	<b>98 256</b>
National Total					<b>600 000</b>	<b>600 000</b>

**SCHEDULE 7: INDIRECT GRANT ALLOCATIONS TO  
MUNICIPALITIES:**

**WATER SERVICES OPERATING AND TRANSFER  
SUBSIDY**

## SCHEDULE 7

## INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES

Water Affairs and Forestry (Vote 34)			Water Services Operating and Transfer Subsidy			
Category	Number	Municipality	Column A	Column B		Column C
			2006/07 Main allocation	Roll-overs	Adjustments	2006/07 Adjusted allocation
			R'000	R'000	R'000	R'000
<b>EASTERN CAPE</b>						
B	EC125	Buffalo City			1 780	1 780
C	DC12	Amatole District Municipality	12 059		- 1 052	11 007
<b>Total: Amatole Municipalities</b>			<b>12 059</b>		<b>728</b>	<b>12 787</b>
C	DC13	Chris Hani District Municipality			12 675	12 675
<b>Total: Chris Hani Municipalities</b>					<b>12 675</b>	<b>12 675</b>
C	DC15	O.R. Tambo District Municipality	26 068		- 5 641	20 427
<b>Total: O.R. Tambo Municipalities</b>			<b>26 068</b>		<b>- 5 641</b>	<b>20 427</b>
C	DC44	Alfred Nzo District Municipality			6 615	6 615
<b>Total: Alfred Nzo Municipalities</b>					<b>6 615</b>	<b>6 615</b>
<b>Total: Eastern Cape Municipalities</b>			<b>38 127</b>		<b>14 377</b>	<b>52 504</b>
<b>FREE STATE</b>						
B	FS162	Kopanong	177		- 177	
<b>Total: Xhariep Municipalities</b>			<b>177</b>		<b>- 177</b>	
<b>Total: Free State Municipalities</b>			<b>177</b>		<b>- 177</b>	
<b>GAUTENG</b>						
B	GT02b2	Kungwini	2 337		- 1 124	1 213
<b>Total: Metsweding Municipalities</b>			<b>2 337</b>		<b>- 1 124</b>	<b>1 213</b>
<b>Total: Gauteng Municipalities</b>			<b>2 337</b>		<b>- 1 124</b>	<b>1 213</b>
<b>KWAZULU-NATAL</b>						
C	DC43	Sisonke District Municipality			858	858
<b>Total: Sisonke Municipalities</b>					<b>858</b>	<b>858</b>
<b>Total: KwaZulu-Natal Municipalities</b>					<b>858</b>	<b>858</b>
<b>LIMPOPO</b>						
C	DC47	Greater Sekhukhune District Municipality			6 607	6 607
<b>Total: Greater Sekhukhune District Municipalities</b>					<b>6 607</b>	<b>6 607</b>
C	DC33	Mopani District Municipality	79 733		- 28 117	51 616
<b>Total: Mopani Municipalities</b>			<b>79 733</b>		<b>- 28 117</b>	<b>51 616</b>
C	DC34	Vhembe District Municipality	143 680		- 6 326	137 354
<b>Total: Vhembe Municipalities</b>			<b>143 680</b>		<b>- 6 326</b>	<b>137 354</b>
B	NP354	Polokwane	15 630		254	15 884
C	DC35	Capricorn District Municipality	55 319		- 13 365	41 954
<b>Total: Capricorn Municipalities</b>			<b>70 949</b>		<b>- 13 111</b>	<b>57 838</b>
B	NP367	Mogalakwena			15 713	15 713
<b>Total: Waterberg Municipalities</b>					<b>15 713</b>	<b>15 713</b>
<b>Total: Limpopo Municipalities</b>			<b>294 362</b>		<b>- 25 234</b>	<b>269 128</b>
<b>MPUMALANGA</b>						
B	MP301	Albert Luthuli	14 310		- 5 724	8 586
<b>Total: Gert Sibande Municipalities</b>			<b>14 310</b>		<b>- 5 724</b>	<b>8 586</b>
B	MP315	Thembisile	16 719		- 10 401	6 318
B	MP316	Dr JS Moroka			9 494	9 494
<b>Total: Nkangala Municipalities</b>			<b>16 719</b>		<b>- 907</b>	<b>15 812</b>
B	MP321	Thaba Chweu	2 035		- 1 576	459
B	MP322	Mbombela	35 113		- 35 113	
B	MP325	Bushbuckridge			38 901	38 901
<b>Total: Ehlanzeni Municipalities</b>			<b>37 148</b>		<b>2 212</b>	<b>39 360</b>
<b>Total: Mpumalanga Municipalities</b>			<b>68 177</b>		<b>- 4 419</b>	<b>63 758</b>
<b>NORTHERN CAPE</b>						
B	NC092	Dikgatlong	3 608			3 608
B	NC093	Magareng				
B	NC094	Phokwane				
C	DC9	Frances Baard District Municipality				
<b>Total: Frances Baard Municipalities</b>			<b>3 608</b>			<b>3 608</b>
<b>Total: Northern Cape Municipalities</b>			<b>3 608</b>			<b>3 608</b>
<b>NORTH WEST</b>						
B	NW371	Moretele	11 053			11 053
B	NW372	Madibeng				
B	NW373	Rustenburg	4 055			4 055
B	NW375	Moses Kotane	12 640		- 12 640	
<b>Total: Bojanala Platinum Municipalities</b>			<b>27 748</b>		<b>- 12 640</b>	<b>15 108</b>
C	DC38	Central District Municipality	34 066			34 066
<b>Total: Central Municipalities</b>			<b>34 066</b>			<b>34 066</b>
C	DC39	Bophirima District Municipality	21 898		- 21 898	
<b>Total: Bophirima Municipalities</b>			<b>21 898</b>		<b>- 21 898</b>	
<b>Total: North West Municipalities</b>			<b>83 712</b>		<b>- 34 538</b>	<b>49 174</b>
<b>National Total</b>			<b>490 500</b>		<b>- 50 257</b>	<b>440 243</b>

**SCHEDULE 7: INDIRECT GRANT ALLOCATIONS TO  
MUNICIPALITIES:**

**INTEGRATED NATIONAL ELECTRIFICATION  
PROGRAMME: ESKOM**

## SCHEDULE 7

Minerals and Energy (Vote 30)		Integrated National Electrification Programme: Eskom				
Category	Number	Municipality	Column A	Column B		Column C
			2006107 Main allocation	Roll-overs	Adjustments	2006107 Adjusted allocation
			R'000	R'000		R000
<b>EASTERN CAPE</b>						
B	EC104	Makana			158	158
B	EC106	Sundays River Valley			2 154	2 154
B	EC108	Kouga			2 130	2 130
B	EC109	Koukamma			2 672	2 672
C	DC10	Cacadu District Municipality				
<b>Total: Cacadu Municipalities</b>					<b>7 114</b>	<b>7 114</b>
B	EC121	Mbhashe	9 855		2 898	12 753
B	EC122	Mnquma	19 142		-6 475	12 666
B	EC123	Great Kei			1459	1459
B	EC124	Amahlathi			3 550	3 550
B	EC125	Buffalo City			2 328	2 328
B	EC126	Ngqushwa	2 093		-144	1 949
B	EC127	Nkonkobe			1 762	1 762
<b>Total: Amatole Municipalities</b>			<b>31 091</b>		<b>53 781</b>	<b>36 468</b>
B	EC131	Inxuba Yethemba				
B	EC132	Tsolwana			95	95
B	EC133	Inkwanca				
B	EC134	Lukhanji	83 997		-54 129	29 869
B	EC135	Intsika Yethu	2 394		28 267	30 661
B	EC136	Emalahleni	1 197		10096	11 293
B	EC137	Engcobo	1368		46 251	47 619
B	EC138	Sakhisizwe	1 254		1 383	2 631
C	DC13	Chris Hani District Municipality				
<b>Total: Chris Hani Municipalities</b>			<b>90 210</b>		<b>31 962</b>	<b>122 173</b>
B	EC141	Elundini	1 134		3 384	4 518
B	EC142	Senqu	60		970	1 031
B	EC143	Maletswai			10	10
B	EC144	Ganep				
C	DC14	Ukhahlamba District Municipality	332		-331	1
<b>Total: Ukhahlamba Municipalities</b>			<b>1 526</b>		<b>4 033</b>	<b>5 559</b>
B	EC151	Mbizana	13 566		8 629	22 195
B	EC152	Ntabankulu			829	829
B	EC153	Qaukeni	11 864		-3 214	8 650
B	EC154	Port St Johns	25 935		-3 893	22 042
B	EC155	Nyandeni	3 471		3 130	6 601
B	EC156	Mhlontlo	11 745		-1 664	10 081
B	EC157	King Sabata Dalindyebo	4 272		12 471	16 742
C	DC15	O.R. Tambo District Municipality				
B	EC05b2	Umzimvubu	9 039		6 024	15 064
B	EC05b3	Matatiele			5 006	5 006
C	DC44	Alfred Nzo District Municipality				
<b>Total: Alfred Nzo Municipalities</b>			<b>9 039</b>		<b>11 031</b>	<b>20 070</b>
(Unallocated)			33 060		-24 071	8 989
<b>Total: Eastern Cape Municipalities</b>			<b>235 780</b>		<b>51 733</b>	<b>287 513</b>

## SCHEDULE 7

Minerals and Energy (Vote 30)			Integrated National Electrification Programme: Eskom			
Category	Number	Municipality	Column A	Column B		Column C
			2006/07 Main allocation	Roll-overs	Adjustments	2006/07 Adjusted allocation
			R'000	R'000	R000	R000
<b>FREE STATE</b>						
O	FS161	Letsemeng	3 228		-1 099	2 129
B	FS162	Kopanong				
B	FS163	Mohokare			78	78
C	DC16	Xhanep District Municipality				
<b>Total: Xhariep Municipalities</b>			<b>3 228</b>		<b>- 1 021</b>	<b>2 207</b>
						581
B	FS171	Naledi	581			2 381
B	FS172	Mangaung	2 808		-5 359	1 772
B	FS173	Mantsopa	2 633		-861	1 772
C	DC17	Motheo District Municipality				
<b>Total: Motheo Municipalities</b>			<b>10 915</b>		<b>- 6 221</b>	<b>4 695</b>
B	FS181	Masilonyana	2 282		-2 196	87
B	FS182	Tokologo	507		-507	
B	FS183	Tswelopele	57		122	179
B	FS184	Matjhabeng	7 757		1 668	9 425
B	FS185	Nala			18	18
C	DC18	Lejweleputswa District Municipality				
B	FS191	Setso	23701		1015	3 385
B	FS192	Dihlabeng	2 885		1 510	4 395
B	FS193	Nketoana	1 197		-1 141	56
B	FS194	Maluti-a-Phofung			141	141
B	FS195	Phumelala				
C	DC19	Thabo Mofutsanyana District Municipality				
<b>Total: Thabo Mofutsanyana Municipalities</b>			<b>6 452</b>		<b>1 525</b>	<b>7 977</b>
B	FS201	Moqhaka			58	58
Unallocated			684		34521	4 136
<b>Total: Free State Municipalities</b>			<b>31 882</b>		<b>- 3 100</b>	<b>28 782</b>
<b>GAUTENG</b>						
A		Ekurhuleni	12916		64	12 980
A		City of Johannesburg	42 582		-9 932	32 650
A		City of Tshwane	43 576		-35 758	7 819
E	GT02b1	Nokeng tsa Taamane	4 125		-1 506	2 619
E	GT02b2	Kungwini	2 873		-2 699	174
C	DC46	Metsweding District Municipality				
<b>Total: Metsweding Municipalities</b>			<b>6 997</b>		<b>-4204</b>	<b>2 193</b>
B	GT421	Ermfuleni	8 937		-8 937	
B	GT422	Midvaal				
B	GT423	Lesedi				
C	DC42	Sedibeng District Municipality				
<b>Total: Sedibeng Municipalities</b>			<b>8 937</b>		<b>- 8 937</b>	
B	GT481	Mogale City	979			
B	GT482	Randfontein			-979	-2
B	GT483	Westonaria			-2	
C	DC48	West Rand District Municipality				
<b>Total: West Rand Municipalities</b>			<b>979</b>		<b>- 981</b>	<b>- 2</b>
Unallocated			7 952		-3019	4 934
<b>Total: Gauteng Municipalities</b>			<b>123 940</b>		<b>-62761</b>	<b>61 174</b>

## SCHEDULE 7

Minerals and Energy (Vote 30)		Integrated National Electrification Programme: Eskom				
Category	Number	Municipality	Column A	Column B		Column C
			2006/07 Main allocation	Roll-overs	Adjustments	2006/07 Adjusted allocation
			R'000	R'000	R'000	R'000
<b>KWAZULU-NATAL</b>						
A		eThekweni			7 366	7 366
B	KZ211	Vulamehlo			229	229
B	KZ212	Umdoni	2 964		29	2 993
B	KZ213	Umzumbe			182	182
B	KZ214	uMuziwabantu	16 206		-5 894	10 312
B	KZ215	Ezingolweni				
B	KZ216	Hibiscus Coast	3 080		2 881	5 960
C	DC21	Ugu District Municipality				
Total: Ugu Municipalities			12 249		-25731	19677
B	KZ221	uMshwathi			63	63
B	KZ222	uMngeni			24	24
B	KZ223	Mooi Mpofana				
B	KZ224	Impendle	7 659		238	7 897
B	KZ225	Msunduzi			1072	5 865
B	KZ226	Mkhambathini				
B	KZ227	Richmond	47931		8 544	8 544
C	DC22	uMgungundlovu Distnct Municipality				
B	KZ233	Indaka			168	168
B	KZ234	Umtshezi			995	995
B	KZ235	Okhahlamba	21 770		-9 056	12 714
B	KZ236	Imbabazane			194	194
C	DC23	Uthukela District Municipality				
Total: Uthukela Municipalities			21 770		- 7 051	14 719
B	KZ241	Endumeni				217
B	KZ242	Nquthu	12 088		3	15 205
B	KZ244	Msinga			760	760
B	KZ245	Umvoti	11 193		-6 288	4 904
Total: Umzinyathi Municipalities			23 281		- 2 194	21 086
B	KZ252	Newcastle			4 830	4 830
B	KZ253	Utrecht			239	239
B	KZ254	Dannhauser	6 361		80751	14 436
B	KZ262	uPhongolo			352	352
B	KZ263	Abaqulusi			167	167
B	KZ265	Nongoma	10 676		4 477	15 153
B	KZ266	Ulundi	2 469		2918	5 387
C	DC26	Zululand District Municipality			3	3
Total: Zululand Municipalities			19 581		8785	28 366
B	KZ271	Umhlabuyalingana			123	123
B	KZ272	Jozini	7 064		1634	8 697
B	KZ273	The Big Five False Bay	2 766		-923	1 842
B	KZ274	Hlabisa	1 154		-878	276
B	KZ275	Mtubatuba			71	71
Total: Umkhanyakude Municipalities			10983		26	11 009
B	KZ281	Mbonambi	7 365		-1 740	5 624
B	KZ282	uMhlathuze			24	24
B	KZ283	Ntambanana	4 885		-2 242	2 643
B	KZ284	Umlalazi	16 570		-7 745	8 825
B	KZ285	Mthonjaneni			22 425	22 425
B	KZ286	Nkandla	27 748		-20 108	7 640
Total: uThungulu Municipalities			56 567		-9 385	47 182
B	KZ291	eNdongakusuka			159	159
B	KZ292	KwaDukuza			1 134	1 134
B	KZ293	Ndwdwe			634	634
B	KZ294	Maphumulo			447	447
Total: iLembe Municipalities					2373	2 373
B	KZ5a1	Ingwe	20 875		-19 386	1 489
B	KZ5a2	Kwa Sani			51	51
B	KZ5a4	Greater Kokstad			909	909
B	KZ5a5	Ubuhlebezwe			2 214	2 214
B	KZ5a6	Umzimkhulu	1 264		3 182	4 446
C	DC43	Sisonke Distnct Municipality			45	45
Total: Sisonke Municipalities			22 140		- 12 985	9 154
Unallocated			11 400		-10735	665
Total: KwaZulu-Natal Municipalities			206 782		- 3 288	203 495

## SCHEDULE 7

Minerals and Energy (Vote 30)		Integrated National Electrification Programme: Eskom				
Category	Number	Municipality	Column A	Column B		Column C
			2006/07 Main allocation	Roll-overs	Adjustments	2006/07 Adjusted allocation
			R'000	R'000	R000	R'000
<b>LIMPOPO</b>						
B	NP03a2	Makhuduthamaga	11 884		1 810	13 694
B	NP03a3	Fetakgomo	3 382		1 709	5 091
B	NP03a4	Greater Marble Hall	5 694		-518	5 176
B	NP03a5	Greater Groblersdal	16 175		-3 653	12 522
B	NP03a6	Greater Tubatse	1 767		3 666	5 433
C	DC47	Greater Sekhukhune District Municipality				
<b>Total: Greater Sekhukhune District Municipalities</b>			38 902		3 014	41 915
B	NP331	Greater Giyani	3 420		540	3 960
B	NP332	Greater Letaba	3 420		-396	3 024
B	NP333	Greater Tzaoen	7 279		1 952	9 232
B	NP334	Ba-Phalabonva	4 395		-579	3 816
B	NP335	Mamleng	741		-741	
C	DC33	Mopani District Municipality				
<b>Total: Mopani Municipalities</b>			19 256		776	20 032
B	NP341	Musina	1 140		48	1 188
B	NP342	Mutale	5 934		-2 013	3 921
B	NP343	Thulamela	3 135		-1 129	2 006
B	NP344	Makhado	11 103		-2 014	9 089
C	DC34	Vhembe District Municipality				
<b>Total: Vhembe Municipalities</b>			21 312		-5 108	16 204
B	NP351	Blouberg	5 603		-3 770	1 833
B	NP352	Aganang	3 990		-1 048	2 942
B	NP353	Molemole	3 435		-1 046	2 089
B	NP354	Polokwane	3 135		1 247	4 382
B	NP355	Lepelle-Nkumpi	3 272		-757	2 515
C	DC35	Capricorn District Municipality				
<b>Total: Capricorn Municipalities</b>			19 135		-5 374	13 761
B	NP361	Thabazimbi	1 710		-2 038	-328
B	NP362	Lephalale	7 587		-4 683	2 903
B	NP364	Mookgopong	6 232		-5 662	570
B	NP365	Modimolle	1 236		-96	1 140
B	NP366	Bela Bela	140		-449	691
B	NP367	Mogalakwena	142		-2 453	3 689
C	DC36	Waterberg District Municipality			1 591	1 591
<b>Total: Waterberg Municipalities</b>			24 047		-13 791	10 256
Unallocated			5 700		-990	4 710
<b>Total: Limpopo Municipalities</b>			128 351		-21 473	106 879
<b>MPUMALANGA</b>						
B	MP301	Albert Luthuli			17 092	17 092
B	MP302	Msukaligwa	2 460		-1 777	683
B	MP303	Mkhondo	5 789		7 249	13 038
B	MP304	Pixley Ka Seme				
B	MP305	Lekwa	1 271		-8861	385
B	MP306	Dipaleseng				
B	MP307	Govan Mbeki	1 140		-850	290
C	DC30	Gert Sibande District Municipality				
<b>Total: Gert Sibande Municipalities</b>			10 660		20 828	31 487
B	MP311	Delmas				
B	MP312	Emalahleni			92	92
B	MP313	Steve Tshwete	1 265		-921	343
B	MP314	Emakhazeni	1 722		-1 453	269
B	MP315	Thembisile	2 667		-280	2 388
B	MP316	Dr JS Moroka	5 147		-2 608	2 539
C	DC31	Nkangala District Municipality				
<b>Total: Nkangala Municipalities</b>			10 801		-5 169	5 632
B	MP321	Thaba Chweu	4 604		2 767	7 371
B	MP322	Mbombela				66
B	MP323	Umjindi	1 835		-881	954
B	MP324	Nkomazi			-52	-52
B	MP325	Bushbuckridge	4 2371		-269	3 968
C	DC32	Ehlanzeni District Municipality				
<b>Total: Ehlanzeni Municipalities</b>			10 677		-3923	6 754
Unallocated			31 114		-27 593	3 521
<b>Total: Mpumalanga Municipalities</b>			63 251		-15 857	47 394

## SCHEDULE 7

## INDIRECT GRANT ALLOCATIONS TO MUNICIPALITIES

Minerals and Energy (Vote 301)		Integrated National Electrification Programme: Eskom				
Category	Number	Municipality	Column A	Column B		Column C
			2006/07	Roll-overs	Adjustments	2006/07
			Main allocation			Adjusted allocation
			R'000			
B	NC451	Moshawene	2 376			1 503
B	NC452	Ga-Segonyana	1 828		-873	4 241
Total: Kgalagadi Municipalities			4 204		2 413	5 744
B	NC061	Richtersveld	410		-410	
B	NC062	Nama Khoi	10		745	755
B	NC065	Hantam	10		62	72
B	NC066	Karoo Hoogland			134	134
B	NC067	Khai-Ma	410		-410	
Total: Namakwa Municipalities			841		120	961
B	NC072	Umsobomvu	1 109		152	1 261
B	NC073	Emthanjeni	84		118	202
B	NC074	Kareeberg	700		-700	
B	NC077	Siyathemba	60		370	430
B	NC078	Siyancuma	331		-102	229
Total: Karoo Municipalities			2 284		- 163	2 121
B	NC082	!Kai! Ganb	456		1 714	2 170
B	NC083	//Kara Hals	140		-140	
B	NC085	Tsantsabane	4 325		-2 616	1 709
Total: Siyanda Municipalities			4 921		-1 042	3 879
B	NC092	Dikgatlong	1 409		-1 030	379
B	NC094	Phokwane	3 591		-2 257	1 334
Total: Frances Baard Municipalities			5 000		- 3 287	1 713
Unallocated			342		2 047	2 389
Total: Northern Cape Municipalities			17 592		- 785	16 807
<b>NORTH WEST</b>						
B	NW371	Moretele	2 708		3 632	6 340
B	NW372	Madibeng	2 879		10 579	13 458
B	NW373	Rustenburg	6 731		12 555	19 285
B	NW374	Kgetlengrivier	3 146		-1 679	1 467
B	NW375	Moses Kotane	6 642		-1 192	5 450
C	DC37	Bojanala Platinum District Municipality	30 000		-20 766	9 234
Total: Bojanala Platinum Municipalities			52 105		3 129	55 233
B	NW381	Ratlou	3 834		-1 188	2 646
B	NW382	Tswaing	4 283		857	5 140
B	NW383	Mafikeng	5 449		2 406	7 855
B	NW384	Ditsobotla	5 523		-2 120	3 403
B	NW385	Zeerust	3 129		2 807	5 937
C	DC38	Central District Municipality				
Total: Central Municipalities			22 218		2 763	24 981
B	NW392	KaGisano	3 318		5 045	8 363
B	NW393	Mamusa			10	10
B	NW394	Greater Taung	10 354		7 380	17 734
B	NW395	Molopo			2 383	2 383
B	NW396	Lekwa-Teemane	559			479
C	DC39	Bophirima District Municipality			791	
Total: Bophirima Municipalities			14 231		14 739	28 970
B	NW401	Ventersdorp			593	1 585
B	NW402	Potchefstroom	992		1	1
B	NW403	Klerksdorp			-956	1 598
B	NW404	Maquassi Hills	2 554		6	6
B	NW405	Merafong City				
C	DC40	Southern District Municipality	463		-1 133	1 596
Total: Southern Municipalities			4 008		777	4 785
Unallocated			45 499		-37 540	7 959
Total: North West Municipalities			138 061		- 16 433	121 628

## SCHEDULE 7

Minerals and Energy (Vote 30)		Integrated National Electrification Programme: Eskom				
Category	Number	Municipality	Column A	Column B		Column C
			2006/07 Main allocation	Roll-overs	Adjustments	2006/07 Adjusted allocation
			R'000	R'000	R'000	R'000
<b>WESTERN CAPE</b>						
<b>A</b>		City of Cape Town	11 801		-1 432	10 371
B	WC011	Mauikama	1468		1 056	2 524
B	WC012	Cederberg				
B	WC013	Bergrivier	611		-611	
B	WC014	Saldanha Bay				
B	WC015	Swartland	2 180		-2 180	
C	DC1	West Coast District Municipality				
<b>Total: West Coast Municipalities</b>			<b>4 258</b>		<b>-1 735</b>	<b>2 524</b>
B	WC022	Witzenberg	20		-20	
B	WC023	Drakenstein				
B	WC024	Stellenbosch				
B	WC025	Breedee Valley	586		-586	
B	WC026	Breedee River Winelands	3 568		-3 568	
C	DC2	Cape Winelands District Municipality				
<b>Total: Cape Winelands District Municipality</b>			<b>4 174</b>		<b>-4 174</b>	
B	WC031	Theewaterskloof	3 262		-3 262	
B	WC032	Overstrand	466		-466	
B	WC033	Cape Agulhas	694		-694	
B	WC034	Swellendam	932		-932	
C	DC3	Overberg District Municipality				
<b>Total: Overberg Municipalities</b>			<b>5 354</b>		<b>-5 354</b>	
B	WC041	Kannaland	36		-36	
B	WC042	Hessequa	10		-10	
B	WC043	Mossel Bay				
B	WC044	George	1309		-864	444
B	WC045	Oudtshoorn	46		-46	
B	WC047	Bitou	23		-23	
B	WC048	Knysna	1 495		1423	2 911
C	DC4	Eden District Municipality				
<b>Total: Eden Municipalities</b>			<b>2 919</b>		<b>444</b>	<b>3 363</b>
B	WC051	Laingsburg	1 384		-1 384	
B	WC052	Prince Albert	1 596		-1 596	
B	WC053	Beaufort West	40		-40	
C	DC5	Central Karoo District Municipality				
<b>Total: Central Karoo Municipalities</b>			<b>3 020</b>		<b>-3 020</b>	
<b>Total: Western Cape Municipalities</b>			<b>31 527</b>		<b>-12 333</b>	<b>19 194</b>
<b>National Total</b>			<b>977 165</b>		<b>-84 000</b>	<b>893 165</b>

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## **Part 2: Additional Frameworks and Amendments to Current Frameworks for Conditional Grants to Provincial and Local Government Spheres**

### **Frameworks for Conditional Grants to Provinces**

**Detailed additional frameworks and amendments to current frameworks for Schedule 5 grants to provinces**

#### **Introduction**

This part provides a brief description of the framework for the additional grants (Agricultural Disaster Management grant (Agriculture) and Industrial Development Zones grant (Trade and Industry)) and the amendment of the Integrated Housing and Human Settlement Development grant (Housing) set out in Schedule 5 of this *Government Notice*. The following are key areas considered for the aforementioned grants:

- Purpose and measurable objectives of the grant
- Conditions of the grant (additional to what is required in the Act)
- Criteria for allocation between provinces
- Rationale for funding through a conditional grant
- Monitoring mechanisms
- Past performance
- The projected life of the grant
- 2006/07 allocation
- The payment schedule
- Responsibility of national transferring department
- Capacity and preparedness of the transferring department

The 2006 Division of Revenue Act requires that the additional frameworks be gazetted in terms of section 37(2) of the Act and the amendments to current frameworks be gazetted in terms of Section 15(2) of the Act.

## DEPARTMENT OF AGRICULTURE

<b>Agricultural Disaster Management Grant</b>	
<b>Transferring department</b>	Agriculture (Vote 25)
<b>Purpose</b>	Flood relief to farmers in identified areas of the Eastern Cape and Western Cape provinces
<b>Measurable outputs</b>	Financial assistance in soil rehabilitation, repairing of agricultural infrastructure for communal areas and the compensation of livestock
<b>Conditions</b>	Implementation of the flood relief scheme and monthly reporting by provincial Departments of Agriculture on the actual spending according to the agreed framework on flood assistance
<b>Allocation criteria</b>	Based on surveys made by provincial Departments of Agriculture and the preliminary assessment by the national Department of Agriculture of the affected areas
<b>Reason why not incorporated in equitable share</b>	Special flood relief allocation by Parliament
<b>Monitoring mechanisms</b>	Regular inspection and monitoring by the national Department of Agriculture and monthly reporting by the provincial Departments of Agriculture on the actual spending
<b>Past Performance</b>	New grant
<b>Projected life</b>	Until 31 December 2007
<b>2006/07 allocation</b>	R12,403 million for Eastern Cape and R33,0 million for Western Cape
<b>Payment schedule</b>	Payments to be made on 15 January 2007
<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"> <li>• Agree on output and targets with provincial departments</li> <li>• Provide the guidelines and criteria for the development and approval of business plans</li> <li>• Monitor implementation and provide support</li> </ul>
<b>Capacity and preparedness of the transferring department</b>	Policy frameworks, monitoring and reporting mechanisms are in place

## DEPARTMENT OF HOUSING

Integrated Housing and Human Settlement Development Grant (IHAHSD)	
Transferring department	<ul style="list-style-type: none"> <li>Housing (Vote 28)</li> </ul>
Purpose	<ul style="list-style-type: none"> <li>To finance the implementation of National Housing programmes. The payment of service charges in respect of electricity, rates and taxes of existing housing stock and which were recoverable from tenants are excluded from this provision</li> <li>To facilitate the establishment of habitable, stable and sustainable human settlements in which all citizens will have access to selected social and economic amenities</li> <li>Progressive eradication of informal settlements on a phased basis through formalisation of informal settlements by 2014</li> </ul>
Measurable outputs	<p>Housing delivery</p> <ul style="list-style-type: none"> <li>Implementation of 9 pilot projects in respect of informal settlement upgrading programme</li> <li>Number of hectares of state land acquired or privately owned land purchased for housing development purposes</li> <li>Number of housing chapters of IDP's formulated</li> <li>Number and value of approved subsidies in the various categories catered for in the policies</li> <li>Number of houses constructed in the various categories catered for in the policies</li> </ul> <p>Empowerment</p> <ul style="list-style-type: none"> <li>Number of job opportunities created</li> <li>Number of emerging contractors and amount of funding contributed to meet the goal of Black Economic Empowerment by the programme</li> <li>Number of contracts awarded to women contractors</li> <li>Number of women headed households assisted with subsidies</li> </ul> <p>Promoting sustainable human settlements</p> <ul style="list-style-type: none"> <li>Number of socio economic amenities initiated within informal settlement upgrading projects as well as existing and new housing developments</li> <li>Number of households assisted in the Urban Renewal Programme and Integrated sustainable Rural Development Programme</li> <li>Number of households assisted in terms of the Emergency Housing Programme</li> </ul>
Conditions	<ul style="list-style-type: none"> <li>Provincial cash flows and business plans linked to projects for 2006/07 must be submitted to the National Department of Housing before the first instalments to provinces are effected</li> <li>The annual performance plan (2006/07) of which must be aligned to the new comprehensive plan must be submitted to and approved by the national department by 15 March 2006 <ul style="list-style-type: none"> <li>The development of the housing chapter must be undertaken as part of the IDP process in line with procedures for integrated development planning</li> </ul> </li> <li>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 in consultation with the Member of the Executive Council (MEC), utilize the lesser amount based on 3% of the total allocation- or to a maximum of R35 million, approved in terms of national policies and guidelines of the voted allocation to support the approved national and provincial housing programmes and priorities</li> <li>Housing allocations must be in terms of National Housing Programmes and priorities, and with due consideration of: <ul style="list-style-type: none"> <li>Creating quality living environments</li> <li>A needs orientated approach</li> <li>Delivery constraints identified and addressed</li> <li>Adequate capacity for effective project /financial/ monitoring management/measures for the execution of the projects,</li> <li>The establishment of an integrated non-racial society</li> </ul> </li> <li>The accreditation of local authorities by the Member of the Executive Council as prescribed in the Housing Act, 1997 (as amended)</li> <li>Provinces and accredited local authorities must utilise the Housing Subsidy System for budgeting, subsidy administration, financial administration and reporting purposes. The implementation of the aforementioned process will be phased in and be fully operational by 2007/08</li> <li>Provincial Housing Departments and accredited local authorities must submit comprehensive reports on individual projects as specified in the Monitoring Guidelines by the 15<sup>th</sup> of each month <ul style="list-style-type: none"> <li>Provincial Housing Departments must set aside an allocation to finance emergency housing needs</li> </ul> </li> <li>Provincial departmental strategic plans for 2006/07 and over the MTEF period to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>

Integrated Housing and Human Settlement Development Grant (IHAHSD)	
Allocation criteria	<ul style="list-style-type: none"> <li>• 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"> <li>- 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 per cent</li> <li>- A poverty indicator as measured by the number of households earning less than R3 500 in each province and is weighted 30 percent</li> <li>- A population indicator, weighted at 20 per cent, as measured by each province's share of total population as per the 2001 census date with effect from the 2005/06 financial year</li> </ul> </li> <li>• The formula provides for weighting in order of the priority of the elements as defined below- <ul style="list-style-type: none"> <li>- <math>A=HN (50 \text{ per cent}) +HH (30 \text{ per cent}) +P (20 \text{ per cent})</math>, where <ul style="list-style-type: none"> <li>-A = Allocation</li> <li>-HN = Housing Need</li> <li>-HH = Households earning less than R3 500 per month (affordability indicator)</li> <li>-P = Population</li> </ul> </li> <li>- Housing need used in the formula is defined on a weighted formula that takes into account the following: <ul style="list-style-type: none"> <li>-HN = <math>HL (1.25) + SE (1.2) + SBY ((1.0) + TC (1.0) + FR (0.5))</math> where <ul style="list-style-type: none"> <li>-HN = Housing Need</li> <li>-HL = Homeless People</li> <li>-SE = Shacks Elsewhere</li> <li>-SBY = Shacks in backyards</li> <li>-TC = Tents and Caravans</li> <li>-FR = Flat/room on shared property</li> </ul> </li> </ul> </li> </ul> </li> <li>• Funds made available to provinces for a specific purpose to address a National Lead Project and/or a disaster situation will not be subject to the formula reflected above (R372 million for N2 Gateway, R84,014 million for flood relief in the Greater Taung Municipality, North West and R16,206 million for flood relief in the Cape Winelands, Overberg, Eden and Central Karoo municipal districts in the Western Cape)</li> <li>• However, consideration has been given to adjusting the existing allocation formula. It was resolved at MinMec of 06 December 2005 that the new allocation framework shall comprise two main elements, an empirical element and a non-empirical element: The empirical part of the new formula, forming 80% of the proposed 80/20 split, concentrates on housing needs, weighted at 90 per cent and development potential of 10 per cent. The need weight is broken down into three major areas, namely inadequate housing, poverty and population. These three areas are then broken down into sub-components. The Developmental potential has two sub-components, namely economic growth potential and net migration</li> <li>• The non-empirical element comprising the 20 per cent of the split will focus on national and provincial priority projects based on an evaluation of business plans for key housing projects submitted by provinces to MINMEC</li> <li>• In view of the impact on certain provinces where their allocation could be significantly reduced when the revised formula is applied, it was deemed necessary to soften the impact by phasing in the new formula over a two-year period with effect from the 2007/08 financial year, whereafter the formula will be applied as intended. The necessary budgetary and legislative consequences brought about by Constitutional changes in respect of the cross boundary municipalities still needs to be finalised by National Treasury and the Department of Provincial and Local Government, and it is anticipated that the changes can only be fully implemented with effect from 1 April 2007. The implication is that the adjustments to provincial allocations may be effected only after this date. As a result, there could be amendments to the MTEF amounts already conveyed to Provincial Treasuries</li> </ul>
Reason not incorporated in equitable share	<ul style="list-style-type: none"> <li>• The provision of housing to the poor is a national priority</li> <li>• 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 living in sustainable integrated human settlements</li> <li>• 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</li> </ul>
Monitoring mechanisms	<ul style="list-style-type: none"> <li>• The National Department of Housing installed a transversal computerized subsidy management system (HSS) in all Provincial Housing Departments for the administration of the subsidy scheme and to allow the national department to monitor progress and expenditure</li> <li>• Monitoring in terms of the provisions of DORA and the approved Monitoring Guidelines</li> <li>• Quarterly visits to Provinces, interaction by the housing sector Chief Financial Officers and Heads of Housing and MMMEC meetings</li> </ul>

Integrated Housing and Human Settlement Development Grant (IHAHSD)	
Past performance	<p><b>2004/05 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R4,473 billion was allocated and transferred to provinces. When including unspent funds in 2003/04, the total funds available for spending amounted to R4,848 billion, of which R366,805 million was not spent</li> </ul> <p><b>2004/05 service delivery performance</b></p> <ul style="list-style-type: none"> <li>The number of subsidies approved in the last three years averaged 316 343 subsidies per annum, while the number of houses built during the same period averaged 204 850 houses per annum in the period 241 145 subsidies were approved, approved beneficiaries 165 009, houses completed or under construction 178 612</li> <li>The number emerging contractors and amount of funding contributed to meet the goal of Black Economic Empowerment by the programme</li> <li>Completion of current business in respect of housing developments</li> <li>The number of women contractors that were employed</li> </ul>
Projected life	<ul style="list-style-type: none"> <li>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</li> </ul>
MTEF allocations	<ul style="list-style-type: none"> <li>2006/07: R6,350 billion, 2007/08: R7,938 billion and 2008/09: R8,721 billion</li> </ul>
Payment schedule	<ul style="list-style-type: none"> <li>Monthly instalments (payment schedules) as determined through predetermined provincial expenditure projections inclusive of accredited local authorities</li> </ul>
Responsibilities of National Department and Provincial Department	<p>National Department</p> <ul style="list-style-type: none"> <li>The establishment by the national department of an internal audit team to ensure that provincial departments have adequate systems in place to provide assurance that conditional grant funds are appropriately managed and controlled</li> <li>Evaluate Annual Reports for 2005/06 for submission to NCOP and National Treasury by 31 October 2006</li> <li>Agree on outputs and targets with provincial departments in line with grant objectives for 2007/08 by 31 October 2006</li> <li>Provide the guidelines and criteria for the development of business plans</li> <li>Monitor implementation and provide support</li> <li>Submit approved business plans for 2006/07 to the National Treasury on 13 April 2006</li> <li>Submit quarterly performance reports to SCOF in the NCOP and National Treasury in line with the dates determined in the guidelines and dates provided by National Treasury to Provincial Treasuries</li> <li>Submit the allocation formula, 2007 MTEF allocations and the final conditional grant framework that relate to the grant to National Treasury by 15 November 2006</li> </ul> <p>Provincial Department</p> <ul style="list-style-type: none"> <li>Provinces must produce a risk assessment plan and comply with the relevant section of DORA</li> <li>Submission of annual report for 2005/06 in each province as soon as it has been tabled in the Provincial Legislature to the national Department of Housing within one week after tabling or on or before 31 October 2006</li> </ul>
Processes for certification of 2007/08 business plans	<ul style="list-style-type: none"> <li>Business plans for 2007/08 must be submitted to the national department on or before 31 December 2006 and be approved by the national department by 15 March 2007</li> <li>No monthly transfer of funds for 2007/08 will take place to provinces unless the national department is in possession of the cash flows linked to projects for 2007/08 as well as approved the business plans as indicated above. Should it become necessary after 30 November 2006 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</li> <li>Provincial housing departments to ensure that all subsidy allocations for 2007/08 are allocated by 31 December 2006 and such allocations should be submitted to national Department of Housing by 15 January 2007</li> <li>Accredited local authorities to ensure that all subsidy allocations for 2006/07 are allocated by 30 November 2006 and such allocations schedules should be submitted to the provincial housing department for inclusion in the comprehensive provincial housing allocation document</li> </ul>

## DEPARTMENT OF TRADE AND INDUSTRY

<b>Industrial Development Zones Grant</b>	
<b>Transferring Department</b>	Trade and Industry (Vote 32)
<b>Purpose</b>	To provide funding to the Eastern Cape Provincial Government to support the necessary infrastructure development in the East London Industrial Development Zone (IDZ) to attract investors. This grant is specifically for the purpose to fast-track the process for investors to set up their business operations in this IDZ.
<b>Performance Outputs</b>	The completion of infrastructure facilities for an office park for the automotive industry.
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The submission of a business plan for 2006/07 and detailed infrastructure plans for the IDZ by the Eastern Cape Provincial Government;</li> <li>• Quarterly reports on physical progress with implementation of the infrastructure project by the Eastern Cape Provincial Government.</li> </ul>
<b>Allocation Criteria</b>	A once-off payment to the Eastern Cape Provincial Government based on the cost needed to complete the project and paid over to the East London IDZ Company.
<b>Reason for non-incorporation of equitable share</b>	This payment is a conditional grant. The East London IDZ Company is a Provincial entity and is owned by Eastern Cape Development Corporation (76%) and Buffalo City Municipality (24%). Additional assistance from National Government was required to finalise a critical infrastructure project.
<b>Monitoring mechanisms</b>	Quarterly reports to the Department of Trade and Industry by the Eastern Cape Provincial Government.
<b>Past performance</b>	<ul style="list-style-type: none"> <li>• The East London IDZ Company has attracted 19 infrastructure projects at a combined value of R220 million;</li> <li>• Internal storm water systems, electrical power lines and underground electrical cables, fencing and walling, as well as water and sewerage systems have been undertaken;</li> <li>• Three investors are already operational within the East London IDZ;</li> <li>• Another 40 potential investors have been identified, of which negotiations with 8 are in an advanced stage;</li> <li>• 360 Direct jobs have been created.</li> </ul>
<b>Projected life</b>	This project is part of the bulk infrastructure under development in the East London IDZ and the funds will be used to complete a specific infrastructure project during 2007.
<b>Payment schedule</b>	A once-off payment of R58,2 million towards the Eastern Cape Provincial Government by 15 December 2006.
<b>Responsibilities of the National Department</b>	<ul style="list-style-type: none"> <li>• The Department of Trade and Industry will enter into a Funding Agreement with the East London IDZ Company and the Eastern Cape Provincial Government;</li> <li>• Agree on outputs and targets with the Eastern Cape Provincial Government, in line with the grant objective;</li> <li>• Monitor implementation and provide support;</li> <li>• Submit quarterly progress reports to National Treasury;</li> <li>• Submit a final report to the National Treasury after completion of the specific infrastructure project for the automotive industry.</li> </ul>

# Frameworks for Conditional Grants to Municipalities

## Detailed frameworks on Schedules 6 and 7 grants to municipalities

### Introduction

This part provides a brief description of the framework for the additional grant (2010 FIFA World Cup Stadia Development grant (Sport and Recreation SA)) and the framework for the Water Services Operating and Transfer Subsidy grant (Water Affairs and Forestry) which was omitted in the previous publication, set out in Schedules 6 and 7 of this *Government Notice*. The following are key areas considered for the aforementioned grants:

- Purpose and measurable objectives of the grant
- Conditions of the grant (additional to what is required in the Act)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Monitoring mechanisms
- Past performance
- The projected life of the grant
- 2006 MTEF allocation, 2006/07 allocation
- The payment schedule
- Responsibility of national transferring department
- Capacity and preparedness of the transferring department

The 2006 Division of Revenue Act requires that the additional frameworks be gazetted in terms of section 37(2) of the Act.

**DEPARTMENT OF SPORT AND RECREATION SOUTH AFRICA**

<b>2010 FIFA World Cup Stadia Development Grant</b>	
Transferring Department	Sport and Recreation South Africa (Vote 19)
Goal	To construct new and upgrade existing sporting facilities and supporting infrastructure in designated 2010 FIFA World Cup Host Cities (City of Cape Town, Nelson Mandela Bay, eThekweni, Mbombela and Polokwane, City of Johannesburg, City of Tshwane, Rustenburg and Mangaung).
Purpose	<ul style="list-style-type: none"> <li>• To fund the design and construction of new stadia to be used for 2010 FIFA World Cup in the designated 2010 FIFA World Cup Host Cities.</li> <li>• To fund the design and upgrading of existing stadia to be used for the 2010 FIFA World Cup in the designated 2010 FIFA World Cup Host Cities.</li> </ul>
Long Term Objectives	<ul style="list-style-type: none"> <li>• Five new stadia constructed for the 2010 FIFA World Cup competition and completed by 31 December 2009.</li> <li>• Five existing stadia upgraded for the 2010 FIFA World Cup competition and completed by 31 December 2008.</li> </ul>
Short-term Objectives	<ul style="list-style-type: none"> <li>• Appropriately resourced units in Host City municipal offices to undertake large multi-faceted stadia development projects and contract management.</li> <li>• Short-term jobs created.</li> <li>• Long-term jobs created.</li> </ul>
Performance Outputs	<ul style="list-style-type: none"> <li>• Detailed Design and Bills of Quantities for 5 new stadia complete.</li> <li>• Procurement processes and tenders awarded for the construction of 5 new stadia complete.</li> <li>• Contracts for the construction of 5 new stadia signed.</li> <li>• Construction of 1 new stadia commenced.</li> <li>• Detailed Design and Bills of Quantities for the upgrade of existing 5 stadia complete.</li> <li>• Procurement processes and tenders awarded for the upgrade of 5 existing stadia complete.</li> <li>• Contracts for the upgrade of existing 5 stadia signed.</li> </ul>
Conditions	<ul style="list-style-type: none"> <li>• The transferor must engage suitably qualified infrastructure implementation monitoring specialists to assist the transferor to monitor the financial transactions and the implementation of the conditional grant.</li> <li>• The recipient must engage qualified professionals to execute all projects related to the construction and upgrading of 2010 FIFA World Cup stadia.</li> <li>• There must be a signed contract between the transferor and the recipient called the 2010 FIFA World Cup Stadium Development Contract. The Contract will outline the agreed upon cash flow requirements, Scope of Work and milestones for stadium development. This information will be provided by the Host City.</li> </ul>
Allocation Criteria	<ul style="list-style-type: none"> <li>• The allocation criteria for construction of new stadia and the upgrading of existing stadia is based on the: <ul style="list-style-type: none"> <li>• Planned spending required to complete the stadia to FIFA specifications for the 2010 FIFA World Cup.</li> <li>• Estimated capital cost for the construction of new stadia and the upgrading of existing stadia.</li> </ul> </li> </ul>
Reason not incorporated in equitable share	This is a specific purpose grant with objectives and distribution criteria different from that of the equitable share.
Past performance	New grant

<b>2010 FIFA World Cup Stadia Development Grant</b>	
<b>2006/07 Allocation</b>	<p>R600 million for Host Cities:</p> <ul style="list-style-type: none"> <li>• City of Johannesburg: Soccer City: R97 476 431</li> <li>a Ellis Park R4 000 000</li> <li>• City of Cape Town: Green Point: R98 256 343</li> <li>• eThekweni: King Senzangakhona: R108 977 064</li> <li>• Nelson Mandela Bay: Nelson Mandela: R110 086 628</li> <li>• Mbombela: Mbombela: R88 051 815</li> <li>• Polokwane: Peter Mokaba: R81 151 729</li> <li>• Mangaung: Vodacom Park: R4 000 000</li> <li>• Rustenburg: Royal Bafokeng: R4 000 000</li> <li>• City of Tshwane: Loftus Versveld R4 000 000</li> </ul>
<b>2007 MTEF Allocation</b>	<b>MTEF</b> allocation will be made available in the 2007 Division of Revenue Bill.
Projected life	The grant will exist until 2010.
Monitoring system	<ul style="list-style-type: none"> <li>• Submission of quarterly reports on support provided to municipalities and the progress made with the implementation of the plan according to the outputs identified.</li> <li>• Submission of monthly expenditure reports by municipalities as stipulated in the Division of Revenue Act.</li> </ul>
Payment schedule	Transfers will be made in accordance with the requirements of the Division of Revenue Act and it is going to be a once of payment.
Responsibilities by national department	<ul style="list-style-type: none"> <li>• To monitor the expenditure and progress made by the Transferees in terms of the agreed business plans, designs and contracts.</li> <li>• To intervene where necessary to ensure delivery by the transferee.</li> <li>• To report on the progress of the project to National Treasury.</li> </ul>
Process for approval of <b>2007 MTEF</b> allocations	MTEF allocation processes will be made available in the 2007 Division of Revenue Bill.

### DEPARTMENT OF WATER AFFAIRS AND FORESTRY

Water Services Operating and Transfer Subsidy (via augmentation to the Water Trading Account)	
Transferring department	Water Affairs and Forestry (Vote 34)
<b>Purpose</b>	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"> <li>• This grant is used to fund over 300 water schemes involving 8094 staff. Both the schemes and their staff are to be transferred to 53 municipalities. The key measurable output is on the speed and success of effecting such transfers to municipalities.</li> <li>• Operating outputs: <ul style="list-style-type: none"> <li>• Operation of water services schemes and improved revenue collection</li> <li>• Support to complete Water Services Development Plans linked to municipal operating budgets and IDP's</li> <li>• All transfer agreements signed and formalised by 31 March 2006</li> <li>• Successful transfer of all appropriate staff, budgets and schemes to municipalities by 31 March 2007</li> </ul> </li> <li>• Transfer outputs: <ul style="list-style-type: none"> <li>• Schemes refurbished to standards outlined in terms of the agreed policy framework</li> <li>• Sustainability assessments completed per scheme or group of schemes to be transferred</li> <li>• Water Services Authority/Provider has developed sufficient capacity in line with funding requirements</li> <li>• Cost recovery plan in place to support the sustainability of schemes</li> </ul> </li> </ul>
Conditions	<ul style="list-style-type: none"> <li>• 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.</li> <li>• All receiving municipalities and providers will be required to conclude formal transfer agreements where the latest effective date of transfer is 31 March 2006.</li> <li>• The necessary capacity must be in place in the receiving institution for the implementation of the conditional grant (see letter from NT dated 23/11/2004).</li> <li>• 2005/06 – Where transfer agreements are in place by 31 March 2006, schemes transferred during the year will be transferred with the remaining 2 year O component and 3 year HR Component of the budget.</li> <li>• 2005/06 and 2006/07 – All transfer agreements concluded. Receiving institutions continue to receive the O component for 1 year and HR Component for 2 years.</li> <li>• 2007/08 – All transfer agreements concluded. Receiving institutions receive 70% of the O component and 100% of the HR component.</li> <li>• 2008/09 – Onwards, incorporation into the local government equitable share.</li> </ul>
Allocation criteria	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	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	A comprehensive Information and monitoring and evaluation system has been developed and is being implemented.
Past Performance	<p><b>2004/05 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>• There were no specific comments on the Water Services Operating and transfer Subsidy with regards to the 2004/05 financial year.</li> </ul> <p><b>2004/05 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Progress can be summarised as follows: 39 agreements signed, 659 staff transferred, and 92 schemes with a total asset value of approximating R2 115 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.</li> </ul>
Projected life	The transfer of assets and staff to be completed in 2006. DWAF to continue to monitor implementation of conditional grants to the end of 2011/12.

<b>MTEF</b> allocation	<ul style="list-style-type: none"> <li>• Direct transfer to municipalities: <ul style="list-style-type: none"> <li>• R500 million for 2006/07, R550 million for 2007/08 and R600 million for 2008/09 financial years</li> </ul> </li> <li>• Indirect transfers: <ul style="list-style-type: none"> <li>• R491 million for 2006/07, R490 million for 2007/08 and R531 million for 2008/09 financial years</li> </ul> </li> <li>• Allocations to be reclassified in the Adjustment Budget upon conclusion of transfer agreements</li> </ul>
Payment schedule	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"> <li>• Detailed information on the allocation formula and data used, and on monitoring system, to be submitted with SCOF in <b>NCOP</b> during the Division of Revenue hearings or as agreed.</li> <li>• Submission of quarterly performance (i.e outputs) reports with a quarter lag to SCOF in the NCOP.</li> </ul>
Process for approval of <b>2007 MTEF allocations</b>	<ul style="list-style-type: none"> <li>• All transfer agreements signed and formalised by 31 March 2006.</li> <li>• The distribution mechanism/criteria to be finalised by 31 October 2006.</li> <li>• Final allocations to be submitted to the National Treasury by 15 January 2007.</li> </ul>

### Part 3: Exemptions granted to provisions in the Division of Revenue Act, 2006 (Act No. 2 of 2006)

1. This part provides exemptions granted for the 2006107 financial year, pursuant to section 47(1) of the Division of Revenue Act, 2006 (Act No. 2 of 2006).
  2. Section 47 of the 2006 Division of Revenue Act stipulates that *“(1) The National Treasury may, on written application by a transferring national or provincial oflcer, exempt such oflcer in writing from complying with a provision of this Act, if the oflcer satisfies the National Treasury that (a) the duty cannot be complied with at that stage; (b) the relevant allocation and framework are properly designed; and (c) the oflcer is taking steps to comply with the provisions of this Act. (2) Any exemption granted in terms of subsection (1) must set out the period and conditions, f any, to which it is subject and must be published in the Gazette”*.
  3. In terms of Section 29(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 and in the Gazette, ....”*
  4. In doing so provincial treasuries are duplicating the publication of allocations to municipalities in terms of Section 29(2) and exemption is given to provincial treasuries to publish allocations in either the annual budget or in a *Gazette* and as such Section 29(2) should have read as follow:  
  
*“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, ....”*
  5. The 2006 Division of Revenue Act requires that any exemption granted be gazetted in terms of section 47(2) of the Act.
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