

Division of Revenue Act, 2006 (Act 2 of 2006) has been repealed by
Division of Revenue Act, 2007 (Act 1 of 2007) as of 1 April 2007



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THE PRESIDENCY

No. 318

31 March 2006

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

No. 2 of 2006: Division of Revenue Act, 2006.



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

(English text signed by the President.)
(Assented to 31 March 2006.)

ACT

To provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for the 2006/07 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.

PREAMBLE

WHEREAS section 214 (1) of the Constitution of the Republic of South Africa, 1996 requires an Act of Parliament to provide for—

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

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

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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 2006 and ending on 31 March 2007;

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

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

“**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 15;

“**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 2007 and ending on 31 March 2008;

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

- (a) the amount of each transfer of an equitable share or any conditional allocation in terms of this Act to be transferred to a province or municipality 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; **5**
- “prescribe”** means prescribe by regulation in terms of section 48;
- “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 the Gautrain Rapid Link allocation, in terms of this Act must be deposited; and **10**
- (b) in relation to a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act;
- “Public Finance Management Act”** means the Public Finance Management Act, 1999 (Act No. 1 of 1999); **15**
- “quarter”** means—
- (a) 1 April to 30 June;
- (b) 1 July to 30 September;
- (c) 1 October to 31 December; or **20**
- (d) 1 January to 31 March;
- “receiving officer” —**
- (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 **25**
- (b) in relation to a Schedule 4 or 6 allocation transferred to a municipality, the accounting officer of the municipality;
- “this Act”** includes any framework or allocation published or any regulation or determination made or instruction given under this Act; **30**
- “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.
- (2) Any determination or instruction in terms of this Act must be in writing.

Objects of Act **35**

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 better co-ordination between policy, planning, budget preparation and execution processes between and within the different spheres of government; **40**
- (c) 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;
- (d) promote transparency and equity in the resource allocation process; and **45**
- (e) promote accountability by ensuring that all allocations are reflected on the budgets of receiving provinces and municipalities.

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

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

3. (1) Revenue anticipated to be raised nationally in respect of the 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. 5

(2) An envisaged division of revenue anticipated to be raised in respect of the next financial year and the 2008/09 financial year, and which is subject to the provisions of the annual Division of Revenue Act in respect of those financial years, is set out in Column B of Schedule 1. 10

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. 15

(2) Subject to section 38, an envisaged division for each province of revenue anticipated to be raised nationally in respect of the next financial year and the 2008/09 financial year, and which is subject to the provisions of the annual Division of Revenue Act for those financial years, is set out in Column B of Schedule 2.

(3) Each province's equitable share allocation contemplated in subsection (1) must be transferred to the corporation for public deposits account of the province, in accordance with a payment schedule determined by the National Treasury in terms of section 33. 20

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. 25

(2) An envisaged division between municipalities of revenue anticipated to be raised nationally in respect of the next financial year and the 2008/09 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. 30

(3) Each municipality's equitable share contemplated in subsection (1) must be transferred to the primary bank account of the municipality in three transfers before the end of July, November and February in the budget year, in accordance with a payment schedule determined by the National Treasury in terms of section 33.

Shortfalls and excess revenue 35

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.

(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, in addition to its share in column A of Schedule 1. 40

(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; 45

- (b) provinces or municipalities, as a conditional or an unconditional allocation.

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations

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Conditional allocations to provinces

7. (1) Conditional 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:

- (a) Schedule 4 specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets; and 10
 (b) Schedule 5 specifying specific-purpose allocations to provinces.

(2) Subject to section 38, an envisaged division of conditional allocations to provinces from the national government's share of revenue anticipated to be raised nationally, for the next financial year and the 2008/09 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). 15

Conditional allocations to municipalities

8. (1) Conditional 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: 20

- (a) Schedule 4 specifying allocations to municipalities to supplement the funding of functions funded from municipal budgets; and
 (b) Schedule 6 specifying specific-purpose allocations to municipalities; and
 (c) Schedule 7 specifying allocations-in-kind to municipalities for designated special programmes. 25

(2) An envisaged division of conditional allocations to local government from the national government's share of revenue anticipated to be raised nationally for the next financial year and the 2008/09 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). 30

(3) The National Treasury must publish in the *Gazette* required in terms of section 15, the share of each municipality in respect of the local government allocations referred to in subsections (1) and (2).

Part 2

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Matters relating to specific Schedule 4, 5, 6 or 7 allocation

Provincial Infrastructure Grant

9. (1) The Provincial Infrastructure Grant set out in Schedule 4 supplements the funding of infrastructure programmes funded from provincial budgets to enable provinces to address backlogs in provincial infrastructure. 40

(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;
 (b) enter into, implement and manage service delivery agreements with national or provincial departments, national or public entities and any other organs of state, where such departments, entities or other organs of state manage or undertake construction or maintenance on their behalf; and 45

- (c) participate, together with the provincial department responsible for public works in the Infrastructure Development Improvement Programme facilitated by the National Treasury, unless the National Treasury exempts any such department from participation.
- (3) A province, in allocating the Provincial Infrastructure Grant— **5**
- (a) must take into account the capacity of the receiving provincial department to spend and manage infrastructure, based on the extent of any approved roll-overs in the 2005/06 financial year and any projected roll-overs in the 2006/07 financial year; and
- (b) may, where a receiving provincial department lacks capacity designate a percentage not exceeding one percent of the allocation for acquiring such capacity. **10**

Gautrain Rapid Rail Link

10. (1) The transferring national officer must, in addition to the duties contemplated in sections 25 and 33, take appropriate steps to ensure that transfers are made timeously and in a manner that allows the province to meet its payment obligation in terms of the public-private partnership agreement entered into by the province in accordance with regulations issued under the Public Finance Management Act. **15**

(2)(a) The National Treasury must direct the establishment of a dedicated banking account configuration for the transfer of the Gautrain Rapid Rail Link allocation, that may include a dedicated corporation of public deposits account. **20**

(b) The Provincial Treasury must ensure that the account configuration referred to in paragraph (a) is in place and operational by no later than 1 May 2006.

(3) The transferring national officer must transfer the Gautrain Rapid Rail Link allocation to the bank account designated for transfer in the account configuration referred to in subsection (2)(a). **25**

Municipal Infrastructure Grant

11. (1) The Municipal Infrastructure Grant set out in Schedule 4 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. **30**

(2) The Municipal Infrastructure Grant—

(a) must be transferred, directly to a category A, B or C municipality that has the powers and functions in terms of section 84 of the Municipal Structures Act to provide municipal infrastructure in respect of those powers and functions; and **35**

(b) may be transferred via the relevant category C municipality to a category B municipality if—

- (i) the allocation to the category B municipality is less than R2 million; or
- (ii) the transferring national officer, in consultation with the National Treasury, identifies the category B municipality as not able to manage or administer the allocation. **40**

(3) Allocations referred to in subsection (2)(b) must be listed as an allocation to the category B municipality in the publications referred to in section 15(1)(a).

(4) A municipality receiving the Municipal Infrastructure Grant must table a three-year capital budget as part of its budget for the 2006/07 financial year in accordance with the Municipal Finance Management Act, unless exempted in terms of that Act. **45**

Municipal Capacity Building allocations

12. (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. 5

(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 and budgeting considerations and the need to ensure that the capacity of a municipality is developed in measurable ways. 10

(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.

Water Services Operating and Transfer Subsidy

13. (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— 15

(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 20

(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. 25

(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.

Integrated Housing and Human Settlement Development

14. (1) The provincial accounting officer responsible for housing must— 30

(a) facilitate applications for accreditation in terms of section 10 of the Housing Act, 1997 (Act No. 107 of 1997) from all municipalities identified by the transferring national officer in respect of each province: and

(b) before 30 November 2006, consider the applications of the municipalities and inform their accounting officers of the granting or refusal of the application for accreditation. 35

(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. 40

(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; 45

(ii) authority to grant subsidies and approve projects, subject to subsection (4), to be funded from uncommitted housing subsidy funds from the 2007/08 financial year;

(iii) an obligation to maintain compliance with the capacity and system requirements prescribed by the provincial accounting officer responsible for housing; 50

(iv) an obligation to provide reports on housing demand and delivery to the provincial accounting officer quarterly or at shorter intervals when requested; and

- (v) an obligation to provide information on the levying and collection of rental in respect of all municipal owned houses to the provincial accounting officer; and
- (b) be implemented progressively during the financial year.
- (4) An accredited municipality must, in exercising its authority in terms of subsection (3)(a)(ii)— 5
- (a) take into account any criteria for the prioritisation of projects as determined by the province;
- (b) comply with national housing policies and programmes; and
- (c) participate in housing programme forums established by the transferring national department. 10
- (5) Accreditation in terms of the Housing Act, 1997 (Act No. 107 of 1997), does not constitute an assignment for purposes of section 3 of the Financial and Fiscal Commission Act, 1997 (Act No. 99 of 1997), section 35 of the Public Finance Management Act and sections 9 and 10 of the Municipal Systems Act. 15

Part 3

General matters relating to Schedule 4, 5, 6 or 7 allocation

Publication of allocations and frameworks

15. (1) The National Treasury must, within 14 days of this Act taking effect publish in the *Gazette* — 20
- (a) the allocations per municipality for each Schedule 4, 6 or 7 allocation to local government; and
- (b) the framework for each Schedules 4, 5, 6 and 7 allocation.
- (2) The National Treasury must publish in the *Gazette* any revisions or amendments to the allocations or frameworks published in terms of subsection (1) that is authorised by an adjustment budget. 25
- (3) (a) The National Treasury may at any time, after consultation with or at the written request of a transferring national officer, revise or amend a framework published in terms of subsection (1) or (2) to correct any error or omission.
- (b) An amendment or revision takes effect on publication thereof in the *Gazette*. 30

Framework for Schedule 4 allocation

16. 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—
- (a) for a national department or any other organ of state, other than the relevant province or municipality, to approve specific projects or budgets; or 35
- (b) requiring a report on spending or projects other than the reports required in terms of section 26 or as approved by the National Treasury.

Spending in terms of purpose and subject to conditions

17. (1) Despite anything to the contrary contained in any law, an allocation referred to in Schedule 4, 5, 6 or 7 may only be utilised for the purpose stipulated in the Schedule concerned and in accordance with the framework published in terms of section 15. 40
- (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— 45
- (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 15;
- (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 50

- (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 transfer or advance payment. 5

Withholding of allocation

- 18.** (1) Subject to subsections (2) and (3), a transferring national officer may withhold the transfer of a Schedule 4, 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 10
- (b) expenditure on previous transfers during the financial year reflects significant under-spending, for which no satisfactory explanation is given.
- (2) Despite subsection (1), the Health Professions Training and Development and National Tertiary services allocations may not be withheld in terms of this section. 15
- (3) A transferring national officer must, seven working days prior to withholding an allocation in terms of subsection (1)—
- (a) give the relevant receiving officer—
- (i) written notice of the intention to withhold the allocation; and 20
- (ii) an opportunity to submit written representations, within those seven days as to why the allocation should not be withheld; and
- (b) inform the relevant provincial treasury and the National Treasury of its intention to withhold the allocation.
- (4) A notice contemplated in subsection (3) must include the reasons for withholding the allocation and the intended duration of the withholding. 25
- (5)(a) The National Treasury may when a transferring national officer is withholding an allocation in terms of subsection (1) instruct or approve a request from that transferring national officer to withhold an allocation for a period longer than 30 days, but not exceeding 120 days, if the withholding will— 30
- (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 (3) and any representations received from the receiving officer, to the National Treasury. 35
- (c) The transferring national officer must comply with subsection (3) when the National Treasury instructs or approves a request by him or her in terms of paragraph (a).

Stopping of allocation

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- 19.** (1) Despite section 18, the National Treasury may in its discretion or at the request of a transferring national officer stop the transfer of—
- (a) a Schedule 4, 5 or 6 allocation referred to in section 18(1) to a province or municipality on the grounds of 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 45
- (b) a Schedule 4, 5, 6 or 7 allocation referred to in section 18(1) if the National Treasury anticipates that a province or municipality will substantially under spend on that programme or allocation in the financial year.
- (2) The National Treasury must when stopping an allocation in terms of this section— 50

- (a) comply with section 18(3)(a), and in respect of a municipality, also section 38 of the Municipal Finance Management Act; and
- (b) inform the relevant provincial treasury of its intention to stop the allocation.
- (3) Any stopping of an allocation contemplated in subsection (1) must, together with an explanatory memorandum, be published by the National Treasury in the *Gazette*. 5
- (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. 10

Re-allocation after stopping of allocation

20. (1) The National Treasury may, where it stops an allocation in terms of section 19, after consultation with the transferring national officer, 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 or the next financial year. 15
- (2) The reallocation of a portion or the full allocation on condition that the allocation will be spent in the next financial year referred to in subsection (1), must be deemed to be a roll-over approved by the National Treasury in terms of section 22(2)(a). 20

Risk management in respect of Schedule 5 or 6 allocation

21. (1) (a) The transferring national officer of a Schedule 5 or 6 allocation of which the total value transferred to provinces or municipalities, exceeds R 1 billion for the budget year must, within 14 days after this Act takes effect, determine a minimum set of risks that must be taken into account and mitigated by a receiving officer in respect of that allocation. 25
- (b) The internal audit plan of the receiving officer 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 implementation of legislative requirements.
- (2) A receiving officer of an allocation contemplated in subsection (1), or if requested by any other transferring national officer, must— 30
- (a) by 30 April 2006, submit a risk management plan that includes the internal audit plan referred to in subsection (1)(b) to the transferring national officer and the National Treasury; and
- (b) report as part of the quarterly performance report referred to in section 26(3)(b) all material issues and risks that arose in respect of the spending of the allocation and the measures taken to minimise the impact thereof. 35
- (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. 40
- (4) The accounting officer of the transferring national department, the receiving provincial department and receiving municipality must regularly report to his or her audit committee on compliance with this section.
- (5) (a) Subsections (1)(b), (2)(a), (3) and (4) do not apply to municipalities for whom the implementation of sections 165 and 166 of the Municipal Finance Management Act was delayed by the Minister under section 177 of that Act. 45
- (b) Despite paragraph (a), a municipality referred to in that paragraph that receives an allocation contemplated in subsection (1)(a), or if requested by any other transferring national officer, must—
- (i) by 30 April 2006, submit a risk management plan for the 2006/07 municipal financial year that takes into account the risks identified in subsection (1)(a) 50

- and any other major fiscal risks to the National Revenue Fund posed by poor enforcement of legislative requirements, to the transferring national officer and the National Treasury; and
- (ii) comply with subsection (2)(b).

Unspent Schedule 5 or 6 allocation

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22. (1) Despite the provisions of the Public Finance Management Act or the Municipal Finance Management Act relating to roll-overs, a Schedule 5 or 6 allocation, excluding the Gautrain Rapid Link allocation, that is not spent at the end of a financial year, including any interest earned thereon, reverts to the National Revenue Fund, unless the relevant receiving officer can prove, to the satisfaction of the National Treasury that the unspent allocation is committed to identifiable projects. 10

(2) Despite subsection (1), the National Treasury may at the request of a transferring national officer, 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. 15

Allocations to public entities for provision of municipal service or function

23. (1) No public entity may receive funds for the provision of a municipal service or municipal function on behalf of a municipality from a national or provincial organ of state except via the municipality responsible for that service or function, unless the National Treasury approves otherwise in respect of municipalities it deems to have low capacity. 20

(2) (a) Subsection (1) does not apply to Eskom Holdings Limited in respect of funds received from the Department of Minerals and Energy for the implementation of the National Electrification Programme. 25

(b) The Department of Minerals and Energy must ensure that Eskom Holdings Limited's implementation of the National Electrification Programme within a municipality is aligned with the Integrated Development Plan, prepared in accordance with the Municipal Systems Act, of that municipality. 30

(c) Eskom Holdings Limited must within 30 days after the end of each month, report to the relevant municipality, the Department of Minerals and Energy and the National Treasury on the amount spent on the implementation of the National Electrification Programme.

CHAPTER 4

35

DUTIES OF ACCOUNTING OFFICERS AND TREASURIES

Duties of transferring national officer in respect of Schedule 4 allocation

- 24.** (1) The transferring national officer of a Schedule 4 allocation is responsible for—
- (a) ensuring that transfers to all provinces and municipalities are in accordance with the payment schedule approved in terms of section 33, unless allocations are withheld or stopped in terms of section 18 or 19; 40
- (b) monitoring expenditure and non-financial performance information on programmes funded by an allocation, provided that any monitoring programme or system—
- (i) is approved by the National Treasury; and 45
- (ii) does not impose any undue administrative burden on receiving provinces and municipalities beyond the provision of standard management information; and

(iii) is in accordance with sections 16 and 26(2).

- (c) 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. 5

(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 10
- (b) do not impose any undue administrative burden on provinces or municipalities beyond the provision of standard management information.

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

25. (1) A transferring national officer must— 15

- (a) not later than 14 days after this Act takes effect certify to the National Treasury that—
- (i) 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; 20
- (ii) any business plans requested in respect of how allocations will be utilised by a province have been approved prior to the start of the financial year;
- (iii) any business plans requested in respect of how allocations will be utilised by a municipality have been approved prior to the start of the municipal financial year; 25
- (b) transfer funds only after information required in terms of this Act has been provided to the National Treasury;
- (c) transfer funds only in accordance with a payment schedule determined in accordance with section 33; 30
- (d) deposit funds only into the primary bank account of a province or municipality, or, where appropriate into the corporation for public deposits account of a province; and
- (e) ensure that all other arrangements or requirements necessary for the transfer of an allocation have been complied with prior to the start of the financial year. 35

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

(3) A transferring national officer who has not complied with subsection (1) must transfer such allocation as instructed by the National Treasury, including as an unconditional allocation. 40

(4) Before making the first transfer of any allocation, the transferring national officer must take note of any notice in terms of section 31(1) from the National Treasury outlining the details of the account for each province or municipality.

(5) Despite anything to the contrary contained in any law, a transferring national officer must in respect of any allocation, as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, not later than 20 days after the end of each month, and in the format determined by the National Treasury, submit to the National Treasury, information for the month reported on and for the financial year up to the end of that month, on— 50

- (a) the amount of funds transferred to a province or municipality;
- (b) the amount of funds withheld or stopped from any province or municipality, the reasons for the withholding or stopping and the steps taken by the transferring national officer and the receiving officer to deal with the matters or causes that necessitated the withholding or stopping of the payment; 55

- (c) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 or 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. 5

Duties of receiving officer in respect of Schedule 4 allocation

26. (1) A receiving officer is responsible for—
- (a) complying with the framework for a Schedule 4 allocation as published in terms of section 15; and 10
 - (b) the manner in which it allocates and spends a Schedule 4 allocation.
- (2) The receiving officer of a municipality must—
- (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 15
 - (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; 20
 - (b) as part of the report required in terms of section 71 of the Municipal Finance Management Act, report to the National Treasury and the transferring national officer on spending against programmes; and
- (3) The receiving officer in a province must—
- (a) submit, as part of the report required in section 40(4)(c) of the Public Finance Management Act, reports to the relevant provincial treasury on spending against programmes; and 25
 - (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. 30
- (5) The receiving officer must, within two months after the end of the financial year and where relevant the municipal financial year, evaluate its performance in respect of programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer. 35

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

27. (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 40
 - (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— 45
- (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;
- (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; and 5
- (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—
- (a) the amount of funds stopped or withheld from the municipality;
- (b) the extent of compliance with the conditions of an allocation provided for in a framework and with this Act; 10
- (c) 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
- (d) such other issues and information as the National Treasury may determine. 15
- (4) (a) Subsections (1) and (2) do not apply to the receiving officer of the Gautrain Rapid Rail Link allocation.
- (b) The receiving officer of the Gautrain Rapid Rail Link allocation must at the end of each quarter submit a report to the transferring national officer, detailing the payment made in that quarter to meet its payment obligation in terms of the public-private partnership agreement entered into by the province in accordance with regulations issued under the Public Finance Management Act. 20
- (c) Copies of payment certificates issued in terms of the public-private partnership agreement must be submitted together with the reports referred to in paragraph (b).
- (5) The receiving officer must, within two months after the end of the financial year and where relevant the municipal financial year, evaluate its performance in respect of programmes or functions funded or partially funded by an allocation and submit such evaluation to the transferring national officer. 25

Duties relating to Category C municipal budgets and allocations in terms of this Act 30

28. (1) (a) In addition to the requirements of the Municipal Finance Management Act, a category C municipality must, no later than 14 April 2006, 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 2006/07 municipal financial year, and the two following municipal financial years. 35
- (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, including funds that will replace the levies referred to in section 93(6) of the Municipal Structures Act, 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— 40
- (a) the category C municipality retained a power or function in terms of the Municipal Structures Act; and
- (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. 45
- (c) the Municipal Infrastructure Grant allocation to the category B municipality is transferred to the category C municipality in terms of section 11(3). 50

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

(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. 5

(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 and must inform the National Treasury of the transfer. 10 15

Duties of provincial treasuries

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

(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 20

(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*.

(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*, not later than 14 April 2006— 25

(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 2008/09 financial year. 30

(3) (a) Despite 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). 35

(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.

(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— 40

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

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

(c) actual transfers made by the province to municipalities, and projections of actual expenditure by municipalities on such allocations. 45

(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 in respect of annual financial statements and annual reports for 2006/07 50

30. (1) The 2006/07 financial statements of a national department transferring any funds in respect of an allocation set out in Schedule 4, 5, 6 or 7 must, in addition to any requirements in terms of any other applicable law—

- (a) indicate the total amount of that allocation transferred to a province or municipality;
- (b) indicate the transfers, if any, that were withheld in respect of each province or municipality;
- (c) 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 5
- (d) indicate the funds, if any, utilised for the administration of the allocation, and whether the transferring department retained any portion of the allocation for that purpose. 10
- (2) The 2006/07 annual report of a national department transferring any funds in respect of an allocation set out in Schedule 4, 5, 6 or 7 must, in addition to any requirements in terms of any other applicable law—
- (a) indicate the reasons for the withholding of any transfers to a province or municipality; 15
- (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;
- (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. 20
- (3) The 2006/07 financial statements of a provincial department receiving an allocation in terms of Schedule 4 or 5, must, in addition to any requirements in terms of any other applicable law—
- (a) indicate the total amount of all allocations received; 25
- (b) indicate the total amount of actual expenditure on all allocations except Schedule 4 allocations; and
- (c) certify that all transfers in terms of this Act to the province were deposited into the primary bank account of the province, or where appropriate, into the corporation for public deposits account of a province. 30
- (4) The 2006/07 annual report of a provincial department receiving an allocation in terms of Schedule 4 or 5, must, in addition to any requirements in terms of any other applicable law—
- (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; 35
- (b) indicate the extent to which the objectives and outputs of the allocation were achieved; and
- (c) contain such other information as the National Treasury may determine.
- (5) (a) The 2006/07 financial statements and annual report of a municipality must be prepared in accordance with the Municipal Finance Management Act. 40
- (b) Municipalities for whom the implementation of section 121 of the Municipal Finance Management Act was delayed by the Minister under section 177 of that Act, must despite such delay, prepare annual performance reports in terms of section 46 of the Municipal Systems Act, by no later than 31 December 2006. 45
- (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.

CHAPTER 5**DUTIES OF NATIONAL TREASURY, POWERS OF AUDITOR-GENERAL****Duties of National Treasury**

31. (1) The National Treasury must within 14 days of this Act taking effect submit a notice to all transferring national officers, containing the details of the bank accounts of each province and municipality. 5

(2) The National Treasury must, together with the monthly report contemplated in section 32 (2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in the Schedules referred to in sections 7 and 8 or made in terms of section 36. 10

Powers of Auditor-General

32. (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— 15

(a) the extent of compliance with this Act and frameworks published in terms of section 15 by transferring national officers and receiving officers; and

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

(2) The Auditor-General may, when conducting the audits of the provincial departments responsible for education, health, 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. 20

CHAPTER 6

25

MATTERS RELATING TO ALL ALLOCATIONS**Payment schedule**

33. (1) (a) The National Treasury determines the payment schedule for the transfer of a province's equitable share allocation, after consultation with the head of the department in the provincial treasury. 30

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

(c) Despite paragraph (a), the National Treasury may for cash management purposes relating to the corporation for public deposits account, or when an intervention in terms of section 100 of the Constitution is taking place, on such conditions as it may determine, advance funds to a province in respect of its equitable share or a portion of it, which have not yet fallen due for transfer in accordance with the payment schedule. 35

(d) Any advances in terms of paragraph (c) must be set-off against transfers to the province, which would otherwise become due in terms of that payment schedule. 40

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

(b) Despite paragraph (a), when an intervention in terms of section 139 of the Constitution is taking place in a municipality, the National Treasury may after consultation with the accounting officer of the national department responsible for local government, 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— 45

- (i) 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; and
- (ii) 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. 5
- (c) Any advances in terms of paragraph (b) must be set-off against transfers to the municipality, which would otherwise become due in terms of the applicable payment schedule. 10
- (3) (a) The National Treasury must approve the payment schedules for Schedules 4, 5 and 6 allocations.
- (b) The transferring national officer of a Schedule 4, 5 or 6 allocation must submit a payment schedule to the National Treasury for approval before 14 April 2006.
- (c) Prior to the submission of a payment schedule in terms of paragraph (b) the transferring national officer must— 15
- (i) in relation to a Schedule 4 allocation, consult the relevant receiving officer;
- (ii) in relation to the Gautrain Rapid Rail Link allocation ensure that the payment schedule—
- (ua) is consistent with the projected dates for payments to the private party in terms of the public-private partnership agreement entered into by the relevant province in accordance with regulations issued under the Public Finance Management Act; and 20
- (bb) reflects the portion of any payments due under the agreement referred to in subparagraph (aa) payable from the allocation; and 25
- (iii) in relation to a Schedule 5 or 6 allocation, consult the relevant province or municipality.

Amendment of payment schedule

34. (1) Subject to subsection (2), a transferring national officer of a Schedule 4, 5 or 6 allocation must within three days of the withholding or stopping of an allocation in terms of section 18 or 19, amend a payment schedule as a result of the withholding or stopping of an allocation in terms of this Act. 30

(2) The National Treasury may, in the interest of better debt and cash-flow management or to deal with financial mismanagement or financial under performance, amend any payment schedule for an allocation listed in Schedule 2, 3, 4, 5 or 6 on notification to— 35

- (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, in the case of a local government allocation.

(3) A payment schedule amended 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. 40

(4) An amendment of a payment schedule in terms of subsection (2) prevails over any amendment made in terms of subsection (1). 45

Transfers to low capacity municipalities

35. 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 to the relevant province, for purposes of the proper administration of the allocation. 50

Transfers made in error

36. (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. 5

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

(4) Despite anything to the contrary contained in any law, the transfer of an allocation to a municipality, 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. 10

(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. 15

Allocations not listed in Schedules

37. (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). 20

(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.

Implementation of Cross-boundary Municipalities Laws Repeal and Related Matters Act, 2005

38. (1) (a) Despite section 5 of the Cross-boundary Municipalities Laws Repeal and Related Matters Act, 2005 (Act No. 23 of 2005), a province (the releasing province) from which a particular area is relocated at the commencement of the Constitution Twelfth Amendment Act of 2005, must continue to spend its allocations for the 2006/07 financial year made in terms of this Act, in that particular area as if that area was not reallocated to another province (the receiving province), unless the affected provinces have entered into an implementation protocol provided for in section 5 of that Act or any other agreement that ensures that the relocated area is not negatively affected. 25 30

(b) The transferring national officer of an allocation made in terms of this Act and the provincial treasury of the receiving province must monitor that the releasing province complies with paragraph (a); 35

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

(2) (a) The provisions of sections 18 and 19, with the necessary changes, apply where a releasing province fails to comply with subsection (1)(a) or (c) in respect of a Schedule 4, 5 or 6 allocation. 40

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

(3) The National Treasury may, where a releasing province fails to comply with subsection (1)(a) or (c), after complying with the provisions of section 216(3) of the Constitution, reallocate a portion of the releasing province's equitable share allocation referred to in section 4 to the receiving province. 45

(4) (a) The allocations referred to in sections 4(2) and 7(2) are subject to adjustments necessitated by the implementation of the Cross-boundary Municipalities Laws Repeal and Related Matters Act, 2005 (Act No. 23 of 2005). 50

(b) The transferring national officer of a Schedule 4, 5 or 6 allocation must by 15 September 2006 inform the National Treasury of any adjustments to the allocations referred to in section 7(2) that must be reflected in the Division of Revenue Act for the next financial year.

Implementation of changes to boundary, power or function of province or municipality 5

39. Despite anything to the contrary contained in any law, any changes to the boundary or the powers and functions of a province or municipality effected in terms of a power contained in any national or provincial legislation that impacts on the allocations made under this Act take effect at the commencement of the Division of Revenue Act for the next financial year only. 10

Preparations for next budget year

40. (1) (a) The receiving officer of a Provincial Infrastructure Grant must, by 31 July 2006, submit detailed five-year infrastructure budgets in a format determined by the National Treasury, to the provincial treasury. 15

(b) The five-year infrastructure budgets must indicate the prioritised projects to be funded from the allocations for the next financial year and the 2008/07 financial year as set out in column B of Schedule 4.

(c) The provincial treasury must review the infrastructure budgets of all receiving officers and submit the co-ordinated budgets to the National Treasury by 31 August 2006, together with the provincial budget submission. 20

(d) The provincial treasury must ensure that the capital budgets of the receiving departments include allocation for project design and initiation of procurement for projects to be implemented in 2007/08.

(2) The receiving officer of a Municipal Infrastructure Grant in a category C municipality, must, by 1 October 2006, certify to the National Treasury that its capital budget is co-ordinated with all category B municipalities located within that category C municipality. 25

(3) (a) The transferring national officer of a Schedule 4, 5 or 6 allocation must, by 15 November 2006, submit to the National Treasury for approval the draft frameworks for the allocations set out in column B of Schedules 4, 5 or 6 in the format to be determined by the National Treasury. 30

(b) Any proposed amendment or adjustment of the allocation criteria included in the draft frameworks referred to in paragraph (a) must be agreed with the National Treasury prior to the submission of the draft frameworks. 35

(c) The transferring national officer of a Schedule 4, 6 or 7 allocation must, by 15 January 2007, submit to the National Treasury the allocation payable to each municipality in the next financial year.

(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 allocation, as it may determine, at specified times prior to the start of the next financial year, 40

Expenditure prior to commencement of Division of Revenue Act, 2007

41. Despite sections 3(2), 7(2) and 8(2), if the annual Division of Revenue Act for the next financial year has not commenced before or on 1 April 2007, the National Treasury may, determine that an amount not exceeding 45 per cent of the total amount of each allocation made in terms of sections 3(1), 7(1) and 8(1) be transferred to the relevant province or municipality as a direct charge against the National Revenue Fund. 45

CHAPTER 7**GENERAL****Allocations by public entities to provinces or municipalities**

42. The accounting officer of a provincial department or municipality that receives funds from a public entity as a grant, sponsorship or donation, must disclose in its financial statements, the purpose and amount of each such grant, sponsorship or donation received. 5

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

43. (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. 10

(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. 15

(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). 20

Unauthorised and irregular expenditure

44. (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: 25

- (a) a transfer prohibited in terms of section 17(2) 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.

(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. 30

Financial misconduct

45. (1) Despite anything to the contrary contained in any law, any serious or persistent non-compliance with a provision of this Act constitutes financial misconduct. 35

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

Delegations and assignments

46. (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. 40

(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

47. (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

48. The Minister may, by notice in the *Gazette*, make regulations regarding— 20
- (a) anything which must or may be prescribed in terms of this Act; and
 - (b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act.

Repeal of laws

49. (1) Subject to subsections (2) and (3), the Division of Revenue Act, 2005 (Act No. 1 of 2005), is hereby repealed. 25

(2) The repeal of the Division of Revenue Act, 2005, does not affect any duty or obligation set out in that Act, the execution of which is still outstanding.

(3) (a) A municipality affected by a demarcation referred to in the Cross-boundary Municipalities Laws Repeal and Related Matters Act, 2005 (Act No. 23 of 2005), must, despite that demarcation and the repeal of the Division of Revenue Act, 2005 (Act No. 1 of 2005), spend allocations made under the last named Act in accordance with that municipality's budget for the 2005/06 municipal financial year in the geographical area that constituted that municipality immediately prior to that demarcation, until the commencement of the 2006/07 municipal financial year of the newly constituted municipality that is the successor-in-title of that municipality in terms of the first mentioned Act. 30 35

(b) Despite paragraph (a), all allocations payable to the Bohlabela District Municipality (CBDC4) in terms of the Division of Revenue Act, 2005, after 1 March 2006, must be transferred to the municipalities that are the successors-in-title of that municipality in terms of the Cross-boundary Municipalities Laws Repeal and Related Matters Act, 2005, (Act No. 23 of 2005), in accordance with the same criteria and formulae that informed the allocations to the Bohlabela District Municipality. 40

(c) The National Treasury must publish the allocations made to each successor-in-title municipality in accordance with paragraph (a), in the *Gazette*. 45

Short title and commencement

50. This Act is called the Division of Revenue Act, 2006, and takes effect on 1 April 2006 or the date of publication thereof by the President in the *Gazette* whichever is the later date.

SCHEDULE 1

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

Spheres of Government	Column A	Column B	
	2006/07	Forward Estimates	
	Allocation	2007/08	2008/09
	R'000	R'000	R'000
National ^{1,2}	303 914 040	331 396 159	361 393 252
Provincial	150 752 930	167 701 393	187 099 825
Local	180 579 40	200 756 20	22 774 167
TOTAL	472 724 910	519 173 772	571 267 844

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

SCHEDULE 2

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

Province	Column A	Column B	
	2006/07	Forward Estimates	
	Allocation	2007/08	2008/09
	R'000	R'000	R'000
Eastern Cape	24 642 653	27 188 826	30 091 474
Free State	9 595 367	10 566 691	11 665 775
Gauteng	23 361 686	26 071 807	29 189 980
KwaZulu-Natal	32 052 488	35 957 286	40 445 585
Limpopo	20 615 653	22 992 613	25 725 665
Mpumalanga	11 227 317	12 559 148	14 085 839
Northern Cape	3 451 507	3 790 085	4 174 210
North West	12 346 856	13 668 888	15 174 870
Western Cape	134 594 03	149 060 49	16 546 421
TOTAL	150 752 930	167 701 393	187 099 825

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE ANTICIPATED TO BE RAISED NATIONALLY

Number	Municipality	National Financial Year		
		Column A	Column B	
		2006/07 Allocation	Forward Estimates	
		2007/08	2008/09	
		R'000	R'000	R'000
EASTERN CAPE				
A	Nelson Mandela	487 471	559 509	634 872
B	EC101 Camdeboo	11 875	13 457	15 288
B	EC102 Blue Crane Route	12 857	14 390	16 337
B	EC103 Ikwezi	4 985	5 451	6 169
B	EC104 Makana	22 243	25 209	28 635
B	EC105 Ndlambe	18 451	20 847	23 683
B	EC106 Sundays River Valley	11 469	11 832	13 417
B	EC107 Baviaans	5 192	5 654	6 403
B	EC108 Kouga	16 313	18 354	20 897
B	EC109 Koukamma	9 478	10 357	11 765
C	DC10 Cacadu District Municipality	41 735	48 266	54 344
Total: Cacadu Municipalities		154 597	173 816	196 938
B	EC121 Mbashe	43 841	35 925	40 675
B	EC122 Mnquma	50 986	51 546	58 411
		10 069	10 860	12 303
B		28 417	31 199	35 349
B		213 344	240 947	274 585
B		19 470	21 235	24 050
B		29 592	32 677	37 021
B	EC128 Nxuba	6 732	7 356	8 339
C	DC12 Amatole District Municipality	239 569	277 603	313 970
Total: Amatole Municipalities		642 018	709 348	804 704
B	EC131 Inxuba Yethemba	13 033	14 657	16 647
B		8 114	8 681	9 811
B		5 769	6 198	7 016
B		34 974	39 015	44 241
B		37 913	31 816	35 986
B	EC136 Emalahleni	22 609	23 459	26 546
B	EC137 Engcobo	26 902	21 660	24 523
B	EC138 Sakhisizwe	11 369	12 320	13 967
C	DC13 Chris Hani District Municipality	120 018	136 275	154 660
Total: Chris Hani Municipalities		280 703	294 081	333 398
B	EC141 Elundini	28 578	23 288	26 352
B	EC142 Senqu	27 650	29 856	33 841
B	EC143 Maletswai	7 493	7 981	9 052
B	EC144 Gariep	7 922	8 700	9 872
C	DC14 Ukhahlamba District Municipality	57 631	62 886	71 303
Total: Ukhahlamba Municipalities		129 273	132 711	150 419
B	EC151 Mbizana	37 802	34 939	39 523
B	EC152 Ntabankulu	24 308	19 529	22 087
B	EC153 Qaukeni	41 215	34 047	38 536
B	EC154 Port St. Johns	25 726	20 770	23 490
B	EC155 Nyandeni	45 643	40 427	45 789
B	EC156 Mhlontlo	35 261	31 104	35 222
B	EC157 King Sabata Dalindyebo	55 092	57 873	65 827
C	DC15 O.R. Tambo District Municipality	190 354	202 672	230 039
Total: O.R Tambo Municipalities		455 400	441 362	500 513
B	EC05b2 Umzimvubu	66 629	50 864	37 097
B	EC05b3 Matatiele	18 598	32 798	37 502
C	DC44 Alfred Nzo District Municipality	73 495	66 190	70 414
Total: Alfred Nzo Municipalities		158 722	149 852	145 013
Total: Eastern Cape Municipalities		2 308 185	2 460 680	2 765 857

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE ANTICIPATED TO BE RAISED NATIONALLY

Number	Municipality	Column A	Column B		
		2006107 Allocation	Forward Estimates		
			2007108	2008109	
FREE STATE					
B	FS161	Letsemeng	16 455	18 635	21 169
B	FS162	Kopanong	28 863	33 381	37 926
B	FS163	Mohokare	16 658	18 892	21 447
C	DC16	Xhariep District Municipality	7 158	7 144	8 040
Total: Xhariep Municipalities			69 133	78 052	88 583
B	FS171	Naledi	12 258	13 799	15 664
B	FS172	Mangaung	196 823	225 540	257 555
B	FS173	Mantsopa	21 851	24 870	28 246
C	DC17	Motheo District Municipality	91 518	106 391	119 854
Total: Motheo Municipalities			322 451	370 599	421 319
B	FS181	Masilonyana	27 178	30 447	34 581
B	FS182	Tokologo	14 080	15 874	18 018
B	FS183	Tswelopele	19 863	22 478	25 524
B	FS184	Matjhabeng	143 647	166 141	189 403
B	FS185	Nala	44 769	51 633	58 649
C	DC18	Lejweleputswa District Municipality	53 531	63 198	71 257
Total: Lejweleputswa Municipalities			303 067	349 770	397 432
B	FS191	Setsoto	53 830	61 681	70 061
B	FS192	Dihlabeng	42 599	48 881	55 542
B	FS193	Nketoana	25 302	28 780	32 676
B	FS194	Maluti-a-Phofung	109 268	123 778	140 738
B	FS195	Phumelela	18 130	20 420	23 181
C	DC19	Thabo Mofutsanyana District Municipality	38 853	37 955	42 867
Total: Thabo Mofutsanyana Municipalities			287 982	321 495	365 065
B	FS201	Moqhaka	53 711	61 831	70 286
B	FS203	Ngwathe	50 453	58 402	66 321
B	FS204	Metsirnaholo	32 095	37 149	42 399
B	FS205	Mafube	24 873	28 562	32 429
C	DC20	Fezile Dabi District Municipality	78 264	89 557	100 826
Total: Fezile Dabi Municipalities			239 396	275 502	312 261
Total: Free State Municipalities			1 222 029	1 395 419	1 584 660

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE ANTICIPATED TO BE RAISED NATIONALLY

Number	Municipality	Column A	Column B		
		2006/07 Allocation	Forward Estimates		
			2007/08	2008/09	
GAUTENG					
A	Ekurhuleni	1 191 332	1 364 660	1 554 435	
A	City of Johannesburg	2 252 848	2 554 033	2 902 371	
A	City of Tshwane	1 002 650	1 095 231	1 245 871	
B	GT02b1	Nokeng tsa Taemane	12 036	13 182	15 034
B	GT02b2	Kungwini	29 080	32 677	37 259
C	DC46	Metsweding District Municipality	14 987	17 537	19 754
Total: Metsweding Municipalities		56 103	63 397	72 047	
B	GT421	Emfuleni	193 117		258 205
B	GT422	Midvaal	16 306		20 756
B	GT423	Lesedi	19 854	22 658	25 781
C	DC42	Sedibeng District Municipality	140 377	161 286	181 597
Total: Sedibeng Municipalities		369 654	428 194	486 339	
B	GT481	Mogale City	68 282	77 991	89 415
B	GT482	Randfontein	31 249	35 186	40 138
B	GT483	Westonaria	44 336	35 143	40 063
C	DC48	West Rand District Municipality	91 303	105 604	118 967
Total: West Rand Municipalities		235 169	253 924	288 583	
Total: Gauteng Municipalities		5 107 755	5 759 440	6 549 646	

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DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE ANTICIPATED TO BE RAISED NATIONALLY

Number	Municipality	National Financial Year		
		2006/07 Allocation	Column B Forward Estimates	
			2007/08	2008/09
KWAZULU-NATAL				
A	eThekweni	1 133 276	1 300 383	1 480 339
B	KZ211 Vulamehlo	14 893	11 343	12 832
B	KZ212 Umdoni	8 932	9 715	11 017
B	KZ213 Umzumbe	31 058	28 010	31 697
B	KZ214 uMuziwabantu	16 439	13 967	15 822
B	KZ215 Eziqolweni	10 490	8 271	9 368
B	KZ216 Hibiscus Coast	29 551	33 331	37 982
C	DC21 Ugu District Municipality	90 521	103 392	117 226
Total: Ugu Municipalities		201 884	208 028	235 943
B	KZ221 uMshwathi	20 499	18 500	20 964
B	KZ222 uMngeni	12 061	13 201	15 035
B	KZ223 Mooi Mpofana	7 446	7 524	8 542
B	KZ224 Impendle	7 957	7 470	8 449
B	KZ225 Msunduzi	119 512	136 640	155 965
B	KZ226 Mkhambathini	12 411	9 375	10 612
B	KZ227 Richmond	11 888	9 805	11 106
C	DC22 uMgungundlovu District Municipality	134 121	155 525	175 696
Total: uMgungundlovu Municipalities		325 895	358 040	406 370
B	KZ232 Emnambithi/Ladysmith	34 480	38 259	43 440
B	KZ233 Indaka	18 566	20 075	22 739
B	KZ234 Umtshezi	9 564	10 348	11 744
B	KZ235 Okhahlamba	21 449	20 253	22 946
B	KZ236 Imbabazane	19 817	21 571	24 431
C	DC23 Uthukela District Municipality	87 242	101 237	114 664
Total: Uthukela Municipalities		191 118	211 743	239 964
B	KZ241 Endumeni	8 564	9 512	10 816
B	KZ242 Nquthu	22 247	21 937	24 839
B	KZ244 Msinga	28 918	21 685	24 518
B	KZ245 Umvoti	16 708	13 808	15 646
C	DC24 Umzinyathi District Municipality	59 221	66 714	75 696
Total: Umzinyathi Municipalities		135 658	133 656	151 515
B	KZ252 Newcastle	90 042	105 278	119 853
B	KZ253 Utrecht	6 081	4 508	5 091
B	KZ254 Dannhauser	15 367	15 791	17 876
C	DC25 Amajuba District Municipality	40 702	47 293	53 433
Total: Amajuba Municipalities		152 192	172 871	196 252
B	KZ261 eDumbe	12 950	12 092	13 706
B	KZ262 uPhongolo	20 555	19 783	22 428
B	KZ263 Abaqulusi	24 242	26 234	29 728
B	KZ265 Nongoma	26 641	22 791	25 788
B	KZ266 Ulundi	29 703	26 089	29 517
C	DC26 Zululand District Municipality	87 541	99 825	113 256
Total: Zululand Municipalities		201 632	206 813	234 423

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DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE ANTICIPATED TO BE RAISED NATIONALLY

Number	Municipality	National Financial Year			
		2006/07 Allocation	Column B Forward Estimates		
			2007/08	2008/09	
B	KZ271	Umhlabuyalingana	22 222	16 750	18 941
B	KZ272	Jozini	28 026	22 669	25 644
B	KZ273	The Big Five False Bay	7 328	4 612	5 204
B	KZ274	Hlabisa	22 135	18 246	20 601
B	KZ275	Mtubatuba	6 419	5 582	6 323
C	DC27	Umkhanyakude Distnct Municipality	61 982	65 359	74 131
Total: Umkhanyakude Municipalities			148 112	133 218	150 845
B	KZ281	Mbonambi	16 077	14 266	16 129
B	KZ282	uMhlathuze	61 266	69 177	78 844
B	KZ283	Ntambanana	9 675	6 744	7 613
B	KZ284	Umlalazi	32 935	26 881	30 413
B	KZ285	Mthonjaneni	11 266	8 373	9 487
B	KZ286	Nkandla	22 302	16 136	18 239
C	DC28	uThungulu District Municipality	127 361	145 389	164 262
Total: uThungulu Municipalities			280 881	286 965	324 987
B	KZ291	eNdongakusuka	20 870	22 264	25 241
B	KZ292	KwaDukuza	22 271	24 814	28 407
B	KZ293	Ndwedwe	25 013	20 067	22 698
B	KZ294	Maphumulo	19 581	15 524	17 565
C	DC29	iLembe Distnct Municipality	833 151	96 042	108 802
Total: iLembe Municipalities			171 049	178 711	202 713
B	KZ5a1	Ingwe	19 139	16 191	18 328
B	KZ5a2	Kwa Sani	5 040	4 134	4 614
B	KZ5a4	Greater Kokstad	15 055	16 707	18 997
B	KZ5a5	Ubuhlebezwe	19 073	16 363	18 516
B	KZ5a6	Umzimkhulu	29 615	27 152	30 750
C	DC43	Sisonke Distnct Municipality	61 412	77 744	88 364
Total: Sisonke Municipalities			149 334	158 291	179 628
Total: KwaZulu-Natal Municipalities			3 091 031	3 348 717	3 802 979

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE ANTICIPATED TO BE RAISED NATIONALLY

Number	Municipality	Column A	Column B		
		2006/07 Allocation	Forward Estimates		
			2007/08	2008/09	
LIMPOPO					
B	NP03a2	Makhudutharnaga	44 113	48 238	57 836
B	NP03a3	Fetakgomo	16 531		
B	NP03a4	Greater Marble Hall	21 395	23 252	26 356
B	NP03a5	Greater Groblersdal	40 658	44 636	50 566
B	NP03a6	Greater Tubatse	41 826	42 889	48 579
Total: Greater Sekhukhune District Municipalities			289 322	312 693	354 385
B	NP331	Greater Giyani	43 469	44 836	50 794
B	NP332	Greater Letaba	41 303	44 888	50 876
B	NP333	Greater Tzaneen	61 813	68 130	77 510
B	NP334	Ba-Phalaborwa	20 208	21 266	24 125
B	NP335	Maruleng	18 437	17 740	20 084
C	DC33	Mopani Distnct Municipality	152 651	183 205	207 994
Total: Mopani Municipalities			337 880	380 065	431 383
B	NP341	Musina	9 917	10 601	12 047
B	NP342	Mutale	16 477	13 759	15 558
B	NP343	Thulamela	81 513	89 313	101 558
B	NP344	Makhado	73 824	81 514	92 708
C	DC34	Vhembe District Municipality	158 204	184 524	209 463
Total: Vhembe Municipalities			339 936	379 710	431 334
B	NP35 1	Blouberg	27 660	27 226	30 835
B	NP352	Aganang	24 760	25 239	28 552
B	NP353	Molemole			
B	NP354	Polokwane			
B	NP355	Lepelle-Nkurnpi			
C	DC35	Capricorn District Municipality	141 824	165 458	187 287
Total: Capricorn Municipalities			381 721	426 679	483 934
B	NP361	Thabazimbi	19 792	20 496	23 319
B	NP362	Lephalale	29 891	33 030	37 515
B	NP364	Mookgopong	7 955	8 500	9 656
B	NP365	Modimolle	18 671	20 525	23 344
B	NP366	Bela Bela	14 875	16 684	18 956
B	NP367	Mogalakwena	78 251	88 532	100 665
C	DC36	Waterberg District Municipality	47 545	55 803	62 918
Total: Waterberg Municipalities			216 979	243 572	276 374
Total: Limpopo Municipalities			1 565 837	1 742 719	1 977 410

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE ANTICIPATED TO BE RAISED NATIONALLY

Number	Municipality	National Financial Year			
		Column A	Column B		
		2006/07 Allocation	Forward Estimates		
		2007/08	2008/09		
MPUMALANGA					
B	MP301	Albert Luthuli	49 958	55 245	62 669
B	MP302	Msakaligwa	34 283	38 525	43 165
B	MP303	Mkhondo	31 210	34 080	38 677
B	MP304	Pixley Ka Seme	21 188	30 884	35 053
B	MP305	Lekwa	26 100	29 062	33 035
B	MP306	Dipaleseng	14 698	16 458	18 676
B	MP307	Govan Mbeki	65 331	73 988	84 466
C	DC30	Gert Sibande District Municipality			
Total: Gert Sibande Municipalities			398 568	449 381	508 984
B	MP311	Delmas	16 839	18 886	21 458
B	MP312	Emalahleni	60 811	68 104	77 899
B	MP313	Steve Tshwete	30 611	34 902	39 856
B	MP314	Emakhazeni	11 890	13 118	14 888
B	MP315	Thembisile	70 806	78 736	89 325
B	MP316	Dr JS Moroka	73 423	82 555	93 611
C	DC31	Nkangala District Municipality	188 428	215 278	242 003
Total: Nkangala Municipalities			452 809	511 580	579 039
B	MP321	Thaba Chweu	24 749	27 264	30 996
B	MP322	Mbombela	102 361	112 832	128 511
B	MP323	Umjindi	15 378	16 746	19 050
B	MP324	Nkomazi	81 926	90 335	102 717
B	MP325	Bushbuckridge	113 530	153 945	175 543
C	DC32	Ehlanzeni District Municipality	94 771	111 901	126 168
Total: Ehlanzeni Municipalities			432 714	513 022	582 986
Total: Mpumalanga Municipis			1 284 092	1 473 983	1 671 009

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE ANTICIPATED TO BE RAISED NATIONALLY

Number	Municipality	Column A	Column B	
		2006/07 Allocation	Forward Estimates	
			2007108	2008109
NORTHERN CAPE				
g		32 449	28 205	31 802
		71 846	80 038	90 651
	NC061 Richtersveld	40121	4 388	4 967
	NC062 Nama Khoi	11 044	12 419	14 101
B	NC064 Kamiesberg	4 098	4 465	5 044
B	NC065 Hantam	6 533	7 254	8 227
B	NC066 Karoo Hoogland	4 471	4 784	5 405
B	NC067 Khai-Ma	4 243	4 498	5 082
C	DC6 Namakwa District Municipality	18 221	20 557	23 126
Total: Namakwa Municipalities		52 622	58 364	65 952
B	NC071 Ubuntu	5 957	6 525	7 395
B	NC072 Umsobomvu	9 795	10 990	12 462
B	NC073 Emthanjeni	11 598	13 130	14 898
B	NC074 Kareeberg	3 954	4 292	4 858
B	NC075 Renosterberg	4 887	5 340	6 033
B	NC076 Thembelihle	4 671	5 056	5 718
B	NC077 Siyathemba	6 440	7 210	8 174
B	NC078 Siyancuma	10 763	11 881	13 490
		14 647	16 724	18 821
		72 711	81 149	91 850
B	NC081 Mier	3 333	3 216	3 627
B	NC082 !Kai! Garib	15 213	15 929	18 126
B	NC083 //Khara Hais	16 888	19 432	22 107
B	NC084 !Kheis	5 195	5 523	6 246
B	NC085 Tsantsabane	9 174	9 557	9 637
		4 807	5 308	6 017
		26 290	29 649	33 389
y p		80 901	88 612	99 150
		50 356	58 016	66 244
		14 344	16 044	18 197
		9 351	10 526	11 935
		20 471	23 045	26 179
C	DC9 Frances Baard District Municipality	45 909	52 701	59 314
Total: Frances Baard Municipalities		140 432	160 332	181 868
Total: Northern Cape Municipalities		424 513	468 496	529 471

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DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE ANTICIPATED TO BE RAISED NATIONALLY

Number	Municipality	National Financial Year			
		Column A	Column B		
		2006/07 Allocation	Forward Estimates		
		2007/08	2008/09		
NORTH WEST					
B	NW371	Moretele	47 984	53 117	60 218
B	NW372	Madibeng	88 000	98 600	112 279
B	NW373	Rustenburg	87 839	92 464	105 694
B	NW374	Kgetlengrivier	13 363	14 978	17 007
B	NW375	Moses Kotane	72 634	81 570	92 558
C	DC37	Bojanala Platinum District Municipality	139 081	161 441	181 845
Total: Bojanala Platinum Municipalities			448 901	502 170	569 601
B	NW381	Ratlou	20 179	22 079	25 006
B	NW382	Tswaing	19 625	21 531	24 410
B	NW383	Mafikeng	37 640	42 446	48 334
B	NW384	Ditsobotla	24 546	27 018	30 655
B	NW385	Zeerust	24 673	26 979	30 573
C	DC38	Central District Municipality	151 124	174 893	197 987
Total: Central Municipalities			277 787	314 946	356 965
B	NW391	Kagisano	18 837	19 275	21 806
B	NW392	Naledi	11 034	12 181	13 830
B	NW393	Mamusa	10 052	10 952	12 423
B	NW394	Gaster Taung	30 600	32 911	37 246
B	NW395	Molopo	4 509	4 041	4 552
B	NW396	Lekwa-Teemane	8 945	9 743	11 063
C	DC39	Bophirima District Municipality	72 694	83 935	95 142
Total: Bophirima Municipalities			156 671	173 038	196 062
B	NW401	Ventersdorp	14 585	16 302	18 504
B	NW402	Potchefstroom	28 189	32 404	37 050
B	NW403	Klerksdorp	111 882	128 716	146 924
B	NW404	Maquassi Hills	24 000	27 198	30 891
B	NW405	Merafong City	68 625	63 499	72 771
C	DC40	Southern District Municipality	72 047	85 364	96 252
Total: Southern Municipalities			319 328	353 483	402 391
Total: North West Municipalities			1 202 687	1 343 637	1 525 019

SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE ANTICIPATED TO BE RAISED NATIONALLY

Number	Municipality	National Financial Year		
		Column A	Column B	
		2006/07 Allocation	Forward 2007/08	Estimates 2008/09
WESTERN CAPE				
A	City of Cape Town	1 280 807	1 435 058	1 634 485
B	WC011 Matzikama	10 831	12 158	13 859
B	WC012 Cederberg	9 151	10 044	11 414
B	WC013 Bergrivier	7 790	8 587	9 783
B	WC014 Saldanha Bay	12 215	13 859	15 850
B	WC015 Swartland	9 352	10 217	11 688
C	DC1 West Coast District Municipality	43 320	50 172	56 527
Total: West Coast Municipalities		92 659	105 037	119 120
B	WC022 Witzenberg	15 169	16 757	19 080
E	WC023 Drakenstein	24 230	27 748	31 955
B	WC024 Stellenbosch	15 111	17 168	19 798
B	WC025 Breede Valley	21 672	24 800	28 416
B	WC026 Breede River Winelands	16 919	19 144	21 792
C	DC2 Cape Winelands District Municipality	127 434	145 358	163 641
Total: Cape Winelands Municipalities		220 535	250 976	284 681
B	WC031 Theewaterskloof	17 618	19 709	22 463
B	WC032 Overstrand	13 018	14 873	16 964
B	WC033 Cape Agulhas	5 862	6 636	7 543
B	WC034 Swellendam	6 700	7 423	8 426
C	DC3 Overberg District Municipality	24 681	28 538	32 115
Total: Overberg Municipalities		67 879	77 178	87 511
B	WC041 Kannaland	6 725	7 372	8 357
B	WC042 Hessequa	9 450	10 777	12 249
B	WC043 Mossel Bay	14 269	16 356	18 654
B	WC044 George	24 568	28 454	32 635
B	WC045 Oudtshoorn	14 434	16 383	18 633
B	WC047 Bitou	8 382	9 530	10 844
B	WC048 Knysna	11 253	12 756	14 537
C	DC4 Eden District Municipality	74 734	86 282	97 204
Total: Eden Municipalities		163 815	187 911	213 113
B	WC051 Laingsburg	3 190	3 383	3 815
B	WC052 Prince Albert	3 597	3 783	4 271
B	WC053 Beaufort West	9 434	10 657	12 093
C	DC5 Central Karoo District Municipality	9 897	8 548	9 626
Total: Central Karoo Municipalities		26 117	26 371	29 804
Total: Western Cape Municipalities		1 851 811	2 082 530	2 368 715
National Total		18 057 940	20 075 620	22 774 767

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	
					2006/07 Allocation	R'000	2007/08	R'000
Agriculture (Vote 25)	Comprehensive Agricultural Support Programme	To expand the provision of agricultural support services and promote and facilitate agricultural development.	General conditional allocation to provinces	Eastern Cape	57 061	69 838	73 190	
				Free State	25 306	38 084	39 912	
				Gauteng	6 873	19 651	20 594	
				KwaZulu-Natal	55 524	68 301	71 579	
				Limpopo	50 143	62 921	65 941	
				Mpumalanga	28 355	41 133	43 107	
				Northern Cape	15 777	28 555	29 926	
				North West	40 313	53 091	55 639	
				Western Cape	20 648	33 426	35 030	
				TOTAL	300 000	415 000	434 918	
Health (Vote 16)	(a) Health Professions Training and Development	To support the training and development of health professionals.	Nationally assigned function to provinces	Eastern Cape	127 566	133 944	140 641	
				Free State	92 517	97 143	102 000	
				Gauteng	554 039	581 741	610 828	
				KwaZulu-Natal	192 373	201 992	212 092	
				Limpopo	72 411	76 032	79 834	
				Mpumalanga	54 363	57 081	59 935	
				Northern Cape	41 069	43 122	45 278	
				North West	62 564	65 692	68 977	
				Western Cape	323 278	339 442	356 414	
				TOTAL	1 520 180	1 596 189	1 675 999	
	(b) National Tertiary Services	To fund provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives.	Nationally assigned function to provinces	Eastern Cape	374 203	392 913	412 559	
				Free State	458 043	480 945	504 992	
				Gauteng	1 866 094	1 959 399	2 057 369	
				KwaZulu-Natal	732 167	768 078	806 482	
				Limpopo	71 579	71 648	75 230	
				Mpumalanga	44 757	46 995	49 345	
				Northern Cape	92 286	107 975	113 374	
				North West	69 380	70 509	74 034	
				Western Cape	1 272 640	1 322 744	1 388 881	
				TOTAL	4 981 149	5 221 206	5 482 266	

SCHEDULE 4

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

Vote	Name of project	Purpose	Type of allocation	Province	Column A		Column B	
					2006/07 Allocation	2007/08	Forward Estimates	2008/09
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.	Nationally assigned function to provinces	Gauteng	R'000 8 000	R'000 -	R'000 -	
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 allocation to provinces	TOTAL Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape TOTAL	8 000 742 057 242 678 407 745 870 486 729 464 316 596 201 733 354 373 252 987 4 118 119	- 984 943 438 423 406 127 1 120 474 830 980 410 263 279 241 496 918 356 656 5 324 025	- 1 055 321 469 935 432 411 1 197 518 891 221 438 718 299 098 531 737 380 748 5 696 707	

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SCHEDULE 4

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

Vote	Name of allocation	Purpose	Column A		Column B	
			2006/07 Allocation	2007/08	Forward Estimates 2008/09	
Provincial and Local Government (Vote 5)	Municipal Infrastructure Grant (MIG)	To supplement municipal capital budgets to fund backlogs in municipal infrastructure required for the provision of basic services primarily for poor households.	R'000 6 265 300	R'000 7 148 564	R'000 8 053 090	
		TOTAL	6 265 300	7 148 564	8 053 090	

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2006/07 Allocation	Forward Estimates	2008/09
					R'000	R'000	R'000
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 allocation	Eastern Cape	6 675	7 010	7 345
				Free State	3 115	3 270	3 428
				Gauteng	3 115	3 270	3 428
				KwaZulu-Natal	6 675	7 010	7 345
				Limpopo	7 565	7 943	8 325
				Mpumalanga	4 005	4 205	4 407
				Northern Cape	5 785	6 075	6 366
				North West	4 450	4 672	4 897
				Western Cape	3 115	3 270	3 428
				TOTAL	44 500	46 725	48 969
Education (Vote 15)	(a) Further Education and Training College Sector Recapitalisation	To recapitalise the public Further Education and Training colleges to improve their capacity to contribute to skills development training in the country.	Conditional allocation	Eastern Cape	61 000	79 000	115 550
				Free State	30 000	36 000	52 200
				Gauteng	106 000	135 000	168 080
				KwaZulu-Natal	90 000	115 000	162 930
				Limpopo	43 000	68 000	113 245
				Mpumalanga	32 000	40 000	37 500
				Northern Cape	10 000	8 000	7 620
				North West	28 000	34 000	60 570
				Western Cape	70 000	80 000	77 305
				TOTAL	470 000	595 000	795 000
	(b) HIV and Aids (Life Skills Education)	To promote HIV and Aids and life skills education in primary and secondary schools.	Conditional allocation	Eastern Cape	25 113	26 369	28 144
				Free State	8 424	8 845	9 440
				Gauteng	20 012	21 013	22 427
				KwaZulu-Natal	32 994	34 644	36 976
				Limpopo	21 594	22 673	24 199
				Mpumalanga	10 936	11 483	12 256
				Northern Cape	2 457	2 580	2 754
				North West	11 071	11 624	12 406
				Western Cape	11 870	12 464	13 303
				TOTAL	144 471	151 695	161 905

SCHEDULE 5
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2006/07 Allocation	2007/08	2008/09	Forward Estimates
Education (Vote 15)	National School Nutrition Programme	To contribute to enhanced learning capacity through school feeding.	C	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	233 882	245 576	257 634	257 634
				Gauteng	64 784	68 023	77 876	77 876
				KwaZulu-Natal	99 921	104 917	122 298	122 298
				Limpopo	239 372	251 341	273 878	273 878
				Mpumalanga	202 039	212 141	222 558	222 558
				Northern Cape	84 549	88 777	93 136	93 136
				North West	29 647	31 129	32 657	32 657
				Western Cape	95 529	100 305	105 230	105 230
				TOTAL	48 313	50 729	53 220	53 220
Health (Vote 16)	Comprehensive HIV and Aids	To enable the health sector to develop an effective response to the HIV and Aids epidemic and other matters.	Conditional allocation	TOTAL	998 036	1 152 938	1 238 487	1 238 487
				Eastern Cape	218 021	228 922	241 421	241 421
				Free State	142 265	149 378	157 534	157 534
				Gauteng	252 695	265 330	279 817	279 817
				KwaZulu-Natal	344 304	361 519	381 258	381 258
				Limpopo	175 861	184 654	194 736	194 736
				Mpumalanga	107 479	112 853	119 015	119 015
				Northern Cape	68 603	72 033	75 966	75 966
				North West	142 316	149 432	157 591	157 591
				Western Cape	115 670	121 454	128 085	128 085
TOTAL	567 214	1 645 575	1 735 423	1 735 423				
(D) Forensic pathology Services		To provide for the transitional activities required and to initiate the development and provision of a comprehensive Forensic Pathology Service (FPS) in order to ensure impartial professional evidence for the criminal justice system concerning death due to unnatural causes.	D	Eastern Cape	79 994	69 273	59 447	59 447
				Free State	41 494	30 422	31 198	31 198
				Gauteng	76 752	79 428	74 086	74 086
				KwaZulu-Natal	126 568	149 671	126 439	126 439
				Limpopo	38 385	41 930	34 423	34 423
				Mpumalanga	40 307	49 893	41 037	41 037
				Northern Cape	23 631	21 396	16 127	16 127
				North West	29 440	29 945	28 586	28 586
				Western Cape	68 605	79 425	55 535	55 535
				TOTAL	525 176	551 383	466 878	466 878

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Type of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2006/07 Allocation	2007/08	Forward Estimates	2008/09
Health (Vote 16)	(c) Hospital Revitalisation	To provide funding to enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals and to transform hospital management and improve quality of care in line with national policy objectives.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	105 318	139 945	154 508	154 508
				Gauteng	45 673	50 838	50 706	50 706
				KwaZulu-Natal	327 525	431 732	652 681	652 681
				Limpopo	205 171	316 325	479 424	479 424
				Mpumalanga	48 247	66 908	55 487	55 487
				Northern Cape	53 477	74 263	62 840	62 840
				North West	313 649	334 425	218 951	218 951
				Western Cape	190 884	184 296	183 822	183 822
				TOTAL	1 439 647	1 706 629	1 982 663	1 982 663
Housing (Vote 28)	Integrated housing and human settlement Development	To finance the implementation of National Housing programmes, and to facilitate habitable, stable and sustainable human settlements.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	761 994	952 554	1 046 566	1 046 566
				Gauteng	522 601	653 293	717 770	717 770
				KwaZulu-Natal	1 757 666	2 197 223	2 414 079	2 414 079
				Limpopo	1 048 376	1 310 555	1 439 900	1 439 900
				Mpumalanga	521 331	651 705	716 025	716 025
				Northern Cape	421 002	526 286	578 228	578 228
				North West	104 774	130 976	143 903	143 903
				Western Cape	613 405	766 806	842 485	842 485
				TOTAL	598 800	748 548	822 426	822 426
Recreation South Africa (Vote 19)	Mass sport and recreation participation Programme	To initiate promotion of mass participation within disadvantaged communities in a selected number of sport activities and the empowerment of communities to manage these activities.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	17 060	22 893	31 498	31 498
				Gauteng	9 780	11 820	14 880	14 880
				KwaZulu-Natal	16 820	22 461	30 904	30 904
				Limpopo	21 300	30 524	41 997	41 997
				Mpumalanga	14 820	18 862	25 951	25 951
				Northern Cape	10 020	12 150	15 345	15 345
				North West	6 200	6 920	8 000	8 000
				Western Cape	10 900	13 360	17 050	17 050
				TOTAL	2 100	15 010	19 375	19 375
Transport (Vote 33)	Gautrain Kapia Rail Link	National government contribution to the Gauteng Provincial Government for the construction of the Gautrain Rapid Rail network.	Conditional allocation	Gauteng	R'000	R'000	R'000	R'000
				3 231 000	2 151 300	1 736 000	1 736 000	
TOTAL	3 241 000	2 151 000	1 736 000	1 736 000				

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SCHEDULE 5: FURTHER EDUCATION AND TRAINING COLLEGE SECTOR RECAPITALISATION FANT

Vote	Name of allocation	Province	Further Education and Training Colleges	Column A	Column B	
				2006/07 Allocation	Forward Estimates	2007/08
Education (Vote 15)	Further Education and Training College Sector Recapitalisation	Eastern Cape	Buffalo City	R'000 14 000	15 000	
			E Cape Midlands	9 000	11 000	
			Ikhala College	6 000	9 000	
			Ingwe College	2 000	6 000	
			King Hintsa College	2 000	6 000	
			King Sabata College	5 000	7 000	
			Lovedale College	10 000	10 000	
			Port Elizabeth College	13 000	15 000	
		TOTAL	61 000	79 000	115 550	
		Free State	Flavius Mareka College	600	7 000	10 570
			Goldfields College	1000	11 000	11 530
			Matuti College	600	7 000	16 100
			Motheo College	900	11 000	14 000
		TOTAL	30 000	36 000	52 200	
		Gauteng	Central Johannesburg	15 000	18 000	20 460
Ekhuruleni West	18 000		20 000	21 590		
Ekhuruleni East	13 000		17 000	25 700		
Sedibeng	11 000		14 000	19 900		
South West College	12 000		15 000	19 530		
Tshwane South	20 000		23 000	26 120		
Tshwane North	14 000		20 000	23 650		
Western College	3 000	8 000	11 130			
TOTAL	106 000	135 000	168 080			

SCHEDULE 5: FURTHER EDUCATION AND TRAINING COLLEGE SECTOR RECAPITALISATION GRANT

Vote	Name of allocation	Provincie	Further Education and Training Colleges	Column A		Column B		
				2006/07 Allocation		Forward Estimates		
				R'000	R'000	2006/08	2006/09	
	Further Education and Training College Sector Recapitalisation	KwaZulu-Natal	Coastal College	18 000	19 000	18 000	18 000	
			Esayidi College	14 000	15 000	20 615	20 615	
			Majuba College	16 000	17 000	16 100	16 100	
			Mnambithi College	3 000	6 000	13 530	13 530	
			Mthashana College	2 000	10 000	18 180	18 180	
			Sivananda College	10 000	11 000	20 715	20 715	
			Thekwini College	3 000	9 000	13 400	13 400	
			Umfolozzi College	15 000	18 000	21 000	21 000	
			Umgungundlovu College	9 000	10 000	21 390	21 390	
			TOTAL		115 000	115 000	162 930	
				Limpopo	Capricorn College	11 000	16 000	28 650
		Lephalale College	5 000		8 000	9 880	9 880	
		Letaba College	6 000		11 000	13 490	13 490	
		Mopani College	6 000		12 000	21 500	21 500	
		Sekukhune College	4 000		9 000	19 950	19 950	
		Vhembe College	5 000		2 000	3 495	3 495	
		Waterberg College	6 000		10 000	16 280	16 280	
		TOTAL	43 000	68 000	113 245			
		Mpumalanga	Ehlanzeni College	8 000	10 000	0 410	0 410	
			Gert Sibande College	7 000	11 000	0 190	0 190	
			Nkangala College	17 000	19 000	1 900	1 900	
		TOTAL	32 000	40 000	37 500			
		Northern Cape	Rural College	5 000	5 000	5 000	5 000	
			Urban College	5 000	3 000	2 620	2 620	
		TOTAL	10 000	8 000	7 620			

SCHEDULE 5: FURTHER EDUCATION AND TRAINING COLLEGE SECTOR RECAPITALISATION GRANT

Vote	Name of allocation	Province	Further Education and Training Colleges	Column A		Column B			
				2006/07 Allocation	2007/08	2008/09	Forward Estimates		
Education (Vote 15)	Further Education and Training College Sector Recapitalisation	North West	Orbit College	R'000	R'000	R'000			
			Taletso College	11 000	12 000	22 890			
			Vuselela College	7 000	10 000	14 670			
					TOTAL	28 000	34 000	60 570	
		Western Cape	Boland College	11 000	12 000	14 140			
			Cape Town College	16 000	17 000	6 425			
			False Bay College	13 000	14 000	15 520			
			Northink College	15 000	16 000	9 850			
			South Cape College	10 000	13 000	18 300			
			West Coast College	5 000	8 000	13 070			
			TOTAL	77 000	80 000	77 305			

SCHEDULE 6

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A		Column B	
			2006/07 Allocation	2007/08	Forward Estimates	2008/09
RECURRENT GRANTS						
Provincial and Local Government (Vote 5)	Municipal Systems Improvement	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems.	R'000 200 000	N'000 200 000	R'000 200 000	200 000
National Treasury (Vote 8)	(a) Local Government Financial Management	To promote and support reforms to financial management and the implementation of the Municipal Finance Management Act.	145 250	145 250	150 000	150 000
	(b) Local Government Restructuring	To support municipal restructuring initiatives of large municipalities.	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.	500 000	550 000	600 000	600 000
			TOTAL	1 195 250	1 245 250	950 000
INFRASTRUCTURE GRANTS						
Minerals and Energy (Vote 30)	National Electrification Programme	To implement the National Electrification Programme by providing capital subsidies to municipalities to address electrification backlogs of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.	9 1 0	406 627	457 637	457 637
Transport (Vote 33)	Public Transport Infrastructure and Systems	To provide for accelerated planning, establishment, construction and improvement of new and existing public transport and non-motorized transport infrastructure and systems.	519 000	624 000	1 790 000	1 790 000
			TOTAL	910 130	1 030 627	2 247 637

SCHEDULE 7

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A		Column B	
			2006/07 Allocation R'000	2007/08 R'000	Forward Estimates 2008/09 R'000	
National Treasury (Vote 8)	(a) Local Government: Financial Management	To promote and support reforms to financial management and the implementation of the Municipal Finance Management Act.	53 407	53 67	50 000	
	(b) Local Neighbourhood Development Partnership	To provide municipalities with technical assistance to develop appropriate project proposals for property developments in townships and new residential neighbourhoods that include the construction or upgrading of community facilities, and where appropriate attract private sector funding and input.	50 000	950 00	1 00 000	
Minerals and Energy (Vote 30)	National Electrification Programme	To implement the National Electrification Programme by providing capital subsidies to Eskom to address electrification backlogs of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.	1 97 165	1 016 53	1 142 58	
Water Affairs and Forestry (Vote 34)	Water Services Operating Subsidy (Augmentation to the Water Trading Account)	To augment the national Department of Water Affairs and Forestry's trading account to subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department.	490 500	490 00	50 00	
TOTAL			1 51 672	2 509 515	3 23 265	