

REPUBLIC OF SOUTH AFRICA

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# **DIVISION OF REVENUE AMENDMENT BILL**

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*(As introduced in the National Assembly (proposed section 76); explanatory summary of  
Bill published in Government Gazette No. 34679 of 13 October 2011)  
(The English text is the official text of the Bill)*

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(MINISTER OF FINANCE)

**[B 17—2011]**

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# BILL

**To amend the Division of Revenue Act, 2011, so as to provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2011/12 financial year and the responsibilities of all spheres of government 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;

**WHEREAS** the Division of Revenue Act, 2011 (Act No. 6 of 2011), gives effect to section 214(1) of the Constitution in respect of the 2011/12 financial year;

**AND WHEREAS** section 12(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), requires that the Minister of Finance must table a Division of Revenue Amendment Bill with the revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act for the relevant year,

**B**E IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows:—

## Substitution of Schedules to Act 6 of 2011

**1.** Schedules 1 to 9 of this Act are hereby substituted for Schedules 1 to 9 of the Division of Revenue Act, 2011 (Act No. 6 of 2011), respectively.

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## Short title and commencement

**2.** This Act is called the Division of Revenue Amendment Act, 2011, and takes effect on the date of publication thereof by the President in the *Gazette*.

### SCHEDULE 1

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

Spheres of Government	Column A	Column B	
	2011/12 Allocation	Forward Estimates	
		2012/13	2013/14
	R'000	R'000	R'000
National <sup>1,2</sup>	562 174 845	624 832 817	689 463 889
Provincial	291 735 509	305 725 449	323 604 408
Local	34 107 901	37 573 396	39 960 288
<b>TOTAL</b>	<b>888 018 255</b>	<b>968 131 662</b>	<b>1 053 028 585</b>

1. National share includes conditional allocations to provincial and local spheres, general fuel levy sharing with metropolitan municipalities, debt service cost and the contingency reserve.

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

### SCHEDULE 2

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

Province	Column A	Column B	
	2011/12 Allocation	Forward Estimates	
		2012/13	2013/14
	R'000	R'000	R'000
Eastern Cape	44 644 170	46 495 024	48 931 829
Free State	17 722 579	18 430 860	19 363 325
Gauteng	50 967 615	53 973 066	57 699 363
KwaZulu-Natal	63 584 195	66 877 612	70 992 966
Limpopo	36 793 208	38 104 133	39 884 915
Mpumalanga	23 662 205	24 570 021	25 786 476
Northern Cape	7 827 173	8 207 056	8 688 325
North West	19 481 922	20 562 274	21 912 710
Western Cape	27 052 442	28 505 403	30 344 499
<b>TOTAL</b>	<b>291 735 509</b>	<b>305 725 449</b>	<b>323 604 408</b>

## SCHEDULE 3

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

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

## SCHEDULE 3

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

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



## SCHEDULE 3

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

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

## SCHEDULE 3

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

		National Financial Year		
Number	Municipality	Column A	Column B	
		2011/12 Allocation	Forward Estimates	
			2012/13	2013/14
		R'000	R'000	R'000
<b>KWAZULU-NATAL</b>				
A	ETH eThekweni	1 595 941	1 773 889	1 891 834
B	KZN211 Vulamehlo	31 146	34 452	36 712
B	KZN212 Umdoni	24 104	26 677	28 423
B	KZN213 Umzumbe	76 198	84 283	89 808
B	KZN214 UMuziwabantu	38 288	42 368	45 149
B	KZN215 Ezinqoleni	23 010	25 457	27 127
B	KZN216 Hibiscus Coast	76 844	85 416	91 051
C	DC21 Ugu District Municipality	235 738	260 342	278 485
<b>Total: Ugu Municipalities</b>		<b>505 328</b>	<b>558 995</b>	<b>596 755</b>
B	KZN221 uMshwathi	49 180	54 362	57 915
B	KZN222 uMngeni	30 559	33 938	36 175
B	KZN223 Mpofana	19 485	21 553	22 962
B	KZN224 Impendle	21 087	23 335	24 868
B	KZN225 Msunduzi	304 835	339 004	361 409
B	KZN226 Mkhambathini	24 863	27 485	29 282
B	KZN227 Richmond	25 849	28 573	30 440
C	DC22 Umgungundlovu District Municipality	286 019	314 348	338 703
<b>Total: Umgungundlovu Municipalities</b>		<b>761 877</b>	<b>842 598</b>	<b>901 755</b>
B	KZN232 Emnambithi/Ladysmith	93 368	103 324	110 079
B	KZN233 Indaka	53 002	58 621	62 458
B	KZN234 Umtshezi	25 843	28 630	30 510
B	KZN235 Okhahlamba	55 031	60 875	64 865
B	KZN236 Imbabazane	57 268	63 321	67 462
C	DC23 Uthukela District Municipality	229 471	253 506	270 913
<b>Total: Uthukela Municipalities</b>		<b>513 982</b>	<b>568 277</b>	<b>606 286</b>
B	KZN241 Endumeni	27 416	30 369	32 368
B	KZN242 Nguthu	62 785	69 485	74 053
B	KZN244 Msinga	61 218	67 731	72 182
B	KZN245 Umvoti	36 785	40 689	43 354
C	DC24 Umzinyathi District Municipality	160 451	177 410	189 546
<b>Total: Umzinyathi Municipalities</b>		<b>348 655</b>	<b>385 683</b>	<b>411 503</b>
B	KZN252 Newcastle	244 400	270 655	288 355
B	KZN253 Emadlangeni	12 256	13 549	14 436
B	KZN254 Dannhauser	42 091	46 545	49 591
C	DC25 Amajuba District Municipality	88 571	97 343	104 815
<b>Total: Amajuba Municipalities</b>		<b>387 318</b>	<b>428 091</b>	<b>457 198</b>

## SCHEDULE 3

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

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



## SCHEDULE 3

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

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

## SCHEDULE 3

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

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

## SCHEDULE 3

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

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

## SCHEDULE 3

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

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



## SCHEDULE 3

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

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



**SCHEDULE 4**

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
<b>Agriculture, Forestry and Fisheries (Vote 26)</b>	Comprehensive Agricultural Support Programme Grant	To expand the provision of agricultural support services, promote and facilitate agricultural development by targeting smallholder and previously disadvantaged farmers.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000
				Free State	174 985	195 209	223 523
				Gauteng	102 932	114 829	131 484
				KwaZulu-Natal	41 173	45 931	52 594
				Limpopo	164 691	183 726	210 375
				Mpumalanga	154 398	172 243	197 226
				Northern Cape	102 932	114 829	131 484
				North West	72 052	80 380	92 039
				Western Cape	143 888	149 277	170 930
				<b>TOTAL</b>	<b>82 346</b>	<b>91 863</b>	<b>105 188</b>
<b>Basic Education (Vote 15)</b>	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education; to enhance capacity to deliver infrastructure in education; and to repair schools affected by flooding.	General conditional allocation to provinces	Eastern Cape	1 039 397	1 148 287	1 314 843
				Free State	1 093 335	1 058 635	1 116 860
				Gauteng	425 256	458 483	483 699
				KwaZulu-Natal	461 011	508 633	536 608
				Limpopo	1 175 956	1 270 878	1 340 777
				Mpumalanga	897 937	865 485	913 086
				Northern Cape	476 481	463 237	488 715
				North West	289 158	317 450	334 909
				Western Cape	473 927	515 812	544 182
				<b>TOTAL</b>	<b>385 039</b>	<b>424 558</b>	<b>447 909</b>
<b>Health (Vote 16)</b>	(a) Health Infrastructure Grant	To supplement provincial funding of health infrastructure to accelerate the provision of health facilities and ensure proper maintenance of provincial health infrastructure.	General conditional allocation to provinces	Eastern Cape	5 678 300	5 883 171	6 206 745
				Free State	300 264	327 673	345 695
				Gauteng	131 717	141 911	149 716
				KwaZulu-Natal	142 694	157 434	166 093
				Limpopo	358 471	393 367	415 002
				Mpumalanga	270 802	267 888	282 622
				Northern Cape	146 368	143 383	151 269
				North West	89 501	98 258	103 662
				Western Cape	145 466	159 656	168 437
				<b>TOTAL</b>	<b>119 179</b>	<b>131 411</b>	<b>138 638</b>
				<b>TOTAL</b>	<b>1 704 462</b>	<b>1 820 981</b>	<b>1 921 134</b>

**SCHEDULE 4**

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
					R'000	R'000	R'000
<b>Health (Vote 16)</b>	(b) Health Professions Training and Development Grant	Support provinces to fund service costs associated with training of health professionals; development and recruitment of medical specialists in underserved provinces; and support and strengthen undergraduate and postgraduate training processes in health facilities.	Nationally assigned function to provinces	Eastern Cape	170 071	178 730	188 560
				Free State	124 444	130 930	138 131
				Gauteng	690 803	725 310	765 202
				KwaZulu-Natal	249 917	261 860	276 262
				Limpopo	99 730	103 913	109 628
				Mpumalanga	80 718	85 208	89 894
				Northern Cape	65 510	68 583	72 356
				North West	88 323	93 522	98 666
				Western Cape	407 794	428 120	451 667
				<b>TOTAL</b>	<b>1 977 310</b>	<b>2 076 176</b>	<b>2 190 366</b>
	(c) National Tertiary Services Grant	To compensate tertiary facilities for the additional costs associated with spill over effects; and to ensure adequate provision of tertiary health services for all South African citizens.	Nationally assigned function to provinces	Eastern Cape	609 327	660 693	698 110
				Free State	715 204	769 964	800 000
				Gauteng	2 759 968	2 933 361	3 100 895
				KwaZulu-Natal	1 201 831	1 303 824	1 408 053
				Limpopo	267 314	277 314	287 314
				Mpumalanga	91 879	105 970	120 270
				Northern Cape	235 948	245 948	255 948
				North West	194 280	209 280	224 280
				Western Cape	1 973 127	2 182 468	2 494 337
				<b>TOTAL</b>	<b>8 048 878</b>	<b>8 688 822</b>	<b>9 389 207</b>
<b>Higher Education and Training (Vote 17)</b>	Further Education and Training Colleges Grant	To ensure the successful transfer of the further education and training colleges function to the national Department of Higher Education and Training.	General conditional allocation to provinces	Eastern Cape	634 009	681 826	761 118
				Free State	295 075	314 461	346 682
				Gauteng	1 023 222	1 101 754	1 233 994
				KwaZulu-Natal	765 537	828 470	939 709
				Limpopo	495 566	531 141	590 206
				Mpumalanga	321 840	341 147	370 651
				Northern Cape	66 640	75 558	89 875
				North West	238 751	254 511	280 449
				Western Cape	534 671	576 220	649 704
				<b>TOTAL</b>	<b>4 375 311</b>	<b>4 705 088</b>	<b>5 262 388</b>

**SCHEDULE 4**

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
					R'000	R'000	R'000
<b>National Treasury (Vote 10)</b>	Infrastructure Grant to Provinces	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education, health, roads, and agriculture; to enhance capacity to deliver provincial infrastructure.	General conditional allocation to provinces	Eastern Cape	-	-	-
				Free State	117 119	-	-
				Gauteng	-	-	-
				KwaZulu-Natal	-	-	-
				Limpopo	261 514	-	-
				Mpumalanga	302 437	-	-
				Northern Cape	213 999	-	-
				North West	194 614	-	-
				Western Cape	-	-	-
	<b>TOTAL</b>				<b>1 089 683</b>	<b>-</b>	<b>-</b>
<b>Transport (Vote 37)</b>	(a) Provincial Roads Maintenance Grant	To supplement provincial roads investments and support preventative maintenance on provincial road networks; and to ensure provinces implement and maintain road asset management systems.	General conditional allocation to provinces	Eastern Cape	1 034 086	1 215 920	1 312 210
				Free State	447 165	525 794	567 433
				Gauteng	566 917	583 226	625 542
				KwaZulu-Natal	1 236 648	1 454 099	1 569 251
				Limpopo	934 208	1 098 478	1 185 468
				Mpumalanga	1 016 603	1 253 564	1 449 002
				Northern Cape	308 760	363 053	391 803
				North West	501 826	590 067	636 795
				Western Cape	411 141	483 437	521 720
				<b>TOTAL</b>	<b>6 457 354</b>	<b>7 567 638</b>	<b>8 259 224</b>
	(b) Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	Nationally assigned function to provinces	Eastern Cape	166 953	180 461	196 061
				Free State	184 566	195 515	208 162
				Gauteng	1 577 612	1 635 695	1 702 781
				KwaZulu-Natal	773 473	815 611	864 281
				Limpopo	249 498	274 561	303 510
				Mpumalanga	420 099	436 626	455 715
				Northern Cape	37 565	42 715	48 662
				North West	77 211	89 230	103 111
				Western Cape	666 255	690 480	718 460
	<b>TOTAL</b>				<b>4 153 232</b>	<b>4 360 894</b>	<b>4 600 743</b>



**SCHEDULE 4**

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

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

**SCHEDULE 5**

**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B		
					2011/12 Allocation	Forward Estimates		
						2012/13	2013/14	
Agriculture, Forestry and Fisheries (Vote 26)	(a) Agriculture Disaster Management Grant	To relieve farmers from the effects of floods.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	
				Free State	997	-	-	-
				Gauteng	4 736	-	-	-
				KwaZulu-Natal	1 745	-	-	-
				Limpopo	-	-	-	-
				Mpumalanga	8 475	-	-	-
				Northern Cape	-	-	-	-
				North West	131 862	-	-	-
				Western Cape	1 745	-	-	-
				<b>TOTAL</b>	<b>149 560</b>	<b>-</b>	<b>-</b>	<b>-</b>
	(b) Ilima/Letsema Projects Grant	To assist targeted vulnerable South African farming communities to increase agricultural production and improve farming skills.	Conditional allocation	Eastern Cape	45 000	42 000	44 310	
				Free State	52 000	54 600	57 603	
				Gauteng	20 000	21 000	22 155	
				KwaZulu-Natal	60 000	63 000	66 465	
				Limpopo	40 000	42 000	44 310	
				Mpumalanga	40 000	42 000	44 310	
				Northern Cape	60 000	63 000	66 465	
				North West	40 000	42 000	44 310	
				Western Cape	48 000	50 400	53 172	
				<b>TOTAL</b>	<b>405 000</b>	<b>420 000</b>	<b>443 100</b>	
(c) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To enhance the sustainable conservation of natural agriculture resources through a community-based participatory approach; create job opportunities through the Expanded Public Works programme; and to create an enabling environment for improved food security and poverty relief.	Conditional allocation		Eastern Cape	9 244	16 823	15 866	
				Free State	4 622	8 953	8 571	
				Gauteng	4 044	6 246	6 163	
				KwaZulu-Natal	9 244	20 304	18 746	
				Limpopo	8 667	20 356	19 562	
				Mpumalanga	5 198	10 958	10 249	
				Northern Cape	6 355	12 724	12 055	
				North West	6 932	11 557	10 552	
				Western Cape	3 466	7 740	7 253	
				<b>TOTAL</b>	<b>57 772</b>	<b>115 661</b>	<b>108 997</b>	



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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B		
					2011/12 Allocation	Forward Estimates		
						2012/13	2013/14	
<b>Arts and Culture (Vote 14)</b>	Community Library Services Grant	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	
				Free State	95 474	79 273	75 633	
				Gauteng	47 909	50 304	55 070	
				KwaZulu-Natal	54 716	57 452	60 611	
				Limpopo	48 971	48 619	56 297	
				Mpumalanga	74 941	69 822	73 662	
				Northern Cape	66 497	69 822	73 662	
				North West	69 900	73 395	77 430	
				Western Cape	62 832	65 973	69 601	
				<b>TOTAL</b>	48 694	56 129	60 216	
<b>Basic Education (Vote 15)</b>	(a) Dinaledi Schools Grant	To promote Mathematics and Physical Science teaching and learning; to improve learner performance in Mathematics and Physical Science in line with the Action Plan 2014; and to improve teachers content knowledge of Mathematics and Physical Science.	Conditional allocation	Eastern Cape	569 934	570 789	602 182	
				Free State	8 400	12 000	12 660	
				Gauteng	5 040	7 200	7 596	
				KwaZulu-Natal	14 140	20 200	21 311	
				Limpopo	12 320	17 600	18 568	
				Mpumalanga	7 140	10 200	10 761	
				Northern Cape	6 440	9 200	9 706	
				North West	2 380	3 400	3 587	
				Western Cape	7 420	10 600	11 183	
				<b>TOTAL</b>	6 720	9 600	10 128	
	(b) HIV and Aids (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by increasing sexual and reproductive knowledge, skills and appropriate decision making among learners and educators; to mitigate the impact of HIV by providing a caring, supportive and enabling environment for learners and educators; and to ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse.	Conditional allocation	Eastern Cape	70 000	100 000	105 500	
				Free State	34 346	35 322	37 265	
				Gauteng	11 772	12 561	13 252	
				KwaZulu-Natal	28 175	29 217	30 824	
				Limpopo	45 114	46 876	49 445	
				Mpumalanga	28 088	30 012	31 663	
				Northern Cape	16 388	17 486	18 448	
				North West	4 357	4 649	4 905	
				Western Cape	14 700	15 685	16 555	
				<b>TOTAL</b>	16 388	17 486	18 448	
					<b>199 328</b>	<b>209 294</b>	<b>220 805</b>	

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
<b>Basic Education (Vote 15)</b>	(c) National School Nutrition Programme Grant	To provide nutritious meals to targeted learners.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	845 166	909 644	959 674
				Gauteng	244 699	263 367	277 852
				KwaZulu-Natal	509 798	548 690	578 868
				Limpopo	1 070 013	1 151 644	1 214 985
				Mpumalanga	829 669	892 964	942 077
				Northern Cape	440 923	474 560	500 661
				North West	105 116	113 136	119 359
				Western Cape	305 935	329 301	347 412
				<b>TOTAL</b>	<b>227 433</b>	<b>244 784</b>	<b>258 247</b>
<b>Health (Vote 16)</b>	(d) Technical Secondary Schools Recapitalisation Grant	To recapitalise technical schools to improve the capacity to contribute to skills development and training.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	40 272	39 464	41 635
				Gauteng	14 428	15 150	15 983
				KwaZulu-Natal	30 596	32 127	33 894
				Limpopo	38 563	40 490	42 717
				Mpumalanga	31 894	28 822	30 407
				Northern Cape	21 464	18 983	20 027
				North West	7 667	8 052	8 495
				Western Cape	17 015	17 867	18 850
				<b>TOTAL</b>	<b>8 619</b>	<b>9 045</b>	<b>9 542</b>
<b>Health (Vote 16)</b>	(a) Comprehensive HIV and Aids Grant	To enable the health sector to develop an effective response to HIV and Aids including universal access to HIV counselling and testing; to support the implementation of the National Operational Plan for comprehensive HIV and Aids treatment and care; and to subsidise in-part funding for antiretroviral treatment programme.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	210 518	210 000	221 550
				Gauteng	864 173	1 014 134	1 222 480
				KwaZulu-Natal	530 440	621 824	750 788
				Limpopo	1 620 673	1 934 057	2 294 326
				Mpumalanga	1 889 427	2 246 099	2 675 081
				Northern Cape	624 909	733 963	884 146
				North West	490 366	578 087	694 264
				Western Cape	212 923	247 228	301 557
				<b>TOTAL</b>	<b>599 437</b>	<b>705 969</b>	<b>848 533</b>
					<b>660 614</b>	<b>743 249</b>	<b>935 489</b>
					<b>7 492 962</b>	<b>8 824 610</b>	<b>10 606 664</b>

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
					R'000	R'000	R'000
<b>Health (Vote 16)</b>	(b) Forensic Pathology Services Grant	To continue the development and provision of adequate forensic pathology services in all provinces.	Conditional allocation	Eastern Cape	73 506	-	-
				Free State	39 451	-	-
				Gauteng	97 966	-	-
				KwaZulu-Natal	161 550	-	-
				Limpopo	42 308	-	-
				Mpumalanga	53 114	-	-
				Northern Cape	24 240	-	-
				North West	28 019	-	-
				Western Cape	70 226	-	-
				<b>TOTAL</b>	<b>590 380</b>	<b>-</b>	<b>-</b>
	(c) Hospital Revitalisation Grant	To provide funding to enable provinces to plan, manage, modernise, rationalise and transform health infrastructure, health technology, monitoring and evaluation of the health facilities in line with national policy objectives.	Conditional allocation	Eastern Cape	411 048	402 678	387 104
				Free State	417 883	438 140	412 172
				Gauteng	857 465	828 552	760 206
				KwaZulu-Natal	547 698	566 605	533 432
				Limpopo	371 672	392 410	369 152
				Mpumalanga	356 557	378 014	355 081
				Northern Cape	406 892	427 263	401 940
				North West	370 074	401 150	377 375
				Western Cape	481 501	501 096	471 397
				<b>TOTAL</b>	<b>4 220 790</b>	<b>4 335 908</b>	<b>4 067 859</b>
<b>Human Settlements (Vote 31)</b>	(a) Housing Disaster Relief Grant	To provide funding for relief in support of reconstruction work to housing and related infrastructure damaged by floods.	Conditional allocation	Eastern Cape	56 700	-	-
				Free State	44 100	-	-
				Gauteng	36	-	-
				KwaZulu-Natal	31 140	-	-
				Limpopo	21 474	-	-
				Mpumalanga	360	-	-
				Northern Cape	10 350	-	-
				North West	15 840	-	-
				<b>TOTAL</b>	<b>180 000</b>	<b>-</b>	<b>-</b>



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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2011/12 Allocation	Forward Estimates	
						2012/13	2013/14
<b>Human Settlements (Vote 31)</b>	(b) Human Settlements Development Grant	To provide funding for the creation of sustainable human settlements.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	2 177 676	2 274 820	2 403 688
				Gauteng	913 907	954 326	1 006 814
				KwaZulu-Natal	3 804 611	3 970 951	4 186 987
				Limpopo	2 769 871	2 891 813	3 050 176
				Mpumalanga	1 398 914	1 459 839	1 539 788
				Northern Cape	916 677	957 218	1 009 865
				North West	322 639	336 906	355 437
				Western Cape	998 376	1 042 529	1 099 868
				<b>TOTAL</b>	<b>1 638 845</b>	<b>1 711 035</b>	<b>1 804 785</b>
<b>Public Works (Vote 7)</b>	(a) Devolution of Property Rate Funds Grant	To facilitate the transfer of property rates expenditure responsibility to provinces.	Conditional allocation	Eastern Cape	14 941 516	15 599 437	16 457 408
				Free State	192 709	202 854	214 360
				Gauteng	219 916	233 737	249 390
				KwaZulu-Natal	270 775	284 314	299 951
				Limpopo	518 585	556 669	599 319
				Mpumalanga	34 054	35 757	37 725
				Northern Cape	73 964	77 647	84 601
				North West	41 754	44 355	47 303
				Western Cape	160 192	179 984	206 241
				<b>TOTAL</b>	<b>291 281</b>	<b>322 750</b>	<b>351 963</b>
	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments identified in the 2011 Social Sector EPWP Log-frame to increase job creation by focusing on the strengthening and expansion of social service programmes that have employment potential.	Conditional allocation	Eastern Cape	1 803 230	1 938 047	2 090 853
				Free State	5 070	7 120	9 139
				Gauteng	15 586	18 703	22 444
				KwaZulu-Natal	34 848	41 818	50 181
				Limpopo	30 269	32 485	34 354
				Mpumalanga	28 332	33 998	40 798
				Northern Cape	13 407	16 088	19 306
				North West	13 890	16 669	20 002
				Western Cape	42 222	54 229	65 901
				<b>TOTAL</b>	<b>16 734</b>	<b>20 394</b>	<b>23 903</b>
				<b>TOTAL</b>	<b>200 358</b>	<b>241 504</b>	<b>286 028</b>

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B		
					2011/12 Allocation	Forward Estimates		
						2012/13	2013/14	
<b>Sport and Recreation South Africa (Vote 20)</b>	Mass Sport and Recreation Participation Programme Grant	To facilitate mass participation within communities and schools through selected activities, empowerment of communities and schools in conjunction with relevant stakeholders.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	
				Free State	63 570	66 749	70 420	
				Gauteng	33 078	34 732	36 642	
				KwaZulu-Natal	71 148	74 705	78 814	
				Limpopo	87 694	92 078	97 142	
				Mpumalanga	53 636	56 318	59 415	
				Northern Cape	38 382	40 301	42 518	
				North West	26 372	27 691	29 214	
				Western Cape	35 124	36 880	38 909	
				<b>TOTAL</b>	42 964	45 112	47 593	
<b>Transport (Vote 37)</b>	(a) Gautrain Rapid Rail Link	To provide for national government funding contribution to the Gauteng Provincial Government for the construction of a fully integrated Gautrain Rapid Rail network.	Conditional allocation	Eastern Cape	451 968	474 566	500 667	
				Free State	-	-	-	
				Gauteng	5 300	-	-	
				KwaZulu-Natal	-	-	-	
				Limpopo	-	-	-	
				Mpumalanga	-	-	-	
				Northern Cape	-	-	-	
				North West	-	-	-	
				Western Cape	-	-	-	
				<b>TOTAL</b>	5 300	-	-	
	(b) Transport Disaster Management Grant	To repair road infrastructure including bridges and sections of on-line road infrastructure damaged by floods.	Conditional allocation	Eastern Cape	81 667	-	-	
				Free State	21 768	-	-	
				Gauteng	159	-	-	
				KwaZulu-Natal	29 756	-	-	
				Limpopo	40 171	-	-	
				Mpumalanga	-	-	-	
				Northern Cape	61 219	-	-	
				North West	5 280	-	-	
				Western Cape	-	-	-	
				<b>TOTAL</b>	240 000	-	-	



**SCHEDULE 6**  
**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES**

Vote	Name of allocation	Purpose	Column A	Column B	
			2011/12 Allocation	Forward Estimates	
			2012/13	2013/14	
			R'000	R'000	R'000
<b>RECURRENT GRANTS</b>					
<b>Cooperative Governance and Traditional Affairs (Vote 3)</b>	Municipal Systems Improvement Grant	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislation, policies and local government turnaround strategy.	220 210	230 096	242 734
	Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA). As part of strengthening financial and asset management in municipalities, the grant provides funding for water and energy internship programme to graduates in selected water boards and municipalities.	423 641	479 333	526 086
<b>Water Affairs (Vote 38)</b>	Water Services Operating Subsidy Grant	To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government.	542 345	399 000	420 945
		<b>TOTAL</b>	<b>1 186 196</b>	<b>1 108 429</b>	<b>1 189 765</b>
<b>INFRASTRUCTURE GRANTS</b>					
<b>Cooperative Governance and Traditional Affairs (Vote 3)</b>	Municipal Infrastructure Grant	To provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.	11 443 505	13 914 132	14 679 408
	(a) Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.	1 096 612	1 151 443	1 214 772
	(b) Electricity Demand Side Management (Municipal) Grant	To implement the Electricity Demand Side Management (EDSM) programme by providing subsidies to licensed distributors to address EDSM in residential dwellings, communities and municipal infrastructure in order to mitigate the risk of load shedding and supply interruptions.	280 000	-	-
<b>National Treasury (Vote 10)</b>	Neighbourhood Development Partnership Grant	To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally).	750 000	800 000	800 000
<b>Transport (Vote 37)</b>	(a) Public Transport Infrastructure and Systems Grant	To provide for accelerated planning, construction and improvement of public and non-motorised transport networks.	4 803 347	4 999 781	5 563 604
	(b) Rural Transport Services and Infrastructure Grant	To assist rural district municipalities to set up rural road asset management systems, and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa.	35 439	37 382	39 250
<b>Water Affairs (Vote 38)</b>	Municipal Drought Relief Grant	To provide capital finance for construction of appropriate water infrastructure to alleviate further impacts of drought in Nelson Mandela Bay metropolitan municipality for affected households, micro enterprises and social institutions.	450 000	-	-
		<b>TOTAL</b>	<b>18 858 903</b>	<b>20 902 738</b>	<b>22 297 035</b>

## SCHEDULE 7

## ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Province	Column A	Column B		
				2011/12 Allocation	Forward Estimates		
					2012/13	2013/14	
				R'000	R'000	R'000	
Basic Education (Vote 15)	School Infrastructure Backlogs Grant	Eradication of inappropriate school infrastructure; and provision of water, sanitation and electricity to schools.	Eastern Cape	520 679	-	-	-
			Free State	22 273	-	-	-
			Gauteng	6 656	-	-	-
			KwaZulu-Natal	46 218	-	-	-
			Limpopo	41 653	-	-	-
			Mpumalanga	38 270	-	-	-
			Northern Cape	8 002	-	-	-
			North West	11 056	-	-	-
			Western Cape	5 193	-	-	-
			Unallocated	-	2 315 000	5 189 000	-
			<b>TOTAL</b>	<b>700 000</b>	<b>2 315 000</b>	<b>5 189 000</b>	

**SCHEDULE 7**

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES**

Vote	Name of allocation	Purpose	Column A	Column B	
			2011/12 Allocation	Forward Estimates	
				2012/13	2013/14
			R'000	R'000	R'000
<b>National Treasury (Vote 10)</b>	Neighbourhood Development Partnership Grant	To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally).	100 000	80 000	55 000
<b>Energy (Vote 29)</b>	(a) Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.	1 737 812	1 882 057	1 985 570
	(b) Electricity Demand Side Management (Eskom) Grant	To implement the Electricity Demand Side Management (EDSM) programme by providing subsidies to Eskom to address EDSM in residential dwellings and communities in order to mitigate the risk of load shedding and supply interruptions.	118 800	-	-
<b>Water Affairs (Vote 38)</b>	(a) Water Services Operating Subsidy Grant	To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government.	128 442	-	-
	(b) Regional Bulk Infrastructure Grant	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries. In the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works.	1 686 102	2 003 217	2 176 274
<b>Human Settlements (Vote 31)</b>	Rural Households Infrastructure Grant	To provide specific capital funding for the eradication of rural water and sanitation backlogs and is targeted at existing households where bulk-dependent services are not viable. The grant also funds training for beneficiaries on health and hygiene practices and how to maintain the facilities provided.	257 508	479 500	517 250
<b>TOTAL</b>			<b>4 028 664</b>	<b>4 444 774</b>	<b>4 734 094</b>



### SCHEDULE 8

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

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

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

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

## SCHEDULE 9

## UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE

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

## UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER RESPONSE

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



## **MEMORANDUM ON THE OBJECTS OF THE DIVISION OF REVENUE AMENDMENT BILL, 2011**

### **1. BACKGROUND**

- 1.1 Section 214(1) of the Constitution of the Republic of South Africa, 1996 requires that an Act of Parliament be enacted to provide for-
  - 1.1.1 the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
  - 1.1.2 the determination of each province's equitable share of the provincial share of that revenue; and
  - 1.1.3 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 done.
- 1.2 Section 12(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009) requires that the Minister of Finance must table a Division of Revenue Amendment Bill ("the Bill") with the revised fiscal framework, if the adjustments budget effects changes to the Division of Revenue Act, 2011 (Act No. 6 of 2011) ("the DoRA") for the relevant year. As the adjustments budget for 2011 effects changes to the DoRA, it is necessary for the Bill to be tabled with the adjustments budget.
- 1.2 The Bill is introduced in compliance with the requirements of the Constitution and the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), as referred to in paragraphs 1.1 and 1.2 respectively.

### **2. SUMMARY OF BILL**

The Bill contains 2 clauses, and the following is a brief summary of the Bill:

- 2.1 Clause 1 of the Bill provides for the substitution of Schedules 1 to 9 of the DoRA for Schedules 1 to 9 of the Bill. The Schedules to the Bill address the following matters:
  - 2.1.1 additional unconditional and conditional allocations to provinces and municipalities;
  - 2.1.2 the allocation of unallocated conditional allocations to provinces and municipalities;
  - 2.1.3 the re-allocation of conditional allocations in terms of section 18 of the DoRA;
  - 2.1.4 roll-overs of conditional allocations to provinces and municipalities not transferred by national departments during the 2010/11 financial year;
  - 2.1.5 increases to a conditional allocation to a province or municipality through a virement under section 43 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) or section 28(2)(d) of the Local Government: Municipal Finance

Management Act, 2003 (Act No. 56 of 2003), as the case may be; and

2.1.6 the re-allocation of conditional allocations that were not correctly reflected in the Schedules to the DoRA.

2.2 Clause 2 of the Bill provides for the short title and commencement of the Bill.

### 3. SUMMARY OF ADJUSTMENTS CONTAINED IN THE BILL

3.1 An adjustments budget provides for unforeseeable and unavoidable expenditure; appropriation of monies already announced during the tabling of the annual budget (but not allocated at that stage); the shifting of funds between and within votes where a function is transferred; the utilisation of savings; and the rollover of unspent funds from the preceding financial year. If the adjustments budget effects changes to the division of revenue as contained in the Division of Revenue Act for the relevant year, the Minister of Finance must table a Division of Revenue Amendment Bill with the revised framework. There are amendments to the 2011 Budget that affect the 2011 Division of Revenue Act, which will be effected through the 2011 Division of Revenue Amendment Act, once enacted. The amendments as they impact on provinces and municipalities are discussed in more detail below.

#### *Provincial allocations*

##### *Funding for Flood Damage*

3.2 Specific disaster related grants, introduced in the Division of Revenue Amendment Bill, make provision for funds for the repair of infrastructure damaged by floods in 2010/11 and these funds are distributed to provinces based on the assessment of flood damage by the National Disaster Management Centre. The adjustments per province are shown in Appendix 1 to the Bill and the adjusted baselines per province are shown in Schedules 4 and 5 to the Bill. The adjustments are as follows:

- 3.2.1 R149.6 million through the Agriculture Disaster Management Grant (a new conditional grant);
- 3.2.2 R180 million through the Housing Disaster Relief Grant (a new conditional grant);
- 3.2.3 R240 million through the Transport Disaster Management Grant (a new conditional grant);
- 3.2.4 The Education Infrastructure Grant is adjusted by R180 million (existing conditional grant); and
- 3.2.5 The Health Infrastructure Grant is adjusted by R2.6 million (existing conditional grant).

3.3 The allocations per province are indicated in table 1 below.

**Table 1: Additions per sector for flood damage, 2011/12**

	Housing	Roads	Education	Health	Agriculture
<b>R thousand</b>					
Eastern Cape	56 700	81 667	125 100	510	997
Free State	44 100	21 768	6 480	2 096	4 736
Gauteng	38	159	—	—	1 745
KwaZulu-Natal	31 140	29 738	17 820	—	—
Limpopo	21 474	40 171	23 040	—	8 475
Mpumalanga	360	—	3 600	—	—
Northern Cape	10 350	61 219	—	—	131 862
North West	15 840	5 280	3 960	—	1 745
Western Cape	—	—	—	—	—
<b>Total</b>	<b>180 000</b>	<b>240 000</b>	<b>180 000</b>	<b>2 606</b>	<b>149 560</b>

*Improvements in Conditions of Service (ICS)*

- 3.4 The provincial equitable share is adjusted by R3.242 billion to provide for higher than budgeted for wage agreements. Provinces were advised to budget for wage increases of 5.5 per cent and labour and government agreed to a 6.8 per cent increase. The R3.242 billion will fund the 1.3 per cent difference. This amount is shared between provinces primarily in proportion to their shares of total expenditure on education and health personnel and balanced with shares of expenditure on personnel in other sectors. The adjustments per province for the increased cost of salaries (ICS) are shown in Appendix 1 to the Bill and the adjusted provincial equitable share per province is shown in Schedule 2 to the Bill.
- 3.5 The FET Colleges Grant is adjusted by R49.3 million for higher than budgeted for wage agreements. These funds are allocated for the same reason as the adjustments to the Provincial Equitable Share explained above and shared between provinces in proportion to their share of personnel expenditure at FET colleges. The adjustments per province for ICS in FET Colleges are shown in Appendix 1 to the Bill and the adjusted baselines per province are shown in Schedule 4 to the Bill.



3.6 The distribution of funds available for ICS is shown in Table 2 below.

**Table 2: Distribution of ICS adjustments, 2011/12**

<b>R thousand</b>	<b>ICS added to equitable share</b>	<b>ICS for FET colleges</b>	<b>Total ICS additions</b>
Eastern Cape	524 142	6 398	530 540
Free State	201 744	3 303	205 047
Gauteng	539 135	11 133	550 268
KwaZulu-Natal	656 639	10 744	667 383
Limpopo	444 863	5 171	449 834
Mpumalanga	283 491	1 462	284 953
Northern Cape	84 264	984	85 248
North West	210 491	2 573	213 064
Western Cape	298 109	7 554	305 663
<b>Total</b>	<b>3 242 678</b>	<b>49 322</b>	<b>3 292 000</b>

*Roll-overs of withheld conditional grants*

3.7 During 2010/11, a range of conditional grants to provinces were withheld due to non-compliance and/or under spending by provinces. The withheld funds have been rolled over and the conditional grants below have been adjusted. The adjustments per province are shown in Appendix 1 to the Bill; the adjusted baselines for the first two grants listed below are shown in Schedule 4 and for the remainder are shown in Schedule 5 to the Bill. The adjustments are as follows:

- 3.7.1 The Comprehensive Agriculture Support Programme (CASP) is adjusted by R10 million;
- 3.7.2 The Infrastructure Grant to Provinces, which is "re-established" through the Division of Revenue Amendment Bill, is adjusted by R1.089 billion;
- 3.7.3 The Ilima/Letsema projects grant is adjusted by R5 million;
- 3.7.4 The Community Library Services grant is adjusted by R26.5 million;
- 3.7.5 The Technical Secondary Schools Recapitalisation is adjusted by R10.5 million; and
- 3.7.6 The Hospital Revitalisation Grant is adjusted by R84.5 million.



3.8 Table 3 below shows the approved rollover of provincial conditional grants.

**Table 3: Conditional grants to provinces: Approved national roll-overs to 2011/12**

R thousand	EC	FS	GP	KZN	LP	MP	NC	NW	WC	Total
<b>Agriculture, Forestry and Fisheries</b>	5 000	—	—	—	—	—	—	10 076	—	15 076
Comprehensive agricultural support programme	—	—	—	—	—	—	—	10 076	—	10 076
Ilima/Letsema projects	5 000	—	—	—	—	—	—	—	—	5 000
<b>Arts and Culture</b>	14 500	—	—	3 570	8 444	—	—	—	—	26 514
Community library services	14 500	—	—	3 570	8 444	—	—	—	—	26 514
<b>Basic Education</b>	2 688	—	—	—	4 444	3 386	—	—	—	10 518
Technical secondary schools recapitalisation	2 688	—	—	—	4 444	3 386	—	—	—	10 518
<b>Health</b>	29 000	—	55 500	—	—	—	—	—	—	84 500
Hospital revitalisation	29 000	—	55 500	—	—	—	—	—	—	84 500
<b>National Treasury</b>	—	117 119	—	—	261 514	302 437	213 999	194 614	—	1 089 683
Infrastructure grant to provinces	—	—	—	—	—	—	—	—	—	—
Agriculture	—	—	—	—	—	14 900	—	—	—	14 900
Education	—	65 666	—	—	—	113 703	71 281	194 614	—	445 264
Health	—	4 237	—	—	87 172	—	43 723	—	—	135 132
Roads and transport	—	47 216	—	—	174 342	173 834	98 995	—	—	494 387
<b>Total</b>	<b>51 188</b>	<b>117 119</b>	<b>55 500</b>	<b>3 570</b>	<b>274 402</b>	<b>305 823</b>	<b>213 999</b>	<b>204 690</b>	<b>—</b>	<b>1 226 291</b>

#### *Allocation of Unallocated Funds*

- 3.9 In the 2011 Division of Revenue Act, R700 million in the Schools Infrastructure Backlogs Grant was unallocated. The national Department of Basic Education has finalised the distribution of the need for the grant and these funds are now allocated to the nine provinces for the eradication of inappropriate school structures. These allocations are shown in schedule 7 and Appendix 1 of the Bill.

#### *Local Government allocations*

##### *Roll-overs*

- 3.10 A roll-over of R3.15 million was approved on the Water Services Operating Subsidy Grant. The approved roll-over was for funds that should have been transferred to Lephalale Municipality in 2010/11 but were not transferred as a result of a failure of the Safety Web system. This change is effected in Schedule 6 and Appendix 1 to the Bill.
- 3.11 A roll-over of R26 million was approved on the Rural Households Infrastructure Grant as a result of funds committed to projects in 2010/11. This is an indirect grant implemented by the national Department of Human Settlements to fast-track the rollout of on-site water and sanitation solutions (e.g. VIP toilets) for rural households where piped services are not feasible. This change is effected in Schedule 7 and Appendix 1 to the Bill.

- 3.12 A roll-over of R10.6 million was approved on the Regional Bulk Infrastructure Grant as a result of funds committed to projects in 2010/11. This is an indirect grant through which the national Department of Water Affairs builds bulk water supply systems that cross municipal boundaries on behalf of municipalities. This change is effected in Schedule 7 and Appendix 1 to the Bill.

#### *Shifts*

- 3.13 An amount of R28.6 million will be shifted from the management budget of the Regional Bulk Infrastructure grant and earmarked for feasibility studies of projects which may potentially be funded through the grant. The shift will result in the grant being reduced from R1.704 billion to R1.686 billion. This change is effected in Schedule 7 and Appendix 1 of the Bill.
- 3.14 An amount of R21.6 million will be shifted from the direct (schedule 6) Water Services Operating Subsidy grant to the indirect (schedule 7) Water Services Operating Subsidy grant. This shift was approved in order to fund above inflation salary increases for the staff employed through the indirect grant. R18.4 million of this amount comes from the recovery of a previous over-payment to Vhembe District Municipality and a further R3.15 million will be funded from the rollover of funds described above. A further R6.9 million will be shifted from the department's baseline into the indirect grant, bringing the total addition to the indirect grant to R28.5 million. The effect of these changes is that the indirect grant increases from R99.9 million to R128.4 million and the direct grant reduces from R560.8 million to R542.3 million. This change is effected in Schedules 6 and 7 and Appendix 1 to the Bill.
- 3.15 The Municipal Systems Improvement Grant (MSIG) funds a range of activities to build in-house capacity and stabilise institutional and governance systems as required in the Municipal Systems Act and the Local Government Turnaround Strategy. In the 2011 Division of Revenue Act, the new municipality, NW397 (formed out of the merger of Kagisano and Molopo local municipalities in the North West), was not allocated funds on the MSIG, due to an oversight in the allocation process for the grant. The Select Committee on Appropriations, in its recommendations on the 2011 Division of Revenue Bill, recommended that, "The Department of Cooperative Governance should locate funds within the department's own revenue to allocate to the new municipality NW397." This will be effected in the Adjustment Budget through the shift of R790 000 from the budget of the Department of Cooperative Governance into the Municipal Systems Improvement Grant for NW397. This change is effected in Schedule 6 and Appendix 1 to the Bill.

#### *Allocation of Unallocated Funds and Savings*

- 3.16 An amount of R11 million has been declared as savings on the Financial Management Grant (FMG). These funds will be returned to the National Revenue Fund during the 2011 Adjustment Budget. These savings were made on the R50 million portion of the FMG that remained unallocated in the 2011 Division of Revenue Act, so they do not come from allocations that had been earmarked for specific municipalities. This change is effected in Schedule 6 and Appendix 1 to the Bill.



- 3.17 The remainder of the unallocated amount on the FMG (totaling R39 million) will be allocated to municipalities for a new engineering internship programme. The allocations per municipality will be gazetted in December 2011. This programme will employ interns who are recent engineering graduates and technicians from Universities of Technology, and scientists to deal with water quality issues. Due to the requirements of the Engineering Institutes, these interns will spend at least two years being trained and mentored in a high capacity municipality or entity (such as a water board) before being transferred to complete their internship in a poorly capacitated municipality. In this way, interns will gain experience in a high capacity municipality and then have the opportunity to use their skills in a poorly capacitated municipality. It is envisaged the interns should be absorbed by the poorly capacitated municipality on completion of their registration.

*Other Related Allocations*

- 3.18 An amount of R266 million is provided for as a once-off gratuity for non-returning municipal councilors post the 2011 municipal elections. Given that this amount is not allocated to municipalities, it will be reflected on the vote of the national Department of Cooperative Governance as part of the 2011 Adjustments Appropriation Bill/Act and not as an allocation through the 2011 Division of Revenue Amendment Bill/Act.

#### **4. ORGANISATIONS AND INSTITUTIONS CONSULTED**

The following institutions were consulted on the Bill–

- The Financial and Fiscal Commission;
- The South African Local Government Association; and
- National and provincial departments.

#### **5. FINANCIAL IMPLICATIONS TO THE STATE**

This Bill relates to the proposed division of revenue between the three spheres of government, and financial implications to government are limited to the total transfers to provinces and local government as indicated in the Schedules to the Bill.

#### **6. CONSTITUTIONAL IMPLICATIONS**

This Bill, in conjunction with the DoRA, gives effect to section 214 of the Constitution.

#### **7. PARLIAMENTARY PROCEDURE**

- 7.1 The State Law Advisers and the National Treasury are of the opinion that this Bill must be dealt with in accordance with the procedure prescribed by section 76(1) of the Constitution, as it provides for legislation required in Chapter 13 of the Constitution, and affect the financial interests of the provincial sphere of government as contemplated in section 76(4)(b) of the Constitution.
- 7.2 The State Law Advisers are of the opinion that it is not necessary to refer this Bill to the National House of Traditional Leaders in terms of section 18(1)(a) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), since it does not contain provisions pertaining to customary law or customs of traditional communities.

# DIVISION OF REVENUE ATTACHMENTS

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**ANNEXURE 1:**  
**FRAMEWORKS FOR CONDITIONAL**  
**GRANTS TO PROVINCES**

## **Annexure 1: Frameworks for Conditional Grants to Provinces**

### **Detailed frameworks on Schedules 4 and 5 grants to provinces**

#### **Introduction**

This annexure provides a brief description of the framework for the grants set out in Schedules 4 and 5 of the 2011 Division of Revenue Amendment Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between provinces
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2011 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provincial departments
- Process for approval of business plans for 2012/13

The attached frameworks are not part of the Division of Revenue Amendment Bill, but are published in order to provide more information on each grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the 2011 Division of Revenue Amendment Bill is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2011/12 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

## AGRICULTURE, FORESTRY AND FISHERIES GRANT

<b>Agriculture Disaster Management Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Agriculture, Forestry and Fisheries (Vote 26)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• Ensure biosecurity and effective risk management</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To relieve farmers from the effects of floods in North West, Eastern Cape, Northern Cape, Free State, Gauteng and Limpopo Provinces</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Promote the sustainable use of natural resources</li> <li>• Maintenance of farming activities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Damaged agricultural infrastructure repaired</li> <li>• Soil rehabilitation undertaken</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all</li> <li>• Outcome 10: Protect and enhance our environmental assets and natural resources</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Implementation of the Flood Assistance Scheme</li> <li>• The above will be done in accordance with the framework of the Department of Agriculture, Forestry and Fisheries (DAFF) to manage the implementation of the Flood Assistance Scheme and the Division of Revenue Act (DoRA)</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Based on the assessments of damage in the affected provinces by the Provincial Departments of Agriculture (PDAs) and the National Disaster Management Centre (NDMC) as well as endorsement and approval by DAFF</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• To earmark funds to deal with unforeseeable and unavoidable expenditure that relate to the flood disasters</li> </ul>
<b>Past performance</b>	<b>2009/10 audited financial outcomes</b>
	<ul style="list-style-type: none"> <li>• New grant</li> </ul>
	<b>2009/10 service delivery performance</b>
	<ul style="list-style-type: none"> <li>• New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant ends 31 March 2012</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: Once off allocation of R149.6 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• One instalment (December 2011)</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department</b>
	<ul style="list-style-type: none"> <li>• Agree on output and targets with provincial departments</li> <li>• Provide guidelines and criteria for the development and approval of business plans</li> <li>• Continuously monitor implementation of the scheme and provide support to PDAs</li> <li>• Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> </ul>
	<b>Responsibilities of the provincial departments</b>
	<ul style="list-style-type: none"> <li>• Submit the Implementation plan to Department of Agriculture, Forestry and Fisheries</li> <li>• Implement the scheme in accordance with the provided guidelines (DAFF Framework that guides implementation of the Flood Assistance Scheme as well as the DoRA)</li> <li>• Submit monthly reports on actual spending to DAFF</li> <li>• Submit the quarterly performance reports to DAFF</li> <li>• Submit the final evaluation report DAFF at the end of financial year or when funds are exhausted</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>



## BASIC EDUCATION GRANTS

<b>Dinaledi Schools Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Basic Education (Vote 15)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To improve the participation and performance of learners in Mathematics and Physical Science in line with the National Strategy for Mathematics, Science and Technology Education (NSMSTE)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To promote Mathematics and Physical Science teaching and learning</li> <li>Improve learner performance in Mathematics and Physical Science in line with the Action Plan 2014</li> <li>Improve teachers content knowledge of Mathematics and Physical Science</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Continually increased performance of Mathematics and Physical Science learning and teaching in underprivileged schools</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Up to 7 Textbooks for each learner in Grades 8, 9, 10, 11 and 12 learners as is required to address shortages</li> <li>Mobile Science laboratories to 300 Dinaledi schools without labs and science kits to 500 Dinaledi Schools</li> <li>Mathematics kits for 500 Dinaledi schools</li> <li>300 ICT laboratories in Dinaledi schools without ICT Labs</li> <li>Televisions that can receive education TV Broadcasts and solutions installed in 500 Dinaledi schools</li> <li>50 computers (specify) in each of the 500 schools</li> <li>Mathematics, Physical Science and English FAL teaching and learning software at 500 Dinaledi Schools</li> <li>2000 teachers trained on content knowledge in mathematics, physical science and English FAL</li> <li>Distribution to 500 Dinaledi schools of a diagnostic tool to assess, measure and address learning and teaching deficiencies in mathematics, physical science and English FAL</li> <li>Capacity development of principals in 90 Dinaledi schools achieving below 60 per cent pass rate in the NSC examinations</li> <li>Grade 8, 9 and 10 learners in 500 Dinaledi schools trained and supported to participate in mathematics and science Olympiads</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 1: Improved quality of basic education</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> <li>Risk management plan</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provinces should procure from their preferred suppliers in their respective provinces. Provinces must submit procurement plans for materials purchased for Dinaledi Schools to the DBE by 6 May 2011 for approval. The payment of the second instalment of this grant is contingent upon receipt and approval by DBE of these procurement plans</li> <li>Provinces must distribute budget allocation in terms of the needs analysis contained in the provincial business plans</li> <li>Provinces must appoint project managers to support provincial administration in Dinaledi Schools who will also be responsible for District Development and SMT mentoring Support</li> <li>Provinces must prove to the (transferring national officer) DBE that they have the necessary capacity to implement the grant effectively</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Dinaledi Schools will have to satisfy the following criteria: <ul style="list-style-type: none"> <li>At least 60 per cent of the learners enrolled in Mathematics and a maximum of 40 per cent of these may be enrolled for Mathematical Literacy</li> <li>At least 60 per cent of learners offering Mathematics should achieve 50 per cent and above</li> <li>At least 20 learners should have passed Mathematics/Physical Science at 50 per cent and above</li> <li>There is an improvement in enrolment and performance in Mathematics/Physical Science year on year at 50 per cent and above</li> <li>There should be more than 50 Grade 12 learners enrolled</li> <li>Serve disadvantaged communities</li> </ul> </li> <li>The minimum criteria of being a Dinaledi School must be adhered to as other schools may be considered for inclusion if the current schools do not meet performance standards</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The Dinaledi Schools Project is a pilot project and will be used as a model for other schools to improve performance in mathematics and physical science</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Until 2013/14, subject to review</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments (20 May 2011, 15 July 2011, 28 October 2011 and 27 January 2012)</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R70 million, 2012/13: R100 million and 2013/14: R105 million</li> </ul>



<b>Dinaledi Schools Grant</b>	
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• The DBE will monitor the performance of the provincial departments quarterly and will evaluate in June 2011 and in November 2011</li> <li>• Develop a Monitoring and Evaluation Plan</li> <li>• Develop and submit approved national business plans to National Treasury</li> <li>• Evaluate, approve and submit provincial business plans to National Treasury</li> <li>• Manage, monitor and support the programme implementation in provinces and evaluate provincial capacity to implement the grant</li> <li>• Consolidate and submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>• Evaluate performance of the conditional grant and submit an evaluation report to National Treasury by 29 July 2011</li> <li>• Enter into agreements with suppliers of materials for Dinaledi schools</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>• Comply with the minimum requirements of the transferring national officer (DBE) monitoring and evaluation plan</li> <li>• Develop and submit approved business plans to DBE</li> <li>• Appoint competent project managers to monitor and provide support to districts/regions and schools</li> <li>• Submit approved quarterly financial and narrative reports to DBE</li> <li>• Report to DBE on the human resource capacity available in the province to implement the grant</li> <li>• Evaluate the performance of the conditional grant and submit evaluation reports to DBE by 31 May 2011</li> <li>• Submit a quarterly performance report to DBE within 30 days after the end of each quarter</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Consultation with district officials, finance sections of provincial treasuries and National Treasury</li> <li>• Provinces submit first draft business plans and report on capacity to implement the grant to the DBE by 28 October 2011</li> <li>• DBE evaluates draft business plans and sends comments to provinces by 15 November 2011 and provides feedback to the provinces by 15 December 2011</li> <li>• Provinces submit final business plans to DBE by 28 January 2012</li> <li>• Director-General approves national and provincial business plans by 2 April 2012</li> </ul>

<b>Education Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Basic Education (Vote 15)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To supplement provinces to fund provincial education infrastructure</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education</li> <li>To enhance capacity to deliver infrastructure in education</li> <li>To repair schools affected by flooding</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved service delivery by provincial departments as a result of improved and increased stock of schools infrastructure</li> <li>Aligned and coordinated approach to infrastructure development at the provincial level</li> <li>Improved education infrastructure expenditure patterns</li> <li>Restoration of school infrastructure affected by flooding</li> <li>Improved rates of employment and skills development in the delivery of infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>New schools and additional libraries and laboratories constructed</li> <li>Existing school infrastructure upgraded and rehabilitated</li> <li>New and existing schools maintained</li> <li>Number of work opportunities created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 1: Improved quality of basic education</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses a User Asset Management Plan (U-AMP), which contains the following: <ul style="list-style-type: none"> <li>levels of service</li> <li>demand and need determination</li> <li>project lists for 2011/12 and 2012/13</li> <li>financial summary</li> <li>organisational and support plan</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provincial Education Departments (PEDs) must submit tabled User Asset Management Plans (U-AMPs), (formerly Infrastructure Plans) with prioritised project lists that are signed-off for the 2011 MTEF by 8 April 2011 to the national Department of Basic Education (DBE) and the relevant Provincial Treasuries. This deliverable is required for the transfer of the first instalment of the grant</li> <li>The flow of the second instalment depends on the receipt by DBE of fourth quarter infrastructure reports for the 2010/11 financial year captured on the IRM by 21 April 2011. These reports must be submitted to the relevant Provincial Treasury</li> <li>The flow of the third instalment is dependent upon receipt by DBE of the draft 2012/13 U-AMPs including the initial list of prioritised projects as captured in the Infrastructure Programme Management Plan (IPMP). The 2012/13 project list must be drawn from the prioritised project list for the MTEF tabled in 2011/12. Changes to the MTEF prioritised list of projects must be motivated to the DBE</li> <li>PEDs in Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga and the Northern Cape must submit implementation plans to DBE for schools affected by floods in the 2010/11 financial year by 6 December 2011 for the transfer of funds allocated for repair of infrastructure damaged by floods</li> <li>Reports on the implementation of the programme for the schools affected by flooding in Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga and the Northern Cape in 2010/11 must be submitted to DBE by 16 January 2012</li> <li>The flow of the third, fourth and fifth instalments are conditional upon submission and approval of signed-off quarterly infrastructure reports and education project assessments forms</li> <li>Quarterly reports on the implementation of infrastructure projects via the Infrastructure Reporting Model (IRM) are required in addition to monthly In-Year Monitoring expenditure reports. Client departments must enter into service delivery agreements (SDAs) with their Implementing Agents. The development or review of the SDA should continue in parallel with the development of the IPMP</li> <li>Provincial Education Capacity plans must be approved by the DBE</li> <li>All immovable asset management and maintenance responsibilities as prescribed by the Government Immovable Asset Management Act of 2007 (GIAMA) and the Infrastructure Delivery Management Toolkit must be adhered to</li> <li>PEDs must provide School Governing Bodies with maintenance guidelines to conduct minor maintenance</li> <li>Major maintenance function must be budgeted and planned for at the provincial level and carried out through the district department. This must be captured in the U-AMP</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations for 2011/12 and 2012/13 are based on historical division within the previous Infrastructure Grant for Provinces</li> <li>The allocation criteria for 2013/14 will be reviewed and therefore allocations currently shown may change</li> </ul>



<b>Education Infrastructure Grant</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Funding infrastructure through a conditional grant enables the national department to ensure the delivery and maintenance of education infrastructure is coordinated and efficient</li> </ul>
<b>Past performance</b>	<p><b>2009/10 pre-audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>To be reviewed by DBE after five years</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R5 678 million, 2012/13: R5 883 million and 2013/14: R6 207 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>12 per cent: 20 April 2011, 12 per cent: 20 May 2011, 24 per cent: 15 September 2011, 26 per cent: 18 November 2011, and 26 per cent: 27 January 2012</li> <li>Once off transfer in December 2011 for repair of school infrastructure damaged by floods</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>DBE will visit selected infrastructure sites in provinces</li> <li>DBE and National Treasury will support provinces to improve infrastructure delivery capacity and systems</li> <li>DBE must provide guidance to provinces in planning and prioritisation and evaluate U-AMPs and prioritised projects that provinces develop and submit</li> <li>DBE to report on quarterly performance on infrastructure delivery to the Council of Education Ministers (CEM) and to National Treasury</li> <li>DBE will provide provinces with a framework for capacity development plans</li> <li>DBE will convene and chair meetings of the National Steering Committee during which assessments will be made of projects to be supplemented by this grant and projects funded by the School Infrastructure Backlogs Grant to ensure that the funding from the grants is directed to projects that are aligned with respective grant objectives</li> <li>Submit quarterly performance reports to National Treasury and National Council of Provinces within 45 days after the end of each quarter</li> <li>Submit a separate progress report on projects related to repair of infrastructure damaged by floods must be submitted in line with Sections 9 and 11 of the 2011 Division of Revenue Act</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Provinces must have an Infrastructure Projects Progress Review committee to oversee, monitor and report on the full physical and financial development cycle of all funded projects, and report per prescribed reporting formats and Infrastructure Delivery Management Toolkit</li> <li>Provincial departments must attend and participate in meetings of the national steering committee and submit relevant project information within timeframes as reasonably requested by the National Department</li> <li>Convene and chair the Provincial Progress Review Meetings</li> <li>Compile and submit comprehensive projects progress report to DBE, Provincial Treasury and National Treasury</li> <li>PEDs must table U-AMPs together with draft strategic and annual performance plans</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Submission of draft U-AMPs and prioritised list of projects for 2012/13 by PEDs to DBE by 12 August 2011, or a later date as may be determined by DBE</li> <li>Submission of IPMPs for 2012/13 by Client Departments to Implementing Agents by 2 September 2011</li> <li>Implementing Department(s) or Agent(s) must submit the Infrastructure Programme Implementation Plans (IPIP) for 2012/13 to Client departments by 30 November 2011. Copies of IPIPs and SDAs must be submitted to DBE at the same time</li> </ul>

## HEALTH GRANT

Health Infrastructure Grant	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Health (Vote 16)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Provinces plan, manage, maintain and transform health infrastructure in line with national policy objectives</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To supplement provincial funding of health infrastructure to accelerate the provision of health facilities and ensure proper maintenance of provincial health infrastructure</li> <li>To provide funding for the repair of flood damaged health infrastructure in two (2) provinces (Eastern Cape and Free State)</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved accessibility to and quality of health services</li> <li>Quality, modernised and well maintained health infrastructure</li> <li>Improved organisational capacity in provinces for infrastructure asset management planning and implementation</li> <li>Improved rates of employment and skills development in the delivery of infrastructure</li> <li>Rehabilitation of health infrastructure (i.e. clinics) affected by floods</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of health facilities, planned, designed, constructed, maintained and operationalized</li> <li>Number of work opportunities created</li> <li>20 clinics affected by floods rehabilitated</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses a User Asset Management Plan (U-AMP), which includes the following information: <ul style="list-style-type: none"> <li>immovable assets requirements</li> <li>acquisition plan</li> <li>refurbishment plan</li> <li>repairs and maintenance</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provincial Departments of Health must submit tabled U-AMPs (formerly Infrastructure Plans) with prioritised project lists that are signed-off by HOD for the 2011 MTEF by 14 April 2011 to the national Department of Health (DoH). Tabled U-AMPs must include the projects listed in the approved Infrastructure Programme Implementation Plans (IPIPs) for 2011/12 and sector procurement strategy as per guideline in the Infrastructure Delivery Management System (IDMS) Toolkit. The flow of the first instalment of this grant is dependent upon receipt by the DoH of this project list and satisfaction that the list meets required detailed and alignment with infrastructure planning information submitted in 2010/11 or earlier. These plans must also be submitted to the relevant provincial treasury</li> <li>The flow of the third quarter transfers is dependent upon receipt by DoH of the draft 2012/13 U-AMPs including the initial list of prioritised projects as captured in the Infrastructure Programme Management Plan (IPMP). Changes to the MTEF prioritised list of projects must be approved in conjunction with DoH</li> <li>Provinces must adhere to the Infrastructure Alignment Model in terms of programme implementation and in year reporting. Quarterly performance reports must be submitted to the National Council of Provinces within 45 days after the end of each quarter</li> <li>The provinces must put in place a Provincial Progress Review Committee as approved by the National Health Council for monitoring and oversight for both the Health Infrastructure Grant and the Hospital Revitalisation Grant</li> <li>Provinces must submit a list of projects in the required format to DoH within 14 days after the 2011 Division of Revenue Act comes into effect. Provinces must also submit quarterly performance reports, drawn from their infrastructure reporting model to the National Council of Provinces within 45 days after the end of each quarter. Failure to comply with these conditions may result in the withholding of funds</li> <li>A once off allocation amount of R2.6 million (R510 thousand for the Eastern Cape and R2.096 million for Free State) is earmarked for 2011/12 and must be used for the repair of clinics affected by floods</li> <li>Provincial Departments of Health must submit implementation plans to DoH for the clinics affected by floods in 2010/11 financial year by 30 November 2011 for the funds to be transferred</li> <li>Provincial Departments of Health that predict savings or under spending of this grant as a result unavoidable delays in project implementation may, after consultation with the DoH, re-allocate these funds towards the rehabilitation and upgrading of nursing colleges. Provincial departments of health must update their U-AMPs to reflect these changes immediately after reaching agreement with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are based on the formula that was used for the Infrastructure Grant to Provinces</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Infrastructure funding is protected through conditional grants to ensure that national priorities are addressed and best planning practices are complied with</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant will be merged with the Hospital Revitalisation Grant to create a consolidated source of health</li> </ul>



<b>Health Infrastructure Grant</b>	
	infrastructure funding once the necessary conditions are in place and is expected to continue past the end of the 2011 MTEF due to the scale of need for ongoing infrastructure spending in health and oversight of this spending
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R1 704 million, 2012/13: R1 821 million and 2013/14: R1 921 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Instalments as per the approved payment schedule</li> <li>• Once off instalment of disaster funds in December 2011</li> </ul>
<b>Responsibilities of transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Provide guidelines and monitor the development and approval of provincial U-AMPs including project list and procurement strategies</li> <li>• Perform on-site monitoring of the implementation of projects and approved adherence to the project list and procurement strategy</li> <li>• Support and oversee provincial progress review meetings in all provinces</li> <li>• Convene and chair quarterly National Progress Review meetings</li> <li>• Collect project lists from provinces 14 days after the 2011 Division of Revenue Act comes into effect and publish the project list in a gazette within 28 days after the 2011 Division of Revenue Act comes into effect</li> <li>• Submit quarterly performance reports to National Treasury and National Council of Provinces within 45 days after the end of each quarter</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Ensure that the provincial Infrastructure Projects Progress Review committee sit every month to oversee, monitor and report on the full physical and financial development cycle of all health infrastructure projects implemented by the province that comply with Infrastructure Delivery Improvement Programme (IDIP) guidelines</li> <li>• Submit quarterly performance reports, drawn from the infrastructure reporting model, to the DoH and National Council of Provinces within 30 days after the end of each quarter</li> <li>• Ensure that all health infrastructure projects are aligned and lead to best practice infrastructure planning and project implementation and effective and efficient management and sustainability of the province's health assets</li> <li>• Submit a list of projects in the required format to DoH within 14 days after the 2011 Division of Revenue Act comes into effect</li> <li>• Provinces that receive allocations for repair of infrastructure damaged by floods must submit a progress report on the rehabilitation of clinics affected by 16 January 2012</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Provinces must submit IPIPs and U-AMPs signed off by the head of provincial department of health with project lists for 2012/13 to DoH by the end of February 2012 for approval</li> </ul>

## HUMAN SETTLEMENTS GRANT

Housing Disaster Relief Grant	
Transferring department	<ul style="list-style-type: none"> <li>Human Settlements (Vote 31)</li> </ul>
Strategic goal	<ul style="list-style-type: none"> <li>To provide for the facilitation of housing assistance in emergency circumstances</li> </ul>
Grant purpose	<ul style="list-style-type: none"> <li>To provide funding for emergency relief in support of reconstruction work to housing and related infrastructure damaged by floods in terms of the provisions of the National Human Settlements Programme: housing assistance in emergency circumstances</li> </ul>
Outcome statements	<ul style="list-style-type: none"> <li>To facilitate the immediate reconstruction of houses and related infrastructure that were damaged by floods during 2010/11</li> </ul>
Outputs	<ul style="list-style-type: none"> <li>Provision of:               <ul style="list-style-type: none"> <li>the reconstruction of houses</li> <li>sites</li> <li>related infrastructure, damaged by floods in adherence to the standards as prescribed in the emergency housing policy</li> </ul> </li> </ul>
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> <li>Outcome 8: Sustainable human settlements and improved quality of household life</li> </ul>
Details contained in the business plan	<ul style="list-style-type: none"> <li>Outcomes indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
Conditions	<ul style="list-style-type: none"> <li>Housing allocation must be in terms of the National Human Settlements Programme: housing assistance in emergency circumstances, and with due consideration of:               <ul style="list-style-type: none"> <li>creating quality living environments</li> <li>a needs orientated approach</li> <li>delivery constraints identified and addressed</li> <li>adequate capacity for effective project/financial/monitoring management/measures for the execution of the projects</li> </ul> </li> <li>Provincial business plan for 2011/12 must comply with the guidelines and in particular the key indicators and performance targets must be reflected in the annual business plan</li> <li>The National Human Settlements Programme: Housing assistance in emergency circumstances may not be employed to substitute normal planning and projects</li> </ul>
Allocation criteria	<ul style="list-style-type: none"> <li>Allocations are based on projects identified for reconstruction as assessed by the National Disaster Management Centre and approved by Cabinet</li> </ul>
Reason not incorporated in equitable share	<ul style="list-style-type: none"> <li>This grant is an emergency assistance tool, developed to ensure a swift reaction to floods. It provides access to funding for temporary services and shelters as well as reconstruction of existing services and dwellings</li> </ul>
Past performance	<b>2009/10 audited financial outcomes</b> <ul style="list-style-type: none"> <li>New grant</li> </ul> <b>2009/10 service delivery performance</b> <ul style="list-style-type: none"> <li>New grant</li> </ul>
Projected life	<ul style="list-style-type: none"> <li>Grant ends 31 March 2012</li> </ul>
MTEF allocations	<ul style="list-style-type: none"> <li>2011/12: Once off allocation of R180 million</li> </ul>
Payment schedule	<ul style="list-style-type: none"> <li>Once off allocation in December 2011</li> </ul>
Responsibilities of the transferring national officer and receiving officer	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Monthly and quarterly performance reports to be submitted to the National Treasury in line with Division of Revenue Act (DoRA) requirements</li> <li>Undertake structured visits to provinces, interaction between national and provincial Human Settlements departments, Chief Financial Officer, Technical MinMEC and MinMEC meetings</li> <li>Review the reports submitted by the Province and carry out regular physical inspections</li> <li>Submit a progress report on projects related to repair of housing infrastructure damaged by floods in line with Sections 9 and 11 of the 2011 DoRA</li> </ul> <b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>Submit quarterly reports in line with the requirements of the 2011 DoRA</li> <li>Report on a monthly basis to the national Department of Human Settlements on progress of project implementation including the status of the project, progress on site and expenditure</li> </ul>
Process for approval of 2012/13 business plans	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>



## NATIONAL TREASURY GRANT

<b>Infrastructure Grant to Provinces</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 10)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To supplement provinces to fund provincial infrastructure in the education, health, roads and agriculture sectors</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education, health, roads, and agriculture</li> <li>To enhance capacity to deliver provincial infrastructure</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved service delivery by provincial departments as a result of improved and increased stock of public infrastructure such as schools, health facilities, roads, agriculture and other fixed structures</li> <li>Improved rates of employment and skills development in the delivery of infrastructure</li> <li>Aligned and coordinated approach to infrastructure development by provinces</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Schools, health facilities, roads, agriculture and other fixed structures constructed</li> <li>Schools, health facilities, roads, agriculture and other fixed structures upgraded, rehabilitated and maintained</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 1: Improved quality of basic education</li> <li>Outcome 2: A long and healthy life for all south Africans</li> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>The business plan should be a summary of the projects supported by this funding as contained in the Infrastructure Programme Implementation Plan (IPIP), which contains the following: <ul style="list-style-type: none"> <li>project cash flow requirements</li> <li>project timelines and milestones</li> <li>project performance and monitoring</li> <li>risk management plan</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The flow of the instalment is dependent upon receipt by National Treasury of the projects funded by this grant as captured in the Infrastructure Programme Implementation Plan (IPIP)</li> <li>Funds must be used to complete project commitments as outlined in the roll-over submissions for the 2010/11 financial year</li> <li>All immovable asset management and maintenance responsibilities as prescribed by the Government Immovable Asset Management Act of 2007 (GIAMA) and the Infrastructure Delivery Management Toolkit must be adhered to.</li> <li>Provinces must adhere to the requirements of sections 9 and 11 of the 2011 Division of Revenue Amendment Act</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Roll-over funds from the 2010/11 financial year allocated to Free State, Limpopo, Mpumalanga, Northern Cape and North West</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Funding infrastructure through a conditional grant enables provincial departments to ensure the delivery and maintenance of infrastructure occurs</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R9.2 billion to provinces</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Project information from provinces submitted on quarterly basis to National Treasury</li> <li>100 per cent of the allocated IGP amount for 2009/10 was transferred to provinces</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant ends 31 March 2012</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R1.089 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Once off allocation in December 2011</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>National Treasury will monitor the grant in line with the 2011 Division of Revenue Amendment Act and the Public Finance Management Act (PFMA) requirements</li> <li>National Treasury, in collaboration with respective sector departments, will support provinces to improve infrastructure delivery capacity and systems</li> <li>National Treasury will provide guidance to provinces in terms of the structure of the Infrastructure Programme Implementation Plan</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Provinces must monitor progress on the implementation of projects funded through this grant</li> <li>Provincial departments must submit Infrastructure Programme Implementation Plans (IPIPs) with project lists</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

## TRANSPORT GRANT

<b>Transport Disaster Management Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Transport (Vote 37)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To ensure a pro-active response to natural disasters</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To repair road infrastructure including bridges and sections of on-line road infrastructure damaged by floods</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Repair and rehabilitate road infrastructure damaged by floods in selected provinces</li> </ul>
<b>Outcome indicators</b>	<ul style="list-style-type: none"> <li>Repaired and rehabilitated road infrastructure damaged by floods to their original state</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Repaired on-line road infrastructure that will allow commuters and other road users to resume travel through utilisation of the repaired infrastructure</li> <li>Reduce the response lag between the time of damage and that of repair</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Output/performance indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The event should qualify as an unforeseen and unavoidable incident</li> <li>Non-insured infrastructure damaged by natural disasters (for example through flooding and related disasters)</li> <li>Payment must be done inline with payment schedule/cost management schedule</li> <li>Total amount to be transferred in a single tranche for remedial construction costs as per estimates/business plans, feasibility and designs</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>To be allocated on a case by case basis in line with indicated criterion</li> <li>Assessment report with estimates and application for disaster management funding must follow correct procedure and have gone through but not limited to Provincial/National Disaster Management Centre, national Department of Transport and National Treasury</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The Transport Disaster Management grant is specifically earmarked for repair work to roads damaged by floods during 2010/11</li> </ul>
<b>Past performance</b>	<b>2009/10 audited financial outcomes</b> <ul style="list-style-type: none"> <li>New grant</li> </ul> <b>2009/10 service delivery performance</b> <ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant ends 31 March 2012</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: Once off allocation of R240 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>One instalment in December 2011</li> </ul>
<b>Responsibilities of the transferring national office and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Provide oversight by the national Department of Transport</li> <li>Submit quarterly progress reports in line with Section 10 of the 2011 Division of Revenue Act</li> <li>Provide technical assistance through project participation and oversight</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>Coordination, provision of technical assistance, report and project management of works to be overseen by the consulting engineers/applicable Roads Authority</li> <li>Collect payment certificates, site visit and compile close out reports evaluating performance and submit to the National Department of Transport</li> <li>Compile summarised periodic report and to provide an update on actual progress against planned milestones</li> <li>Provide progress reports in line with requirements of Section 12 of the 2011 Division of Revenue Act</li> </ul>
<b>Process for approval of 2011/12 business plans</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>



**ANNEXURE 2:**  
**FRAMEWORK FOR CONDITIONAL GRANT  
TO MUNICIPALITIES**

## **Annexure 2: Framework for Conditional Grant to Municipalities**

### **Detailed framework on Schedule 6 grant to municipalities**

#### **Introduction**

This annexure provides a brief description for a grant in Schedule 6 of the 2011 Division of Revenue Amendment Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2011 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2012/13/Process for approval of 2012 MTEF allocations

The attached framework is not part of the Division of Revenue Amendment Bill, but is published in order to provide more information on the grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the 2011 Division of Revenue Amendment Bill is enacted, this framework will be gazetted in terms of the Act.

The financial statements and annual reports for 2011/12 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

## NATIONAL TREASURY GRANT

Local Government Financial Management Grant	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 10)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To secure sound and sustainable management of the fiscal and financial affairs of municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)</li> <li>As part of strengthening financial and asset management in municipalities, the grant provides funding for water and energy internship programme to graduates in selected water boards and municipalities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved capacity in financial and asset management of municipalities</li> <li>Progressive improvement in the quality of reporting for municipalities</li> <li>Appropriately skilled financial management officers appointed in municipalities consistent with the competency regulations</li> <li>Appropriately skilled engineers, technicians and artisans appointed in municipalities consistent with the infrastructure competency regulations</li> <li>Municipalities have processes and procedures in place to provide quality reports and are publishing financial information on a regular basis</li> <li>Continuous improvement in audit outcomes</li> <li>Improved revenue, expenditure, asset and liability management</li> <li>Improved overall compliance with implementing the MFMA</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Improved and sustained skills development including the appointment of at least five interns supporting the implementation of financial management reforms in municipalities focusing on the gaps identified in MFMA implementation plans</li> <li>Upgrading of IT systems to deliver reports required for financial management improvement and improve the quality of data</li> <li>Preparation and implementation of multi-year budgets meeting uniform norms and standards</li> <li>Assist in the implementation of supply chain reforms, accounting reforms, producing quality and timely financial statements</li> <li>Improved and sustained skills development including the appointment of water and energy interns in selected municipalities supporting asset management reforms in such municipalities by focusing on the gaps identified in, amongst others, audit reports</li> <li>Assist in the preparation and implementation of financial recovery plans</li> <li>Progressive improvements in audit outcomes</li> <li>Improvements to internal and external reporting on budgets, finances, Service Delivery Budget and Implementation Plan (SDBIP), in-year and annual reports</li> <li>Implementation of the MFMA</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9: A Responsive, accountable, effective and efficient local government system</li> <li>Outcome 12: An efficient, effective and development oriented public service and empowered, fair and inclusive citizenship</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses an implementation plan which contain the following: <ul style="list-style-type: none"> <li>Outcomes indicators</li> <li>Output indicators</li> <li>Key activities</li> <li>Inputs</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Establishment of a Budget and Treasury Office (BTO) with positions filled by appropriately qualified personnel and appointment of at least five interns over a multi-year period</li> <li>Appoint interns through the water and energy internship programme in selected municipalities and water boards</li> <li>Establishment of Supply Chain Management and Internal Audit units</li> <li>Ongoing review, revision, and submission of MFMA implementation plans to National Treasury to address weaknesses in financial management</li> <li>Acquisition of a financial management system that can produce multi-year budgets, in-year reports, SDBIP, annual reports and automation of financial management practices</li> <li>Utilise funding to support the training of municipal officials in financial management reforms in support of Competency Regulations, Gazette 29967 of June 2007</li> <li>Preparation and submission of annual financial statements for audits and implement changes required to address audit findings</li> <li>Provide technical support to municipalities in financial management and the transference of skills to municipal officials</li> <li>Where appropriate, the preparation of a financial recovery plan and the implementation thereof</li> <li>Transfers will be dependent on timely reporting and appropriate spending levels</li> <li>Municipalities receiving funds for the Infrastructure Skills Development internship programme must sign a service level agreement with National Treasury and must comply with all of the conditions stipulated in that agreement</li> </ul>



<b>Local Government Financial Management Grant</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Funds allocated to municipalities to assist in the implementation of financial management reforms, attendance at accredited training and capacity building programmes on financial management</li> <li>Additional support to selected municipalities in the employment of an appropriately skilled, experienced and suitably qualified chief financial officer</li> <li>Funds allocated to selected municipalities to improve asset management through the employment of technical interns on water and electricity amounting to R50 million in 2011/12, R75 million in 2012/13 and R100 million in 2013/14</li> <li>To address special requests linked to financial reforms as pilot initiatives for wider application to all municipalities</li> <li>Render support to national and provincial departments for administration of the programme, not exceeding 2.5 per cent of annual allocations</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>To provide direct support to develop municipal financial management and technical capacity in water and energy to lend assistance for the implementation of the MFMA and regulations</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R300 million to 283 municipalities of which R256 million (85.2 per cent) was spent by the end of 2009/10 municipal financial year</li> <li>No adverse audit issues were identified</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Workshops with municipal officials have been undertaken across the country on the implementation of the regulations providing for minimum competencies</li> <li>Facilitation of training providers accreditation with Local Government Sector Education and Training Authority (LGSETA)</li> <li>Generally Recognised Accounting Practice (GRAP) and Municipal Budget formats and reporting regulations training was provided to municipal officials</li> <li>Over 1200 graduate finance interns have been appointed in municipalities with the objective of increasing finance management capacity</li> <li>Internship workshops have been concluded in a number of provinces</li> <li>180 municipalities have submitted their Annual Reports for 2008/09</li> <li>Drafting of recovery plans for municipalities under financial distress</li> <li>Issues around spending of the grant are addressed at the quarterly MFMA co-ordination meetings which are held with relevant stakeholders in support of provincial and municipal efforts in implementing the financial reforms</li> <li>Technical advisors have been placed in two provincial treasuries (KwaZulu-Natal and Eastern Cape) and other support was offered to municipalities in Limpopo and Eastern Cape provinces</li> <li>Total registrations for the MFMA DVD Interactive learning programme is at 7 443 officials</li> <li>Training was provided to over 150 officials on the application and implementation of the MFMA Asset Transfer Regulations</li> <li>220 MFMA implementation plans submitted</li> <li>Effectiveness and efficiency of the BTOs in 283 municipalities assessed and feedback provided to 17 large municipalities, while consolidated data on the 266 municipalities provided to provincial treasuries to strengthen their oversight role and provide the relevant feedback to their delegated municipalities</li> <li>Support and guidance through the MFMA mailbox provided to municipalities on implementation and interpretation of the reforms</li> <li>Training of municipal councillors on governance and oversight undertaken upon request</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The programme is designed to support and implement the MFMA and associated reforms. The grant forms part of government's broader capacity building initiative and focuses on building in-house municipal capacity</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R435 million, 2012/13: R479 million and 2013/14: R526 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>The grant will be disbursed during July 2011 and January 2012</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Monitoring and management of the programme</li> <li>Transfer funds to support administration of the grant and to municipalities to assist implementation of the MFMA and its supporting regulations</li> <li>Undertake ongoing monitoring in all municipalities</li> </ul> <p><b>Responsibilities of the municipalities</b></p> <ul style="list-style-type: none"> <li>Submit monthly reports as per the requirements contained in the Division of Revenue Act</li> <li>Transfer allocations to water boards and licenced energy providers, where technical interns are based, if paid by water boards and/or Eskom</li> <li>In the case where interns are based at the municipality during the training period, monthly reports must be submitted on a monthly basis by the municipality as per the requirements contained in the Division of Revenue Act or as prescribed by National Treasury</li> </ul>
<b>Process for approval of 2012 MTEF allocations</b>	<ul style="list-style-type: none"> <li>Ongoing review, revision and submission of implementation plans to address weaknesses in financial and asset management</li> <li>The programme is based on the MFMA implementation plans of municipalities</li> </ul>



**APPENDIX 1: SCHEDULES 2, 4, 5, 6 AND 7  
ALLOCATIONS FOR THE 2011 ADJUSTMENTS  
BUDGET**

## APPENDIX 1

**DETERMINATION OF EACH PROVINCE'S EQUITABLE SHARE OF THE PROVINCIAL SPHERE'S  
SHARE OF REVENUE RAISED NATIONALLY (SCHEDULE 2)  
(as a direct charge against the National Revenue Fund)**

Province	Column A	Column B		Column C
	2011/12	Roll-overs	Adjustments <sup>1</sup>	2011/12
	Main allocation			Adjusted allocation
	R'000	R'000	R'000	R'000
Eastern Cape	44 120 028		524 142	44 644 170
Free State	17 520 835		201 744	17 722 579
Gauteng	50 428 480		539 135	50 967 615
KwaZulu-Natal	62 927 556		656 639	63 584 195
Limpopo	36 348 545		444 663	36 793 208
Mpumalanga	23 378 714		283 491	23 662 205
Northern Cape	7 742 909		84 264	7 827 173
North West	19 271 431		210 491	19 481 922
Western Cape	26 754 333		298 109	27 052 442
<b>TOTAL</b>	<b>288 492 831</b>		<b>3 242 678</b>	<b>291 735 509</b>

*1. Additional allocation to assist provinces to finance the higher personnel remuneration increases than the main budget provided for on the provincial equitable share.*

## APPENDIX 1

**ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF  
PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS  
(SCHEDULE 4)**

Province	Comprehensive Agricultural Support Programme Grant <sup>1</sup>			
	Column A	Column B		Column C
	2011/12	Roll-overs	Adjustments	2011/12
	Main allocation			Adjusted allocation
	R'000	R'000	R'000	R'000
Eastern Cape	174 985	-		174 985
Free State	102 932	-		102 932
Gauteng	41 173	-		41 173
KwaZulu-Natal	164 691	-		164 691
Limpopo	154 398	-		154 398
Mpumalanga	102 932	-		102 932
Northern Cape	72 052	-		72 052
North West	133 812	10 076		143 888
Western Cape	82 346	-		82 346
<b>TOTAL</b>	<b>1 029 321</b>	<b>10 076</b>		<b>1 039 397</b>

Education Infrastructure Grant <sup>2</sup>				
Eastern Cape	968 435		125 100	1 093 535
Free State	418 776		6 480	425 256
Gauteng	461 011		-	461 011
KwaZulu-Natal	1 158 136		17 820	1 175 956
Limpopo	874 897		23 040	897 937
Mpumalanga	472 881		3 600	476 481
Northern Cape	289 158		-	289 158
North West	469 967		3 960	473 927
Western Cape	385 039		-	385 039
<b>TOTAL</b>	<b>5 498 300</b>		<b>180 000</b>	<b>5 678 300</b>

Further Education and Training Colleges Grant <sup>3</sup>				
Eastern Cape	627 611		6 398	634 009
Free State	291 772		3 303	295 075
Gauteng	1 012 089		11 133	1 023 222
KwaZulu-Natal	754 793		10 744	765 537
Limpopo	490 395		5 171	495 566
Mpumalanga	320 378		1 462	321 840
Northern Cape	65 656		984	66 640
North West	236 178		2 573	238 751
Western Cape	527 117		7 554	534 671
<b>TOTAL</b>	<b>4 325 989</b>		<b>49 322</b>	<b>4 375 311</b>

1. Approved national roll-overs from the 2010/11 financial year to the 2011/12 financial year for provincial conditional grants.

2. Additional funding allocated to provinces to cover areas affected by floods.

3. Additional allocations to finance the higher than expected salary adjustments in the 2011/12 financial year.

4. Approved roll-overs to the 2011/12 financial year from the previous infrastructure grant to provinces allocated in the 2010/11 financial year.

## APPENDIX 1

**ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF  
PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS  
(SCHEDULE 4)**

Province	Health Infrastructure Grant <sup>2</sup>			
	Column A	Column B		Column C
	2011/12	Roll-overs	Adjustments	2011/12
	Main allocation			Adjusted allocation
	R'000	R'000	R'000	R'000
Eastern Cape	299 754		510	300 264
Free State	129 621		2 096	131 717
Gauteng	142 694		-	142 694
KwaZulu-Natal	358 471		-	358 471
Limpopo	270 802		-	270 802
Mpumalanga	146 368		-	146 368
Northern Cape	89 501		-	89 501
North West	145 466		-	145 466
Western Cape	119 179		-	119 179
<b>TOTAL</b>	<b>1 701 856</b>		<b>2 606</b>	<b>1 704 462</b>

	Infrastructure Grant to Provinces <sup>4</sup>			
Eastern Cape		-		-
Free State		117 119		117 119
Gauteng		-		-
KwaZulu-Natal		-		-
Limpopo		261 514		261 514
Mpumalanga		302 437		302 437
Northern Cape		213 999		213 999
North West		194 614		194 614
Western Cape		-		-
<b>TOTAL</b>		<b>1 089 683</b>		<b>1 089 683</b>

1. Approved national roll-overs from the 2010/11 financial year to the 2011/12 financial year for provincial conditional grants.

2. Additional funding allocated to provinces to cover areas affected by floods.

3. Additional allocation to finance the higher than expected salary adjustments in the 2011/12 financial year.

4. Approved roll-overs to the 2011/12 financial year from the previous infrastructure grant to provinces allocated in the 2010/11 financial year.



## APPENDIX 1

## SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES (SCHEDULE 5)

Province	Community Library Services Grant <sup>1</sup>			
	Column A	Column B		Column C
	2011/12 Main allocation	Roll-overs	Adjustments	2011/12 Adjusted allocation
	R'000	R'000	R'000	R'000
Eastern Cape	80 974	14 500		95 474
Free State	47 909	-		47 909
Gauteng	54 716	-		54 716
KwaZulu-Natal	45 401	3 570		48 971
Limpopo	66 497	8 444		74 941
Mpumalanga	66 497	-		66 497
Northern Cape	69 900	-		69 900
North West	62 832	-		62 832
Western Cape	48 694	-		48 694
<b>TOTAL</b>	<b>543 420</b>	<b>26 514</b>		<b>569 934</b>

Agriculture Disaster Management Grant <sup>2</sup>				
Eastern Cape			997	997
Free State			4 736	4 736
Gauteng			1 745	1 745
KwaZulu-Natal			-	-
Limpopo			8 475	8 475
Mpumalanga			-	-
Northern Cape			131 862	131 862
North West			1 745	1 745
Western Cape			-	-
<b>TOTAL</b>			<b>149 560</b>	<b>149 560</b>

Ilima/Letsema Projects Grant <sup>1</sup>				
Eastern Cape	40 000	5 000		45 000
Free State	52 000	-		52 000
Gauteng	20 000	-		20 000
KwaZulu-Natal	60 000	-		60 000
Limpopo	40 000	-		40 000
Mpumalanga	40 000	-		40 000
Northern Cape	60 000	-		60 000
North West	40 000	-		40 000
Western Cape	48 000	-		48 000
<b>TOTAL</b>	<b>400 000</b>	<b>5 000</b>		<b>405 000</b>

Technical Secondary Schools Recapitalisation Grant <sup>1</sup>				
Eastern Cape	37 584	2 688		40 272
Free State	14 428	-		14 428
Gauteng	30 596	-		30 596
KwaZulu-Natal	38 563	-		38 563
Limpopo	27 450	4 444		31 894
Mpumalanga	18 078	3 386		21 464
Northern Cape	7 667	-		7 667
North West	17 015	-		17 015
Western Cape	8 619	-		8 619
<b>TOTAL</b>	<b>200 000</b>	<b>10 518</b>		<b>210 518</b>

1. Approved national roll-overs to the 2011/12 financial year for provincial conditional grants.

2. Additional funding allocated to provinces to cover areas affected by floods.

## APPENDIX 1

## SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES (SCHEDULE 5)

Province	Hospital Revitalisation Grant <sup>1</sup>			
	Column A	Column B		Column C
	2011/12 Main allocation	Roll-overs	Adjustments	2011/12 Adjusted allocation
	R'000	R'000	R'000	R'000
Eastern Cape	382 048	29 000		411 048
Free State	417 883	-		417 883
Gauteng	801 965	55 500		857 465
KwaZulu-Natal	547 698	-		547 698
Limpopo	371 672	-		371 672
Mpumalanga	356 557	-		356 557
Northern Cape	406 892	-		406 892
North West	370 074	-		370 074
Western Cape	481 501	-		481 501
<b>TOTAL</b>	<b>4 136 290</b>	<b>84 500</b>		<b>4 220 790</b>

	Housing Disaster Relief Grant <sup>2</sup>			
Eastern Cape			56 700	56 700
Free State			44 100	44 100
Gauteng			36	36
KwaZulu-Natal			31 140	31 140
Limpopo			21 474	21 474
Mpumalanga			360	360
Northern Cape			10 350	10 350
North West			15 840	15 840
Western Cape			-	-
<b>TOTAL</b>			<b>180 000</b>	<b>180 000</b>

	Transport Disaster Management Grant <sup>2</sup>			
Eastern Cape			81 667	81 667
Free State			21 768	21 768
Gauteng			159	159
KwaZulu-Natal			29 736	29 736
Limpopo			40 171	40 171
Mpumalanga			-	-
Northern Cape			61 219	61 219
North West			5 280	5 280
Western Cape			-	-
<b>TOTAL</b>			<b>240 000</b>	<b>240 000</b>

1. Approved national roll-overs to the 2011/12 financial year for provincial conditional grants.

2. Additional funding allocated to provinces to cover areas affected by floods.

## APPENDIX 1

## SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES: RECURRENT GRANT (SCHEDULE 6)

NumberMunicipality			Local Government Financial Management Grant				
			Column A		Column B		Column C
			2011/12	Roll-overs	Adjustments <sup>1</sup>	2011/12	
			Main allocation			Adjusted allocation	
			R'000	R'000	R'000	R'000	
EASTERN CAPE							
A	NMA	Nelson Mandela Bay	1 250		5 000	6 250	
Total: Eastern Cape Municipalities			66 300		5 000	71 300	
GAUTENG							
B	GT421	Emfuleni	1 250		7 500	8 750	
Total: Sedibeng Municipalities			5 000		7 500	12 500	
B	GT483	Westonaria	1 250		3 000	4 250	
Total: West Rand Municipalities			6 250		3 000	9 250	
Total: Gauteng Municipalities			19 000		10 500	29 500	
KWAZULU-NATAL							
A	ETH	eThekweni	1 250		14 500	15 750	
Total: KwaZulu-Natal Municipalities			86 141		14 500	100 641	
LIMPOPO							
B	LIM354	Polokwane	1 250		3 000	4 250	
Total: Capricorn Municipalities			7 750		3 000	10 750	
Total: Limpopo Municipalities			38 750		3 000	41 750	
MPUMALANGA							
B	MP307	Govan Mbeki	1 250		3 000	4 250	
Total: Gert Sibande Municipalities			10 000		3 000	13 000	
Total: Mpumalanga Municipalities			26 250		3 000	29 250	
NORTH WEST							
B	NW384	Ditsobotla	1 250		3 000	4 250	
Total: Ngaka Modiri Molema Municipalities			8 750		3 000	11 750	
Total: North West Municipalities			31 500		3 000	34 500	
Unallocated			50 000	- 11 000			
National Total <sup>2</sup>			434 641	- 11 000	39 000	423 641	

1. Allocations listed as adjustment allocations to the municipalities are from the unallocated funds of R50 million in the main appropriation which was meant to fund the infrastructure skills development internship programme in municipalities and entities.

2. An amount of R11 million was declared as savings as not all municipalities and entities targeted to participate in the infrastructure skills development internship programme were ready to participate. This resulted in the total baseline allocation being reduced to R423.6 million.



## APPENDIX 1

## SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES: RECURRENT GRANT (SCHEDULE 6)

NumberMunicipality		Municipal Systems Improvement Grant			
		Column A	Column B		Column C
		2011/12	Roll-overs <sup>1</sup>	Adjustments	2011/12
		Main allocation			Adjusted allocation
		R'000	R'000	R'000	R'000
NORTH WEST					
B	NW397 NW397			790	790
Total: Dr Ruth Segomotsi Mompoti Municipalities		3 950		790	4 740
Total: North West Municipalities		18 670		790	19 460
National Total		219 420		790	220 210

1. An amount of R790 000 was allocated to NW397 from Department of Cooperative Governance and Traditional Affairs departmental vote as a measure of correcting the non allocation to this municipality in the main appropriation.

## APPENDIX 1

## SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES: RECURRENT GRANT (SCHEDULE 6)

NumberMunicipality		Water Services Operating Subsidy Grant			
		Column A	Column B		Column C
		2011/12	Roll-overs <sup>1</sup>	Adjustments <sup>2</sup>	2011/12
		Main allocation			
		R'000	R'000	R'000	R'000
EASTERN CAPE					
A	BUF Buffalo City	1 680		34	1 714
C	DC12 Amatole District Municipality	9 333		2 778	12 111
Total: Amatole Municipalities		9 333		2 778	12 111
C	DC13 Chris Hani District Municipality	7 512		158	7 670
Total: Chris Hani Municipalities		7 512		158	7 670
C	DC15 O.R. Tambo District Municipality	15 569		326	15 895
Total: O.R. Tambo Municipalities		15 569		326	15 895
C	DC44 Alfred Nzo District Municipality	6 060		129	6 189
Total: Alfred Nzo Municipalities		6 060		129	6 189
Total: Eastern Cape Municipalities		40 154		3 425	43 579
GAUTENG					
A	TSH City of Tshwane	22 601		18	22 619
Total: Gauteng Municipalities		22 601		18	22 619
LIMPOPO					
C	DC33 Mopani District Municipality	69 678		818	70 496
Total: Mopani Municipalities		69 678		818	70 496
C	DC34 Vhembe District Municipality	152 618		- 19 648	132 970
Total: Vhembe Municipalities		152 618		- 19 648	132 970
B	LIM354 Polokwane	19 342		176	19 518
C	DC35 Capricorn District Municipality	42 620		- 3 173	39 447
Total: Capricorn Municipalities		61 962		- 2 997	58 965
B	LIM362 Lephale	3 827	3 150	45	7 022
B	LIM366 Bela-Bela	130		147	277
B	LIM367 Mogalakwena	11 144		104	11 248
Total: Waterberg Municipalities		15 101	3 150	296	18 547
C	DC47 Greater Sekhukhune District Municipality	38 855		253	39 108
Total: Greater Sekhukhune Municipalities		38 855		253	39 108
Total: Limpopo Municipalities		338 214	3 150	- 21 278	320 086
MPUMALANGA					
B	MP301 Albert Luthuli	6 963		108	7 071
Total: Gert Sibande Municipalities		6 963		108	7 071
B	MP315 Thembisile	6 888		97	6 985
B	MP316 Dr JS Moroka	28 785		- 4 500	24 285
Total: Nkangala Municipalities		35 673		- 4 403	31 270
B	MP321 Thaba Chweu	650		10	660
B	MP322 Mbombela	14 501		149	14 650
B	MP324 Nkomazi	8 985		74	9 059
Total: Ehlanzeni Municipalities		51 625		531	52 156
Total: Mpumalanga Municipalities		94 261		- 3 764	90 497
National Total		560 794	3 150	- 21 599	542 345

1. Approved national roll-overs to the 2011/12 financial year for local government conditional grants.

2. Adjustments were made to the allocations to municipalities, and R21.599 million was shifted to the schedule 7 allocation of the Water Services Operating Subsidy grant.

## APPENDIX 1

**ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL  
PROGRAMMES (SCHEDULE 7)**

Province	School Infrastructure Backlogs Grant <sup>1</sup>			
	Column A	Column B		Column C
	2011/12 Main allocation	Roll-overs	Adjustments	2011/12 Adjusted allocation
	R'000	R'000	R'000	R'000
Eastern Cape	-		520 679	520 679
Free State	-		22 273	22 273
Gauteng	-		6 656	6 656
KwaZulu-Natal	-		46 218	46 218
Limpopo	-		41 653	41 653
Mpumalanga	-		38 270	38 270
Northern Cape	-		8 002	8 002
North West	-		11 056	11 056
Western Cape	-		5 193	5 193
Unallocated	700 000		-	-
<b>TOTAL</b>	<b>700 000</b>		<b>700 000</b>	<b>700 000</b>

*1. Breakdown of unallocated amount for the 2011/12 financial year.*



## APPENDIX 1

## ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES (SCHEDULE 7)

Number	Municipality	Water Services Operating Subsidy Grant		
		Column A	Column B	
		2011/12	Roll-overs	Adjustments <sup>1</sup>
		Main allocation		2011/12
		R'000	R'000	Adjusted allocation
				R'000
<b>LIMPOPO</b>				
C	DC33 Mopani District Municipality	10 599		157
<b>Total: Mopani Municipalities</b>		<b>10 599</b>		<b>157</b>
C	DC34 Vhembe District Municipality	17 767		20 293
<b>Total: Vhembe Municipalities</b>		<b>17 767</b>		<b>20 293</b>
C	DC35 Capricorn District Municipality	26 007		515
<b>Total: Capricorn Municipalities</b>		<b>26 007</b>		<b>515</b>
B	LIM366 Bela-Bela	89		- 89
B	LIM367 Mogalakwena	12 078		1 019
<b>Total: Waterberg Municipalities</b>		<b>12 167</b>		<b>930</b>
C	DC47 Greater Sekhukhune District Municipality	26 922		6 612
<b>Total: Greater Sekhukhune Municipalities</b>		<b>26 922</b>		<b>6 612</b>
<b>Total: Limpopo Municipalities</b>		<b>93 462</b>		<b>28 507</b>
<b>National Total</b>		<b>99 935</b>		<b>28 507</b>

<sup>1</sup> Allocations shifted from schedule 6 Water Services Operating Subsidy Grant and an amount of R6.9 million added from the department's budget.  
Funds added to fund wage increases and leave gratuity payments.

## APPENDIX 1

## ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES (SCHEDULE 7)

Number		Municipality	Rural Households Infrastructure Grant			
			Column A	Column B		Column C
			2011/12 Main allocation	Roll-overs <sup>1</sup>	Adjustments	2011/12 Adjusted allocation
		R'000	R'000	R'000	R'000	
FREE STATE						
B	FS203	Ngwathe	2 000	2 925	4 925	
Total: Fezile Dabi Municipalities			2 000	2 925	4 925	
Total: Free State Municipalities			10 000	2 925	12 925	
KWAZULU-NATAL						
B	KZN254	Dannhauser	4 000	1 858	5 858	
Total: Amajuba Municipalities			4 000	1 858	5 858	
B	KZN274	Hlabisa	4 000	297	4 297	
Total: Umkhanyakude Municipalities			12 000	297	12 297	
B	KZN284	uMlalazi	5 000	2 015	7 015	
B	KZN286	Nkandla	5 000	3 947	8 947	
Total: Uthungulu Municipalities			14 000	5 962	19 962	
B	KZN293	Ndwedwe	4 500	2 906	7 406	
Total: iLembe Municipalities			4 500	2 906	7 406	
B	KZN431	Ingwe	4 000	964	4 964	
Total: Sisonke Municipalities			8 000	964	8 964	
Total: KwaZulu-Natal Municipalities			68 500	11 987	80 487	
LIMPOPO						
B	LIM351	Blouberg	4 000	739	4 739	
B	LIM352	Aganang	4 000	1 710	5 710	
B	LIM355	Lepelle-Nkumpi	4 000	1 221	5 221	
Total: Capricorn Municipalities			12 000	3 671	15 671	
B	LIM367	Mogalakwena	4 000	1 431	5 431	
Total: Waterberg Municipalities			8 000	1 431	9 431	
B	LIM472	Elias Motsoaledi	4 000	1 451	5 451	
Total: Greater Sekhukhune Municipalities			8 000	1 451	9 451	
Total: Limpopo Municipalities			48 000	6 552	54 552	
MPUMALANGA						
B	MP324	Nkomazi	4 000	2 086	6 086	
Total: Ehlanzeni Municipalities			8 000	2 086	10 086	
Total: Mpumalanga Municipalities			8 000	2 086	10 086	
NORTHERN CAPE						
B	NC451	Moshaweng	4 000	394	4 394	
Total: John Taolo Gaetsewe Municipalities			4 000	394	4 394	
Total: Northern Cape Municipalities			4 000	394	4 394	
NORTH WEST						
B	NW372	Madibeng	4 000	1 064	5 064	
B	NW375	Moses Kotane	4 000	1 000	5 000	
Total: Bojanala Platinum Municipalities			12 000	2 064	14 064	
Total: North West Municipalities			28 000	2 064	30 064	
National Total			231 500	26 008	257 508	

1. Approved national roll-overs to the 2011/12 financial year for local government conditional grants.

## APPENDIX 1

## ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES (SCHEDULE 7)

Number	Municipality	Regional Bulk Infrastructure Grant		
		Column A	Column B	
		2011/12 Main allocation	Roll-overs <sup>1</sup>	Adjustments <sup>2</sup>
		R'000	R'000	Adjusted allocation R'000
<b>EASTERN CAPE</b>				
C	DC10 Cacadu District Municipality	7 000		- 7 000
<b>Total: Cacadu Municipalities</b>		<b>23 600</b>		<b>- 7 000</b>
C	DC13 Chris Hani District Municipality	112 000		8 684
<b>Total: Chris Hani Municipalities</b>		<b>112 000</b>		<b>8 684</b>
C	DC15 O.R. Tambo District Municipality	4 120		- 2 000
<b>Total: O.R. Tambo Municipalities</b>		<b>4 120</b>		<b>- 2 000</b>
C	DC44 Alfred Nzo District Municipality	121 382		- 13 328
<b>Total: Alfred Nzo Municipalities</b>		<b>121 382</b>		<b>- 13 328</b>
<b>Total: Eastern Cape Municipalities</b>		<b>316 202</b>		<b>- 13 644</b>
<b>FREE STATE</b>				
B	FS162 Kopanong	30 000		- 2 000
B	FS163 Mphahlele	10 894		- 2 800
<b>Total: Xhariep Municipalities</b>		<b>40 894</b>		<b>- 4 800</b>
B	FS182 Tokologo	49 000		- 17 433
<b>Total: Lejweletswa Municipalities</b>		<b>49 000</b>		<b>- 17 433</b>
B	FS191 Setsoto			9 682
B	FS192 Dikhalabeng			10 200
B	FS194 Maluti a Phofung	68 780		1 801
B	FS195 Phumelela	9 000		2 700
<b>Total: Thabo Mofutsanyana Municipalities</b>		<b>77 780</b>		<b>24 383</b>
C	DC20 Fezile Dabi			5 062
<b>Total: Fezile Dabi Municipalities</b>				<b>5 062</b>
<b>Total: Free State Municipalities</b>		<b>167 674</b>		<b>7 212</b>
<b>GAUTENG</b>				
B	GT421 Emfoleni	30 000		- 5 000
B	GT422 Midvaal			5 000
<b>Total: Sedibeng Municipalities</b>		<b>30 000</b>		
<b>Total: Gauteng Municipalities</b>		<b>80 000</b>		<b>80 000</b>

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## APPENDIX 1

## ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES (SCHEDULE 7)

Number	Municipality	Regional Bulk Infrastructure Grant			
		Column A	Column B		Column C
		2011/12 Main allocation	Roll-overs <sup>1</sup>	Adjustments <sup>2</sup>	2011/12 Adjusted allocation
		R'000	R'000	R'000	R'000
<b>KWAZULU-NATAL</b>					
C	DC21 Ugu District Municipality	40 000		- 10 000	30 000
<b>Total: Ugu Municipalities</b>		<b>40 000</b>		<b>- 10 000</b>	<b>30 000</b>
C	DC23 Uthukela District Municipality	18 430		- 430	18 000
<b>Total: Uthukela Municipalities</b>		<b>18 430</b>		<b>- 430</b>	<b>18 000</b>
C	DC24 Umzinyathi District Municipality	7 437		- 563	8 000
<b>Total: Umzinyathi Municipalities</b>		<b>7 437</b>		<b>- 563</b>	<b>8 000</b>
C	DC25 Amajuba District Municipality	22 871		129	23 000
<b>Total: Amajuba Municipalities</b>		<b>22 871</b>		<b>129</b>	<b>23 000</b>
C	DC26 Zululand District Municipality	60 000		- 5 000	55 000
<b>Total: Zululand Municipalities</b>		<b>60 000</b>		<b>- 5 000</b>	<b>55 000</b>
C	DC27 Umkhanyakude District Municipality	101 000		5 400	106 400
<b>Total: Umkhanyakude Municipalities</b>		<b>101 000</b>		<b>5 400</b>	<b>106 400</b>
C	DC28 Uthungulu District Municipality	33 999		20 001	54 000
<b>Total: Uthungulu Municipalities</b>		<b>33 999</b>		<b>20 001</b>	<b>54 000</b>
C	DC29 iLembe District Municipality	17 663		- 5 337	23 000
<b>Total: iLembe Municipalities</b>		<b>17 663</b>		<b>- 5 337</b>	<b>23 000</b>
C	DC43 Sisonke District Municipality	16 000		- 16 000	
<b>Total: Sisonke Municipalities</b>		<b>16 000</b>		<b>- 16 000</b>	
<b>Total: KwaZulu-Natal Municipalities</b>		<b>342 400</b>			<b>342 400</b>
<b>LIMPOPO</b>					
C	DC33 Mopani District Municipality	77 000		25 000	102 000
<b>Total: Mopani Municipalities</b>		<b>77 000</b>		<b>25 000</b>	<b>102 000</b>
C	DC35 Capricorn District Municipality	39 000		- 39 000	
<b>Total: Capricorn Municipalities</b>		<b>39 000</b>		<b>- 39 000</b>	
B	LIM367 Mogalakwena	40 000		14 200	54 200
<b>Total: Waterberg Municipalities</b>		<b>40 000</b>		<b>14 200</b>	<b>54 200</b>
C	DC47 Greater Sekhukhune District Municipality	117 000	5 150	- 4 000	128 150
<b>Total: Greater Sekhukhune Municipalities</b>		<b>117 000</b>	<b>5 150</b>	<b>- 4 000</b>	<b>128 150</b>
<b>Total: Limpopo Municipalities</b>		<b>315 000</b>	<b>5 150</b>	<b>4 200</b>	<b>324 350</b>
<b>MPUMALANGA</b>					
B	MP301 Albert Luthuli	4 045		- 4 045	
B	MP302 Mankaligwa	2 045		- 2 045	
B	MP306 Dipaleseng	2 042		- 2 042	
<b>Total: Gert Sibande Municipalities</b>		<b>8 132</b>		<b>- 8 132</b>	
B	MP311 Victor Khanye	22 000		- 10 000	12 000
B	MP312 Emalahleni			22 142	22 142
C	DC31 Nkangala District Municipality	1 000		- 1 000	
<b>Total: Nkangala Municipalities</b>		<b>23 000</b>		<b>11 142</b>	<b>34 142</b>
B	MP321 Thaba Chweu			4 500	4 500
B	MP322 Mbombela	9 500		- 9 500	
B	MP325 Bushbuckridge	105 900	2 242	- 6 642	101 500
C	DC32 Ehlanzeni District Municipality	5 500		- 5 500	
<b>Total: Ehlanzeni Municipalities</b>		<b>120 900</b>	<b>2 242</b>	<b>- 17 142</b>	<b>106 000</b>
<b>Total: Mpumalanga Municipalities</b>		<b>152 032</b>	<b>2 242</b>	<b>- 14 132</b>	<b>140 142</b>

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## ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES (SCHEDULE 7)

Number	Municipality	Regional Bulk Infrastructure Grant			
		Column A	Column B		Column C
		2011/12 Main allocation	Roll-overs <sup>1</sup>	Adjustments <sup>2</sup>	2011/12 Adjusted allocation
		R'000	R'000	R'000	R'000
<b>NORTHERN CAPE</b>					
B	NC062 Nama Khoi	16 000		2 400	18 400
<b>Total: Namakwa Municipalities</b>		<b>16 000</b>		<b>2 400</b>	<b>18 400</b>
B	NC072 Umsobomvu	32 480		16 020	48 500
B	NC073 Erithanjeni	17 000		- 15 000	2 000
<b>Total: Pixley Ka Seme Municipalities</b>		<b>61 480</b>		<b>1 020</b>	<b>62 500</b>
B	NC082 Kai !Garib	3 595		405	4 000
B	NC085 Tsantsabane	33 500	3 200	- 7 500	29 200
DC8	Siyanda District Municipality			3 000	3 000
<b>Total: Siyanda Municipalities</b>		<b>37 095</b>	<b>3 200</b>	<b>- 4 095</b>	<b>36 200</b>
C	DC9 Frances Baard District Municipality			8 500	8 500
<b>Total: Frances Baard Municipalities</b>				<b>8 500</b>	<b>8 500</b>
B	NC451 Moshaweng	35 000		- 10 000	25 000
<b>Total: John Taolo Gaetsewe Municipalities</b>		<b>35 000</b>		<b>- 10 000</b>	<b>25 000</b>
<b>Total: Northern Cape Municipalities</b>		<b>149 575</b>	<b>3 200</b>	<b>- 2 175</b>	<b>150 600</b>
<b>NORTH WEST</b>					
B	NW372 Madibeng	49 000		- 39 000	10 000
<b>Total: Bojanala Platinum Municipalities</b>		<b>49 000</b>		<b>- 39 000</b>	<b>10 000</b>
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	65 000		32 709	97 709
<b>Total: Dr Ruth Segomotsi Mompati Municipalities</b>		<b>65 000</b>		<b>32 709</b>	<b>97 709</b>
<b>Total: North West Municipalities</b>		<b>114 000</b>		<b>- 6 291</b>	<b>107 709</b>
<b>WESTERN CAPE</b>					
B	WC012 Cederberg	20 000			20 000
C	DC1 West Coast District Municipality	5 257		- 1 300	3 957
<b>Total: West Coast Municipalities</b>		<b>25 257</b>		<b>- 1 300</b>	<b>23 957</b>
B	WC024 Stellenbosch			5 000	5 000
C	DC2 Cape Winelands District Municipality	3 000		- 3 000	
<b>Total: Cape Winelands Municipalities</b>		<b>32 000</b>		<b>2 000</b>	<b>34 000</b>
C	DC3 Overberg District Municipality	1 500		- 1 500	
<b>Total: Overberg Municipalities</b>		<b>1 500</b>		<b>- 1 500</b>	
B	WC044 George	8 500		- 3 000	5 500
<b>Total: Eden Municipalities</b>		<b>8 500</b>		<b>- 3 000</b>	<b>5 500</b>
<b>Total: Western Cape Municipalities</b>		<b>67 257</b>		<b>- 3 800</b>	<b>63 457</b>
<b>National Total</b>		<b>1 704 140</b>	<b>10 592</b>	<b>- 28 630</b>	<b>1 686 102</b>

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