



Government Gazette

REPUBLIC OF SOUTH AFRICA

Vol. 454 Cape Town 17 April 2003 No. 24762

THE PRESIDENCY

No. 537 17 April 2003

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

No. 7 of 2003: Division of Revenue Act, 2003.



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

*(English text signed by the President.)
(Assented to 16 April 2003.)*

ACT

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

PREAMBLE

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

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

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

Definitions

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

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

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

PART I

OBJECTS OF ACT

Promoting co-operative governance in intergovernmental budgeting

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

PART II**EQUITABLE SHARE ALLOCATIONS****Equitable division of revenue anticipated to be raised nationally among spheres of government**

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

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

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

Equitable division of provincial share among provinces

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

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

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

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

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

Equitable share for local government 35

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

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

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

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

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

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

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

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

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

Shortfalls and excess revenue 25

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

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

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

PART III

OTHER ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Other allocations to provinces and municipalities from national government

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

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

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

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

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

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

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

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

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

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

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

Transfers to entities

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

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

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

Transfers not listed in Schedules

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

Provincial infrastructure allocation

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

Municipal infrastructure allocations

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

(2) Any allocation contemplated in subsection (1) which is intended, entirely or in part, for the construction, maintenance or rehabilitation of municipal infrastructure, must—

- (a) only be transferred in terms of a policy framework approved by the Minister;
- (b) be accompanied by an indication of the recommended amounts of a similar allocation for the next financial year and the 2005/2006 financial year, unless the National Treasury grants exemption from compliance with this requirement; and
- (c) be in accordance with a distribution formula approved by the National Treasury.

Transfer of assets to municipalities

12. (1) A transferring national officer or a transferring provincial officer may not make any commitment to a municipality, of assets or any other financial resource, including an allocation-in-kind or the future transfer of an asset, intended, entirely or in part, for the construction, installation, maintenance or rehabilitation of municipal infrastructure without—

- (a) that municipality's confirmation that it will take transfer of such asset for operating purposes;
- (b) a realistic estimate of the future value of the asset and potential liability, including a reflection on the budget of the benefiting municipality of the associated operating costs; and
- (c) the approval of the municipal council and the national accounting officer responsible for local government.

(2) The transferring national officer or the transferring provincial officer, as the case may be, must, on such periods as may be determined by the National Treasury, report to the National Treasury on the actual transfers effected in respect of the allocations contemplated in subsection (1).

Municipal capacity building allocations

13. (1) Any transfer of an allocation, other than an allocation on the vote of the National Treasury, aimed at developing and improving municipal systems and the capacity of municipalities to perform functions assigned to them, may only be made in terms of a framework determined by the national accounting officer responsible for local government, in consultation with the Director-General.

(2) The framework contemplated in subsection (1) must take into account intergrated planning, performance management, financial management, budgeting and spatial planning considerations, and the need to ensure that the capacity of a municipality is in fact developed.

(3) The transferring national or provincial officer responsible for a municipal capacity building allocation must, in the annual report of the department, indicate the extent to which the capacity of any municipality was improved by that allocation and the extent to which such allocation was spent on any other body providing assistance to a municipality.

PART IV

DUTIES OF ACCOUNTING OFFICERS AND TREASURIES

Duties of transferring national officer

14. (1) A transferring national officer must, not later than 14 days after this Act takes effect, certify to the National Treasury that—

- (a) allocation frameworks, conditions and monitoring provisions are reasonable and do not impose an undue administrative burden on benefiting provincial and local governments;

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

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

(3) Despite anything to the contrary contained in any law, a transferring national officer must, in respect of any allocation, as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, not later than 20 days after the end of each month, and in the format determined by the National Treasury, submit to the National Treasury and the relevant executive authority, information for the month reported on and for the financial year up to the end of that month, on— 10

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

Duties of transferring provincial officer

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

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

Duties of receiving officer

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

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

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

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

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

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

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

Duties of provincial accounting officers and treasuries

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

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

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

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

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

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

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

Annual financial statements

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

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

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

PART V

DUTIES OF DIRECTOR-GENERAL AND AUDITOR-GENERAL 25

Duties of Director-General

19. The Director-General must, together with the report contemplated in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in the Schedules set out in section 7 or made in terms of section 9.

Duties of Auditor-General 30

20. (1) Without derogating from the powers and duties of the Auditor-General in terms of the Constitution and any other law, the Auditor-General may, in the audit of financial statements on the allocations set out in Part III or in a special report to be submitted to Parliament, report on—

- (a) the extent of compliance with this Act by the Director-General, transferring national officers, transferring provincial officers and receiving officers; 35
- (b) whether there was compliance with the certification and reporting requirements of this Act;
- (c) the evaluation of evidence supporting the amounts and disclosures in monthly and annual reports contemplated in this Act; 40
- (d) whether a transferring national officer or transferring provincial officer made unauthorised transfers to any province or municipality or to any public or other entity;
- (e) whether the monitoring of the receiving government's compliance with allocation conditions was undertaken in terms of the provisions of this Act: 45
- (f) whether each allocation to a province or municipality was made in accordance with this Act; and
- (g) such other intergovernmental financial management matters as may be prescribed.
- (2) The internal audit unit of a department and such department's audit committee 50 must establish procedures, systems and mechanisms to facilitate the external audit contemplated in subsection (1).

PART VI**GENERAL****Delaying of payments**

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

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

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

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

Withholding of payments

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

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

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

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

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

Reallocation of allocations between municipalities

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

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

Spending in terms of purpose and subject to conditions

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

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

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

Transfers made in error 15

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

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

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

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

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

Transfers to municipalities with weak administrative capacity

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

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

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

Funds to follow transfer of functions or obligations

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

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

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

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

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

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

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

Amendment of payment schedule and transfer mechanism

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

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

Exemptions by National Treasury

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

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

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

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

Non-compliance with this Act constituting financial misconduct 40

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

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

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

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

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

Acts performed before this Act took effect

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

Regulations

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

- (a) anything which must or may be prescribed in terms of this Act; and 15
- (b) any matter which is necessary to prescribe for the effective implementation of the provisions and achievement of the objects of this Act.

Repeal and amendment of law

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

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

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

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

Short title

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

SCHEDULE 1**EQUITABLE DIVISION OF REVENUE ANTICIPATED TO BE RAISED
NATIONALLY AMONG THE THREE SPHERES OF GOVERNMENT**

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

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

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

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

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF
THE LOCAL SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(As appropriated in the vote of the Department of
Provincial and Local Government (Vote 5) for the financial year)**

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

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

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

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DIVISION OF REVENUE ACT, 2003

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

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

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

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

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

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

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

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

SCHEDULE 4

GENERAL AND NATIONALLY ASSIGNED FUNCTION ALLOCATIONS TO PROVINCES

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

SCHEDULE 5
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

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

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

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

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

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

SCHEDULE 6
RECURRENT ALLOCATIONS TO LOCAL GOVERNMENT

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

SCHEDULE 6A
INFRASTRUCTURE ALLOCATIONS TO LOCAL GOVERNMENT

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

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

SCHEDULE 7
IN-KIND/INDIRECT ALLOCATIONS TO PROVINCES

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

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

SCHEDULE 7A

IN-KIND/INDIRECT ALLOCATIONS TO LOCAL GOVERNMENT

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

SCHEDULE 8
AMENDMENT OF DIVISION OF REVENUE ACT, 2002
(SECTION 34)

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