REPUBLIC OF SOUTH AFRICA

DIVISION OF REVENUE AMENDMENT BILL

(As introduced in the National Assembly (proposed section 76); explanatory summary of Bill and prior notice of its introduction published in Government Gazette No. 51428 of 24 October 2024)
(The English text is the official text of the Bill)

(MINISTER OF FINANCE)

[B 13—2024]

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BILL

To amend the Division of Revenue Act, 2024, in accordance with the Money Bills and Related Matters Act, 2009; 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, 2024 (Act No. 24 of 2024), gives effect to section 214(1) of the Constitution in respect of the 2024/25 financial year;

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

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

Substitution of Column A of Schedule 1, Column A of Part A of Schedule 4, Column A of Parts A and B of Schedule 5 and Column A of Parts A and B of Schedule 6 to Act 24 of 2024

1. (1) Column A of Schedule 1 to this Act is hereby substituted for Column A of Schedule 1 to the Division of Revenue Act, 2024 (herein referred to as the principal Act), setting out the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2024/25 financial year.

(2) Column A of Part A of Schedule 4 to this Act is hereby substituted for Column A of Part A of Schedule 4 to the principal Act, specifying the allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets for the 2024/25 financial year.

(3) Column A of Part A of Schedule 5 to this Act is hereby substituted for Column A of Part A of Schedule 5 to the principal Act, specifying the specific-purpose allocations to provinces for the 2024/25 financial year.

(4) Column A of Part B of Schedule 5 to this Act is hereby substituted for Column A of Part B of Schedule 5 to the principal Act, specifying the specific-purpose allocations to municipalities for the 2024/25 financial year.

(5) Column A of Part A of Schedule 6 to this Act is hereby substituted for Column A of Part A of Schedule 6 to the principal Act, specifying the allocations-in-kind to provinces for designated special programmes for the 2024/25 financial year.

(6) Column A of Part B of Schedule 6 to this Act is hereby substituted for Column A of Part B of Schedule 6 to the principal Act, specifying the allocations-in-kind to municipalities for designated special programmes for the 2024/25 financial year.

Short title

2. This Act is called the Division of Revenue Amendment Act, 2024.

SCHEDULE 1

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

Spheres of Government	Column A		
	2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
	R'000	R'000	R'000
National[1,2]	1 434 313 321	17 035 550	1 451 348 871
Provincial	600 475 640	-	600 475 640
Local	101 177 734	-	101 177 734
TOTAL	**2 135 966 695**	**17 035 550**	**2 153 002 245**

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

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

SCHEDULE 4, PART A

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		
					2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
					R'000	R'000	R'000
Basic Education (Vote 16)	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation; to address achievement of the targets set out in the minimum norms and standards for school infrastructure; to address damages to infrastructure; to enhance capacity to deliver infrastructure in education.	General conditional allocation to provinces	Eastern Cape	1 848 180	-	1 848 180
				Free State	1 007 305	-	1 007 305
				Gauteng	2 296 649	-	2 296 649
				KwaZulu-Natal	2 388 318	-	2 388 318
				Limpopo	1 503 403	-	1 503 403
				Mpumalanga	1 310 894	-	1 310 894
				Northern Cape	716 303	-	716 303
				North West	1 304 034	-	1 304 034
				Western Cape	1 306 354	321 000	1 627 354
				Unallocated	-	-	-
				TOTAL	**13 681 440**	**321 000**	**14 002 440**
Health (Vote 18)	National Tertiary Services Grant	Ensure the provision of tertiary health services in South Africa; to compensate tertiary facilities for the additional costs associated with the provision of these services.	General conditional allocation to provinces	Eastern Cape	1 255 448	-	1 255 448
				Free State	1 283 719	-	1 283 719
				Gauteng	5 259 796	-	5 259 796
				KwaZulu-Natal	2 201 200	-	2 201 200
				Limpopo	538 981	-	538 981
				Mpumalanga	274 508	-	274 508
				Northern Cape	488 803	-	488 803
				North West	434 394	-	434 394
				Western Cape	3 526 935	-	3 526 935
				Unallocated	-	-	-
				TOTAL	**15 263 784**	**-**	**15 263 784**
Transport (Vote 40)	(a) Provincial Roads Maintenance Grant	To supplement provincial investments for road infrastructure maintenance (routine, periodic and special maintenance); to ensure that all roads are classified as per the Road Infrastructure Strategic Framework for South Africa and the technical recommendations for highways, and the Road Classification and Access Management guidelines; to implement and maintain road asset management systems; to supplement provincial projects for the repair of roads and bridges damaged by unforeseen incidents including natural disasters; to improve road safety with a special focus on pedestrian safety in rural areas.	General conditional allocation to provinces	Eastern Cape	2 089 930	-	2 089 930
				Free State	1 969 791	-	1 969 791
				Gauteng	1 271 831	-	1 271 831
				KwaZulu-Natal	3 152 284	-	3 152 284
				Limpopo	1 934 494	-	1 934 494
				Mpumalanga	1 600 241	-	1 600 241
				Northern Cape	1 475 843	-	1 475 843
				North West	1 567 433	-	1 567 433
				Western Cape	1 610 643	571 000	2 181 643
				Unallocated	-	-	-
				TOTAL	**16 672 490**	**571 000**	**17 243 490**
	(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	308 298	-	308 298
				Free State	340 849	-	340 849
				Gauteng	2 978 930	-	2 978 930
				KwaZulu-Natal	1 428 401	-	1 428 401
				Limpopo	460 754	-	460 754
				Mpumalanga	775 812	-	775 812
				Northern Cape	69 364	-	69 364
				North West	142 587	-	142 587
				Western Cape	1 230 401	-	1 230 401
				TOTAL	**7 735 396**	**-**	**7 735 396**

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
					R'000	R'000	R'000
Agriculture, Land Reform and Rural Development (Vote 29)	(a) Comprehensive Agricultural Support Programme Grant	To provide effective and coordinated agricultural support services through collaborations with industry transformation initiatives where possible; to promote and facilitate agricultural development by targeting beneficiaries of land reform and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export; to revitalise agricultural colleges into centres of excellence.	Conditional allocation	Eastern Cape	261 158	-	261 158
				Free State	197 896	-	197 896
				Gauteng	105 365	-	105 365
				KwaZulu-Natal	313 640	-	313 640
				Limpopo	247 211	-	247 211
				Mpumalanga	171 554	-	171 554
				Northern Cape	127 656	-	127 656
				North West	192 437	-	192 437
				Western Cape	124 426	300 000	424 426
				TOTAL	**1 741 343**	**300 000**	**2 041 343**
	(b) Ilima/Letsema Projects Grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas.	Conditional allocation	Eastern Cape	55 965	-	55 965
				Free State	53 740	-	53 740
				Gauteng	27 540	-	27 540
				KwaZulu-Natal	55 389	-	55 389
				Limpopo	55 322	-	55 322
				Mpumalanga	51 773	-	51 773
				Northern Cape	51 771	-	51 771
				North West	53 521	-	53 521
				Western Cape	43 322	-	43 322
				TOTAL	**448 343**	**-**	**448 343**
	(c) LandCare Programme Grant: Poverty Relief and Infrastructure Development	To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.	Conditional allocation	Eastern Cape	13 470	-	13 470
				Free State	9 333	-	9 333
				Gauteng	5 501	-	5 501
				KwaZulu-Natal	14 127	-	14 127
				Limpopo	13 674	-	13 674
				Mpumalanga	9 898	-	9 898
				Northern Cape	8 207	-	8 207
				North West	9 449	-	9 449
				Western Cape	6 546	-	6 546
				TOTAL	**90 205**	**-**	**90 205**

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
					R'000	R'000	R'000
Basic Education (Vote 16)	(a) Early Childhood Development Grant	To increase the number of poor children accessing subsidised early childhood development programmes; to support early childhood development providers delivering an early childhood development programme to meet basic health and safety requirements for registration; to pilot the construction of new low-cost early childhood development centres.	General conditional allocation to provinces	Eastern Cape	268 988	-	268 988
				Free State	77 036	-	77 036
				Gauteng	336 388	-	336 388
				KwaZulu-Natal	248 650	-	248 650
				Limpopo	238 002	-	238 002
				Mpumalanga	123 659	-	123 659
				Northern Cape	28 797	-	28 797
				North West	143 198	-	143 198
				Western Cape	124 357	-	124 357
				Unallocated	-	-	-
				TOTAL	**1 589 075**	**-**	**1 589 075**
	(b) HIV and AIDS (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by; providing comprehensive sexuality education and access to sexual and reproductive health services to learners; supporting the provision of employee health and wellness programmes for educators; to mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners, educators and school support staff; to reduce the vulnerability of children to HIV, TB and sexually transmitted infections, with a particular focus on orphaned children and girls.	Conditional allocation	Eastern Cape	46 020	-	46 020
				Free State	11 107	-	11 107
				Gauteng	37 036	-	37 036
				KwaZulu-Natal	65 952	-	65 952
				Limpopo	28 087	-	28 087
				Mpumalanga	18 980	-	18 980
				Northern Cape	7 435	-	7 435
				North West	16 202	-	16 202
				Western Cape	18 923	-	18 923
				TOTAL	**249 742**	**-**	**249 742**
	(c) Learners with Profound Intellectual Disabilities Grant	To provide the necessary support, resources and equipment to identified special care centres and schools for the provision of education to children with severe to profound intellectual disabilities.	Conditional allocation	Eastern Cape	30 934	-	30 934
				Free State	32 340	-	32 340
				Gauteng	37 706	-	37 706
				KwaZulu-Natal	36 584	-	36 584
				Limpopo	36 062	-	36 062
				Mpumalanga	32 810	-	32 810
				Northern Cape	16 786	-	16 786
				North West	21 795	-	21 795
				Western Cape	33 930	-	33 930
				TOTAL	**278 947**	**-**	**278 947**
	(d) Maths, Science and Technology Grant	To provide support and resources to schools, teachers and learners in line with the Curriculum Assessment Policy Statements for the improvement of mathematics, science and technology teaching and learning at selected public schools.	Conditional allocation	Eastern Cape	55 256	-	55 256
				Free State	49 496	-	49 496
				Gauteng	62 348	-	62 348
				KwaZulu-Natal	71 988	-	71 988
				Limpopo	50 827	-	50 827
				Mpumalanga	44 814	-	44 814
				Northern Cape	28 474	-	28 474
				North West	42 594	-	42 594
				Western Cape	38 045	-	38 045
				TOTAL	**443 842**	**-**	**443 842**
	(e) National School Nutrition Programme Grant	To provide nutritious meals to targeted schools.	Conditional allocation	Eastern Cape	1 737 698	-	1 737 698
				Free State	578 293	-	578 293
				Gauteng	1 154 073	-	1 154 073
				KwaZulu-Natal	2 187 840	-	2 187 840
				Limpopo	1 741 094	-	1 741 094
				Mpumalanga	942 928	-	942 928
				Northern Cape	260 461	-	260 461
				North West	664 104	-	664 104
				Western Cape	531 615	-	531 615
				Unallocated	-	-	-
				TOTAL	**9 798 106**	**-**	**9 798 106**

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
					R'000	R'000	R'000
Health (Vote 18)	(a) District Health Programmes Grant	To enable the health sector to develop and implement an effective response to HIV/AIDS; to enable the health sector to develop and implement an effective response to tuberculosis; to ensure provision of quality community outreach services through Ward Based Primary Health Care Outreach Teams; to improve efficiencies of the Ward Based Primary Health Care Outreach Teams programme by harmonising and standardising services and strengthening performance monitoring; to enable the health sector to develop and implement an effective response to support the effective implementation of the National Strategic Plan on Malaria Elimination; to enable the health sector to prevent cervical cancer by making available Human Papillomavirus vaccinations for all eligible girls aged 9-14 years with a single dose of Human Papillomavirus vaccine in all settings.	Conditional allocation	Eastern Cape	3 077 003	-	3 077 003
				Free State	1 675 360	-	1 675 360
				Gauteng	6 023 568	-	6 023 568
				KwaZulu-Natal	7 367 534	-	7 367 534
				Limpopo	2 500 738	-	2 500 738
				Mpumalanga	2 575 224	-	2 575 224
				Northern Cape	747 852	-	747 852
				North West	1 863 030	-	1 863 030
				Western Cape	2 132 386	-	2 132 386
				TOTAL	**27 962 695**	**-**	**27 962 695**
	(b) Health Facility Revitalisation Grant	To help to accelerate maintenance, renovations, upgrades, additions, and construction of infrastructure in health; to help on replacement and commissioning of health technology in existing and revitalised health facilities; to enhance capacity to deliver health infrastructure; to accelerate the fulfilment of the requirements of occupational health and safety.	Conditional allocation	Eastern Cape	789 942	-	789 942
				Free State	694 351	-	694 351
				Gauteng	1 143 911	-	1 143 911
				KwaZulu-Natal	1 458 192	-	1 458 192
				Limpopo	601 321	-	601 321
				Mpumalanga	459 295	-	459 295
				Northern Cape	437 961	-	437 961
				North West	705 561	-	705 561
				Western Cape	861 307	6 500	867 807
				Unallocated	-	-	-
				TOTAL	**7 151 841**	**6 500**	**7 158 341**
	(c) Human Resources and Training Grant	To appoint statutory positions in the health sector for systematic realisation of the human resources for health strategy and the phase-in of National Health Insurance; support provinces to fund service costs associated with clinical training and supervision of health science trainees on the public service platform.	Conditional allocation	Eastern Cape	581 770	-	581 770
				Free State	284 271	-	284 271
				Gauteng	1 875 966	-	1 875 966
				KwaZulu-Natal	769 534	-	769 534
				Limpopo	369 609	-	369 609
				Mpumalanga	279 435	-	279 435
				Northern Cape	152 820	-	152 820
				North West	275 019	-	275 019
				Western Cape	928 678	-	928 678
				Unallocated	-	-	-
				TOTAL	**5 517 102**	**-**	**5 517 102**
	(d) National Health Insurance Grant	To expand the healthcare service benefits through the strategic purchasing of services from healthcare providers.	Nationally assigned function to provinces	Eastern Cape	63 501	-	63 501
				Free State	29 154	-	29 154
				Gauteng	94 582	-	94 582
				KwaZulu-Natal	87 732	-	87 732
				Limpopo	52 554	-	52 554
				Mpumalanga	34 310	-	34 310
				Northern Cape	24 264	-	24 264
				North West	32 960	-	32 960
				Western Cape	36 899	-	36 899
				TOTAL	**455 956**	**-**	**455 956**

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
					R'000	R'000	R'000
Human Settlements (Vote 33)	(a) Human Settlements Development Grant	To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements.	Conditional allocation	Eastern Cape	1 518 104	-	1 518 104
				Free State	800 430	-	800 430
				Gauteng	3 893 933	-	3 893 933
				KwaZulu-Natal	2 507 919	-	2 507 919
				Limpopo	892 884	-	892 884
				Mpumalanga	910 077	-	910 077
				Northern Cape	269 298	-	269 298
				North West	1 256 908	-	1 256 908
				Western Cape	1 605 872	-	1 605 872
				TOTAL	**13 655 425**	**-**	**13 655 425**
	(b) Informal Settlements Upgrading Partnership Grant: Provinces	To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements.	Conditional allocation	Eastern Cape	361 420	-	361 420
				Free State	190 561	-	190 561
				Gauteng	927 043	-	927 043
				KwaZulu-Natal	597 069	-	597 069
				Limpopo	212 572	-	212 572
				Mpumalanga	216 666	-	216 666
				Northern Cape	64 112	-	64 112
				North West	299 236	-	299 236
				Western Cape	382 315	-	382 315
				TOTAL	**3 250 994**	**-**	**3 250 994**
Public Works and Infrastructure (Vote 13)	(a) Expanded Public Works Programme Integrated Grant for Provinces	To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines; road maintenance including but not limited to block paving and pothole patching; maintenance of buildings; low traffic volume roads and rural roads; other economic and social infrastructure; tourism and cultural industries; sustainable land based livelihoods; waste management and cleaning services; energy including but not limited to retro-fitting, solar.	Conditional allocation	Eastern Cape	70 154	-	70 154
				Free State	19 379	-	19 379
				Gauteng	29 563	-	29 563
				KwaZulu-Natal	73 185	-	73 185
				Limpopo	29 664	-	29 664
				Mpumalanga	22 332	-	22 332
				Northern Cape	11 962	-	11 962
				North West	34 906	-	34 906
				Western Cape	20 496	-	20 496
				Unallocated	-	-	-
				TOTAL	**311 641**	**-**	**311 641**
	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments, identified in the expanded public works programme social sector plan, to increase work opportunities by focusing on the strengthening and expansion of social sector programmes that have employment potential.	Conditional allocation	Eastern Cape	66 757	-	66 757
				Free State	16 100	-	16 100
				Gauteng	38 696	-	38 696
				KwaZulu-Natal	68 213	-	68 213
				Limpopo	43 539	-	43 539
				Mpumalanga	13 023	-	13 023
				Northern Cape	16 639	-	16 639
				North West	18 499	-	18 499
				Western Cape	24 238	-	24 238
				Unallocated	-	-	-
				TOTAL	**305 704**	**-**	**305 704**

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
					R'000	R'000	R'000
Sport, Arts and Culture (Vote 37)	(a) 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	182 156	-	182 156
				Free State	183 043	-	183 043
				Gauteng	179 454	-	179 454
				KwaZulu-Natal	195 617	-	195 617
				Limpopo	157 664	-	157 664
				Mpumalanga	174 793	-	174 793
				Northern Cape	182 629	-	182 629
				North West	155 383	-	155 383
				Western Cape	201 168	-	201 168
				TOTAL	**1 611 907**	**-**	**1 611 907**
	(b) Mass Participation and Sport Development Grant	To facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	Eastern Cape	76 624	-	76 624
				Free State	44 243	-	44 243
				Gauteng	111 291	-	111 291
				KwaZulu-Natal	106 579	-	106 579
				Limpopo	70 488	-	70 488
				Mpumalanga	56 060	-	56 060
				Northern Cape	36 705	-	36 705
				North West	50 978	-	50 978
				Western Cape	65 494	-	65 494
				TOTAL	**618 462**	**-**	**618 462**

SCHEDULE 5, PART B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A		
			2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
RECURRENT GRANTS			**R'000**	**R'000**	**R'000**
Cooperative Governance (Vote 3)	Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation.	-	-	-
National Treasury (Vote 8)	(a) Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained and professionally registered as per the requirements of the relevant statutory councils within the built environment.	165 365	-	165 365
	(b) 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.	582 223	-	582 223
	(c) Programme and Project Preparation Support Grant	To support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation and the allocation of a growing level of municipal resources to preparation activities.	385 840	-	385 840
Public Works and Infrastructure (Vote 13)	Expanded Public Works Programme Integrated Grant for Municipalities	To incentivise municipalities to expand work creation efforts through the use of labour-intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance including but not limited to block paving and pothole patching; low traffic volume roads and rural roads; basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure tourism and cultural industries; waste management and cleaning services; parks and beautification; sustainable land-based livelihoods; social services programmes; social services programmes and energy including but not limited to retro-fitting, solar.	560 103	-	560 103
		TOTAL	**1 693 531**	**-**	**1 693 531**

SCHEDULE 5, PART B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A		
			2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
INFRASTRUCTURE GRANTS			**R'000**	**R'000**	**R'000**
Cooperative Governance (Vote 3)	(a) Integrated Urban Development Grant	To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure; to ensure that public investments are spatially aligned and to promote the sound management of the assets delivered.	1 145 564	-	1 145 564
	(b) Municipal Disaster Recovery Grant	To rehabilitate and reconstruct municipal infrastructure damaged by a disaster.	741 003	683 955	1 424 958
	(c) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities; to provide specific funding for the development of asset management plans for infrastructure servicing the poor.	17 054 355	-	17 054 355
National Treasury (Vote 8)	Neighbourhood Development Partnership Grant (Capital)	To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's targeted locations, under-served neighbourhoods, townships and rural towns.	1 290 552	-	1 290 552
Human Settlements (Vote 33)	Informal Settlements Upgrading Partnership Grant: Municipalities	To provide funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements.	4 515 194	-	4 515 194
Mineral Resources and Energy (Vote 34)	(a) Energy Efficiency and Demand-Side Management Grant	To provide subsidies to municipalities to implement energy efficiency and demand-side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.	235 700	-	235 700
	(b) Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to increase access to electricity, existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure.	1 746 436	-	1 746 436
Transport (Vote 40)	(a) Public Transport Network Grant	To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that forms part of a municipal integrated public transport network; to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.	7 473 434	(300 000)	7 173 434
	(b) Rural Roads Asset Management Systems Grant	To assist district municipalities to set up rural roads asset management systems, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.	120 646	-	120 646
Water and Sanitation (Vote 41)	(a) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to implement bulk infrastructure with a potential of addressing water conservation and water demand management projects or facilitate and contribute to the implementation of local water conservation and water demand management projects that will directly impact on bulk infrastructure requirements.	3 852 383	(225 000)	3 627 383
	(b) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities; provide basic and intermittent water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development; support municipalities in implementing water conservation and water demand management projects; support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas; support drought relief projects in affected municipalities.	4 037 673	-	4 037 673
		TOTAL	**42 212 940**	**158 955**	**42 371 895**

SCHEDULE 6, PART A

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A		
			2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
			R'000	R'000	R'000
Basic Education (Vote 16)	School Infrastructure Backlogs Grant	Eradication and upgrading of inappropriate school buildings; provision and upgrading of water and sanitation to schools; provision and upgrading of classrooms to address overcrowding.	1 641 606	35 725	1 677 331
Health (Vote 18)	National Health Insurance Indirect Grant	To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for National Health Insurance; to enhance capacity and capability to deliver infrastructure for National Health Insurance; to accelerate the fulfilment of the requirements of occupational health and safety; to implement the centralised models for the dispensing and distribution of chronic medication; develop and roll-out new health information systems in preparation for National Health Insurance; enable the health sector to address the deficiencies in the primary health care facilities systematically through the implementation of the ideal clinic programme; to expand the healthcare service benefits through the strategic purchasing of services from healthcare providers.	2 199 527	-	2 199 527
		TOTAL	**3 841 133**	**35 725**	**3 876 858**

SCHEDULE 6, PART B

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A		
			2024/25 Main Allocation	Adjustment	2024/25 Adjusted Allocation
			R'000	R'000	R'000
Cooperative Governance (Vote 3)	(a) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities; to provide specific funding for the development of asset management plans for infrastructure servicing the poor.	58 309	-	58 309
	(b) Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation.	144 596	28 702	173 298
National Treasury (Vote 8)	(a) Neighbourhood Development Partnership Grant (Technical Assistance)	To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's targeted locations, under-served neighbourhoods, townships and rural towns.	94 890	-	94 890
	(b) Smart Meters Grant	To enable municipalities to implement bi-directional smart metering systems.	500 000	-	500 000
Mineral Resources and Energy (Vote 34)	Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to increase access to electricity, existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure in Eskom licenced areas.	2 196 019	-	2 196 019
Water and Sanitation (Vote 41)	(a) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to implement bulk infrastructure with a potential of addressing water conservation and water demand management projects or facilitate and contribute to the implementation of local water conservation and water demand management projects that will directly impact on bulk infrastructure requirements.	3 057 957	-	3 057 957
	(b) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities; provide basic and intermittent water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development; support municipalities in implementing water conservation and water demand management projects; support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas; support drought relief projects in affected municipalities.	1 046 718	-	1 046 718
		TOTAL	**7 098 489**	**28 702**	**7 127 191**

MEMORANDUM ON OBJECTS OF DIVISION OF REVENUE AMENDMENT BILL, 2024

1. BACKGROUND

1.1 Section 214(1) of the Constitution of the Republic of South Africa, 1996 (''the Constitution''), requires that an Act of Parliament be enacted 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.

1.2 Section 12(4) of the Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009) (''Money Bills and Related Matters Act''), requires the Minister of Finance to 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 that financial year. As the adjustments budget for 2024/25 effects changes to the Division of Revenue Act, 2024 (Act No. 24 of 2024) (''the DoRA''), it is necessary for the Division of Revenue Amendment Bill, 2024 (''the Bill''), to be tabled with the revised fiscal framework.

1.3 The Bill is thus introduced in compliance with the requirements of the Constitution and the Money Bills and Related Matters Act.

2. SUMMARY OF BILL

2.1 Clause 1 of the Bill proposes the replacement in the DoRA of—
(a) Column A of Schedule 1;
(b) Column A of Part A of Schedule 4;
(c) Column A of Part A of Schedule 5;
(d) Column A of Part B of Schedule 5;
(e) Column A of Part A of Schedule 6; and
(f) Column A of Part B of Schedule 6.

2.2 Column A specifies the allocations for the 2024/25 financial year. Amendments to allocations are indicated in Column A by indicating the adjustment and the adjusted amount. The Schedules to the Bill address the following matters:
(a) Adjusting the equitable share among the three spheres of government;
(b) changes to allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets for the 2024/25 financial year;
(c) changes to specific-purpose allocations to provinces and municipalities for the 2024/25 financial year; and
(d) changes to allocations in-kind to provinces and municipalities for designated special programmes for the 2024/25 financial year.

2.3 Clause 2 of the Bill contains the short title.

3. ORGANISATIONS AND INSTITUTIONS CONSULTED

The following institutions were consulted on the adjustments proposed in the Bill:
(a) Financial and Fiscal Commission;
(b) South African Local Government Association; and
(c) National and provincial departments.

4. FINANCIAL IMPLICATIONS TO THE STATE

This Bill is necessitated by the proposed national adjustment budget for the 2024/25 financial year which affects the division of revenue between the three

spheres of government. Financial implications to government are limited to the total adjustments to transfers to provinces and local government as indicated in the Schedules to the Bill.

5. CONSTITUTIONAL IMPLICATIONS

The Bill, in conjunction with the DoRA, seeks to give effect to section 214 of the Constitution.

6. PARLIAMENTARY PROCEDURE

6.1 The Constitution prescribes the classification of Bills and the different procedures to be followed for such enactment. The national legislative process is governed by sections 73 to 77 of the Constitution.

6.2 The State Law Advisers and the National Treasury have considered the Bill against the provisions of the Constitution relating to the tagging of Bills, and against the functional areas listed in Schedule 4 (functional areas of concurrent national and provincial legislative competence) and Schedule 5 (functional areas of exclusive provincial legislative competence) to the Constitution.

6.3 For the purposes of tagging, in the case of *Tongoane and Others v Minister for Agriculture and Land Affairs and Others* 2010 (6) SA 214 (CC), the Constitutional Court ruled on the test to be used when tagging a Bill. The Constitutional Court held, in paragraph 70, that the ''test for determining how a Bill is to be tagged must be broader than that for determining legislative competence''.

6.4 In terms of section 76(3) of the Constitution, a Bill must be dealt with in accordance with the procedure established by either subsection (1) or (2) if it falls within a functional area listed in Schedule 4 to the Constitution. Furthermore, in terms of section 76(4)*(b)* of the Constitution, a Bill must be dealt with in accordance with the procedure established by section 76(1) of the Constitution, if it provides for legislation envisaged in Chapter 13 of the Constitution and includes provisions affecting the financial interests of the provincial sphere of government.

6.5 The issue that needs to be determined is whether the proposed amendments as contained in the Bill, in substantial measure, fall within a functional area listed in Schedule 4 to the Constitution, or whether the proposed amendments fall under section 76(4)*(b)* of the Constitution.

6.6 The Bill seeks to amend the DoRA, in accordance with section 12(4) of the Money Bills and Related Matters Act, which provides that the Minister 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.

6.7 The provisions of the Bill have been carefully examined, and in our opinion, they amount to legislation envisaged in Chapter 13 of the Constitution. Furthermore, the Bill includes provisions affecting the financial interests of the provincial sphere of government as contemplated in section 76(4)*(b)* of the Constitution. We are therefore of the opinion that the Bill must be dealt with in accordance with the procedure envisaged by section 76 of the Constitution.

6.8 The State Law Advisers and the National Treasury are of the opinion that it is not necessary to refer the Bill to the National House of Traditional and Khoi-San Leaders in terms of section 39(1)*(a)* of the Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019), since it does not contain provisions pertaining to customary law or customs of traditional communities.