



2006 Division of Revenue Bill

Please find attached a copy of the 2006 Division of Revenue Bill, explanatory memorandum, and schedule of allocations for municipalities, tabled by the Minister of Finance on 15 February 2006. This circular is a follow up to Circular 27, Medium Term Budget Policy Statement, dated 18 November 2005 and available on National Treasury's website.

National allocations

All national allocations to local government are published per municipality for the next three years. This is to enable municipalities to prepare and table comprehensive three-year budgets for the forthcoming 2006/07 financial year and facilitates effective planning, reconciliation and audit. Column A is for the 2006/07 financial year and column B is for the 2007/08 and 2008/09 financial years. Please note that these allocations update the forward estimates published in the 2005 Division of Revenue Act.

Municipalities, which have already tabled their 2006/07 "draft" budget, should update and include the allocations shown in these attachments, prior to the adoption of the budget. Kindly also note that a copy of the tabled budget and adopted budget must be forwarded to the National Treasury as soon as possible, accompanied by the respective return forms.

You are reminded that provincial allocations to municipalities will form part of the Provincial Budgets soon to be tabled. You may contact the relevant Provincial Treasury for further information in this regard. Please bring this circular to the attention of the mayor and table in the committee(s) responsible for the budget and IDP.

Contact



National Treasury

Private Bag X115, Pretoria 0001

Phone 012 315 5850

Fax 012 315 5230

Email - General mfma@treasury.gov.za

Website www.treasury.gov.za/mfma

T. Pillay
Chief Director: Local Government
15 February 2006