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REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

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PRESIDENT'S OFFICE

No. 2083. 18 December 1996

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

No. 108 of 1996: Constitution of the Republic of South Africa, 1996.

Chapter 6

Provinces

Provinces

103. (1) The Republic has the following provinces:
- (a) Eastern Cape
- (b) Free State
- (c) Gauteng
- (d) KwaZulu-Natal
- (e) Mpumalanga
- (f) Northern Cape
- (g) Northern Province
- (h) North West
- (i) Western Cape.

(2) The boundaries of the provinces are those that existed when the Constitution took effect.

Provincial Legislatures

Legislative authority of provinces

104. (1) The legislative authority of a province is vested in its provincial legislature, and confers on the provincial legislature the power –
- (a) to pass a constitution for its province or to amend any constitution passed by it in terms of sections 142 and 143;
- (b) to pass legislation for its province with regard to –
  - (i) any matter within a functional area listed in Schedule 4;
  - (ii) any matter within a functional area listed in Schedule 5;
  - (iii) any matter outside those functional areas, and that is expressly assigned to the province by national legislation; and
  - (iv) any matter for which a provision of the Constitution envisages the enactment of provincial legislation; and
- (c) to assign any of its legislative powers to a Municipal Council in that province.

(2) The legislature of a province, by a resolution adopted with a supporting vote of at least two thirds of its members, may request Parliament to change the name of that province.

(3) A provincial legislature is bound only by the Constitution and, if it has passed a constitution for its province, also by that

constitution, and must act in accordance with, and within the limits of, the Constitution and that provincial constitution.

(4) Provincial legislation with regard to a matter that is reasonably necessary for, or incidental to, the effective exercise of a power concerning any matter listed in Schedule 4, is for all purposes legislation with regard to a matter listed in Schedule 4.

(5) A provincial legislature may recommend to the National Assembly legislation concerning any matter outside the authority of that legislature, or in respect of which an Act of Parliament prevails over a provincial law.

Composition and election of provincial legislatures

105. (1) A provincial legislature consists of women and men elected as members in terms of an electoral system that –
(a) is prescribed by national legislation;
(b) is based on that province's segment of the national common voters roll;
(c) provides for a minimum voting age of 18 years; and
(d) results, in general, in proportional representation.

(2) A provincial legislature consists of between 30 and 80 members. The number of members, which may differ among the provinces, must be determined in terms of a formula prescribed by national legislation.

Membership

106. (1) Every citizen who is qualified to vote for the National Assembly is eligible to be a member of a provincial legislature, except –
(a) anyone who is appointed by, or is in the service of, the state and receives remuneration for that appointment or service, other than –
(i) the Premier and other members of the Executive Council of a province; and
(ii) other office-bearers whose functions are compatible with the functions of a member of a provincial legislature, and have been declared compatible with those functions by national legislation;
(b) members of the National Assembly, permanent delegates to the National Council of Provinces or members of a Municipal Council;
(c) unrehabilitated insolvents;
(d) anyone declared to be of unsound mind by a court of the Republic; or
(e) anyone who, after this section took effect, is convicted of an offence and sentenced to more than 12 months' imprisonment without the option of a fine, either in the Republic, or outside the Republic if the conduct constituting the offence would have been an offence in the Republic, but no one may be

regarded as having been sentenced until an appeal against the conviction or sentence has been determined, or until the time for an appeal has expired. A disqualification under this paragraph ends five years after the sentence has been completed.

(2) A person who is not eligible to be a member of a provincial legislature in terms of subsection (1) (a) or (b) may be a candidate for the legislature, subject to any limits or conditions established by national legislation.

(3) A person loses membership of a provincial legislature if that person –

(a) ceases to be eligible; or

(b) is absent from the legislature without permission in circumstances for which the rules and orders of the legislature prescribe loss of membership.

(4) Vacancies in a provincial legislature must be filled in terms of national legislation.

Oath or affirmation

107. Before members of a provincial legislature begin to perform their functions in the legislature, they must swear or affirm faithfulness to the Republic and obedience to the Constitution, in accordance with Schedule 2.

Duration of provincial legislatures

108. (1) A provincial legislature is elected for a term of five years.

(2) If a provincial legislature is dissolved in terms of section 109, or when its term expires, the Premier of the province, by proclamation, must call and set dates for an election, which must be held within 90 days of the date the legislature was dissolved or its term expired.

(3) If the result of an election of a provincial legislature is not declared within the period referred to in section 190, or if an election is set aside by a court, the President, by proclamation, must call and set dates for another election, which must be held within 90 days of the expiry of that period or of the date on which the election was set aside.

(4) A provincial legislature remains competent to function from the time it is dissolved or its term expires, until the day before the first day of polling for the next legislature.

Dissolution of provincial legislatures before expiry of term

109. (1) The Premier of a province must dissolve the provincial legislature if –

(a) the legislature has adopted a resolution to dissolve with a supporting vote of a majority of its members; and

(b) three years have passed since the legislature was elected.

(2) An Acting Premier must dissolve the provincial legislature if –
(a) there is a vacancy in the office of Premier; and
(b) the legislature fails to elect a new Premier within 30 days after the vacancy occurred.

Sittings and recess periods

110. (1) After an election, the first sitting of a provincial legislature must take place at a time and on a date determined by a judge designated by the President of the Constitutional Court, but not more than 14 days after the election result has been declared. A provincial legislature may determine the time and duration of its other sittings and its recess periods.

(2) The Premier of a province may summon the provincial legislature to an extraordinary sitting at any time to conduct special business.

(3) A provincial legislature may determine where it ordinarily will sit.

Speakers and Deputy Speakers

111. (1) At the first sitting after its election, or when necessary to fill a vacancy, a provincial legislature must elect a Speaker and a Deputy Speaker from among its members.

(2) A judge designated by the President of the Constitutional Court must preside over the election of a Speaker. The Speaker presides over the election of a Deputy Speaker.

(3) The procedure set out in Part A of Schedule 3 applies to the election of Speakers and Deputy Speakers.

(4) A provincial legislature may remove its Speaker or Deputy Speaker from office by resolution. A majority of the members of the legislature must be present when the resolution is adopted.

(5) In terms of its rules and orders, a provincial legislature may elect from among its members other presiding officers to assist the Speaker and the Deputy Speaker.

Decisions

112. (1) Except where the Constitution provides otherwise –
(a) a majority of the members of a provincial legislature must be present before a vote may be taken on a Bill or an amendment to a Bill;
(b) at least one third of the members must be present before a vote may be taken on any other question before the legislature; and
(c) all questions before a provincial legislature are decided by a majority of the votes cast.

(2) The member presiding at a meeting of a provincial legislature has no deliberative vote, but –
(a) must cast a deciding vote when there is an equal number of votes on each side of a question; and

(b) may cast a deliberative vote when a question must be decided with a supporting vote of at least two thirds of the members of the legislature.

Permanent delegates' rights in provincial legislatures

113. A province's permanent delegates to the National Council of Provinces may attend, and may speak in, their provincial legislature and its committees, but may not vote. The legislature may require a permanent delegate to attend the legislature or its committees.

Powers of provincial legislatures

114. (1) In exercising its legislative power, a provincial legislature may –
(a) consider, pass, amend or reject any Bill before the legislature; and
(b) initiate or prepare legislation, except money Bills.

(2) A provincial legislature must provide for mechanisms –
(a) to ensure that all provincial executive organs of state in the province are accountable to it; and
(b) to maintain oversight of –
(i) the exercise of provincial executive authority in the province, including the implementation of legislation; and
(ii) any provincial organ of state.

Evidence or information before provincial legislatures

115. A provincial legislature or any of its committees may –
(a) summon any person to appear before it to give evidence on oath or affirmation, or to produce documents;
(b) require any person or provincial institution to report to it;
(c) compel, in terms of provincial legislation or the rules and orders, any person or institution to comply with a summons or requirement in terms of paragraph (a) or (b); and
(d) receive petitions, representations or submissions from any interested persons or institutions.

Internal arrangements, proceedings and procedures of provincial legislatures

116. (1) A provincial legislature may –
(a) determine and control its internal arrangements, proceedings and procedures; and
(b) make rules and orders concerning its business, with due regard to representative and participatory democracy, accountability, transparency and public involvement.

(2) The rules and orders of a provincial legislature must provide for –
(a) the establishment, composition, powers, functions, procedures and duration of its committees;
(b) the participation in the proceedings of the legislature and its committees of minority parties represented in the legislature, in a manner consistent with democracy;

(c) financial and administrative assistance to each party represented in the legislature, in proportion to its representation, to enable the party and its leader to perform their functions in the legislature effectively; and

(d) the recognition of the leader of the largest opposition party in the legislature, as the Leader of the Opposition.

Privilege

117. (1) Members of a provincial legislature and the province's permanent delegates to the National Council of Provinces –

(a) have freedom of speech in the legislature and in its committees, subject to its rules and orders; and

(b) are not liable to civil or criminal proceedings, arrest, imprisonment or damages for –

(i) anything that they have said in, produced before or submitted to the legislature or any of its committees; or

(ii) anything revealed as a result of anything that they have said in, produced before or submitted to the legislature or any of its committees.

(2) Other privileges and immunities of a provincial legislature and its members may be prescribed by national legislation.

(3) Salaries, allowances and benefits payable to members of a provincial legislature are a direct charge against the Provincial Revenue Fund.

Public access to and involvement in provincial legislatures

118. (1) A provincial legislature must –

(a) facilitate public involvement in the legislative and other processes of the legislature and its committees; and

(b) conduct its business in an open manner, and hold its sittings, and those of its committees, in public, but reasonable measures may be taken –

(i) to regulate public access, including access of the media, to the legislature and its committees; and

(ii) to provide for the searching of any person and, where appropriate, the refusal of entry to, or the removal of, any person.

(2) A provincial legislature may not exclude the public, including the media, from a sitting of a committee unless it is reasonable and justifiable to do so in an open and democratic society.

Introduction of Bills

119. Only members of the Executive Council of a province or a committee or member of a provincial legislature may introduce a Bill in the legislature; but only the member of the Executive Council who is responsible for financial matters in the province may introduce a money Bill in the legislature.

Money Bills

120. (1) A Bill that appropriates money or imposes taxes, levies or duties is a money Bill. A money Bill may not deal with any other matter except a subordinate matter incidental to the appropriation of money or the imposition of taxes, levies or duties.

(2) A provincial Act must provide for a procedure by which the province's legislature may amend a money Bill.

Assent to Bills

121. (1) The Premier of a province must either assent to and sign a Bill passed by the provincial legislature in terms of this Chapter or, if the Premier has reservations about the constitutionality of the Bill, refer it back to the legislature for reconsideration.

(2) If, after reconsideration, a Bill fully accommodates the Premier's reservations, the Premier must assent to and sign the Bill; if not, the Premier must either –

(a) assent to and sign the Bill; or

(b) refer it to the Constitutional Court for a decision on its constitutionality.

(3) If the Constitutional Court decides that the Bill is constitutional, the Premier must assent to and sign it.

Application by members to Constitutional Court

122. (1) Members of a provincial legislature may apply to the Constitutional Court for an order declaring that all or part of a provincial Act is unconstitutional.

(2) An application –

(a) must be supported by at least 20 per cent of the members of the legislature; and

(b) must be made within 30 days of the date on which the Premier assented to and signed the Act.

(3) The Constitutional Court may order that all or part of an Act that is the subject of an application in terms of subsection (1) has no force until the Court has decided the application if –

(a) the interests of justice require this; and

(b) the application has a reasonable prospect of success.

(4) If an application is unsuccessful, and did not have a reasonable prospect of success, the Constitutional Court may order the applicants to pay costs.

Publication of provincial Acts

123. A Bill assented to and signed by the Premier of a province becomes a provincial Act, must be published promptly and takes effect when published or on a date determined in terms of the Act.

Safekeeping of provincial Acts

124. The signed copy of a provincial Act is conclusive evidence of the provisions of that Act and, after publication, must be entrusted to the Constitutional Court for safekeeping.

Provincial Executives

Executive authority of provinces

125. (1) The executive authority of a province is vested in the Premier of that province.

(2) The Premier exercises the executive authority, together with the other members of the Executive Council, by –

(a) implementing provincial legislation in the province;

(b) implementing all national legislation within the functional areas listed in Schedule 4 or 5 except where the Constitution or an Act of Parliament provides otherwise;

(c) administering in the province, national legislation outside the functional areas listed in Schedules 4 and 5, the administration of which has been assigned to the provincial executive in terms of an Act of Parliament;

(d) developing and implementing provincial policy;

(e) co-ordinating the functions of the provincial administration and its departments;

(f) preparing and initiating provincial legislation; and

(g) performing any other function assigned to the provincial executive in terms of the Constitution or an Act of Parliament.

(3) A province has executive authority in terms of subsection (2) (b) only to the extent that the province has the administrative capacity to assume effective responsibility. The national government, by legislative and other measures, must assist provinces to develop the administrative capacity required for the effective exercise of their powers and performance of their functions referred to in subsection (2).

(4) Any dispute concerning the administrative capacity of a province in regard to any function must be referred to the National Council of Provinces for resolution within 30 days of the date of the referral to the Council.

(5) Subject to section 100, the implementation of provincial legislation in a province is an exclusive provincial executive power.

(6) The provincial executive must act in accordance with –

(a) the Constitution; and

(b) the provincial constitution, if a constitution has been passed for the province.

Assignment of functions

126. A member of the Executive Council of a province may assign any power or function that is to be exercised or performed in terms of an Act of Parliament or a provincial Act, to a Municipal Council. An assignment –

(a) must be in terms of an agreement between the relevant Executive Council member and the Municipal Council;

(b) must be consistent with the Act in terms of which the relevant power or function is exercised or performed; and

(c) takes effect upon proclamation by the Premier.

Powers and functions of Premiers

127. (1) The Premier of a province has the powers and functions entrusted to that office by the Constitution and any legislation.

(2) The Premier of a province is responsible for –

(a) assenting to and signing Bills;

(b) referring a Bill back to the provincial legislature for reconsideration of the Bill's constitutionality;

(c) referring a Bill to the Constitutional Court for a decision on the Bill's constitutionality;

(d) summoning the legislature to an extraordinary sitting to conduct special business;

(e) appointing commissions of inquiry; and

(f) calling a referendum in the province in accordance with national legislation.

Election of Premiers

128. (1) At its first sitting after its election, and whenever necessary to fill a vacancy, a provincial legislature must elect a woman or a man from among its members to be the Premier of the province.

(2) A judge designated by the President of the Constitutional Court must preside over the election of the Premier. The procedure set out in Part A of Schedule 3 applies to the election of the Premier.

(3) An election to fill a vacancy in the office of Premier must be held at a time and on a date determined by the President of the Constitutional Court, but not later than 30 days after the vacancy occurs.

Assumption of office by Premiers

129. A Premier-elect must assume office within five days of being elected, by swearing or affirming faithfulness to the Republic and obedience to the Constitution, in accordance with Schedule 2.

Term of office and removal of Premiers

130. (1) A Premier's term of office begins when the Premier assumes office and ends upon a vacancy occurring or when the person next elected Premier assumes office.

(2) No person may hold office as Premier for more than two terms, but when a person is elected to fill a vacancy in the office of Premier, the period between that election and the next election of a Premier is not regarded as a term.

(3) The legislature of a province, by a resolution adopted with a supporting vote of at least two thirds of its members, may remove the Premier from office only on the grounds of –
(a) a serious violation of the Constitution or the law;
(b) serious misconduct; or
(c) inability to perform the functions of office.

(4) Anyone who has been removed from the office of Premier in terms of subsection (3) (a) or (b) may not receive any benefits of that office, and may not serve in any public office.

Acting Premiers

131. (1) When the Premier is absent or otherwise unable to fulfil the duties of the office of Premier, or during a vacancy in the office of Premier, an office-bearer in the order below acts as the Premier:
(a) A member of the Executive Council designated by the Premier.
(b) A member of the Executive Council designated by the other members of the Council.
(c) The Speaker, until the legislature designates one of its other members.

(2) An Acting Premier has the responsibilities, powers and functions of the Premier.

(3) Before assuming the responsibilities, powers and functions of the Premier, the Acting Premier must swear or affirm faithfulness to the Republic and obedience to the Constitution, in accordance with Schedule 2.

Executive Councils

132. (1) The Executive Council of a province consists of the Premier, as head of the Council, and no fewer than five and no more than ten members appointed by the Premier from among the members of the provincial legislature.

(2) The Premier of a province appoints the members of the Executive Council, assigns their powers and functions, and may dismiss them.

Accountability and responsibilities

133. (1) The members of the Executive Council of a province are responsible for the functions of the executive assigned to them by the Premier.

(2) Members of the Executive Council of a province are accountable collectively and individually to the legislature for the exercise of their powers and the performance of their functions.

(3) Members of the Executive Council of a province must –
(a) act in accordance with the Constitution and, if a provincial constitution has been passed for the province, also that constitution; and
(b) provide the legislature with full and regular reports concerning matters under their control.

Continuation of Executive Councils after elections

134. When an election of a provincial legislature is held, the Executive Council and its members remain competent to function until the person elected Premier by the next legislature assumes office.

Oath or affirmation

135. Before members of the Executive Council of a province begin to perform their functions, they must swear or affirm faithfulness to the Republic and obedience to the Constitution, in accordance with Schedule 2.

Conduct of members of Executive Councils

136. (1) Members of the Executive Council of a province must act in accordance with a code of ethics prescribed by national legislation.

(2) Members of the Executive Council of a province may not –
(a) undertake any other paid work;
(b) act in any way that is inconsistent with their office, or expose themselves to any situation involving the risk of a conflict between their official responsibilities and private interests; or
(c) use their position or any information entrusted to them, to enrich themselves or improperly benefit any other person.

Transfer of functions

137. The Premier by proclamation may transfer to a member of the Executive Council –
(a) the administration of any legislation entrusted to another member; or
(b) any power or function entrusted by legislation to another member.

Temporary assignment of functions

138. The Premier of a province may assign to a member of the Executive Council any power or function of another member who is absent from office or is unable to exercise that power or perform that function.

Provincial supervision of local government

139. (1) When a municipality cannot or does not fulfil an executive obligation in terms of legislation, the relevant provincial executive may intervene by taking any appropriate steps to ensure fulfilment of that obligation, including –
(a) issuing a directive to the Municipal Council, describing the extent of the failure to fulfil its obligations and stating any

steps required to meet its obligations; and

(b) assuming responsibility for the relevant obligation in that municipality to the extent necessary –

(i) to maintain essential national standards or meet established minimum standards for the rendering of a service;

(ii) to prevent that Municipal Council from taking unreasonable action that is prejudicial to the interests of another municipality or to the province as a whole; or

(iii) to maintain economic unity.

(2) If a provincial executive intervenes in a municipality in terms of subsection (1)(b) –

(a) the intervention must end unless it is approved by the Cabinet member responsible for local government affairs within 14 days of the intervention;

(b) notice of the intervention must be tabled in the provincial legislature and in the National Council of Provinces within 14 days of their respective first sittings after the intervention began;

(c) the intervention must end unless it is approved by the Council within 30 days of its first sitting after the intervention began; and

(d) the Council must review the intervention regularly and make any appropriate recommendations to the provincial executive.

(3) National legislation may regulate the process established by this section.

Executive decisions

140. (1) A decision by the Premier of a province must be in writing if it –

(a) is taken in terms of legislation; or

(b) has legal consequences.

(2) A written decision by the Premier must be countersigned by another Executive Council member if that decision concerns a function assigned to that other member.

(3) Proclamations, regulations and other instruments of subordinate legislation of a province must be accessible to the public.

(4) Provincial legislation may specify the manner in which, and the extent to which, instruments mentioned in subsection (3) must be –

(a) tabled in the provincial legislature; and

(b) approved by the provincial legislature.

Motions of no confidence

141. (1) If a provincial legislature, by a vote supported by a majority of its members, passes a motion of no confidence in the province's Executive Council excluding the Premier, the Premier must reconstitute the Council.

(2) If a provincial legislature, by a vote supported by a majority of its members, passes a motion of no confidence in the Premier, the Premier and the other members of the Executive Council must resign.

Provincial Constitutions

Adoption of provincial constitutions

142. A provincial legislature may pass a constitution for the province or, where applicable, amend its constitution, if at least two thirds of its members vote in favour of the Bill.

Contents of provincial constitutions

143. (1) A provincial constitution, or constitutional amendment, must not be inconsistent with this Constitution, but may provide for –
(a) provincial legislative or executive structures and procedures that differ from those provided for in this Chapter; or
(b) the institution, role, authority and status of a traditional monarch, where applicable.

(2) Provisions included in a provincial constitution or constitutional amendment in terms of paragraph (a) or (b) of subsection (1) –
(a) must comply with the values in section 1 and with Chapter 3 ; and
(b) may not confer on the province any power or function that falls –
(i) outside the area of provincial competence in terms of Schedules 4 and 5; or
(ii) outside the powers and functions conferred on the province by other sections of the Constitution.

Certification of provincial constitutions

144. (1) If a provincial legislature has passed or amended a constitution, the Speaker of the legislature must submit the text of the constitution or constitutional amendment to the Constitutional Court for certification.

(2) No text of a provincial constitution or constitutional amendment becomes law until the Constitutional Court has certified –
(a) that the text has been passed in accordance with section 142; and
(b) that the whole text complies with section 143.

Signing, publication and safekeeping of provincial constitutions

145. (1) The Premier of a province must assent to and sign the text of a provincial constitution or constitutional amendment that has been certified by the Constitutional Court.

(2) The text assented to and signed by the Premier must be published in the national Government Gazette and takes effect on

publication or on a later date determined in terms of that constitution or amendment.

(3) The signed text of a provincial constitution or constitutional amendment is conclusive evidence of its provisions and, after publication, must be entrusted to the Constitutional Court for safekeeping.

Conflicting Laws

Conflicts between national and provincial legislation

146. (1) This section applies to a conflict between national legislation and provincial legislation falling within a functional area listed in Schedule 4.

(2) National legislation that applies uniformly with regard to the country as a whole prevails over provincial legislation if any of the following conditions is met:

(a) The national legislation deals with a matter that cannot be regulated effectively by legislation enacted by the respective provinces individually.

(b) The national legislation deals with a matter that, to be dealt with effectively, requires uniformity across the nation, and the national legislation provides that uniformity by establishing –

(i) norms and standards;

(ii) frameworks; or

(iii) national policies.

(c) The national legislation is necessary for –

(i) the maintenance of national security;

(ii) the maintenance of economic unity;

(iii) the protection of the common market in respect of the mobility of goods, services, capital and labour;

(iv) the promotion of economic activities across provincial boundaries;

(v) the promotion of equal opportunity or equal access to government services; or

(vi) the protection of the environment.

(3) National legislation prevails over provincial legislation if the national legislation is aimed at preventing unreasonable action by a province that –

(a) is prejudicial to the economic, health or security interests of another province or the country as a whole; or

(b) impedes the implementation of national economic policy.

(4) When there is a dispute concerning whether national legislation is necessary for a purpose set out in subsection (2)(c) and that dispute comes before a court for resolution, the court must have due regard to the approval or the rejection of the legislation by the National Council of Provinces.

(5) Provincial legislation prevails over national legislation if subsection (2) or (3) does not apply.

(6) A law made in terms of an Act of Parliament or a provincial Act can prevail only if that law has been approved by the National Council of Provinces.

(7) If the National Council of Provinces does not reach a decision within 30 days of its first sitting after a law was referred to it, that law must be considered for all purposes to have been approved by the Council.

(8) If the National Council of Provinces does not approve a law referred to in subsection (6), it must, within 30 days of its decision, forward reasons for not approving the law to the authority that referred the law to it.

Other conflicts

147. (1) If there is a conflict between national legislation and a provision of a provincial constitution with regard to –
(a) a matter concerning which this Constitution specifically requires or envisages the enactment of national legislation, the national legislation prevails over the affected provision of the provincial constitution;
(b) national legislative intervention in terms of section 44(2), the national legislation prevails over the provision of the provincial constitution; or
(c) a matter within a functional area listed in Schedule 4, section 146 applies as if the affected provision of the provincial constitution were provincial legislation referred to in that section.

(2) National legislation referred to in section 44(2) prevails over provincial legislation in respect of matters within the functional areas listed in Schedule 5.

Conflicts that cannot be resolved

148. If a dispute concerning a conflict cannot be resolved by a court, the national legislation prevails over the provincial legislation or provincial constitution.

Status of legislation that does not prevail

149. A decision by a court that legislation prevails over other legislation does not invalidate that other legislation, but that other legislation becomes inoperative for as long as the conflict remains.

Interpretation of conflicts

150. When considering an apparent conflict between national and provincial legislation, or between national legislation and a provincial constitution, every court must prefer any reasonable interpretation of the legislation or constitution that avoids a conflict, over any alternative interpretation that results in a conflict.

(a) may not stop the transfer of funds for more than 120 days; and

(b) may be enforced immediately, but will lapse retrospectively unless Parliament approves it following a process substantially the same as that established in terms of section 76(1) and prescribed by the joint rules and orders of Parliament. This process must be completed within 30 days of the decision by the national treasury.

(4) Parliament may renew a decision to stop the transfer of funds for no more than 120 days at a time, following the process established in terms of subsection (3).

(5) Before Parliament may approve or renew a decision to stop the transfer of funds to a province –

(a) the Auditor-General must report to Parliament; and

(b) the province must be given an opportunity to answer the allegations against it, and to state its case, before a committee.

Procurement

217. (1) When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

(2) Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for –

(a) categories of preference in the allocation of contracts; and

(b) the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.

(3) National legislation must prescribe a framework within which the policy referred to in subsection (2) may be implemented.

Government guarantees

218. (1) The national government, a provincial government or a municipality may guarantee a loan only if the guarantee complies with any conditions set out in national legislation.

(2) National legislation referred to in subsection (1) may be enacted only after any recommendations of the Financial and Fiscal Commission have been considered.

(3) Each year, every government must publish a report on the guarantees it has granted.

Remuneration of persons holding public office

219. (1) An Act of Parliament must establish a framework for determining –

(a) the salaries, allowances and benefits of members of the National Assembly, permanent delegates to the National

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PUBLIC SERVICE ACT, 1994

[PROCLAMATION NO. 103 OF 1994]

[View Regulation]

This Act has been updated to *Government Gazette* 42542 dated 26 June, 2019.

as amended by

Public Service Labour Relations Act, 1994
[with effect from 11 June, 1994]

Constitution of the Republic of South Africa, No. 200 of 1993
[with effect from 12 August, 1994—see Proclamation No. R.134 of 1994]

[with effect from 18 November, 1994—see Proclamation No. R.171 of 1994]

[with effect from 2 December, 1994—see Proclamation No. R.175 of 1994]

Intelligence Services Act, No. 38 of 1994
[with effect from 1 January, 1995]

Public Service Amendment Act, No. 13 of 1996

Public Service Second Amendment Act, No. 67 of 1996

South African Revenue Service Act, No. 34 of 1997
[with effect from 1 October, 1997]

Public Service Laws Amendment Act, No. 47 of 1997

Department of Communications Rationalisation Act, No. 10 of 1998
[with effect from 1 April, 1998]

Public Service Laws Amendment Act, No. 86 of 1998

Public Service Amendment Act, No. 5 of 1999

Institution of Legal Proceedings against certain Organs of State Act, No. 40 of 2002
[with effect from 28 November, 2002]

Intelligence Services Act, No. 65 of 2002
[with effect from 20 February, 2003]

General Intelligence Laws Amendment Act, No. 52 of 2003
[with effect from 20 February, 2003]

Public Service Amendment Act, No. 30 of 2007

General Intelligence Laws Amendment Act, No. 11 of 2013
[with effect from 29 July, 2013]

pending amendment by

Public Administration Management Act, No. 11 of 2014
(provisions mentioned below not yet proclaimed)

GENERAL NOTES

In terms of s. 32 (1) of Act No. 38 of 1994, the words "National Intelligence Services", wherever they occur, are substituted by the words "Agency or the Service".

In terms of s. 41 (1) (a) of Act No. 30 of 2007, the expressions "officer or" and "officers and", wherever they occur, are deleted. In terms of s. 41 (1) (b) of Act No. 30 of 2007, the expressions "executing authority" and "executing authorities", wherever they occur, are substituted by the expressions "executive authority" and "executive authorities". S. 41 (1) of Act No. 30 of 2007 to be read in conjunction with s. 41 (2).

(*bb*) the Office of the Premier, provincial department or provincial government component to a national department or any body established by or under any law, other than a provincial law; or

(*cc*) a national department or such other body to the Office of the Premier, provincial department or provincial government component.

(5) (*a*) Subject to the Labour Relations Act and any collective agreement, the Minister may make determinations regarding any conditions of service of employees generally or categories of employees, including determinations regarding a salary scale for all employees or salary scales for particular categories of employees and allowances for particular categories of employees.

(*b*) A determination involving expenditure from revenue shall be made in consultation with the Minister of Finance.

(6) (*a*) If so requested by the President or an executive authority, the Minister may advise, or assist in such manner or on such conditions as the Minister may determine, the President or the relevant executive authority as to any matter relating to—

(i) the public service;

(ii) any staffing arrangements or employment practice regarding any organ of state; or

(iii) the remuneration or other conditions of appointment of the office-bearers of any board, institution or body.

(*b*) For the purposes of paragraph (a), the Minister, or any person authorised in writing by the Minister, has access to such official documents and may obtain such information from the chairperson or head of the relevant board, institution or body as may be necessary to advise or assist the President or the relevant executive authority.

(7) An executive authority has all those powers and duties necessary for—

(*a*) the internal organisation of the department concerned, including its organisational structure and establishment, the transfer of functions within that department, human resources planning, the creation and abolition of posts and provision for the employment of persons additional to the fixed establishment; and

(*b*) the recruitment, appointment, performance management, transfer, dismissal and other career incidents of employees of that department, including any other matter which relates to such employees in their individual capacities,

and such powers and duties shall be exercised or performed by the executive authority in accordance with this Act.

(8) (*a*) The relevant executive authority may, subject to paragraphs (b) and (c), perform any act in connection with any matter which relates to or arises from the employment or the conditions of service of a person formerly employed in the public service whilst he or she was so employed in the department concerned.

(*b*) An executive authority may only so perform an act if he or she would at the relevant time have been competent in terms of this Act or any other law to perform any such act in respect of a serving employee.

(*c*) No such act shall be to the detriment of the person concerned, and the relevant executive authority shall not perform any such act in respect of any such person after the expiry of a period of three years after he or she ceased to be so employed.

(*d*) On request of the relevant executive authority and on good cause shown, the Minister may in respect of a particular person extend the period of three years with such period as the Minister considers appropriate.

[S. 3 substituted by s. 3 of Act No. 47 of 1997, amended by s. 2 of Act No. 86 of 1998 and substituted by s. 3 of Act No. 30 of 2007.]

3A. Functions of Premiers.—The Premier of a province may, in the province concerned—

(*a*) subject to section 7 (5) to (7)—

(i) establish or abolish any provincial department**,** designate such department and the head thereof or amend any such designation;

(ii) after consultation with the Minister and the Minister of Finance establish or abolish any provincial government component or establish an existing body as a provincial government component, designate such component and the head thereof and designate the Office of the Premier or a provincial department as its principal provincial department or amend any such designation; and

(*b*) make determinations regarding the allocation of any function to, or the abolition of any function of, any department or government component in the province concerned or the transfer of any function from such department or component to another department or component in the province or from such office, department or component to any body established by or under any law of the provincial legislature or from any such body to such office, department or component.

[S. 3A inserted by s. 3 of Act No. 86 of 1998 and substituted by s. 4 of Act No. 30 of 2007.]

3B. . . . . . .

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VAN DIE REPUBLIEK VAN SUID-AFRIKA

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KAAPSTAD, 2 MAART 1999

No. **19814**

OFFICE OF THE PRESIDENT

No. 282. 2 March 1999

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

No. 1 of 1999: Public Finance Management Act, 1999.

KANTOOR VAN DIE PRESIDENT

No. 282. 2 Maart 1999

Hierby word bekend gemaak dat die President sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 1 van 1999: Wet op Openbare Finansiële Bestuur, 1999.

(English text signed by the President.)
(Assented to 2 March 1999.)

ACT

To regulate financial management in the national government; to ensure that all revenue, expenditure, assets and liabilities of that government are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in that government; and to provide for matters connected therewith.

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

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CHAPTER 1

INTERPRETATION, OBJECT, APPLICATION AND AMENDMENT OF THIS ACT

Definitions

1. In this Act, unless the context otherwise indicates—

"accounting officer" means a person mentioned in section 36;

"accounting authority" means a body or person mentioned in section 49;

"Accounting Standards Board" means the **board** established in terms of section 87;

"annual Division of Revenue Act" means the Act of Parliament which must annually be enacted in terms of section 214(1) of the Constitution;

"constitutional institution" means an institution listed in Schedule l;

"department" means a national department;

"executive authority"-

(a) in relation to a national department, means the Cabinet member who is accountable to Parliament for that department; and

(b) in relation to a national public entity, means the Cabinet member who is accountable to Parliament for that public entity or in whose portfolio it falls;

"financial year"-

(a) means a year ending 31 March; or

(b) in relation to a national public entity that existed when this Act took effect and that has a different financial year in terms of other legislation, means that financial year, provided the National Treasury has approved that other financial year;

"financial statements" means statements consisting of at least—

(a) a balance sheet:

(b) an income statement;

(c) a cash-flow statement;

(d) any other statements that may be prescribed; and

(e) any notes to these statements;

"fruitless and wasteful expenditure" means expenditure which was made in vain and would have been avoided had reasonable care been exercised;

"generally recognised accounting practice" means an accounting practice complying in material respects with standards issued by the Accounting Standards Board;

"irregular expenditure" means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation. including—

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of that Act;

"main division within a vote" means **one of the main** segments into which a vote is divided and which—

(a) specifies the total amount which is appropriated for the items under that segment; and

(b) is approved by Parliament as part of the vote:

"Minister'. means the Minister of Finance;

"national department.' means—

(a) a department listed in Schedule 1 of the Public Service Act, 1994 (Proclamation No. 103 of 1994), but excluding a provincial administration; or

(b) an organisational component listed in Schedule 3 of that Act;

"national government business enterprise" means an entity which—

(a) is a juristic person under the ownership control of the national executive;

(b) has been assigned financial and operational authority to carry on a business activity;

(c) as its principal business. provides goods or services in accordance with ordinary business principles: and

(d) is financed fully or substantially from sources other than—

(i) the National Revenue Fund; or

(ii) by way of a tax, levy or other statutory money;

"national public entity" means—

(a) a national government business enterprise; or

(b) a board, commission, company, corporation, fund or other entity (other than a national government business enterprise) which is—

(i) established in terms of national legislation ;

(ii) fully or substantially funded either from the National Revenue Fund, or by way of a tax, levy or other money imposed in terms of national legislation: and

(iii) accountable to Parliament:

"National Treasury" means the National Treasury established by section 5;

"overspending"—

(a) in relation to a vote, means when expenditure under the vote exceeds the amount appropriated for that vote; or

(b) in relation to a main division within a vote, means when expenditure under the main division exceeds the amount appropriated for that main division, subject to section 43;

"ownership control ", in relation to an entity, means the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

(a) To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;

(b) to appoint or remove that entity's chief executive officer;

(c) to cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or

(d) to control all, or the majority of, the voting rights at a general meeting of that entity;

"prescribe" means prescribe by regulation or instruction in terms of section 76;

"public entity" means a national public entity;

"Revenue Fund" means—

(a) the National Revenue Fund mentioned in section 213 of the Constitution;

"this Act" includes any regulations and instructions in terms of section 69,76, 85 or 91;

"trading entity.' means an entity operating within the administration of a department for the provision or sale of goods or services, and established—

(a) in the case of a national department, with the approval of the National Treasury;

"treasury" means the National Treasury;

"unauthorised expenditure" means—

(a) overspending of a vote or a main division within a vote;

(b) expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division;

"vote" means one of the main segments into which an appropriation Act is divided and which-

(a) specifies the total amount which is usually appropriated per department in an ' appropriation Act; and

(b) is separately approved by Parliament before it approves the relevant draft appropriation Act as such.

Object of this Act

2. The object of this Act is to secure transparency, accountability. and sound management of the revenue, expenditure, assets and liabilities of the institutions to which this Act applies.

Institutions to which this Act applies

3. (1) This Act, to the extent indicated in the Act, applies to—
(a) departments;
(b) public entities listed in Schedule 2 or 3;
(c) constitutional institutions: and
(d) Parliament, subject to subsection (2).

(2) To the extent that a provision of this Act applies to—
(a) Parliament, any controlling and supervisory functions of the National Treasury in terms of that provision are performed by the Speaker of the National Assembly and the Chairperson of the National Council of Provinces, acting jointly.

(3) In the event of any inconsistency between this Act and any other legislation, this Act prevails.

Amendments to this Act

4. Draft legislation directly or indirectly amending this Act, or providing for the enactment of subordinate legislation that may conflict with this Act, may be introduced in Parliament—
(a) by the Minister only; or
(b) only after the Minister has been consulted on the contents of the draft legislation.

CHAPTER 2

NATIONAL TREASURY AND NATIONAL REVENUE FUND

Part 1: National Treasury

Establishment

5. (1) A National Treasury is hereby established, consisting of—
(a) the Minister, who is the head of the Treasury; and
(b) the national department or departments responsible for financial and fiscal matters.

(2) The Minister. as the head of the National Treasury, takes the policy and other decisions of the Treasury, except those decisions taken as a result of a delegation or instruction in terms of section 10.

Functions and powers

6. (1) The National Treasury must—
(a) promote the national government's fiscal policy framework and the co-ordination of macro-economic policy;
(b) co-ordinate intergovernmental financial and fiscal relations;
(c) manage the budget preparation process;
(d) exercise control over the implementation of the annual national budget, including any adjustments budgets;
(e) facilitate the implementation of the annual Division of Revenue Act;
(f) monitor the implementation of provincial budgets;
(g) promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, public entities and constitutional institutions; and

(h) perform the other functions assigned to the National Treasury in terms of this Act.

(2) To the extent necessary to perform the functions mentioned in subsection (1), the National Treasury—

(a) must prescribe uniform treasury norms and standards;

(b) must enforce this Act and any prescribed norms and standards, including any prescribed standards of generally recognised accounting practice and uniform classification systems. in national departments;

(c) must monitor and assess the implementation of this Act. including any prescribed norms and standards. in national public entities and in constitutional institutions;

(d) may assist departments and constitutional institutions in building their capacity for efficient, effective and transparent financial management;

(e) may investigate any system of financial management and internal control in any department, public entity or constitutional institution;

(f) must intervene by taking appropriate steps, which may include steps in terms of section 100 of the Constitution or the withholding of funds in terms of section 216(2) of the Constitution, to address a serious or persistent material breach of this Act by a department, public entity or constitutional institution; and

(g) may do anything further that is necessary to fulfil its responsibilities effectively.

(3) Subsections (1) *(g)* and (2) apply to public entities listed in Schedule 2 only to the extent provided for in this Act.

Banking, cash management and investment framework

7. (1) The National Treasury must prescribe a framework within which departments, public entities listed in Schedule 3 and constitutional institutions must conduct their cash management.

(2) A department authorised to open a bank account in terms of the prescribed framework, a public entity or a constitutional institution may open a bank account only-

(a) with a bank registered in South Africa and approved in writing by the National Treasury; and

(b) after any prescribed tendering procedures have been complied with.

(3) A department, public entity listed in Schedule 3 or constitutional institution may not open a bank account abroad or with a foreign bank except with the written approval of the National Treasury.

(4) The National Treasury may prescribe an investment policy for public entities, constitutional institutions and those departments authorised to open a bank or other account in terms of the prescribed framework.

(5) A bank which has opened a bank account for a department, a public entity listed in Schedule 3 or a constitutional institution, or any other institution that holds money for a department, a public entity listed in Schedule 3 or a constitutional institution, must promptly disclose information regarding the account when so requested by the National Treasury or the Auditor-General.

Annual consolidated financial statements

8. (1) The National Treasury must—

(a) prepare consolidated financial statements in accordance with generally recognised accounting practice for each financial year in respect of—

(i) national departments;

(ii) public entities under the ownership control of the national executive;

(iii) constitutional institutions:

(iv) the South African Reserve Bank;

(v) the Auditor-General: and

(vi) parliament: and

(b) submit those statements for audit to the Auditor-General within three months after the end of that financial year.

(2) The Auditor-General must audit the consolidated financial statements and submit an audit report on the statements to the National Treasury within three months of receipt of the statements.

(3) The Minister must submit the consolidated financial statements and the audit report on those statements within one month of receiving the report from the Auditor-General, to Parliament for tabling in both Houses.

(4) The consolidated financial statements must be made public when submitted to Parliament.

(5) If the Minister fails to submit the consolidated financial statements and the Auditor-General's audit report on those statements to Parliament within seven months after the end of the financial year to which those statements relate—

(a) the Minister must submit to Parliament a written explanation setting out the reasons why they were not submitted; and

(b) the Auditor-General may issue a special report on the delay.

Financial statistics and aggregations

9. The National Treasury may annually compile in accordance with international standards, and publish in the national *Government Gazette,* financial statistics and aggregations concerning all spheres of government.

Delegations by National Treasury

10. (1) The Minister may—

(a) in writing delegate any of the powers entrusted to the National Treasury in terms of this Act, to the head of a department forming part of the National Treasury, or instruct that head of department to perform any of the duties assigned to the National Treasury in terms of this Act.

(2) A delegation, instruction or request in terms of subsection (1) to the head of a department forming part of the National Treasury—

(a) is subject to any limitations or conditions that the Minister may impose;

(b) may authorise that head, in the case of subsection (1)*(a)*—

(i) to sub-delegate, in writing, the delegated power to another National Treasury official, or to the holder of a specific post in the National Treasury, or to the accounting officer of a constitutional institution or a department, or to the accounting authority for a public entity; or

(ii) to instruct another National Treasury official, or the holder of a specific post in the National Treasury, or the accounting officer for a constitutional institution or a department, or the accounting authority for a public entity, to perform the assigned duty; and

(d) does not divest the Minister of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The Minister may confirm, vary or revoke any decision taken by the head of a department forming part of the National Treasury, as a result of a delegation, instruction or request in terms of subsection (1)(a), or by a treasury official or accounting officer or accounting authority as a result of an authorisation in terms of subsection *(2)(b),* subject to any rights that may have become vested as a consequence of the decision.

Part 2: National Revenue Fund

Control of National Revenue Fund

11. (1) The National Treasury is in charge of the National Revenue Fund and must enforce compliance with the provisions of section 213 of the Constitution, namely that—

(a) ail money received by the national government must be paid into the Fund. except money reasonably excluded by this Act or another Act of Parliament: and

(b) no money may be withdrawn from the Fund except—

(i) in terms of an appropriation by an Act of Parliament; or

(ii) as a direct charge against the Fund, subject to section 15(1)*(a)*(ii).

(2) Draft legislation that provides for a withdrawal from the National Revenue Fund as a direct charge against the Fund, may be introduced in Parliament only after the Minister has been consulted and has consented to the direct charge.

(3) Money that must be paid into the National Revenue Fund is paid into the Fund by depositing it into a bank account of the Fund in accordance with any requirements that may be prescribed.

(4) The National Treasury must establish appropriate and effective cash management and banking arrangements for the National Revenue Fund.

(5) The National Treasury must ensure that there is at all times sufficient money in the National Revenue Fund.

Deposits and withdrawals by South African Revenue Services in Revenue Funds

12. (1) The South African Revenue Services must promptly deposit into a Revenue Fund all taxes, levies, duties, fees and other moneys collected by it for that Revenue Fund, in accordance with a framework determined by the National Treasury.

(2) The South African Revenue Services may, despite section 15(1), withdraw money from the National Revenue Fund—

(a) to refund any tax, levy or duty credits or any other charges in connection with taxes, levies or duties;

(b) to make other refunds approved by the National Treasury; or

(c) to transfer to a member of the South African Customs Union any money collected on its behalf.

(3) The National Treasury must promptly transfer all taxes, levies, duties, fees and other moneys collected by the South African Revenue Services for a province and deposited into the National Revenue Fund, to that province's Provincial Revenue Fund.

(4) Withdrawals in terms of subsection (2) or (3) are direct charges against the National Revenue Fund.

Deposits into National Revenue Fund

13. *(1)* All money received by the national government must be paid into the National Revenue Fund, except money received by—

(a) Parliament;

(b) a national public entity:

(c) the South African Reserve Bank;

(d) the Auditor-General:

(e) the national government from donor agencies which in terms of 'legislation or the agreement with the donor, must be paid to the Reconstruction and Development Programme Fund;

(f) a national department—

(i) operating a trading entity, if the money is received in the ordinary course of operating the trading entity;

(ii) in trust for a specific person or category of persons or for a specific purpose;

(iii) from another department to render an agency service for that department; or

(iv) if the money is of a kind described *in* Schedule 4; or

(g) a constitutional institution—

(i) in trust for a specific person or category of persons or for a specific purpose; or

(ii) if the money is of a kind described in Schedule 4.

(2) The exclusion in subsection (1)*(b)* does not apply to a national public entity which is not listed in Schedule 2 or 3 but which in terms of section 47 is required to be listed.

(3) Draft legislation that excludes money from payment into the National Revenue Fund may be introduced in Parliament only after the Minister has been consulted on the reasonableness of the exclusion and has consented to the exclusion.

(4) Any legislation inconsistent with subsection (1) is of no force and effect to the extent of the inconsistency.

(5) Money received by Parliament, a national public entity listed *in* Schedule 2 or 3, the South African Reserve Bank or the Auditor-General must be paid into a bank account opened by the institution concerned.

Withdrawal of exclusions

14. (1) The National Treasury may withdraw, from a date determined by it, any exclusion granted to a national department, a constitutional institution or a national public entity in terms of section 13(l), either with regard to all money or with regard to money of a specific kind received by that department, constitutional institution or public entity, if—

(a) the exclusion is not reasonable within the context of section 213 of the Constitution; or

(b) the National Treasury regards the withdrawal of the exclusion to be necessary for transparency or more effective and accountable financial management.

(2) The exclusion in terms of section 13(1) of the following public entities may not be withdrawn:

(a) A national government business enterprise which is a company and in which the state is not the sole shareholder; and

(b) the national public entities listed in Schedule 2.

(3) From the date on which the withdrawal of an exclusion in terms of subsection (1) takes effect until the end of the relevant financial year, the National Treasury may transfer money from the National Revenue Fund, as a direct charge against the Fund, to the national department or public entity affected by the withdrawal, provided that the amount of the transfer does not exceed the amount that would otherwise have been excluded from payment into the Fund.

(4) The Minister must promptly inform Parliament of any withdrawal of an exclusion in terms of subsection (1).

Withdrawals and investments from National Revenue Fund

15. (1) Only the National Treasury may withdraw money from the National Revenue Fund, and may do so only—

(a) to provide funds that have been authorised—

(i) in terms of an appropriation by an Act of Parliament; or

(ii) as a direct charge against the National Revenue Fund provided for in the Constitution or this Act, or in any other Act of Parliament provided the direct charge in such a case is listed in Schedule 5;

(b) to refund money invested by a province in the National Revenue Fund; or

(c) to refund money incorrectly paid into, or which is not due to, the National Revenue Fund.

(2) A payment in terms of subsection (1)*(b)* or *(c)* is a direct charge against the National Revenue Fund.

(3) *(a)* The National Treasury may invest temporarily, in the Republic or elsewhere, money in the National Revenue Fund that is not immediately needed.

(b) When money in the National Revenue Fund is invested, the investment, including interest earned, is regarded as part of the National Revenue Fund.

Use of funds in emergency situations

16. (1) The Minister may authorise the use of funds from the National Revenue Fund

to defray expenditure of an exceptional nature which is currently not provided for and which cannot, without serious prejudice to the public interest, be postponed to a future parliamentary appropriation of funds.

(2) The combined amount of any authorisations in terms of subsection (1), may not exceed two per cent of the total amount appropriated in the annual national budget for the current financial year.

(3) An amount authorised in terms of subsection (1) is a direct charge against the National Revenue Fund.

(4) An amount authorised in terms of subsection (1) must—

(a) be reported to Parliament and the Auditor-General within 14 days, or if the funds are authorised for the deployment of the security services, within a period determined by the President; and

(b) be attributed to a vote.

(5) A report to Parliament in terms of subsection (4)*(a)* must be submitted to the National Assembly for tabling in the Assembly and made public.

(6) Expenditure in terms of subsection (1) must be included either in the next adjustments budget for the financial year in which the expenditure is authorised or in other appropriation legislation tabled in the National Assembly within 120 days of the Minister authorizing the expenditure, whichever is the sooner.

CHAPTER 4

NATIONAL BUDGETS

Annual appropriations

26. Parliament must appropriate money for each financial year for the requirements of the state.

National annual budgets

27. (1) The Minister must table the annual budget for a financial year in the National Assembly before the start of that financial year or, in exceptional circumstances, on a date as soon as possible after the start of that financial year, as the Minister may determine.

(3) An annual budget must be in accordance with a format as may be prescribed, and must at least contain—

(a) estimates of all revenue expected to be raised during the financial year to which the budget relates;

(b) estimates of current expenditure for that financial year per vote and per main division within the vote;

(c) estimates of interest and debt servicing charges, and any repayments on loans;

(d) estimates of capital expenditure per vote and per main division within a vote for that financial year and the projected financial implications of that expenditure for future financial years;

(e) estimates of revenue excluded in terms of section 13(1) from the Revenue Fund for that financial year;

(f) estimates of all direct charges against the Revenue Fund and standing appropriations for that financial year;

(g) proposals for financing any anticipated deficit for that financial year;

(h) an indication of intentions regarding borrowing and other forms of public liability that will increase public debt during that financial year and future financial years;

(i) the projected—

(i) revenue for the previous financial year;

(ii) expenditure per vote, and per main division within the vote, for the previous financial year; and

(iii) borrowing for the previous financial year; and

(j) any other information as may be prescribed, including any multi-year budget information.

(4) When the annual budget is introduced in the National Assembly, the accounting officer for each department must submit to Parliament measurable objectives for each

main division within the department's vote. The treasury may co-ordinate these submissions and consolidate them in one document.

Multi-year budget projections

28. (1) The Minister must annually table in the National Assembly a multi-year budget projection of—

(a) the estimated revenue expected to be raised during each year of the multi-year period; and

(b) the estimated expenditure expected to be incurred per vote during each year of the multi-year period, differentiating between capital and current expenditure.

(2) A multi-year budget projection tabled by the Minister must contain the Minister's key macro-economic projections.

Expenditure before annual budget is passed

29. (1) If an annual budget is not passed before the start of the financial year to which it relates, funds may be withdrawn in accordance with this section from the Revenue Fund for the services of the state during that financial year as direct charges against the Fund until the budget is passed.

(2) Funds withdrawn from a Revenue Fund in terms of subsection (1)—

(a) may be utilised only for services for which funds were appropriated in the previous annual budget or adjustments budget; and

(b) may not—

(i) during the first four months of that financial year, exceed 45 per cent of the total amount appropriated in the previous annual budget;

(ii) during each of the following months, exceed 10 per cent of the total amount appropriated in the previous annual budget; and

(iii) in aggregate, exceed the total amount appropriated in the previous annual budget.

(3) The funds provided for in subsection(1) are not additional to funds appropriated for the relevant financial year, and any funds withdrawn in terms of that subsection must be regarded as forming part of the funds appropriated in the annual budget for that financial year.

National adjustment budgets

30. (1) The Minister may table an adjustments budget in the National Assembly as and when necessary.

(2) A national adjustments budget may only provide for—

(a) adjustments required due to significant and unforeseeable economic and financial events affecting the fiscal targets set by the annual budget;

(b) unforeseeable and unavoidable expenditure recommended by the national executive or any committee of Cabinet members to whom this task has been assigned ;

(c) any expenditure in terms of section 16;

(d) money to be appropriated for expenditure already announced by the Minister during the tabling of the annual budget;

(e) the shifting of funds between and within votes or to follow the transfer of functions in terms of section 42;

(f) the utilisation of savings under a main division of a vote for the defrayment of excess expenditure under another main division of the same vote in terms of section 43; and

(g) the roll-over of unspent funds from the preceding financial year.

Publishing of reports on state of budget

32. (I) Within 30 days after the end of each month, the National Treasury must publish in the national *Government Gazette* a statement of actual revenue and expenditure with regard to the National Revenue Fund.

(3) The statement must specify the following amounts and compare those amounts in each instance with the corresponding budgeted amounts for the relevant financial year:

(a) The actual revenue for the relevant period, and for the financial year up to the end of that period:

(b) the actual expenditure per vote (distinguishing between capital and current expenditure) for that period, and for the financial year up to the end of that period; and

(c) actual borrowings for that period, and for the financial year up to the end of that period.

(4) The National Treasury may determine—

(a) the format of the statement of revenue and expenditure; and

(b) any other detail the statement must contain.

Withholding of appropriated funds

33. The treasury—

(a) may withhold from a department any remaining funds appropriated for a specific function if that function is transferred to another department or any other institution; and

(b) must allocate those remaining funds to that other department or institution.

Unauthorised expenditure

34. (1) Unauthorised expenditure does not become a charge against a Revenue Fund except when—

(a) the expenditure is an overspending of a vote and Parliament approves, as a direct charge against the Revenue Fund, an additional amount for that vote which covers the overspending; or

(b) the expenditure is unauthorised for another reason and Parliament authorises the expenditure as a direct charge against the Revenue Fund.

(2) If Parliament does not approve in terms of subsection (1)*(a)* an additional amount for the amount of any overspending, that amount becomes a charge against the funds allocated for the following or future financial years under the relevant vote.

CHAPTER 5

DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS

Part 1: Appointment of accounting officers

Accounting officers

36. (1) Every department and every constitutional institution must have an accounting officer.

(2) Subject to subsection (3)—

(a) the head of a department must be the accounting officer for the department; and

(b) the chief executive officer of a constitutional institution must be the accounting officer for that institution.

(3) The treasury may, in exceptional circumstances, approve or instruct in writing that a person other than the person mentioned in subsection (2) be the accounting officer for—

(a) a department or a constitutional institution; or

(b) a trading entity within a department.

(4) The treasury may at any time withdraw in writing an approval or instruction in terms of subsection (3).

(5) The employment contract of an accounting officer for a department, trading entity or constitutional institution must be in writing and, where possible, include Performance standards. The provisions of sections 38 to 42, as may be appropriate, are regarded as forming part of each such contract.

Acting accounting officers

37. When an accounting officer is absent or otherwise unable to perform the functions of accounting officer, or during a vacancy, the functions of accounting officer must be performed by the official acting in the place of that accounting officer.

Part 2: Responsibilities of accounting officers

General responsibilities of accounting officers

38. (1) The accounting officer for a department, trading entity or constitutional institution—

(a) must ensure that that department. trading entity or constitutional institution has and maintains-

(i) effective, efficient and transparent systems of financial and risk management and internal control;

(ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77;

(iii) an appropriate procurement and provisioning system which is fair, equitable. transparent, competitive and cost-effective;

(iv) a system for properly evaluating all major capital projects prior to a final decision on the project;

(b) is responsible for the effective, efficient, economical and transparent use of the resources of the department, trading entity or constitutional institution;

(c) must take effective and appropriate steps to—

(i) collect all money due to the department, trading entity or constitutional institution;

(ii) prevent unauthorised, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct; and

(iii) manage available working capital efficiently and economically;

(d) is responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the department, trading entity or constitutional institution;

(e) must comply with any tax, levy, duty, pension and audit commitments as may be required by legislation;

(f) must settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period;

(g) on discovery of any unauthorised, irregular or fruitless and wasteful expenditure, must immediately report, in writing, particulars of the expenditure to the treasury and in the case of irregular expenditure involving the procurement of goods or services, also to the relevant tender board;

(11) must take effective and appropriate disciplinary steps against any official in the service of the department, trading entity or constitutional institution who—

(i) contravenes or fails to comply with a provision of this Act;

(ii) commits an act which undermines the financial management and internal control system of the department, trading entity or constitutional institution; or

(iii) makes or permits an unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure;

(i) when transferring funds in terms of the annual Division of Revenue Act, must ensure that the provisions of that Act are complied with;

(j) before transferring any funds (other than grants in terms of the annual Division of Revenue Act or to a constitutional institution) to an entity within or outside government, must obtain a written assurance from the entity that that entity implements effective, efficient and transparent financial manage-

ment and internal control systems, or, if such written assurance is not or cannot be given. render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems;

(k) must enforce compliance with any prescribed conditions if the department, trading entity or constitutional institution gives financial assistance to any entity or person:

(l) must take into account all relevant financial considerations, including issues of propriety, regularity and value for money, when policy proposals affecting the accounting officer's responsibilities are considered, and when necessary, bring those considerations to the attention of the responsible executive authority;

(m) must promptly consult and seek the prior written consent of the National Treasury on any new entity which the department or constitutional institution intends to establish or in the establishment of which it took the initiative; and

(n) must comply, and ensure compliance by the department, trading entity or constitutional institution, with the provisions of this Act.

(2) An accounting officer may not commit a department, trading entity or constitutional institution to any liability for which money has not been appropriated.

Accounting officers' responsibilities relating to budgetary control

39. (1) The accounting officer for a department is responsible for ensuring that—

(a) expenditure of that department is in accordance with the vote of the department and the main divisions within the vote; and

(b) effective and appropriate steps are taken to prevent unauthorised expenditure.

(2) An accounting officer, for the purposes of subsection (l), must—

(a) take effective and appropriate steps to prevent any overspending of the vote of the department or a main division within the vote;

(b) report to the executive authority and the treasury any impending

(i) under collection of revenue due;

(ii) shortfalls in budgeted revenue; and

(iii) overspending of the department's vote or a main division within the vote; and

(c) comply with any remedial measures imposed by the treasury in terms of this Act to prevent overspending of the vote or a main division within the vote.

Accounting officers' reporting responsibilities

40. (1) The accounting officer for a department, trading entity or constitutional institution—

(a) must keep full and proper records of the financial affairs of the department, trading entity or constitutional institution in accordance with any prescribed norms and standards;

(b) must prepare financial statements for each financial year in accordance with generally recognized accounting practice;

(c) must submit those financial statements within two months after the end of the financial year to—

(i) the Auditor-General for auditing; and

(ii) the treasury to enable that treasury to prepare consolidated financial statements in terms of section 8;

(d) must submit within five months of the end of a financial year to the treasury and, in the case of a department or trading entity, also to the executive authority responsible for that department or trading entity—

(i) an annual report on the activities of that department, trading entity or constitutional institution during that financial year;

(ii) the financial statements for that financial year after those statements have been audited: and

(iii) the Auditor-Generals report on those statements;

(e) must, in the case of a constitutional institution, submit to Parliament that institution's annual report and financial statements referred to in paragraph *(d)*, and the Auditor-General's report on those statements, within one month after the accounting officer received the Auditor-General's audit report; and

(f) is responsible for the submission by the department or constitutional institution of all reports, returns, notices and other information to Parliament, an executive authority, the treasury or the Auditor-General, as may be required by this Act.

(2) The Auditor-General must audit the financial statements referred to in subsection (1)*(b)* and submit an audit report on those statements to the accounting officer within two months of receipt of the statements.

(3) The annual report and audited financial statements referred to in subsection (l) *(d)* must—

(a) fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned; and

(b) include particulars of—

(i) any material losses through criminal conduct, and any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, that occurred during the financial year;

(ii) any criminal or disciplinary steps taken as a result of such losses, unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure;

(iii) any material losses recovered or written of' and

(iv) any other matters that may be prescribed.

(4) The accounting officer of a department must—

(a) each year before the beginning of a financial year provide the treasury in the prescribed format with a breakdown per month of the anticipated revenue and expenditure of that department for that financial year;

(b) each month submit information in the prescribed format on actual revenue and expenditure for the preceding month and the amounts anticipated for that month in terms of paragraph *(a)*; and

(c) within 15 days of the end of each month submit to the treasury and the executive authority responsible for that department—

(i) the information for that month;

(ii) a projection of expected expenditure and revenue collection for the remainder of the current financial year; and

(iii) when necessary, an explanation of any material variances and a summary of the steps that are taken to ensure that the projected expenditure and revenue remain within budget.

(5) If an accounting officer is unable to comply with any of the responsibilities determined for accounting officers in this Part, the accounting officer must promptly report the inability, together with reasons, to the relevant executive authority and treasury.

Information to be submitted by accounting officers

41. An accounting officer for a department, trading entity or constitutional institution must submit to the treasury or the Auditor-General such information, returns, documents, explanations and motivations as maybe prescribed or as the treasury or the Auditor-General may require.

Accounting officers' responsibilities when assets and liabilities are transferred

42. (1) When assets or liabilities of a department are transferred to another department or other institution in terms of legislation or following a reorganisation of functions, the accounting officer for the transferring department must—

(a) draw up an inventory of such assets and liabilities; and

(b) provide the accounting officer for the receiving department or other institution with substantiating records, including personnel records of staff to be transferred.

(2) Both the accounting officer for the transferring department and the accounting officer for the receiving department or other institution must sign the inventory when the transfer takes place.

(3) The accounting officer for the transferring department must file a copy of the signed inventory with the treasury and the Auditor-General within 14 days of the transfer.

Virement between main divisions within votes

43. (1) An accounting officer for a department may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division within the same vote, unless the treasury directs otherwise.

(2) The amount of a saving under a main division of a vote that may be utilised in terms of subsection (1), may not exceed eight per cent of the amount appropriated under that main division.

(3) An accounting officer must within seven days submit a report containing the prescribed particulars concerning the utilisation of a saving in terms of subsection (1), to the executive authority responsible for the department and the treasury.

(4) This section does not authorise the utilisation of a saving in—

(a) an amount specifically and exclusively appropriated for a purpose mentioned under a main division within a vote;

(b) an amount appropriated for transfer to another institution; and

(c) an amount appropriated for capital expenditure in order to defray current expenditure.

(5) A utilisation of a saving in terms of subsection (1) is a direct charge against the Revenue Fund.

(6) The National Treasury may by regulation or instruction in terms of section 76 regulate the application of this section.

Part 3: Other officials of departments and constitutional institutions

Assignment of powers and duties by accounting officers

44. (1) The accounting officer for a department, trading entity or constitutional institution may—

(a) in writing delegate any of the powers entrusted or delegated to the accounting officer in terms of this Act, to an official in that department, trading entity or constitutional institution; or

(b) instruct any official in that department, trading entity or constitutional institution to perform any of the duties assigned to the accounting officer in terms of this Act.

(2) A delegation or instruction to an official in terms of subsection (1)—

(a) is subject to any limitations and conditions prescribed in terms of this Act or as the treasury may impose;

(b) is subject to any limitations and conditions the accounting officer may impose;

(c) may either be to a specific individual or to the holder of a specific post in the relevant department, trading entity or constitutional institution; and

(d) does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The accounting *officer* may confirm, vary or revoke any decision taken by an official as a result of a delegation or instruction in terms of subsection (1), subject to any rights that may have become vested as a consequence of the decision.

Responsibilities of other officials

45. An official in a department. trading entity or constitutional institution—

(a) must ensure that the system of financial management and internal control established for that department. trading entity or constitutional institution is carried out within the area of responsibility of that official;

(b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;

(c) must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due;

(d) must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of section 44; and

(e) is responsible for the management, including the safeguarding, of the assets and the management of the liabilities within that official's area of responsibility.

CHAPTER 6

PUBLIC ENTITIES

Part Z: Application of this Chapter

Application

46. The provisions of this Chapter apply, to the extent indicated, to all public entities listed in Schedule 2 or 3.

Unlisted public entities

47. (1) The Minister, by notice in the national ***Government*** *Gazette*—

(a) must amend Schedule 3 to include in the list all public entities that are not listed; and

(b) may make technical changes to the list.

(2) The accounting authority for a public entity that is not listed in either Schedule 2 or 3 must, without delay, notify the National Treasury, in writing, that the public entity is not listed.

(3) Subsection (2) does not apply to an unlisted public entity that is a subsidiary of a public entity, whether the latter entity is listed or not.

(4) The Minister may not list the following institutions in Schedule 3:

(a) A constitutional institution, the South African Reserve Bank and the Auditor-General;

(b) any public institution which functions outside the sphere of national government; and

(c) any institution of higher education.

Classification of public entities

48. (l) The Minister may by notice in the national *Government Gazette* classify public entities listed in Schedule 3 in accordance with the relevant definitions set out in section 1, as—

(a) national government business enterprises; and

(b) national public entities.

(2) A public entity is for the purposes of this Act regarded as belonging to the class in which it is classified in terms of subsection (1).

Part 2: Accounting authorities for public entities

Accounting authorities

49. (1) Every public entity must have an authority which must be accountable for the purposes of this Act.

(2) If the public entity—

(a) has a board or other controlling body, that board or controlling body is the accounting authority for that entity; or

(b) does not have a controlling body, the chief executive officer or the other person in charge of the public entity is the accounting authority for that public entity unless specific legislation applicable to that public entity designates another person as the accounting authority.

(3) The treasury, in exceptional circumstances, may approve or instruct that another functionary of a public entity must be the accounting authority for that public entity.

(4) The treasury may at any time withdraw an approval or instruction in terms of subsection (3).

(5) A public entity must inform the Auditor-General promptly and in writing of any approval or instruction in terms of subsection (3) and any withdrawal of an approval or instruction in terms of subsection (4).

Fiduciary duties of accounting authorities

50. (1) The accounting authority for a public entity must—

(a) exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;

(b) act with fidelity, honesty, integrity and in the best interests of the public entity in managing the financial affairs of the public entity;

(c) on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or that legislature; and

(d) seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.

(2) A member of an accounting authority or, if the accounting authority is not a board or other body, the individual who is the accounting authority, may not—

(a) act in a way that is inconsistent with the responsibilities assigned to an accounting authority in terms of this Act; or

(b) use the position or privileges of, or confidential information obtained as, accounting authority or a member of an accounting authority, for personal gain or to improperly benefit another person.

(3) A member of an accounting authority must—

(a) disclose to the accounting authority any director indirect personal or private business interest that that member or any spouse, partner or close family member may have in any matter before the accounting authority; and

(b) withdraw from the proceedings of the accounting authority when that matter is considered, unless the accounting authority decides that the member's direct or indirect interest in the matter is trivial or irrelevant.

General responsibilities of accounting authorities

51. (1) An accounting authority for a public entity—

(a) must ensure that that public entity has and maintains—

(i) effective, efficient and transparent systems of financial and risk management and internal control;

(ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77; and

(iii) an appropriate procurement and provisioning system which is fair, equitable. transparent. competitive and cost-effective;

(iv) a system for properly evaluating all major capital projects prior to a final decision on the project;

(b) must take effective and appropriate steps to—

(i) collect all revenue due to the public entity concerned; and

(ii) prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity; and

(iii) manage available working capital efficiently and economically;

(c) is responsible for the management, including the safeguarding, of the assets and for the management of the revenue, expenditure and liabilities of the public entity;

(d) must comply with any tax, levy, duty, pension and audit commitments as required by legislation;

(e) must take effective and appropriate disciplinary steps against any employee of the public entity who—

(i) contravenes or fails to comply with a provision of this Act;

(ii) commits an act which undermines the financial management and internal control system of the public entity; or

(iii) makes or permits an irregular expenditure or a fruitless and wasteful expenditure;

(f) is responsible for the submission by the public entity of all reports, returns, notices and other information to Parliament, and to the relevant executive authority or treasury, as may be required by this Act;

(g) must promptly inform the National Treasury on any new entity which that public entity intends to establish or in the establishment of which it takes the initiative, and allow the National Treasury a reasonable time to submit its decision prior to formal establishment; and

(h) must comply, and ensure compliance by the public entity, with the provisions of this Act and any other legislation applicable to the public entity.

(2) If an accounting authority is unable to comply with any of the responsibilities determined for an accounting authority in this Part, the accounting authority must promptly report the inability, together with reasons, to the relevant executive authority and treasury.

Annual budget and corporate plan by Schedule 2 public entities and government business enterprises

52. The accounting authority for a public entity listed in Schedule 2 or a government business enterprise listed in Schedule 3 must submit to the accounting officer for a department designated by the executive authority responsible for that public entity or government business enterprise, and to the treasury, at least one month, or another period agreed with the National Treasury, before the start of its financial year—

(a) a projection of revenue, expenditure and borrowings for that financial year in the prescribed format; and

(b) a corporate plan in the prescribed format covering the affairs of that public entity or business enterprise for the following three financial years, and, if it has subsidiaries, also the affairs of the subsidiaries.

Annual budgets by non-business Schedule 3 public entities

53. (l) The accounting authority for a public entity listed in Schedule 3 which is not a government business enterprise must submit to the executive authority responsible for that public entity, at least six months before the start of the financial year of the department designated in terms of subsection (2) or another period agreed to between the executive authority and the public entity, a budget of estimated revenue and expenditure for that financial year, for approval by the executive authority.

(2) The budget must be submitted to the executive authority through the accounting

officer for a department designated by the executive authority, who may make recommendations to the executive authority with regard to the approval or amendment of the budget.

(3) A public entity which must submit a budget in terms of subsection (1), may not budget for a deficit and may not accumulate surpluses unless the prior written approval of the National Treasury has been obtained.

(4) The accounting authority for such a public entity is responsible for ensuring that expenditure of that public entity is in accordance with the approved budget.

(5) The National Treasury may regulate the application of this section by regulation or instruction in terms of section 76.

Information to be submitted by accounting authorities

54. (1) The accounting authority for a public entity must submit to the treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the treasury or the Auditor-General may require.

(2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:

(a) establishment or participation in the establishment of a company;

(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;

(c) acquisition or disposal of a significant shareholding in a company;

(d) acquisition or disposal of a significant asset;

(e) commencement or cessation of a significant business activity; and

(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.

(3) A public entity may assume that approval has been given if it receives no response from the executive authority on a submission in terms of subsection (2) within 30 days or within a longer period as maybe agreed to between itself and the executive authority.

(4) The executive authority may exempt a public entity listed in Schedule 2 or 3 from subsection (2).

Annual report and financial statements

55. (1) The accounting authority for a public entity—

(a) must keep full and proper records of the financial affairs of the public entity;

(b) prepare financial statements for each financial year in accordance with generally accepted accounting practice, unless the Accounting Standards Board approves the application of generally recognised accounting practice for that public entity;

(c) must submit those financial statements within two months after the end of the financial year—

(i) to the auditors of the public entity for auditing; and

(ii) if it is a business enterprise or other public entity under the ownership control of the national government, to the treasury; and

(d) must submit within five months of the end of a financial year to the treasury, to the executive authority responsible for that public "entity and , if the Auditor-General did not perform the audit of the financial statements, to the Auditor-General—

(i) an annual report on the activities of that public entity during that financial year;

(ii) the financial statements for that financial year after the statements have been audited; and

(iii) the report of the auditors on those statements.

(2) The annual report and financial statements referred to in subsection (1) *(d)* must—

(a) fairly present the state of affairs of the public entity, its business, its financial

results. its performance against predetermined objectives and its financial position as at the end of the financial year concerned;

(b) include particulars of—

(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;

(ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;

(iii) any losses recovered or written off,

(iv) any financial assistance received from the state and commitments made by the state on its behalf; and

(v) any other matters that may be prescribed; and

(c) include the financial statements of any subsidiaries.

(3) An accounting authority must submit the report and statements referred to in subsection (1) *(d)*, for tabling in Parliament, to the relevant executive authority through the accounting officer of a department designated by the executive authority.

(4) The treasury may direct that, instead of a separate report, the audited financial statements of a Schedule 3 public entity which is not a government business enterprise must be incorporated in those of a department designated by the treasury.

Part 3: Other officials of public entities

Assignment of powers and duties by accounting authorities

56. (1) The accounting authority for a public entity may—

(a) in writing delegate any of the powers entrusted or delegated to the accounting authority in terms of this Act, to an official in that public entity; or

(b) instruct an official in that public entity to perform any of the duties assigned to the accounting authority in terms of this Act.

(2) A delegation or instruction to an official in terms of subsection (1)—

(a) is subject to arty limitations and conditions the accounting authority may impose;

(b) may either be to a specific individual or to the holder of a specific post in the relevant public entity; and

(c) does not divest the accounting authority of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The accounting authority may confirm, vary or revoke any decision taken by an official as a result of a delegation or instruction in terms of subsection (1), subject to any rights that may have become vested as a consequence of the decision.

Responsibilities of other officials

57. An official in a public entity—

(a) must ensure that the system of financial management and internal control established for that public entity is carried out within the area of responsibility of that official;

(b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;

(c) must take effective and appropriate steps to prevent, within that official's area of responsibility, any irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due;

(d) must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of section 56; and

(e) is responsible for the management, including the safeguarding, of the assets and the management of the liabilities within that official's area of responsibility.

Part 4: External auditors

Appointment of auditors

58. (l) The annual financial statements of a public entity must be audited annually by—

(a) the Auditor-General; or

(b) a person registered in terms of section 15 of the Public Accountants' and Auditors' Act, 1991 (Act No. 80 of 1991), as an accountant and auditor, and engaged in public practice as such.

(2) A public entity may appoint, as its auditor, a person referred to in subsection (1)*(b)* only if the audit is not performed by the Auditor-General.

(3) A public entity must consult the Auditor-General on the appointment of an auditor in terms of subsection (2).

Discharge of auditors

59. (1) An auditor appointed by a public entity in terms of section 58 (1) *(b)* may not be discharged before the expiry of that auditor's term of appointment except by the executive authority responsible for that public entity acting—

(a) after consultation with the accounting authority for that public entity; and

(b) with the concurrence of the Auditor-General.

(2) If an executive authority intends discharging an auditor in terms of subsection (l), the executive authority must—

(a) in writing give notice of the proposed discharge to the auditor, with reasons; and

(b) give the auditor an opportunity to make written representations to the executive authority and the Auditor-General within 20 days of receipt of the notice.

(3) The Auditor-General must report any discharge of an auditor in terms of this section to Parliament.

Duties and powers of auditors

60. (1) An auditor appointed in terms of section 58(l)(b) must perform the functions of office as auditor in terms of section 20 of the Public Accountants' and Auditors' Act, 1991 (Act No. 80 of 1991).

(2) In exercising the powers and performing the duties as auditor of a public entity the auditor—

(a) has access at all reasonable times to the accounting records, including all books, vouchers, documents and other property of the public entity;

(b) may require from the accounting authority for that public entity such information and explanations as are necessary for the purpose of the audit; and

(c) may investigate whether there are adequate measures and procedures for the proper application of sound economic, efficient and effective management.

(3) An auditor appointed in terms of section 58(1)(b) may consult the Auditor-General or any person in the Office of the Auditor-General concerning any matter relating to the auditing of the public entity concerned.

(4) An auditor appointed in terms of section 58(1)*(b)*—

(a) must receive notice of every meeting of the public entity's audit committee; and

(b) may attend, and participate in, any meeting of the audit committee at the expense of the public entity.

Reports of auditor

61. (1) The report of an auditor appointed in terms of section 58(1)*(b)* must be addressed to the executive authority responsible for the public entity concerned and

must state separately in respect of each of the following matters whether in the auditor's opinion—

(a) the annual financial statements of the public entity fairly present the financial position and the results obtained by the entity in accordance with subsection 55(1)(b) applied on a basis consistent with that of the preceding year;

(b) if required by the Auditor-General, the performance information furnished in terms of subsection 55(2)*(a) is* fair in all material respects and, if applicable, on a basis consistent with that of the preceding year; and

(c) the transactions that had come to the auditor's attention during auditing were in all material respects in accordance with the mandatory functions of the public entity determined by law or otherwise.

(2) The auditor—

(a) must report to the executive authority responsible for the public entity the results of any investigation carried out under subsection 60(2)(c); and

(b) when reporting in terms of paragraph *(a)*, must draw attention to any other matters within the auditor's investigation which, in the auditor's opinion, should in the public interest be brought to the notice of Parliament.

Duties and powers of Auditor-General

62. (1) The Auditor-General may—

(a) investigate any public entity or audit the financial statements of any public entity if the Auditor-General is not appointed. as auditor and the Auditor-General considers it to be in the public interest' or upon the receipt of a complaint; and

(b) recover the cost of the investigation or audit from the public entity.

(2) An investigation or audit in terms of section (1) maybe carried out either by the Auditor-General or a person appointed by the Auditor-General.

(3) The executive authority responsible for a public entity in respect of which the Auditor-General has issued a special report in terms of subsection (1) or (2), must promptly table the report in the National Assembly.

(4) The Auditor-General may—

(a) claim the reasonable cost of performing the duties and exercising the powers in terms of this section from the public entity concerned; and

(b) annually report to Parliament on specific and general findings regarding the accountability of public entities.

CHAPTER 7

EXECUTIVE AUTHORITIES

Financial responsibilities of executive authorities

63. (1)(a) Executive authorities of departments must perform their statutory functions within the limits of the funds authorised for the relevant vote.

(b) In performing their statutory functions executive authorities must consider the monthly reports submitted to them in terms of section 39(2)(b) and 40(4)(c).

(2) The executive authority responsible for a public entity under the ownership control of the national executive must exercise that executive's ownership control powers to ensure that that public entity complies with this Act and the financial policies of that executive.

Executive directives having financial implications

64. (1) Any directive by an executive authority of a department to the accounting officer of the department having financial implications for the department must be in Writing.

(2) If implementation of the directive is likely to result in unauthorised expenditure, the accounting officer will be responsible for any resulting unauthorised expenditure

unless the accounting officer has informed the executive authority in writing of the likelihood of that unauthorised expenditure.

(3) Any decision of the executive authority to proceed with the implementation of the directive, and the reasons for the decision, must be in writing, and the accounting officer must promptly file a copy of this document with the National Treasury and the Auditor-General.

Tabling in legislatures

65. (1) The executive authority responsible for a department or public entity must table in the National Assembly.—

(a) the annual report and financial statements referred to in section 40(1)(d) or 55(1)(d) and the audit report on those statements, within one month after the accounting officer for the department or the accounting authority for the public entity received the audit report; and

(b) the findings of a disciplinary board, and any sanctions imposed by such a board, which heard a case of financial misconduct against an accounting officer or accounting authority in terms of section 81 or 83.

(2) If an executive authority fails to table, in accordance with subsection(1) *(a)*, the annual report and financial statements of the department or the public entity, and the audit report on those statements, in the relevant legislature within six months after the end of the financial year to which those statements relate—

(a) the executive authority must table a written explanation in the legislature setting out the reasons why they were not tabled; and

(b) the Auditor-General may issue a special report on the delay.

CHAPTER 8

LOANS, GUARANTEES AND OTHER COMMITMENTS

Part 1: General principles

Restrictions on borrowing, guarantees and other commitments

66. (1) An institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction—

(a) is authorised by this Act; and

(b) in the case of public entities, is also authorised by other legislation not in conflict with this Act.

(2) Only the following persons may borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind the Revenue Fund to any future financial commitment:

(a) Transactions that bind or may bind the National Revenue Fund: the Minister or, in the case of the issue of a guarantee, indemnity or security, the responsible Cabinet member acting with the concurrence of the Minister in terms of section 70.

(3) Public entities may only through the following persons borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that public entity to any future financial commitment:

(a) A public entity listed in Schedule 2: The accounting authority for that Schedule 2 public entity.

(b) A national government business enterprise listed in Schedule 3 and authorised by notice in the national *Government Gazette* by the Minister: The accounting authority for that government business enterprise, subject to any conditions the Minister may impose.

(c) Any other national public entity: The Minister or, in the case of the issue of a guarantee, indemnity or security, the Cabinet member who is the executive authority responsible for that public entity, acting with the concurrence of the Minister in terms of section 70.

(4) Constitutional institutions may not borrow money. nor issue a guarantee. indemnity or security, nor enter into any other transaction that binds or may bind the entity to any future financial commitment.

(5) Despite subsection (4), the Minister may in writing permit a public entity mentioned in subsection (3)(c) or a constitutional institution to borrow money for bridging purposes up to a prescribed limit, including a temporary bank overdraft, subject to such conditions as the Minister may impose.

(6) A person mentioned in subsection (2) or (3) may not delegate a power conferred in terms of that subsection. except with the prior written approval of the Minister.

(7) A public entity authorised to borrow money—

(a) must annually submit to the Minister a borrowing programme for the year; and

(b) may not borrow money in a foreign currency above a prescribed limit, except when that public entity is a company in which the state is not the only shareholder. .

Consequences of unauthorised transactions

68. If a person, otherwise than in accordance with section 66, lends money to an institution to which this Act applies or purports to issue on behalf of such an institution a guarantee, indemnity or security, or enters into any other transaction which purports to bind such an institution to any future financial commitment, the state and that institution is not bound by the lending contract or the guarantee, indemnity, security or other transaction.

Regulations on borrowing by public entities

69. The Minister may by regulation in terms of section 76 regulate the borrowing of money by or for or on behalf of public entities referred to in section 66 (3) *(b)* and *(c).*

Guarantees, indemnities and securities by Cabinet members

70. (1) A Cabinet member, with the written concurrence of the Minister (given either specifically in each case or generally with regard to a category of cases and subject to any conditions approved by the Minister), may issue a guarantee, indemnity or security which binds—

(a) the National Revenue Fund in respect of a financial commitment incurred or to be incurred by the national executive; or

(b) a national public entity referred to in section 66(3)(c) in respect of a financial commitment incurred or to be incurred by that public entity.

(2) Any payment under a guarantee, indemnity or security issued in terms of—

(a) subsection (1)(a), is a direct charge against the National Revenue Fund, and any such payment must in the first instance be defrayed from the funds budgeted for the department that is concerned with the issue of the guarantee, indemnity or security in question; and

(b) subsection (1)(b), is a charge against the national public entity concerned.

(3) A Cabinet member who seeks the Minister's concurrence for the issue of a guarantee, indemnity or security in terms of subsection (1)(a) or *(b),* must provide the Minister with all relevant information as the Minister may require regarding the issue of such guarantee, indemnity or security and the relevant financial commitment.

(4) The responsible Cabinet member must at least annually report the circumstances relating to any payments under a guarantee, indemnity or security issued in terms of subsection (1)(a) or *(b),* to the National Assembly for tabling in the National Assembly.

Part 2: Loans by national government

Purposes for which Minister may borrow money

71. The Minister may borrow money in terms of section *66(2)(a)* for the following purposes only:

(a) To finance national budget deficits;

(b) to refinance maturing debt or a loan paid before the redemption date;

(c) to obtain foreign currency;

(d) to maintain credit balances on a bank account of the National Revenue Fund;

(e) to regulate internal monetary conditions should the necessity arise; or

(f) any other purpose approved by the National Assembly by special resolution.

Signing of loan agreements

72. The Minister, on conditions determined by the Minister, may authorise another person to sign a loan agreement when the Minister borrows money in terms of section *66(2)(a).*

Interest and repayments of loans to be direct charges

73. The following payments in connection with loans are direct charges against the National Revenue Fund:

(a) the repayment of money borrowed by the Minister in terms of section *66(2)(a)* or repaid in terms of section 74;

(b) the interest payable on money borrowed; and

(c) any costs associated with such borrowing and approved by the National Treasury.

Repayment, conversion and consolidation of loans

74. The Minister may, on such terms and conditions as the Minister may determine, and, when necessary, with the concurrence of the lender—

(a) repay any loan prior to the redemption date of that loan;

(b) convert the loan into any other loan; or

(c) consolidate two or more loans into an existing or new loan.

Obligations from lien over securities

75. Neither the Minister, nor the National Treasury is responsible for the fulfillment of any obligation resulting from any lien, whether expressed, implied or construed, held over any security issued in terms of this Act, despite the fact that the Minister or the National Treasury was notified of the lien.

CHAPTER 9

GENERAL TREASURY MATTERS

Treasury regulations and instructions

76. (1) **The National Treasury must make regulations or issue instructions applicable to departments,** concerning—

(a) **any matter that must be prescribed for departments in terms of this Act;**

(b) the recovery of losses and damages;

(c) the handling of, and control over, trust money and property;

(d) the rendering of free services;

(e) the writing off of losses of state money or other state assets or amounts owed to the state:

(f) liability for losses and damages and procedures for recovery;
(g) the cancellation or variation of contracts to the detriment of the state;
(h) the settlement of claims by or against the state;
(;) the waiver of claims by the state;
(j) the remission of money due to the Revenue Fund, refunds of revenue and payments from the Revenue Fund, as an act of grace;
(k) the alienation, letting or other disposal of state assets; and
(l) gifts or donations by or to the state.

(2) The National Treasury may make regulations or issue instructions applicable to departments. concerning—

(a) any matter that may be prescribed for departments in terms of this Act;
(b) the charging of expenditure against particular votes;
(c) the establishment of and control over trading entities;
(d) the improvement and maintenance of immovable state assets;
(e) fruitless and wasteful, unauthorised and irregular expenditure;
(f) the determination of any scales of fees, other charges or rates relating to revenue accruing to, or expenditure from, a Revenue Fund;
(g) the treatment of any specific expenditure;
(h) vouchers or other proofs of receipts or payments, which are defective or have been lost or damaged;
(i) assets which accrue to the state by operation of any law; or
(j) any other matter that may facilitate the application of this Act.

(3) Regulations in terms of subsection (1) or (2)-may prescribe matters for which the prior approval of a treasury must be obtained.

(4)The National Treasury may make regulations or issue instructions applicable to all institutions to which this Act applies concerning—

(a) any matter that may be prescribed for all institutions in terms of this Act;
(b) financial management and internal control;
(c) the determination of a framework for an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;
(d) audit committees, their appointment and their functioning;
(e) internal audit components and their functioning;
(f) the administration of this Act; and
(g) any other matter that may facilitate the application of this Act.

(5) A treasury regulation or instruction in terms of this section may—

(a) differentiate between different categories of—
  (i) institutions to which this Act applies;
  (ii) accounting officers; or
  (iii) accounting authorities; or
(b) be limited in its application to a specific category of—
  (i) institutions to which this Act applies;
  (ii) accounting officers; or
  (iii) accounting authorities.

Audit committees

77. An audit committee—

(a) must consist of at least three persons of whom, in the case of a department—
  (i) one must be from outside the public service;
  (ii) the majority may not be persons in the employ of the department, except with the approval of the treasury; and
  (iii) the chairperson may not be in the employ of the department;
(b) must meet at least twice a year; and
(c) may be established for two or more departments or institutions if the treasury consider it to be more economical.

.. Publishing OF draft treasury regulations for public comment

78. Draft regulations in terms of section 76 must be published for public comment in the national *Government Gazette* before their enactment.

Departures from treasury regulations, instructions or conditions

79. The National Treasury may on good grounds approve a departure from a treasury regulation or instruction or any condition imposed in terms of this Act and must promptly inform the Auditor-General in writing when it does so.

Determination of interest rates for debt owing to state

80. (1) The Minister, by notice in the national *Government Gazette,* must determine—

(a) a uniform interest rate applicable to loans granted out of the Revenue Fund; and

(b) a uniform interest rate applicable to all other debts which must be paid into the Revenue Fund .

(2) An interest rate determined in terms of subsection (1)(b) may differentiate between different categories of debt.

CHAPTER 10

FINANCIAL MISCONDUCT

Part 1: Disciplinary proceedings

Financial misconduct by officials in departments and constitutional institutions

81. (1) An accounting officer for a department or a constitutional institution commits an act of financial misconduct if that accounting officer willfully or negligently—

(a) fails to comply with a requirement of section 38,39,40,41 or 42; or

(b) makes or permits an unauthorised expenditure, an irregular expenditure or a fruitless and wasteful expenditure.

(2) An official of a department, a trading entity or a constitutional institution to whom a power or duty is assigned in terms of section 44 commits an act of financial misconduct if that official willfully or negligently fails to exercise that power or perform that duty.

Financial misconduct by treasury officials

82. An official of the treasury to whom a power or duty is assigned in terms of section 10 commits an act of financial misconduct if that official willfully or negligently fails to exercise that power or perform that duty.

Financial misconduct by accounting authorities and officials of public entities

83. (1) The accounting authority for a public entity commits an act of financial misconduct if that accounting authority willfully or negligently—

(a) fails to comply with a requirement of section *50,51,* 52,53, 54 or 55; or

(b) makes or permits an irregular expenditure or a fruitless and wasteful expenditure.

(2) If the accounting authority is a board or other body consisting of members, every member is individually and severally liable for any financial misconduct of the accounting authority.

(3) An official of a public entity to whom a power or duty is assigned in terms of section 56 commits an act of financial misconduct if that official willfully or negligently fails to exercise that power or perform that duty.

(4) Financial misconduct is a ground for dismissal or suspension of, or other sanction against, a member or person referred to in subsection (2) or (3) despite any other legislation.

Applicable legal regime for disciplinary proceedings

84. A charge of financial misconduct against an accounting officer or official referred to in section 81 or 83, or an accounting authority or a member of an accounting authority or an official referred to in section 82, must be investigated, heard and disposed of in terms of the statutory or other conditions of appointment *or* employment applicable to that accounting officer or authority, or member or official, and any regulations prescribed by the Minister in terms of section 85.

Regulations on financial misconduct procedures

85. (1) The Minister must make regulations prescribing—

(a) the manner, form and circumstances in which allegations and disciplinary and criminal charges of financial misconduct must be reported to the National Treasury and the Auditor-General, including—

(i) particulars of the alleged financial misconduct; and

(ii) the steps taken in connection with such financial misconduct;

(b) matters relating to the investigation of allegations of financial misconduct;

(c) the circumstances in which the National Treasury may direct that disciplinary steps be taken or criminal charges be laid against a person for financial misconduct;

(d) the circumstances in which a disciplinary board which hears a charge of financial misconduct must include a person whose name appears on a list of persons with expertise in state finances or public accounting compiled by the National Treasury;

(e) the circumstances in which the findings of a disciplinary board and any sanctions imposed by the board must be reported to the National Treasury, and the Auditor-General; and

(f) any other matters to the extent necessary to facilitate the object of this Chapter.

(2) A regulation in terms of subsection(1) may—

(a) differentiate between different categories of—

(i) accounting officers;

(ii) accounting authorities;

(iii) officials; and

(iv) institutions to which this Act applies; and

(b) be limited in its application to a particular category of accounting officers, accounting authorities, officials or institutions only.

Part 2: Criminal proceedings

Offences and penalties

86. (1) An accounting officer is guilty of an offence and liable on conviction to a fine, or to imprisonment for a period not exceeding five years, if that accounting officer willfully or in a grossly negligent way fails to comply with a provision of section 38, 39 or 40.

(2) An accounting authority is guilty of an offence and liable on conviction to a fine, or to imprisonment for a period not exceeding five years, if that accounting authority wilfully or in a grossly negligent way fails to comply with a provision of section 50, 51 or 55.

(3) Any person, other than a person mentioned in section 66(2) or (3), who purports to borrow money or to issue a guarantee, indemnity or security for or on behalf of a department, public entity or constitutional institution, or who enters into any other contract which purports to bind a department, public entity or constitutional institution to any future financial commitment, is guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding five years.

CHAPTER 11

ACCOUNTING STANDARDS BOARD

Establishment

87. (1) The Minister by regulation in terms of section 91 must establish a board to be known as the Accounting Standards Board.

(2) The Accounting Standards Board is a juristic person.

Composition

88. (l) The Accounting Standards Board consists of no more than 10 members as the Minister may determine.

(2) The Minister, after consulting the Auditor-General, appoints the members of the Board.

(3) The Board may establish its own operating procedures.

Functions of Board

89. (1) The Accounting Standards Board must—

(a) set standards of generally recognised accounting practice as required by section 216(1)*(a)* of the Constitution, for the annual financial statements of—

(i) departments;

(ii) public entities;

(iii) constitutional institutions;

(iv) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and

(v) Parliament;

(b) prepare and publish directives and guidelines concerning the standards set in terms of paragraph *(a);*

(c) recommend to the Minister effective dates of implementation of these standards for the different categories of institutions to which these standards apply; and

(d) perform any other function incidental to advancing financial reporting in the public sector.

(2) In setting standards the Board must take into account all relevant factors, including—

(a) best accounting practices, both locally and internationally; and

(b) the capacity of the relevant institutions to comply with the standards.

(3) The Board may set different standards for different categories of institutions to which these standards apply.

(4) The standards set by the Board must promote transparency in and effective management of revenue, expenditure, assets and liabilities of the institutions to which these standards apply.

Powers of Board

90. The Accounting Standards Board may do all that is necessary or expedient to perform its functions effectively, which includes the power to—

(a) determine its own staff establishment and appoint employees to posts on its staff establishment;

(b) obtain the services of any person or entity to perform any specific act or function;

(c) confer with any person or entity;

(d) acquire or dispose of any right in or to property, but ownership in immovable property may be acquired or disposed of only with the consent of the Minister;

(e) insure itself against any loss, damage, risk or liability;

(f) perform legal acts, or institute or defend any legal action in its own name;

(g) do research and publish reports; and

(h) do anything that is incidental to the exercise of any of its powers.

Regulations on accounting standards of Board

91. (1) The Minister, after consulting the Auditor-General, may make regulations—

(a) **concerning the qualifications, remuneration, term of office and removal of members of the Accounting Standards Board, the filling of vacancies, the chairperson** of the Board, and the finances and administration of the Board;

(b) prescribing the standards set by the Board in terms of section 89; and

(c) concerning any other matter that may facilitate the proper functioning of the Board or the implementation of those standards.

(2) The Minister must consult the Board on the implementation date of a regulation made in terms of subsection (1)(b).

(3) Different regulations may be made in terms of subsection (1)*(b)* for different categories of institutions to which the standards set in terns of section 89 apply.

(4) Draft regulations prescribing standards in terms of subsection (1)(b) must be published for public comment ***in*** the national *Government Gazette* before their enactment.

CHAPTER 12

MISCELLANEOUS

Exemptions

92. The Minister, by notice in the national *Government Gazette,* may exempt any institution to which this Act applies, or any category of those institutions, from any specific provisions of this Act for a period determined in the notice.

Transitional provisions

93. (1) Anything done in terms of a provision of the Exchequer Act, 1975 (Act No. 66 of 1975), which can be done in terms of a provision of this Act, must be regarded as having been done in terms of this Act.

(2) All treasury regulations and instructions made or issued in terms of the Exchequer Act, 1975, remain in force until repealed in terms of section 76 of this Act.

(3) Until the Accounting Standards Board is established, the National Treasury may perform the functions of the Board.

(4) The provisions of the Revenue Funds Interim Arrangements Act, 1997 (Act No. 95 of 1997), despite the fact that they have lapsed, must be regarded as forming part of this Act until 1 April 2000.

Repeal of legislation

94. The legislation mentioned in Schedule 6 is repealed to the extent specified in the third column.

Short title and commencement

95. This Act is called the Public Finance Management Act, 1999, and takes effect on 1 April 2000 except—

(a) Chapter 11 and section 93(4), which take effect on the date of publication of this Act; and

(b) those provisions determined by the Minister by notice in the national *Government Gazette,* which will take effect on a date determined in the notice, but which may not be a date later than 1 April 2003.

SCHEDULE 1

CONSTITUTIONAL INSTITUTIONS

1. The Public Protector.
2. The Human Rights Commission.
3. The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities.
4. The Commission for Gender Equality.
5. The Independent Electoral Commission.
6. The Independent Broadcasting Authority.
7. The Financial and Fiscal Commission.
8. The Commission on the Remuneration of Persons Holding Public Office.
9. The Pan South African Language Board.
10. The Municipal Demarcation Board.

SCHEDULE 2

MAJOR PUBLIC ENTITIES

1. Air Traffic and Navigation Services Company
2. Airports Company
3. Alexander Bay Development Corporation
4. Armaments Corporation of South Africa
5. Atomic Energy Corporation of South Africa Limited
6. Central Energy Fund
7. DENEL
8. Development Bank of Southern Africa
9. ESKOM
10. Independent Development Trust
11. Industrial Development Coloration of South Africa Limited
12. Land and Agricultural Bank of South Africa
13. SA Abattoir Corporation
14. SA Broadcasting Commission
15. SA Forestry Company Limited
16. SA Post Office Limited
17. Telkom SA Limited
18. Transnet Limited
19. Trans-Caledon Tunnel Authority
20. Any subsidiary or entity under the ownership control of the above public entities

SCHEDULE 3

OTHER PUBLIC ENTITIES

Part A: National Public **Entities**

1. Accounting Standards Board
2. Agricultural Credit Board
3. Agricultural Research Council
4. Air Services Licensing Council
5. Board on Tariffs and Trade
6. Competition Board
7. Certification Council for Technikon Education
8. Commission for Conciliation, Mediation & Arbitration
9. Compensation Board
10. Council for Geoscience
11. Council for Mineral Technology (Mintek)
12. Council for Nuclear Safety
13. Council for Scientific and Industrial Research
14. Financial Services Board
15. Human Sciences Research Council
16. Judicial Services Commission
17. Legal Aid Board
18. National Agriculture Marketing Council
19. National Economic, Development and Labour Council
20. National Electricity Regulator
21. National Film Board
22. National Housing Board
23. National Housing Finance Corporation
24. National Monuments Council
25. National Parks Board
26. National Road Fund
27. National Small Business Council
28. National Youth Commission
29. Road Accident Fund
30. SA Bureau of Standards
31. SA Certification Council
32. SA Civil Aviation Authority
33. SA Housing Development Board
34. SA Housing Fund
35. SA Housing Trust Limited
36. SA Medical Research Council
37. SA Qualifications Authority
38. SA Revenue Service
39. SA Road Board
40. SA Road Safety Council
41. SA Telecommunications Regulatory Authority
42. SA Tourism Board
43. State Information Technology Agency
44. Unemployment Insurance Fund
45. Wage Board
46. Water Research Commission
47. Any subsidiary or entity under the ownership control of the above public entities

Part B: National **Government Business Enterprises**

1. Albaniekus Waterraad
2. Bala-Bala **Farms** (Pty) Ltd
3. Bloem **Water**
4. Bosveld Waterraad
5. Goudveld **Water**
6. Iniala **Farms** (Pty) Ltd

7. Kalahari-Oos Waterraad
8. Kalahari-Wes Waterraad
9. Karos-Geelkoppen Waterraad
10. Khula Enterprises
11. Lanok (Pty) Ltd
12. Magalies Water
13. Mhlathuze Water
14. Mjindi Farming (Pty) Ltd
15. Mpendle-Ntambanana Agricultural Company (Pty) Ltd
16. Namakwa Water
17. Ncera Farms (Pty) Ltd
18. Noord Transvaal Water / Meetse
19. Ntsika Enterprises
20. Overberg Water
21. Pelladrift Water
22. Phalaborwa Water
23. Rand Water Board
24. SA Rail Commuter Corporation Limited
25. Umgeni Water Board
26. Any subsidiary or entity under the ownership control of the above public entities

SCHEDULE 4

EXCLUSIONS FROM REVENUE FUNDS

(In terms of section 13(1)(g))

1. SA Schools Act (covering school fees)

SCHEDULE 5

DIRECT CHARGES AGAINST NATIONAL REVENUE FUND

Payments in terms of the following Acts:

1. Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) (Covering the President's salary and the salaries of members of Parliament sections 2(7) and 3(7));
2. Remuneration and Allowances of Deputy Presidents, Ministers and Deputy Ministers Act, 1994 (Act 53 of 1994) (Covering the salary of the Deputy President section 4(a));
3. Judges' Remuneration and Conditions of Employment Act, 1989 (Act 88 of 1989) (Covering salaries and allowances of Judges and Judges seconded to governments of other countries in terms of section 2).

SCHEDULE 6

REPEAL OF LEGISLATION

(Section 87)

No. and year of act	Short title	Extent of repeal
(a) Act No. 66 of 1975	Exchequer Act. 1975	The whole. except sections 28, 29, 30
Act No. 106 of 1976	Financial Arrangements with the Transkei Act, 1976	The whole
Act No. 93 of 1977	Financial Arrangements with Boputhatswana Act. 1977	The whole
Act No. 105 of 1979	Financial Arrangements with Vends Act. 1979	The whole
Proclamation No. R.85 of 1968	South West Africa Constitution Act, 1968 (Act No. 39 of 1968)	Part 3
Act No. 67 of 1980	Railways and Harbours Acts Amendment Act, 1980	Section 19
Act No. 29 of 1981	Railways and Harbours Acts Amendment Act, 1981	*Section* 21
Act No. 118 of 1981	Financial Arrangements with Ciskei Act, 1981	The whole
Act No. 100 of 1984	Exchequer and Audit Amendment Act. 1984	The whole
Act No. 9 of 1989	Legal Succession of the South African Transport Services Act, 1989	Schedule 2 Part 6 of the act insofar as it relates to the Exchequer Act, 1975
Act No. 120 of 1991	Finance Act, 1991	Sections 14, 15 and 16
Act No. 96 of 1992	Parr Appropriation Acts Abolition Act, 1992	The whole
Act No. 69 of 1993	Exchequre Amendment Act, 1993	The whole
Act No. 123 of 1993	Finance Act. 1993	The whole
Act No. 142 of 1993	Exchequer Second Amendment Act, 1993	The whole
Act No. 182 of 1993	Exchequer Third Amendment Act, 1993	The whole
Act No. 41 of 1994	Finance Act, 1994	Sections 17 and 18
(b) Act No. 93 of 1992	Reporting by Public Entities Act, 1992	The whole
(c) Act No. 66 of 1975	Exchequer and Audit Act, 1975	The whole insofar as it is in force in the area of the former Republic of Transkei
Act No. 102 of 1976	Finance Act. 1976	Sections 23, 24 and 25 insofar as it is in force in the area of the former Republic of Transkei
(d) Act No. 29 of 1992 (Bophuthatswana)	Exchequer Act, 1992	The whole
Act No. 16 of 1993 (Bophuthatswana)	Exchequer Amendment Act, 1993	The whole
(e) Act No. 66 of 1975	Exchequer and Audit Act, 1975	The whole insofar as it is in force in the area of the former Republic of Vends
Act No. 111 of 1977	Finance Act, 1977	Sections 9, 10 and 11 insofar as it is in force in the area of the former Republic of Vends
Act No. 94 of 1978	Finance Act, 1978	Sections 12, 13 and 14 insofar as it is in force in the area of the former Republic of Vends

No. and year of act	Short title	Extent of repeal
Proclamation No. R.85 of 1979	Exchequer and Audit Proclamation	Sections 16 and 17 insofar as it is in force in the area of the former Republic of Vends
Act No. 21 of 1983 (Vends)	Exchequer and Audit Amendment Act, 1983	The whole
Act No. 18 of 1987 (Vends)	Exchequer and Audit Amendment Act, 1987	The whole
Act No. 28 of 1989 (Vends)	Exchequer and Audit Amendment Act, 1989	The whole
Proclamation No. 25 of 1993 (Vends)	Exchequer and Audit Amendment Act, 1993	The whole
(f) Act No. 28 of 1985 (Ciskei)	Exchequer and Audit Act, 1985	The whole

4

SCHEDULE

Treasury Regulations

for departments, trading entities, constitutional institutions and public entities

Issued in terms of the

Public Finance Management Act, 1999

National Treasury

Republic of South Africa

March 2005

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PART 1

Definitions, application and date of commencement

1

General definitions, application and date of commencement

1.1 General definitions

In these *Treasury Regulations*, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and –

"Act" means the Public Finance Management Act (Act 1 of 1999), as amended;

"debt" means an amount owing to the state;

"division of revenue grants" mean allocations from the national government to provinces and local government as listed in the schedules to the annual Division of Revenue Act, including transfers in terms of that Act;

"executive authority" in relation to a constitutional institution consisting of a body of persons, means the chairperson of the constitutional institution, and in relation to a constitutional institution with a single office bearer, means the incumbent of that office;

"head official of the treasury" means the administrative head of the department responsible for financial and fiscal matters, which forms part of the relevant treasury;

"institution" means a department or a constitutional institution;

"official" means a person in the employ of a department or constitutional institution;

1.2 Application

1.2.1 These *Treasury Regulations* apply –

(a) to all departments, but only to the extent as indicated in regulations 1 to 24 and 26;

(b) to all constitutional institutions, but only to the extent as indicated in regulations 1 to 22*;*

(c) to all public entities listed in Schedule 2, but only to the extent as indicated in paragraph 6.1.2 and regulations 24, 25, 27 to 29 and 31 to 33;

(d) to all public entities listed in Schedules 3A and 3C, but only to the extent as indicated in paragraph 6.1.2, and regulations 16, 16A, 24 to 28 and 30 to 33;

(e) to all public entities listed in Schedules 3B and 3D, but only to the extent as indicated in paragraph 6.1.2 and regulations 16, 24, 25, 27 to 29 and 31 to 33; and

(f) to the South African Revenue Service as a Schedule 3A public entity but only to the extent as indicated in paragraphs 6.1.2, regulations 16, 16A, 24 to 28 and 30 to 33.

1.2.2 These *Treasury regulations*, read in context, also apply to the South African Revenue Service as a department, but only to the extent that it collects and administers state revenue and as indicated in regulations 6.1.2, 7.1, 7.2, 11.1, 11.2.1(a), 11.3,11.4, 12.1.1, 12.2.1(a) to (d), 12.5.1, 12.6, 12.7.1 to 12.7.3, 15.4, 15.7, 15.10.2, 15.11, 17.2, and 22.1.

1.2.3 For purposes of regulation 1.2.2, the *Treasury Regulations* that do apply to the South African Revenue Service, apply as though it were a department with its Commissioner as its accounting officer.

1.3 Date of commencement

1.3.1 These *Treasury Regulations* take effect from 15 March 2005, unless otherwise indicated in the text.

PART 2

Management arrangements

2

Corporate management

2.1 Chief financial officer

2.1.1 Unless directed otherwise by the relevant treasury, each institution must have a chief financial officer serving on the senior management team.

2.1.2 The chief financial officer is directly accountable to the accounting officer.

2.1.3 Without limiting the right of the accounting officer to assign specific responsibilities, the general responsibility of the chief financial officer is to assist the accounting officer in discharging the duties prescribed in Part 2 of Chapter 5 of the Act and the annual Division of Revenue Act. These duties relate to the effective financial management of the institution including the exercise of sound budgeting and budgetary control practices; the operation of internal controls and the timely production of financial reports.

3

Internal control

3.1 **Audit committees** [Sections 76(4)(d) and 77 of the PFMA]

3.1.1 If considered feasible, the relevant treasury may direct that institutions share audit committees. If such a determination is made, the Auditor-General must be informed within 30 days of the determination.

3.1.2 In the case of a non-shared audit committee, the accounting officer of an institution must appoint audit committee members in consultation with the relevant executive authority.

3.1.3 In the case of a shared audit committee, the head of the relevant treasury must appoint audit committee members after consultation with the relevant executive authorities.

3.1.4 The chairperson of an audit committee must be independent, be knowledgeable of the status of the position, have the requisite business, financial and leadership skills and may not be a political office bearer.

3.1.5 Audit committees must be constituted so as to ensure their independence and their membership must be disclosed in the annual report of the institution.

3.1.6 Members of an audit committee who have been appointed from outside the public service pursuant to section 77(a)(i) of the Act must have appropriate experience, be appointed on contract and be remunerated in accordance with paragraph 20.2.2 of these regulations. Should it be deemed necessary, such members may be remunerated taking into account tariffs determined by the South African Institute of Chartered Accountants in consultation with the Auditor-General as provided for in paragraph 20.2.3.

3.1.7 The relevant executive authority must concur with any premature termination of the services of a person serving on an audit committee.

3.1.8 An audit committee must operate in terms of a written terms of reference, which must deal adequately with its membership, authority and responsibilities. The terms of reference must be reviewed at least annually to ensure its relevance.

3.1.9 It must be disclosed in the institution's annual report whether or not the audit committee has adopted a formal terms of reference and if so, whether the committee satisfied its responsibilities for the year, in compliance with its terms of reference.

3.1.10 The audit committee must, amongst others, review the following:

(a) the effectiveness of the internal control systems;

(b) the effectiveness of the internal audit function;

(c) the risk areas of the institution's operations to be covered in the scope of internal and external audits;

(d) the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;

(e) any accounting and auditing concerns identified as a result of internal and external audits;

(f) the institution's compliance with legal and regulatory provisions; and

(g) the activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

3.1.11 The audit committee must have explicit authority to investigate matters within its powers, as identified in the written terms of reference. The audit committee must be provided with the resources it needs to investigate such matters and shall have full access to information. The audit committee must safeguard all the information supplied to it within the ambit of the law.

3.1.12 An audit committee must report and make recommendations to the accounting officer, but the accounting officer retains responsibility for implementing such recommendations.

3.1.13 In addition to the above, an audit committee must, in the annual report of the institution, comment on –

(a) the effectiveness of internal control;

(b) the quality of in year management and monthly/quarterly reports submitted in terms of the Act and the Division of Revenue Act; and

(c) its evaluation of the annual financial statements.

3.1.14 Should a report to an audit committee, whether from the internal audit function or any other source, implicate the accounting officer in fraud, corruption or gross negligence, the chairperson of the audit committee must promptly report this to the relevant executive authority.

3.1.15 An audit committee may communicate any concerns it deems necessary to the executive authority, the relevant treasury and the Auditor-General.

3.1.16 The audit committee must meet at least annually with the Auditor-General to ensure that there are no unresolved issues of concern.

3.2 Internal controls and internal audit [Sections 38(1)(a)(i) and 76(4)(e) of the PFMA]

3.2.1 The accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution.

3.2.2 Each institution to which these *Regulations* apply must have an internal audit function.

3.2.3 If considered feasible, the relevant treasury may direct that institutions share internal audit functions. If such a determination is made, the Auditor-General must be informed within 30 days of the determination.

3.2.4 An internal audit function may be partly or wholly contracted to an external organisation with specialist audit expertise, provided that its selection is in accordance with the relevant government's competitive tendering procedures.

3.2.5 The purpose, authority and responsibility of the internal audit function must, in consultation with the audit committee, be formally defined in an audit charter and be consistent with the Institute of Internal Auditors ("IIA") definition of internal auditing.

3.2.6 Internal audit must be conducted in accordance with the standards set by the Institute of Internal Auditors.

3.2.7 An internal audit function must prepare, in consultation with and for approval by the audit committee –

(a) a rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the institution, having regard to its current operations, those proposed in its strategic plan and its risk management strategy;

(b) an annual internal audit plan for the first year of the rolling three-year strategic internal audit plan;

(c) plans indicating the proposed scope of each audit in the annual internal audit plan; and

(d) a quarterly report to the audit committee detailing its performance against the annual internal audit plan, to allow effective monitoring and possible intervention.

3.2.8 An internal audit function must assess the operational procedure and monitoring mechanisms over all transfers made and received, including transfers in terms of the annual Division of Revenue Act.

3.2.9 An internal audit function must report directly to the accounting officer and shall report at all audit committee meetings. The function must be independent of activities that are audited, with no limitation on its access to information.

3.2.10 The internal audit function must co-ordinate with other internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort.

3.2.11 The internal audit function must assist the accounting officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following-

(a) the information systems environment;

(b) the reliability and integrity of financial and operational information;

(c) the effectiveness of operations;

(d) safeguarding of assets; and

(e) compliance with laws, regulations and controls.

3.2.12 The internal audit function must assist the accounting officer in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which -

(a) objectives and values are established and communicated;

(b) the accomplishment of objectives is monitored;

(c) accountability is ensured; and

(d) corporate values are preserved.

4

Financial misconduct

4.1 Investigation of alleged financial misconduct [Sections 85(1)(b), (c) and (d) of the PFMA]

4.1.1 If an official is alleged to have committed financial misconduct, the accounting officer of the institution must ensure that an investigation is conducted into the matter and if confirmed, must ensure that a disciplinary hearing is held in accordance with the relevant prescripts and agreements applicable in the public service.

4.1.2 The accounting officer must ensure that such an investigation is instituted within 30 days from the date of discovery of the alleged financial misconduct.

4.1.3 If an accounting officer is alleged to have committed financial misconduct, the relevant treasury, as soon as it becomes aware of the alleged misconduct, must ensure that the relevant executive authority initiates an investigation into the matter and if the allegations are confirmed, holds a disciplinary hearing in accordance with the prescripts applicable and agreements applicable in the public service.

4.1.4 A relevant treasury may –

(a) direct that an official other than an employee of the institution conducts the investigation; or

(b) issue any reasonable requirement regarding the way in which the investigation should be performed.

4.2 Criminal proceedings [Section 86 of the PFMA]

4.2.1 The accounting officer must advise the executive authority, relevant treasury and the Auditor-General of any criminal charges it has laid against any person in terms of section 86 of the Act.

4.2.2 The relevant treasury may direct an institution to lay criminal charges against any person should an accounting officer fail to take appropriate action.

4.3 Reporting [Section 85(1)(a) and (e) of the PFMA]

4.3.1 The accounting officer of a department must, as soon as the disciplinary proceedings are completed, report to the executive authority, the Department of Public Service and Administration and the Public Service Commission on the outcome, including –

(a) the name and rank of the official against whom the proceedings were instituted;

(b) the charges, indicating the financial misconduct the official is alleged to have committed;

(c) the findings;

(d) any sanction imposed on the official; and

(e) any further action to be taken against the official, including criminal charges or civil proceedings.

4.3.2 The accounting officer of a constitutional institution must report the information required in terms of paragraph 4.3.1 (a) to (e) of these regulations to Parliament.

4.3.3 The accounting officer of a department must inform the executive authority, the relevant treasury, the Department of Public Service and Administration and the Public Service Commission of the outcome of any criminal proceedings instituted against any person for financial misconduct in terms of section 86 of the Act, whilst the accounting officer of a constitutional institution must inform Parliament of such outcomes.

4.3.4 The accounting officer of an institution must, on an annual basis, submit to the provincial treasury (if applicable), the National Treasury and the Auditor-General a schedule of –

(a) the outcome of any disciplinary proceedings and/or criminal charges;

(b) the names and ranks of officials involved; and

(c) the sanctions and any further actions taken against these officials.

4.3.5 The schedule mentioned in paragraph 4.3.4 must be accompanied by a report which refers to any changes made to the institution's systems of financial and risk management as a result of any investigation.

PART 3

Planning and budgeting

5

Strategic Planning

5.1 Annual preparation of strategic plans

5.1.1 Each year, the accounting officer of an institution must prepare a strategic plan for the forthcoming MTEF period for approval by the relevant executive authority**.**

5.2 Submission and contents of strategic plans

5.2.1 In order to facilitate the discussion of individual votes, the approved strategic plan must be tabled in Parliament or the relevant legislature at least 7 days prior to the discussion of the department's budget vote.

5.2.2 The strategic plan must –

(a) cover a period of three years and be consistent with the institution's published medium term expenditure estimates;

(b) include specific Constitutional and other legislative, functional and policy mandates that indicate the output deliverables for which the institution is responsible;

(c) include policy developments and legislative changes that influence programme spending plans over the three-year period;

(d) include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets of the institution's programmes ;

(e) include details of proposed acquisitions of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;

(f) include details of proposed acquisitions of financial assets or capital transfers and plans for the management of financial assets and liabilities;

(g) include multi-year projections of income and projected receipts from the sale of assets;

(h) include details of the Service Delivery Improvement Programme;

(i**)** include details of proposed information technology acquisition or expansion in reference to an information technology plan; and

(j) for departments, include the requirements of Chapter 1, Part III B of the *Public Service Regulations*, 2001.

5.2.3 The strategic plan must form the basis for the annual reports of accounting officers as required by sections 40(1)(d) and (e) of the Act.

5.3 Evaluation of performance [Section 27(4) read with 36(5) of the PFMA]

5.3.1 The accounting officer of an institution must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action.

6

Budgeting and related matters

6.1 Annual budget circular

6.1.1 The accounting officer of a department must comply with any annual budget circulars issued by the relevant treasury. Budget circulars issued by provincial treasuries must be consistent with any budget circular issued by the National Treasury to provincial treasuries.

6.1.2 The accounting officer of a constitutional institution or the accounting authority of a public entity who receives transfers appropriated by vote must provide such information as may be required by the accounting officer responsible for the vote for the purposes of complying with a budget circular. A budget submission by such a constitutional institution or public entity must be made through the accounting officer of the department responsible for transfers to that constitutional institution or public entity.

6.1.3 An accounting officer of a budget vote must ensure that the budget submission for that vote includes appropriate supporting information in respect of constitutional institutions and public entities receiving transfers from that vote.

6.2 Formats of the annual budget [Section 27(3) of the PFMA]

6.2.1 The annual budget documentation, as presented to Parliament or a provincial legislature, must conform to the formats as determined by the National Treasury.

6.3 Virement [Sections 43 and 76(3) of the PFMA]

6.3.1 For purposes of section 43(1) of the Act –

(a) compensation of employees and transfers and subsidies to other institutions, excluding transfers and subsidies to other levels of government for purposes of paying levies and taxes imposed by legislation, may not be increased without approval of the relevant treasury;

(b) new transfers and subsidies to other institutions may not be introduced without the approval of the relevant treasury;

(c) allocations earmarked by the relevant treasury for a specific purpose (excluding compensation of employees) may not be used for other purposes, except with its approval, and

(d) virement of funds from compensation of employees to transfers and subsidies for the payment of severance/exit packages are excluded from the provisions of (a) and (b).

6.4 Rollovers [Sections 30(2)(g) and 31(2)(g) of the PFMA]

6.4.1 Funds appropriated but not spent in a particular financial year may be rolled over to a subsequent year subject to approval of the relevant treasury. Such approval will be guided by the following limitations–

(a) *Payments for capital assets:* Unspent funds on payments for capital assets may only be rolled over to finalise projects or asset acquisitions still in progress.

(b) *Transfers and subsidies:* Savings on transfers and subsidies may not be rolled over for purposes other than originally voted for.

(c) *Current payments:* Savings on compensation of employees may not be rolled over. A maximum of five per cent of a department's payments for goods and services may be rolled over.

6.4.2 Requests for rollovers must be submitted to the relevant treasury on or before the last working day of April, in a format determined by the National Treasury and must include-

(a) the purpose for which the funds were appropriated;

(b) the reasons why the funds were not spent;

(c) proposed changes to the use of the funds, if any; and;

(d) a disbursement schedule indicating the month(s) in which the expenditure is expected to be incurred.

6.4.3 Funds for a specific purpose may not be rolled over for more than one financial year, unless approved in advance by the relevant treasury.

6.5 Transfer of functions [Section 42 of the PFMA]

6.5.1 Where a function is to be transferred between votes during a financial year, the relevant treasury must be consulted in advance, to facilitate any request for the resulting transfer of funds voted for that function in terms of section 33 of the Act. In the absence of agreement between the affected departments on the amount of funds to be transferred, the relevant treasury will determine the funds to be shifted.

6.5.2 Should the Minister of Public Service and Administration or a Premier of a province make a determination regarding the transfer of a function between departments in terms of the Public Service Act, 1994, that determination must accompany a request for the transfer of funds as per paragraph 6.5.1. Should the Minister of Public Service and Administration or a Premier approve a function transfer after the finalisation of the adjustments estimates, it must be dealt with on a recoverable basis.

6.5.3 Before seeking formal approval from the Minister of Public Service and Administration or the Premier of a province for any transfer of functions to another sphere of government, the transferring accounting officer must first seek the approval of the relevant treasury or treasuries on any funding arrangements.

6.5.4 The transfer of functions to provinces and municipalities must be dealt with in terms of the annual Division of Revenue Act and the Local Government Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003).

6.6 Additional funds through an adjustments budget [Sections 30(2)(b) and 31(2)(b) of the PFMA]

6.6.1 For purposes of an adjustments budget, the following will not be considered unforeseeable and unavoidable expenditure –

(a) expenditure that, although known when finalising the estimates of expenditure, could not be accommodated within allocations;

(b) tariff adjustments and price increases; and

(c) extensions of existing services and the creation of new services that are not unforeseeable and unavoidable.

6.6.2 The department requesting additional funds through an adjustments budget must submit a memorandum to the relevant treasury, the Cabinet/EXCO Secretariat and any treasury committee of the Cabinet/EXCO, on a date determined by the relevant treasury.

6.6.3 Where a national adjustments budget allocates funds to a province, the relevant provincial treasury must table an adjustments budget within 30 days of the tabling of the national adjustments budget, or within such longer period as the National Treasury may approve.

6.7 Definitions introduced by the new Economic Reporting Format

6.7.1 For purposes of ensuring alignment between the new Economic Reporting Format, the Public Finance Management Act, 1999 and the Treasury Regulations, the following terms must be used interchangeably:

(a) *Personnel expenditure* referred to in the Act is the same as *compensation of employees* in the new Economic Reporting Format;

(b) *Transfer* referred to in the Act is the same as *transfers* in the new Economic Reporting Format for entities of government, but excludes public entities listed in Schedules 2, 3B and 3D to the Act;

(c) *Transfers* referred to in the Act that are made to public entities listed in Schedules 2, 3B and 3D to the Act are the same as *transfers and subsidies* in the new Economic Reporting Format; and

(d) *Capital expenditure* referred to in the Act is the same as *payments for capital assets* in the new Economic Reporting Format.

PART 4

Revenue and expenditure management

7

Revenue management

7.1 Application

7.1.1 This regulation applies to the identification, collection, recording and safeguarding of all revenue for which an institution is responsible.

7.2 Responsibility for revenue management

7.2.1 The accounting officer of an institution must manage revenue efficiently and effectively by developing and implementing appropriate processes that provide for the identification, collection, recording, reconciliation and safeguarding of information about revenue.

7.3 Services rendered by the state

7.3.1 The accounting officer of an institution must review, at least annually when finalising the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. The accounting officer must obtain approval from the relevant treasury for the proposed tariff structure.

7.3.2 Information on the tariff structure must be disclosed in the annual report, including information on exemptions, discounts, free services and any other aspect of material influence on the revenue yield.

8

Expenditure management

8.1 Responsibility of the accounting officer [Section 76(4)(b) of the PFMA]

8.1.1 The accounting officer of an institution must ensure that internal procedures and internal control measures are in place for payment approval and processing. These internal controls should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported.

8.2 Approval of expenditure [Section 38(1)(f) and 76(4)(b) of the PFMA]

8.2.1 An official of an institution may not spend or commit public money except with the approval (either in writing or by duly authorised electronic means) of the accounting officer or a properly delegated or authorised officer.

8.2.2 Before approving expenditure or incurring a commitment to spend, the delegated or authorised official must ensure compliance with any limitations or conditions attached to the delegation or authorisation.

8.2.3 Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement.

8.3 Compensation of employees [Section 76(4)(b) of the PFMA]

8.3.1 Activities relating to the authorisation of appointments, the authorisation of payments and the recording of those payments may not be performed by the same person.

8.3.2 The accounting officer of an institution must ensure that the costs related to compensation of employees, as well as promotion and salary increases, can be met within the budgetary allocation of the institution.

8.3.3 Unless otherwise determined by the National Treasury, personnel are divided into the following groups for the payment of salaries –

(a) *Group A:* Persons who must be paid on the 15th day of the month, or if it is not a working day, on the last working day preceding the 15th. These include –

(i) persons appointed permanently on the fixed establishment and employed in terms of the Public Service Act, 1994; and

(ii) persons appointed on contract in terms of section 8(1)(c) of the Public Service Act, 1994 and other similar legislation.

(b) *Group B:* This group represents personnel paid on the last working day of the month and includes temporary and part-time staff, and persons appointed on probation.

8.3.4 For all employees, the person in charge at the respective pay-points must certify on the date of payment that all persons listed on the payroll report are entitled to payment. Employees paid by cheque must sign the payroll report when collecting their cheques.

8.3.5 Within ten days of being certified, the payroll report must be returned to the chief financial officer. The accounting officer must ensure that all pay-point certificates have been received on a monthly basis.

8.4 Transfers and subsidies (excluding Division of Revenue grants and other allocations to municipalities) [Section 38(1)(j) of the PFMA]

8.4.1 An accounting officer must maintain appropriate measures to ensure that transfers and subsidies to entities are applied for their intended purposes. Such measures may include-

(a) regular reporting procedures;
(b) internal and external audit requirements and, where appropriate, submission of audited statements;
(c) regular monitoring procedures;
(d) scheduled or unscheduled inspection visits or reviews of performance; and
(e) any other control measures deemed necessary.

8.4.2 An accounting officer may withhold transfers and subsidies to an entity if he or she is satisfied that-

(a) conditions attached to the transfer and subsidy have not been complied with;
(b) financial assistance is no longer required;
(c) the agreed objectives have not been attained; and
(d) the transfer and subsidy does not provide value for money in relation to its purpose or objectives.

8.4.3 Treasury Regulations 8.4.1 and 8.4.2 do not apply to transfers and subsidies to other countries, international bodies, to other bodies in terms of economic and financial agreements and to levies and taxes imposed by other levels of government and which are classified as transfers and subsidies in the budgets of departments. Transfers and subsidies in respect of levies and taxes imposed by other levels and entities of government are governed by section 38(1)(e) of the Act.

8.4.4 Transfers and subsidies to other countries, international bodies, other bodies in terms of economic and financial agreements and transfers and subsidies to other levels and entities of government for purposes of paying levies and taxes imposed by legislation are exempt from the written assurance, as required by section 38(1)(j) of the Act.

8.5 Division of Revenue Grants [Section 38(1)(i) of the PFMA]

8.5.1 Accounting officers of departments transferring funds to other spheres of government in terms of the annual Division of Revenue Act must comply with the provisions of that Act.

8.6 Other allocations to municipalities

8.6.1 A provincial accounting officer transferring a grant from the provincial revenue fund to a municipality in accordance with an assignment in terms of section 156(4) of The Constitution, 1996 (Act No. 108 of 1996) or a delegation in terms of section 238 of The Constitution, 1996 other than an agency payment in terms of section 238 of The Constitution, 1996 must comply with the relevant provisions of the annual Division of Revenue Act, the Local Government Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003), sections 9 and 10 of the Municipal Systems Act, 2000 (Act 32 of 2000) and other relevant legislation.

8.7 Charging of expenditure against a particular vote or main division of a vote [Section 76(2)(b) of the PFMA]

8.7.1 Should a dispute arise over which vote or main division of a vote should be charged with any particular expenditure, the relevant treasury must settle the dispute and determine the vote or main division against which the expenditure must be charged.

8.8 Recovery, disallowance and adjustment of payments

8.8.1 Amounts charged to voted funds, which are recovered in the financial year in which payment was made, shall on or before the closing of books of that financial year, be allocated to the main division that was originally debited.

8.8.2 Such amounts which are recovered after the closing of books of a financial year shall be paid to the relevant revenue fund, provided that such amounts have not been allocated to a clearing or suspense account during the financial year in which payment was made.

9

Unauthorised, irregular, fruitless and wasteful expenditure

9.1 **General** [Sections 38(1)(g) and 76(2)(e) of the PFMA]

9.1.1 The accounting officer of an institution must exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure, and must for this purpose implement effective, efficient and transparent processes of financial and risk management.

9.1.2 When an official of an institution discovers unauthorised, irregular or fruitless and wasteful expenditure, that official must immediately report such expenditure to the accounting officer. In the case of a department, such expenditure must also be reported in the monthly report, as required by section 40(4)(b) of the Act. Irregular expenditure incurred by a department in contravention of tender procedures must also be brought to the notice of the relevant tender board or procurement authority, whichever applicable.

9.1.3 When an accounting officer determines the appropriateness of disciplinary steps against an official in terms of section 38(1)(g) of the Act, the accounting officer must take into account –

(a) the circumstances of the transgression;

(b) the extent of the expenditure involved; and

(c) the nature and seriousness of the transgression.

9.1.4 The recovery of losses or damages resulting from unauthorised, irregular or fruitless and wasteful expenditure must be dealt with in accordance with regulation 12.

9.1.5 The amount of the unauthorised, irregular, fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements of the institution.

PART 5

Asset and liability management

10

Asset management

10.1 Responsibility for asset management [Section 38(1)(d) of the PFMA]

10.1.1 The accounting officer of an institution must take full responsibility and ensure that proper control systems exist for assets and that –

(a) preventative mechanisms are in place to eliminate theft, losses, wastage and misuse; and

(b) stock levels are at an optimum and economical level.

10.1.2 The accounting officer must ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the institution's assets.

10.2 Assets accruing to the state by operation of any law [Section 76(2)(i) of the PFMA]

10.2.1 Where any money, property or right accrues to the state by operation of law *(bona vacantia)*, the relevant treasury may exercise all powers, authority and prerogatives, and fulfil any obligation on behalf of the state.

11

Management of debtors

11.1 Application

11.1.1 This regulation applies to all debts accruing to an institution and includes any amount owing to or receivable by the institution, such as invoices for charges for goods or services, fees or fines outstanding.

11.2 Responsibility for the management of debtors [Section 38(1)(c)(i) and (d) of the PFMA]

11.2.1 The accounting officer of an institution must take effective and appropriate steps to timeously collect all money due to the institution including, as necessary –

(a) maintenance of proper accounts and records for all debtors, including amounts received in part payment; and

(b) referral of a matter to the State Attorney, where economical, to consider a legal demand and possible legal proceedings in a court of law.

11.3 Recovery of debts by instalments

11.3.1 Unless otherwise determined by law or agreement, debts owing to the state may, at the discretion of the accounting officer of the institution, be recovered in instalments.

11.4 Writing off of debts owing to the state [Sections 76(1)(e) and 76(4)(a) of the PFMA]

11.4.1 An accounting officer may only write off debts owed to the State if he or she is satisfied that –

(a) all reasonable steps have been taken to recover the debt and the debt is irrecoverable, or,

(b) he or she is convinced that –

(i) recovery of the debt would be uneconomical;

(ii) recovery would cause undue hardship to the debtor or his or her dependants; or

(iii) it would be to the advantage of the state to effect a settlement of its claim or to waive the claim.

11.4.2 An accounting officer must ensure that all debts written off are done in accordance with a write off policy determined by the accounting officer.

11.4.3 All debts written off must be disclosed in the annual financial statements, indicating the policy in terms of which the debt was written off.

11.5 Interest payable on debts to the state [Section 80 of the PFMA]

11.5.1 Interest must be charged on debts to the state at the interest rate determined by the Minister of Finance in terms of section 80 of the Act.

12

Management of losses and claims

12.1 General

12.1.1 Subject to the provisions of this regulation, or any other legislation or agreement, the state will bear its own damages and accident risks and be responsible for all claims and losses of state property where these arise from state activities by an official who is liable in law and who is or was employed by an institution.

12.1.2 Notwithstanding paragraph 12.1.1, the accounting officer of an institution may (if deemed economical and based on a risk assessment) insure motor vehicles, including hired vehicles, or such other movable assets determined by the relevant treasury, but the insurance premium cost may not exceed R250 000 a year on that vote, unless otherwise approved by the relevant treasury.

12.2 Claims against the state through acts or omissions [Section 76(1)(h) of the PFMA]

12.2.1 An institution must accept liability for any loss or damage suffered by another person, which arose from an act or omission of an official as a claim against the state and does not recover compensation from an official, provided the official shall forfeit this cover if he or she, with regard to the act or omission, is liable in law and –

(a) intentionally exceeded his or her powers;
(b) made use of alcohol or drugs;
(c) did not act in the course and scope of his or her employment;
(d) acted recklessly or intentionally;
(e) without prior consultation with the State Attorney, made an admission that was detrimental to the state; or
(f) failed to comply with or ignored standing instructions, of which he or she was aware of or could reasonably have been aware of, which led to the loss, damage or reason for the claim, excluding damage arising from the use of a state vehicle; and
(g) in the case of a loss, damage or claim arising from the use of a state vehicle, the official –
    (i) used the vehicle without authorisation;
    (ii) did not possess a valid driver's licence or other appropriate licence;
    (iii) did not use the vehicle in the interest of the state;
    (iv) allowed unauthorised persons to handle the vehicle; or
    (v) deviated materially from the official journey or route without prior authorisation;

12.2.2 If in doubt, the accounting officer of the institution must consult the State Attorney on questions of law on the implementation of paragraph 12.2.1.

12.2.3 Where an official has forfeited his or her cover in terms of paragraph 12.2.1, the amount paid by the institution for the loss, damage or claim arising from an act or omission must be recovered from the official concerned.

12.2.4 The State Attorney may only obligate the funds of an institution with the prior written approval of the accounting officer.

12.3 Claims by the state against other persons

12.3.1 If the state suffers a loss or damage and the other person denies liability, the accounting officer must, if deemed economical, refer the matter to the State Attorney for legal action, including the recovery of the value of the loss or damage.

12.4 Claims by officials against the state

12.4.1 If an official sustains a loss or damage in the execution of official duties and is not compensated, the accounting officer may make good the loss or damage provided that the official can prove such loss or damage.

12.5 Losses or damages through criminal acts or omissions [Section 76(1)(f) of the PFMA]

12.5.1 When it appears that the state has suffered losses or damages through criminal acts or possible criminal acts or omissions, the matter must be reported, in writing, to the accounting officer and the South African Police Service. If liability can be determined, the accounting officer must recover the value of the loss or damage from the person responsible.

12.5.2 The accounting officer may write off losses or damages arising from criminal acts or omissions if, after a thorough investigation, it is found that the loss or damage is irrecoverable.

12.5.3 When movable assets are written off, this must be noted in the asset register.

12.6 Losses and damages through *vis major* and other unavoidable causes [Section 76(1)(e) of the PFMA]

12.6.1 The accounting officer may write off losses and damages that result from *vis major* and other unavoidable causes.

12.7 Losses or damages through acts committed or omitted by officials [Sections 76(1)(b) and 76(4)(a) of the PFMA]

12.7.1 Losses or damages suffered by an institution because of an act committed or omitted by an official, must be recovered from such an official if that official is liable in law.

12.7.2 The accounting officer must determine the amount of the loss or damage and, in writing, request that official to pay the amount within 30 days or in reasonable instalments. If the official fails to comply with the request, the matter must be handed to the State Attorney for the recovery of the loss or damage.

12.7.3 A claim against an official must be waived if the conditions in paragraph 12.2.1(a) to (g) are not applicable.

12.7.4 If in doubt, the accounting officer of the institution must consult the State Attorney on questions of law in the implementation of paragraphs 12.7.1 and 12.7.3.

13

Loans, guarantees, leases and other commitments

13.1 **General** [Section 66 of the PFMA]

13.1.1 The executive authority of a provincial department may not issue a guarantee, security or indemnity that may bind the provincial revenue fund, except with the prior written approval of the MEC for finance in the province.

13.1.2 The accounting officer of a department must ensure that no official in that department or any other person borrows money on behalf of that department or issues an unauthorised guarantee, security or indemnity. The accounting officer must ensure that appropriate misconduct or criminal proceedings are instituted against any person responsible for transgressions with regard to borrowings, guarantees, securities or indemnities.

13.1.3 Should the accounting officer be responsible for transgressions with regard to borrowings, guarantees, securities or indemnities, the relevant treasury must, as soon as it becomes aware of the transgression, initiate appropriate misconduct or criminal proceedings against the accounting officer.

13.1.4 The accounting officer must report on all known contingent liabilities of the department in its annual report.

13.1.5 This regulation does not preclude the use of credit cards, fleet management cards or other credit facilities repayable within 30 days from the date of statement.

13.2 Lease transactions

13.2.1 For the purpose of this regulation, a lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.

13.2.2 A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

13.2.3 An operating lease is a lease other than a finance lease.

13.2.4 The accounting officer of an institution may, for the purposes of conducting the institution’s business, enter into lease transactions without any limitations provided that such transactions are limited to operating lease transactions.

13.2.5 With the exception of agreements concluded in terms of Treasury Regulation 16, the accounting officer of an institution my not enter into finance lease transactions.

14

Money and property held in trust

14.1 General

14.1.1 Regulation 15 is not applicable to the management of trust money.

14.2 Responsibility for trust money and property [Section 76(1)(c) of the PFMA]

14.2.1 For purposes of this regulation, trust money or property is money or property that does not belong to the State and that is held by an institution on behalf of other persons or entities in terms of a deed of trust or equivalent instrument that details the specific purposes for which it may be used.

14.2.2 The accounting officer, through the chief financial officer or a duly authorised agent, is responsible for the safekeeping and proper use of trust money and property, in accordance with the relevant deed of trust or equivalent instrument.

14.2.3 The institution, or its duly authorised agent, may charge a fee for the administration of a trust account at rates approved by the board of trustees or, in its absence, as agreed with the trustee. Such fees are payable from the trust account and are revenue accruing to the relevant revenue fund.

14.3 Trust money must be kept in a trust account

14.3.1 The accounting officer must, for each separate portion of trust money –

(a) open and maintain a separate bank account, called a trust account;

(b) assign to the trust account a name or title that clearly identifies the account;

(c) maintain separate accounting records for each trust account, of the transactions, including investment transactions, undertaken; and

(d) annually prepare separate annual financial statements that comply with generally accepted accounting practice.

14.4 Investment of trust money

14.4.1 The accounting officer may, provided that it does not conflict with the terms of the trust arrangement, invest any trust money on such terms and conditions as may be appropriate–

(a) on deposit with any bank within or outside South Africa as approved by the National Treasury;

(b) in public securities issued by the government; or

(c) in other securities approved by the National Treasury.

14.4.2 The proceeds of an investment, including interest and realised capital gains, and all money received from the realisation, sale or conversion of securities, must be treated as money of the trust on whose behalf the money was invested.

PART 6

Frameworks

15

Banking, cash management and investment

15.1 Control of the national and provincial revenue funds [Sections 11 and 21 of the PFMA]

15.1.1 Each treasury is responsible for the effective and efficient management of its revenue fund.

15.1.2 Each treasury must ensure that its revenue fund always has sufficient money for appropriated expenditure and direct charges to meet the progressive cash flow requirements.

15.1.3 Each revenue fund consists, at any point in time, of all cash balances of the fund, derived from the relevant treasury's operating, investing and financing activities.

15.2 Bank account configuration [Sections 7 and 21 of the PFMA]

15.2.1 The bank account configuration for the National Revenue Fund comprises an Exchequer bank account, a Paymaster-General bank account with the South African Reserve Bank, the four tax and loan accounts with commercial banks, and any other bank account opened to facilitate the management of the National Revenue Fund. The National Treasury may open additional accounts on such terms and conditions as it may determine.

15.2.2 Each provincial revenue fund must have a bank account configuration that consists of at least an Exchequer bank account and a Paymaster-General bank account, opened with a commercial bank.

15.2.3 Each head of a provincial treasury must nominate one bank account, which is under the control of the provincial treasury and is part of the provincial revenue fund, as the accredited account into which all transfers from national departments must be deposited.

15.2.4 If the accounting for a department necessitates a separate bank account, the relevant treasury may approve one sub-account within the Paymaster-General account of the relevant revenue fund. Such subaccounts remain an integral part of the bank account configuration of the relevant revenue fund.

15.3 Deposits into the revenue funds [Sections 13 and 22 of the PFMA]

15.3.1 In terms of sections 11(3) and 21(2) of the Act, money is paid into a revenue fund by depositing it into a bank account in accordance with the configuration requirements prescribed above.

15.3.2 Money deposited into the Paymaster-General account must immediately be available to the relevant treasury for funding expenditure or investment according to its central cash management responsibilities.

15.4 Responsibilities of the South African Revenue Service [Section 12 of the PFMA]

15.4.1 The South African Revenue Service must supply the relevant treasury with an annual revenue projection no later than the tenth working day of March preceding the start of the financial year. It must also submit the actual collection for the preceding month and an updated monthly revenue projection for the remainder of the year, no later than the 15th working day of each month.

15.4.2 For purposes of section 12 of the Act, the South African Revenue Service must implement measures to ensure that all taxes, levies, duties, fees and other money due to and collected by it for a revenue fund are accounted for and deposited daily into the relevant fund. The relevant treasury must be informed daily of such revenue and its standard revenue classifications.

15.5 Responsibilities of departments [Sections 13 and 22 of the PFMA]

15.5.1 All revenue received by a department must be paid daily into its Paymaster-General account or, for amounts less than R500, as soon as practicable, but at least by the last working day of the month.

15.5.2 No provincial department may receive transfers from a national department or public entity directly; such funds must be deposited into the nominated banking account of the province as required by paragraph 15.2.3.

15.5.3 Money collected by a department, which is not classified as revenue, must be paid into the department's Paymaster-General account and accounted for in its ledger. This includes money received for agency services provided to another department.

15.6 Withdrawals from and investments in revenue funds [Sections 7(4) and 24(3) of the PFMA]

15.6.1 Provincial treasuries may, in accordance with section 24 of the Act, temporarily invest surplus money in the provincial revenue fund in an account in South Africa, approved as part of the bank account configuration of the fund.

15.7 Requisitioning of funds by departments

15.7.1 When requesting the transfer of appropriated funds, accounting officers of national departments must submit such requisitions to the National Treasury, in accordance with approved cash flow estimates, at least four full working days before the end of the month preceding the month in which the funds are required. Provincial treasuries may determine their own time-scales in this regard.

15.7.2 Provincial treasuries will receive their grants from the National Revenue Fund in accordance with the payment schedule determined in terms of the annual Division of Revenue Act.

15.8 Surrender of voted surplus funds

15.8.1 At the end of each financial year, and after the books of account of a department have been closed, the accounting officer must surrender to the relevant treasury any unexpended voted money, for re-depositing into the Exchequer bank account of the relevant revenue fund.

15.9 Accounting and reporting

15.9.1 Each treasury must account daily for the cash movements of all bank accounts in the books of its revenue fund.

15.10 Banking and cash management

15.10.1 General [Sections 7 and 21 of the PFMA]

15.10.1.1 The accounting officer is responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management.

15.10.1.2 For purposes of this regulation, sound cash management includes –

(a) collecting revenue when it is due and banking it promptly;

(b) making payments, including transfers and subsidies to other levels of government and non-government entities, no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the government's normal terms for account payments;

(c) avoiding prepayments for goods or services (i.e. payments in advance of the receipt of the goods or services), unless required by the contractual arrangements with the supplier;

(d) accepting discounts to effect early payment only when the payment has been included in the monthly cash flow estimates provided to the relevant treasury;

(e) pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the government are collected and banked promptly;

(f) accurately forecasting the institution's cash flow requirements so that the National Treasury can optimise its central cash management responsibilities on behalf of the government;

(g) timing the in and outflow of cash;

(h) recognising the time value of money, i.e. economically, efficiently and effectively managing cash;

(i) taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or underutilised assets;

(j) performing bank reconciliations on a daily basis to detect any unauthorised entries;

(k) ensuring that dishonoured warrant vouchers and cheques are followed up immediately; and

(l) the separation of duties to minimise the incidence of fraud.

15.10.2 Cash flow

15.10.2.1 The accounting officer must annually submit to the relevant treasury a breakdown of anticipated revenue and expenditure in the format determined by the National Treasury, no later than the last working day of February preceding the financial year to which it relates.

15.10.2.2 Provincial treasuries must submit to the National Treasury, by the 15th working day of March, projections of their expenditure, revenue and borrowings, in a format determined by the National Treasury.

15.10.2.3 Once such amounts have been approved, modified as necessary after consultation with the relevant treasury, the accounting officer may not draw from the revenue fund

more than the amount approved for a month, without prior written approval from the relevant treasury.

15.10.2.4 Should the accounting officer need to adjust the approved projections, the proposed adjustments must be motivated to the relevant treasury for evaluation against the availability of funds in the Exchequer.

15.10.3 Banking arrangements [Section 7(2) of the PFMA]

15.10.3.1 Institutions may not open a bank account without the written approval of the relevant treasury. Only bank accounts approved after 1 April 2001 shall be considered as valid.

15.10.3.2 The National Treasury will negotiate with the approved clearing banks for appropriate banking services on a regular basis for national departments and constitutional institutions.

15.11 Private money, private bank accounts and cashing private cheques

15.11.1 Private money may not be deposited into an official bank account, except in accordance with the provisions relating to money held in trust for other persons or bodies, nor may state money be paid into a private bank account.

15.11.2 The safekeeping of private money or personal possessions in a state safe or strongroom is prohibited. However, an accounting officer or an official authorised by the accounting officer may approve arrangements for safeguarding personal effects reasonably held on official premises in the course of official duty (e.g. by providing lockable rooms for staff).

15.11.3 State money may not be used to cash private cheques.

15.12 Warrant vouchers, cheques and electronic payments [Section 76(2)(h) of the PFMA]

15.12.1 Accounting officers of departments must assign authority in writing to officials to approve warrant vouchers, cheques or electronic payments.

15.12.2 Only authorised officials may sign hand-drawn vouchers or cheques and must initial the counterfoils.

15.12.3 All payments in excess of R2 000 must be effected electronically unless otherwise approved by the relevant treasury. Payments may not be split to circumvent this regulation and any non-compliance with this regulation constitutes financial misconduct.

15.12.4 All warrant vouchers and cheques must be crossed “NOT NEGOTIABLE” and “NOT TRANSFERABLE” between parallel lines. The cancellation of crossings is not permitted.

15.12.5 When an issued warrant voucher or cheque is lost, stolen or damaged, an instruction to stop payment must immediately be issued to the responsible bank. Once confirmation has been received that the cheque was stopped, the transaction must be reversed and a new warrant voucher or cheque issued and accounted for.

15.12.6 All cashed warrant vouchers of national departments that have not been captured on the respective financial systems will be returned as unpaid.

16

Public private partnerships

16.1 Definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and -

"affordability" means that the financial commitments to be incurred by an institution in terms of the PPP agreement can be met by funds –

(a) designated within the institution's existing budget for the institutional function to which the agreement relates; and/or
(b) destined for the institution in accordance with the relevant treasury's future budgetary projections for the institution;

"institution" means a department, a constitutional institution, a public entity listed, or required to be listed in Schedules 3A, 3B, 3C and 3D to the Act, or any subsidiary of any such public entity.

"institutional function" means –

(a) a service, task, assignment or other function that an institution is entitled or obliged to perform –

    (i) in the public interest; or
    (ii) on behalf of the public service generally; or

(b) any part or component of or any service, task, assignment or other function performed or to be performed in support of such a service, task, assignment or other function;

"private party" means a party to a PPP agreement, other than –

(a) an institution to which the Act applies;
(b) a municipality or a municipal entity under the ownership control of one or more municipalities; or
(c) the accounting officer, accounting authority or other person or body acting on behalf of an institution, municipality or municipal entity referred to in paragraph (a) or (b);

"project officer" means a person identified by the accounting officer or accounting authority of an institution, who is capable of managing and is appropriately qualified to manage a PPP to which that institution is party from its inception to its expiry or termination**;**

"public private partnership" or **"PPP"** means a commercial transaction between an institution and a private party in terms of which the private party –

(a) performs an institutional function on behalf of the institution; and / or
(b) acquires the use of state property for its own commercial purposes; and
(c) assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and

(d) receives a benefit for performing the institutional function or from utilising the state property, either by way of:

(i) consideration to be paid by the institution which derives from a revenue fund or, where the institution is a national government business enterprise or a provincial government business enterprise, from the revenues of such institution; or
(ii) charges or fees to be collected by the private party from users or customers of a service provided to them; or
(iii) a combination of such consideration and such charges or fees;

"preferred bidder" means the bidder, including any bidding consortium, to be appointed as preferred bidder in terms of regulation 16.5.4;

"PPP agreement" means a written contract recording the terms of a PPP concluded between an institution and a private party;

"relevant treasury" means the National Treasury unless delegated in terms of section 10(1)(b) of the Act;

"state property" includes all movable and immovable property belonging to the state as well as intellectual property rights vested in the state;

"transaction advisor" means a person or persons appointed in writing by an accounting officer or accounting authority of an institution, who has or have appropriate skills and experience to assist and advise the institution in connection with a PPP, including the preparation and conclusion of a PPP agreement; and

"value for money" means that the provision of the institutional function or the use of state property by a private party in terms of the PPP agreement results in a net benefit to the institution defined in terms of cost, price, quality, quantity, risk transfer or a combination thereof.

16.2 Exclusive competency of accounting officers and accounting authorities

16.2.1 Only the accounting officer or the accounting authority of an institution may enter into a PPP agreement on behalf of that institution.

16.3 Project inception

16.3.1 As soon as the institution identifies a project that may be concluded as a PPP, the accounting officer or accounting authority must in writing-

(a) register the PPP with the relevant treasury;
(b) inform the relevant treasury of the expertise within that institution to proceed with a PPP;
(c) appoint a project officer from within or outside the institution; and
(d) appoint a transaction advisor if the relevant treasury so requests.

16.4 Feasibility study – Treasury Approval: I

16.4.1 To determine whether the proposed PPP is in the best interests of an institution, the accounting officer or the accounting authority of that institution must undertake a feasibility study that-

(a) explains the strategic and operational benefits of the proposed PPP for the institution in terms of its strategic objectives and government policy;
(b) describes in specific terms –

(i) in the case of a PPP involving the performance of an institutional function, the nature of the institutional function concerned and the extent to which this institutional function, both legally and by nature, may be performed by a private party; and
(ii) in the case of a PPP involving the use of state property, a description of the state property concerned, the uses, if any, to which such state property has been subject prior to the registration of the proposed PPP and a description of the types of use that a private party may legally subject such state property to;

(c) in relation to a PPP pursuant to which an institution will incur any financial commitments, demonstrates the affordability of the PPP for the institution;
(d) sets out the proposed allocation of financial, technical and operational risks between the institution and the private party;
(e) demonstrates the anticipated value for money to be achieved by the PPP; and
(f) explains the capacity of the institution to procure, implement, manage, enforce, monitor and report on the PPP.

16.4.2 An institution may not proceed with the procurement phase of a PPP without prior written approval of the relevant treasury for the feasibility study.

16.4.3 The treasury approval referred to in regulation 16.4.2 shall be regarded as Treasury Approval: I.

16.4.4 If at any time after Treasury Approval: I has been granted in respect of the feasibility study of a PPP, but before the grant of Treasury Approval: III in respect of the PPP agreement recording that PPP, any assumptions in such feasibility study are materially revised, including any assumptions concerning affordability, value for money and substantial technical, operational and financial risk transfer, then the accounting officer or accounting authority of the institution must immediately –

(a) provide the relevant treasury with details of the intended revision, including a statement regarding the purpose and impact of the intended revision on the affordability, value for money and risk transfer evaluation contained in the feasibility study; and
(b) ensure that the relevant treasury is provided with a revised feasibility study after which the relevant treasury may grant a revised Treasury Approval: I.

16.5 Procurement – Treasury approvals IIA and IIB

16.5.1 Prior to the issuing of any procurement documentation for a PPP to any prospective bidders, the institution must obtain approval from the relevant treasury for the procurement documentation, including the draft PPP agreement.

16.5.2 The treasury approval referred to in regulation 16.5.1 shall be regarded as Treasury Approval: IIA.

16.5.3 The procurement procedure –

(a) must be in accordance with a system that is fair, equitable, transparent, competitive and cost-effective; and
(b) must include a preference for the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination in compliance with relevant legislation.

16.5.4 After the evaluation of the bids, but prior to appointing the preferred bidder, the institution must submit a report for approval by the relevant treasury, demonstrating how the criteria of affordability, value for money and substantial technical, operational and financial risk transfer were applied in the evaluation of the bids, demonstrating how these criteria were satisfied in the preferred bid and including any other information as required by the relevant treasury.

16.5.5 The treasury approval referred to in regulation 16.5.4 shall be regarded as Treasury Approval: IIB.

16.6 Contracting PPP agreements - Treasury Approval: III

16.6.1 After the procurement procedure has been concluded but before the accounting officer or accounting authority of an institution concludes a PPP agreement, that accounting officer or accounting authority must obtain approval from the relevant treasury –

(a) that the PPP agreement meets the requirements of affordability, value for money and substantial technical, operational and financial risk transfer as approved in terms of regulation 16.4.2 or as revised in terms of regulation 16.4.4;
(b) for a management plan that explains the capacity of the institution, and its proposed mechanisms and procedures, to effectively implement, manage, enforce, monitor and report on the PPP; and
(c) that a satisfactory due diligence including a legal due diligence has been completed in respect of the accounting officer or accounting authority and the proposed private party in relation to matters of their respective competence and capacity to enter into the PPP agreement.

16.6.2 The treasury approval referred to in regulation 16.6.1 shall be referred to as Treasury Approval: III.

16.7 Management of PPP agreements

16.7.1 The accounting officer or accounting authority of the institution that is party to a PPP agreement is responsible for ensuring that the PPP agreement is properly implemented, managed, enforced, monitored and reported on, and must maintain such mechanisms and procedures as approved in Treasury Approval: III for –

(a) measuring the outputs of the PPP agreement;
(b) monitoring the implementation of the PPP agreement and performances under the PPP agreement;
(c) liaising with the private party;
(d) resolving disputes and differences with the private party;
(e) generally overseeing the day-to-day management of the PPP agreement; and
(f) reporting on the PPP agreement in the institution's annual report.

16.7.2 A PPP agreement involving the performance of an institutional function does not divest the accounting officer or accounting authority of the institution concerned of the responsibility for ensuring that such institutional function is effectively and efficiently performed in the public interest or on behalf of the public service**.**

16.7.3 A PPP agreement involving the use of state property by a private party does not divest the accounting officer or accounting authority of the institution concerned of the responsibility for ensuring that such state property is appropriately protected against forfeiture, theft, loss, wastage and misuse.

16.8 Amendment and variation of PPP agreements

16.8.1 The prior written approval of the relevant treasury is required for any material amendments to a PPP agreement including any material variations to the outputs therein, or any waivers contemplated or provided for in the PPP agreement.

16.8.2 The relevant treasury will approve a material amendment only if it is satisfied that the PPP agreement, if so amended, will continue to provide –

(a) value for money;
(b) affordability; and
(c) substantial technical, operational and financial risk transfer to the private party.

16.8.3 The accounting officer or accounting authority must substantially follow the procedure prescribed by regulations 16.4 and 16.6 for obtaining such treasury approval.

16.9 Agreements binding on the state

16.9.1 A PPP agreement or an agreement amending a PPP agreement**,** binds the state only if the agreement was entered into on behalf of an institution –

(a) by the accounting officer or accounting authority of that institution; and
(b) if all treasury approvals required in terms of this regulation 16 have been granted by the relevant treasury in respect of the PPP.

16.10 Exemptions

16.10.1 The relevant treasury may, subject to any terms and conditions that it considers appropriate and upon written application from an institution, exempt that institution whether in relation to a specific PPP or in general, from complying with any or all of the provisions of this regulation 16.

16A

Supply Chain Management

16A1 Definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and –

"institution" means a department, constitutional institution or public entity listed in Schedule 3A and 3C of the Act; and

"official" means a person in the employ of a department, constitutional institution or public entity listed in Schedule 3A and 3C of the Act.

16A2 Application

16A2.1 This framework applies to all –

(a) departments;
(b) constitutional institutions; and
(c) public entities listed in Schedules 3A and 3C to the Act.

16A3 Supply chain management system

16A3.1 The accounting officer or accounting authority of an institution to which these regulations apply must develop and implement an effective and efficient supply chain management system in his or her institution for –

(a) the acquisition of goods and services; and
(b) the disposal and letting of state assets, including the disposal of goods no longer required.

16A3.2 A supply chain management system referred to in paragraph 16A.3.1 must –

(a) be fair, equitable, transparent, competitive and cost effective;
(b) be consistent with the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
(c) be consistent with the Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and
(d) provide for at least the following: –

(i) demand management;
(ii) acquisition management;
(iii) logistics management;
(iv) disposal management;
(v) risk management; and
(vi) regular assessment of supply chain performance.

16A4 Establishment of supply chain management units

16A4.1 The accounting officer or accounting authority must establish a separate supply chain management unit within the office of that institution's chief financial officer, to implement the institution's supply chain management system.

16A5 Training of supply chain management officials

16A5.1 The accounting officer or accounting authority must ensure that officials implementing the institution's supply chain management system are trained and deployed in accordance with the requirements of the Framework for Minimum Training and Deployment issued by the National Treasury.

16A6 Procurement of goods and services

16A6.1 Procurement of goods and services, either by way of quotations or through a bidding process, must be within the threshold values as determined by the National Treasury.

16A6.2 A supply chain management system must, in the case of procurement through a bidding process, provide for –

(a) the adjudication of bids through a bid adjudication committee;
(b) the establishment, composition and functioning of bid specification, evaluation and adjudication committees;
(c) the selection of bid adjudication committee members;
(d) bidding procedures; and
(e) the approval of bid evaluation and/or adjudication committee recommendations.

16A6.3 The accounting officer or accounting authority must ensure that –

(a) bid documentation and the general conditions of a contract are in accordance with –

    (i) the instructions of the National Treasury; or
    (ii) the prescripts of the Construction Industry Development Board, in the case of a bid relating to the construction industry;
(b) bid documentation include evaluation and adjudication criteria, including the criteria prescribed in terms of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and the Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
(c) bids are advertised in at least the *Government Tender Bulletin* for a minimum period of 21 days before closure, except in urgent cases when bids may be advertised for such shorter period as the accounting officer or accounting authority may determine;
(d) awards are published in the *Government Tender Bulletin* and other media by means of which the bids were advertised;
(e) contracts relating to information technology are prepared in accordance with the State Information Technology Act, 1998 (Act No. 88 of 1998), and any regulations made in terms of that Act;

(f) Treasury Regulation 16 is complied with when goods or services are procured through public private partnerships or as part of a public private partnership; and

(g) instructions issued by the National Treasury in respect of the appointment of consultants are complied with.

16A6.4 If in a specific case it is impractical to invite competitive bids, the accounting officer or accounting authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the accounting officer or accounting authority.

16.A6.5 The accounting officer or accounting authority may opt to participate in transversal term contracts facilitated by the relevant treasury. Should the accounting officer or accounting authority opt to participate in a transversal contract facilitated by the relevant treasury, the accounting officer or accounting authority may not solicit bids for the same or similar product or service during the tenure of the transversal term contract.

16A6.6 The accounting officer or accounting authority may, on behalf the department, constitutional institution or public entity, participate in any contract arranged by means of a competitive bidding process by any other organ of state, subject to the written approval of such organ of state and the relevant contractors.

16A7 Disposal and letting of state assets

16A7.1 Disposal of movable assets must be at market-related value or by way of price quotations, competitive bids or auction, whichever is most advantageous to the state, unless determined otherwise by the relevant treasury.

16A7.2 Notwithstanding the provisions of paragraph 16A7.1, accounting officers and accounting authorities may transfer movable assets free of charge to other departments, constitutional institutions or public entities by means of formal vouchers.

16A7.3 Any sale of immovable state property must be at market-related value, unless the relevant treasury approves otherwise.

16A7.4 The letting of immovable state property (excluding state housing for officials and political office bearers) must be at market-related tariffs, unless the relevant treasury approves otherwise. No state property may be let free of charge without the prior approval of the relevant treasury.

16A7.5 The accounting officer or accounting authority must review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of state property to ensure sound financial planning and management.

16A7.6 The accounting officer or accounting authority must, when disposing of firearms, obtain the approval of the National Conventional Arms Control Committee for any sale or donation of firearms to any person or institution within or outside the Republic.

16A7.7 The accounting officer or accounting authority must, when disposing of computer equipment, firstly approach any state institution involved in education and/or training to determine whether such an institution requires such equipment. In the event of the computer equipment being required by such a state institution, the accounting officer or accounting authority may transfer such equipment free of charge to the identified institution.

16A8 Compliance with ethical standards

16A8.1 All officials and other role players in a supply chain management system must comply with the highest ethical standards in order to promote –

(a) mutual trust and respect; and
(b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

16A8.2 The National Treasury's Code of Conduct for Supply Chain Management Practitioners must be adhered to by all officials and other role players involved in supply chain management.

16A8.3 A supply chain management official or other role player –

(a) must recognise and disclose any conflict of interest that may arise;
(b) must treat all suppliers and potential suppliers equitably;
(c) may not use their position for private gain or to improperly benefit another person;
(d) must ensure that they do not compromise the credibility or integrity of the supply chain management system through the acceptance of gifts or hospitality or any other act;
(e) must be scrupulous in their use of public property; and
(f) must assist accounting officers or accounting authorities in combating corruption and fraud in the supply chain management system.

16A8.4 If a supply chain management official or other role player, or any close family member, partner or associate of such official or other role player, has any private or business interest in any contract to be awarded, that official or other role player must –

(a) disclose that interest; and
(b) withdraw from participating in any manner whatsoever in the process relating to that contract.

16A8.5 An official in the supply chain management unit who becomes aware of a breach of or failure to comply with any aspect of the supply chain management system must immediately report the breach or failure to the accounting officer or accounting authority, in writing.

16A9 Avoiding abuse of supply chain management system

16A9.1 The accounting officer or accounting authority must –

(a) take all reasonable steps to prevent abuse of the supply chain management system;
(b) investigate any allegations against an official or other role player of corruption, improper conduct or failure to comply with the supply chain management system, and when justified –

    (i) take steps against such official or other role player and inform the relevant treasury of such steps; and

(ii) report any conduct that may constitute an offence to the South African Police Service;

(c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, nor any of its directors, are listed as companies or persons prohibited from doing business with the public sector;

(d) reject any bid from a supplier who fails to provide written proof from the South African Revenue Service that that supplier either has no outstanding tax obligations or has made arrangements to meet outstanding tax obligations;

(e) reject a proposal for the award of a contract if the recommended bidder has committed a corrupt or fraudulent act in competing for the particular contract; or

(f) cancel a contract awarded to a supplier of goods or services –

(i) if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract; or

(ii) if any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited that supplier.

16A9.2 The accounting officer or accounting authority –

(a) may disregard the bid of any bidder if that bidder, or any of its directors –
(i) have abused the institution's supply chain management system
(ii) have committed fraud or any other improper conduct in relation to such system; or
(iii) have failed to perform on any previous contract; and

(b) must inform the relevant treasury of any action taken in terms of paragraph (a).

16A9.3 The National Treasury and each provincial treasury must establish a mechanism:-

(a) to receive and consider complaints regarding alleged non-compliance with the prescribed minimum norms and standards; and

(b) to make recommendations for remedial actions to be taken if non-compliance of any norms and standards is established, including recommendations of criminal steps to be taken in the case of corruption, fraud or other criminal offences.

16A10 National Industrial Participation Program

16A10.1 An accounting officer or accounting authority must obtain clearance for a recommended bidder from the Department of Trade and Industry, in respect of contracts which are subject to the National Industrial Participation Program of that Department.

16A11 Reporting of supply chain management information

16A11.1 The accounting officer or accounting authority must submit to the relevant treasury such supply chain management information as that treasury may require.

16A11.2 A provincial treasury must submit to the National Treasury such supply chain management information as the National Treasury may require.

16A11.3 Information referred to in paragraphs 16A11.1 and 16A11.2 must be submitted to the relevant treasury in such format and at such intervals as that treasury may require.

16A12 Interim arrangements

16A12.1 If a department lacks the capacity to fully comply with these regulations, that department may continue to make use of existing procurement processes through the relevant Tender Boards or other provincial procurement authorities (whichever applicable), subject to any instructions of the relevant treasury.

16.A12.2 If a constitutional institution or public entity lacks the capacity to fully comply with these regulations, that constitutional institution or public entity may, until 31 March 2005, continue to utilise their existing procurement procedures, provided that their existing procurement procedures are consistent with the contents of practice notes issued by the National Treasury.

PART 7

Accounting and reporting requirements

17

Basic accounting records and related issues

17.1 Use of clearing and suspense accounts [Section 40(1)(a) of the PFMA]

17.1.1 All the transactions of an institution must be supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation.

17.1.2 Should it be necessary, in exceptional cases, to account for revenue and expenditure transactions in a clearing or suspense account because the classification has not been resolved, the accounting officer must ensure that –

(a) the sources of the transactions are readily identifiable;

(b) amounts included in clearing or suspense accounts are cleared and correctly allocated to the relevant cost centres on a monthly basis;

(c) monthly reconciliation's are performed to confirm the balance of each account; and

(d) reports are provided to the accounting officer about uncleared items on a monthly basis.

17.1.3 In each month's section 40(4) report, the accounting officer must certify that the forecast/projection for the remainder of the financial year adequately makes provision for all amounts not yet cleared from clearing and suspense accounts.

17.2 Availability of financial information [Section 40(1)(a) of the PFMA]

17.2.1 Accounting officers of institutions must, subject to the provisions of the relevant national or provincial legislation, retain all financial information in its original form, as follows –

(a) information relating to one financial year – for one year after the audit report for the financial year in question has been tabled in Parliament or the provincial legislature; or

(b) information relating to more than one financial year – for one year after the date of the audit report for the last of the financial years to which the information relates.

17.2.2 After the expiry of the above retention periods, the information may, if required, be secured in an alternative form that ensures the integrity and reliability of the data and ensures that the information can be reproduced, if necessary, as permissible evidence in a court of law.

17.2.3 Irrespective of paragraph 17.2.1, the following standards apply to the retention of certain types of record –

Type of record	Years after which records can be disposed of
General ledger and cash books or similar records	15
Main transaction summary records, including general journals and transaction summaries Internal audit reports System appraisals	10
Primary evidentiary records, including copies of forms issued for value, vouchers to support payments made, pay sheets, returned warrant vouchers or cheques, invoices and similar records associated with the receipt or payment of money Subsidiary ledgers, including inventory cards and records relating to assets no longer held or liabilities that have been discharged	5
Supplementary accounting records, including, for example, cash register strips, bank statements and time sheets	5
General and incidental source documents not included above, including stock issue and receivable notes, copies of official orders (other than copies for substantiating payments or for unperformed contracts), bank deposit books and post registers	5

17.2.4 When financial information is required as evidence in proceedings before a court, Parliament, a provincial legislature, an official inquiry or otherwise, or for purposes of an audit, it must be secured in its then current form until no longer required, even if the National Archivist has authorised its disposal.

17.3 Changes to financial systems

17.3.1 Institutions may not amend existing or institute new computerised systems that will affect financial administration without the prior written approval of the National Treasury.

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Monthly and annual reports

18.1 Monthly reports [Sections 32(2) and 40(4)(b) and (c) of the PFMA]

18.1.1 In addition to the reporting requirements of sections 40(4)(b) and (c) of the Act, the accounting officer must also comply with the reporting requirements of the annual Division of Revenue Act.

18.1.2 A provincial treasury must submit a statement to the National Treasury on actual revenue and expenditure with regard to its revenue fund before the 22nd day of each month in the format determined by the National Treasury. Such a statement must include a certificate to the effect that the information supplied has been verified by the head official of the provincial treasury. The information supplied must be based on information submitted to the provincial treasury by provincial accounting officers in terms of section 40(4)(c) of the Act.

18.2 Annual financial statements [Section 40(1)(b) of the PFMA]

In the absence of any implementation dates set for the standards of generally recognised accounting practice issued by the Accounting Standards Board, the following reporting standards comprise generally recognised accounting practice and must be adhered to for the preparation of annual financial statements, unless otherwise approved by the National Treasury:

Reporting entity	Generally recognised accounting practice
National and provincial revenue funds	Annual financial statements must consist of – (a) a statement of liabilities and financially related assets; (b) a balance sheet (statement of financial position); (c) an income statement (statement of financial performance); (d) a cash flow statement; (e) notes to the annual financial statements; (f) a report on the financial position of and performance by the Treasury; and (g) such other statements as may be determined by the National Treasury. The annual financial statements must be prepared on a modified cash basis in accordance with the formats prescribed by the National Treasury and must be accompanied by the audit opinion of the Auditor-General. The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the relevant revenue fund.
Departments	Annual financial statements must consist of – (a) a balance sheet (statement of financial position); (b) a statement of changes in equity; (c) an income statement (statement of financial performance); (d) a cash flow statement; (e) an appropriation statement; (f) notes to the appropriation statement and annual financial statement; and (g) such other statements as may be determined by the National Treasury. The statements must be prepared on a modified cash basis in accordance with

	the formats prescribed by the National Treasury and must be accompanied by the audit opinion of the Auditor-General. The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the department.
Trading entities Constitutional institutions	Annual financial statements must consist of – (a) a balance sheet (statement of financial position); (b) an income statement (statement of financial performance); (c) a cash flow statement; (d) notes to the annual financial statements; and (e) such other statements as may be determined by the National Treasury**.** The annual financial statements must be accompanied by the audit opinion of the Auditor-General. The annual financial statements must conform with *generally accepted accounting practice*. These statements must fairly represent the financial position at the end of the financial year concerned and cash flows of the institution for the year then ended. Should these statements materially depart from the Statements of GAAP, the financial statements must provide a disclosure of the departure, the particulars thereof, the reasons therefore and the financial effect of such a departure on the financial statements. The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the institution.

18.3 Contents of annual reports [Section 40(1)(d) of the PFMA]

18.3.1 In preparing the annual report of an institution, the accounting officer must –

(a) in the case of a department or trading entity, comply with the requirements prescribed in Chapter 1, Part III J of the *Public Service Regulations*, 2001;

(b) include information about the institution's efficiency, economy and effectiveness in delivering programmes and achieving its objectives and outcomes against the measures and indicators set out in any strategic plan for the year under consideration;

(c) include information on transfers and subsidies per organisation for the entire financial year as well as a report on compliance with section 38(1)(j) of the Act;

(d) include all information required in terms of the annual Division of Revenue Act;

(e) include any additional information required by Parliament or the provincial legislature;

(f) report on the use of foreign aid assistance, detailing the source and intended use of the assistance (including the value of any aid-in-kind in rand), performance information on the institution's use of the assistance, and any pending applications for assistance;

(g) a report from the audit committee as required by paragraph 3.1.13; and

(h) include information on the management of PPP agreements as required by paragraph 16.7.1(f)**.**

18.4 Additional annual reporting requirements for departments controlling trading entities, and public entities

18.4.1 A department's annual report must include a list of trading and/or public entities; controlled by or reporting to the department or responsible executive authority, together with –

(a) an indication of the legislation under which the trading and/or public entity was established;

(b) a statement of the functions of each trading and/or public entity; and

(c) the accountability arrangements established between the accounting officer or executive authority and the management of the trading and/or public entity.

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Supply Chain Management Office
Practice Note Number SCM 1 of 2003

GENERAL CONDITIONS OF CONTRACT (GCC) AND STANDARDIZED BIDDING DOCUMENTS (SBDs)

In accordance with the Framework for Supply Chain Management [Section 76 (4) (c) of the PFMA] that was promulgated in Government Gazette Number 25767 on 5 December 2003 as Treasury Regulations, National Treasury is required to issue general conditions of contract and bid documentation for supply chain management.

1 General Conditions of Contracts (GCC)

1.1 To ensure that uniformity exists in the bidding processes, all accounting officers / authorities are required to base their bid invitations on the General Conditions of Contract issued by the National Treasury. The GCC are attached as Annexure A.

1.2 All bids and contracts should be subject to the GCC and the standard wording should not be amended.

1.3 If any aspect is not covered by the GCC, Special Conditions of Contract relevant to a specific bid invitation may be compiled separately. These special conditions will supplement the GCC. However, when the special conditions are in conflict with the GCC, the provisions of the Special Conditions of Contract will prevail.

1.4 For bids related to building, engineering and construction works, accounting officers / authorities should use the *General Conditions of Contract and Standard Bidding Documents for Construction Projects* issued by the Construction Industry Development Board (CIDB).

2 Standardized Bidding Documents (SBDs)

2.1 Accounting officers / authorities should customize and utilize the standard bidding documents (SBDs) issued by the National Treasury.

2.2 These SBDs should be used with minimum changes that are necessary to address contract and project specific issues. Where no relevant bidding documents have been issued, institutions should use other internationally recognized documents acceptable to the accounting officer / authority, in concurrence with the relevant treasury.

2.3 The following SBDs are attached for use, where applicable:

	SBD Description	Document Number
(i)	Invitation to Bid	SBD 1
(ii)	Application for tax clearance certificate	SBD 2
(iii)	Pricing Schedules	SBD 3.1 to 3.3
(iv)	Declaration of Interest	SBD 4
(v)	National Industrial Participation Programme	SBD 5
(vi)	Preference claim forms in terms of the Preferential Procurement Regulations	SBD 6.1 to 6.12
(vii)	Formal contract	SBD 7.1 to 7.3

Note:

- The standard wording for the application for tax clearance certificate (SBD 2) and the National Industrial Participation Programme (SBD 5) should not be amended.
- The formal contract document (SBD 7.1 to 7.3), should not form part of the bidding documents issued to every prospective bidder, but should be made applicable only to the successful bidder after adjudication and award of the bid.

J.A.C. Breytenbach

JAN BREYTENBACH
CHIEF DIRECTOR: NORMS AND STANDARDS
5 DECEMBER 2003

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HEADS: PROVINCIAL TREASURIES
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CHIEF EXECUTIVE OFFICERS / CHIEF FINANCIAL OFFICERS: CONSTITUTIONAL INSTITUTIONS / PUBLIC ENTITIES

Supply Chain Management Office
Practice Note Number SCM 4 of 2003

CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS

In accordance with the Framework for Supply Chain Management (Section 76(4)(c) of the PFMA) that was promulgated in Government Gazette Number 25767 on 5 December 2003 as Treasury Regulations, National Treasury is required to issue a Code of Conduct for Supply Chain Management Practitioners that should be adhered to by all officials and other role players involved in supply chain management.

1. General Principles

1.1 The Government of South Africa commits itself to a policy of fair dealing and integrity in the conducting of its business. The position of a supply chain management (SCM) practitioner is, therefore, a position of trust, implying a duty to act in the public interest. Practitioners should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or supplier/contractor for themselves, their family or their friends.

1.2 Practitioners should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation and regulations including the Public Service Regulations issued by the Department of Public Service and Administration, National Treasury Regulations and Practice Notes and directives issued by accounting officers / authorities. They should ensure that public resources are administered responsibly.

1.3 Practitioners should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

1.4 Practitioners should comply with the Code of Conduct for the Public Service as contained in Chapter 2 of the Public Service Regulations, 2001 especially items C4.5 to C4.12 and C5.3 to C5.4 thereof.

2 Conflict of interest

2.1 SCM practitioners, to the extent required by their position, should declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest.

2.2 They should not place themselves under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties.

2.3 Practitioners should not take improper advantage of their previous office after leaving their official position.

3 Accountability

3.1 Practitioners are accountable for their decisions and actions to the public.

3.2 Practitioners should use public property scrupulously.

3.3 Only accounting officers / authorities or their delegates have the authority to commit the government to any transaction for the procurement of goods and/or services.

3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

4 Openness

4.1 Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5 Confidentiality

5.1 Any information that is the property of the government or its suppliers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.

5.2 Matters of confidential nature in the possession of supply chain practitioners should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions should also apply after separation from service.

6 Bid Evaluation / Adjudication Teams

6.1 Bid evaluation / adjudication teams should regulate supply chain management on behalf of the institution in an honest, fair, impartial, transparent, cost-effective and accountable manner in accordance with the accounting officer's / authority's directives/delegated powers.

6.2 The evaluation / adjudication team may be authorized to deal with all supply chain management matters and finalize bids/price quotations in accordance with the directives/delegated powers of the accounting officer / authority.

6.3 Bid evaluation / adjudication teams should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

6.4 All members of bid adjudication teams should be cleared at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

6.5 No person should-

6.5.1 interfere with the supply chain management system on an institution; or

6.5.2 amend or tamper with any bid after its submission.

7 Combative Practices

7.1 Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

(i). Suggestions to fictitious lower quotations;
(ii). Reference to non-existent competition;
(iii). Exploiting errors in bids;
(iv). Soliciting bids from bidders whose names appear on the list of restricted bidders/suppliers/persons.

J.A.N. Breytenbach

JAN BREYTENBACH
CHIEF DIRECTOR: NORMS AND STANDARDS
5 DECEMBER 2003

Policy:\SCM-PracNote-Code of Conduct

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NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA
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TO ALL
ACCOUNTING OFFICERS: NATIONAL DEPARTMENTS
HEADS: PROVINCIAL TREASURIES
CHIEF FINANCIAL OFFICERS: PROVINCIAL DEPARTMENTS
CHIEF EXECUTIVE OFFICERS / CHIEF FINANCIAL OFFICERS: CONSTITUTIONAL INSTITUTIONS / PUBLIC ENTITIES

Supply Chain Management Office
Practice Note Number SCM 2 of 2005

SUPPLY CHAIN MANAGEMENT : THRESHOLD VALUES FOR THE PROCUREMENT OF GOODS AND SERVICES BY MEANS OF PETTY CASH, VERBAL / WRITTEN PRICE QUOTATIONS AND COMPETITIVE BIDS

This practice note is applicable to all national and provincial departments, constitutional institutions and public entities as defined in schedule 3A and 3C of the Public Finance Management Act (PFMA). All accounting officers of national departments and heads of provincial treasuries are required to disseminate the contents of this practice note to all chief financial officers of departments and public entities that fall under their jurisdiction.

Treasury Regulation 16A6.1 of the PFMA that was promulgated in Government Gazette Number 27388 on 15 March 2005 prescribes that the National Treasury must determine threshold values for the procurement of goods and services by way of price quotations or through a competitive bidding process.

Accounting officers/authorities should apply the following threshold values when procuring goods or services, hiring or letting anything, acquiring or granting any right or disposing of movable state property:

1. Up to a value of R 2 000 (VAT included)

1.1 Accounting officers / authorities may procure requirements without inviting competitive bids or price quotations by means of petty cash. Accounting officers / authorities must establish their own internal procedures to ensure sound financial management of funds when goods and / or services are obtained by means of petty cash.

2. Above the value of R 2 000 but not exceeding R 10 000 (VAT included)

1.2 Accounting officers / authorities may procure requirements by obtaining at least three (3) verbal or written quotations from, where applicable, a list of prospective suppliers. The order should, however, be placed against written confirmation from the selected supplier if the quotation was submitted verbally.

3. Above the value of R10 000 but not exceeding R 200 000 (VAT included)

3.1 Accounting officers / authorities should invite and accept written price quotations for requirements up to an estimated value of R200 000 from as many suppliers as possible, that are registered on the list of prospective suppliers.

3.2 Where no suitable suppliers are available from the list of prospective suppliers, quotations may be obtained from other possible suppliers.

3.3 If it is not possible to obtain at least three (3) written price quotations, the reasons should be recorded and approved by the accounting officer / authority or his / her delegate.

3.4. Accounting officers / authorities should apply the prescripts of the Preferential Procurement Policy Framework Act, Act 5 of 2000 and its associated Regulations for all procurement equal to or above R 30 000 (VAT included). However, these prescripts may be applied for procurement with a value of less than R 30 000, if and when appropriate.

4 Above the value of R 200 000 (VAT included)

4.1 Accounting officers / authorities should invite competitive bids for all procurement above R 200 000.

4.2 Goods, works or services may not deliberately be split into parts or items of lesser value merely to avoid complying with the requirements of the prescribed thresholds. When determining transaction values, a requirement for goods, works or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

4.3 Competitive bids should be advertised in at least the Government Tender Bulletin and in other appropriate media should an accounting officer / authority deem it necessary to ensure greater exposure to potential bidders. The responsibility for advertisement costs will be that of the relevant accounting officer / authority.

4.4 Should it be impractical to invite competitive bids for specific procurement, e.g. in urgent or emergency cases or in case of a sole supplier, the accounting officer / authority may procure the required goods or services, in accordance with Treasury Regulation 16A6.4 by other means, such as price quotations or negotiations. The reasons for deviating from inviting competitive bids should be recorded and approved by the accounting officer / authority or his / her delegate.

4.5 The prescripts of the Preferential Procurement Policy Framework Act, Act 5 of 2000 and its associated Regulations must be adhered to.

5 Compilation of the list of prospective suppliers per commodity

5.1 Accounting officers / authorities should compile a list of prospective suppliers to be used to procure requirements in terms of paragraphs 1 to 3 above. This list should also be used effectively to promote Black Economic Empowerment through the participation of black owned enterprises, black empowered enterprises, black women-owned enterprises (as defined in the Strategy for Broad-Based Black Economic Empowerment issued by the Department of Trade and Industry) as well as the promotion of businesses owned by other Historically Disadvantaged Individuals (HDIs).

5.2 Accounting officers / authorities should, through local representative newspapers or by any other means, invite prospective suppliers to apply for evaluation and listing as prospective suppliers. The list should be updated at least quarterly in order to accommodate especially newly established black empowered businesses and other newly established HDI suppliers.

5.3 Once the list has been compiled per commodity, price quotations should be invited there from. The invitation of price quotations from the compiled list of prospective suppliers per commodity should be done on a rotation basis in such a manner that ongoing competition amongst suppliers is promoted. Prospective suppliers must be allowed to submit applications for listing at any time.

6. Amendment of the thresholds

6.1 Accounting officers / authorities may lower, but not increase, the different threshold values specified in this practice note.

7. Tax clearance certificates

7.1 The Accounting officer / authority must be in possession of a valid tax clearance certificate for all price quotations/competitive bids over R15 000 (VAT included).

7. Reporting on Supply Chain Management Information

7.1 Accounting officers / authorities must continue to report on their progress in the implementation of Supply Chain Management and on a monthly basis on the award of all bids above the value of R 100 000 (VAT included), as prescribed in Practice Note Number SCM 3 of 2004, issued on 23 August 2004.

8. Repeal of Practice Note Number SCM 2 of 2003

8.1 Practice Note Number SCM 2 of 2003 is hereby repealed.

Jan Breytenbach

JAN BREYTENBACH
CHIEF DIRECTOR: NORMS AND STANDARDS
DATE: 2005/05/10

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national treasury
Department:
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REPUBLIC OF SOUTH AFRICA

ENQUIRIES: **Jeyrel Soobramanian** TEL: **012 315 5336** E-MAIL: **jeyrel.soobramanian@treasury.gov.za**

All Accounting officers
All Accounting Authorities
All Chief Financial Officers
All Heads of Provincial Treasuries
All Provincial Accountants-General

NATIONAL TREASURY PRACTICE NOTE 6 OF 2007/2008

PROCUREMENT OF GOODS AND SERVICES BY MEANS OTHER THAN THROUGH THE INVITATION OF COMPETITIVE BIDS

1. PURPOSE

The purpose of this practice note is to regulate the environment within which accounting officers and accounting authorities may procure goods and services by means other than through the invitation of competitive bids and to introduce reporting measures related thereto.

2. PROCURMENT OF GOODS AND SERVICES

2.1 Section 217 of The Constitution of the Republic of South Africa, 1996, prescribes that goods and services must be contracted through a system that is *fair, equitable, transparent, competitive and cost-effective*. This prescript stipulates how Government's supply chain management (SCM) system should be managed and it also confers a constitutional right on every potential supplier to offer goods and services to the public sector when needed.

2.2 The SCM process of procuring goods and services by means of public advertisement, including its publication in the Government Tender Bulletin, gives effect to The Constitution's prescripts that all potential suppliers should be afforded the right to compete for public sector business through competitive bidding.

2.3 It is, however, recognized that there will be instances when it would be impractical to invite competitive bids. In this regard, Treasury Regulation 16A6.4 provides for such instances where accounting officers or accounting authorities are allowed to dispense with competitive bidding processes to procure goods and services by other means. This provision is intended for cases of emergency where immediate action is necessary or if the goods and services required are produced or available from

sole service providers. The reasons for such action must be recorded and approved by the accounting officer or accounting authority.

2.4 Despite Treasury Regulation 16A6.4 being intended for cases of emergency or where goods and services are available from sole service providers, it has come to light that institutions are deliberating utilizing this provision to circumvent the required competitive bidding process in order to, among others, enter into contractual commitments or incur expenditure at the end of a financial year with the view to avoiding the surrender of unspent voted funds to the National / Provincial Revenue Funds.

2.5 An effective system of supply chain demand management requires an accounting officer or accounting authority to ensure that the resources required to support the strategic and operational commitments of an institution are properly budgeted for and procured at the correct time. Planning for the procurement of such resources must take into account the period required for competitive bidding processes. It must therefore be emphasized that a lack of proper planning does not constitute a reason for dispensing with prescribed bidding processes.

2.6 Accounting officers or accounting authorities may also put in place their own control measures to deal with foreseeable cases of emergency that occur within their area of functionality. These measures may include the arrangement of strategic or specific term contracts with suitable service providers with a view to ensuring that the required goods or services are available immediately when cases of emergency occur.

2.7 Taking cognizance of the above, accounting officers and accounting authorities are directed to ensure that Treasury Regulation 16A6.4 is utilized strictly to procure goods and services of critical importance and only in specific cases when it is impractical to invite competitive bids. Treasury Regulation 16A6.4 should therefore under no circumstances be used as a vehicle to minimize unspent funds at the end of a financial year.

2.8 Transfer payments and conditional grants as articulated in Treasury Regulations 8.4 and 8.5 respectively, should also not be utilized to enter into contractual commitments or incur expenditure at the end of a financial year to avoid the surrender of unspent funds to the National / Provincial Revenue Funds.

3. REPORTING OF GOODS AND SERVICES PROCURED IN TERMS OF TREASURY REGULATION 16A6.4

3.1 With effect from the date on which this practice note takes effect, accounting officers and accounting authorities are required to report within ten (10) working days to the relevant treasury and the Auditor-General, all cases where goods and services above the value of R 1 million (VAT included) were procured in terms of Treasury Regulation 16A6.4.

3.2 The report must include the description of the goods or services, the names of the suppliers, the amounts involved and the reasons for dispensing with the prescribed competitive bidding processes.

3.3 The procurement of goods and services may not be deliberately split into parts or items of lesser value merely to avoid this reporting requirement.

3.4 The relevant treasury and the Auditor-General will consider the report and take appropriate actions if and when necessary.

4. DISSEMINATION OF INFORMATION CONTAINED IN THIS PRACTICE NOTE

4.1 Heads of Provincial Treasuries are requested to please bring the contents of this practice note to the attention of accounting officers of their provincial departments.

4.2 Accounting officers of national and provincial departments are requested to please bring the contents of this practice note to the attention of accounting authorities of Schedule 3A and 3C public entities reporting to their respective executive authorities.

5. CONTACT PERSON

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6. EFFECTIVE DATE

This practice note takes effect from 01 April 2007.



FREEMAN NOMVALO
ACCOUNTANT-GENERAL
DATE: 18 April 2007

Jeyrel:\js400bw

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national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA
Enquiries: Dan Naidoo **Tel:** 012 315 5348 **Email:** dan.naidoo@treasury.gov.za

ALL ACCOUNTING OFFICERS
ALL ACCOUNTING AUTHORITIES
ALL CHIEF FINANCIAL OFFICERS
ALL HEADS OF PROVINCIAL TREASURIES
ALL PROVINCIAL ACCOUNTANTS-GENERAL

NATIONAL TREASURY PRACTICE NOTE NO 8 OF 2007/2008

SUPPLY CHAIN MANAGEMENT: THRESHOLD VALUES FOR THE PROCUREMENT OF GOODS, WORKS AND SERVICES BY MEANS OF PETTY CASH, VERBAL / WRITTEN PRICE QUOTATIONS OR COMPETITIVE BIDS

1. PURPOSE

This practice note is issued in terms of section 76 (4) (c) of the Public Finance Management Act and is intended to regulate the threshold values within which accounting officers / authorities may procure goods, works and services by means of petty cash, verbal / written price quotations or competitive bids.

2. INTRODUCTION

2.1 The threshold values for the procurement of goods, works and services either by way of petty cash, price quotations or through a competitive bidding process have been reviewed.

2.2 **With effect from 1 December 2007**, accounting officers / authorities are required to apply the following threshold values when procuring goods, works or services, hiring or letting anything, acquiring or granting any right or disposing of movable state property:

3. RANGE OF PROCUREMENT PROCESSES

3.1 UP TO A TRANSACTION VALUE OF R 2 000 (VAT INCLUDED)

Accounting officers / authorities may procure requirements without inviting competitive bids or price quotations by means of petty cash. Accounting officers / authorities must establish their own internal procedures to ensure sound financial management of funds when goods and / or services are obtained by means of petty cash.

3.2 ABOVE THE TRANSACTION VALUE OF R 2 000 BUT NOT EXCEEDING R 10 000 (VAT INCLUDED)

Accounting officers / authorities may procure requirements by obtaining at least three (3) verbal or written quotations from, where applicable, a list of prospective suppliers. The order should, however, be placed against written confirmation from the selected supplier if the quotation was submitted verbally.

3.3 ABOVE THE TRANSACTION VALUE OF R10 000 BUT NOT EXCEEDING R 500 000 (VAT INCLUDED)

3.3.1 Accounting officers / authorities should invite and accept written price quotations for requirements up to an estimated value of R500 000 from as many suppliers as possible, that are registered on the list of prospective suppliers.

3.3.2 Where no suitable suppliers are available from the list of prospective suppliers, written price quotations may be obtained from other possible suppliers.

3.3.3 If it is not possible to obtain at least three (3) written price quotations, the reasons should be recorded and approved by the accounting officer / authority or his / her delegate.

3.4. ABOVE THE TRANSACTION VALUE OF R 500 000 (VAT INCLUDED)

3.4.1 Accounting officers / authorities should invite competitive bids for all procurement above R 500 000.

3.4.2 Competitive bids should be advertised in at least the Government Tender Bulletin and in other appropriate media should an accounting officer / authority deem it necessary to ensure greater exposure to potential bidders. The responsibility for advertisement costs will be that of the relevant accounting officer / authority.

3.4.3 Should it be impractical to invite competitive bids for specific procurement, e.g. in urgent or emergency cases or in case of a sole supplier, the accounting officer / authority may procure the required goods or services by other means, such as price quotations or negotiations in accordance with Treasury Regulation 16A6.4. The reasons for deviating from inviting competitive bids should be recorded and approved by the accounting officer / authority or his / her delegate. Accounting officers /authorities are required to report within ten (10) working days to the relevant treasury and the Auditor-General all cases where goods and services above the value of R1 million (VAT inclusive) were procured in terms of Treasury Regulation 16A6.4. The report must include the description of the goods or services, the name/s of the supplier/s, the amount/s involved and the reasons for dispensing with the prescribed competitive bidding process.

3.5 Goods, works or services may not deliberately be split into parts or items of lesser value merely for the sake of procuring the goods, works or services otherwise than through the prescribed procurement process. When

determining transaction values, a requirement for goods, works or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

3.6 Accounting officers / authorities should apply the prescripts of the Preferential Procurement Policy Framework Act, Act 5 of 2000 and its associated Regulations for all procurement equal to or above R 30 000 (VAT included). However, these prescripts may be applied for procurement with a value of less than R 30 000, if and when appropriate.

4 AMENDMENT OF THE THRESHOLD VALUES

Accounting officers / authorities may –

(a) lower, but not increase, the different threshold values specified in paragraphs 3.1 to 3.4; or

(b) direct that –

(i) verbal or written quotations be obtained for any procurement of a transaction value lower than R2 000;
(ii) written price quotations be obtained for any procurement of a transaction value lower than R10 000; or
(iii) a competitive bidding process be followed for any procurement of a transaction value lower than R500 000

5 COMPILATION OF THE LIST OF PROSPECTIVE SUPPLIERS PER COMMODITY AND TYPE OF SERVICE

5.1 Accounting officers / authorities should compile a list of prospective suppliers to be used for the procurement requirements in terms of paragraphs 3.1 to 3.3 above. This list should also be used effectively to promote Black Economic Empowerment through the participation of black owned enterprises, black empowered enterprises, black women-owned enterprises (as defined in the Strategy for Broad-Based Black Economic Empowerment issued by the Department of Trade and Industry) as well as the promotion of businesses owned by other Historically Disadvantaged Individuals (HDIs).

5.2 Accounting officers / authorities should at least once a year, through local representative newspapers or by any other means, invite prospective suppliers to apply for evaluation and listing as prospective suppliers. The list should be updated at least quarterly in order to accommodate especially newly established black owned and empowered businesses and other newly established HDI suppliers.

5.3 Once the list has been compiled per commodity and type of service, price quotations should be invited there from. The invitation of price quotations from the compiled list of prospective suppliers per commodity or service should be done on a rotation basis in such a manner that ongoing competition amongst suppliers is promoted. Prospective suppliers must be allowed to submit applications for listing at any time.

6 TAX CLEARANCE CERTIFICATES FOR PRICE QUOTATIONS AND COMPETITIVE BIDS

6.1 The Accounting officer / authority must be in possession of an original valid tax clearance certificate for all price quotations and competitive bids exceeding the value of R30 000 (VAT included).

6.2 If an accounting officer / authority is in possession of a supplier's original valid tax clearance certificate, it is not necessary to obtain a new tax clearance certificate each time a price quotation or bid is submitted from that specific supplier. This provision may be applied only if the closing date of the price quotation or bid falls within the expiry date of the tax clearance certificate that is in the accounting officer's / authority's possession. Whenever this ruling is applied, cross-reference must be made to the original tax certificate for audit purposes.

7 REPLACEMENT OF PRACTICE NOTE NUMBER SCM 2 OF 2005

This practice note replaces practice note number SCM 2 of 2005 issued on10 May 2005.

8. DISSEMINATION OF INFORMATION CONTAINED IN THIS PRACTICE NOTE

8.1 Heads of Provincial Treasuries are requested to bring the contents of this practice note to the attention of accounting officers of their provincial departments.

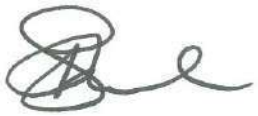
8.2 Accounting officers of national and provincial departments are requested to bring the contents of this practice note to the attention of accounting authorities of Schedule 3A and 3C public entities reporting to their respective executive authorities.

9. CONTACT PERSON

Dan Naidoo
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E-mail: dan.naidoo@treasury.gov.za

10. EFFECTIVE DATE

This practice note takes effect from 01 December 2007.



SF NOMVALO
ACCOUNTANT-GENERAL
DATE: 29 November 2007

Js450w

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NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA
Enquiries: S Maganedisa **Tel: 012 315 5861** **Fax: 012 315 5477**

TO ALL: ACCOUNTING OFFICERS OF NATIONAL DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS
HEAD OFFICIALS OF PROVINCIAL TREASURIES
ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES LISTED IN SCHEDULE 3A, 3B, 3C & 3D TO THE PFMA OR ANY SUBSIDIARY OF ANY SUCH ENTITY

NATIONAL TREASURY PRACTICE NOTE NO 11 OF 2008/2009

UNSOLICITED PROPOSALS

1. PURPOSE

This practice note provides precise guidelines for institutions dealing with unsolicited proposals/concepts. An unsolicited proposal/concept means any proposal/concept received by an institution outside its normal procurement process that is not an unsolicited bid (a submission that must be innovative, unique and provided by a sole supplier).

1.2 This practice note defines the parameters of an unsolicited proposal/concept, provides a mechanism for their deliberated consideration and establishes consistency in approach both by government and the private sector.

1.3 This practice note has been drafted in order to provide government with a framework within which unsolicited proposals/concepts may be considered. It explains how unsolicited proposals/concepts should be dealt with by institutions through setting out procedures that must be followed. These procedures will result in an environment where advantage can be taken of the private sector's capacity to conceptualise, package and develop projects whilst ensuring and

protecting public policy objectives at the same time.

2. CRITERIA FOR CONSIDERATION OF AN UNSOLICITED PROPOSAL

2.1 Institutions are not obliged to consider an unsolicited proposal but may consider such a proposal only if it meets the following requirements:

(a) a comprehensive and relevant project feasibility study has established a clear business case; and

(b) the product or service involves an innovative design; or

(c) the product or service involves an innovative approach to project development and management; or

(d) the product or service presents a new and cost-effective method of service delivery.

2.2 The unsolicited proposal must contain the following information in terms of the proponent:

(a) the proponent's name, address, identification or registration number (if a corporation), VAT registration number and the contact details of its authorised representative;

(b) identification of any confidential or proprietary data not to be made public;

(c) the names of other South African institutions that have received a similar unsolicited proposal;

(d) the proponent's current SARS Tax Clearance Certificate and in the case where the proponent is a consortium or joint venture, a current SARS Tax Clearance Certificate for each member thereof;

(e) a declaration of interest containing the particulars set out in Standard Bid Document (SBD) 4, issued by the National Treasury,

(f) a declaration of the proponents past supply chain practices containing the particulars set out in SBD 8, issued by the National Treasury; and

(g) a declaration from the proponent to the effect that the offering of the unsolicited proposal was not as a result of any non-public information obtained from officials of the relevant institution or any other institution.

A proponent means any person, whether natural or juristic, that submits an unsolicited proposal to an institution

2.3 The unsolicited proposal must set out the following information in terms of the product or service offered:

(a) a concise title and abstract (approximately 200 words) of the proposed product or service;

(b) a statement of the objectives, approach and scope of the proposed product or service;

(c) a statement describing how the proposal is demonstrably innovative and supported by evidence that the proponent is the sole provider of the innovation;

(d) a statement of the anticipated benefits or cost advantages to the institution including the proposed price or total estimated cost for providing the product or service in sufficient detail to allow a meaningful evaluation by the institution;

(e) a statement showing how the proposed project supports the institution's strategic growth and development plan and its other objectives; and

(f) the period of time for which the proposal is valid for consideration, which may not be less than six months.

3. UNACCEPTABLE UNSOLICITED PROPOSALS

3.1 The accounting officer or accounting authority must reject the unsolicited proposal if the proposal-

(a) relates to known institutional requirements that can, within reasonable and practicable limits, be acquired by conventional competitive bidding methods;

(b) relates to products or services which are generally available;

(c) does not fall within the institution's powers and functions;

(d) does not comply substantially with paragraph 2;

(e) has not been submitted by a duly authorised representative of the proponent; or

(f) contravenes the provisions of any law.

3.2 If the accounting officer or accounting authority decides to reject the unsolicited proposal, he or she must—

(a) notify the authorised representative of the proponent by registered post, at the address referred to in paragraph 2.2 (a), that the institution has rejected the unsolicited proposal;

(b) ensure that the institution does not make use of any of the intellectual property or proprietary data in the unsolicited proposal; and

(c) return to the proponent by registered mail to the address referred to in paragraph 2.2 (a), all documents received in the unsolicited proposal including any copies of these documents.

4. EVALUATION OF COMPLIANT UNSOLICITED PROPOSALS

4.1 If the accounting officer or accounting authority decides to consider the unsolicited proposal, he or she must send a registered letter to the address referred to in paragraph 2.2 (a) confirming the decision to consider the unsolicited proposal.

4.2 The unsolicited proposal must be considered as appropriate in terms of the following –

4.2.1 Compliant unsolicited bid.

4.2.1.1 If a submission to an institution complies with the requirement of existing unsolicited bid provisions in terms of the National Treasury issued circular entitled "Implementation of Supply Chain Management" (dated 27 October 2004), namely the product or service is unique, innovative and provided by a sole

provider, the institution may enter into direct negotiation with the proponent, outside the normal competitive bidding process.

4.2.2 Public Private Partnership compliant unsolicited proposal.

4.2.2.1 If the unsolicited proposal is a PPP, the accounting officer or accounting authority must comply with the requirements of Treasury Regulation 16 and the Practice notes relevant thereto, as read with paragraph 5.1 of this practice note.

4.2.3 Non-Public Private Partnership compliant unsolicited proposals.

4.2.3.1 If the unsolicited proposal is not a PPP, the institution must undertake a comprehensive evaluation of the unsolicited proposal, which must include the following:

(a) A feasibility study that evaluates the costs and benefits of procuring the product or service from the proponent, including, as appropriate, an assessment of --

(i) any unique, innovative, researched or meritorious methods, approaches or concepts demonstrated in the unsolicited proposal;

(ii) the overall scientific, technical, or socio-economic merit of the unsolicited proposal;

(iii) the potential contribution of the unsolicited proposal to the institution's strategic objectives as identified in its strategic growth and development plan;

(iv) an assessment of whether the proposed cost of the project is realistic, affordable and justified; and

(v) any other fact which, in the opinion of the institution is relevant to the particular unsolicited proposal.

(b) If at the conclusion of the feasibility study the institution determines that the criteria set out in paragraph 2 are met, the institution must proceed with the processes to develop and execute an unsolicited bid agreement as set out in paragraph 4.2.4 below.

(c) If the institution determines that the criteria set out in paragraph 2 are not met, the institution must follow the procedures set out in paragraph 3.2 above.

4.2.4 Unsolicited proposal agreement.

4.2.4.1 If the institution decides to proceed with the unsolicited proposal, the accounting officer or accounting authority must negotiate an unsolicited proposal agreement with the proponent. The sole purpose of the unsolicited proposal agreement is to guide the process in terms of this practice note between the institution and the proponent, in order to, establish, amongst other matters –

(a) The methodology for determining any costs to be reimbursed to the proponent, should the procurement processes set out in paragraph 5 below result in an award for the product or service being made to a party other than the proponent;

(b) the procedure for further developing the project and responding to issues raised by the institution;

(c) the allocation of responsibility for developing bid documents in accordance with the institution’s supply chain management

systems, provided that development of the document must always be under the supervision of the institution;

(d) the information in the unsolicited proposal must be treated as confidential; and

(e) the purchase of intellectual property rights, if any.

4.2.5 Calculation of costs.

4.2.5.1 In calculating costs for the purposes of paragraph 4.2.4.1 (a), the institution and the proponent must restrict their consideration to direct costs incurred by the proponent in developing technical and other materials relevant to meeting the criteria set out in paragraph 2, above.

4.2.6 If the institution and the proponent cannot reach consensus, then-

(a) the institution will not be responsible for any costs which the proponent has incurred in preparing and submitting the unsolicited proposal;

(b) the institution may not implement the project proposed in the unsolicited proposal for the current or next financial year and may not utilise at any time the proprietary information provided by the proponent as part of its unsolicited proposal.

5. PROCUREMENT

If the unsolicited proposal agreement is concluded, then the institution must prepare and issue bid documents.

5.1 Bid process.

5.1.1 The process to be followed when procuring a service provider shall include:

(a) The preparation of a Request for Qualification (RFQ) to test the market for the existence of other private entities capable of providing the product or service;

(b) The preparation of a draft contract for the provision of the product or service should there be no adequate

response to the RFQ;

(c) The preparation of a Request for Proposals (RFP) with a draft contract should there be one or more adequate responses to the RFQ;

(d) Conducting a competitive bidding process in terms of the institution's supply chain management system among the firms qualified in the RFQ and the proponent; and

(e) Reimbursing the proponent should the proponent not be awarded the contract for the provision of the product or service at the conclusion of the competitive bidding process. The quantum of reimbursement shall be those audited costs of the proponent from the point in time where the accounting officer or accounting authority was solicited by the proponent to the conclusion of the competitive process, in terms of the unsolicited proposal agreement.

5.2 The aforegoing bid processes must -

(a) be developed by the institution;

(b) disclose that the bid originated from an unsolicited proposal; and

(c) provide the agreed costs and terms of payment to the proponent, and require that all bidders, save for the proponent, make allowance for these costs and pay such costs to the proponent directly, if their bid is successful.

6. USE OF EXTERNAL CONSULTANTS

6.1 After receiving an unsolicited proposal and before either accepting or rejecting the proposal in accordance with paragraphs 3 or 4 the institution may seek advice from independent consultants or experts, provided that -

(a) an appropriate undertaking be obtained from any such person that any confidential material or information provided by the proponent will not be disclosed to anyone other than an

employee or agent of such a third party who will, in turn, treat the information or material as confidential and give an undertaking to do so; and

(b) the cost of obtaining independent advice will be incurred by the institution, unless the proponent withdraws the proposal prior to entering into an unsolicited proposal agreement, in which event the proponent will be liable to the institution for these costs.

7. USE OF UNSOLICITED PROPOSAL

7.1 In the course of implementing this practice note, or in the bid process provided for in its supply chain management system, the institution may not -

(a) use any data, concept, idea, or other part of a unsolicited proposal as the basis or part of the basis, for a solicitation or in negotiations with any other firm unless the project proceeds to procurement in terms of paragraph 5 and the proponent is notified of and agrees to the intended use; provided that, this prohibition does not preclude the use of any data, concept or idea in the proposal that also is, or becomes, available from another source without restriction; or

(b) disclose information identified in the unsolicited proposal agreement as confidential.

8. TRANSITIONAL ARRANGEMENTS

8.1 All unsolicited bids which have been submitted to an institution prior to publication of this practice note and not yet concluded must be considered under the institution's supply chain management system.

8.2 All unsolicited proposals submitted to an institution before publication of this practice note and for which an unsolicited proposal has not yet been concluded must be considered under this practice note, together with such provisions of the institution's Supply Chain Management Policy that are not inconsistent herewith.

8.3 All unsolicited proposals submitted to an institution after publication of this practice note must be considered under this practice note, together with such provisions of the institution's Supply Chain

Management Policy that are not inconsistent herewith.

9. COMMENCEMENT

9.1 This practice note shall take effect and become applicable to institutions on the date of issuance subject to any exemptions that may be granted in terms of section 92 of the PFMA**.**

10. CONTACT PERSONS

10.1 Should accounting officers or accounting authorities have any enquiries regarding implementation of this practice note, such enquiries may be directed to the persons mentioned below.

10.2 Enquiries relating to Public Private Partnership compliant unsolicited proposals as defined in paragraph 4.2.2 of this practice note may be directed to:

Mr. William Dachs

Telephone number: 012 315 5455

Facsimile number: 012 315 5477

Email: **william.dachs@treasury.gov.za**

10.3 Enquiries relating to compliant unsolicited bids as defined in paragraph 4.2.1 and Non-Public Private Partnership compliant unsolicited proposal as defined in paragraph 4.2.3 of this practice note may be directed to:

Mr. Jeyrel Soobramanian

Telephone number: 012 315 5336

Facsimile number: 012 315 5343

Email: **jeyrel.soobramanian@treasury.gov.za**

11. DISSEMINATION OF INFORMATION CONTAINED IN THIS PRACTICE NOTE

11.1 Head Officials of Provincial Treasuries are requested to bring the contents of this practice note to the attention of accounting officers of their respective provincial departments.

11.2 Accounting officers of national and provincial departments are requested to bring the contents of this practice note to the attention of accounting authorities of Schedule 3A, 3B, 3C and 3D public entitles reporting to their respective executive authorities.

12. NOTIFICATION

12.1 Upon receipt of an unsolicited proposal, institutions must (in writing) notify the relevant National Treasury contact person within ten working days of such receipt.

13. REPORTING

13.1 Accounting officers and accounting authorities must report all concluded unsolicited proposal agreements in the annual report of their respective institutions.

13.2 The Auditor-General may audit such agreements.

14. RECORDS

14.1 All institutions must submit a copy of a concluded unsolicited proposal contract to the Office Auditor-General.

15. AUTHORITY FOR THIS PRACTICE NOTE

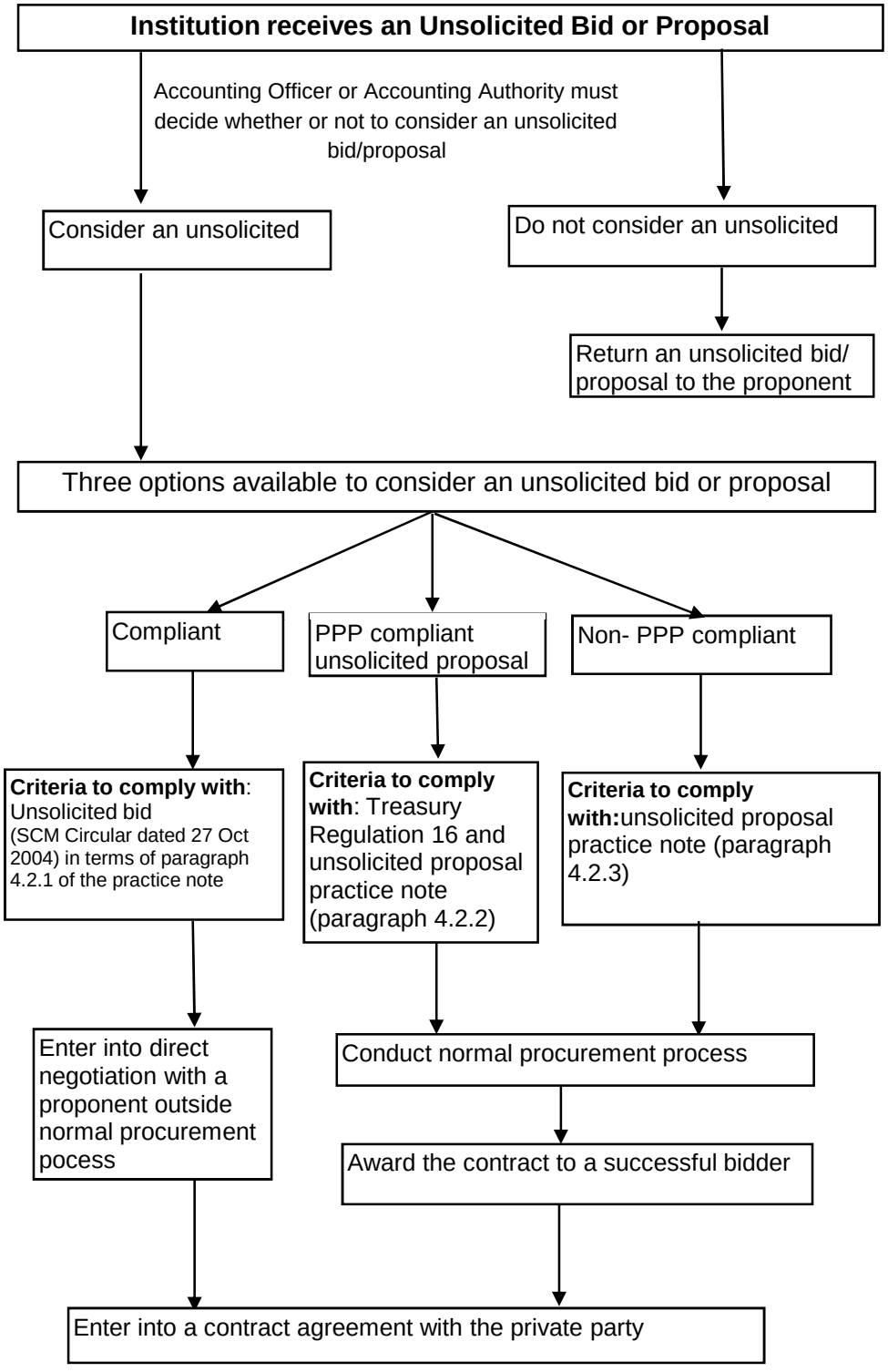
15.1 This practice note is issued in terms of section 76 of the PFMA.



SF NOMVALO
ACCOUNTANT-GENERAL
DATE: 16 March 2009

ANNEXURE “A”

STEPS TO FOLLOW UPON RECEIPT OF AN UNSOLICITED BID OR PPROPOSAL



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agriculture
Department of Agriculture
FREE STATE PROVINCE

SUPPLY CHAIN MANAGEMENT POLICY

DEPARTMENT OF AGRICULTURE

Initial

0089-1075-0001-0203

FREE STATE DEPARTMENT OF AGRICULTURE

FINANCIAL MANAGEMENT POLICY GUIDELINES

SUPPLY CHAIN MANAGEMENT POLICY

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CHAPTER 1

PART 1: INTRODUCTION

1.1 ABBREVIATIONS

AO	Accounting Officer
BBBEE	Broad-Based Black Economic Empowerment
BBBEEA	Broad-Based Black Economic Empowerment Act
CFO	Chief Financial Officer
EME	Exempted Micro Enterprise
GCC	General Conditions of Contract
SABS	South African Bureau of Standards
SARS	South African Revenue Services
IRBA	Independent Regulatory Board of Auditors
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
SANAS	South African National Accreditation System
SBD	Standard Bidding Documents
SCC	Special Conditions of Contract
SCM	Supply Chain Management
SITA	State Information Technology Agency Act
TOR	Terms of Reference

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1.2 INTRODUCTION

According to the PFMA Sections 38 (1) of the PFMA (Act 1 of 1999) as amended) Departments must have and maintain effective, efficient and transparent financial management systems in place.

In terms of Section 76 (4) of the PFMA (Act 1 of 1999 as amended) National Treasury issued the Framework for Supply Chain Management (SCM) to give effect to the above-mentioned, provision. The Chief Financial Officer must promulgate financial regulations in terms of which Supply Chain Management function efficiently and effectively. All fraudulent and or any form of financial mismanagement is therefore eliminated in terms of provisions from the PFMA and Treasury Regulations. (As amended)

A Supply Chain Management system referred to above, must –

(a) be fair, equitable, transparent, competitive and cost effective;
(b) be consistent with the Preferential Procurement Policy Framework Act, 2000 (Act no. 5 of 2000)
(c) be consistent with the Preferential Procurement Policy Regulations, 2011
(d) be consistent with the Broad Based Black Economic Empowerment Act, 2003 (Act no. 53 of 2003 and the Codes of Good Practice on Black
(e) Economic Empowerment; and
(f) Provide for at least the following:-

- Demand Management
- Acquisition Management
- Logistics Management
- Asset and Disposal Management
- Supply Chain Performance & Contract Management
- Risk Management

1.3 SCOPE OF APPLICATION

The SCM policy covers the planning for acquiring, management and disposal of all goods and services, hiring or letting, acquiring or granting any right as well as immovable property other than land and buildings.

The policy represents the minimum standards which employees are expected to achieve in their procurement activities. This policy is applicable to all employees of Directorates/Institutions within the Department of Agriculture as from the date of approval by the Accounting Officer.

The Accounting Officer of the Department of Agriculture shall be responsible for determining and approving the Supply Chain Management Policy and subsequent amendments.

In terms of the SCM policy, an employee may not acquire any goods or services, or enter into any agreement in respect thereof on behalf of the Department, unless:

- Specifically authorized to do so in terms of the procedures laid down hereunder.
- The transaction or transactions are authorized by a written contract or agreement in terms of this policy, or
- The transaction is authorized by a purchase order, issued in terms of this policy.

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1.4 LEGISLATIVE FRAMEWORK

Legislation and directives that influence the implementation of the SCM system are the following and need to be understood by all the role players:

- Constitution of the Republic of South Africa Act 108 of 1996 (as amended)
- Public Finance Management Act of 1999 (Act No 1 of 1999 as amended by Act 29 of 1999
- Treasury Regulations
- Preferential Procurement Policy Framework Act 2000 (Act 5 of 2000) and Preferential Procurement Regulations of 2011
- Broad Based Black Economic Empowerment Act, 2003 (Act no 53 of 2003) as amended (BBBEEA)
- Codes of Good practice on Black Economic Empowerment issued under Section 9(1) of the BBBEEA, 2003
- SITA Act, no. 38 of 2002 as amended and regulations
- Small Business Development Act, 2000 (Act 102 of 2000)
- Promotion of Access to Information Act, 2000 (Act 2 of 2000) as amended

The following are also applicable:

- All practice notes/instructions issued by National and Provincial Treasury
- All circulars regarding Supply Chain Management
- SCM Directives
- SCM Delegations
- Financial Delegations
- SCM Manual

1.5 OBJECTIVE

The policy is intended to transform department procurement and provisioning practices into an integrated SCM function that is effective and efficient and will promote sound financial management and uniformity within the Department of Agriculture.

1.6 CODE OF GOOD PRACTICE

1.6.1 ETHICAL STANDARDS

The highest ethical standards must be maintained as prescribed in the Code of Conduct for Supply Chain Management Practitioners (SCM Practice Note number 4 of 2003) and the Code of Conduct for Bid Adjudication Committees.

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1.6.2 SECURITY CLEARANCE (SCM Practitioners and all other role players)

All members of bid committees should be cleared at the level of "CONFIDENTIAL" and must be required to declare their financial interest annually to the Head of the Department.

Security clearance for all other officials involved in the SCM is essential and anyone placed in the SCM position must be cleared within the period of six (6) months after placement.

1.6.3 DISCLOSURE AND DECLARATION

If SCM officials, other role players, or any close family member, partner or associate/friend of such official or other role player, has any private or business interest in any contract to be awarded, that official or other role player must disclose interest and withdraw from participating in any manner whatsoever in the process relating to that bid/contract, including adjudication meetings.

1.7 TRAINING

All officials involved in the SCM must be exposed to introductory courses and relevant workshops in order to familiarize them with the concept. Provincial Treasury will supply the Department with accredited service providers. Training of SCM practitioners will mainly be done by PALAMA in conjunction with the Provincial Treasury. The need for training and development continues to be a top priority in the Department and the need for Supply Chain Management skills is particularly critical.

The costs for training will be for the account of the Department as budgeted by the Directorate Human Resource.

PART 2: RESPONSIBILITIES

2. SUPPLY CHAIN MANAGEMENT UNIT

The Framework for Supply Chain Management prescribes that a separate unit be established within the Office of the Chief Financial Officer.

2.1 ROLE OF THE ACCOUNTING OFFICER

2.1.1 Ensures strict adherence to the guidelines provided in the SCM Policy;

2.1.2 Implementation of the SCM Policy in terms of Treasury Regulations (regulation: 16A3.1);

2.1.3 Annual review of targets and the SCM Policy

2.1.4 Sub-delegates powers and duties to the CFO and SCM practitioners to discharge SCM functions;

2.1.5 Devise any other means to enhance effective and efficient implementation of SCM in the Department of Agriculture in accordance with the legislative framework and broader government objectives (e.g. Free State Growth and Development Strategy), and

2.1.6 Appoints the members of the Bid Committees in writing.

2.1.7

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2.2 ROLE OF THE CHIEF FINANCIAL OFFICER

2.2.1 Ensuring that the Department's procurement processes are in line with the applicable legislation..

2.2.2 Ensuring that the Department's procurement policy is effectively implemented.

2.2.3 Ensure that officials implementing, applying and managing the SCM Policy are trained in accordance with the prescribed requirements;

2.2.4 Guiding and monitoring the Supply Chain Management unit in its operations;

2.2.5 Serves as a member of the Bid Adjudication Committee

2.3 ROLE OF MANAGER: SUPPLY CHAIN MANAGEMENT

2.3.1 To coordinate the rendering of demand, acquisition, logistical and asset management services.

2.3.2 Serves as a secretariat of the Bid Adjudication Committee

2.3.3 Ensure that bids awarded are published in the Government Tender Bulletin and other media by means of which bids were advertised.

2.4 ROLE OF THE SUPPLY CHAIN MANAGEMENT UNIT

2.4.1 The SCM Unit shall be subject to the management and control of SCM processes, and be accountable to the CFO;

2.4.2 The SCM Manager shall be responsible and accountable for the day-to-day management of the SCM Unit;

2.4.3 The SCM Unit shall render Secretariat services to the Bid Committees.

2.4.4 The SCM Unit shall consist of such personnel as the Accounting Officer may appoint, after consultation with the CFO;

2.4.5 All documents pertaining to the procurement of goods or services by means of written price quotations of a transaction value between R1.00 up to R500 000 (VAT included), as well as all documents pertaining to procurement by means of competitive bidding of a transaction value over R500 000 (VAT included), will be issued, received and finalized by the SCM Unit.

2.5 DELEGATIONS

2.5.1 The power to engage in Supply Chain Management activities is vested with the Accounting Officer who may delegate such powers in writing to any official in the department in terms of section 44 of the PFMA;

2.5.2 Such delegations must take account of the legislative framework and the relevant SCM system to ensure efficient and effective execution thereof, and;

2.5.3 The execution of any delegated power is subject to section 44(2) and (3) and section 51 of the PFMA.

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3. THRESHOLD VALUES

3.1 PROCUREMENT UP TO THE VALUE OF R2000 (VAT INCLUDED)

Goods and services required may be procured without inviting competitive bids or price quotations by means of petty cash. Petty cash policy of the Department must be followed when goods and/or services are obtained by means of petty cash.

3.2 PROCUREMENT ABOVE THE TRANSACTION VALUE OF R2000 (VAT INCLUDED) BUT NOT EXCEEDING R500 000 (VAT INCLUDED)

3.2.1 Goods and services required must be procured by obtaining quotations on the Free State Centralised Database from registered suppliers on this database. Quotations should be invited as follows:

- at least three verbal quotations (of which one should be in writing) for goods and services above R2000 (vat included) but not exceeding R10 000 (vat included)
- at least three written quotations for goods and services above R10 000 (vat included) but not exceeding R500 000 (vat included) rand

3.2.2 Where no suitable suppliers are available from Database, written price quotations may be obtained from other possible suppliers. Approval to deviate from sourcing quotations from suppliers registered on the Free State Centralised Database must be sought from the Accounting Officer.

3.2.3 If it is not possible to obtain at least three (3) written price quotations, the reasons should be recorded and approved by the Accounting Officer.

3.2.4 In the case of procurement equal to or above R30 000 (VAT included), the prescripts of the PPPFA, Act 5 of 2000 and it's associated Regulations together with the BBBEEA and the Code of Good Practice must be applied (in particular preference point system).

3.2.5 Tax clearance certificate is a requirement for all transactions valued at R30 000 (VAT included) and above.

3.3 PROCUREMENT ABOVE THE TRANSACTION VALUE OF R500 000 (VAT INCLUDED)

3.3.1 Competitive bids should be invited for all procurement above R500 000.

3.3.2 The prescripts of the PPPFA, Act no. 5 of 2000 and its associated Regulations as well as the BBBEEA and the Code of Good Practice must be adhered to.

3.3.3 Procurement may not deliberately be split into parts or items of lesser value merely to avoid complying with the requirements of the prescribed thresholds. (strictly prohibited)

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3.4 URGENT AND EMERGENCY CASES

This is a case where early delivery is of critical importance to avoid a dangerous or risky situation and the inviting of competitive bids will delay immediate service rendering. Lack of proper planning must not be seen as an urgent case.

Reasons for such a request must be properly motivated and approved by the Accounting Officer or his/her delegate as per SCM Delegated Powers

3.5 DEVIATION FROM BID PROCEDURES

The Accounting Officer may dispense with the prescribed processes and authorize the acquisition of any goods or services through any convenient process:

3.5.1 If in a specific case it is impractical to invite competitive bids, e.g. in urgent or emergency cases or in case of a sole supplier, the goods or service may be procured in accordance with Treasury Regulation 16A6.4. The reasons for deviating from inviting competitive bids should be recorded and approved by the Accounting Officer.

3.5.2 In the case of a sole supplier, an original affidavit from the company stating that it is a sole supplier of the goods/services offered must be provided with the offer.

3.5.3 In exceptional cases such as repairs and maintenance of equipment, plumbing services, school uniform, medical services and medicines, school activities, burial services and gasoline for equipment, where it is impractical to follow the prescribed procedures one quotation is required;

3.6 TRANSVERSAL CONTRACTS

The Accounting Officer may opt to participate in transversal term contracts facilitated by Provincial Treasury. Should the Accounting Officer opt to participate in such a contract, the department may not solicit bids for the same or similar product or services during the tenure of the transversal term contract.

3.7 PROCUREMENT FROM BENEFIARIES/PROJECTS/FARMERS SUPPORTED BY THE DEPARTMENT

3.7.1 The Accounting Officer may approve procurement of the produces from the beneficiaries/projects/farmers supported by the department for the purpose of creating market for such produces without subjecting such procurement to the conditions as per paragraph 3.2 above.

3.7.2 The Demand Management Unit must irrespective of the quotation obtained from beneficiaries/projects/farmers determine the market price of such produces and, the price so determined if less than the quotation should be accepted in writing by the beneficiaries/projects/farmers before approval can be granted.

3.7.3 Where possible, three quotations should be obtained from beneficiaries/projects/farmers with similar produces.

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CHAPTER 2

PART 1: DEMAND MANAGEMENT

1. DEMAND MANAGEMENT

1.1 Demand management must:

- Prior to the invitation of a bid/quotation, accurately estimate the costs for which the invitation for a bid/quotation is to be made. This will give an indication whether money to purchase the goods/services are available when linked to the budget. This must be done bi-annually.
- Determine the strategy to approach the market.
- Determine whether the need is available on an existing contract of the Department. The contract must then be used for purchasing.
- Determine the quantities required. This will enable the unit to determine whether a bid must be arranged or whether quotations may be invited according to the threshold values as indicated by National Treasury.
- Identify available assets that may satisfy the requirement.
- Determine frequency of need. If the need occur frequently, the optimum method to satisfy the need must be considered.
- All possible methods of obtaining the goods and services required should be investigated, such as the possibility of procuring goods, works or services from other organs of state (e.g. stationery from Government Printers); on transversal contract or ad-hoc contracts.
- Maintain existing assets at an acceptable level. Calculate to ensure the continued productivity of the asset in question and minor repairs.
- Compile/obtain an appropriate specification.

1.2 BID SPECIFICATION COMMITTEE

1.2.1 The relevant specification has to be approved by the Bid Specification Committee prior to advertising any bid. A standard checklist is to be prepared by the SCM Unit to define the process.

1.2.2 The members of the Specification Committee are appointed on an ad-hoc basis by the Accounting Officer to handle specific requests only, and shall be composed of:

1.2.2.1 At least two officials from the unit requiring goods or services;

1.2.2.2 One official from Supply Chain Management;

1.2.2.3 The Accounting Officer can invite legal, financial, technical and external expertise if necessary in an advisory capacity, and

1.2.2.4 A 50 + 1% majority of the members of a Bid Specification Committee will constitute a quorum before the committee concerned may consider any matter.

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1.2.2.5 No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

1.3 SPECIFICATION

- Standards and technical specifications should promote the broadest possible competition, including empowerment of BEE companies.
- Existing SABS specifications must be used where possible. Where not possible, the specification must be prepared by the Department in consultation with experts in the relevant field.
- Bid requirements should not be over specified. It should enable small businesses to compete effectively.
- Specifications must be user friendly so that it can be understood by emerging contractors/suppliers/service providers and at the same time promote competition.
- Specifications should reflect the minimum requirement of the Department.
- Conditions of contract must not be included in the specification.
- A specification may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or comprehensible way of describing the characteristics of the work, in which case such reference must be accompanied by the words "similar/equivalent"
- Specifying a particular brand is allowable only in cases where existing equipment is involved and the item comprises a component thereof that must be of the same brand. In all other cases no specific brand names may be specified.
- The specification must be approved by the Bid Specification Committee prior to publication of the invitation for bids.

1.3.1 A specification must clarify:

1.3.1.1 any specific goal for which a point may be awarded in terms of the preference point system must be clearly specified in the specifications if the value of the contract, inclusive of value-added tax, exceeds R500 000.00 (VAT included) or such lower amount as the Accounting Officer may determine in any specific case or category of cases;

1.3.1.2 In the case of offers for the provision of goods to the department, at least;

(a) the technical specifications of the goods to be acquired;
(b) the quantity of the goods to be supplied;
(c) the preference point system to be used in selecting suppliers, and;
(d) any other relevant matter;

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1.3.1.3 In the case of offers for the provision of services to the department, at least:

(a) the scope of work of the service to be rendered, stipulating the desired outputs;

(b) the preference point system to be utilised to select suppliers, and:

(c) any other relevant matter;

1.3.1.4 In the case of offers for the execution of work on behalf of the department, at least:

(a) the preference point system to be used to select buyers, and

(b) any other relevant matter

1.4 DATABASE OF ACCREDITED PROSPECTIVE SERVICE PROVIDERS

1.4.1 A Free State Centralized Database has been established by FS Provincial Treasury and it is compulsory for all Departments to procure goods and services above R2000 (vat inclusive) but not exceeding R500 000 (vat inclusive).

1.4.2 When using the database, the SCM Unit must promote ongoing competition amongst service providers, including the rotation of suppliers on the database.

1.4.3 Bids above R30 000 (vat inclusive) but not exceeding R1 000 000 (vat inclusive) must be allocated according to the Preferential Procurement Policy Framework Act, Act no. 5 of 2000.

1.4.4 The preference points for quotations on the 80/20 point system, must be awarded as follows:

- 80 points for price
- 20 points for B-BBEE (subject to attachment of a valid B-BBEE Status Level Verification Certificate)

1.4.5 Only the delegated official can, after approval has been granted, communicate with prospective service providers prior to the submission of quotations in order to supply additional information or to clarify vague points in the quotation documents.

1.4.6 All quotations shall be deemed to be fixed (not subject to contract price adjustment) unless otherwise stated in the quotation documents.

1.4.7 Quotations shall be accepted by means of the issue of an official order.

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PART 2: ACQUISITION MANAGEMENT

2. ACQUISITION MANAGEMENT

2.1 Procurement of goods and services, either by way of quotations or through bidding process must be within the threshold values as determined by National Treasury and the Department.

2.2 CONSIDERATION OF BIDS:

2.2.1 The Department may not consider a written quotation or bid, unless the service provider who has submitted the quotation or bid:

2.2.1.1 has provided the department with his/her full names and identity number, company/close corporation registration number, tax reference number, VAT registration number and bank details(if applicable);

2.2.1.2 has provided an original tax clearance certificate from SARS to the effect that his/her tax matters are in order; in cases of transactions valued at R30 000 (vat inclusive) and above.

2.2.1.3 has indicated:

(a) Whether he/she is in the service of the state, or has been in the service of the state in the previous twelve months;

(b) In the event that the provider is not a natural person, whether any of its directors, principal shareholders or stakeholders is in the service of the state, or has been in the service of the state in the previous twelve months;

(c) Whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to above is in the service of the state, or has been in the service of the state in the previous twelve months.

2.2.1.4 has provided proof that his name does not appear on a database maintained by the National Treasury as a person prohibited from doing business with the public sector.

2.3 BIDDING METHODS

Depending on the outcome of the assessment under the demand management phase the best possible bidding method must be decided upon. The threshold values for procurement as prescribed by National Treasury in Practice Note number SCM 2 of 2005 must be taken into consideration.

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2.4 BIDDING DOCUMENTS

2.4.1 Acquisition Management is responsible for the compilation of the bidding documents. The Standardized Bidding Documents (SBD) as prescribed by National Treasury must be used. The following documents must form part of the bid invitation:

- Invitation to bid (SBD 1)
- Application for a Tax Clearance Certificate (SBD 2)
- Pricing schedule (SBD 3.1, 3.2 and 3.3)
- Declaration of interest (SBD 4)
- National Industrial Participation Programme (SBD 5)
- Preference points claim forms in terms of the Preferential Procurement Regulation 2011 (SBD 6.1)
- Declaration Certificate for local production and content (SBD 6.2)
- Declaration of bidder's past Supply Chain Management practices (SBD 8)
- Certificate of independent bid determination (SBD 9)
- General Conditions of Contract
- Special Conditions of Contract
- Specification/Terms of Reference of the work or service required

2.5 SPECIAL CONDITIONS OF CONTRACT

Special conditions of contract (SCC) relevant to a specific bid should be compiled separately for every bid (if applicable) and will supplement the General Conditions of contract. Where special conditions are in conflict with the General Conditions of Contract, the provisions of the SCC will prevail.

Special Conditions of Contract must be referred to the Directorate Legal Services of the Department to obtain a legal opinion.

Special conditions of contract must be approved by the Bid Adjudication Committee before they are included in the bidding documents.

2.5.1 PREFERENCE POINTS CLAIMED IN TERMS OF PREFERENTIAL PROCUREMENT REGULATIONS 2011 (SBD 6.1

- Documents which support information provided in terms of the B-BBEE status (B-BBEE Status Level Verification Certificate) must be submitted together with bid documents. NB: If the documents are not submitted, no points will be allocated for this claim.
- A trust, consortium or joint venture must submit a consolidated B-BBEE Status Level Verification Certificate for every separate bid.
- Public entities and tertiary institutions must also submit B-BBEE Status Level Verification Certificates together with their bids.

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2.5.2 DECLARATION OF INTEREST – SBD 4

The declaration of interest must be completed and properly signed. Offers from companies, who failed to complete and sign the declaration, will not be considered.

2.5.3 DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES – SBD8

The declaration of bidder's past must be completed and properly signed. Offers from companies, who failed to complete and sign the declaration, will not be considered.

2.5.4 CERTIFICATE OF INDEPENDENT BID DETERMINATION (SBD9)

This certificate is used by the Department to ensure that when bids are considered, reasonable steps are taken to prevent any form of bid-rigging. Offers from companies, who failed to complete and sign the declaration, will not be considered.

2.5.5 FIRM BID PRICES/PRICE ADJUSTMENTS (PARAGRAPH 17 OF GENERAL CONDITIONS OF CONTRACT)

Prices linked to rate of exchange variances and statutory increases are regarded as firm prices and will be considered on qualification.

Only firm bid prices will be considered. However, for specific bids, price adjustments will be allowed at the periods and times as specified in the bidding documents. For these bids, claims will be based on the Consumer Price Index.

Documentary proof or an audited certificate in substantiation of the price adjustments claimed must be submitted by the contractor together with his or her claim.

2.5.5 SAMPLES

Where it is a condition of the bid that samples/brochures/pamphlets/ illustrations/certificates etc. must be submitted, the samples/brochures must be submitted not later than the bid closing time and date.

2.5.6 CLARIFICATION OR ALTERATION OF BIDS

Bidders should not be requested or permitted to alter their bids after the deadline for receipt of bids.

The Accounting officer/or his/her delegate, should only allow questions be asked to bidders for clarification needed to evaluate their bids but should not ask or permit bidders to change the substance or price of their bids after bid opening. Requests for clarification and the bidder's responses should be made in writing. The correction of calculation errors is also not allowed.

2.5.7 TAX CLEARANCE CERTIFICATE

In terms of the Implementation guide of Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act, Act No 5 of 2000, the Department will not enter into any business arrangements with any bidder who's tax obligations does not fully meet the requirement of SARS. For procurement of R30 000 (vat inclusive) and above a valid and original tax clearance certificate must be submitted together with the bid documents. No tax clearance certificates will be accepted after the closing time and date of the bid. Bidders, who failed to submit the tax clearance certificate on the date and time of closure, will not be considered.

2.6 NOTIFICATION AND ADVERTISING

2.6.1 All bids above R500 000 (vat inclusive) should be advertised in the Provincial Tender Bulletin, and all related construction bids above R200 000 (vat inclusive) should be advertised in the Construction Industry Development Board (CIDB) I-Tender. Other appropriate media can also be used if the Accounting Officer deems it necessary to ensure greater exposure to potential bidders.

2.6.2 Bids must be advertised for a minimum period of at least 21 days to promote maximum competition amongst suppliers, except in urgent cases when bids may be advertised for shorter periods (not less than 14 days) as the Accounting Officer may determine. Approval must first be obtained from the Accounting Officer for a shorter advertising period.

2.6.3 The notice in the press and/or Government gazette shall specify;

(a) the nature of the proposed contract;

(b) such particulars of the contract as the department may deem fit;

2.6.4 Where site inspections are to be held, details thereof shall be included in the bid notice.

2.6.5 Bids must not be advertised and/or close between 15 December and 15 January.

2.6.6 Details of all prospective bidders who have been issued with bid documents shall be recorded by the SCM unit. Such details shall include:

(a) the legal and full name of the person/company/closed corporation/firm drawing documents;

(b) a contact person;

(c) a contact telephone number;

(d) a fax number;

(e) a postal address, and

(f) an e-mail address (where possible);

2.6.7 Details recorded as required above shall remain confidential for the duration of the bid period.

2.7 BID VALIDITY

2.7.1 The period for which bids are to remain valid and binding shall be indicated in the bid documents. The period is calculated from the closing time and bids shall remain in force and binding until the end of the final day of the period.

2.7.2 The validity period for finalizing bids is 90 days but in exceptional circumstances, this period may be extended by mutual consent in writing between the department and the bidder, provided that the original validity period has not expired, and that all bidders shall have an opportunity to extent such period.

2.7.3 If, in exceptional circumstances, it becomes necessary to extend the bid period, a notice shall be published in the press at least one week prior to the original bid closing date.

2.7.4 The bidder must give written reasons to the Accounting officer for requesting extension, and only the Accounting officer shall grant approval for such action.

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2.8 CLOSING AND OPENING OF BIDS

2.8.1 A cut-off time for closing must be set to maintain bidder's confidence in the system. The cut-off time is 11:00 on the day indicated in the bid invitation documents. Bids are late if they are received after losing date and time (11:00) and shall not be considered.

2.8.2 The onus shall be on the bidder to place the sealed envelope in the official marked locked bid box provided for this purpose, at the designated venue, not later than closing date and time specified in the bid notice;

2.8.3 Postal bids will be accepted for consideration only if they are received in sufficient time to be lodged in the appropriate bid box by the closing time for such bids, being understood that the department disclaims any responsibility for seeing that such bids are in fact lodged in the bid box. Proof of posting of a bid will not be accepted as proof of delivery to the appropriate place for the receipt of bids, and;

2.8.4 No bids forwarded by telegram, facsimile, e-mail or similar process shall be considered;

2.8.5 At least two officials from SCM Unit must be present when opening the bid box and when the bids are opened in public. The name of the bidders should be read aloud.

2.8.6 As soon as a bid has been opened, the bid document shall be stamped with the official stamps, and where necessary, endorsed with the opening official's signature. The name of the bidder shall be recorded in a bid opening record kept for that purpose.

2.9 EVALUATION CRITERIA

The criteria for the evaluation of bids and quotations must be determined beforehand and approved by the Bid Specification Committee. The applicable PPPFA point system must be used. 80/20 point system for purchases up to R1 000 000 (vat inclusive) and the 90/10 point system for purchases above R1 000 000 (vat inclusive).

2.10 EXPLANATORY MEETINGS (PRE-BID MEETINGS)

Explanatory meetings especially for service rendering must be implemented for all bids and must be advertised with the bid. The following must be addressed in the meetings:

- Clarify issues, which bidders do not understand;
- Spell out the expectations of the Department regarding the bid in question;
- Respond to questions/queries raised by bidders;
- Note the bidders concerns and address them on the next bid to be arranged, and
- Site inspection certificate

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2.11 EVALUATION OF BIDS

2.11.1 INVALID BIDS

2.11.1.1 Bids shall be considered invalid and shall be endorsed and recorded as such in the following instances:

(i) where the bid is not submitted on the official bid form;

(ii) where the bid is not completed in non-erasable ink;

(iii) where the bid form has not been signed, and;

(iv) where the bid form is signed, but the name of the bidder is not stated, or is illegible.

2.11.2 NON-RESPONSIVE BIDS

2.11.2.1 Non-responsive bids, which do not respond to any of the technical requirements of the scope of work or do not meet any of the technical specifications will be disqualified.

Non- responsive bids, where the price is very high or very low and is therefore not considered a fair and acceptable market price, will be disqualified. A fair and acceptable market price is defined on the basis of the following factors:

- Is the bid price substantially below or higher than that of other bidders?
- In repeat purchases, how does the bid price compare with recent contracts awarded for similar items or work, taking into account quantified, conditions, terms, and other important specifications?
- Are there price indices available to determine the changes in labour and material costs?
- Market research information to establish fair market prices for goods and services procured regularly.

2.11.3 CONSIDERATION AND ACCEPTANCE OF BIDS

2.11.3.1. All quoted tariffs shall be considered;

2.11.3.2 The Accounting Officer may negotiate the final terms of contracts with bidders identified as preferred bidders through a competitive bidding process, provided that such a process does not allow the bidder concerned a second (unfair) opportunity, and it is not to the detriment of any bidder. Minutes of such negotiations shall be kept for record purposes;

2.11.3.3 The department shall not be obliged to accept the lowest or any bid. For goods and services bids, the department shall have the right to accept the whole bid or part of a bid or any item or part of an item or accept more than one bid, in the event of a number of items being tendered for;

2.11.3.4 The department may, before bids are considered for acceptance examine and take into account the following, although not limited thereto:

(a) the financial standing of a bidder, including his/her ability to furnish the required institutional guarantee, where applicable;

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(b) the bidder's ability to fulfil his/her obligations in terms of the bid documents.

2.11.3.5 Additional information or clarification of bids may be called for if required, by the Bid Evaluation Committee in writing;

2.11.3.6 The Department reserves the right to consider alternative bids received from companies, provided that a bid is free of qualifications and strictly in accordance with the bid documents. Alternative bids shall be submitted on separate complete sets of bid documents and shall be clearly marked "Alternative Bid" to distinguish it from the unqualified bid referred to above. The department shall not be bound to consider alternative bids.

2.11.3.7 In the event that two or more bids have scored equal total points, the successful bidder must be the one scoring the highest number of preference points for B-BBEE.

However, when functionality is part of the evaluation process and two or more bidders have scored equal points including equal preference points for B-BBEE, the successful bidder must be the one scoring the highest score for functionality.

Should two or more bidders be equal in all respects, the award shall be decided by the drawing of lots.

2.11.3.8 Where a bidder requests in writing that his/her bid be withdrawn, after the closing of bids prior to the evaluation and adjudication process, then such a request may be granted by the Accounting Officer, if it is in the best interest of the Department.

2.12 PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

2.12.1 The Department may not make any award to and conclude a contract with a person:

(a) who is in the service of the state;

(b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or

(c) who is an advisor or consultant contracted with the department.

2.13 BID EVALUATION COMMITTEE

2.13.1 Members of the Departmental Bid Evaluation Committee must be appointed by the Accounting Officer in writing and membership cannot be delegated.

2.13.2 The Bid Evaluation committee shall be composed of

- At least a Supply Chain Practitioner to give guidance to the Committee on supply chain matters;
- At least two officials from the unit requiring the goods or services; and
- A 50 + 1% majority of the members of a Bid Specification Committee will constitute a quorum before the Committee concerned may consider any matter.

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2.13.3 Consultants/Advisors can be co-opted as a specialist to assist the Committee in the decision making process, but will have no decision making powers.

2.13.4 The Committee in their proceedings will meet when a bid must be evaluated.

2.13.5 All bids must be evaluated on a comparative basis on the criteria as determined and set out in the bid documents. Evaluation criteria may not be changed after the closing of a bid.

2.13.6 It must be emphasized that bids may only be evaluated in accordance with the criteria specified in the bid specifications. According to the prescripts of the Preferential Procurement Policy framework, bids must be evaluated in accordance with a preference point system. Any specific goal for which a point may be awarded must be clearly specified in the invitation to submit a bid.

2.13.7 All decisions must be minuted and the evaluation report/recommendation must then be submitted in submission format to the Bid Adjudication Committee.

2.14 BID ADJUDICATION COMMITTEE

2.14.1 The Bid Adjudication Committee must be appointed by the Accounting Officer in writing and membership cannot be delegated.

2.14.2 The Accounting Officer will designate in writing the Chairperson of the Committee who will preferably be the Chief Financial Officer.

2.14.3 The Committee shall consist of not less than 6 members. 50 + 1 percent of members present will form a quorum. Acquisition Management should provide the Secretariat function.

2.14.4 The Committee members must be familiar with and adhere to the prescribed legislation, directives and procedures in respect of Supply Chain Management in order to perform effectively and efficiently.

2.14.5 All members of the Bid Adjudication Committee must be cleared at the level of at least confidentiality and are required to declare their financial interest annually.

2.14.6 A declaration of interest together with a confidentiality clause must be signed before the commencement of the meeting.

2.14.7 To ensure impartiality no officials appointed or involved (co-opted) in the Evaluation committee may be included in the Bid Adjudication Committee. No Evaluation Committee member/official/end-user that has an interest in a particular bid may be allowed to participate in the consideration, evaluation, recommendation or adjudication of such bid.

2.14.8 Independent experts can be co-opted as the need arises but cannot form part of the decision-making processes.

2.14.9 In the event of a difference in opinion where a role must be taken for an equal vote the chairperson's decision will be final. In other cases the majority vote will be final.

2.14.10 The Bid Adjudication Committee must consider the reports and recommendations made by the Bid Evaluation Committee and must thereafter make a final recommendation to the Accounting Officer. Bids should be evaluated and adjudicated in terms of the bid criteria stipulated in the bidding documents only and according to the PPPFA.

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2.14.11 If a Bid Adjudication Committee decides to recommend approval of a bid other than the one recommended by the Bid Evaluation Committee, the bid Adjudication committee must give appropriate reasons in writing for the deviation.

2.14.12 Rejection of all bids is justified when there is lack of effective competition, or bids are not substantially responsive. If all bids are rejected, the institution shall review the causes justifying the rejection and consider making revisions to the conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new bids.

2.15 MEETINGS OF BID ADJUDICATION COMMITTEE

2.15.1 The Bid Adjudication Committee must meet bi-weekly where necessary in order not to delay the finalization of bids.

2.15.2 SCM Unit shall compile the Agenda and Notice and distribute the documentation to the members at least three working days before the meeting take place.

2.15.3 Decisions of a Bid Committee shall be taken by a majority of the members present at a meeting voting in favour of, or against, a matter.

2.15.4 The SCM unit shall make appropriate arrangements to ensure that Secretariat and such other administrative support services as may be required are provided to bid Committees.

2.15.5 Minutes shall be kept of each meeting of a Bid Committee. Such minutes shall be considered and adopted, with or without amendments, as a true and accurate reflection of the proceedings at, and resolutions taken during a meeting, by the relevant committee at its next meeting.

2.15.6 Members of the Bid Evaluation Committee may present their report to the Bid Adjudication Committee and clarify any uncertainties. The Evaluation Committee members have no voting power in the Bid Adjudication Committee.

2.16 AWARDING OF CONTRACTS

2.16.1 According to the prescripts of the PPPFA and it Regulations, a contract may only be awarded to a bidder who scored the highest number of points, unless objective criteria justify the award to another bidder.

2.16.2 Should this be the case, the Accounting Officer should be able to defend the decision not to award the bid to the bidder who scored the highest points in any court of law. The Provincial Treasury Auditor-General must also be notified within 7 days of the reasons for this decision.

2.16.3 Once bids have been adjudicated upon in accordance with the Bid Committee system, the recommendations of the Bid Adjudication Committee shall be submitted to the Accounting Officer for approval;

2.16.4 In the event of it becoming necessary to cancel or re-advertise a bid, then a report to this effect shall be submitted to the Accounting Officer;

2.16.5 No contract may be awarded to a service provider who has failed to submit an original tax clearance certificate from the SARS certifying that the taxes of that service provider are in order or that suitable arrangements have been made with SARS.

2.17 FORMAL CONTRACTS

2.17.1 After approval of a bid, both parties should sign a written contract and, if necessary, a service level agreement. The Accounting Officer must sign formal contracts and this cannot be delegated.

2.17.2 A bid, together with all relevant documents that comprise the full contract documents, becomes a binding contract when both parties, have signed the relevant documents. NB: No official of the Department is allowed to sign contracts(s)/agreement(s) on behalf of the Department except the HOD.

2.17.3 All notifications to contractors must be done within 48 hours after the Accounting Officer has approved the contract. Supply Chain Management is responsible to prepare letter of award, and letter of award must be signed by at HOD.

2.18 PUBLISHING OF AWARDS

Bid awards must be advertised in the Provincial Tender Bulletin and other media by means of which the bid was advertised, within a month after the contract has been awarded.

2.19 APPOINTMENT OF CONSULTANTS

According to SCM practice Note 3 of 2003 consultants must be appointed by means of competitive bidding processes and all bids and contracts should be subjected to the General Conditions of Contract (GCC) issued by National Treasury.

The appointment of consultants needs to be done only when the necessary skills and/or resources to perform a project/duty/study are not available, and when the Accounting Officer cannot be reasonably expected either to train or to recruit people in the time available. (Treasury Practice Note 3 of 2003)

2.19.1 TERMS OF REFERENCE

The Terms of reference must define as clearly as possible the scope, goals and the objectives of the assignment including background information to assist the service provider in the preparation of their proposal. As part of the specification the TOR must allow the consultant/service provider to propose his or her own methodology.

The TOR must include policy objectives to be achieved as well as the following:

- Full scope of the work
- Methodology to be followed
- Skills transfer
- Time frames
- Preference point system
- Evaluation process to be followed
- Points system to be used
- Evaluation criteria
- Validity period

The TOR must form part of the standard bidding document.

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2.20 TRAVEL AND SUBSISTANCE (AIR TICKETS AND ACCOMMODATION) AND CONFERENCES

Accommodation and / or facilities for conferences, seminars, workshops, "lekgotlas" etc. should whenever possible be obtained by means of competitive bidding. If this is not possible or practical the accommodation and conference facilities should be obtained by means of written quotations invited through the FS centralized database.

2.21 GARDEN SERVICES

Garden services for Institutions/Offices must be obtained on a quotation rotation basis from local suppliers through the FS Centralized database. Quotations must be for periods not longer than one year.

2.22 PROCUREMENT OF IT RELATED GOODS OR SERVICES

2.22.1 All contracts relating to Information Technology are prepared in accordance with the State Information Technology Agency Act, 1998 (Act no. 88 of 1998) and any regulation made in terms of that Act, and;

2.22.2 Procurement of non-contractual IT goods and services with a value exceeding R500 000 (vat-inclusive) (or such ceiling amount as promulgated by SITA from time to time) shall be facilitated by and/or arranged through SITA.

2.22.3 The responsibility and accountability for the final decisions regarding IT related goods and services rest with the Accounting Officer.

2.23 PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE

2.23.1 The Accounting Officer may procure goods or services for the department under a contract secured by another organ of state, but only if:

(a) the contract has been secured by that organ of state by means of a competitive bidding process applicable to that organ of state;

(b) the department has no reason to believe that such contract was not legally procured;

(c) there are demonstrable discounts or benefits to the department, and;

(d) that other organ of state and the service provider have consented to such procurement in writing.

2.24 CONTRACT ADMINISTRATION

2.24.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

2.24.2 To ensure service delivery and value for money the performance of contractors must be monitored throughout the contract period. Non-performance of contractors/suppliers and unacceptable quality must immediately be address in writing and reported to the Accounting Officer within 48 hours by the Performance and Contract Management Unit.

2.24.3 Penalties will be applied for non and under performance of contractors. The Bid Adjudication Committee must approve the penalty amount. Refer to GCC paragraph 22 and 23.

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2.24.4 Price adjustments will be handled as indicated in the special conditions of contract.

2.24.5 Delays in the supplier's performance: The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises and the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

2.24.6 Transfer/cession of contracts may be approved provided that:

(i) the transfer is not to the detriment of the State; and

(ii) if a contract was awarded as a result of the application of the preferential points system of PPPFA, the transferee should also similarly qualify under the same principle, to obtain such a contract.

(iii) The contract has been arranged by the Department within its delegated authority.

2.24.7 Cancellation of contracts will be subject to paragraph 23 of General Conditions of Contract.

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3. LOGISTIC MANAGEMENT

Logistic Management pertains, among others, the coding of items, setting of inventory levels, placing of orders, receiving and distribution, stores/warehouse management, expediting orders and vendor performance. This process should also activate the financial system to generate payments.

3.1 HANDLING OF ALL STOCK AND/OR SERVICES

All processes for the handling of stock and/or services within the Department must be executed in terms LOGIS 11.

3.2 ORDER PROCESSING

3.2.1 Orders are processed for contract purchases, quotation and bidding purchasing. No order may be placed without written approval of the delegated person. The responsibility for the placement of an official order is that of the Chief user clerk.

3.2.2 This official prepares and places the order at suppliers and needs to follow up outstanding orders and must also liaise with suppliers. In cases where the supplier has faxed a quotation, the Chief user clerk must certify and sign that quotation before forwarding to Logistics to process an order.

3.2.3 No one shall be allowed to procure any goods or services without an approved official order.

3.2.4 The SCM unit shall follow up on all queries relating to orders and payments.

3.2.5 The Unit shall monitor all turnaround times and discrepancies and these should be reported to the CFO.

3.3 LOGIS PAYMENTS

3.3.1 Payments must not be effected in cases where no service has been rendered.

3.3.2 The supplier or service provider must, upon fulfilment of obligations in terms of the contract, furnish the SCM Unit with the invoice accompanied by a delivery note.

3.3.3 SMME'S must be paid immediately on receipt of goods and/or services according to an invoice.

3.3.4 Payments must be processed within 30 days after submission of an invoice or claim by the supplier or service provider.

3.4 IRREGULAR EXPENDITURE /PAYMENTS

Irregular expenditure is by definition expenditure other than unauthorized expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- The PFMA
- The Preferential Procurement Policy Framework Act, 5 of 2000
- The Preferential Procurement Regulations, 2001
- Any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure as prescribed in the PFMA must be reported within 48 hours of occurrence. Fully motivated reports must be submitted to the Accounting Officer within 7 working days. Action steps will be taken in dealing with any irregular expenditure payments.

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PART 4: ASSET/DISPOSAL MANAGEMENT

4.1 ASSET/DISPOSAL MANAGEMENT

Asset/Disposal Management shall be dealt with in accordance with Departmental Asset Management Policy.

4.2 CELLULAR PHONES

Cellular phones shall be dealt with in accordance with Departmental Cellular Phone Policy.

4.3 TRANSPORT/FLEET MANAGEMENT

4.3.1 Transport Management in the Department must be seen as a tool by which service is delivered and therefore management of this resource rests with the manager responsible for managing service delivery. The District Manager, Institutional Head, Program manager and supervisor are directly responsible for the management thereof within their Institutions.

4.3.2 Transport Management must be executed in terms of fleet management and subsidized processes as contained in Transport management policies, circulars and prescripts by National Treasury, National Department of Transport, Provincial Department of Transport and the Departmental Transport policy.

4.4 SUBSIDIZED VEHICLES

- The procurement, use and administration of subsidized vehicles must be done in accordance with the National Policy as issued by the Department of Transport. A formal submission, Z81 application form and kilometre summary of the past 6 months must be submitted to the Departmental Transport Committee for approval.
- Officials must take care of subsidized vehicles and ensure that proper records are kept.
- For obtaining, handling and management of vehicles the guidelines as provided for Transport Management must be adhered to.
- Traveling plans must be provided and approved beforehand and be submitted with monthly petrol claims.
  - Zero returns must be submitted
  - Claims must be submitted for each month, irrespective of private or official use.

4.4.1 DEPARTMENTALT TRANSPORT COMMITTEE

The Accounting Officer must appoint the members of the Departmental Advisory Committee in writing.

Officials can refer to the Departmental transport and subsidized vehicle policies for more information.

4.5 MANAGEMENT OF LOSSES AND CLAIMS

Management of losses and claims shall be dealt with in accordance with Departmental Loss Control Policy.

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5. SUPPLY CHAIN PERFORMANCE

5.1 INTRODUCTION

During the process of monitoring and compliance a retrospective analysis should be undertaken to determine whether proper processes was followed and the desired objectives achieved e.g. goals achieved, compliance to norms and standards, stores efficiency, contract breach, whether SCM objectives are consistent with Government's broader policy focus, etc.

5.2 COMPLIANCE/CONTRACT ADMINISTRATION

5.2.1 The SCM Performance Unit/Compliance Unit is responsible for monitoring compliance by suppliers/contractors and to report any deviation to the Accounting Officer.

5.2.2 Should problems be encountered, they must be followed up with the vendor and if it is a contract item, it must be reported to Acquisition Management.

5.2.3 Supplier's performance must be monitored/ assessed on a daily basis according to their contractual obligations. End users must notify the SCM unit of any deviation in performance of suppliers. For any involvement of fraud and corruption restriction of bidders must be applied. The contents of the General Conditions to Contract (GCC) and special Conditions to Contract (SCC) must be strictly observed.

5.3 ASPECTS TO BE MONITORED FOR COMPLIANCE

- Contract compliance
- Validity of preference points claimed by contractors
- Achievement of departmental goals
- Compliance to norms and standards
- Investigating suppliers profiles
- Monitor savings generated
- Evaluate stores efficiency
- Cost efficiency of procurement processes
- Whether SCM objectives are consistent with the Governments broader policies
- Monitor that the principles of co-operative governance as expounded in the Constitution are observed
- Monitor B-BBEE Implementation

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- The reliability of the supplier should be monitored in terms of, among others:
  - Delivery periods
  - Quality
  - Quantity
  - Reliability

6. RISK MANAGEMENT

6.1 INTRODUCTION

6.1.1 The Supply Chain Performance Manager shall set indicators for the assessment of the Supply Chain Management process.

6.1.2 Heads of Units/Offices must take cognizance of potential risks during the supply Chain Management process. Risk management must form part of the business plan for the acquisition of all goods and services. Possible risk areas have to be identified and measures to address these risks must be developed. It is a requirement of the PFMA that the Accounting Officer undertakes a risk assessment for his/her institution.

The risk management process involves the identifying, evaluating, treating of risks and monitoring of risks.

6.2 RISK ASSESSMENT

Risks must be identified on a case-by-case basis before the procurement processes are followed. Managers must ensure that procurement risks such as price or currency fluctuations are allocated to the appropriate party in unambiguous contract documents or that guarantees or insurance arrangements are in place.

6.3 RISK MANAGEMENT REVIEW

Fraud prevention plans should reflect risk areas, specific to those pertaining to contracts where fraud and corruption has been found in the past.

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CHAPTER 3

PART 1. CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS

Refer to the attached Code of Conduct for Supply Chain Management Practitioners

PART 2: ETHICAL STANDARDS

2. ETHICAL STANDARDS

2.1 All officials and other role players engaged in the Supply Chain Management system of the department must comply with the highest ethical standards in order to promote mutual trust and respect, and an environment where business can be conducted with integrity and in a fair and reasonable manner.

2.2 All officials of the department must comply with the provisions of the national Treasury's Code of Conduct for Supply Chain Management Practitioners and other role Players involved in Supply Chain Management.

2.3 In the event that an official abuses or do not comply with the provisions of the SCM Policy, action shall be taken against such official.

2.4 Officials and other role players involved in the Supply Chain Management system:

2.4.1 must treat all providers and potential providers equitably;

2.4.2 must not use their position for private gain or to improperly benefit another person(s);

2.4.3 must declare to the Accounting Officer details of any private or business interest which any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by the department;

2.4.4 must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

2.4.5 must be scrupulous in his or her use of property belonging to the department;

2.4.6 must assist the Accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the Supply Chain Management system, and;

2.4.7 must report to the Accounting Officer any alleged irregular conduct in the Supply Chain Management system which that person may become aware of, including:

(a) any alleged fraud, corruption, favouritism or unfair conduct;

(b) any alleged breach of the code of ethical standards.

2.4.8 All declarations in terms of paragraph 11.4.3 must be recorded in a register which the Accounting Officer must keep for this purpose;

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2.4.9 All declarations by the Accounting Officer must be made to the Member of Executive Council for Agriculture and Rural Development who must ensure that such declarations are recorded in the register;

2.4.10 The department shall adopt the National Treasury's code of Conduct for Supply Chain management practitioners and other role players involved in Supply Chain Management. Such code of conduct becomes binding on all officials and other role players involved in the implementation of the SCM Policy of the department.

PART 3: OBJECTIONS AND COMPLAINTS

3. OBJECTIONS AND COMPLAINTS

Persons aggrieved by decisions or actions taken by the department in the implementation of its Supply Chain Management system, may lodge within 14 days of the decision or action, a written objection or complaint to the Accounting Officer against the decision or action.

PART 4: RESOLUTIONS OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

4. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

4.1 The Accounting Officer may appoint an independent and impartial person not directly involved in the Supply Chain Management processes of the department:

4.1.1 to assist in the resolution of disputes between the department and other person(s) regarding:

(a) any decisions or actions taken by the department in the implementation of its supply chain management system:

(c) any matter arising from a contract awarded in the course of its Supply Chain Management system; or

(d) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

4.2 The Accounting Officer, or another official designated by him/her, is responsible for assisting the appointed person to perform his or her functions effectively.

4.3 The person so appointed must:

4.3.1 strive to resolve promptly all disputes, objections, complaints or queries received; and

4.3.2 submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.

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PART 5: AVOIDING ABUSE OF SCM SYSTEM

VOIDING ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

The Accounting Officer:

1 must take all reasonable steps to prevent abuse of the Supply Chain Management system;

.2 investigate any allegations against an official or other role player(s), of corruption, improper conduct or failure to comply with the Supply Chain Management system. If justified, the Accounting Officer must take steps against such official or other role player(s) and report any conduct that may constitute a criminal offence to the South African Police Service;

.3 must check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, nor any of its directors are listed as companies or persons prohibited from doing business with the public sector;

1.4 must reject any bid from a service provider:

(a) who fails to provide written proof from the South African Revenue Service that the supplier either has no outstanding tax obligations, or has made arrangements to meet such outstanding tax obligation;

(b) who during the last five years has failed to perform satisfactorily on a previous contract with the department or any other organ of state after written notice was given to that bidder that its performance was unsatisfactory;

.1.5 may disregard the bid of any bidder if that bidder, or any of its directors:

(a) has abused the National or Provincial department's, or the Municipality's Supply Chain Management system;

(b) has committed fraud or any other improper conduct in relation to such system;

1.6 must inform the relevant Provincial Treasury of any action taken in terms of this paragraph;

1.1.7 may cancel a contract awarded to a person if:

(a) that person has committed any corrupt or fraudulent act during the bidding process over the execution of the contract; or

(b) any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person;

5.1.8 must reject the bid of any bidder if that bidder or any of its directors:

(a) has abused the Supply Chain Management system of the department or has Committed any improper conduct in relation to such system;

(b) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five year; or

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(c) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (no. 12 of 2004).

PART 6: REPORTING OF SCM INFORMATION

REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION

1 The Accounting Officer must submit to the Provincial Treasury such Supply Chain Management Information as may be required.

2 The required information must be submitted in such a format and at such intervals as the Provincial Treasury may require.

ROLES AND RESPONSIBILITIES

Responsibility for the implementation of this policy rests with the Chief Financial Officer, with the assistance of the Senior Manager: Supply Chain Management.

3. POLICY IMPLEMENTAITON AND REVIEW

(i) This policy is effective from date of signature.

(ii) This policy shall be reviewed within three (3) years from date of original approval or when necessary.

Approved and Issued by:

Accounting Officer

Date: 01/04/2012

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GOVERNMENT NOTICE

DEPARTMENT OF TRADE AND INDUSTRY

No. 314 **20 March 2008**

DEPARTMENT OF TRADE AND INDUSTRY

AGRIBEE SECTOR CHARTER ON BLACK ECONOMIC EMPOWERMENT

I, Mandisi Mpahlwa, Minister of Trade and Industry, hereby-

a) Issue the following AGRIBEE Sector Charter under Section 12 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and

b) Determine that this charter will come into operation on the date of this publication.

M. Mpahlwa

MANDISI MPAHLWA (MP)
MINISTER OF TRADE AND INDUSTRY

DATE: 05-02-2008



Department of Agriculture
South Africa

Broad-Based Black Economic Empowerment

Transformation Charter for Agriculture

AgriBEE

2007-08-22

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1. INTRODUCTION

This Charter is the outcome of a widely consultative process culminating in the AgriBEE Indaba ('the Indaba') held in December 2005. It takes into account opinions expressed at the Indaba and all previous drafts and the gazetted Codes of Good Practice for Broad-Based Black Economic Empowerment ('the Codes') as published by the Department of Trade and Industry ('the dti').

While the Broad-Based Black Economic Empowerment Act, No 53 of 2003 ('the Act') has guided the development of the AgriBEE Charter, its conception is linked to the joint vision as contained in the Strategic Plan for South African Agriculture ('the Sector Plan') of a united and prosperous agriculture Sector designed to meet the challenges of constrained global competitiveness and low profitability, skewed participation, low investor confidence, inadequate support and delivery systems and poor and unsustainable management of natural resources. This AgriBEE Charter derives directly from the Sector's core objective to ensure increased access and equitable participation in the Sector.

This document has been developed as a Transformation Charter for the agricultural Sector in terms of Section 12 of the Act and provides guidelines for empowerment in the Sector. It includes a Scorecard that is intended to form the basis for a Section 9 agricultural Sector Code. Where there is doubt, uncertainty or ambiguity with respect to the interpretation of this Charter, the content of the Codes of Good Practice, as published by the dti, will prevail.

The diversity and uniqueness of sub-sectors within the agricultural Sector is acknowledged. In this respect, where sub-sector charters are developed, these must not be in conflict with this charter and, in turn, are encouraged to be consistent and in alignment with the AgriBEE Charter.

Targets contained in the Indicative AgriBEE and Indicative AgriQSE Scorecards are based on those contained in the final version of Phase I of the Codes of Good Practice and those contained in the draft Phase II Codes of 20 December 2005, as well as on stakeholder inputs, comments and recommendations. Where no substantive reasons for deviation from targets contained in the Codes of Good Practice was put forward by stakeholders, targets have largely remained aligned with those contained in the abovementioned versions of the Codes. However, it should be noted that targets contained in Phase II of the Codes are subject to change, following a public commentary process. In this regard, the AgriBEE charter will align its targets to those contained in the final version of Phase II of the Codes, except where justification for deviation can be adequately provided on the basis of sound economic rationale and/ or Sector development needs as part of the Sector Code development process.

2. SCOPE OF APPLICATION

2.1. The scope of the AgriBEE Transformation Charter shall include any Enterprise which derives the majority of its turnover from:

- The primary production of agricultural products;
- The provision of inputs and services to Enterprises engaged in the production of agricultural products;
- The beneficiation of agricultural products whether of a primary or semi-beneficiated form; and
- The storage, distribution, and/or trading and allied activities related to non-beneficiated agricultural products.

2.2. Where an Enterprise trades in more than one sector i.e. falls under more than one Sector Code or Section 12 Transformation Charter, the Measured Enterprise must be guided by the principles embodied in the Codes of Good Practice.

2.3. This Charter applies to multinational businesses or South African multinationals whose business falls within the scope of the Charter as defined in this section. Where a specific regime for multinationals exists in the Codes of Good Practice, this regime will apply.

2.4. Enterprises as defined in paragraph 2.1, are encouraged to measure their contributions to the seven elements of broad-based BEE as contained in the Indicative AgriBEE Scorecard

2.5. Notwithstanding paragraph 2.4, Enterprises with a 5 year moving average annual turnover of between R5 million and R35 million qualify for BEE compliance measurement in terms of the Indicative AgriQSE Scorecard. These are indicative thresholds that are subject to change following appropriate benchmarking studies, sub-sector inputs, other relevant information and consultation as part of the Section 9 Codes process.

2.6. Notwithstanding paragraphs 2.4 and 2.5, Enterprises with a 5 year moving average turnover of less than R5 million, will be classified as Exempted Micro Enterprises ('EME's'). This is an indicative threshold that is subject to change following appropriate benchmarking studies, sub-sector inputs, other relevant information and consultation as part of the Section 9 Codes process. EME's will enjoy a deemed BEE recognition level of Level 4 (as defined in the Codes of Good Practice), without proof of contribution through BEE verification. However, EME's are encouraged to contribute to transformation in agriculture, particularly in the areas of skills development and corporate social investment and are therefore incentivised to increase their BEE status by:

- Contributing to any two of the seven elements of broad-based BEE, with the exception of the employment equity element. In this event, each element will have a weighting of 50%, and if the Enterprise obtains between 50% and 70% on the AgriQSE Scorecard, it will be regarded as a Level Three Contributor to BEE. In the same way, if the Enterprise obtains 70% or more on the AgriQSE Scorecard, it will be regarded as a Level Two Contributor to BEE; or

- Contributing to any three of the seven elements of broad-based BEE, with the exception of the employment equity element. In this event, each element will have a weighting of 33.3%, and if the Enterprise obtains between 45% and 65% on the AgriQSE Scorecard, it will be regarded as a Level Three Contributor to BEE. In the same way, if the Enterprise obtains 70% or more on the Agri-QSE Scorecard, it will be regarded as a Level Two Contributor to BEE.

- The BEE status of an Enterprise must be raised to the next highest BEE status level to the one at which it is evaluated, when Black People hold more than 50% of the Exercisable Voting Rights and more than 50% of the Economic Interest in that Enterprise.

It must be noted that a status above Level 4 can only be granted to an EME once the Enterprise has obtained a BEE verification certificate.

2.7. The AgriBEE Council will review and adjust the turnover thresholds for QSE's and EME's periodically in line with relevant inflation indicators.

3. OBJECTIVES

3.1. The objectives of the Broad-Based Black Economic Empowerment Act No. 53 of 2003 are to facilitate Broad-based Black Economic Empowerment by:

- Promoting economic transformation in order to enable meaningful participation of Black People in the economy;
- achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new Enterprises;
- increasing the extent to which communities, workers, co-operatives and other collective Enterprises own and manage existing and new Enterprises and increasing their access to economic activities, infrastructure and skills training;
- increasing the extent to which Black women own and manage existing and new Enterprises, and increasing their access to economic activities, infrastructure and skills training;
- promoting investment programmes that lead to broad-based and meaningful participation in the economy by Black People in order to achieve sustainable development and general prosperity;
- empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills; and
- promoting access to finance for black economic empowerment.

3.2. The objectives of AgriBEE are to facilitate Broad-based Black Economic Empowerment in the agricultural Sector by implementing initiatives to include Black South Africans at all levels of agricultural activity and Enterprises by:

- Promoting equitable access and participation of Black People in the entire agricultural value chain;
- De-racialising land and Enterprise ownership, control, skilled occupations and management of existing and new agricultural Enterprises;
- Unlocking the full entrepreneurial skills and potential of Black People in the Sector;
- Facilitating structural changes in agricultural support systems and development initiatives to assist Black South Africans in owning, establishing, participating in and running agricultural Enterprises;
- Socially uplifting and restoring the dignity of Black South Africans within the Sector;
- Increasing the extent to which communities, workers, co-operatives and other collective Enterprises own and manage existing and new agricultural Enterprises, increasing their access to economic activities, infrastructure and skills training;

- Increasing the extent to which Black Designated Groups own and manage existing and new agricultural Enterprises, increasing their access to economic activities, infrastructure and skills training;
- Empowering rural and local communities to have access to agricultural economic activities, land, agricultural infrastructure, ownership and skills;
- The improvement of living and working conditions and promotion of decent living and working conditions for farm workers; and
- Improving protection and standards of land rights and tenure security for labour tenants, farm workers and other vulnerable farm dwellers and addressing the inherently paternalistic nature of relationships associated with insecure tenure by promoting more permanent forms of tenure with the emphasis being on the transfer of ownership of land.

4. DETERMINATION OF AgriBEE STATUS

4.1. The indicative BEE status of an Enterprise which falls within the scope of application of the AgriBEE Charter will be determined by the Enterprise's score on the AgriBEE Scorecard. The Scorecard consists of the following seven key elements:

- Ownership
- Management control
- Employment equity
- Skills development
- Preferential procurement
- Enterprise development
- Rural Development, poverty alleviation and corporate social investment ('CSI')

4.2. The Indicative Scorecards will apply until such time as Sector Codes are published in terms of Section 9 of the Act, whereafter these Sector Codes will apply.

4.3. An Enterprise's indicative BEE status will determine the proportional indicative BEE procurement recognition level that the Enterprise will enjoy as a supplier to other entities applying the AgriBEE Charter.

BEE Status	Qualification	BEE procurement recognition level
Level One Contributor	≥100 points on the AgriBEE/ AgriQSE Scorecard	135%
Level Two Contributor	≥85 but <100 points on the AgriBEE/ AgriQSE Scorecard	125%
Level Three Contributor	≥75 but <85 on the AgriBEE/ AgriQSE Scorecard	110%
Level Four Contributor	≥65 but <75 on the AgriBEE/ AgriQSE Scorecard	100%
Level Five Contributor	≥55 but <65 on the AgriBEE/ AgriQSE Scorecard	80%
Level Six Contributor	≥45 but <55 on the AgriBEE/ AgriQSE Scorecard	60%
Level Seven Contributor	≥40 but <45 on the AgriBEE/ AgriQSE Scorecard	50%
Level Eight Contributor	≥30 but <40 on the AgriBEE/ AgriQSE Scorecard	10%
Non Compliant Contributor	<30 on the AgriBEE/ AgriQSE Scorecard	0%

4.4. The gazetting of a Transformation Charter for the agricultural Sector, in terms of Section 12 of the Act is evidence of the commitment by all stakeholders to promote Broad-Based Black Economic Empowerment in the agricultural Sector.

5. ELEMENTS OF EMPOWERMENT

5.1. OWNERSHIP

The objective of this element is to increase the participation of Black People in the Agri-Industry by increasing the level of entitlement of Black People to participate in the Economic Interest and Exercisable Voting Rights of Enterprises in the Sector. This element is divided into two sections namely 'General Ownership' and 'Agricultural Land Ownership' to account for the unique challenges facing the Sector in this respect.

5.1.1 GENERAL OWNERSHIP

In line with the Strategic Plan, the mission of this element is to enhance equitable access and participation in the agricultural Sector; to de-racialise land and Enterprise ownership; and to unlock the full entrepreneurial potential in the Sector.

Historically, the interpretation of ownership in agriculture has been understood to be dependent upon ownership of land. This AgriBEE framework makes a distinction between land and Enterprise ownership.

AgriBEE is fundamental to the long-term growth and competitiveness of the agricultural Sector. AgriBEE activities and processes should ultimately lead to the creation of viable and sustainable Enterprises in the agricultural Sector.

Stakeholders in the Sector will work towards the development and implementation of a diversity of Enterprise ownership models in support of AgriBEE.

All Sector Stakeholders should endeavour to source sufficient financing in order to ensure the establishment of viable and sustainable Enterprises.

Agri-Industry undertakes to: -

5.1.1.1. Further Black participation through ownership in the Agri-Industry by increasing the level of entitlement of Black People to participate in the Economic Interest and Exercisable Voting Rights in existing and new Enterprises. This includes the sale of equity in a Measured Enterprise, sale of assets through

Qualifying Transactions and/or through share equity schemes and other forms of joint ventures with farm labourers and other Black entrepreneurs;

5.1.1.2. Further Black ownership in the agricultural Sector through the sale of assets. This is achieved by selling equity in Associated Enterprises in a Qualifying Transaction. Qualifying Transactions must be scored in terms of Statement 101 of the Codes of Good Practice, which states that equivalency points may be earned under the ownership element through this mechanism. In order for an Enterprise to enjoy continued recognition for ownership on the Scorecard through a Qualifying Transaction, the Transaction must ultimately result in:

- the creation of sustainable businesses or business opportunities for Black People; and
- the transfer of specialised skills or productive capacity to Black People; and

- it must not result in unnecessary job-losses;
- it must involve a separate Associated Enterprise which has:
  - no unreasonable limitations with respect to its clients or customers;
  - clients, customers or suppliers other than the Enterprise with which the Qualifying Transaction was undertaken; and
  - no operational outsourcing arrangements with the initiating Enterprise that were not concluded at arms-length on a fair and reasonable basis.

Government undertakes to:-

5.1.1.3. Implement all legislative and other measures at its disposal to facilitate black ownership.

5.1.1.4. Facilitate access to state BEE funds that are made available by government departments, State-Owned Enterprises, and financial institutions.

5.1.2. AGRICULTURAL LAND OWNERSHIP

5.1.2.1. It is important to deal efficiently with land reform to ensure rural stability and market certainty. The process of economic empowerment in South African agriculture starts with improved access to land for Black People and the vesting of secure tenure rights with Black People in areas where these do not exist.

5.1.2.2. The target set by government for Land Reform is 30% of commercial agricultural land by 2014. This is also the RDP target set in 1994. It is understood that government's delivery on land transfer targets is fundamental to the achievement of other objectives in this Transformation Charter. Farming enterprises are encouraged to participate directly in this initiative by complying with the 'Land Ownership' element of the Scorecard. Farming enterprises can score either on the Ownership Indicator, Land Ownership Indicator, or both, with the total score limited to the weighting of 20% (or 25% in the case of QSEs). Where the Farming enterprise chooses to score on both Indicators Land should not be double-counted under both elements. Furthermore, the AgriBEE Scorecard incentivises contributions to achieving in excess of the national objective of minimum 30% land transferred to Black People. To this end, farming Enterprises which transfer more than 30% of total land can progressively score up to a maximum of 5 bonus points, in proportion to the percentage of total land transferred. (Land transferred as a consequence of expropriation by government will not be eligible for bonus points).

5.1.2.3. Productive and sustainable agricultural use of land must be ensured in accordance with the relevant agricultural policies and Acts. Studies should be done to provide a substantive scientific basis for the development of land (also refer to the Sustainable Resource Management Act).

5.1.2.4. Given the need to transfer land in support of national objectives, the nature of farming and the need to support Black People in establishing viable commercial farming Enterprises on the land that they receive, Measured Enterprises are encouraged to sell land in accordance with the principles and criteria attached to Qualifying Transactions outlined in paragraphs 5.1.1.1. However, these criteria and principles will only apply for a period of 5 years following the sale of land, whereafter the Measured Enterprise will enjoy continued recognition for ownership contributions. This refers exclusively to title deed land transfer.

5.1.2.5. Measured Enterprises will be recognised for the sale of land to Black People 5 years preceding the date of the commencement of the Section 9 Codes for the Agricultural Sector with respect to ownership contributions.

Farming Enterprises undertake to: -

5.1.2.6. Sell agricultural land to Black People and farm workers in market based transactions on a voluntary basis in Qualifying Transactions. (using the ownership element of the Scorecard as a vehicle to achieve this).

5.1.2.7. Lease agricultural land to Black persons in Qualifying Transactions. (using the enterprise development element of the Scorecard as a vehicle to achieve this).

5.1.2.8. Make available agricultural land to farm workers (using the corporate social investment element of the Scorecard as a vehicle to achieve this).

Government undertakes to: -

5.1.2.9. Contribute to increasing access and acquisition of agricultural land by Black People, through its existing programmes;

5.1.2.10. Proactively acquire suitable agricultural land that comes onto the market for land redistribution;

5.1.2.11. Use above mentioned land (5.1.2.10) and agricultural land that reverts to the state through foreclosure of indebted farmers, for redistribution, including through long lease arrangements (e.g. 99 year lease);

5.1.2.12. Promote sustainable management and use of natural resources;

5.1.2.13. Finalise the land restitution process by 2008;

5.1.2.14. Encourage the development of a land lease and land rental market;

5.1.2.15. Promote the consolidation and tenure on traditional community land in terms of the Communal Land Rights Act of 2004; and

5.1.2.16. Secure the ownership, access and tenure rights of Black Designated Groups through the registration of old order rights or new order rights into freehold ownership.

5.2. MANAGEMENT CONTROL

The objective of this element is to increase the participation and levels of control of Black People and Black women at board and executive management levels in the Agri-Industry. This will be achieved by increasing the absolute and relative number of Black People in these positions and by implementing mechanisms under the skills development element to ensure that secondary, tertiary and in-house training and development programmes are designed to meet the targets set under the Management Control element.

Agri-Industry undertakes to: -

5.2.1. Promote participation by Black People in board positions;

5.2.2. Promote participation by Black People in executive management positions;

5.2.3. Promote participation by Black women in board and executive management positions; and

5.2.4. Promote participation by Black People as Independent Non-executive Board Members.

5.3. EMPLOYMENT EQUITY

Employment equity and skills development targets should be achieved within the ambit of the Employment Equity and Skills Development Acts.

The objective of the employment equity element is to increase the representation of Black People, Black women and Black Designated Groups at Senior Management level, at Professionally Qualified, Experienced Specialist and Mid-Management level and at Skilled Technical and Academically Qualified, Junior Management, Supervisory, Foremen and Superintendent level, in the Agri-Industry. This will be achieved by increasing the absolute and relative number of Black People in these positions and by implementing mechanisms under the skills development element to ensure that secondary, tertiary and in-house training and development programmes are designed to meet the targets set under the employment equity element.

Agri-Industry undertakes to:-

5.3.1. Proactively employ members of Black Designated Groups at Senior Management, Professionally Qualified, Experienced Specialist, Mid-Management, Skilled Technical and Academically Qualified, Junior Management, Supervisors, Foremen, and Superintendent levels as prescribed in the Scorecards.

5.4. SKILLS DEVELOPMENT

Commercial viability in agriculture demands sustained productivity, high levels of entrepreneurship, long term commitment, resources and skills. The transformation demands of the Sector and rapid changes in the global environment require that more resources should be mobilised for expanding the existing human capital pool through investing in people, employment equity, skills development and institutional transformation.

Black Designated Groups are targeted under the skills development element. In addition, a focus on the development of core skills as identified by the enterprise, scarce and critical skills as identified by relevant Sector Education and Training Authority ('SETA'), must be ensured. In this respect, skills development spend on proposed learning interventions which address these skills shortages must account for 85% of the value of the actual contribution. Enterprises should engage with the relevant Sector Education and Training Authority ('SETA') for information on such learning interventions.

Agri-Industry undertakes to:-

5.4.1. Identify gaps in workers' training needs so as to co-operate with and complement teaching and educational institutions and to allow their workers to receive skills and in-service training;

5.4.2. Dedicate resources to provide for experiential training, internships, in-service training and training infrastructure for prospective agribusiness entrepreneurs, farm managers and farm labourers;

5.4.3. Ensure maximum use of resources provided by the Skills Levy of the relevant SETAs;

5.4.4. Institute a sector-wide young professional employment and mentoring programme, which targets Black unemployed and underemployed graduates in all disciplines. Mentorship programmes shall be accredited by the relevant SETA or other agreed authority; and

5.4.5. Implement quantifiable and measurable in-house mentoring programmes as part of the skills development of black employees.

The Relevant SETAs undertake to:-

5.4.6. Establish SETA-funded training programmes for farm and Enterprise workers in appropriate technical and management skills;

5.4.7. Fast-track the registration of learners on NQF-aligned learning programmes;

5.4.8. Fast-track the implementation of appropriate learnership, internship, apprenticeship, in-service and mentorship programmes required by the Sector;

5.4.9. Fast-track the accreditation of appropriate sectoral service providers;

5.4.10. Encourage, support and monitor such programmes in the private sector;

5.4.11. Ensure the transformation of agricultural training institutions to accelerate preferential recruitment and admission of black trainees;

5.4.12. Encourage quantifiable and measurable in-house mentoring programmes as part of the skills development of black employees;

5.4.13. Encourage the implementation of sector-wide young professional employment and mentoring programmes, which target Black unemployed and underemployed graduates in all disciplines. Mentorship programmes shall be accredited by the relevant SETA or other agreed authority; and

5.4.14. Provide support to QSE's and EME's in the implementation of relevant skills development initiatives, including Enterprises which are exempted from the payment of the skills development levy.

Government undertakes to:-

5.4.15. Provide primary education and training. This includes adult literacy and numeracy training. The State, in conjunction with the governing bodies of educational institutions and similar

5.4.16. Encourage agricultural and agro-processing training at schools and agricultural colleges. A focused, formal agricultural and agro-processing training system which adequately equips future agriculturalists and agro-processors should be developed;

5.4.17. Promote agriculture and agro-processing as a competitive career option;

5.4.18. Undertake a review of the effective demand for human resources in the agricultural Sector;

5.4.19. Lead and co-ordinate a targeted programme in collaboration with education authorities, farmers' organisations, labour and the agricultural private sector to review existing education and training curricula in order to enhance technical, entrepreneurial, and management skills for Black entrants into the Sector;

5.4.20. Ensure the inclusion of a substantial number of Black persons from the Sector as the nucleus of strategic partners in Government overseas trade missions, technical assistance, study visits and training opportunities;

5.4.21. Promote functional literacy and numeracy through ABET programmes;

5.4.22. Encourage quantifiable and measurable in-house mentoring programmes as part of the skills development of black employees; and

5.4.23. Encourage the implementation of a sector-wide young professional employment and mentoring programmes, which target Black unemployed and underemployed graduates in all disciplines. Mentorship programmes shall be accredited by the relevant SETA or other agreed authority.

5.5. PREFERENTIAL PROCUREMENT

The success of the Sector's commitment to AgriBEE will largely be determined by the extent of the implementation of preferential procurement initiatives which will influence contractual relationships within the value chain. The objective of the preferential procurement element is to reward Enterprises which contribute towards broad-based BEE and to promote and encourage sustainable procurement from QSE's and EME's.

In the event of a natural disaster that has a significant impact on the structure of food supply, the AgriBEE Charter Council shall be empowered to revise any of the provisions, including import exclusions or mechanisms, in terms of this element in consultation with the Ministers of Agriculture and Trade and Industry.

Agri-Industry undertakes to:-

5.5.1. Proactively identify and implement targeted procurement strategies and policies to realise AgriBEE objectives and to meet preferential procurement targets;

5.5.2. Report annually on all preferential procurement spent;

5.5.3. Calculate preferential procurement spend on a proportional recognition basis, from suppliers with a BEE status of 30% or more on any broad-based BEE scorecard which has undergone a consultative process. The proportional recognition mechanism is contained in the table below:

BEE Status	Qualification	BEE procurement recognition level
Level One Contributor	≥100 points on a broad-based BEE Scorecard	135%
Level Two Contributor	≥85 but <100 points on a broad-based BEE Scorecard	125%
Level Three Contributor	≥75 but <85 on a broad-based BEE Scorecard	110%
Level Four Contributor	≥65 but <75 on a broad-based BEE Scorecard	100%
Level Five Contributor	≥55 but <65 on a broad-based BEE Scorecard	80%
Level Six Contributor	≥45 but <55 on a broad-based BEE Scorecard	60%
Level Seven Contributor	≥40 but <45 on a broad-based BEE Scorecard	50%
Level Eight Contributor	≥30 but <40 on a broad-based BEE Scorecard	10%
Non Compliant Contributor	<30 on a broad-based BEE Scorecard	0%

5.5.4. Progressively provide preferred supplier status to QSE's and EME's, including the supply of services and goods, in accordance with the requirements of the AgriBEE Scorecard.

Government undertakes to: -

5.5.5. Align their procurement practices with AgriBEE when procuring goods and services from the agricultural Sector, once Sector Codes for the agricultural Sector have been gazetted;

5.5.6. Provide Black People and QSE's preferred supplier status in the procurement of goods and services;

5.5.7. Identify, prioritise and target Black entrepreneurs and Enterprises which contribute to broad-based BEE when awarding tenders and contracts to entities in the private sector; and

5.5.8. Utilise all legislative and other measures available to it, including preferential procurement, to influence the attainment of broad-based BEE objectives.

5.6. ENTERPRISE DEVELOPMENT

Enterprise development refers to the establishment, support and integration of Black entrepreneurs in mainstream business processes. Support services such as access to finance, infrastructure, information and knowledge systems, are core pillars of sustainable empowerment initiatives.

Agri-Industry undertakes to:-

5.6.1. Strengthen and accelerate the development of the operational and financial capacity of Black entrepreneurs;

5.6.2. Provide mentoring, access to inputs, credit, infrastructure, markets, technology and extension services where applicable. Mentoring, as part of the enterprise development element, refers to the provision of technical and/ or general business assistance and support to Black emerging farmers, land reform beneficiaries and Black entrepreneurs.

5.6.3. Support land reform beneficiaries and Black persons to create sustainable businesses through the transfer of specialised skills in mentorship programmes. Such support (as well as the types of support described in paragraph 5.6.2 above) will be eligible for points under the enterprise development element provided it is quantified to a Rand value in terms of the opportunity cost of time spent on mentoring and/or other enterprise development endeavours. Support to land reform beneficiaries will enjoy enhanced recognition at a multiple of 1.3 of the Rand value of the actual contribution. Enterprises should engage with the relevant SETA for information on such learning interventions;

5.6.4. Commit cumulative enterprise development contributions which assist and accelerate the development of black entrepreneurs, as a percentage of cumulative net profit after tax measured from the Inception Date to the date of measurement as a criterion for measurement;

5.6.5. Lease agricultural land to Black entrepreneurs which meets the criteria for qualifying transactions in terms of paragraph 5.1.1.2.

5.6.6. Enhanced Recognition will be enjoyed for certain types of enterprise development initiatives, at a multiple of the Rand value of the actual contribution. These initiatives and their corresponding multipliers are listed below:

Enterprise Development Initiative	Multiple
Initiatives which directly contribute towards the creation of employment opportunities in rural communities and, in particular, in any geographic areas identified in government's integrated sustainable rural development and urban renewal programmes	1.5
Initiatives which assist and accelerate the development of EME's	1.25
Initiatives which assist and accelerate the development of beneficiary entities which produce or sell goods and/ or services not previously produced or manufactured in South Africa	1.5
Contributions in respect of warehousing funds (provided these funds do not own an equity interest in the Measured Enterprise)	1.25
Support to Land Reform beneficiaries in terms of mentoring or extension services, capital provision, input supply and market access opportunities, access to technology and infrastructure	1.5

Government undertakes to:-

5.6.7. Ensure the creation of an enabling environment to support agriculture;

5.6.8. Continue with, and further develop, the implementation of the Comprehensive Agricultural Support Programme ('CASP') and other government programmes;

5.6.9. Implement MAFISA (Micro-Agricultural Financial Institutions of South Africa) and other government financing facilities to further enterprise development;

5.6.10. Establish Public-Private Partnerships to improve service delivery; and

5.6.11. Activate Land Bank funding opportunities and financial products for black farmers.

5.7. RURAL DEVELOPMENT, POVERTY ALLEVIATION AND CORPORATE SOCIAL INVESTMENT (CSI)

Rural development, poverty alleviation and corporate social investment refers to contributions that are related to the agricultural industry and contributions actually initiated and implemented in favour of Black People with the specific objective of facilitating access to the economy. These initiatives should be motivated by the objective of providing Black People with social and economic opportunities and to establish a socio-economic environment conducive to these opportunities.

Farming Enterprises undertake to:-

5.7.1. Contribute to corporate social investment initiatives in respect of rural community members, workers and their families and seasonal workers, in particular. The following is a non-exhaustive list of examples:

5.7.1.1. Provision of good quality housing, including access to clean water, sanitation and electricity;

5.7.1.2. Provision of recreational facilities as well as running costs in this regard;

5.7.1.3. Provision or implementation of, health care programmes and related services (with due consideration for HIV/AIDS programmes);

5.7.1.4. Meeting the transport requirements of workers and their dependents, such as transport to clinics and hospitals, transportation of workers' products to the market, etc. in line with transport legislation and regulations;

5.7.1.5. Implementation of retirement, funeral and related schemes;

5.7.1.6. Investment in, and/or provision of support to, farm and/or rural schools;

5.7.1.7. Engagement in collective contributions to social development;

5.7.1.8. Provision of ABET to seasonal workers, rural community members and family of staff members

(whether casual or permanent) to increase literacy levels amongst rural South Africans;

5.7.1.9. Maintenance of bursary schemes to enable Black People to gain access to tertiary education institutions.

5.7.2. Contribute to corporate social investment initiatives and/or make land available to farm workers. In such cases, the Measured Enterprise will be awarded points in proportion to the target achieved for their contributions.

Agribusiness Enterprises undertake to:-

5.7.3. Contribute to social development and industry specific initiatives. The following is a non-exhaustive list of examples:

5.7.3.1. support for community education facilities; education programmes aimed at promoting the agricultural industry; and bursaries and scholarships to encourage learners to study agricultural sciences;

5.7.3.2. contributions to community training programmes aimed at skills development for the unemployed and ABET;

5.7.3.3. participation in development programmes for the youth and other designated groups;

5.7.3.4. support for programmes in conservation projects; community clean-up programmes and preservation of the natural environment;

5.7.3.5. promotion of job creation programmes in the agricultural and agricultural related Sectors, external to the business;

5.7.3.6. support for development programmes to develop new talent for arts and culture;

5.7.3.7. support community clinics and community health programmes (with due consideration for HIV/AIDS programmes); and

5.7.3.8. participate in- and support sports development programmes

6. GOVERNANCE

6.1 An AgriBEE Charter Council will be established and will report to the Black Economic Empowerment Advisory Council, appointed in terms of the Act and the Minister of Trade and Industry on progress made by the Sector in terms of the AgriBEE Charter.

6.2 The fundamental principles of the AgriBEE Charter Council are as follows:

- The AgriBEE Charter Council will be established as an independent body with a mandate to oversee the implementation of the AgriBEE Charter;
- The AgriBEE Charter Council will address issues of principle relating to the implementation of the Charter;
- The AgriBEE Charter Council will conduct reviews and take decisions;
- The AgriBEE Charter Council will consider whether the targets and implementation strategies are still appropriate, and if not how they should be varied should there be a material change in the circumstances or the environment in which the Charter has to be implemented;
- There will be equitable composition of Stakeholders in the members of the AgriBEE Charter Council.
- Decisions of the Charter Council will be taken on a consensual basis. If, on any issue, the Charter Council is unable to achieve consensus, there will be a dispute-breaking mechanism in the Charter Council either by some agreed mechanism within the Charter Council, or by reference to arbitration or mediation.

6.3 The Charter Council should be tasked with ensuring that the verification of BEE contributions in the agricultural Sector:

- consists of a valid and reliable process that is practical and legally defensible;
- is an accessible, flexible and cost effective system for the industry which may include electronic systems such as e-filing of BEE contribution data and self assessment tools;
- is subject to audit by agencies appointed in terms of the Codes of Good Practice;
- includes the issuing of qualified and unqualified BEE verification certificates, which respond to the unique needs of the Sector; and
- is universal and generally accepted and nationally recognised standards.

7. DEFINITIONS

For the purposes of clarification and to avoid ambiguity, the following terms apply to this Charter:

7.1. **ABET** means Adult Basic Education and Training as determined by the National Qualification Authority.

7.2. **Accreditation Body** means the South African National Accreditation System or any other Entity appointed by the Minister from time to time.

a. accrediting Verification Agencies; and
b. developing, maintaining and enforcing the Verification Standards.

7.3. **Acquisition debt** means the debts of:

a. black participants incurred in financing their purchase of their equity instruments in the Measured Entity; and
b. juristic persons or trusts found in the chain of ownership between the eventual black Participants and the Measured Entity but excluding debts incurred by the Measured Entity for the same purpose as those in (a).

7.4. **AgriBEE** is a Sectoral Transformation Charter as defined in Section 12 of the Broad-Based Black Economic Empowerment Act 53 of 2003.

7.5. **AgriBEE Scorecard** means the Broad-Based BEE scorecard published in the Government Gazette in terms of Section 9 of the Act. The Indicative Scorecard attached to this Charter document should be regarded as an indication of what is likely to be included in possible, future Sector Codes for agriculture.

7.6. **AgriQSE Scorecard** means the Broad-Based BEE scorecard for Qualifying Small Enterprises published in the Government Gazette in terms of Section 9 of the Act. The Indicative AgriQSE Scorecard attached to this Charter document should be regarded as an indication of what is likely to be included in possible, future Sector Codes for agriculture.

7.7. **Agriculture** refers to all the economic activities associated with the production and processing of agricultural products as defined in section 2.1.

7.8. **Agricultural Products** are as defined by the Marketing of Agricultural Products Act No. 47 of 1996.

7.9. **Agri-Industry** refers to the combination of **Farming Enterprises** and **Agribusiness Enterprises**.

7.10. **Approved Socio-economic Development Contributions** means monetary or non-monetary contributions carried out for the benefit of any projects approved for this purpose by any organ of state or sectors including without limitation:

a. profits focusing on environmental conservation, awareness, education and waste management; and
b. projects targeting infrastructural development, enterprise creation or reconstruction in underdeveloped areas, rural communities or geographic areas identified in the government's integrated sustainable rural development or urban renewal programmes.

7.11. **Associated Enterprise** means an Entity with which a Seller has concluded a Qualifying Transaction

7.12. **B-BBEE** means an Entity with which a Seller has concluded a Qualifying Transaction.

7.13. **BEE controlled company** means a juristic person, having share holding or similar members interest in which black participants enjoy a right to Exercisable Voting Rights that is more than 50% of the total such rights measured using the Flow Through Principle.

7.14. **BEE owned company** means juristic person, having share holding or similar members interest, that is BEE controlled, in which black participants enjoy a right to Economic interest that is more than 50% of the total such rights measured using the Flow Through Principle.

7.15. **BEE Procurement Recognition Level** means the percentage BEE Procurement Recognition Levels as determined:

a. for Enterprises that are neither Qualifying Small Enterprises nor Exempted Micro-Enterprises, using statement 000;
b. for Qualifying Small Enterprises, using statement 800; and
c. for Exempted Micro-Enterprises, a deemed BEE procurement Recognition of 100% and BEE Status of Level 4 Contributor under statement 800.

7.16. **BEE Status** means the BEE status of a beneficiary of Enterprise Development Contributions as determined under:

a. Statement 800 for Qualifying Small Enterprises and Exempted Micro Enterprises; and
b. Statement 000 for all other Enterprises.

7.17. **Benefit Factor** means a factor specified in the Benefit Factor Matrix applicable to fixing the monetary value of Enterprise Development

and Socio Economic Development Contributions claimable under statement 600, 700, 806 and 807.

7.18. **Benefit Factor Matrix** means the Benefit Factor Matrix for Enterprise Development and socio Economic Development Contributions annexed to statement 600, 700, 806 and 807.

7.19. **Black Designated Groups**

a. means unemployed black people not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution;
b. Black people who are youth as defined in the National Youth Commission Act of 1996;
c. Black people who are persons with disabilities as defined in the Code of Good Practise on employment of people with disabilities issued under the Employment Equity Act;
d. Black people living in rural and under-developed areas.

7.20. **Black new entrants** means black participants who hold rights of ownership in a Measured Entity and who, before holding the Equity Instrument in the Measured Entity, have not held equity instruments in any other Entity which has a total value of more than R20 000,000, measured using a standard valuation method.

7.21. **Black People** has the meaning defined in the Act qualified as including only natural persons who are citizens of the Republic of South Africa by birth or descent; or are citizens of the Republic of South Africa by naturalisation:

a. occurring before the commencement date of the constitution of the Republic of South Africa Act of 1993; or
b. occurring after the commencement date of the Constitution of the Republic of South Africa Act of 1993, but who, within the Apartheid policy would have qualified for naturalisation before then.

7.22. **Black Professional Service Provider** means Black Individuals who provide services of a professional nature.

7.23. **Board** means those persons appointed by the Participants of a Measured Entity to undertake the management control of the Measured Entity. The Board is distinguishable from the Senior and Other Top Management by virtue of the fact that Senior and Other Top Management are primarily active in the operational day-to-day management while the Board is primarily active in the control function of the Measured Entity. This does not imply that members of the Board cannot also be Senior and Other Top Management. The term Board does not include persons appointed to that body as alternates.

7.24. **Broad-based Black Economic Empowerment (as defined in the Act)** means the economic empowerment of all Black People including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to-

- increasing the number of Black People that manage, own and control Enterprises and productive assets;
- facilitating ownership and management of Enterprises and productive assets by communities, workers, cooperatives and other collective Enterprises;
- human resource and skills development;
- achieving equitable representation in all occupational categories and levels in the workforce;
- preferential procurement; and
- investment in Enterprises that are owned or managed by Black People;

7.25. **Broad-Based Ownership Scheme** means an ownership scheme which meets the rules set out in Annexe 1008.

7.26. **Certified Learning Programme** means any Learning Programme for which the Measured Entity has:

a. any form of independent written certification as referred to in the "Learning Achievements" column of the Learning Programmes Matrix; or if it does not have such certification;
b. an enrolment certificate issued by the independent person responsible for the issue of the certification referred to in statement 400 and 804 confirming the employee has:
   (i) enrolled for, is attending and is making satisfactory progress in the Learning Programme; or
   (ii) enrolled for but not attended the Learning; or
   (iii) attended the Training Programme but has failed an evaluation of their learning progress.

7.27. **The Act** means the Broad-Based Black Economic Empowerment Act 53 of 2003.

7.28. **Charter** means the AgriBEE Transformation Charter, including the Indicative AgriBEE Scorecard and the Indicative AgriQSE Scorecard

7.29. **Company Act** means the Companies Act 61 of 1973 as amended or substituted.

7.30. **Company limited by guarantee** means a company as referred to in section 19(1)(b) of the Companies Act.

7.31. **Competent person** means a person who has acquired through training, qualification and experience the knowledge and skills necessary for undertaking any task assigned to them under the codes.

7.32. **Core Skills** means skills that are:

a. value-adding to the activities of the Measured Entity in line with its core business;
b. in areas the Measured Entity cannot outsource; or
c. within the production/operational part of the Measured Entity's value-chain, as opposed to the supply side, services or downstream operations.

7.33. **Critical Skills** means those skills identified as being critical by any SETA.

7.34. **Disabled Employees** has the meaning defined in the Code of Good Practise on Key Aspects of Disability in the Workplace issued under section 54 of the Employment Equity Act.

7.35. **EAP** means Economically Active Population as determined and published by State SA. The operative EAP for the purpose of any calculation under the Codes will be the most recently published EAP.

7.36. Economic interest means a claim against an Entity representing a return on ownership on the Entity similar in nature to a dividend right, measured using the Flow Through and, where applicable, the Modified Through Principles.

7.37. **EEC Act** means the Employment Equity Act of 1998, as amended.

7.38. **EE Regulations** means the regulations under the Employment Equity Act.

7.39. **Elements** means the measurable quantitative or qualitative elements of BEE compliance in the Generic Scorecard and the Primary Codes.

7.40. **Employee** bears the meaning as defined in the Labour Relations Act 66 of 1995 as amended.

7.41. **Employee Ownership Scheme** means a worker or employee scheme.

7.42. **Enterprise** means a natural or juristic person conducting a business, trade or profession in the Republic of South Africa. Unless the context otherwise indicates, Enterprises include, without limitation, a Measured Enterprise and an Associated Enterprise. Different types of Enterprises within the Sector are defined as follows:

- **Agribusiness Enterprises** means those individuals, groups, cooperatives or companies engaged in other agricultural activities as defined in the scope
- **Farming Enterprises** means those individuals, groups, co-operatives or companies engaged in primary agricultural production activities as defined in the scope.

7.43. **Entrepreneur** means a person who starts and / or operates a business which includes identifying opportunities in the market, taking risks with a view of being rewarded with profits.

7.44. **Entity** means a natural or a juristic person conducting a business, trade or profession in the Republic of South Africa.

7.45. **Enterprise Development Contributions** means monetary or non-monetary contributions carried out for the following beneficiaries, with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries:

a. Category A Enterprise Development Contributions involves Enterprise Development Contributions to Exempted Micro-Enterprises or Qualifying Small Enterprises which are 50% black owned or black women owned;

b. Category B Enterprise Development Contributions involves Enterprise Development Contributions to any other Entity that is 50% black owned or black women owned; or 25% black owned or black women owned with a BEE status of between Level One and Level Six.

7.46. **Equity Equivalent Contribution** means an equity equivalent contribution made by a Multinational under an Equity Equivalent Programme.

7.47. **Equity Equivalent Programme** means a public programme or scheme of any government department, provincial or local government in the Republic of South Africa or any other programme approved by the Minister as an Equity Equivalent Programme.

7.48. **Equity Instrument** means the instrument by which a Participant holds rights of ownership in an Enterprise.

7.49. **Equivalency Percentage** means a percentage ownership performance for all the indicators in the Associated Enterprise's Ownership Scorecard arising from a Qualifying Transaction included in the Ownership Scorecard of the beneficiary entity.

7.50. **Executive Members of the Board** mean those members of the Board who are executive directors as defined in the King Report;

7.51. **Exempted Micro Enterprise** means an Entity with an annual turnover of less than R5 (five) million (refer also to Section 2.5).

7.52. **Exercisable Voting Right** means a voting right of a Participant that is not subject to any limit;

7.53. **Global Practice** means a globally and uniformly applied practice of a Multinational, restricting alienation of equity in or the sale of businesses in its regional operations. The practice must have existed before the promulgation of the Act.

7.54. **Grant Contribution** means the monetary value of Qualifying Contributions made by the Measured Entity to a beneficiary in the form of grants, donations, discounts and other similar quantifiable benefits which are not recoverable by the Measured Entity.

7.55. **Government** means the national, provincial and local spheres of government and State-Owned Enterprises which are distinctive, interdependent and interrelated.

7.56. **Higher Education Institution** means a higher education institution as defined under the Higher Education Act of 1997.

7.57. **Inception Date** means a date specified by a Measured Entity as being the date from which its Contributions are measurable before the commencement date of statement 600, 700, 806 and 807 of the B-BBEE Codes of Good Practice.

7.58. **Independent Non-Executive Board Members** means those members of the Board that are independent directors as defined in the King Report.

7.59. **Indicator Percentage** means the percentage compliance of the Associated Entity for all the indicators of the Associated Enterprise Ownership Scorecard. The calculation of Indicator Percentage follows the rules in statement 100 using the actual percentage compliance for each indicator and not the resulting scores.

7.60. **King Report** means the King Report on Corporate Governance for South Africa 2002 by the King Committee on Corporate Governance of the Institute of Directors in Southern Africa.

7.61. **Learning Programmes** means any learning programme set out in the Learning Programme Matrix.

7.62. **Learning Programme Matrix** means the Learning Programme Matrix annexed as Annexe "400A" 804(A) in statement 400 and 804.

7.63. **Leviable Amount** bears the meaning as defined in the Skills Development Levies Act of 1999 as determined using the Fourth Schedule to the Income Tax Act.

7.64. **Management Fees** means the total Economic Interest received by a Broad-Based Ownership Scheme in any year less the amounts distributed or applied to beneficiaries and the amounts reserved for future distribution or application.

7.65. **Mandated Investments** means any investments made by or through any third party regulated by legislation on behalf of the actual owner of the funds, pursuant to a mandate given by the owner to a third party, which mandate is governed by that legislation. Some examples of domestic mandated investments and the portions of those investments subject to the exclusion principle are contained in Annexe 100A attached to statement 100.

7.66. **Measured Enterprise** means an Entity as well as an organ of state or public entity subject to measurement under the Codes.

7.67. **Multinational Business** means a Measured Entity with a business in the Republic of South Africa and elsewhere which maintain its international headquarters outside the Republic.

7.68. **National Skills Development** means the national skills development strategy referred to in section 5(1)(a)(ii) of the Skills Development Act.

7.69. **Net Profit After Tax** means the operating profit of a measured entity after tax. It incorporates both the equity / loss figures and abnormal items, but excludes extra ordinary items as determined by (GAAP) Generally Accepted Accounting Practices.

7.70. **Net Profit Before Tax** means the operating profit of a measured entity before tax. It incorporates both the equity / loss figures and abnormal items, but excludes extra ordinary items as determined by (GAAP) Generally Accepted Accounting Practices.

7.71. **Net Value** means the percentage resulting from the formula in Annexe 100(C) of statement 100.

7.72. **Net-value Date** means the later occurring of the date of commencement of statement 100 and the date upon which the earliest of all still operative transactions undertaken by the Measured Entity Measured Entities . ı order to achieve black rights of ownership, became effective and unconditional.

7.73. **Non-profit Organisation** means a non-profit organisation registered under the Non-Profit Organisation Act of 1997.

7.74. **Outsourced Labour Expenditure** means any expenditure incurred in:

a. procuring the services of or from a labour broker; and

b. procuring the services of any person who receives any remuneration or to whom any remuneration accrues because of any services rendered by such person to or on behalf of a labour broker.

7.75. **Ownership Fulfilment** has the same meaning as referred to in the ownership scorecard in statement 100.

7.76. **Participant** means a natural person holding rights of ownership in a Measured Entity.

7.77. **Priority Skills** means Core, Critical and Scare Skills as well as any skills specifically identified:

a. in a Sector Skills Plan issued by the Department of Labour of the republic of South Africa; and

b. by the Joint Initiative for Priority Skills Acquisition (JIPSA) established as part of the Accelerated and Shared Growth Initiative – South Africa (ASGISA).

7.78. **Private Equity Fund** means a third party fund through which investments are made on behalf of the actual owner of the funds pursuant to a mandate given by that person to the private equity fund.

7.79. **Professionally Qualified, Experienced Specialists and Mid-management**" in terms of the Employment Equity element, is as per the EEA9 Form issued as a regulation under the Employment Equity Act.

7.80. **Public Benefit Organisation** means an entity as defined in section 30 of the Income Tax Act of 1962.

7.81. **Qualifying Small Enterprise (QSE)** means a Qualifying Small Entity that qualifies for measurement under the qualifying small Entity scorecard with a turnover of between R5 million and R35 million. "Qualifying Enterprise Development Contributions" is a collective term describing Category A and B Enterprise Development Contributions and in particular Enterprise Development Contributions targeting black owned EME's and QSE's, and black youth in rural and underdeveloped areas in statement 600.

7.82. **Qualifying Enterprise Development Contribution** is a collective term describing category A and B enterprise development contribution and in particular enterprise development contributions targeting black owned EME's and QSE's, and black youth in rural and underdeveloped areas in statement 600 of the B-BBEE Codes of Good Practice.

7.83. **Qualifying Transaction** means a sale of a business, valuable business assets, shares or land that result in the creation of sustainable business opportunities and transfer of specialised skills or productive capacity for black people.

7.84. **Realisation Points** means the Ownership Fulfilment points added to the Net Value points in the ownership scorecard.

7.85. **Related Enterprise** means an Entity controlled by a Measured Entity whether directly or indirectly controlled by the natural persons who have direct or indirect control over that Measured Entity or the immediate family of those natural persons.

7.86. **Rights of Ownership** is a collective term for the right to Economic Interest and the rights to Exercisable Voting Rights.

7.87. **Scarce Skills** are those skills identified as being scarce by any SETA.

7.88. **the Scorecard** refers to the Indicative AgriBEE Scorecard or the Indicative AgriQSE Scorecard – whichever is applicable in the context in which the term is employed.

7.89. **Section 21 Company** means an association not for gain incorporated under section 21 of the Companies Act.

7.90. **Sector** means the Agricultural Sector as defined in the Scope in paragraph 2.1.

7.91. **Sector Code** means a Code in statement 003 in the B-BBEE Codes of Good Practice which is applicable to a particular sector.

7.92. **Sector Plan** means the Strategic Plan for South African Agriculture developed jointly by the Government of the Republic of South Africa, Agri SA (including Agribusiness Chamber) and NAFU, signed on 27 November 2001.

7.93. **Seller** means the Entity or the person concluding a Qualifying Transaction with the Associated Enterprise.

7.94. **Senior Management** in terms of the Employment Equity element, is as per the EEA9 Form issued as a regulation under the Employment Equity Act

7.95. **Senior Top Management** means Employees of a Measured Entity who are:

(a) members of the occupation category of "Top Management" as defined using the EE Regulations as qualified in a Sector Code;

(b) appointment by or on the authority of the Board to undertake the day-to-day management of that Measured Entity and who:

(i) have individual responsibility for the overall management and for the financial management of that Measured Entity; and
(ii) actively involved in developing and implementing the Measured Entity's overall strategy.

7.96. **Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen, Superintendents** in terms of the Employment Equity element, is as per the EEA9 Form issued as a regulation under the Employment Equity Act

7.97. **Skills Development Expenditure** comprises the money that a Measured Entity spends on skills development. It excludes the skills development levy payable by the Measured Entity under the Skills Development Levies Act.

7.98. **Socio-Economic Development Contributions** is a collective term for Socio-Economic development programmes and contributions, approved Socio-Economic development programmes and sector specific programmes.

7.99. **Socio-Economic Development Programmes**
(a) Socio-Economic development Programmes commonly take the following forms:
(i) develop programmes for women, youth, people with disabilities, people living in rural areas;
(ii) support of healthcare and HIV/AIDS programmes;
(iii) support for education programmes, resources and materials at primary, secondary and tertiary education level, as well as bursaries and scholarships;
(iv) community training, skills development for unemployed people and adult basic education and training; or
(v) support of arts, cultural or sporting development programmes.

7.100. **Stakeholders** is used as a broad term to describe participants in the entire agricultural value chain as well as current and potential beneficiaries of AgriBEE including government.

7.101. **State-Owned Enterprise**: State-Owned Enterprise means Public Entity defined as-

- a government business Enterprise; or
- a board, commission, company, corporation, fund or other entity (other than a national government business Enterprise) which is
  - established in terms of national legislation;
  - fully or substantially funded either from the National Revenue Fund, or by way of a tax, levy or other money imposed in terms of national legislation; and
  - accountable to Parliament;

7.102. **Standard Valuation Method** means a standard valuation method for an asset, an Economic Interest, or any other instrument or right relevant to measurement under statement 100, undertaken using normal valuation methods that represent standard market practise.

7.103. **Start-up Enterprise** means a recently formed or incorporated Entity that has been in operation for less than 1 year. A start-up enterprise does not include any newly constituted enterprise which merely a continuation of a pre-existing enterprise.

7.104. **Subsidiary** has the meaning defined in section 1(3) of the Companies Act.

7.105. **Superior Contributor** to BEE is a Level One to Level Four Contributor to BEE.

7.106. **Supplier** means any supplier or service provider to a Measured Entity if any portion of the supply or service provision falls within the definition of Total Measured Procurement Spend.

7.107. **Target** means the Targets for the various elements in the Indicative AgriBEE and AgriQSE Scorecards.

7.108. **the Act** means the Broad-Based Black Economic Empowerment Act 53 of 2003.

7.109. **the Codes** means the Codes of Good Practice including all the statements as issued under the section 9 of the Act.

7.110. **the Generic** Scorecard means the balanced BEE scorecard as contained in statement 100.

7.111. **the PFMA** means the Public Finance Management Act 1 of 1999 as amended.

7.112. **the QSE Scorecard** means the QSE scorecard referred to in statement 800.

7.113. **the Skills Development Act** means the Skills Development Act of 1998.

7.114. **the Skills Development Levies Act** means the Skills Development Levies Act of 1999.

7.115. **The Strategy Document** means the document entitled "South Africa's Economic Transformation – A Strategy for Broad-Based Black Economic Empowerment" published by the Department of Trade and Industry in March 2003 as amended or substituted under section 11 of the Act.

7.116. **Third Party Rights** means third party legal or commercial rights that restrict, withhold or defer any benefit associated with ownership of any Equity Instrument. Third party rights include only those rights:

a. created against a black Participant to ensure, for a lender, repayment of a loan advanced to that Participant for financing their purchase of their equity instrument in the Measured Entity;
b. held against a juristic person or trust that is in the chain of ownership between the Measured Entity and that the eventual black Participant serving the same purpose mentioned in (a) above.

7.117. **Top Manager** means employees of a Measured Entity who hold rights of ownership, serve on the Board, undertake the day to day management, have overall responsibility for the overall financial management and are actively involved in developing and implementing the overall strategy of the Measured Entity.

7.118. **Total Labour Cost** means the total amount of remuneration paid by an Entity to its employees determined using section 3(4) of the Skills Development Levies Act of 1999 and the Forth Schedule of the Income Tax Act of 1962.

7.119. **Total Revenue** means the total income of an Entity from its operations as determined under South African Generally Accepted Accounting Practice.

7.120. **Transformation Charter** means the Sectoral transformation charters referred to in section 12 of the Act;

7.121. **Uncertified Learning Programme** means any Learning Programme of the Measured Entity that is not a Certified Learning Programme.

7.122. **Unincorporated Joint Venture** means any Learning Programme of the Measured Entity that is not a Certified Learning Programme.

7.123. **Value-Adding Enterprise** means an Entity registered as a vendor under the Value-Added Tax of 1991, whose Not Profit Before Tax summed with its Total Labour Cost exceeds 25% of the value of its Total Revenue.

7.124. **Voting Right** means a voting right attaching to an Equity instrument owned by or held for a Participant measured using the Flow-Through Principle or the Control Principle.

7.125. **Weighing** means the weightings applied to the various Elements in the Generic Scorecard.

7.126. **Workplace Skills Plan** means the plan of a Measured Entity approved by the relevant SETA.

7.127. **50% black owned** means an Entity in which:

a. black people hold more than 50% of the exercisable voting rights as determined under Code series 100;
b. black people hold more than 50% of the economic interest as determined under Code series 100; and
c. has earned all the points for Net Value under statement 100.

7.128. **50% black women owned** means an Entity in which:

a. black women hold more than 50% of the exercisable voting rights as determined under code series 100;
b. black women hold more than 50% of the economic interest as determined under Code series 100; and
c. has earned all the points for Net Value under statement 100.

7.129. **30% black women owned** means an Entity in which:

a. black women hold more than 30% of the exercisable voting rights as determined under code series 100;
b. black women hold more than 30% of the economic interest as determined under Code series 100; and
c. has earned all the points for Net Value under statement 100.

The definitions in the B-BBEE Act (53 of 2003) and the Codes of Good Practice as published by the Department of Trade and Industry will prevail in cases where clarity regarding definitions is required.

Indicative AgriBEE SCORECARD

The gazetting of a Transformation Charter in terms of Section 12 of the Act evidences the commitment by all stakeholders to promote BEE in the applicable sector. Section 12 Transformation Charters are not binding upon organs of state or public entities and as such, these entities will apply the Generic Scorecard in their interactions with the agricultural sector until such time as Sector Codes have been gazetted in terms of Section 9 of the B-BBEE Act.

The Indicative AgriBEE Scorecard should be regarded as an indication of what is likely to be included in possible, future Sector Codes for agriculture, but these Codes will be adapted to meet sector needs and to be aligned with the Generic Codes of Good Practice as published by the Department of Trade and Industry.

Measurement Principles:

- A Measured Enterprise's score for a particular indicator is calculated by dividing the enterprise's actual contribution (as described by the relevant indicator) by the corresponding target
- The result is multiplied by the corresponding indicator weighting points to obtain a score for that indicator
- Where the enterprise attains a score in excess of the indicator weighting points, the enterprise shall only be entitled to the corresponding weighting points
- The score for an element is the sum of indicator scores under that element
- A Measured Enterprise's overall BEE score out of 100 will determine its BEE status and BEE procurement recognition level

Targets contained in the Indicative AgriBEE Scorecard are based on those contained in the final version of Phase I of the Codes of Good Practice and those contained in the draft Phase II Codes of 20 December 2005, as well as on stakeholder inputs, comments and recommendations. Where no substantive reasons for deviation from targets contained in the Codes of Good Practice was put forward by stakeholders, targets have largely remained aligned with those contained in the abovementioned versions of the Codes. However, it should be noted that generic targets contained in Phase II of the Codes have been changed, and hence the indicators, weights and targets contained in this Indicative Scorecard are subject to change until such time as sector Codes are published in terms of the Act.

Attention is drawn to Clause 5.1.2.2 in terms of ownership for enterprises.

ELEMENT	Weighting	Indicator Category	Indicator	Indicator Weighting Points	TARGET
Ownership	20%	Voting rights	Exercisable Voting Rights in the Enterprise in the hands of black people	3	25% + 1 vote
			Exercisable Voting Rights in the Enterprise in the hands of black women	2	10%
		Economic interest	Economic Interest in the Enterprise to which black people are entitled	4	25%
			Economic Interest in the Enterprise to which black women are entitled	2	10%
			Economic interest in the Enterprise to which black designated groups, deemed participants in distribution schemes or employee schemes; participants in co-operatives, are entitled	1	2.5%
		Realisation points	Ownership fulfilment	1	No Restrictions
			Net Equity Interest Achieved accordingly: 10% of the Target (Year 1) 20% of the Target (Year 2)40% of the Target (Year 3-4) 60% of the Target (Year 5-6) 80% of the Target (Year 7-8) 100% of the Target (Year 9-10)	7	25%
		Bonus points	Involvement in the ownership of the Enterprise of black new entrants; black disabled people, black youth and black Deemed Participants of Broad-Based Ownership Schemes; or black Participants in Co-operatives	3	Bonus per each level of 5%

Land Ownership	20%		Commercial agricultural land transferred or sold to black people	20	30%
		Bonus points	Contribution to achieving in excess of 30% land transfer.	5	30% (Bonus point per each percentage of land transferred above 30% of total land)
Management Control	10%	Board Participation	Percentage of exercisable Voting Rights held by Members of the Board who are black people to the total of all Voting Rights exercised by all members of the Board	3	50%
			Executive Members of the board who are black people	1	50%
			Executive Members of the board who are black women	1	25%
		Top Management Participation	Percentage that Senior Top Management who are black people constitute of the total number of Senior Top Management	2	40%
			Percentage that Senior Top Management who are black women constitute of the total number of Senior Top Management	1	20%
			Percentage that Other Top Management who are black people constitute of the total number of Other Top Management	1	40%
			Percentage that Other Top Management who are black women constitute of the total number of Other Top Management	1	20%

		Bonus Points	Percentage that black people who are Independent Non-executive Board Members constitute of the total number of Independent Non-executive Board Members	1	40%

Employment Equity	10%		Black people with disabilities employed in by the Measured Enterprise as a percentage of all full-time employees	2	2%
			Black people employed by the Measured Enterprise at Senior Management level as a percentage of employees at Senior Management level	2	60%
			Black women employed by the Measured Enterprise at Senior Management level as a percentage of employees at Senior Management level	2	30%
			Black people employed by the Measured Enterprise at Professionally Qualified, Experienced Specialist and Mid-management level as a percentage of employees at Professionally Qualified, Experienced Specialist and Mid-management level	2	75%
			Black women employed by the Measured Enterprise at Professionally Qualified, Experienced Specialist and Mid-management level as a percentage of employees at Professionally Qualified, Experienced Specialist and Mid-management level	1	40%
			Black people employed by the Measured Enterprise at Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents as a percentage of employees at Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents level	1	80%

Skills Development	20%	Skills Development Spend	Skills development spend on black employees as a percentage of Leviable Amount. (85% of spend focused on core skills as identified by the enterprise and critical skills as identified by the relevant SETA).	6	2%
			Skills development spend on black women as a percentage of Leviable Amount (85% of spend focused on core skills as identified by the enterprise and critical skills as identified by the relevant SETA).	2	0.93%
			Spend on black employees with disabilities as a percentage of Leviable Amount	1	0.2%
		Recognised Training Programmes	Number of black employees participating in training programmes that lead to recognised qualifications as percentage of total employees.	2	5%
			Number of black women participating in training programmes that lead to recognised qualifications as percentage of total employees	2	2.5%
			Number of people who are members of Black Designated Groups participating in training programmes that lead to recognised qualifications as percentage of total employees (The score in this element will be adjusted directly proportionate to the level of absorption of the participants in training programmes in the measured enterprise until a level of 80% absorption is attained)	1	1%
		Organisational Transformation Index	Existence of a comprehensive BEE strategy which is being implemented	Yes	1%
			Payment of skills development levy as well as claiming levy money	Yes	1%
			Existence of a policy on non-discrimination widely published within the company and ongoing facilitation of external diversity management training	Yes	1%
			Compliance with relevant employment related legislation	Yes	1%
			Implementation of an effective human resource management plan	Yes	1%
			Existence of a program designed to give practical effect to the stated policies and programmes	Yes	1%
		Bonus points	Percentage of employees at ABET level 3	2	70%

Preferential Procurement	20%	Preferential Procurement Spend	BEE procurement spend from Suppliers based on the BEE procurement recognition system contained in section 5.5 of the Charter	15	50%
			BEE procurement spend from Qualifying Small Enterprises in accordance with the BEE procurement recognition system contained in section 5.5 of the Charter	4	15%
			BEE procurement spend from Exempted Micro Enterprises in accordance with the BEE procurement recognition system contained in section 5.5 of the Charter	1	5%
Enterprise Development	10%	Enterprise Development Spend	Cumulative contributions made by the Measured Entity to enterprise Development as a percentage of cumulative net profit after tax measured from the commencement / Inception Date to the date of measurement	10	2%
		Bonus Points	Enterprise development contributions that directly increase employment levels in preceding year	1	
			Lease of 20% of land or capital assets on a long term basis to black persons which meets the criteria of a qualifying transaction as outlined in paragraph 5.1.1.3	3	Lease longer than 10 years

Rural Development, Poverty Alleviation & CSI	10%	Corporate Social Investment Spend and/or Land available to farm workers[1]	Cumulative Rand value of corporate social investment contributions as a percentage of net profit after tax over five years measured from the commencement date of this Charter or the Inception Date over 10 years of the Charter period and/or Land made available to farm workers measured from the commencement date of this Charter or the Inception Date over 10 years of the Charter period	10	1.5% CSI 10% Land
		Bonus Point	Corporate social investment contributions benefiting black people in rural communities or geographic areas identified in government's integrated sustainable development programme and urban renewal programme	1	

Indicative AgriQSE SCORECARD

The gazetting of a Transformation Charter in terms of Section 12 of the Act evidences the commitment by all stakeholders to promote BEE in the applicable sector. Section 12 Transformation Charters are not binding upon organs of state or public entities and as such, these entities will apply the Generic Scorecard in their interactions with the agricultural sector until such time as Sector Codes have been gazetted in terms of Section 9 of the B-BBEE Act.

The Indicative AgriBEE Scorecard should be regarded as an indication of what is likely to be included in possible, future Sector Codes for Agriculture, but these Codes will be adapted to meet sector needs and to be aligned with the final version of the Generic Codes of Good Practice as published by the Department of Trade and Industry.

Targets contained in the Indicative AgriQSE Scorecard are based on those contained in the final version of Phase I of the Codes of Good Practice and those contained in the draft Phase II Codes of 20 December 2005, as well as on stakeholder inputs, comments and recommendations. Where no substantive reasons for deviation from targets contained in the Codes of Good Practice was put forward by stakeholders, targets have largely remained aligned with those contained in the abovementioned versions of the Codes. However, it should be noted that generic targets contained in Phase II of the Codes have been changed, and hence the indicators, weights and targets contained in this Indicative Scorecard are subject to change until such time as sector Codes are published in terms of the Act.

A **Qualifying Small Enterprise ('QSE')** is an Enterprise which qualifies for BEE compliance measurement in terms of the Agricultural Qualifying Small Enterprise Scorecard by nature of having total revenue of more than R5 million (Exact amount to be finalised once research is concluded) but less than R35 million.

An Exempted Micro Enterprise ('EME') is an Enterprise which qualifies for BEE compliance exemption by nature of the fact that the Enterprise has a 5 year moving average turnover of less than R5 million and meets the principles of non-circumvention as defined in the Codes of Good Practice Code 1000 Statement 1000. EME's will enjoy a deemed BEE recognition level of Level 4 (as defined in the Codes of Good Practice), without proof of contribution through BEE verification. However, EME's are encouraged to contribute to transformation in agriculture, particularly in the areas of skills development and corporate social investment and are therefore incentivised to increase their BEE status, as outlined in the Charter.

Element	QSE Scorecard Weighting	Draft Phase 2 Scorecard Weighting
Ownership	20 points	20 points
Management control	20 points	10 points
Employment equity	20 points	10 points
Skills Development	20 points	20 points
Preferential procurement	20 points	20 points
Enterprise development	20 points	10 points
Residual	20 points	10 points

- A Qualifying Small Enterprise may elect to be measured using five of the seven elements of broad-based black economic empowerment
- Should there be no employees in the employ of the measured enterprise, the enterprise cannot include the employment equity element as one of the elected elements
- Each indicator will have a weighting of 20 percent, resulting in a total of 140 available BEE points
- When electing to be measured using more than five of the seven elements, the BEE Status must be determined using a total of 125 BEE points
- A Qualifying Small Enterprise which elects to include the ownership element in their measurement, will have its ownership score (including bonus points) multiplied by 1.25, provided that the enterprise scores a minimum of 20 points (including bonus points) for ownership, before the application of this multiple.

Measurement Principles:

- A Measured Enterprise's score for a particular indicator is calculated by dividing the enterprise's actual contribution (as described by the relevant indicator) by the corresponding target
- The result is multiplied by the corresponding indicator weighting points to obtain a score for that indicator
- Where the enterprise attains a score in excess of the indicator weighting points, the enterprise shall only be entitled to the corresponding weighting points
- The score for an element is the sum of indicator scores under that element
- A measured enterprise's overall BEE score out of 100 will determine its BEE status and BEE procurement recognition level

Attention is drawn to Clause 5.1.2.2 in terms of ownership for enterprises.

ELEMENT	WEIGHTING	CATEGORY	INDICATOR	INDICATOR WEIGHTING POINTS	TARGET
OWNERSHIP	20%	Voting rights	Exercisable Voting Rights in the Enterprise in the hands of black people	5	25%
		Economic interest	Economic interest in the Enterprise to which black people are entitled	7	25%
		Realisation points	Ownership fulfilment	1	Yes
			Net equity interest 10% of the Target (Year 1) 20% of the Target (Year 2) 40% of the Target (Year 3,4) 60% of the Target (Year 5,6) 80% of the Target (Year 7,8) 100% of the Target (Year 9,10)	7	25%
		Bonus points	Involvement in the ownership of the Enterprise of: - Black Disabled People - Black Youth - Black Women and/or - Broad-based Ownership Schemes	3	15%
LAND OWNERS	20%		Commercial agricultural land transferred or sold to black people	20	30%

		Bonus points	Contribution to achieving in excess of 30% land transfer.	5	30% (Bonus point per each percentage of land transferred above 30% of total land)

MANAGEMENT	20%	Owner-Manager Participation	Black representation at Owner-manager level	20	25.1%
		Bonus Points	Black women representation at Owner-manager level	2	10%
EMPLOYMENT EQUITY	20%		Black representation at Manager-Controller level	6	40%
			Black women representation at Manager-Controller level	6	20%
			Black employees as percentage of total employees	4	70%
			Black women as percentage of total employees	4	35%
SKILLS DEVELOPMENT	20%		Employee enrolment/ involvement in Recognised Training Programmes	5	Yes
			Skills development spend on black employees in addition to Skills Development Levy (except where the enterprise is exempted from payment of the skills development levy) as a percentage of the Leviable Amount (or as a percentage of total annual payroll, for entities exempted from the skills development levy). (85% of spend focused on core skills as identified by the enterprise and critical skills as identified by the relevant SETA).	15	1%
		Bonus points	Percentage of employees at ABET level 3	2	70%
PREFERENTIAL PROCUREMENT	20%		BEE procurement spend from suppliers in accordance with the BEE procurement recognition system contained in section 5.5 of the Charter	20	50%

ENTERPRISE DEVELOPMENT	20%		Cumulative contribution to enterprise development as a percentage of cumulative net profit after tax measured from the Commencement / Inception Date to the date of measurement	20	1%
		Bonus points	Lease of 20% land or capital assets on a long term basis to black persons which meets the criteria of a qualifying transaction as outlined in paragraph 5.1.1.3	3	Lease longer than 10 years
RURAL DEVELOPMENT, POVERTY ALLEVIATION	20%	Corporate Social Investment Spend and/or Land available to farm workers[1]	Cumulative Rand value of corporate social investment contributions as a percentage of net profit after tax over five years and/or Land made available to farm workers measured from the commencement date of this Charter or the Inception Date over 10 years of the Charter period	20	1% (CSI) 10% (land for farm labourers)

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GENERAL NOTICE

NOTICE 1065 OF 2012

Issued in terms of Section 9(1) of the B-BBEE Act 53, 2003

(DEPARTMENT OF TRADE AND INDUSTRY)

CODES OF GOOD PRACTICE ON BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Whereas I, **Dr Rob Davies**, Minister of Trade and Industry:

(a) Having issued the Draft Agricultural Sector Code (Draft AgriBEE) for public comment in terms of Section 9(5) of the Broad Based Black Economic Empowerment Act (Act No. 53 of 2003) on **03 March 2012** in terms of which;

(b) the public and interested parties were invited to comment on the Draft Sector Code for **60 days** from the date on which the Draft Sector Code was published,

(c) Now publish the Agricultural Charter as a Sector Code on Black Economic Empowerment in terms of Section 9(1) of the B-BBEE Act 53 of 2003.

This notice is effective from the date of publishing and means that the Agricultural Sector Code is binding on all stakeholders operating in the Agricultural Sector.

Dr Rob Davies, MP
Minister of Trade and Industry
11 December 2012

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Broad-Based Black Economic Empowerment

Sector Code for Agriculture

AgriBEE

November 2012

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1. INTRODUCTION

This Sector Code is the outcome of the deliberations of the AgriBEE Charter Council, following the gazetting of the AgriBEE Transformation Charter in March 2008 and the subsequent establishment of the AgriBEE Charter Council in December 2008. It takes into account opinions expressed at the Indaba and all previous drafts, and the gazetted Codes of Good Practice for Broad-Based Black Economic Empowerment ('the Codes'), as published by the Department of Trade and Industry ('**the dti**'), February 2007.

While the Broad-Based Black Economic Empowerment Act, No 53 of 2003 ('the Act'), has guided the development of the AgriBEE Sector Code, its conception is linked to the joint vision as contained in the Strategic Plan for South African Agriculture ('the Sector Plan') of a united and prosperous agriculture Sector designed to meet the challenges of constrained global competitiveness and low profitability, skewed participation, low investor confidence, inadequate support and delivery systems, and poor and unsustainable management of natural resources. This AgriBEE Sector Code derives directly from the Sector's core objective to ensure increased access and equitable participation in the Sector.

This document has been developed as a Sector Code for the Agricultural Sector in terms of Section 9 of the Act and provides for empowerment in the Sector and it includes the AgriBEE Scorecards for large enterprises, and Qualifying Small Enterprises (QSE). Where there is doubt, uncertainty or ambiguity with respect to the interpretation of this Code, the content of the Codes of Good Practice, as published by **the dti**, will prevail.

The diversity and uniqueness of sub-sectors within the agricultural Sector is acknowledged. In this respect, where sub-sector charters are developed, these must not be in conflict with this Code and, in turn, are encouraged to be consistent and in alignment with the AgriBEE Sector Code.

Targets contained in the AgriBEE Scorecard and the AgriBEE QSE Scorecard are based on those contained in the Broad-Based Black Economic Empowerment Codes of Good Practice, as published by the Department of Trade and Industry, February 2007, as well as on stakeholder inputs, comments and recommendations. Where no substantive reasons for deviation from targets contained in the Codes of Good Practice were put forward by stakeholders, targets have largely remained aligned with those contained in the Codes of Good Practice.

2. SCOPE OF APPLICATION

2.1. The scope of the AgriBEE Sector Code shall include any Enterprise which derives the majority of its turnover from:

- The primary production of agricultural products;
- The provision of inputs and services to Enterprises engaged in the production of agricultural products;
- The beneficiation of agricultural products whether of a primary or semi-beneficiated form; and
- The storage, distribution, and/or trading and allied activities related to non-beneficiated agricultural products.

2.2. Where an Enterprise trades in more than one sector i.e. falls under more than one Sector Code or Section 12 Transformation Charter, the Measured Enterprise must be guided by the principles embodied in the Codes of Good Practice.

2.3. This Sector Code applies to multinational businesses or South African multinationals whose business falls within the scope of the Code as defined in this section. Where a specific regime for multinationals exists in the Codes of Good Practice, this regime will apply.

2.4. Enterprises as defined in paragraph 2.1 are encouraged to measure their contributions to the seven elements of broad-based BEE as contained in the AgriBEE Scorecard.

2.5. Notwithstanding paragraph 2.4, Enterprises with an annual turnover of between R5 million and R35 million qualify for BEE compliance measurement in terms of the AgriBEE QSE Scorecard. However, it should be noted that the Minister may, by notice in the Gazette, adjust the thresholds following appropriate benchmarking studies, sub-sector inputs, other relevant information and consultation with the major stakeholders in the sector. Any such changes apply to compliance reports prepared for enterprises after a 12-month period following the gazetting of the adjustment.

2.6. Notwithstanding paragraph 2.4 and 2.5, Enterprises with an annual turnover of less than R5 million, will be classified as Exempted Micro Enterprises ('EME's'). EME's will enjoy a deemed BEE recognition level of either Level 3 or Level 4 (as defined in the Codes of Good Practice), and sufficient evidence of qualification as an Exempted Micro-enterprise is an auditor's letter or similar letter issued by an accounting officer or verification agency. However, EME's are encouraged to contribute to transformation in agriculture, particularly in the areas of skills development and socio-economic development and are therefore incentivised to increase their BEE status by adopting the generic Codes of Good Practice directive for EME's to move from Levels 3 and 4, respectively, to higher levels.

2.7. The AgriBEE Charter Council will review and adjust the turnover thresholds for QSE's and EME's periodically in line with relevant inflation indicators.

3. OBJECTIVES

3.1. The objectives of the Broad-Based Black Economic Empowerment Act No. 53 of 2003 are to facilitate Broad-Based Black Economic Empowerment by:

- Promoting economic transformation in order to enable meaningful participation of Black People in the economy;
- achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new Enterprises;
- increasing the extent to which communities, workers, co-operatives and other collective Enterprises own and manage existing and new Enterprises and increasing their access to economic activities, infrastructure and skills training;
- increasing the extent to which Black women own and manage existing and new Enterprises, and increasing their access to economic activities, infrastructure and skills training;
- promoting investment programmes that lead to broad-based and meaningful participation in the economy by Black People in order to achieve sustainable development and general prosperity;
- empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills; and
- promoting access to finance for black economic empowerment.

3.2. The objectives of AgriBEE Sector Code are to facilitate Broad-based Black Economic Empowerment in the agricultural Sector by implementing initiatives to include Black South Africans at all levels of agricultural activity and Enterprises by:

- Promoting equitable access and participation of Black People in the entire agricultural value chain;
- De-racialising land and Enterprise ownership, control, skilled occupations and management of existing and new agricultural Enterprises;
- Unlocking the full entrepreneurial skills and potential of Black People in the Sector;
- Facilitating structural changes in agricultural support systems and development initiatives to assist Black South Africans in owning, establishing, participating in and running agricultural Enterprises;
- Socially uplifting and restoring the dignity of Black South Africans within the Sector;
- Increasing the extent to which communities, workers, co-operatives and other collective Enterprises own and manage

existing and new agricultural Enterprises, increasing their access to economic activities, infrastructure and skills training;

- Increasing the extent to which Black Designated Groups own and manage existing and new agricultural Enterprises, increasing their access to economic activities, infrastructure and skills training;
- Empowering rural and local communities to have access to agricultural economic activities, land, agricultural infrastructure, ownership and skills;
- The improvement of living and working conditions and promotion of decent living and working conditions for farm workers; and
- Improving protection and standards of land rights and tenure security for labour tenants, farm workers and other vulnerable farm dwellers and addressing the inherently paternalistic nature of relationships associated with insecure tenure by promoting more permanent forms of tenure with the emphasis being on the transfer of ownership of land.

4. DETERMINATION OF AgriBEE STATUS

4.1. The BEE status of an Enterprise which falls within the scope of application of the AgriBEE Sector Code will be determined by the Enterprise's score on the AgriBEE Scorecard. The Scorecard consists of the following seven key elements:

- Ownership
- Management control
- Employment equity
- Skills development
- Preferential procurement
- Enterprise development
- Socio Economic Development

4.2. An Enterprise's BEE status will determine the proportional BEE procurement recognition level that the Enterprise will enjoy as a supplier to other entities applying the AgriBEE Sector Code.

BEE Status	Qualification	BEE procurement recognition level
Level One Contributor	≥100 points on the AgriBEE/ AgriQSE Scorecard	135%
Level Two Contributor	≥85 but <100 points on the AgriBEE/ AgriQSE Scorecard	125%
Level Three Contributor	≥75 but <85 on the AgriBEE/ AgriQSE Scorecard	110%
Level Four Contributor	≥65 but <75 on the AgriBEE/ AgriQSE Scorecard	100%
Level Five Contributor	≥55 but <65 on the AgriBEE/ AgriQSE Scorecard	80%
Level Six Contributor	≥45 but <55 on the AgriBEE/ AgriQSE Scorecard	60%
Level Seven Contributor	≥40 but <45 on the AgriBEE/ AgriQSE Scorecard	50%
Level Eight Contributor	≥30 but <40 on the AgriBEE/ AgriQSE Scorecard	10%
Non Compliant Contributor	<30 on the AgriBEE/ AgriQSE Scorecard	0%

4.3. The gazetting of an AgriBEE Sector Code for the Agricultural Sector, in terms of Section 9 of the Act is evidence of the commitment by all stakeholders to promote Broad-Based Black Economic Empowerment in the Agricultural Sector.

5. ELEMENTS OF EMPOWERMENT

5.1. OWNERSHIP

The objective of this element is to increase the participation of Black People in the Agri-Industry by increasing the level of entitlement of Black People to participate in the Economic Interest and Exercisable Voting Rights of Enterprises in the Sector. This element is divided into two sections namely 'General Ownership' and 'Agricultural Land Ownership' to account for the unique challenges facing the Sector in this respect.

5.1.1 GENERAL OWNERSHIP

In line with the Strategic Plan, the mission of this element is to enhance equitable access and participation in the agricultural Sector; to de-racialise land and Enterprise ownership; and to unlock the full entrepreneurial potential in the Sector.

Historically, the interpretation of ownership in agriculture has been understood to be dependent upon ownership of land. This AgriBEE framework makes a distinction between land and Enterprise ownership.

AgriBEE is fundamental to the long-term growth and competitiveness of the Agricultural Sector. AgriBEE activities and processes should ultimately lead to the creation of viable and sustainable Enterprises in the Agricultural Sector.

Stakeholders in the Sector will work towards the development and implementation of a diversity of Enterprise ownership models in support of AgriBEE.

All Sector Stakeholders should endeavour to source sufficient financing in order to ensure the establishment of viable and sustainable Enterprises.

Agri-Industry undertakes to: -

5.1.1.1. Further Black participation through ownership in the Agri-Industry by increasing the level of entitlement of Black People to participate in the Economic Interest and Exercisable Voting Rights in existing and new Enterprises. This includes the sale of equity in a Measured Enterprise, sale of assets through Qualifying Transactions and/or through share equity schemes and other forms of joint ventures with farm labourers and other Black entrepreneurs;

5.1.1.2. Further Black ownership in the Agricultural Sector through the sale of assets. This is achieved by selling equity in Associated Enterprises in a Qualifying Transaction. Qualifying Transactions must be scored in terms of Statement 102 of the Codes of Good Practice, which states that equivalency points may be earned under the ownership element through this mechanism. In order for an Enterprise to enjoy continued recognition for ownership on the Scorecard through a Qualifying Transaction, the Transaction must ultimately result in:

- ☐ the creation of sustainable businesses or business opportunities for Black People; and
- ☐ the transfer of specialised skills or productive capacity to Black People; and
- ☐ it must not result in unnecessary job-losses;
- ☐ it must involve a separate Associated Enterprise which has:
  - no unreasonable limitations with respect to its clients or customers;
  - clients, customers or suppliers other than the Enterprise with which the Qualifying Transaction was undertaken; and
  - no operational outsourcing arrangements with the initiating Enterprise that were not concluded at arms-length on a fair and reasonable basis.

Government undertakes to:-

5.1.1.3. Implement all legislative and other measures at its disposal to facilitate black ownership.

5.1.1.4. Facilitate access to state BEE funds that are made available by government departments, State-Owned Enterprises, and financial institutions.

5.1.2. AGRICULTURAL LAND OWNERSHIP

5.1.2.1. It is important to deal efficiently with land reform to ensure rural stability and market certainty. The process of economic empowerment in South African agriculture starts with improved access to land for Black People and the vesting of secure tenure rights with Black People in areas where these do not exist.

5.1.2.2. The target set by government for Land Reform is 30% of commercial agricultural land by 2014. This is also the RDP target set in 1994. It is understood that government's delivery on land transfer targets is fundamental to the achievement of other objectives in this draft Sector Code. Farming enterprises are encouraged to participate directly in this initiative by complying with the 'Land Ownership' element of the Scorecard. Farming enterprises can score either on the Ownership Indicator, Land Ownership Indicator, or both, with the total score limited to the weighting of 20% (or 20% in the case of QSEs). Where farming enterprises choose to score on both indicators, land should not be double-counted under both elements. Furthermore, the AgriBEE Scorecard incentivises contributions to achieving in excess of the national objective of minimum 30% land transferred to Black People. To this end, farming Enterprises which transfer more than 30% of total land can progressively score up to a maximum of 5 bonus points, in proportion to the percentage of total land transferred. (Land transferred as a consequence of expropriation by government will not be eligible for bonus points).

5.1.2.3. Productive and sustainable agricultural use of land must be ensured in accordance with the relevant agricultural policies and Acts. Studies should be done to provide a substantive scientific basis for the development of land (also refer to the Sustainable Resource Management Act).

5.1.2.4. Given the need to transfer land in support of national objectives, the nature of farming and the need to support Black People in establishing viable commercial farming enterprises on the land that they receive, Measured Enterprises are encouraged to sell land in accordance with the principles and criteria attached to Qualifying Transactions outlined in paragraphs 5.1.1.1.

5.1.2.5. Measured Enterprises will be recognised for the sale of land to Black People in accordance with Statement 102 of the Codes of Good Practice.

Farming Enterprises undertake to: -

5.1.2.6. Sell agricultural land to Black People and farm workers in market based transactions on a voluntary basis in Qualifying Transactions (using the ownership element of the Scorecard as a vehicle to achieve this).

5.1.2.7. Lease agricultural land to Black persons in Qualifying Transactions (using the enterprise development element of the Scorecard as a vehicle to achieve this).

5.1.2.8. Make available agricultural land to farm workers (using the corporate social investment element of the Scorecard as a vehicle to achieve this).

Government undertakes to: -

5.1.2.9. Contribute to increasing access and acquisition of agricultural land by Black People, through its existing programmes;

5.1.2.10. Proactively acquire suitable agricultural land that comes onto the market for land redistribution;

5.1.2.11. Use above mentioned land (5.1.2.10) and agricultural land that reverts to the state through foreclosure of indebted farmers, for redistribution, including through long lease arrangements (e.g. 99 year lease);

5.1.2.12. Promote sustainable management and use of natural resources;

5.1.2.13. Finalise the land restitution process;

5.1.2.14. Encourage the development of a land lease and land rental market;

5.1.2.15. Promote the consolidation and tenure on traditional community land in terms of relevant acts that support communal land; and

5.1.2.16. Secure the ownership, access and tenure rights of Black Designated Groups through the registration of old order rights or new order rights into freehold ownership.

5.1.3 Note:

Given the current engagement on the Land Reform Green Paper, the issue of land ownership is an issue to be further discussed and finalised immediately when a clear legislative framework has been established. Different scenarios could emanate when the Green Paper process is finalised. However, within the current framework on land reform the AgriBEE Charter propose the following:

i) **Resolution:** Where government buys land on the open market, the seller would not be able to claim any points.

ii) **Resolution:** In the event a voluntary seller donates land without requiring any compensation, points will be scored under land ownership only.

iii) **Resolution:** In the event a BEE beneficiary buys land using own equity or through debt, the general principles included under Sale of Assets in the Codes of Good Practice would apply.

iv) **Resolution:** The principles of Statement 102 of the generic Codes of Good Practice on Recognition of Sale of Assets will apply to a scenario where a seller sells a portion of his/her land and not entire farmland, as well as for any aspect on this matter not covered in the AgriBEE Sector Code.

5.2. MANAGEMENT CONTROL

The objective of this element is to increase the participation and levels of control of Black People and Black Women at board and executive management levels in the Agri-Industry. This will be achieved by increasing the absolute and relative number of Black People in these positions and by implementing mechanisms under the skills development element to ensure that secondary, tertiary and in-house training and development programmes are designed to meet the targets set under the Management Control element.

Agri-Industry undertakes to: -

5.2.1. Promote participation by Black People in board positions;

5.2.2. Promote participation by Black People in executive management positions;

5.2.3. Promote participation by Black Women in board and executive management positions; and

5.2.4. Promote participation by Black People as Independent Non-executive Board Members.

5.3. EMPLOYMENT EQUITY

Employment equity and skills development targets should be achieved within the ambit of the Employment Equity and Skills Development Acts.

The objective of the employment equity element is to increase the representation of Black People, Black Women and Black Designated Groups at Senior Management level, at Professionally Qualified, Experienced Specialist and Mid-Management level and at Skilled Technical and Academically Qualified, Junior Management, Supervisory, Foremen and Superintendent level, in the Agri-Industry. This will be achieved by increasing the absolute and relative number of Black People in these positions and by implementing mechanisms under the skills development element to ensure that secondary, tertiary and in-house training and development programmes are designed to meet the targets set under the employment equity element.

Agri-Industry undertakes to:-

5.3.1. Proactively employ members of Black Designated Groups at Senior Management, Professionally Qualified, Experienced Specialist, Mid-Management, Skilled Technical and Academically Qualified, Junior Management, Supervisors, Foremen, and Superintendent Levels as prescribed in the Scorecards.

5.4. SKILLS DEVELOPMENT

Commercial viability in agriculture demands sustained productivity, high levels of entrepreneurship, long term commitment, resources and skills. The transformation demands of the Sector and rapid changes in the global environment require that more resources should be mobilised for expanding the existing human capital pool through investing in people, employment equity, skills development and institutional transformation.

Black Designated Groups are targeted under the skills development element. In addition, a focus on the development of core skills as identified by the enterprise, scarce and critical skills as identified by relevant Sector Education and Training Authority ('SETA'), must be ensured. In this respect, skills development spend on proposed learning interventions which address these skills shortages must account for 85% of the value of the actual contribution. Enterprises should engage with the relevant Sector Education and Training Authority ('SETA') for information on such learning interventions.

Agri-Industry undertakes to:-

5.4.1. Identify gaps in workers' training needs so as to co-operate with and complement teaching and educational institutions and to allow their workers to receive skills and in-service training;

5.4.2. Dedicate resources to provide for experiential training, internships, in-service training and training infrastructure for prospective agribusiness entrepreneurs, farm managers and farm labourers;

5.4.3. Ensure maximum use of resources provided by the Skills Levy of the relevant SETAs ;

5.4.4. Institute a sector-wide young professional employment and mentoring programme, which targets Black unemployed and underemployed graduates in all disciplines. Mentorship programmes shall be accredited by the relevant SETA or other agreed authority; and

5.4.5. Implement quantifiable and measurable in-house mentoring programmes as part of the skills development of black employees.

The relevant SETAs undertake to:-

5.4.6. Establish SETA-funded training programmes for farm and Enterprise workers in appropriate technical and management skills;

5.4.7. Fast-track the registration of learners on NQF-aligned learning programmes;

5.4.8. Fast-track the implementation of appropriate learnership, internship, apprenticeship, in-service and mentorship programmes required by the Sector;

5.4.9. Fast-track the accreditation of appropriate sectoral service providers;

5.4.10. Encourage, support and monitor such programmes in the private sector;

5.4.11. Ensure the transformation of agricultural training institutions to accelerate preferential recruitment and admission of black trainees;

5.4.12. Encourage quantifiable and measurable in-house mentoring programmes as part of the skills development of black employees;

5.4.13. Encourage the implementation of sector-wide young professional employment and mentoring programmes, which target Black unemployed and underemployed graduates in all disciplines. Mentorship programmes shall be accredited by the relevant SETA or other agreed authority; and

5.4.14. Provide support to QSE's and EME's in the implementation of relevant skills development initiatives, including Enterprises which are exempted from the payment of the skills development levy.

Government undertakes to:-

5.4.15. Provide primary education and training. This includes adult literacy and numeracy training. The State, in conjunction with the governing bodies of educational institutions and similar structures, must ensure that quality training is offered by all primary, secondary and tertiary institutions;

5.4.16. Encourage agricultural and agro-processing training at schools and agricultural colleges. A focused, formal agricultural and agro-processing training system which adequately equips future agriculturalists and agro-processors should be developed;

5.4.17. Promote agriculture and agro-processing as a competitive career option;

5.4.18. Undertake a review of the effective demand for human resources in the agricultural Sector;

5.4.19. Lead and co-ordinate a targeted programme in collaboration with education authorities, farmers' organisations, labour and the agricultural private sector to review existing education and training curricula in order to enhance technical, entrepreneurial, and management skills for Black entrants into the Sector;

5.4.20. Ensure the inclusion of a substantial number of Black persons from the Sector as the nucleus of strategic partners in Government overseas trade missions, technical assistance, study visits and training opportunities;

5.4.21. Promote functional literacy and numeracy through ABET programmes;

5.4.22. Encourage quantifiable and measurable in-house mentoring programmes as part of the skills development of black employees; and

5.4.23. Encourage the implementation of a sector-wide young professional employment and mentoring programmes, which target Black unemployed and underemployed graduates in all disciplines. Mentorship programmes shall be accredited by the relevant SETA or other agreed authority.

5.5. PREFERENTIAL PROCUREMENT

The success of the Sector's commitment to AgriBEE will largely be determined by the extent of the implementation of preferential procurement initiatives which will influence contractual relationships within the value chain. The objective of the preferential procurement element is to reward Enterprises which contribute towards broad-based BEE and to promote and encourage sustainable procurement from QSE's and EME's.

The provisions in the generic Codes of Good Practice in terms of Total Measured Procurement Spend and Exclusions from Total Measured Procurement Spend, in order to measure B-BBEE Procurement Spend, will be valid and direct the practice in this regard.

In the event of a natural disaster that has a significant impact on the structure of food supply, the AgriBEE Charter Council shall be empowered to make recommendations to revise any of the provisions, including import exclusions or mechanisms, in terms of this element in consultation with the Ministers of Agriculture and Trade and Industry.

Agri-Industry undertakes to:-

5.5.1. Proactively identify and implement targeted procurement strategies and policies to realise AgriBEE objectives and to meet preferential procurement targets;

5.5.2. Report annually on all preferential procurement spent;

5.5.3. Calculate preferential procurement spend on a proportional recognition basis, from suppliers with a BEE status of 30% or more on any broad-based BEE scorecard which has undergone a consultative process. The proportional recognition mechanism is contained in the table below:

BEE Status	Qualification	BEE procurement recognition level
Level One Contributor	≥100 points on a broad-based BEE Scorecard	135%
Level Two Contributor	≥85 but <100 points on a broad-based BEE Scorecard	125%
Level Three Contributor	≥75 but <85 on a broad-based BEE Scorecard	110%
Level Four Contributor	≥65 but <75 on a broad-based BEE Scorecard	100%
Level Five Contributor	≥55 but <65 on a broad-based BEE Scorecard	80%
Level Six Contributor	≥45 but <55 on a broad-based BEE Scorecard	60%
Level Seven Contributor	≥40 but <45 on a broad-based BEE Scorecard	50%
Level Eight Contributor	≥30 but <40 on a broad-based BEE Scorecard	10%
Non Compliant Contributor	<30 on a broad-based BEE Scorecard	0%

5.5.4. Progressively provide preferred supplier status to QSE's and EME's, including the supply of services and goods, in accordance with the requirements of the AgriBEE Scorecard.

Government undertakes to: -

5.5.5. Align their procurement practices with AgriBEE when procuring goods and services from the Agricultural Sector, once Sector Codes for the Agricultural Sector have been gazetted;

5.5.6. Provide Black People and QSE's preferred supplier status in the procurement of goods and services;

5.5.7. Identify, prioritise and target Black Entrepreneurs and Enterprises that contribute to Broad-based BEE, when awarding tenders and contracts to entities in the private sector; and

5.5.8. Utilise all legislative and other measures available to it, including preferential procurement, to influence the attainment of broad-based BEE objectives.

5.6. ENTERPRISE DEVELOPMENT

Enterprise development refers to the establishment, support and integration of Black Entrepreneurs in mainstream business processes. Support services such as access to finance, infrastructure, information and knowledge systems, are core pillars of sustainable empowerment initiatives.

Agri-Industry undertakes to:-

5.6.1. Strengthen and accelerate the development of the operational and financial capacity of Black entrepreneurs;

5.6.2. Provide mentoring, access to inputs, credit, infrastructure, markets, technology and extension services where applicable. Mentoring, as part of the enterprise development element, refers to the provision of technical and/ or general business assistance and support to Black emerging farmers, land reform beneficiaries and Black entrepreneurs.

5.6.3. Support land reform beneficiaries and Black Persons to create sustainable businesses through the transfer of specialised skills in mentorship programmes. Such support (as well as the types of support described in paragraph 5.6.2 above) will be eligible for points under the enterprise development element provided it is quantified to a Rand value in terms of the opportunity cost of time spent on mentoring and/or other enterprise development endeavours. Support to land reform beneficiaries will enjoy enhanced recognition at a multiple of 1.3 of the Rand value of the actual contribution. Enterprises should engage with the relevant SETA for information on such learning interventions;

5.6.4. Commit cumulative enterprise development contributions which assist and accelerate the development of black entrepreneurs, as a percentage of cumulative net profit after tax measured from the Inception Date to the date of measurement as a criterion for measurement;

5.6.5. Lease agricultural land to Black Entrepreneurs which meets the criteria for qualifying transactions in terms of paragraph 5.1.1.2.

5.6.6. Enhanced Recognition will be enjoyed for certain types of enterprise development initiatives, at a multiple of the Rand value of the actual contribution. These initiatives and their corresponding multipliers are listed below:

Enterprise Development Initiative	Multiple
Initiatives which directly contribute towards the creation of employment opportunities in rural communities and, in particular, in any geographic areas identified in government's integrated sustainable rural development and urban renewal programmes (See conditions below)	1.5
Initiatives which assist and accelerate the development of Black Owned EME's	1.25
Initiatives which assist and accelerate the development of beneficiary entities which produce or sell goods and/ or services not previously produced or manufactured in South Africa	1.5
Contributions in respect of warehousing funds (provided these funds do not own an equity interest in the Measured Enterprise)	1.25
Support to Land Reform beneficiaries in terms of mentoring or extension services, capital provision, input supply and market access opportunities, access to technology and infrastructure	1.5

For the purpose of verification, new Enterprise Development Initiatives or projects are defined as green field projects that include, but are not limited to, those that support the Industrial Policy Action Plan. Points will be scored for permanent employees based on the following sliding scale: Year 1: 100% points; Year 2: 70% points and Year 3: 30% points. Additionally, should there be a percentage decrease in employment, there would be a pro rata percentage decrease in percentage points scored.

Government undertakes to:-

5.6.7. Ensure the creation of an enabling environment to support agriculture;

5.6.8. Continue with, and further develop, the implementation of the Comprehensive Agricultural Support Programme ('CASP') and other government programmes;

5.6.9. Implement MAFISA (Micro-Agricultural Financial Institutions of South Africa) and other government financing facilities to further enterprise development;

5.6.10. Establish Public-Private Partnerships to improve service delivery; and

5.6.11. Activate Land Bank funding opportunities and financial products for black farmers.

5.7 SOCIO-ECONOMIC DEVELOPMENT (SED)

Socio-economic development refers to contributions that are related to the agricultural industry and contributions actually initiated and implemented in favour of Black People with the specific objective of facilitating access to the economy. These initiatives should be motivated by the objective of providing Black People with social and economic opportunities and to establish a socio-economic environment conducive to these opportunities. Priority should therefore be given to implementing income generating socio economic initiatives that create sustainable livelihood for beneficiaries. In this regard a Measured Entity must consult and provide proof that it consulted with the beneficiaries to establish their needs.

Due to the need to improve the living and working conditions of the farm workers in the agricultural sector, any SED initiative should be over and above legislated minimum wage accruable to the beneficiary. Proof must be submitted to Verification Agencies that in any case that the benefit that is claimed for, is separate and over and above SED initiative to the pay package, and in this regard the total points that can be scored for any SED initiative which is over and above the legislated wage accruable to the beneficiaries is 50% for both the Large Enterprises and Qualifying Small Enterprises; i.e. 50% of 10 points for large enterprises and 50% of 20 points in the case of QSE's.

It should also be noted that there needs to be a contract in place between the enterprise/employer and the employees whose salary packages have been restructured for the purpose of scoring points under this category.

Farming Enterprises undertake to:-

5.7.1. Contribute to socio-economic development initiatives in respect of rural community members, workers and their families and seasonal workers, in particular. The following is a non-exhaustive list of examples, but all such contributions are conditional:

5.7.1.1. Provision of good quality housing, including access to clean water, sanitation and electricity;

5.7.1.2. Provision of recreational facilities as well as running costs in this regard;

5.7.1.3. Provision or implementation of, health care programmes and related services (with due consideration for HIV/AIDS programmes);

5.7.1.4. Meeting the transport requirements of workers and their dependents, such as transport to clinics and hospitals, transportation of workers' products to the market, etc. in line with transport legislation and regulations;

5.7.1.5. Implementation of retirement, funeral and related schemes provided they are separate from the pay package of beneficiaries;

5.7.1.6. Investment in, and/or provision of support to, farm and/or rural schools;

5.7.1.7. Engagement in collective contributions to social development;

5.7.1.8. Provision of ABET to seasonal workers, rural community members and family of staff members (whether casual or permanent) to increase literacy levels amongst rural South Africans;

5.7.1.9. Maintenance of bursary schemes to enable Black People to gain access to tertiary education institutions.

5.7.2. Contribute to corporate social investment initiatives and/or land available to farm workers. In such cases, the Measured Enterprise will be awarded points in proportion to the target achieved for their contributions.

Agribusiness Enterprises undertake to:-

5.7.3. Contribute to social development and industry specific initiatives. The following is a non-exhaustive list of examples:

5.7.3.1 support for community education facilities; education programmes aimed at promoting the agricultural industry; and bursaries and scholarships to encourage learners to study agricultural sciences;

5.7.3.2. contributions to community training programmes aimed at skills development for the unemployed and ABET;

5.7.3.3. participation in development programmes for the youth and other designated groups;

5.7.3.4. support for programmes in conservation projects; community clean-up programmes and preservation of the natural environment that have direct and tangible benefits to the beneficiaries of B-BBEE;

5.7.3.5. promotion of job creation programmes in the agricultural and agricultural related Sectors, external to the business;

5.7.3.6. support for development programmes to develop new talent for arts and culture;

5.7.3.7. support community clinics and community health programmes (with due consideration for HIV/AIDS programmes); and

5.7.3.8. participate in and support sports development programmes.

6. GOVERNANCE

6.1 An AgriBEE Charter Council has been established and will report to the Black Economic Empowerment Advisory Council, appointed in terms of the Act and the Minister of Trade and Industry, on progress made by the Sector in terms of the AgriBEE Charter.

6.2 The fundamental principles of the AgriBEE Charter Council are as follows:

- The AgriBEE Charter Council will be established as an independent body with a mandate to oversee the implementation of the AgriBEE Charter;
- The AgriBEE Charter Council will address issues of principle relating to the implementation of the Charter;
- The AgriBEE Charter Council will conduct reviews and take decisions;
- The AgriBEE Charter Council will consider whether the targets and implementation strategies are still appropriate, and if not how they should be varied should there be a material change in the circumstances or the environment in which the Charter has to be implemented;
- There will be equitable composition of Stakeholders in the members of the AgriBEE Charter Council.
- Decisions of the Charter Council will be taken on a consensual basis. If, on any issue, the Charter Council is unable to achieve consensus, there will be a dispute-breaking mechanism in the Charter Council either by some agreed mechanism within the Charter Council, or by reference to arbitration or mediation.

6.3 The Charter Council should be tasked with ensuring that the verification of BEE contributions in the Agricultural Sector:

- consists of a valid and reliable process that is practical and legally defensible;
- is an accessible, flexible and cost effective system for the industry which may include electronic systems such as e-filing of BEE contribution data and self assessment tools;
- is subject to audit by agencies appointed in terms of the Codes of Good Practice;
- includes the issuing of qualified and unqualified BEE verification certificates, which respond to the unique needs of the Sector; and
- is universal and generally accepted and nationally recognised standards.

7. DEFINITIONS

For the purposes of clarification and to avoid ambiguity, the following terms apply to this Charter:

7.1. **ABET** means Adult Basic Education and Training as determined by the National Qualification Authority.

7.2. **Accreditation Body** means the South African National Accreditation System or any other Entity appointed by the Minister for Trade and Industry from time to time.

a. accrediting Verification Agencies; and
b. developing, maintaining and enforcing the Verification Standards.

7.3. **Acquisition debt** means the debts of:

a. black participants incurred in financing their purchase of their equity instruments in the Measured Entity; and
b. juristic persons or trusts found in the chain of ownership between the eventual black Participants and the Measured Entity but excluding debts incurred by the Measured Entity for the same purpose as those in (a).

7.4. **AgriBEE** is a Sectoral Transformation Charter as defined in Section 12 of the Broad-Based Black Economic Empowerment Act 53 of 2003.

7.5. **AgriBEE Scorecard** means the Broad-Based BEE scorecard published in the Government Gazette in terms of Section 9 of the Act. The Indicative Scorecard attached to this Charter document should be regarded as an indication of what is likely to be included in possible, future Sector Codes for agriculture.

7.6. **AgriBEE QSE Scorecard** means the Broad-Based BEE scorecard for Qualifying Small Enterprises published in the Government Gazette in terms of Section 9 of the Act. The Indicative AgriBEE QSE Scorecard attached to this Charter document should be regarded as an indication of what is likely to be included in possible, future Sector Codes for agriculture. It could be used in the interim by the sector for measuring BEE contribution until the S9 Sector Codes are finalised.

7.7. **Agriculture** refers to all the economic activities associated with the production and processing of agricultural products as defined in section 2.1.

7.8. **Agricultural Products** are as defined by the Marketing of Agricultural Products Act No. 47 of 1996.

7.9. **Agri-Industry** refers to the combination of **Farming Enterprises** and **Agribusiness Enterprises.**

7.10. **Approved Socio-economic Development Contributions** means monetary or non-monetary contributions carried out for the benefit of any projects approved for this purpose by any organ of state or sectors including without limitation:

a. profits focusing on environmental conservation, awareness, education and waste management; and
b. projects targeting infrastructural development, enterprise creation or reconstruction in underdeveloped areas, rural communities or geographic areas identified in the government's integrated sustainable rural development or urban renewal programmes.

7.11. **Associated Enterprise** means an Entity with which a Seller has concluded a Qualifying Transaction

7.12. **B-BBEE** means Broad-Based Black Economic Empowerment.

7.13. **BEE controlled company** means a juristic person, having share holding or similar members interest in which black participants enjoy a right to Exercisable Voting Rights that is more than 50% of the total such rights measured using the Flow Through Principle.

7.14. **BEE owned company** means juristic person, having share holding or similar members interest, that is BEE controlled, in which black participants enjoy a right to Economic interest that is more than 50% of the total such rights measured using the Flow Through Principle.

7.15. **BEE Procurement Recognition Level** means the percentage BEE Procurement Recognition Levels as determined:

a. for Enterprises that are neither Qualifying Small Enterprises nor Exempted Micro-Enterprises, using statement 000;
b. for Qualifying Small Enterprises, using statement 800; and
c. for Exempted Micro-Enterprises, a deemed BEE procurement Recognition of 100% and BEE Status of Level 4 Contributor under statement 800.

7.16. **BEE Status** means the BEE status of a beneficiary of Enterprise Development Contributions as determined under:

a. Statement 800 for Qualifying Small Enterprises and Exempted Micro Enterprises; and
b. Statement 000 for all other Enterprises.

7.17. **Benefit Factor** means a factor specified in the Benefit Factor Matrix applicable to fixing the monetary value of Enterprise Development and Socio Economic Development Contributions claimable under statement 600, 700, 806 and 807.

7.18. Benefit Factor Matrix means the Benefit Factor Matrix for Enterprise Development and socio Economic Development Contributions annexed to statement 600, 700, 806 and 807.

7.19. **Black Designated Groups**

a. means unemployed black people not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution;
b. Black people who are youth as defined in the National Youth Commission Act of 1996;
c. Black people who are persons with disabilities as defined in the Code of Good Practise on employment of people with disabilities issued under the Employment Equity Act;
d. Black people living in rural and under-developed areas.
e. Black women.

7.20. **Black new entrants** means black participants who hold rights of ownership in a Measured Entity and who, before holding the Equity Instrument in the Measured Entity, have not held equity instruments in any other Entity which has a total value of more than R20 000,000, measured using a standard valuation method.

7.21. **Black People** has the meaning defined in the Act qualified as including only natural persons who are citizens of the Republic of South Africa by birth or descent; or are citizens of the Republic of South Africa by naturalisation:

a. occurring before the commencement date of the constitution of the Republic of South Africa Act of 1993; or
b. occurring after the commencement date of the Constitution of the Republic of South Africa Act of 1993, but who, within the Apartheid policy would have qualified for naturalisation before then.

7.22. **Black Professional Service Provider** means Black Individuals who provide services of a professional nature.

7.23. **Board** means those persons appointed by the Participants of a Measured Entity to undertake the management control of the Measured Entity. The Board is distinguishable from the Senior and Other Top Management by virtue of the fact that Senior and Other Top Management are primarily active in the operational day-to-day management while the Board is primarily active in the control function of the Measured Entity. This does not imply that members of the Board cannot also be Senior and Other Top Management. The term Board does not include persons appointed to that body as alternates.

7.24. **Broad-based Black Economic Empowerment (as defined in the Act)** means the economic empowerment of all Black People including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to-

- increasing the number of Black People that manage, own and control Enterprises and productive assets;
- facilitating ownership and management of Enterprises and productive assets by communities, workers, cooperatives and other collective Enterprises;
- human resource and skills development;
- achieving equitable representation in all occupational categories and levels in the workforce;
- preferential procurement; and
- investment in Enterprises that are owned or managed by Black People;

7.25. **Broad-Based Ownership Scheme** means a ownership scheme which meets the rules set out in Annexe 1008.

7.26. **Certified Learning Programme** means any Learning Programme for which the Measured Entity has:

a. any form of independent written certification as referred to in the "Learning Achievements" column of the Learning Programmes Matrix; or if it does not have such certification;
b. an enrolment certificate issued by the independent person responsible for the issue of the certification referred to in statement 400 and 804 confirming the employee has:
   (i) enrolled for, is attending and is making satisfactory progress in the Learning Programme; or
   (ii) enrolled for but not attended the Learning; or
   (iii) attended the Training Programme but has failed an evaluation of their learning progress.

7.27. **The Act** means the Broad-Based Black Economic Empowerment Act 53 of 2003.

7.28. **Charter** means the AgriBEE Transformation Charter, including the Indicative AgriBEE Scorecard and the Indicative AgriQSE Scorecard

7.29. **Companies Act** means the **Companies Act, no. 71 of 2008.**

7.30. **Company limited by guarantee** means a company as referred to in section 19(1) (b) of the Companies Act.

7.31. **Competent person** means a person who has acquired through training, qualification and experience the knowledge and skills necessary for undertaking any task assigned to them under the codes.

7.32. **Core Skills** means skills that are:

a. value-adding to the activities of the Measured Entity in line with its core business;
b. in areas the Measured Entity cannot outsource; or
c. within the production/operational part of the Measured Entity's value-chain, as opposed to the supply side, services or downstream operations.

7.33. **Critical Skills** means those skills identified as being critical by any SETA.

7.34. **Disabled Employees** has the meaning defined in the Code of Good Practise on Key Aspects of Disability in the Workplace issued under section 54 of the Employment Equity Act.

7.35. **EAP** means Economically Active Population as determined and published by Stats SA. The operative EAP for the purpose of any calculation under the Codes will be the most recently published EAP.

7.36. **Economic interest** means a claim against an Entity representing a return on ownership on the Entity similar in nature to a dividend right, measured using the Flow Through and, where applicable, the Modified Through Principles.

7.37. **EEC Act** means the Employment Equity Act of 1998, as amended.

7.38. **EE Regulations** means the regulations under the Employment Equity Act.

7.39. **Elements** means the measurable quantitative or qualitative elements of BEE compliance in the Generic Scorecard and the Primary Codes.

7.40. **Employee** bears the meaning as defined in the Labour Relations Act 66 of 1995 as amended.

7.41. **Employee Ownership Scheme** means a worker or employee scheme.

7.42. **Enterprise** means a natural or juristic person conducting a business, trade or profession in the Republic of South Africa. Unless the context otherwise indicates, Enterprises include, without limitation, a Measured Enterprise and an Associated Enterprise. Different types of Enterprises within the Sector are defined as follows:

- **Agribusiness Enterprises** means those individuals, groups, cooperatives or companies engaged in other agricultural activities as defined in the scope
- **Farming Enterprises** means those individuals, groups, co-operatives or companies engaged in primary agricultural production activities as defined in the scope.

7.43. **Entrepreneur** means a person who starts and / or operates a business which includes identifying opportunities in the market, taking risks with a view of being rewarded with profits.

7.44. **Entity** means a natural or a juristic person conducting a business, trade or profession in the Republic of South Africa.

7.45. **Enterprise Development Contributions** means monetary or non-monetary contributions carried out for the following beneficiaries, with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries:

a. Category A Enterprise Development Contributions involves Enterprise Development Contributions to Exempted Micro-Enterprises or Qualifying Small Enterprises which are 50% black owned or black women owned;

b. Category B Enterprise Development Contributions involves Enterprise Development Contributions to any other Entity that is 50% black owned or black women owned; or 25% black owned or black women owned with a BEE status of between Level One and Level Six.

7.46. **Equity Equivalent Contribution** means an equity equivalent contribution made by a Multinational under an Equity Equivalent Programme.

7.47. **Equity Equivalent Programme** means a public programme or scheme of any government department, provincial or local government in the Republic of South Africa or any other programme approved by the Minister as an Equity Equivalent Programme.

7.48. **Equity Instrument** means the instrument by which a Participant holds rights of ownership in an Enterprise.

7.49. **Equivalency Percentage** means a percentage ownership performance for all the indicators in the Associated Enterprise's Ownership Scorecard arising from a Qualifying Transaction included in the Ownership Scorecard of the beneficiary entity.

7.50. **Executive Members of the Board** mean those members of the Board who are executive directors as defined in the King Report;

7.51. **Exempted Micro Enterprise** means an Entity with an annual turnover of less than R5 (five) million (refer also to Section 2.5).

7.52. **Exercisable Voting Right** means a voting right of a Participant that is not subject to any limit;

7.53. **Global Practice** means a globally and uniformly applied practice of a Multinational, restricting alienation of equity in or the sale of businesses in its regional operations. The practice must have existed before the promulgation of the Act.

7.54. **Grant Contribution** means the monetary value of Qualifying Contributions made by the Measured Entity to a beneficiary in the form of grants, donations, discounts and other similar quantifiable benefits which are not recoverable by the Measured Entity.

7.55. **Government** means the national, provincial and local spheres of government and State-Owned Enterprises which are distinctive, interdependent and interrelated.

7.56. **Higher Education Institution** means a higher education institution as defined under the Higher Education Act of 1997.

7.57. **Inception Date** means a date specified by a Measured Entity as being the date from which its Contributions are measurable before the commencement date of statement 600, 700, 806 and 807 of the B-BBEE Codes of Good Practice.

7.58. **Independent Non-Executive Board Members** means those members of the Board that are independent directors as defined in the King Report.

7.59. **Indicator Percentage** means the percentage compliance of the Associated Entity for all the indicators of the Associated Enterprise Ownership Scorecard. The calculation of Indicator Percentage follows the rules in statement 100 using the actual percentage compliance for each indicator and not the resulting scores.

7.60. **King Report** means the King Report on Corporate Governance for South Africa 2002 by the King Committee on Corporate Governance of the Institute of Directors in Southern Africa.

7.61. **Learning Programmes** means any learning programme set out in the Learning Programme Matrix.

7.62. **Learning Programme Matrix** means the Learning Programme Matrix annexed as Annexe "400A" 804(A) in statement 400 and 804.

7.63. **Leviable Amount** bears the meaning as defined in the Skills Development Levies Act of 1999 as determined using the Fourth Schedule to the Income Tax Act.

7.64. **Management Fees** means the total Economic Interest received by a Broad-Based Ownership Scheme in any year less the amounts distributed or applied to beneficiaries and the amounts reserved for future distribution or application.

7.65. **Mandated Investments** means any investments made by or through any third party regulated by legislation on behalf of the actual owner of the funds, pursuant to a mandate given by the owner to a third party, which mandate is governed by that legislation. Some examples of domestic mandated investments and the portions of those investments subject to the exclusion principle are contained in Annexe 100A attached to statement 100.

7.66. **Measured Enterprise** means an Entity as well as an organ of state or public entity subject to measurement under the Codes.

7.67. **Multinational Business** means a Measured Entity with a business in the Republic of South Africa and elsewhere which maintain its international headquarters outside the Republic.

7.68. **National Skills Development** means the national skills development strategy referred to in section 5(1)(a)(ii) of the Skills Development Act.

7.69. **Net Profit After Tax** means the operating profit of a measured entity after tax. It incorporates both the equity / loss figures and abnormal items, but excludes extra ordinary items as determined by (GAAP) Generally Accepted Accounting Practices.

7.70. **Net Profit Before Tax** means the operating profit of a measured entity before tax. It incorporates both the equity / loss figures and abnormal items, but excludes extra ordinary items as determined by (GAAP) Generally Accepted Accounting Practices.

7.71. **Net Value** means the percentage resulting from the formula in Annexe 100(C) of statement 100.

7.72. **Net-value Date** means the later occurring of the date of commencement of statement 100 and the date upon which the earliest of all still operative transactions undertaken by the Measured Entity Measured Entities in order to achieve black rights of ownership, became effective and unconditional.

7.73. **Non-profit Organisation** means a non-profit organisation registered under the Non-Profit Organisation Act of 1997.

7.74. **Outsourced Labour Expenditure** means any expenditure incurred in:

a. procuring the services of or from a labour broker; and

b. procuring the services of any person who receives any remuneration or to whom any remuneration accrues because of any services rendered by such person to or on behalf of a labour broker.

7.75. **Ownership Fulfilment** has the same meaning as referred to in the ownership scorecard in statement 100.

7.76. **Participant** means a natural person holding rights of ownership in a Measured Entity.

7.77. **Priority Skills** means Core, Critical and Scare Skills as well as any skills specifically identified:

a. in a Sector Skills Plan issued by the Department of Labour of the republic of South Africa; and

b. by the Joint Initiative for Priority Skills Acquisition (JIPSA) established as part of the Accelerated and Shared Growth Initiative – South Africa (ASGISA).

7.78. **Private Equity Fund** means a third party fund through which investments are made on behalf of the actual owner of the funds pursuant to a mandate given by that person to the private equity fund.

7.79. **Professionally Qualified, Experienced Specialists and Mid-management**" in terms of the Employment Equity element, is as per the EEA9 Form issued as a regulation under the Employment Equity Act.

7.80. **Public Benefit Organisation** means an entity as defined in section 30 of the Income Tax Act of 1962.

7.81. **Qualifying Small Enterprise (QSE)** means a Qualifying Small Entity that qualifies for measurement under the qualifying small Entity scorecard with a turnover of between R5 million and R35 million. "Qualifying Enterprise Development Contributions" is a collective term describing Category A and B Enterprise Development Contributions and in particular Enterprise Development Contributions targeting black owned EME's and QSE's, and black youth in rural and underdeveloped areas in statement 600.

7.82. **Qualifying Enterprise Development Contribution** is a collective term describing category A and B enterprise development contribution and in particular enterprise development contributions targeting black owned EME's and QSE's, and black youth in rural and underdeveloped areas in statement 600 of the B-BBEE Codes of Good Practice.

7.83. **Qualifying Transaction** means a sale of a business, valuable business assets, and shares or land that results in the creation of sustainable business opportunities and transfer of specialised skills or productive capacity for black people.

7.84. **Realisation Points** means the Ownership Fulfilment points added to the Net Value points in the ownership scorecard.

7.85. **Related Enterprise** means an Entity controlled by a Measured Entity whether directly or indirectly controlled by the natural persons who have direct or indirect control over that Measured Entity or the immediate family of those natural persons.

7.86. **Rights of Ownership** is a collective term for the right to Economic Interest and the rights to Exercisable Voting Rights.

7.87. **Scarce Skills** are those skills identified as being scarce by any SETA.

7.88. **The Scorecard** refers to the Indicative AgriBEE Scorecard or the Indicative AgriQSE Scorecard – whichever is applicable in the context in which the term is employed.

7.89. **Section 21 Company** means an association not for gain incorporated under section 21 of the Companies Act.

7.90. **Sector** means the Agricultural Sector as defined in the Scope in paragraph 2.1.

7.91. **Sector Code** means a Code in statement 003 in the B-BBEE Codes of Good Practice which is applicable to a particular sector.

7.92. **Sector Plan** means the Strategic Plan for South African Agriculture developed jointly by the Government of the Republic of South Africa, Agri SA (including Agribusiness Chamber) and NAFU, signed on 27 November 2001.

7.93. **Seller** means the Entity or the person concluding a Qualifying Transaction with the Associated Enterprise.

7.94. **Senior Management** in terms of the Employment Equity element, is as per the EEA9 Form issued as a regulation under the Employment Equity Act

7.95. **Senior Top Management** means Employees of a Measured Entity who are:

(a) members of the occupation category of "Top Management" as defined using the EE Regulations as qualified in a Sector Code;

(b) appointment by or on the authority of the Board to undertake the day-to-day management of that Measured Entity and who:

(i) have individual responsibility for the overall management and for the financial management of that Measured Entity; and

(ii) actively involved in developing and implementing the Measured Entity's overall strategy.

7.96. **Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen, Superintendents** in terms of the Employment Equity element, is as per the EEA9 Form issued as a regulation under the Employment Equity Act

7.97. **Skills Development Expenditure** comprises the money that a Measured Entity spends on skills development. It excludes the skills development levy payable by the Measured Entity under the Skills Development Levies Act.

7.98. **Socio-Economic Development Contributions** is a collective term for Socio-Economic development programmes and contributions, approved Socio-Economic development programmes and sector specific programmes.

7.99. **Socio-Economic Development Programmes**

(a) Socio-Economic development Programmes commonly take the following forms:

(i) develop programmes for women, youth, people with disabilities, people living in rural areas;
(ii) support of healthcare and HIV/AIDS programmes;
(iii) support for education programmes, resources and materials at primary, secondary and tertiary education level, as well as bursaries and scholarships;
(iv) community training, skills development for unemployed people and adult basic education and training; or
(v) support of arts, cultural or sporting development programmes.

7.100. **A stakeholder is** used as a broad term to describe participants in the entire agricultural value chain as well as current and potential beneficiaries of AgriBEE including government.

7.101. **State-Owned Enterprise**: State-Owned Enterprise means Public Entity defined as-

- a government business Enterprise; or
- a board, commission, company, corporation, fund or other entity (other than a national government business Enterprise) which is
  - established in terms of national legislation;
  - fully or substantially funded either from the National Revenue Fund, or by way of a tax, levy or other money imposed in terms of national legislation; and
  - accountable to Parliament;

7.102. **Standard Valuation Method** means a standard valuation method for an asset, an Economic Interest, or any other instrument or right relevant to measurement under statement 100, undertaken using normal valuation methods that represent standard market practise.

7.103. **Start-up Enterprise** means a recently formed or incorporated Entity that has been in operation for less than 1 year. A start-up enterprise does not include any newly constituted enterprise which merely a continuation of a pre-existing enterprise.

7.104. **Subsidiary** has the meaning defined in section 1(3) of the Companies Act.

7.105. **Superior Contributor** to BEE is a Level One to Level Four Contributor to BEE.

7.106. **Supplier** means any supplier or service provider to a Measured Entity if any portion of the supply or service provision falls within the definition of Total Measured Procurement Spend.

7.107. **Target** means the Targets for the various elements in the Indicative AgriBEE and AgriQSE Scorecards.

7.108. **the Act** means the Broad-Based Black Economic Empowerment Act 53 of 2003.

7.109. **the Codes** means the Codes of Good Practice including all the statements as issued under the section 9 of the Act.

7.110. **the Generic** Scorecard means the balanced BEE scorecard as contained in statement 100.

7.111. **the PFMA** means the Public Finance Management Act 1 of 1999 as amended.

7.112. **the QSE Scorecard** means the QSE scorecard referred to in statement 800.

7.113. **the Skills Development Act** means the Skills Development Act of 1998.

7.114. **the Skills Development Levies Act** means the Skills Development Levies Act of 1999.

7.115. **The Strategy Document** means the document entitled "South Africa's Economic Transformation – A Strategy for Broad-Based Black Economic Empowerment" published by the Department of Trade and Industry in March 2003 as amended or substituted under section 11 of the Act.

7.116. **Third Party Rights** means third party legal or commercial rights that restrict, withhold or defer any benefit associated with ownership of any Equity Instrument. Third party rights include only those rights:

a. created against a black Participant to ensure, for a lender, repayment of a loan advanced to that Participant for financing their purchase of their equity instrument in the Measured Entity;
b. held against a juristic person or trust that is in the chain of ownership between the Measured Entity and that the eventual black Participant serving the same purpose mentioned in (a) above.

7.117. **Top Manager** means employees of a Measured Entity who hold rights of ownership, serve on the Board, undertake the day to day management, have overall responsibility for the overall financial management and are actively involved in developing and implementing the overall strategy of the Measured Entity.

7.118. **Total Labour Cost** means the total amount of remuneration paid by an Entity to its employee's determined using section 3(4) of the Skills Development Levies Act of 1999 and the Forth Schedule of the Income Tax Act of 1962.

7.119. **Total Revenue** means the total income of an Entity from its operations as determined under South African Generally Accepted Accounting Practice.

7.120. **Transformation Charter** means the Sectoral transformation charters referred to in section 12 of the Act;

7.121. **Uncertified Learning Programme** means any Learning Programme of the Measured Entity that is not a Certified Learning Programme.

7.122. **Unincorporated Joint Venture** means a joint venture between two or more Measured Entities effected by agreement without incorporation.

7.123. **Value-Adding Enterprise** means an Entity registered as a vendor under the Value-Added Tax of 1991, whose Net Profit Before Tax summed with its Total Labour Cost exceeds 25% of the value of its Total Revenue.

7.124. **Voting Right** means a voting right attaching to an Equity instrument owned by or held for a Participant measured using the Flow-Through Principle or the Control Principle.

7.125. **Weighing** means the weightings applied to the various Elements in the Generic Scorecard.

7.126. **Workplace Skills Plan** means the plan of a Measured Entity approved by the relevant SETA.

7.127. **50% black owned** means an Entity in which:

a. black people hold more than 50% of the exercisable voting rights as determined under Code series 100;
b. black people hold more than 50% of the economic interest as determined under Code series 100; and
c. has earned all the points for Net Value under statement 100.

7.128. **50% black women owned** means an Entity in which:

a. black women hold more than 50% of the exercisable voting rights as determined under code series 100;
b. black women hold more than 50% of the economic interest as determined under Code series 100; and
c. has earned all the points for Net Value under statement 100.

7.129. **30% black women owned** means an Entity in which:

a. black women hold more than 30% of the exercisable voting rights as determined under code series 100;
b. black women hold more than 30% of the economic interest as determined under Code series 100; and
c. has earned all the points for Net Value under Statement 100.

The definitions in the B-BBEE Act (53 of 2003) and the Codes of Good Practice, as published by the Department of Trade and Industry, will prevail in cases where clarity regarding definitions is required.

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AgriBEE SCORECARD

The AgriBEE Sector Code (Scorecard) enjoys equal status with that of any other code, including the Generic Codes of Good Practice.

Measurement Principles:

- A Measured Enterprise's score for a particular indicator is calculated by dividing the enterprise's actual contribution (as described by the relevant indicator) by the corresponding target
- The result is multiplied by the corresponding indicator weighting points to obtain a score for that indicator
- Where the enterprise attains a score in excess of the indicator weighting points, the enterprise shall only be entitled to the corresponding weighting points
- The score for an element is the sum of indicator scores under that element
- A Measured Enterprise's overall BEE score out of 100 will determine its BEE status and BEE procurement recognition level

Targets contained in the AgriBEE Scorecard are based on those contained in the Broad-Based Black Economic Empowerment Codes of Good Practice as published by the Department of Trade and Industry, February 2007, as well as on stakeholder inputs, comments and recommendations. Where no substantive reasons for deviation from targets contained in the Codes of Good Practice were put forward by stakeholders, targets have largely remained aligned with those contained in the Codes of Good Practice.

Attention is drawn to Clause 5.1.2.2 in terms of ownership for enterprises.

ELEMENT	Weighting	Indicator Category	Indicator	Indicator Weighting Points	TARGET
Ownership	20%	Voting rights	Exercisable Voting Rights in the Enterprise in the hands of black people	3	25% + 1 vote
			Exercisable Voting Rights in the enterprise in the hands of black women	2	10%
		Economic interest	Economic Interest in the enterprise to which black people are entitled	4	25%
			Economic Interest in the Enterprise to which black women are entitled	2	10%
			Economic interest in the Enterprise to which black designated groups,deemed participants in distribution schemes or employee schemes; participants in co-operatives, are entitled	1	2.5%
		Realisation points	Ownership fulfilment	1	No Restrictions
			Net Equity Interest Achieved accordingly:(See CoGP) 10% of the Target (Year 1) 20% of the Target (Year 2) 40% of the Target (Year 3-4) 60% of the Target (Year 5-6) 80% of the Target (Year 7-8) 100% of the Target (Year 9-10)	7	25%
		Bonus points	Involvement in the ownership of the Enterprise of black new entrants; black disabled people, black youth and black Deemed Participants of Broad-Based Ownership Schemes; or black Participants in Co-operatives	3	Bonus per each level of 5%

Land Ownership	20%		Commercial agricultural land transferred or sold to black people (The full detail of this matter can only be finalized once the legislative framework emanating from the current Land Reform Green Paper has been established. Until such time, the provisions of this Sector Code, read in conjunction with Statement 102, Recognition of Sale of Assets of the Codes of Good Practice, will be valid for measurement purposes).	20	30%

		Bonus points	Contribution to achieving in excess of 30% land transfer. **Note**: Given the need to transfer land in support of national objectives, the nature of farming and the need to support Black People in establishing viable commercial farming Enterprises on the land that they receive, Measured Enterprises are encouraged to sell land in accordance with the principles and criteria attached to Qualifying Transactions as outlined below. However, these criteria and principles will only apply for a period of 5 years following the sale of land, where after the Measured Enterprise will enjoy continued recognition for ownership contributions. This refers exclusively to title deed land transfer. Further Black participation through ownership in the Agri-Industry by increasing the level of entitlement of Black People to participate in the Economic Interest and Exercisable Voting Rights in existing and new Enterprises. This includes the sale of equity in a Measured Enterprise, sale of assets through Qualifying Transactions and/or through share equity schemes and other forms of joint ventures with farm labourers and other Black entrepreneurs Commercial agricultural land transferred or sold to black people (The full detail of this matter can only be finalized once the legislative framework emanating from the current Land Reform Green Paper has been established). In the interim those paragraph 5.1.3 of this Code shall apply. The provisions of this Sector Code, read in conjunction with Statement 102, Recognition of Sale of Assets of the Codes of Good Practice, will be valid for measurement purposes.	5	30% (Bonus point per each percentage of land transferred above 30% of total land)

Management Control	10%	Board Participation	Percentage of exercisable Voting Rights held by Members of the Board who are black people to the total of all Voting Rights exercised by all members of the Board	3	50%
			Executive Members of the board who are black people	1	50%
			Executive Members of the board who are black women	1	25%
		Top Management Participation	Percentage that Senior Top Management who are black people constitute of the total number of Senior Top Management	2	40%
			Percentage that Senior Top Management who are black women constitute of the total number of Senior Top Management	1	20%
			Percentage that Other Top Management who are black people constitute of the total number of Other Top Management	1	40%
			Percentage that Other Top Management who are black women constitute of the total number of Other Top Management	1	20%
		Bonus Points	Percentage that black people who are Independent Non-executive Board Members constitue of the total number of Independent Non-executive Board Members	1	40%

Employment Equity	10%		Black people with disabilities employed in by the Measured Enterprise as a percentage of all full-time employees	2	3%
			Black people employed by the Measured Enterprise at Senior Management level as a percentage of employees at Senior Management level	2	60%
			Black women employed by the Measured Enterprise at Senior Management level as a percentage of employees at Senior Management level	2	30%
			Black people employed by the Measured Enterprise at Professionally Qualified, Experienced Specialist and Mid-management level as a percentage of employees at Professionally Qualified, Experienced Specialist and Mid-management level	2	75%
			Black women employed by the Measured Enterprise at Professionally Qualified, Experienced Specialist and Mid-management level as a percentage of employees at Professionally Qualified, Experienced Specialist and Mid-management level	1	40%
			Black people employed by the Meausured Enterprise at Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents as a percentage of employees at Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents level	1	80%
			Bonus point for meeting or exceeding the EAP target in each category above	3	

Skills Development	20%	Skills Development Spend	Skills development spend on black employees as a percentage of Leviable Amount. (85% of spend focused on core skills as identified by the enterprise and critical skills as identified and accredited by the relevant SETA. If the Measured Entity does not meet the 85% then the points scoring will be pro rated).	7	2.%
			Skills development spend on black women as a percentage of Leviable Amount (85% of spend focused on core skills as identified by the enterprise and critical skills as identified by the relevant SETA. If the Measured Entity does not meet the 85% then the points scoring will be pro rated).	2	1%
			Spend on black employees with disabilities as a percentage of Leviable Amount	1	0.2%
		Recognised Training Programmes/Learnerships	Number of black employees participating in training programmes/ Learnerships that lead to recognised qualifications as percentage of total employees.	3	5%
			Number of black women participating in training programmes that lead to recognised qualifications as percentage of total employees	2	2.5%
			Number of people who are members of Black Designated Groups participating in training programmes/ Learnerships that lead to recognised qualifications as percentage of total employees.	3	1%
			Number of Black employees participating in ABET Training as a percentage of total employees.	2	1%
		Bonus points	Percentage of employees participating in ABET level 3 training as a percentage of total employees.	2	2%

Preferential Procurement	20%	Preferential Procurement Spend	B-BBEE procurement spend from all suppliers based on B-BBEE Procurement Recognition levels as a percentage of Total Measured Procurement Spend	12	70%
			B-BBEE procurement spend from Qualifying Small Enterprises suppliers based on B-BBEE Procurement recognition levels as a percentage of Total Measured Procurement Spend	2	15%
			B-BBEE procurement spend from Exempted Micro Enterprises suppliers based on B-BBEE Procurement recognition levels as a percentage of Total Measured Procurement Spend	1	5%
			B-BBEE procurement spend from Exempted Micro Enterprises suppliers that are 50% Black owned as a percentage of Total Measured Procurement recognition Spend	3	12%
			B-BBEE procurement spend from Exempted Micro Enterprises suppliers that are 30% Black women owned as a percentage of Total Measured Procurement recognition Spend	2	8%

Enterprise Development	10%	Enterprise Development Spend	Average annual value of all Enterprise Development contributions and Sector Specific Programmes made by the Measured Entity as a percentage of target	10	3% of NPAT
		Bonus Points	Enterprise development contributions that directly increase employment levels in preceding year .	2	One point for every 5% proven increase in permanent employment for black people on previous year's permanent employment

Socio-economic Development	10%	SED Spend and/or Land available to farm workers[1]	Average annual value of all SED contributions and Sector Specific Programmes made by the Measured Entity as a percentage of target and/or Land made available to farm workers measured from the commencement date of this Sector Code or the Inception Date over 10 years of the Code period. The Inception date chosen by the Measured Entity must not be earlier than 5 years before the commencement date of this statement, but binds the Measured Entity for the duration of this statement.	10	1,0% of NPAT 10% Land of the total land owned by the Measured Entity
		Bonus Point	SED contributions benefiting black people in rural communities or geographic areas identified in government's intergrated sustainable development programme and urban renewal programme	1	
			Lease of 20% of land or capital assets owned by the Measured Entity on a long term basis to black persons which meets the criteria of a qualifying transaction as outlined in paragraph 5.1.1.2	2	Lease longer than 10 years

[1]A leased contract signed between the workers and the Measured Entity must serve as a proof.

AgriBEE QSE SCORECARD

The gazetting of AgriBEE Sector Code in terms of Section 9 of the Act evidences the commitment by all stakeholders to promote and implement BEE in the agricultural sector. The AgriBEE Sector Code (Scorecard) enjoys equal status with that of any other code, including the Generic Codes of Good Practice.

Targets contained in the AgriBEE QSE Scorecard are based on those contained in the Broad-Based Black Economic Empowerment Codes of Good Practice as published by the Department of Trade and Industry, February 2007, as well as on stakeholder inputs, comments and recommendations. Where no substantive reasons for deviation from targets contained in the Codes of Good Practice were put forward by stakeholders, targets have largely remained aligned with those contained in the Codes of Good Practice.

A **Qualifying Small Enterprise ('QSE')** is an Enterprise which qualifies for BEE compliance measurement in terms of the Agricultural Qualifying Small Enterprise Scorecard by nature of having total revenue of more than R5 million (subject to adjustment) but less than R35 million.

An Exempted Micro Enterprise ('EME') is an Enterprise which qualifies for BEE compliance exemption by nature of the fact that the Enterprise has an annual turnover of less than R5 million and meets the principles of non-circumvention as defined in the Codes of Good Practice Code 000 Statement 000. EME's will enjoy a deemed BEE recognition level of either Level 3 or 4 (as defined in the Codes of Good Practice), and sufficient evidence of qualification as an Exempted Micro-enterprise is an auditor's certificate or similar certificate issued by an accounting officer or verification agency. However, EME's are encouraged to contribute to transformation in agriculture, particularly in the areas of skills development and socio-economic development and are therefore incentivised to increase their BEE status, as outlined in this Code.

Element	AgriBEE QSE Scorecard Weighting	Generic QSE Scorecard Weighting
Ownership	20 points	25 points
Management control	20 points	25 points
Employment equity	20 points	25 points
Skills Development	20 points	25 points
Preferential procurement	20 points	25 points
Enterprise development	20 points	25 points
Residual	20 points	25 points

- A Qualifying Small Enterprise **must** elect to be measured using, **at least**, five of the seven elements of the AgriBEE Scorecard according to its own choice.In the agricultural sector, majority of the farmers fall in the category of QSE and as such, there is a need for them to select five (5) elements instead of four (4) elements prescribed in the Generic Codes of Good Practice for the purpose of fasttracking transformation in the sector.
- Each indicator will have a weighting of 20 percent, resulting in a total of 140 available BEE points.
- When electing to be measured using more than five of the seven elements, the BEE Status must be determined using the maximum number of BEE points available to it.

For the purpose of fast-tracking transformation (equity ownership) and incentivizing QSEs in the agricultural sector, an enterprise that gets 20 points for this element, qualifies for a multiplier of 1.25 on top of the 20 points, provided that enterprise has achieved the 25% target in full. This is also a sector endeavor to encourage broad-based empowerment, and ownership has always been a core transformation consideration of the sector.

Measurement Principles:

- A Measured Enterprise's score for a particular indicator is calculated by dividing the enterprise's actual contribution (as described by the relevant indicator) by the corresponding target
- The result is multiplied by the corresponding indicator weighting points to obtain a score for that indicator
- Where the enterprise attains a score in excess of the indicator weighting points, the enterprise shall only be entitled to the corresponding weighting points
- The score for an element is the sum of indicator scores under that element
- A measured enterprise's overall BEE score out of 100 will determine its BEE status and BEE procurement recognition level

ELEMENT	WEIGHTING	CATEGORY	INDICATOR	INDICATOR WEIGHTING POINTS	TARGET
OWNERSHIP	20%	Voting rights	Exercisable Voting Rights in the Enterprise in the hands of black people	5	25%+ 1 vote
		Economic interest	Economic interest in the Enterprise to which black people are entitled	7	25%
		Realisation points	Ownership fulfillment	1	Yes
			Net equity interest 10% of the Target (Year 1) 20% of the Target (Year 2) 40% of the Target (Year 3,4) 60% of the Target (Year 5,6) 80% of the Target (Year 7,8) 100% of the Target (Year 9,10)	7	25%
		Bonus points	Involvement in the ownership of the Enterprise of: - Black Disabled People - Black Youth - Black Women and/or - Broad-based Ownership Schemes	3	10%

LAND OWNERSHIP	20%		Commercial agricultural land transferred or sold to black people (The full detail of this matter can only be finalized once the legislative framework emanating from the current Land Reform Green Paper has been established. In the interim paragraph 5.1.3 of this Code shall apply. The provisions of this Sector Code, read in conjunction with Statement 102, Recognition of Sale of Assets of the Codes of Good Practice, will be valid for measurement purposes.	20	30%
		Bonus points	Contibution to achieving in excess of 30% land transfer. Bonus point per each percentage of land transferred above 30% of total land	5	30%

MANAGEMENT	20%	Owner-Manager Participation	Black representation at Owner/ manager level	20	50.1%
		Bonus Points	Black women representation at Owner/ manager level	2	25%
EMPLOYMENT EQUITY	20%		Black representation at Controller/ supervisor level as a total of all management	6	60%
			Black women representation at Controller/ supervisor level as a total of management	6	30%
			Black employees as percentage of total employees	4	70%
			Black women as percentage of total employees	4	35%
			Bonus point for meeting or exceeding the EAP targets in each category above	2	
SKILLS DEVELOPMENT	20%		Employee enrollment/ involvement in Recognised Training Programmes	5	30%
			Skills development spend on black employees as a percentage of Leviable Amount. (85% of spend focused on core skills as identified by the enterprise and critical skills as identified and accredited by the relevant SETA. If the Measured Entity does not meet the 85% then the points scoring will be pro rated).	15	2%
			Percentage of employees participating in ABET level 3 training as a percentage of total employees	2	2%
PREFERENTIAL PROCUREMENT	20%		B-BBEE procurement spend from Suppliers based on B-BBEE Procurement recognition levels as a percentage of Total Measured Procurement Spend	20	50%

ENTERPRISE DEVELOPMENT	20%		Average annual value of all Enterprise Development contributions and Sector Specific Programmes made by the Measured Entity as a percentage of target.	20	3% of NPAT
Socio-economic Development (SED) AND CORPORATE SOCIAL INVESTMENT	20%	SED Spend and/or Land available to farm workers[1]	Average annual value of all SED contributions and Sector Specific Programmes made by the Measured Entity as a percentage of target and/or Land made available to farm workers measured from the commencement date of this Sector Code or the Inception Date over 10 years of the Code period. The Inception date chosen by the Measured Entity must not be earlier than 5 years before the commencement date of this statement, but binds the Measured Entity for the duration of this statement.	20	1% of NPAT 10% (land for farm labourers in pro rata).
		Bonus points	Lease of 20% land or capital assets on a long term basis to black persons which meets the criteria of a qualifying transaction as outlined in paragraph 5.1.1.2.	3	Lease longer than 10 years

Enterprises that have fully contributed to the Ownership Element of the scorecard have an option of only contributing to the SED portion of this element which will then have a corresponding 10 weighting points.

agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Resolution by the AgriBEE Charter Council – 12 September 2012.

The following are the four (4) issues that will be deliberated and concluded *post* the gazette of the AgriBEE Sector Code 9 (1) and once there is a clear scientific and legislative directive on all the four issues, the AgriBEE Sector Code will be amended accordingly through the Minister of Agriculture, Forestry and Fisheries.

The issues are:

1. The inclusion of the contents of the Local Procurement Accord into the AgriBEE Preferential Procurement Scorecard. The Department of Trade and Industry will give guidance with regard to the revised Preferential Procurement Scorecard;
2. The proposal that all farms that are subject to land claim in terms of Land Restitution should be given an automatic level 4 BEE status or 3 (as described in the Codes of Good Practice);
3. The review of the thresholds will be concluded once the AgriBEE Economic Study has been concluded by the National Agricultural Marketing Council; and
4. Any other amendment pertaining to the B-BBEE Act 53 of 2003 and the Generic Codes of Good Practice by the Department of Trade and Industry will be effected accordingly in the AgriBEE Sector Code.

[1]A leased contract signed between the workers and the Measured Entity must serve as a proof.

MINISTER
AGRICULTURE, FORESTRY AND FISHERIES
REPUBLIC OF SOUTH AFRICA

Private Bag X250, Pretoria 0001. Tel: 012 319 7319. Fax: 012 321 8558
Private Bag X9087, Cape Town 8000. Tel: 021 467 4502. Fax: 021 465 6550

SIGNATORIES TO THE GAZETTE OF THE AgriBEE SECTOR CODE IN TERMS OF SECTION 9 (1) OF THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT NO. 53 OF 2003.

We the undersigned:

- Representative organizations of major stakeholders in the Agricultural Sector hereby confirm that we have participated in the process of developing the AgriBEE Sector Code and hereby commit ourselves to the gazette and implementation of the AgriBEE Sector Code in terms of Section 9 (1) of the B-BBEE Act No. 53 of 2003.

Department of Agriculture, Forestry & Fisheries

Landless People Movement

FAWU

Agbiz

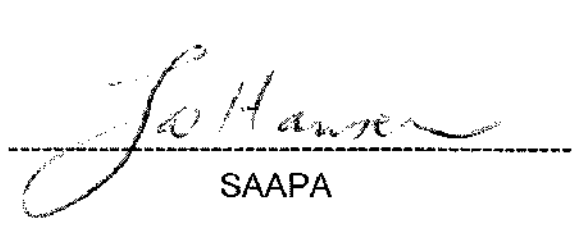
WARD

Department of Water Affairs[1]

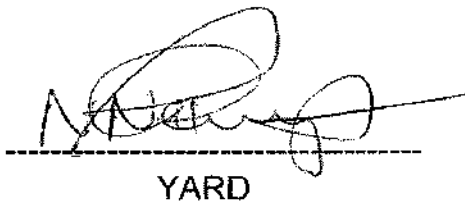
NAFU SA

Agri SA

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SAAPA



YARD

Department of Rural Development and Land Reform

The Department of Trade and Industry

TAU SA

The Presidency: Office on the status of disabled persons

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14

REPUBLIC OF SOUTH AFRICA

PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT

REPUBLIEK VAN SUID-AFRIKA

WET OP DIE RAAMWERK VIR VOORKEURVERKRYGINGSBELEID

ACT

To give effect to section 217(3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217(2) of the Constitution; and to provide for matters connected therewith.

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

Definitions

1. In this Act, unless the context indicates otherwise—

(i) ''acceptable tender'' means any tender which, in all respects, complies with the specifications and conditions of tender as set out in the tender document; (i)

(ii) ''Minister'' means the Minister of Finance; (iii)

(iii) ''organ of state'' means—

(a) a national or provincial department as defined in the Public Finance Management Act, 1999 (Act No. 1 of 1999);

(b) a municipality as contemplated in the Constitution;

(c) a constitutional institution defined in the Public Finance Management Act, 1999 (Act No. 1 of 1999);

(d) Parliament;

(e) a provincial legislature;

(f) any other institution or category of institutions included in the definition of ''organ of state'' in section 239 of the Constitution and recognised by the Minister by notice in the *Government Gazette* as an institution or category of institutions to which this Act applies; (iv)

(iv) ''preferential procurement policy'' means a procurement policy contemplated in section 217(2) of the Constitution; (vi)

(v) ''prescribed'' means prescribed by regulation made under section 5; (v)

(vi) ''this Act'' includes any regulations made under section 5. (ii)

Framework for implementation of preferential procurement policy

2. (1) An organ of state must determine its preferential procurement policy and implement it within the following framework:

(a) A preference point system must be followed;

(b) (i) for contracts with a Rand value above a prescribed amount a maximum of 10 points may be allocated for specific goals as contemplated in paragraph *(d)* provided that the lowest acceptable tender scores 90 points for price;

(ii) for contracts with a Rand value equal to or below a prescribed amount a maximum of 20 points may be allocated for specific goals as contemplated in paragraph *(d)* provided that the lowest acceptable tender scores 80 points for price;

(c) any other acceptable tenders which are higher in price must score fewer

points, on a *pro rata* basis, calculated on their tender prices in relation to the lowest acceptable tender, in accordance with a prescribed formula;

(d) the specific goals may include—

(i) contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability;

(ii) implementing the programmes of the Reconstruction and Development Programme as published in *Government Gazette* No. 16085 dated 23 November 1994;

(e) any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender;

(f) the contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs *(d)* and *(e)* justify the award to another tenderer; and

(g) any contract awarded on account of false information furnished by the tenderer in order to secure preference in terms of this Act, may be cancelled at the sole discretion of the organ of state without prejudice to any other remedies the organ of state may have.

(2) Any goals contemplated in subsection 1*(e)* must be measurable, quantifiable and monitored for compliance.

Exemption

3. The Minister may, on request, exempt an organ of state from any or all the provisions of this Act if—

(a) it is in the interests of national security;

(b) the likely tenderers are international suppliers; or

(c) it is in the public interest.

Transitional provision

4. Any procurement process implemented under a preferential procurement policy where the invitation to tender was advertised before the commencement of this Act, must be finalised as if this Act had not come into operation.

Regulations

5. (1) The Minister may make regulations regarding any matter that may be necessary or expedient to prescribe in order to achieve the objects of this Act.

(2) Draft regulations must be published for public comment in the *Government Gazette* and every *Provincial Gazette* before promulgation.

Short title

6. This Act is called the Preferential Procurement Policy Framework Act, 2000.

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(7 December 2011 - to date)

PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 5 OF 2000

(Gazette No. 20854, Notice No. 97, dated 3 February 2000. Commencement date: 3 February 2000)

PREFERENTIAL PROCUREMENT REGULATIONS, 2011

Published under Government Notice R502 in Government Gazette 34350, dated 8 June 2011.
Commencement date: 7 December 2011.

I, Pravin J. Gordhan, Minister of Finance, acting in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), hereby make the Regulations set out in the Schedule.

Signed at Pretoria on this 6th day of June 2011.

(Signed)
PRAVIN J. GORDHAN
MINISTER OF FINANCE

SCHEDULE

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PART ONE

DEFINITIONS AND APPLICATION

1. Definitions

In these Regulations, any word or expression to which a meaning has been assigned in the Act has the meaning so assigned, and, unless the context otherwise indicates-

(a) **"Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);

(b) **"all applicable taxes"** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;

(c) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

(d) **"B-BBEE status level of contributor"** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

(e) **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

(f) **"comparative price"** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;

(g) **"consortium or joint venture"** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

(h) **"contract"** means the agreement that results from the acceptance of a tender by an organ of state;

(i) **"designated sector"** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

(j) **"firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;

(k) **"functionality"** means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;

(l) **"imported content"** means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African port of entry;

(m) **"local content"** means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;

(n) **"non-firm prices"** means all prices other than "firm" prices;

(o) **"person"** includes a juristic person;

(p) **"stipulated minimum threshold"** means that portion of local production and content as determined by the Department of Trade and Industry;

(q) **"rand value"** means the total estimated value of a contract in South African currency, calculated at the time of tender invitations, and includes all applicable taxes and excise duties;

(r) **"sub-contract"** means the primary contractor's assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;

(s) **"tender"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive tendering processes or proposals;

(t) **"total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;

(u) **"trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

(v) **"trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

2. Application

(1) These regulations apply to organs of state as contemplated in section 1 (iii) of the Act and all public entities listed in schedules 2, 3A, 3B, 3C and 3D to the Public Finance Management Act, 1999, Act No. 1 of 1999, (as amended by Act 29 of 1999) and municipal entities.

(2) An organ of state contemplated in sub-regulation (1) must, unless the Minister of Finance has directed otherwise, only apply a preferential procurement system which is in accordance with the Act and these regulations.

PART TWO

PLANNING AND STIPULATION OF PREFERENCE POINT SYSTEM TO BE UTILIZED, EVALUATION OF TENDERS ON FUNCTIONALITY, PREFERENCE POINT SYSTEM AND BROAD-BASED BLACK ECONOMIC EMPOWERMENT STATUS, AWARD OF CONTRACTS TO TENDERERS NOT SCORING THE HIGHEST NUMBER OF POINTS AND THE CANCELLATION AND RE- INVITATION OF TENDERS

3. Planning and stipulation of preference point system to be utilized

An organ of state must, prior to making an invitation for tenders-

(a) properly plan for, and, as far as possible, accurately estimate the costs of the provision of services, works or goods for which an invitation for tenders is to be made;

(b) determine and stipulate the appropriate preference point system to be utilized in the evaluation and adjudication of the tenders; and

(c) determine whether the services, works or goods for which an invitation for tenders is to be made has been designated for local production and content in terms of regulation 9.

4. Evaluation of tenders on functionality

(1) An organ of state must indicate in the invitation to submit a tender if that tender will be evaluated on functionality.

(2) The evaluation criteria for measuring functionality must be objective.

(3) When evaluating tenders on functionality, the-

(a) evaluation criteria for measuring functionality;

(b) weight of each criterion;

(c) applicable values; and

(d) minimum qualifying score for functionality,

must be clearly specified in the invitation to submit a tender.

(4) No tender must be regarded as an acceptable tender if it fails to achieve the minimum qualifying score for functionality as indicated in the tender invitation.

(5) Tenders that have achieved the minimum qualification score for functionality must be evaluated further in terms of the preference point systems prescribed in regulations 5 and 6.

5. The 80/20 preference point system for acquisition of services, works or goods up to a Rand value of R1 million

(1)

(a) The following formula must be used to calculate the points for price in respect of tenders (including price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R1 000 000 (all applicable taxes included):

$$Ps = 80\left[1 - \frac{Pt - Pmin}{Pmin}\right]$$

Where

Ps = Points scored for comparative price of tender or offer under consideration;

Pt = Comparative price of tender or offer under consideration; and

Pmin = Comparative price of lowest acceptable tender or offer.

(b) Organs of state may apply the formula in paragraph (a) for price quotations with a value less than R 30 000, if and when appropriate:

(2) Subject to sub-regulation (3), points must be awarded to a tenderer for attaining the B-BBEE status level of contributor in accordance with the table below.

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

(3) A maximum of 20 points may be allocated in accordance with sub- regulation (2).

(4) The points scored by a tenderer in respect of B-BBEE contribution contemplated in sub-regulation (2) must be added to the points scored for price as calculated in accordance with sub-regulation (1).

(5) Subject to regulation 7, the contract must be awarded to the tenderer who scores the highest total number of points.

6. The 90/10 preference point system for acquisition of services, works or goods with a Rand value above R1 million

(1) The following formula must be used to calculate the points for price in respect of tenders with a Rand value above R1 000 000 (all applicable taxes included):

$$Ps = 90\left[1 - \frac{Pt - Pmin}{Pmin}\right]$$

Where

Ps = Points scored for comparative price of tender or offer under consideration;

Pt = Comparative price of tender or offer under consideration; and

Pmin = Comparative price of lowest acceptable tender or offer.

(2) Subject to sub-regulation (3), points must be awarded to a tenderer for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

(3) A maximum of 10 points may be allocated in accordance with sub- regulation (2).

(4) The points scored by a tenderer in respect of the level of B-BBEE contribution contemplated in sub-regulation (2) must be added to the points scored for price as calculated in accordance with sub-regulation (1).

(5) Subject to regulation 7, the contract must be awarded to the tenderer who scores the highest total number of points.

7. Award of contracts to tenderers not scoring the highest number of points

(1) A contract may be awarded to a tenderer that did not score the highest total number of points, only in accordance with section 2(1)(f) of the Act.

8. Cancellation and re-invitation of tenders

(1)

(a) In the event that, in the application of the 80/20 preference point system as stipulated in the tender documents, all tenders received exceed the estimated Rand value of R1 000 000, the tender invitation must be cancelled.

(b) If one or more of the acceptable tenders received are within the prescribed threshold of R 1000 000, all tenders received must be evaluated on the 80/20 preference point system.

(2)

(a) In the event that, in the application of the 90/10 preference point system as stipulated in the tender documents, all tenders received are equal to, or below R1 000 000, the tender must be cancelled.

(b) If one or more of the acceptable tenders received are above the prescribed threshold of R 1 000 000, all tenders received must be evaluated on the 90/10 preference point system.

(3) An organ of state which has cancelled a tender invitation as contemplated in sub-regulations (1)(a) and (2)(a) must re-invite tenders and must, in the tender documents, stipulate the correct preference point system to be applied.

(4) An organ of state may, prior to the award of a tender, cancel a tender if-

(a) due to changed circumstances, there is no longer a need for the services, works or goods requested; or

(b) funds are no longer available to cover the total envisaged expenditure; or

(c) no acceptable tenders are received.

(5) The decision to cancel a tender in terms of sub-regulation (4) must be published in the Government Tender Bulletin or the media in which the original tender invitation was advertised.

PART THREE

LOCAL PRODUCTION AND CONTENT, B-BBEE STATUS LEVEL CERTIFICATES, CONDITIONS, DECLARATIONS, REMEDIES, TAX CLEARANCE, REPEAL OF REGULATIONS AND SHORT TITLE AND COMMENCEMENT

9. Local Production and Content

(1) An organ of state must, in the case of designated sectors, where in the award of tenders local production and content is of critical importance, advertise such tenders with a specific tendering condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

(2) The National Treasury will issue instructions, circulars and guidelines to all organs of state, with specific reporting mechanisms to ensure compliance with sub-regulation (1).

(3) Where there is no designated sector, an organ of state may include, as a specific tendering condition, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered, on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the Department of Trade and Industry.

(4) Every tender issued in terms of regulation 9 must be measurable and audited.

(5) Where necessary, for tenders referred to in sub-regulations (1) and (3), a two-stage tendering process may be followed, where the first stage involves functionality and minimum threshold for local production and content and the second stage price and B-BBEE with the possibility of price negotiations only with the short listed tenderer/s.

10. Broad-Based Black Economic Empowerment Status Level Certificates

(1) Tenderers with annual total revenue of R5 million or less qualify as Exempted Micro Enterprises (EMEs) in terms of the Broad-Based Black Economic Empowerment Act, and must submit a certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of the Close Corporation Act, 1984 (Act No. 69 of 1984)) or an accredited verification agency.

(2) Tenderers other than Exempted Micro-Enterprises (EMEs) must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating.

(3) The submission of such certificates must comply with the requirements of instructions and guidelines issued by the National Treasury and be in accordance with notices published by the Department of Trade and Industry in the *Government Gazette*.

(4) The B-BBEE status level attained by the tenderer must be used to determine the number of points contemplated in regulations 5(2) and 6(2).

11. Conditions

(1) Only a tenderer who has completed and signed the declaration part of the tender documentation may be considered.

(2) An organ of state must, when calculating comparative prices, take into account any discounts which have been offered unconditionally.

(3) A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is effected.

(4) Points scored must be rounded off to the nearest 2 decimal places.

(5)

(a) In the event that two or more tenders have scored equal total points, the successful tender must be the one scoring the highest number of preference points for B-BBEE.

(b) However, when functionality is part of the evaluation process and two or more tenders have scored equal points including equal preference points for B-BBEE, the successful tender must be the one scoring the highest score for functionality.

(c) Should two or more tenders be equal in all respects, the award shall be decided by the drawing of lots.

(6) A trust, consortium or joint venture will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

(7) A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate tender.

(8) A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub- contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended subcontractor is an exempted micro enterprise that has the capability and ability to execute the sub- contract.

(9) A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is subcontracted to an exempted micro enterprise that has the capability and ability to execute the sub-contract.

(10) A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

(11) When an organ of state is in need of a service provided by only tertiary institutions, such services must be procured through a tendering process from the identified tertiary institutions.

(12) Tertiary institutions referred to in sub-regulation (11) will be required to submit their B-BBEE status in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

(13)

(a) Should an organ of state require a service that can be provided by one or more tertiary institutions or public entities and enterprises from the private sector, the appointment of a contractor must be done by means of a tendering process;

(b) Public entities will be required to submit their B-BBEE status in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

12. Declarations

A tender must, in the manner stipulated in the tender document, declare that-

(a) the information provided is true and correct;

(b) the signatory to the tender document is duly authorised; and

(c) documentary proof regarding any tendering issue will, when required, be submitted to the satisfaction of the relevant organ of state.

13. Remedies

(1) An organ of state must, upon detecting that-

(a) the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis; or

(b) any of the conditions of the contract have not been fulfilled,

act against the tenderer or person awarded the contract.

(2) An organ of state may, in addition to any other remedy it may have against the person contemplated in sub-regulations (1)-

(a) disqualify the person from the tendering process;

(b) recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) restrict the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution.

14. Tax clearance

No tender may be awarded to any person whose tax matters have not been declared by the South African Revenue Service to be in order.

15. Repeal of Regulations

The Preferential Procurement Regulations, 2001, as published in *Government Gazette* No R. 725 of 10 August 2001, are hereby repealed as from 07 December 2011.

16. Short title and commencement

These Regulations are called the Preferential Procurement Regulations, 2011 and shall come into effect on 07 December 2011.

16

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REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

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CAPE TOWN, 27 NOVEMBER 1998

KAAPSTAD, 27 NOVEMBER 1998

No. 19519

OFFICE OF THE PRESIDENT

No. 1540. 27 November 1998

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

No. 107 of 1998: National Environmental Management Act, 1998.

KANTOOR VAN DIE PRESIDENT

No. 1540. 27 November 1998

Hierby word bekend gemaak dat die President sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 107 van 1998: Wet op Nasionale Omgewingsbestuur, 1998.

(English text signed by the President.)
(Assented to 19 November 1998.)

ACT

To provide for co-operative, environmental governance by establishing principles for decision-making on matters affecting the environment, institutions that will promote co-operative governance and procedures for co-ordinating environmental functions exercised by organs of state; and to provide for matters connected therewith.

PREAMBLE

WHEREAS many inhabitants of South Africa live in an environment that is harmful to their health and well-being:

everyone has the right to an environment that is not harmful to his or her health or well-being;

the State must respect, protect, promote and fulfil the social, economic and environmental rights of everyone and strive to meet the basic needs of previously disadvantaged communities;

inequality in the distribution of wealth and resources, and the resultant poverty, are among the important causes as well as the results of environmentally harmful practices;

sustainable development requires the integration of social, economic and environmental factors in the planning. implementation and evaluation of decisions to ensure that development serves present and future generations;

everyone has the right to have the environment protected, for the benefit of present and future generations. through reasonable legislative and other measures that—

prevent pollution and ecological degradation;
promote conservation; and
secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development:

the environment is a functional area of concurrent national and provincial legislative competence, and all spheres of government and all organs of state must co-operate with, consult and support one another;

AND WHEREAS it is desirable—

that the law develops a framework for integrating good environmental management into all development activities;
that the law should promote certainty with regard to decision-making by organs of state on matters affecting the environment;
that the law should establish principles guiding the exercise of functions affecting the environment;
that the law should ensure that organs of state maintain the principles guiding the exercise of functions affecting the environment;
that the law should establish procedures and institutions to facilitate and promote co-operative government and intergovernmental relations;
that the law should establish procedures and institutions to facilitate and promote public participation in environmental governance;
that the law should be enforced by the State and that the law should facilitate the enforcement of environmental laws by civil society;

IT IS NOW ENACTED by the Parliament of the Republic of South Africa, as follows:—

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Definitions

1. (1) In this Act, unless the context requires otherwise—

(i) 'activities.' when used in Chapter 5 means policies, programmes, plans and projects; (ii)

(ii) '. Agenda 21" means the document by that name adopted at the United Nations Conference of Environment and Development held in Rio de Janeiro, Brazil in June 1992; (i)

(iii) "best practicable environmental option'. means the option that provides the most benefit or causes the least damage to the environment as a whole, at a cost acceptable to society, in the long term as well as in the short term; (iv)

(iv) "commercially confidential information.' means commercial information, the disclosure of which would prejudice to an unreasonable degree the commercial interests of the holder: Provided that details of emission levels and waste products must not be considered to be commercially confidential notwithstanding any provision of this Act or any other law; (iv)

(v) "Committee" means the Committee for Environmental Co-ordination referred to in section 7: (xv)

(vi) "community" means any group of persons or a part of such a group who share common interests, and who regard themselves as a community; (x)

(vii) "Constitution" means the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996); (xii)

(viii) "Department.. means the Department of Environmental Affairs and Tourism: (v)

(ix) "Director-General.. means the Director-General of Environmental Affairs and Tourism: (vi)

(x) "ecosystem.' means a dynamic system of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit; (vii)

(xi) "environment.' means the surroundings within which humans exist and that are made up of—

(i) the land, water and atmosphere of the earth;

(ii) micro-organisms, plant and animal life;

(iii) any part or combination of (i) and (ii) and the interrelationships among and between them; and

(iv) the physical, chemical, aesthetic and cultural properties and conditions of the foregoing that influence human health and well-being; (xix)

(xii) "environmental implementation plan" means an implementation plan referred to in section 11: (xxii)

(xiii) "environmental management co-operation agreement" means an agreement referred to in section 35(1): (xxi)

(xiv) "environmental management plan" means a management plan referred to in section 11: (xx)

(xv) 'financial year" means a period commencing on 1 April of any year and ending on 31 March of the following year: (viii)

(xvi) .'Forum" means the National Environmental Advisory Forum referred to in section 3; (ix)

(xvii) "hazard" means a source of or exposure to danger: (xi)

(xviii) "international environmental instrument'. means any international agreement, declaration, resolution, convention or protocol which relates to the management of the environment; (xiv)

(xix) "MEC" means the Member of the Executive Council to whom the Premier has assigned the performance in the province of the functions entrusted to a MEC by or under such a provision: (xvi)

(xx) "Minister'. means the Minister of Environmental Affairs and Tourism: (xvii)

(xxi) "national department'. means a department of State within the national sphere of government: (xviii)

(xxii) "organ of state" means organ of state as defined in the Constitution: (xxvii)

(xxiii) "person" includes a juristic person; (xxiii)

(xxiv) "pollution'. means any change in the environment caused by—

(i) substances;

(ii) radioactive or other waves; or

(iii) noise, odours, dust or heat.

emitted from any activity, including the storage or treatment of waste or substances, construction and the provision of services, whether engaged in by any person or an organ of state, where that change has an adverse effect on human health or well-being or on the composition. resilience and productivity of natural or managed ecosystems, or on materials useful to people, or will have such an effect in the future; (iii)

(xxv) "prescribe" means prescribe by regulation in the *Gazette*; (xxx)

(xxvi) "provincial head of department" means the head of the provincial department responsible for environmental affairs; (xxiv)

(xxvii) "regulation" means a regulation made under this Act; (xxv)

(xxviii) "state land" means land which vests in the national or a provincial government, and includes land below the high water mark and the Admiralty Reserve. but excludes land belonging to a local authority; (xxvi)

(xxix) 'sustainable development" means the integration of social, economic and environmental factors into planning, implementation and decision-making so as to ensure that development serves present and future generations; (xxviii)

(xxx) "this Act" includes the schedules, and regulations and any notice issued under the Act. (xiii)

(2) Words derived from the word or terms defined have corresponding meanings, unless the context indicates otherwise.

(3) A reasonable interpretation of a provision which is consistent with the purpose of this Act must be preferred over an alternative interpretation which is not consistent with the purpose of this Act.

(4) Neither—

(a) a reference to a duty to consult specific persons or authorities, nor

(b) the absence of any reference in this Act to a duty to consult or give a hearing, exempts the official or authority exercising a power or performing a function from the duty to act fairly.

CHAPTER 1

NATIONAL ENVIRONMENTAL MANAGEMENT PRINCIPLES

Principles

2. (1) The principles set out in this section apply throughout the Republic to the actions of all organs of state that may significantly affect the environment and—

(u) shall apply alongside all other appropriate and relevant considerations, including the State's responsibility to respect, protect, promote and fulfil the social and economic rights in Chapter 2 of the Constitution and in particular the basic needs of categories of persons disadvantaged by unfair discrimination;

(b) serve as the general framework within which environmental management and implementation plans must be formulated:

(c) serve as guidelines by reference to which any organ of state must exercise any function when taking any decision in terms of this Act or any statutory provision concerning the protection of the environment;

(d) serve as principles by reference to which a conciliator appointed under this Act must make recommendations; and

(e) guide the interpretation. administration and implementation of this Act, and any other law concerned with the protection or management of the environment.

(2) Environmental management must place people and their needs at the forefront of its concern, and serve their physical. psychological, developmental, cultural and social interests equitably.

(3) Development must be socially, environmentally and economically sustainable.

(4) *(a)* Sustainable development requires the consideration of all relevant factors including the following:

(i) That the disturbance of ecosystems and loss of biological diversity are avoided, or, where they cannot be altogether avoided, are minimised and remedied:

(ii) that pollution and degradation of the environment are avoided, or, where they cannot be altogether avoided, are minimised and remedied;

(iii) that the disturbance of landscapes and sites that constitute the nation's cultural heritage is avoided, or where it cannot be altogether avoided, is minimised and remedied;

(iv) that waste is avoided. or where it cannot be altogether avoided, minimised and re-used or recycled where possible and otherwise disposed of in a responsible manner;

(v) that the use and exploitation of non-renewable natural resources is responsible and equitable, and takes into account the consequences of the depletion of the resource;

(vi) that the development. use and exploitation of renewable resources and the ecosystems of which they are part do not exceed the level beyond which their integrity is jeopardised;

(vii) that a risk-averse and cautious approach is applied, which takes into account the limits of current knowledge about the consequences of decisions and actions; and

(viii) that negative impacts on the environment and on people's environmental rights be anticipated and prevented, and where they cannot be altogether prevented. are minimised and remedied.

(b) Environmental management must be integrated. acknowledging that all elements of the environment are linked and interrelated, and it must take into account the effects of decisions on all aspects of the environment and all people in the environment by pursuing the selection of the best practicable environmental option.

(c) Environmental justice must be pursued so that adverse environmental impacts shall not be distributed in such a manner as to unfairly discriminate against any person, particularly vulnerable and disadvantaged persons.

(d) Equitable access to environmental resources, benefits and services to meet basic human needs and ensure human well-being must be pursued and special measures may be taken to ensure access thereto by categories of persons disadvantaged by unfair discrimination.

(e) Responsibility for the environmental health and safety consequences of a policy, programme, project, product. process. service or activity exists throughout its life cycle.

(f) The participation of all interested and affected parties in environmental governance must be promoted, and all people must have the opportunity to develop the understanding. skills and capacity necessary for achieving equitable and effective participation. and participation by vulnerable and disadvantaged persons must be ensured.

(g) Decisions must take into account the interests. needs and values of all interested and affected parties, and this includes recognizing all forms of knowledge. including traditional and ordinary knowledge.

(h) Community wellbeing and empowerment must be promoted through environmental education, the raising of environmental awareness, the sharing of knowledge and experience and other appropriate means.

(i) The social. economic and environmental impacts of activities, including disadvantages and benefits. must be considered. assessed and evaluated. and decisions must be appropriate in the light of such consideration and assessment.

(j) The right of workers to refuse work that is harmful to human health or the environment and to be informed of dangers must be respected and protected.

(k) Decisions must be taken in an open and transparent manner, and access to information must be provided in accordance with the law.

(l) There must be intergovernmental co-ordination and harmonisation of policies, legislation and actions relating to the environment.

(m) Actual or potential conflicts of interest between organs of state should be resolved through conflict resolution procedures.

(n) Global and international responsibilities relating to the environment must be discharged in the national interest.

(o) The environment is held in public trust for the people. the beneficial use of environmental resources must serve the public interest and the environment must be protected as the people's common heritage.

(p) The costs of remedying pollution, environmental degradation and consequent adverse health effects and of preventing, controlling or minimising further pollution, environmental damage or adverse health effects must be paid for by those responsible for harming the environment.

(q) The vital role of women and youth in environmental management and development must be recognised and their full participation therein must be promoted.

(r) Sensitive, vulnerable, highly dynamic or stressed ecosystems, such as coastal shores, estuaries, wetlands. and similar systems require specific attention in management and planning procedures, especially where they are subject to significant human resource usage and development pressure.

CHAPTER 2

INSTITUTIONS

Part 1: National Environmental Advisory Forum

Establishment, objects and functions of National Environmental Advisory Forum

3. (1) The National Environmental Advisory Forum is hereby established.

(2) The object of the Forum is to—

(a) inform the Minister of the views of stakeholders regarding the application of the principles set out in section 2: and

(b) advise the Minister on—

(i) any matter concerning environmental management and governance and specifically the setting and achievement of objectives and priorities for environmental governance; and

(ii) appropriate methods of monitoring compliance with the principles set out in section 2.

(3) The Forum may. on its own initiative and after consultation with the Director-General. draw the Minister's attention to any matter concerning environmental management requiring attention, and the Minister may refer matters for consideration by the Forum.

Composition

4. (1) The Forum consists of at least 12 but not more than 15 members appointed by the Minister.

(2) The Minister appoints persons who represent stakeholders, and persons who have experience, expertise or skills necessary to enable the Forum to carry out its functions: Provided that the Minister must take into account the desirability of appointing women, youth and persons disadvantaged by unfair discrimination and ensuring representation of vulnerable and disadvantaged persons.

(3) Before persons contemplated in subsection (2) are appointed. the Minister must—

(a) invite nominations from organised labour, organised business, non-governmental organisations and community-based organisations in a manner that he or she may consider appropriate, and invite nominations from others by notice in the *Gazette.* at least two nationally distributed newspapers, appropriate local newspapers and on the radio specifying a period within which nominations must be submitted;

(b) stipulate in such notice, the procedure to be adopted regarding such nominations; and

(c) consult with—

(i) the MECs; and

(ii) the Committees of the National Assembly and the National Council of Provinces that scrutinise environmental affairs.

(4) The Minister appoints the chairperson of the Forum.

(5) *(a)* Each member of the Forum designates, with the concurrence of the Minister

and the organisation or person who nominated him or her, an alternate to take his or her place if he or she is unable to attend a meeting of the Forum.

(b) The Minister may appoint a replacement for a member who vacates his or her office in terms of section 5(3), and the Minister may invite nominations from the sector or organisation that nominated such member.

(6) The replacement must serve for the balance of the term of the person he or she replaces.

Conditions of appointment to Forum

5. (1) A member of the Forum holds office for a period of two years.

(2) At the expiry of his or her term of office a member may be appointed for one further term.

(3) A member or replacement member of the Forum must vacate his or her office if—

(a) the Minister at any time terminates such term of office for good reason:

(b) he or she can no longer perform his or her duties on the Forum;

(c) he or she is convicted of a criminal offence, involving dishonesty, and is sentenced to imprisonment without the option of a fine;

(d) he or she is absent from more than two consecutive meetings of the Forum without the leave of the chairperson: or

(e) he or she resigns by way of written notice to the Minister.

(4) Members of the Forum and members of a committee of the Forum may be paid such remuneration and allowances for their services as the Minister may determine with the concurrence of the Minister of Finance.

(5) If any member of the Forum or his or her spouse has a director indirect financial interest in any matter before the Forum, he or she shall disclose such interest and may not take part in any discussion regarding such matter.

Functioning of Forum

6. (1) The Minister must—

(a) lay down rules for the functioning of the Forum, including—

(i) by publication in the Gazette, a constitution for the Forum which may contain provisions relating to—

(aa) advice on matters related to Chapter 6;

(bb) participation in meetings relating to international environmental matters;

(cc) subcommittees and working groups of the Forum;

(ii) the manner and timing of reports by the Forum; and

(iii) consultation with the Director-General;

(b) with the concurrence of the Minister of Finance make available funds for the functioning of the Forum for purposes other than the payment of remuneration referred to in section 5(4), from—

(i) money appropriated by Parliament for this purpose; and

(ii) funds obtained from donations or grants.

(2) The Director General may—

(a) designate as many officers and employees as he or she may deem necessary to assist the Forum in the performance of its work; and

(b) engage persons on contract to assist the Forum in the performance of its work.

(3) The Minister must present an annual report to Parliament on the work of the Forum, including the following:

(a) the work plan for the next year:

(b) information and recommendations submitted: and

(c) financial report and budget.

(4) The meetings of the Forum must be open to the public and all documents considered or produced by the Forum must be available for inspection by the public.

Part 2: Committee for Environmental Co-ordination

Establishment, objects and functions of Committee

7. (1) The Committee for Environmental Co-ordination is hereby established.

(2) The object of the Committee is to promote the integration and co-ordination of environmental functions by the relevant organs of state. and in particular to promote the achievement of the purpose and objectives of environmental implementation plans and environmental management plans as set out in section 12.

(3) The functions of the Committee shall include the following:

(a) scrutinizing, reporting and making recommendations on the environmental implementation plans submitted to it in accordance with section 15;

(b) investigating and making recommendations regarding the assignment and delegation of functions between organs of state under this Actor any other law affecting the environment and regarding the practical working arrangements, including memoranda of understanding. between the organs of state represented by members and other organs of state:

(c) investigating and recommending the establishment of mechanisms in each province. with the concurrence of the MEC. for providing a single point in the province for the receipt of applications for authorisations, licences and similar permissions required for activities under legal provisions concerned with the protection of the environment where such authorisations, licences or permissions are required from more than one organ of state, and procedures for the co-ordinated consideration of such applications by the organs of state concerned;

(d) making recommendations to co-ordinate the application of integrated environmental management as contemplated in Chapter 5, including co-operation in environmental assessment procedures and requirements and making determinations regarding the prevention of duplication of efforts as contemplated in section 24(4):

(e) making recommendations aimed at securing compliance with the principles set out in section 2 and national norms and standards contemplated in section 146(2)*(b)*(i) of the Constitution:

(f) making recommendations regarding the harmonisation of the environmental functions of all relevant national departments and spheres of government:

(g) advising the Minister on providing Guidelines for the preparation of environmental management plans and environmental implementation plans: and

(h) endeavoring to ensure compliance with the principle set out in section 2(2) by making appropriate recommendations. requiring reports from its members and advising government on law reform.

Composition of Committee

8. (1) The Committee comprises:

(a) the Director-General: Environmental Affairs and Tourism, who acts as chairperson;

(b) the Director-General: Water Affairs and Forestry:

(c) the Director-General: Minerals and Energy;

(d) the Director-General: Land Affairs;

(e) the Director-General: Constitutional Development:

(f) the Director-General: Housing;

(g) the Director-General: Agriculture:

(h) the Director-General: Health;

(i) the Director-General: Labour;

(j) the Director-General: Arts, Culture, Science and Technology;

(k) the provincial heads of department appointed by the Minister with the concurrence of the MEC;

(l) a representative of the national organisation recognised in terms of section 2 of the Organised Local Government Act. 1997 (Act No. 52 of 1997). appointed by the Minister with the concurrence of that organisation; and

(m) any other Director-General appointed by the Minister with the concurrence of the Minister under whose portfolio that Department falls.

(2) *(a)* The Committee may co-opt persons to assist it in carrying out its functions.

(b) The Committee may invite persons to attend its meetings and to assist it in carrying out its functions.

(3) In making the appointments as contemplated in subsection (2)(u), the Committee must give due consideration to representation of the local sphere of government.

(4) Every member of the Committee referred to in subsection (l), must appoint an alternate member with the necessary authority from his or her department or provincial government.

(5) The alternate member appointed under subsection (4) must act in such member's absence or inability to act as member of the Committee.

Meetings of Committee, subcommittees and working groups

9. (1) The Committee meets at least four times a year.

(2) The Director-General determines—

(a) the procedure for convening meetings of the Committee:

(b) the quorum for meetings;

(c) procedures at meetings; and

(d) records the Committee must keep.

(3) The Director-General furnishes the Minister with copies of the minutes of all meetings, within three weeks of such meetings.

(4) The Committee may establish *ad hoc* and permanent subcommittees to assist the Committee in the performance of its functions, and such subcommittees may include persons who need not necessarily be members of the Committee.

(5) The Committee may establish *ad hoc* working groups to assist a subcommittee in the performance of its functions, and such working groups may include persons who need not necessarily be members of the subcommittee.

(6) Every subcommittee established in terms of subsection (4) must report at each meeting of the Committee on its own activities as well as those of any working groups established in terms of subsection (5) to assist the subcommittee.

Report of Committee

10. (1) The Committee presents an annual report on its activities to the Minister on the following:

(a) the work of the Committee and the work plan for the next year;

(b) comments submitted to the Director-General on the environmental implementation and environmental management plans received;

(c) recommendations made in respect of environmental implementation and environmental management plans received:

(d) recommendations made in order to secure compliance with the principles set out in section 2 and national norms and standards;

(e) law reform undertaken and proposed by organs of state represented on the Committee;

(f) compliance with environmental implementation and management plans by municipalities; and

(g) any other matter relevant to the co-ordination of policies, plans and programmed that may affect the environment.

(2) At the request of members of the public. the Committee must make copies available of the report contemplated in subsection (1).

(3) The Minister must present an annual report to Parliament on the work of the Committee, including the matters listed in subsection (1).

CHAPTER 3

PROCEDURES FOR CO-OPERATIVE GOVERNANCE

Environmental implementation plans and management plans

11. (1) Every national department listed in Schedule 1 as exercising functions which may affect the environment and every province must prepare an environmental implementation plan within one year of the promulgation of this Act and at least every four years thereafter.

(2) Every national department listed in Schedule 2 as exercising functions involving the management of the environment must prepare an environmental management plan within one year of the promulgation of this Act and at least every four years thereafter.

(3) Every national department that is listed in both Schedule 1 and Schedule 2 may prepare a consolidated environmental implementation and management plan.

(4) Every organ of state referred to in subsections (1) and (2) must, in its preparation of an environmental implementation plan or environmental management plan, and before submitting such plan take into consideration every other environmental implementation plan and environmental management plan already adopted with a view to achieving consistency among such plans.

(5) The Minister may by notice in the *Gazette*—

(a) extend the date for the submission of any environmental implementation plans and environmental management plans for periods not exceeding 12 months;

(b) on application by any organ of state, or on his or her own initiative with the agreement of the relevant Minister where it concerns a national department. and after consultation with the Committee, amend Schedules 1 and 2.

(6) The Director-General must, at the request of a national department or province assist with the preparation of an environmental implementation plan.

(7) The preparation of environmental implementation plans and environmental management plans may consist of the assembly of information or plans compiled for other purposes and may form part of any other process or procedure.

(8) The Minister may issue guidelines to assist provinces and national departments in the preparation of environmental implementation and environmental management plans.

Purpose and objects of environmental implementation plans and environmental management plans

12. The purpose of environmental implementation and management plans is to—

(a/ co-ordinate and harmonise the environmental policies, plans, programmed and decisions of the various national departments that exercise functions that may affect the environment or are entrusted with powers and duties aimed at the achievement. promotion. and protection of a sustainable environment, and of provincial and local spheres of government, in order to—

(i) minimise the duplication of procedures and functions; and

(ii) promote consistency in the exercise of functions that may affect the environment;

(b) give effect to the principle of co-operative government in Chapter 3 of the Constitution;

(c) secure the protection of the environment across the country as a whole:

(d) prevent unreasonable actions by provinces in respect of the environment that are prejudicial to the economic or health interests of other provinces *or* the country as a whole; and

(e) enable the Minister to monitor the achievement. promotion, and protection of a sustainable environment.

Content of environmental implementation plans

13. ( ) Every environmental implementation plan must contain:

(a a description of policies, plans and programmed that may significantly affect the environment;

(b, a description of the manner in which the relevant national department or province will ensure that the policies, plans and programmed referred to in paragraph *(a)* will comply with the principles set out in section 2 as well as any national norms and standards as envisaged under section ***146(2)(b)(i)*** of the Constitution and set out by the Minister, or by any other Minister, which have as their objective the achievement, promotion, and protection of the environment;

(c) a description of the manner in which the relevant national department or province will ensure that its functions are exercised so as to ensure compliance with relevant legislative provisions. including the principles set out in section 2, and any national norms and standards envisaged under section 146(2)(b)(i) of the Constitution and set out by the Minister, or by any other Minister, which have as their objective the achievement, promotion, and protection of the environment; and

(d) recommendations for the promotion of the objectives and plans for the implementation of the procedures and regulations referred to in Chapter 5.

(2) The Minister may. after consultation with the Committee, make regulations for the purpose of giving effect to subsections (1)(b) and (c),

Content of environmental management plans

14. Every environmental management plan must contain—

(a) a description of the functions exercised by the relevant department in respect of the environment;

(b) a description of environmental norms and standards, including norms and standards contemplated in section 146(2)(b)(i) of the Constitution, set or applied by the relevant department;

(c) a description of the policies, plans and programmed of the relevant department that are designed to ensure compliance with its policies by other organs of state and persons:

(d) a description of priorities regarding compliance with the relevant department's policies by other organs of state and persons;

(e) a description of the extent of compliance with the relevant department's policies by other organs of state and persons;

(f) a description of arrangements for co-operation with other national departments and spheres of government. including any existing or proposed memoranda of understanding entered into, or delegation or assignment of powers to other organs of state. with a bearing on environmental management: and

(g) proposals for the promotion of the objectives and plans for the implementation of the procedures and regulations referred to in Chapter 5.

Submission, scrutiny and adoption of environmental implementation plans and environmental management plans

15. (1) Every environmental implementation plan and every environmental management plan must be submitted to the Committee by a date to be set by the Minister.

(2)*(a)* The Committee scrutinises every environmental implementation plan and either recommends adoption of such plan or reports to the Minister as well as every other Minister responsible for a department which is represented on the Committee and every Provincial Premier concerned on the extent to which the environmental implementation plan concerned fails to comply with—

(i) the principles in section 2;

(ii) the purpose and objectives of environmental implementation plans; or

(iii) any relevant environmental management plan.

and specifies changes needed in the environmental implementation plan concerned.

(b) If the Committee recommends adoption of an environmental implementation plan. then the relevant organ of state must adopt and publish its plan in the relevant *Gazette* within 90 days of such approval and the plan becomes effective from the date of such publication,

(3) Any difference or disagreement between the Committee and a national department regarding either a failure to submit or the content of an environmental implementation plan may. if it cannot be resolved by agreement between the parties concerned. be referred by the Director-General for determination by the Minister in consultation with the Ministers responsible for the Department of Land Affairs. Department of Water Affairs and Forestry. Department of Minerals and Energy and Department of Constitutional Development.

(4) Any difference or disagreement between the Committee and a province regarding either a failure to submit or the content of an environmental implementation plan may, if it cannot be resolved by agreement between the parties concerned, be referred by the Director-General to conciliation in accordance with Chapter 4 and if such conciliation fails. or where the Director-General does not refer the dispute to conciliation, to the Minister with a request for intervention in accordance with section 100 of the Constitution: Provided that such disputes shall be dealt with in accordance with the act contemplated in section 41 (2) of the Constitution, once promulgated.

(5) A national department which has submitted an environmental management plan must adopt and publish its plan in the *Gazette* within 90 days of such submission and the plan becomes effective from the date of such publication.

(6) The exercise of functions by organs of state may not be delayed or postponed on account of—

(a) the failure of any organ of state to submit an environmental implementation plan;

(b) the scrutiny of any environmental implementation plan by the Committee;

(c) the amendment of any environmental implementation plan following scrutiny of the plan by the Committee;

(d) any difference or disagreement regarding any environmental implementation plan and the resolution of that difference or disagreement; or

(e) the failure of any organ of state to adopt and publish its environmental implementation or management plan.

Compliance with environmental implementation plans and environmental management plans

16. (1) *(a)* Every organ of state must exercise every function it may have, or that has been assigned or delegated to it, by or under any law, and that may significantly affect the protection of the environment. substantially in accordance with the environmental implementation plan or the environmental management plan prepared. submitted and adopted by that organ of state in accordance with this Chapter: Provided that any substantial deviation from an environmental management plan or environmental implementation plan must be reported forthwith to the Director-General and the Committee.

(b) Every organ of state must report annually within four months of the end of its financial year on the implementation of its adopted environmental management plan or environmental implementation plan to the Director-General and the Committee.

(c) The Minister may, after consultation with the Committee, recommend to any organ of state which has not submitted and adopted an environmental implementation plan or environmental management plan, that it comply with a specified provision of an adopted environmental implementation plan or submitted environmental management plan.

(2) The Director-General monitors compliance with environmental implementation plans and environmental management plans and may—

(a) take any steps or make any inquiries he or she deems fit in order to determine if environmental implementation plans and environmental management plans are being complied with by organs of state: and

(17) if. as a result of any steps taken or inquiry made under paragraph *(a).* he or she is of the opinion that an environmental implementation plan and an environmental management plan is not substantially being complied with. serve a written notice on the organ of state concerned, calling on it to take such specified steps as the Director-General considers necessary to remedy the failure of compliance.

(3) *(a)* Within 30 days of the receipt of a notice contemplated in subsection (2)*(b)*. an organ of state must respond to the notice in writing setting out any—

(i) objections to the notice;

(ii) steps that will be taken to remedy failures of compliance: or

(iii) other information that the organ of state considers relevant to the notice.

(b) After considering the representations from the organ of state and any other relevant information, the Director-General must within 30 days of receiving a response referred to in paragraph *(a)* issue a final notice—

(i) confirming, amending or canceling the notice referred to in subsection (2)(b):

(ii) specify steps and a time period within which steps must be taken to remedy the failure of compliance.

(c) If, after compliance with the provisions of paragraphs *(a)* and *(b)* there still remains a difference or disagreement between the organs of state and the Director-General, the organ of state may request the Minister to refer any difference or disagreement between itself and the Director-General regarding compliance with an environmental implementation plan, or the steps necessary to remedy a failure of compliance, to conciliation in accordance with Chapter 4.

(d) Where an organ of state does not submit any difference or disagreement to conciliation in accordance with paragraph (c), or if conciliation fails to resolve the

matter, the Director-General may within 60 days of the final notice referred to in paragraph *(b)* if the matter has not been submitted to conciliation, or within 30 days of the date of conciliation, as the case may be—

(i) where the organ of State belongs to the provincial sphere of government, request the Minister to intervene in accordance with section 100 of the Constitution: Provided that such a difference or disagreement must be dealt with in accordance with the Act contemplated in section *41* (2) of the Constitution once promulgated;

(ii) where the organ of State belongs to the local sphere of government, request the MEC to intervene in accordance with section 139 of the Constitution: Provided that such a difference or disagreement must be dealt with in accordance with the Act contemplated in section 41(2) of the Constitution once promulgated: or

(iii) where the organ of state belongs to the national sphere of government refer the matter for determination by the Minister in consultation with the Ministers responsible for the Department of Land Affairs. Department of Water Affairs and Forestry. Department of Minerals and Energy and Department of Constitutional Development.

(4) Each provincial government must ensure that—

(a) the relevant provincial environmental implementation plan is complied with by each municipality within its province and for this purpose the provisions of subsections (2) and (3) must apply with the necessary changes: and

(b) municipalities adhere to the relevant environmental implementation and management plans. and the principles contained in section 2 in the preparation of any policy. programme or plan, including the establishment of integrated development plans and land development objectives

(5) The Director-General must keep a record of all environmental implementation plans and environmental management plans. relevant agreements between organs of state and any reports submitted under subsection (1)(b): and such plans. reports and agreements must be available for inspection by the public.

CHAPTER 4

FAIR DECISION-MAKING AND CONFLICT MANAGEMENT

Reference to conciliation

17. (1) Any Minister. MEC or Municipal Council—

(a) where a difference or disagreement arises concerning the exercise of any of its functions which may significantly affect the environment. or

(b) before whom an appeal arising from a difference or disagreement regarding the protection of the environment is brought under any law.

may. before reaching a decision. consider the desirability! of first referring the matter to conciliation and—

(i) must if he. she or it considers conciliation appropriate either—

(aa) refer the matter to the Director-General for conciliation under this Act: or

(bb) appoint a conciliator on the conditions, including time-limits, that he. she or it may determine: or

(cc) where a conciliation or mediation process is provided for under any other relevant law administered by such Minister, MEC or Municipal Council. refer the matter for mediation or conciliation under such other law: or

(ii) if he, she or it considers conciliation inappropriate or if conciliation has failed. make a decision: Provided that the provisions of section 4 of the Development Facilitation Act, 1995 (Act No. 67 of 1995), shall prevail in respect of decisions in terms of that Act and laws contemplated in subsection 1(c) thereof.

(2) Anyone may request the Minister, a MEC or Municipal Council to appoint a facilitator to call and conduct meetings of interested and affected parties with the purpose of reaching agreement to refer a difference or disagreement to conciliation in terms of this Act, and the Minister, MEC or Municipal Council may, subject to section 22. appoint a facilitator and determine the manner in which the facilitator must carry out his or her tasks, including time-limits.

(3) A court or tribunal hearing a dispute regarding the protection of the environment may order the parties to submit the dispute to a conciliator appointed by the Director-General in terms of this Act and suspend the proceedings pending the outcome of the conciliation.

Conciliation

18. (1) Where a matter has been referred to conciliation in terms of this Act. the Director-General may, on the conditions, including time-limits, that he or she may determine, appoint a conciliator acceptable to the parties to assist in resolving a difference or disagreement: Provided that if the parties to the difference or disagreement do not reach agreement on the person to be appointed, the Director-General may appoint a person who has adequate experience in or knowledge of conciliation of environmental disputes.

(2) A conciliator appointed in terms of this Act must attempt to resolve the matter—

(a) by obtaining such information whether documentary or oral as is relevant to the resolution of the difference or disagreement:

(b) by mediating the difference or disagreement:

(c) by making recommendations to the parties to the difference or disagreement: or

(d) in any other manner that he or she considers appropriate.

(3) In carrying out his or her functions. a conciliator appointed in terms of this Act must take into account the principles contained in section 2.

(4) A conciliator may keep or cause to be kept. whether in writing or by mechanical or electronic means, a permanent record of all or part of the proceedings relating to the conciliation of a matter.

(5) Where such record has been kept. any member of the public may obtain a readable copy of the record upon payment of a fee as approved by Treasury.

(6) Where conciliation does not resolve the matter, a conciliator may enquire of the parties whether they wish to refer the matter to arbitration and may with their concurrence endeavour to draft terms of reference for such arbitration.

(7) *(a)* The conciliator must submit a report to the Director-General, the parties and the person who referred the matter for conciliation. setting out the result of his or her conciliation. and indicating whether or not an agreement has been reached.

(b) In the event of no agreement having been reached. the report may contain his or her recommendations and reasons therefor.

(c) Where relevant. the report must contain the conciliator's comments on the conduct of the parties.

(d) The report and any agreement reached as a result of the conciliation must be available for inspection by the public and any member of the public may obtain a copy thereof upon payment of a fee as approved by Treasury.

(8) The Director-General may from time to time with the concurrence of the Minister of Finance, appoint persons or organisations with relevant knowledge or expertise to provide conciliation and mediation services.

Arbitration

19. (1) A difference or disagreement regarding the protection of the environment may be referred to arbitration in terms of the Arbitration Act, 1965 (Act No. 42 of 1965).

(2) Where a dispute or disagreement referred to in subsection (1) is referred to arbitration the parties thereto may appoint as arbitrator a person from the panel of arbitrators established in terms of section 21.

Investigation

20. The Minister may at any time appoint one or more persons to assist either him or her or. after consultation with a Municipal Council or MEC or another national Minister, to assist such a Municipal Council or MEC or another national Minister in the evaluation of a matter relating to the protection of the environment by obtaining such information, whether documentary or oral, as is relevant to such evaluation and to that end—

(a) the Minister may by notice in the *Gazette* give such person or persons the powers of a Commission of Inquiry under the Commissions Act, 1947 (Act No. 8 of 1947);

(b) the Minister may make rules by notice in the *Gazette* for the conduct of the inquiry: Provided that the decision of the inquiry and the reasons therefor must be reduced to writing;

(c) the Director-General must designate. subject to the provisions of the Public Service Act, 1994 (Proclamation No. 103 of 1994), as many officers and employees of the Department as may be necessary to assist such person and any work may be performed by a person other than such officer or employee at the remuneration and allowances which the Minister with the concurrence of the Minister of Finance may determine.

Appointment of panel and remuneration

21. (1) The Minister may, with the concurrence of the Minister of Finance, determine remuneration and allowances. either in general or in any particular case. to be paid from money appropriated by Parliament for that purpose to any person or persons appointed in terms of this Act to render facilitation, conciliation. arbitration or investigation services, who are not in the full-time employment of the State.

(2) The Minister may create a panel or panels of persons from which appointment of facilitators and arbitrators in terms of this Act may be made, or contracts entered into in terms of this Act.

(3) The Minister may, pending the establishment of a panel or panels in terms of subsection (2), adopt the panel established in terms of section 31 (1) of the Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996).

Relevant considerations, report and designated officer

22. (1) Decisions under this Act concerning the reference of a difference or disagreement to conciliation, the appointment of a conciliator, the appointment of a facilitator, the appointment of persons to conduct investigations, and the conditions of such appointment, must be made taking into account—

(a) the desirability of resolving differences and disagreements speedily and cheaply;

(b) the desirability of giving indigent persons access to conflict resolution measures in the interest of the protection of the environment:

(c) the desirability of improving the quality of decision-making by giving interested and affected persons the opportunity to bring relevant information to the decision-making process;

(d) any representations made by persons interested in the matter; and

(e) such other considerations relating to the public interest as may be relevant.

(2)*(a)* The Director-General shall keep a record and prepare an annual report on environmental conflict management for submission to the Committee and the Forum. for the purpose of evaluating compliance and conflict management measures in respect of environmental laws.

(b) The record and report refereed to in paragraph *(a)* may include the following:

(i) Proceedings under this chapter, including reports of conciliators and agreements reached;

(ii) proceedings under Chapter 7, including complaints, charges and judgments;

(iii) proceedings under other laws listed in Schedule 3;

(iv) proceedings by the Human Rights Commission and the Public Protector.

(c) The Director-General shall designate an officer to provide information to the public on appropriate dispute resolution mechanisms for referral of disputes and complaints.

(d) The reports, records and agreements referred to in this subsection must be available for inspection by the public.

CHAPTER 5

INTEGRATED ENVIRONMENTAL MANAGEMENT

General objectives

23. (1) The purpose of this Chapter is to promote the application of appropriate environmental management tools in order to ensure the integrated environmental management of activities,

(2) The general objective of integrated environmental management is to—

(a) promote the integration of the principles of environ-mental management set out in section 2 into the making of all decisions which may have a significant effect on the environment:

(b) identify, predict and evaluate the actual and potential impact on the environment. socio-economic conditions and cultural heritage. the risks and consequences and alternatives and options for mitigation of activities, with a view to minimizing negative impacts. maximizing benefits. and promoting compliance with the principles of environmental management set out in section 2;

(c) ensure that the effects of activities on the environment receive adequate consideration before actions are taken in connection with them;

(d) ensure adequate and appropriate opportunity for public participation in decisions that may affect the environment;

(e) ensure the consideration of environmental attributes in management and decision-making which may have a significant effect on the environment; and

(f) identify and employ the modes of environmental management best suited to ensuring that a particular activity is pursued in accordance with the principles of environmental management set out in section 2.

(3) The Director-General must coordinate the activities of organs of state referred to in section 24(1) and assist them in giving effect to the objectives of this section and such assistance may include training, the publication of manuals and guidelines and the co-ordination of procedures.

Implementation

24. (1) In order to give effect to the general objectives of integrated environmental management laid down in this Chapter. the potential impact on—

(a) the environment;

(b) socio-economic conditions: and

(c) the cultural heritage,

of activities that require authorisation or permission by law and which may significantly affect the environment, must be considered. investigated and assessed prior to their implementation and reported to the organ of state charged by law with authorizing. permitting, or otherwise allowing the implementation of an activity.

(2) The Minister may with the concurrence of the MEC, and every MEC may with the concurrence of the Minister. in the prescribed manner—

(a) identify activities which may not be commenced without prior authorisation from the Minister or MEC:

(b) identify geographical areas in which specified activities may not be commenced without prior authorisation from the Minister or MEC and specify such activities:

(c) make regulations in accordance with subsections (3) and (4) in respect of such authorisations:

(d) identify existing authorised and permitted activities which must be consid-ered, assessed, evaluated and reported on; and

(e) prepare compilations of information and maps that specify the attributes of the environment in particular geographical areas, including the sensitivity, extent, interrelationship and significance of such attributes which must be taken into account by every organ of state charged by law with authorising, permitting or otherwise allowing the implementation of a new activity, or with considering, assessing and evaluating an existing activity:

Provided that where authorisation for an activity falls under the jurisdiction of another Minister, a decision in respect of paragraph *(a)* or *(b)* must be taken in consultation with such other Minister.

(3)*(a)* The investigation, assessment and communication of the potential impact of activities contemplated in subsection (1) must take place in accordance with procedures complying with subsection (7).

(b) Every Minister and MEC responsible for an organ of state that is charged by law with authorizing, permitting, or otherwise allowing an activity contemplated in subsection (1) may prescribe regulations laying down the procedures to be followed and the report to be prepared for the purpose of compliance with paragraph *(a)*.

(c) Any regulations made in terms of this subsection or any other law that contemplates the assessment of the potential environmental impact of activities must, notwithstanding any other law, comply with subsection (7).

(d) This section does not affect the validity of any law contemplated in paragraph *(c)* that is in force at the commencement of this Act. including the provisions and regulations referred to in section 50(2): Provided that paragraph *(a)* must nevertheless be complied with.

(4) Before any regulations are prescribed under this section or any other law that contemplates the assessment of the potential environmental impact of activities. and notwithstanding such other law—

(a) a Minister or MEC must submit a draft of such regulations to the Committee;

(b) the Committee must within 30 days of the receipt of such draft regulations—

(i) determine whether the draft regulations would bring about a duplication of effort by persons initiating activities contemplated in subsection (1) in the investigation and assessment of the potential impacts of activities that require authorisation or permission from more than one organ of state; and

(ii) approve the draft regulations unless they would bring about such a duplication of effort: or

(iii) specify amendments to be made to such draft regulations in order to avoid such a duplication of effort:

(c) a Minister or MEC must—

(i) where such draft regulations have been approved by the Committee. follow the procedure prescribed in section 47: or

(ii) give effect to the amendments specified by the Committee. and thereafter follow the procedure prescribed in section 47.

(5) Compliance with the procedure laid down by a Minister or MEC does not remove the need to obtain authorisation for that activity from any other organ of state charged by law with authorizing. permitting or otherwise allowing the implementation of the activity.

(6) The Minister may make regulations in accordance with subsections (3) and (4) stipulating the procedure to be followed and the report to be prepared in investigating. assessing and communicating potential impacts for the purpose of complying with subsection (1) where—

(a) the activity will affect the interest of more than one province or traverse international boundaries;

(b) the activity will affect compliance with obligations resting on the Republic under customary or conventional international law; or

(c) an activity contemplated in subsection (1) is not dealt with in regulations made under subsection (3).

(7) Procedures for the investigation, assessment and communication of the potential impact of activities must. as a minimum, ensure the following:

(a) Investigation of the environment likely to be significantly affected by the proposed activity and alternatives thereto:

(b) investigation of the potential impact. including cumulative effects, of the activity and its alternatives on the environment, socio-economic conditions and cultural heritage, and assessment of the significance of that potential impact;

(c) investigation of mitigation measures to keep adverse impacts to a minimum, as well as the option of not implementing the activity;

(d) public information and participation, independent review and conflict resolution in all phases of the investigation and assessment of impacts;

(e) reporting on gaps in knowledge. the adequacy of predictive methods and underlying assumptions, and uncertainties encountered in compiling the required information;

(f) investigation and formulation of arrangements for the monitoring and management of impacts, and the assessment of the effectiveness of such arrangements after their implementation;

(g) co-ordination and co-operation between organs of state in the consideration of assessments where an activity falls under the jurisdiction of more than one organ of state;

(h) that the findings and recommendations flowing from such investigation, and the general objectives of integrated environmental management laid down in this Act and the principles of environmental management set out in section 2 are taken into account in any decision made by an organ of state in relation to the proposed policy, programme, plan or project; and

(i) that environmental attributes identified in the compilation of information and maps as contemplated in subsection (2)(e) are considered.

CHAPTER 6

INTERNATIONAL OBLIGATIONS AND AGREEMENTS

Incorporation of international environmental instruments

25. (1) Where the Republic is not yet bound by an international environmental instrument, the Minister may make a recommendation to Cabinet and Parliament regarding accession to and ratification of an international environmental instrument. which may deal with the following:

(u) Available resources to ensure implementation;

(b) views of interested and affected parties;

(c) benefits [o the Republic;

(d) disadvantages to the Republic;

(e) the estimated date when the instrument is to come into effect;

(f) the estimated date when the instrument will become binding on the Republic:

(g) the minimum number of states required to sign the instrument in order for it to come into effect;

(h) the respective responsibilities of all national departments involved;

(i) the potential impact of accession on national parties;

(j) reservations to be made, if any: and

(k) any other matter which *in* the opinion of the Minister is relevant.

(2) Where the Republic is a party to an international environmental instrument the Minister. after compliance with the provisions of section 231(2) and (3) of the Constitution, may publish the provisions of the international environmental instrument in the *Gazette* and any amendment or addition to such instrument.

(3) The Minister may introduce legislation in Parliament or make such regulations as may be necessary for giving effect to an international environmental instrument to which the Republic is a party. and such legislation and regulations may deal with *inter alia* the following—

(a) the co-ordination of the implementation of the instrument;

(b) the allocation of responsibilities in terms of the instrument, including those of other organs of state;

(c) the gathering of information, including for the purposes of compiling and updating reports required in terms of the instrument and for submission to Parliament;

(d) the dissemination of information related to the instrument and reports from international meetings;

(e) initiatives and steps regarding research. education, training, awareness raising and capacity building;

(f) ensuring public participation;

(g) implementation of and compliance with the provisions of the instrument, including the creation of offences and the prescription of penalties where applicable; and

(h) any other matter necessary to give effect to the instrument.

(4) The Minister may prior to a recommendation referred to in subsection (1), publish a notice in the *Gazette*, stating his or her intention to make such recommendation and inviting written comments.

Reports

26. (1) The Minister must report to Parliament once a year regarding international environmental instruments for which he or she is responsible and such report may include details on—

(a) participation in international meetings concerning international environmental instruments;

(b) progress in implementing international environmental instruments to which the Republic is a party;

(c) preparations undertaken in respect of international instruments to which the Republic is likely to become a party;

(d) initiatives and negotiations within the region of Southern Africa:

(e) the efficacy of co-ordination mechanisms; and

(f) legislative measures that have been taken and the time frames within which it is envisaged that their objectives will be achieved.

(2)(a) The Minister must initiate an Annual Performance Report on Sustainable Development to meet the government's commitment to Agenda 21.

(b) (i) The Annual Performance Report must cover all relevant activities of all national departments and spheres of government.

(ii) All relevant organs of state must provide information to the Minister by a date to be determined by the Minister for the purposes of the report referred to in paragraph (a) and this may consist of an assembly of information compiled for other purposes.

(c) The Minister may appoint persons as he or she considers necessary to act as a Secretariat to ensure preparation of the report.

(d) The purpose of the report shall be to—

(i) provide an audit and a report of the government's performance in respect of Agenda 21;

(ii) review procedures for co-ordinating policies and budgets to meet the objectives of Agenda 21; and

(iii) review progress on a public educational programme to support the objectives of Agenda 21.

Application

27. (1) This Chapter applies to any international environmental instrument whether the Republic became a party to it before or after the coming into force of this Act.

(2) The provisions of any international environmental instrument published in accordance with this section are evidence of the contents of the international environmental instrument in any proceedings or matter in which the provisions of the instrument come into question.

CHAPTER 7

COMPLIANCE, ENFORCEMENT AND PROTECTION

Part 1: Environmental hazards

Duty of care and remediation of environmental damage

28. (1) Every person who causes, has caused or may cause significant pollution or degradation of the environment must take reasonable measures to prevent such pollution or degradation from occurring, continuing or recurring, or, in so far as such harm to the

environment is authorised by law or cannot reasonably be avoided or stopped, to minimise and rectify such pollution or degradation of the environment.

(2) Without limiting the generality of the duty in subsection (1), the persons on whom subsection (1) imposes an obligation to take reasonable measures. include an owner of land or premises, a person in control of land or premises or a person who has a right to use the land or premises on which or in which—

(a) any activity or process is or was performed or undertaken; or

(b) any other situation exists,

which causes. has caused or is likely to cause significant pollution or degradation of the environment.

(3) The measures required in terns of subsection (1) may include measures to—

(a) investigate, assess and evaluate the impact on the environment:

(b) inform and educate employees about the environmental risks of their work and the manner in which their tasks must be performed in order to avoid causing significant pollution or degradation of the environment:

(c) cease, modify or control any act, activity or process causing the pollution or degradation;

(d) contain or prevent the movement of pollutants or the causant of degradation:

(e) eliminate any source of the pollution or degradation: or

(f) remedy the effects of the pollution or degradation.

(4) The Director-General or a provincial head of department may, after consultation with any other organ of state concerned and after having given adequate opportunity to affected persons to inform him or her of their relevant interests. direct any person who fails to take the measures required under subsection (1) to—

(a) investigate. evaluate and assess the impact of specific activities and report thereon:

(b) commence taking specific reasonable measures before a given date;

(c) diligently continue with those measures; and

(d) complete them before a specified reasonable date:

Provided that the Director-General or a provincial head of department may. if urgent action is necessary for the protection of the environment. issue such directive. and consult and give such opportunity to inform as soon thereafter as is reasonable.

(5) The Director-General or a provincial head of department, when considering any measure or time period envisaged in subsection (4), must have regard to the following:

(a) the principles set out in section 2:

(b) the provisions of any adopted environmental management plan or environmental implementation plan:

(c) the severity of any impact on the environment and the costs of the measures being considered:

(d) any measures proposed by the person on whom measures are to be imposed:

(e) the desirability of the State fulfilling its role as custodian holding the environment in public trust for the people:

(f) any other relevant factors.

(6) If a person required under this Act to undertake rehabilitation or other remedial work on the land of another. reasonably requires access to. use of or a limitation on use of that land in order to effect rehabilitation or remedial work. but is unable to acquire it on reasonable terms. the Minister may—

(a) expropriate the necessary rights in respect of that land for the benefit of the person undertaking the rehabilitation or remedial work. who will then be vested with the expropriated rights: and

(b) recover from the person for whose benefit the expropriation was effected all costs incurred.

(7) Should a person fail to comply, or inadequately comply. with a directive under subsection (4), the Director-General or provincial head of department may take reasonable measures to remedy the situation.

(8) Subject to subsection (9), the Director-General or provincial head of department may recover all costs incurred as a result of it acting under subsection (7) from any or all of the following persons—

(a) *any* person who is or was responsible for. or who directly or indirectly contributed to, the pollution or degradation or the potential pollution or degradation:

(b) the owner of the land at the time when the pollution or degradation or the potential for pollution or degradation occurred. or that owner's successor in title;

(c) the person in control of the land or any person who has or had a right to use the land at the time when—

(i) the activity or the process is or was performed or undertaken: or

(ii) the situation came about: or

(d) any person who negligently failed to prevent—

(i) the activity or the process being performed or undertaken: or

(ii) the situation from coming about:

Provided that such person failed to take the measures required of him or her under subsection (1).

(9) The Director-General or provincial head of department may in respect of the recover! of costs under subsection (8). claim proportionally from any other person who benefited from the measures undertaken under subsection (7).

(10) The costs claimed under subsections (6). (8) and (9) must be reasonable and may include. without being limited to. labour. administrative and overhead costs.

(11) If more than one person is liable under subsection (8). the liability must be apportioned among the persons concerned according to the degree to which each was responsible for the harm to the environment resulting from their respective failures to take the measures required under subsections (I) and (4).

(12) Any person may. after giving the Director-General or provincial head of department 30 days' notice. apply to a competent court for an order directing the Director-General or any provincial head of department to take any of the steps listed in subsection (4) if the Director-General or provincial head of department fails to inform such person in writing that he or she has directed a person contemplated in subsection (8) to take one of those steps. and the provisions of section 32(2) and (3) shall apply to such proceedings with the necessary changes.

(13) When considering any application in terms of subsection (12). the court must take into account the factors set out in subsection (5).

Protection of workers refusing to do environmentally hazardous work

29. (1) Notwithstanding the provisions of any other law. no person is civilly or criminally liable or may be dismissed, disciplined. prejudiced or harassed on account of having refused to perform any work if the person in good faith and reasonably believed at the time of the refusal that the performance of the work would result in an imminent and serious threat to the environment.

(2) An employee who has refused to perform work in terms of subsection (1) must as soon thereafter as is reasonably practicable notify the employer either personally or through a representative that he or she has refused to perform work and give the reason for the refusal.

(3) Subsection (1) applies whether or not the person refusing to work has used or exhausted any other applicable external or internal procedure or otherwise remedied the matter concerned.

(4) No person may advantage or promise to advantage any person for not exercising his or her right in terms of subsection (1).

(5) No person may threaten to take any action contemplated by subsection (1) against a person because that person has exercised or intends to exercise his or her right in terms of subsection (1).

Control of emergency incidents

30. (1) In this section—

(a) "incident" means an unexpected sudden occurrence. including a major emission, fire or explosion leading to serious danger to the public or

potentially serious pollution of or detriment to the environment. whether immediate or delayed.

(b) "responsible person" includes any person who—

(i) is responsible for the incident;

(ii) owns any hazardous substance involved in the incident; or

(iii) was in control of any hazardous substance involved in the incident at the time of the incident;

(c) "relevant authority" means—

(i) a municipality with jurisdiction over the area in which an incident occurs:

(ii) a provincial head of department or any other provincial official designated for that purpose by the MEC in a province in which an incident occurs:

(iii) the Director-General:

(iv) any other Director-General of a national department.

(2) Where this section authorises a relevant authority to take any steps. such steps may only be taken by—

(a) the person referred to in subsection (1)*(c)*(iv) if no steps have been taken by any of the other persons listed in subsection (1)*(c)*:

(b) the person referred to in subsection (1)*(c)*(iii) if no steps have been taken by any of the persons listed in subsection (1)(c)(i) and (c)(ii):

(c) the person referred to in subsection (1)*(c)*(ii) if no steps have been taken by the person listed in subsection (1)(c)(i):

Provided that any relevant authority may nevertheless take such steps if it is necessary to do so in the circumstances and no other person referred to in subsection (1)*(c)* has yet taken such steps.

(3) The responsible person or. where the incident occurred in the course of that person's employment. his or her employer must forthwith after knowledge of the incident. report through the most effective means reasonably available—

(a) the nature of the incident:

(b) any risks posed by the incident to public health. safety and property;

(CJ the toxicity of substances or by-products released by the incident; and

(d) any steps that should be taken in order to avoid or minimise the effects of the incident on public health and the environment to—

(i) the Director-General:

(ii) the South African Police Services and the relevant fire prevention service:

(iii) the relevant provincial head of department or municipality: and

(iv) all persons whose health may be affected by the incident.

(4) The responsible person or. where the incident occurred in the course of that person's employment. his or her employer. must. as soon as reasonably practicable after knowledge of the incident—

(a) take all reasonable measures to contain and minimise the effects of the incident. including its effects on the environment and any risks posed by the incident to the health. safety and property of persons;

(b) undertake clean-up procedures:

(c) remedy the effects of the incident:

(d) assess the immediate and long-term effects of the incident on the environment and public health:

(5) The responsible person or, where the incident occurred in the course of that persons employment. his or her employer. must. within 14 days of the incident, report to the Director-General. provincial head of department and municipality such information as is available to enable an initial evaluation of the incident, including—

(a) the nature of the incident;

(b) the substances involved and an estimation of the quantity released and their possible acute effect on persons and the environment and data needed to assess these effects;

(c) initial measures taken to minimise impacts:

(d) causes of the incident, whether direct or indirect. including equipment, technology. system. or management failure; and

(e) measures taken and to be taken to avoid a recurrence of such incident.

(6) A relevant authority may direct the responsible person to undertake specific measures within a specific time to fulfil his or her obligations under subsections (4) and (5): Provided that the relevant authority must. when considering any such measure or time period. have regard to the following:

(a) the principles set out in section 2;

(b) the severity of any impact on the environment as a result of the incident and the costs of the measures being considered;

(c) any measures already taken or proposed by the person on whom measures are to be imposed, if applicable:

(d) the desirability of the state fulfilling its role as custodian holding the environment in public trust for the people:

(e) any other relevant factors.

(7) A verbal directive must be confirmed in writing at the earliest opportunity. which must be within seven days.

(8) Should—

(a) the responsible person fail to comply, or inadequately comply with a directive under subsection (6):

(b) there be uncertainty as to who the responsible person is: or

(c) there be an immediate risk of serious danger to the public or potentially serious detriment to the environment.

a relevant authority may take the measures it considers necessary to—

(i) contain and minimise the effects of the incident:

(ii) undertake clean-up procedures: and

(iii) remedy the effects of the incident.

(9) A relevant authority may claim reimbursement of all reasonable costs incurred by it in terms of subsection (8) from every responsible person jointly and severally.

(10) A relevant authority which has taken steps under subsections (6) or (8) must. as soon as reasonably practicable. prepare comprehensive reports on the incident. which reports must be made available through the most effective means reasonably available to—

(a) the public:

(b) the Director-General;

(c) the South African Police Services and the relevant fire prevention service;

(d) the relevant provincial head of department or municipality: and

(e) all persons who may be affected by the incident.

Part 2: Information, enforcement and compliance

Access to environmental information and protection of whistle-blowers

31. (1) Access to information held by the State is governed by the statute contemplated under section 32(2) of the Constitution: Provided that pending the promulgation of such statute. the following provisions shall apply:

(a) every person is entitled to have access to information held by the State and organs of state which relates to the implementation of this Act and any other law affecting the environment. and to the state of the environment and actual and future threats to the environment, including any emissions to water. air or soil and the production. handling. transportation, treatment, storage and disposal of hazardous waste and substances;

(b) organs of state are entitled to have access to information relating to the state of the environment and actual and future threats to the environment, including any emissions to water. air or soil and the production, handling, transportation, treatment. storage and disposal of hazardous waste held by any person where that information is necessary to enable such organs of state to carry out their duties in terms of the provisions of this Act or any other law concerned with the protection of the environment or the use of natural resources;

(c) a request for information contemplated in paragraph *(a)* can be refused only:

(i) if the request is manifestly unreasonable or formulated in too general a manner;

(ii) if the public order or national security would be negatively affected by the supply of the information; or

(iii) for the reasonable protection of commercially confidential information;

(iv) if the granting of information endangers or further endangers the protection of the environment; and

(v) for the reasonable protection of personal privacy.

(2) Subject to subsection (3), the Minister may make regulations regarding access by members of the public to privately held information relating to the implementation of this Act and any other law concerned with the protection of the environment and may to this end prescribe the manner in which such information must be kept: Provided that such regulations are reasonable and justifiable in an open and democratic society based on human dignity. equality and freedom.

(3) The Minister must take into account—

(a) the principles set out in section 2:

(b) the provisions of subsection (1)*(c)*;

(c) the provisions of international law and foreign law: and

(d) any other relevant considerations,

(4) Notwithstanding the provisions of any other law, no person is civilly or criminally liable or may be dismissed, disciplined. prejudiced or harassed on account of having disclosed any information, if the person in good faith reasonably believed at the time of the disclosure that he or she was disclosing evidence of an environmental risk and the disclosure was made in accordance with subsection (5):

(5) Subsection (4) applies only if the person concerned—

(a) disclosed the information concerned to—

(i) a committee of Parliament or of a provincial legislature:

(ii) an organ of state responsible for protecting any aspect of the environment or emergency services;

(iii) the Public Protector

(iv) the Human Rights Commission:

(v) any attorney-general or his or her successor:

(vi) more than one of the bodies or persons referred to in subparagraphs (i) to (v):

(b) disclosed the information concerned to one or more news media and on clear and convincing grounds believed at the time of the disclosure—

(i) that the disclosure was necessary to avert an imminent and serious threat to the environment, to ensure that the threat to the environment was properly and timeously investigated or to protect himself or herself against serious or irreparable harm from reprisals; or

(ii) giving due weight to the importance of open. accountable and participatory administration, that the public interest in disclosure of the information clearly outweighed any need for non-disclosure;

(c) disclosed the information concerned substantially in accordance with any applicable external or internal procedure. other than the procedure contemplated in paragraph *(a)* or *(b)*, for reporting or otherwise remedying the matter concerned; or

(d) disclosed information which, before the time of the disclosure of the information, had become available to the public, whether in the Republic or elsewhere.

(6) Subsection (4) applies whether or not the person disclosing the information concerned has used or exhausted any other applicable external or internal procedure to report or otherwise remedy the matter concerned.

(7) No person may advantage or promise to advantage any person for not exercising his or her right in terms of subsection (4).

(8) No person may threaten to take any action contemplated by subsection (4) against a person because that person has exercised or intends to exercise his or her right in terms of subsection (4).

Legal standing to enforce environmental laws

32. (1) Any person or group of persons may seek appropriate relief in respect of any breach or threatened breach of any provision of this Act. including a principle contained in Chapter 1, or any other statutory provision concerned with the protection of the environment or the use of natural resources—

(a) in that person's or group of person's own interest;

(b) in the interest of, or on behalf of, a person who is. for practical reasons, unable to institute such proceedings:

(c) in the interest of or on behalf of a group or class of persons whose interests are affected;

(d) in the public interest; and

(e) in the interest of protecting the environment.

(2) A court may decide not to award costs against a person who. or group of persons which. fails to secure the relief sought in respect of any breach or threatened breach of any provision including a principle of this Act or any other statutory provision concerned with the protection of the environment or the use of natural resources if the court is of the opinion that the person or group of persons acted reasonably out of a concern for the public interest or in the interest of protecting the environment and had made due efforts to use other means reasonably available for obtaining the relief sought.

(3) Where a person or group of persons secures the relief sought in respect of any breach or threatened breach of any provision of this Actor any other statutory provision concerned with the protection of the environment, a court may on application—

(a) award costs on an appropriate scale to any person *or* persons entitled to practise as advocate or attorney in the Republic who provided free legal assistance or representation to such person or group in the preparation for or conduct of the proceedings: and

(b) order that the party against whom the relief is granted pay to the person or group concerned any reasonable costs incurred by such person or group in the investigation of the matter and its preparation for the proceedings.

Private prosecution

33. (1) Any person may—

(a) in the public interest: or

(b) in the interest of the protection of the environment,

institute and conduct a prosecution in respect of any breach or threatened breach of any duty. other than a public duty resting on an organ of state, in any national or provincial legislation or municipal bylaw, or any regulation. licence. permission or authorisation issued in terms of such legislation, where that duty is concerned with the protection of the environment and the breach of that duty is an offence.

(2) The provisions of sections 9 to 17 of the Criminal Procedure Act, 1977 (Act51 of 1977) applicable to a prosecution instituted and conducted under section 8 of that Act must apply to a prosecution instituted and conducted under subsection (1): Provided that if—

(a) the person prosecuting privately does so through a person entitled to practise as an advocate or an attorney in the Republic:

(b) the person prosecuting privately has given written notice to the appropriate public prosecutor that he or she intends to do so; and

(c) the public prosecutor has not. within 28 days of receipt of such notice. stated in writing that he or she intends to prosecute the alleged offence.

(i) the person prosecuting privately shall not be required to produce a certificate issued by the Attorney-General stating that he or she has refused to prosecute the accused: and

(ii) the person prosecuting privately shall not be required to provide security for such action.

(3) The court may order a person convicted upon a private prosecution brought under subsection (1) to pay the costs and expenses of the prosecution, including the costs of any appeal against such conviction or any sentence.

(4) The accused may be granted an order for costs against the person prosecuting privately, if the charge against the accused is dismissed or the accused is acquitted or a decision in favour of the accused is given on appeal and the court finds either:

(a) that the person instituting and *conducting* the private prosecution did not act out of a concern for the public interest or the protection of the environment: or

(b) that such prosecution was unfounded, trivial or vexatious.

(5) When a private prosecution is instituted in accordance with the provisions of this Act. the Attorney-General is barred from prosecuting except with the leave of the court concerned.

Criminal proceedings

34. (1) Whenever any person is convicted of an offence under any provision listed in Schedule 3 and it appears that such person has by that offence caused loss or damage to any organ of state or other person, including the cost incurred or likely to be incurred by an organ of state in rehabilitating the environment or preventing damage to the environment. the court may in the same proceedings at the written request of the Minister or other organ of state or other person concerned, and in the presence of the convicted person, inquire summarily and without pleadings into the amount of the loss or damage so caused.

(2) Upon proof of such amount, the court may give judgement therefor in favour of the organ of state or other person concerned against the convicted person. and such judgement shall be of the same force and effect and be executable in the same manner as if it had been given in a civil action duly instituted before a competent court.

(3) Whenever any person is convicted of an offence under any provision listed in Schedule 3 the court convicting such person may summarily enquire into and assess the monetary value of any advantage gained or likely to be gained by such person in consequence of that offence, and. in addition to any other punishment imposed in respect of that offence, the court may order the award of damages or compensation or a fine equal to the amount so assessed.

(4) Whenever any person is convicted of an offence under any provision listed in Schedule 3 the court convicting such person may, upon application by the public prosecutor or another organ of state, order such person to pay the reasonable costs incurred by the public prosecutor and the organ of state concerned in the investigation and prosecution of the offence.

(5) Whenever any manager. agent or employee does or omits to do an act which it had been his or her task to do or to refrain from doing on behalf of the employer and which would be an offence under any provision listed in Schedule 3 for the employer to do or omit to do, and the act or omission of the manager, agent or employee occurred because the employer failed to take all reasonable steps to prevent the act or omission in question, then the employer shall be guilty of the said offence and, save that no penalty other than a fine may be imposed if a conviction is based on this sub-section, liable on conviction to the penalty specified in the relevant law, including an order under subsections (2). (3) and (4), and proof of such act or omission by a manager, agent or employee shall constitute *prima facie* evidence that the employer is guilty under this subsection.

(6) Whenever any manager, agent or employee does or omits to do an act which it had been his or her task to do or to refrain from doing on behalf of the employer and which would be an offence under any provision listed in Schedule 3 for the employer to do or omit to do. he or she shall be liable to be convicted and sentenced in respect thereof as if he or she were the employer.

(7) Any person who is or was a director of a firm at the time of the commission by that firm of an offence under any provision listed in Schedule 3 shall himself or herself be guilty of the said offence and liable on conviction to the penalty specified in the relevant law, including an order under subsection (2),(3) and *(4).* if the offence in question resulted from the failure of the director to take all reasonable steps that were necessary under the circumstances to prevent the commission of the offence: Provided that proof of the said offence by the firm shall constitute prima facie evidence that the director is guilty under this subsection.

(8) Any such manager, agent, employee or director may be so convicted and sentenced in addition to the employer or firm.

(9) In subsection (7) and (8)—

(a) "firm" shall mean a body incorporated by or in terms of any law as well as a partnership: and

(b) "director" shall mean a member of the board. executive committee, or other managing body of a corporate body and. in the case of a close corporation. a member of that close corporation or in the case of a partnership, a member of that partnership.

(10) *(a)* The Minister may amend Part *(a)* of Schedule 3 by regulation.

(b) An MEC may amend Part *(b)* of Schedule 3 in respect of the province of his or her jurisdiction by regulation.

CHAPTER 8

ENVIRONMENTAL MANAGEMENT CO-OPERATION AGREEMENTS

Conclusion of agreements

35. (1) The Minister and every MEC and municipality, may enter into environmental management co-operation agreements with any person or community for the purpose of promoting compliance with the principles laid down in this Act.

(2) Environmental management co-operation agreements must—

(a) only be entered into with the agreement of—

(i) every organ of state which has jurisdiction over any activity to which such environmental management co-operation agreement relates;

(ii) the Minister and the MEC concerned;

(b) only be entered into after compliance with such procedures for public participation as may be prescribed by the Minister: and

(c) comply with such regulations as may be prescribed under section 45.

(3) Environmental management co-operation agreements may contain—

(a) an undertaking by the person or community concerned to improve on the standards laid down by law for the protection of the environment which are applicable to the subject matter of the agreement;

(b) a set of measurable targets for fulfilling the undertaking in *(a)*. including dates for the achievement of such targets: and

(c) provision for—

(i) periodic monitoring and reporting of performance against targets:

(ii) independent verification of reports:

(iii) regular independent monitoring and inspections:

(iv) verifiable indicators of compliance with any targets, norms and standards laid down in the agreement as well as any obligations laid down by law;

(d) the measures to be taken in the event of non-compliance with commitments in the agreement, including where appropriate penalties for non-compliance and the provision of incentives to the person or community.

CHAPTER 9

ADMINISTRATION OF ACT

Expropriation

36. (1) The Minister may purchase or, subject to compensation, expropriate any property for environmental or any other purpose under this Act. if that purpose is a public purpose or is in the public interest: Provided that the Minister must consult the Minister of Minerals and Energy before any mineral rights are expropriated.

(2) The Expropriation Act, 1975 (Act No. 63 of 1975) applies to all expropriations under this Act and any reference to the Minister of Public Works in that Act must be read as a reference to the Minister for purposes of such expropriation.

(3) Notwithstanding the provisions of subsection (2). the amount of compensation and the time and manner of payment must be determined in accordance with section 25 (3) of the Constitution, and the owner of the property in question must be given a hearing before any property is expropriated.

Reservation

37. The Minister may reserve State land with the consent of the Minister authorised to dispose of the land. and after consultation with any other Minister concerned. for environmental or other purposes in terms of this Act. if that purpose is a public purpose or is in the public interest.

Intervention in litigation

38. The Minister may intervene in litigation before a court in any matter under this Act.

Agreements

39. The Director-General may enter into agreements with organs of state in order to fulfil his or her responsibilities.

Appointment of employees on contract

40. (1) The Director-General may appoint employees on contract outside the provisions of the Public Service Act. 1994 (Proclamation No 103 of 1994). when this is necessary to carry out the functions of the Department.

(2) The Director-General must. from time to time. and after consultation with the Department of Public Service and Administration, determine the conditions of employment of such employees.

(3) Such employees must be remunerated from money appropriated for that purpose by Parliament.

Assignment of powers

41. (1) In this section "assignment.. means an assignment as contemplated in section 99 of the Constitution.

(2) The Minister must record all assignments referred to in subsection (l) in a Schedule to this Act and may amend that Schedule.

Delegation

42. (1) The Minister may delegate a power, function or duty vested in him or her to—

(a) a named officer of the Department: or

(b) the holder of an office in the Department or, after consultation with the relevant Minister or MEC, the holder of an office of any other national department, provincial administration or municipality.

(2) A delegation referred to in subsection (1)—

(a) must be in writing;

(b) may be made subject to conditions;

(c) does not prevent the exercise of the power, function or duty by the Minister himself or herself; and

(d) may be withdrawn by the Minister,

(3) The Director-General may delegate a power, function or duty vested in him or her by or under this Act to—

(a) a named officer of the Department;

(b) the holder of an office in the Department: or

(c) after consultation with a provincial head of department, an officer in a provincial administration or municipality.

(4) The Director-General may permit a person to whom a power, function or duty has been delegated by the Director-General to delegate further that power, function or duty.

(5) A delegation referred to in subsection (3) and the permission referred to in subsection (4)—

(a) must be in writing:

(b) may be made subject to conditions:

(c) does not prevent the exercise of the power. function or duty by the Director-General himself or herself and

(d) may be withdrawn by the Director-General.

Appeal to Minister

43. (1) Any affected person may appeal to the Minister against a decision taken by any person acting under a power delegated by the Minister under this Act.

(2) An appeal under subsection (1) must be noted and must be dealt with in the manner prescribed.

Regulations in general

44. (1) The Minister may make regulations—

(a) dealing with any matter which under this Act must be dealt with by regulation: and

(b) generally. to carry out the purposes and the provisions of this Act.

(2) The Minister may make different regulations under this Act in respect of different activities, provinces. geographical areas and owners or classes of owners of land.

(3) The Minister may by regulation provide that infringements of certain regulations constitute criminal offences and prescribe penalties for such offences.

Regulations for management co-operation agreements

45. (1) The Minister may make regulations concerning—

(a) procedures for the conclusion of environmental management co-operation agreements. which must include procedures for public participation:

(b) the duration of agreements:

(c) requirements relating to the furnishing of information:

(d) general conditions and prohibitions:

(e) reporting procedures:

(f) monitoring and inspection.

(2) An MEC or municipal council may substitute his or her or its own regulations or bylaws. as the case may be, for the regulations issued by the Minister under subsection (1) above: Provided that such provincial regulations or municipal bylaws must cover the matters enumerated in subsection (1), and comply with the principles laid down in this Act.

Model environmental management bylaws

46. (1) The Minister may make model bylaws aimed at establishing measures for the

management of environmental impacts of arty development within the jurisdiction of a municipality, which may be adopted by a municipality as municipal bylaws.

(2) Any municipality may request the Director-General to assist it with the preparation of bylaws on matters affecting the environment and the Director-General may not unreasonably refuse such a request.

(3) The Director-General may institute programmed to assist municipalities with the preparation of bylaws for the purposes of implementing this Act.

(4) The purpose of the model bylaws referred to in subsection (1) must be to—

(a) mitigate adverse environmental impacts;

(b) facilitate the implementation of decisions taken, and conditions imposed as a result of the authorisation of new activities and developments, or through the setting of norms and standards in respect of existing activities and developments; and

(c) ensure effective environmental management and conservation of resources and impacts within the jurisdiction of a municipality in co-operation with other organs of state.

(5) The model bylaws referred to in subsection (l) must include measures for environmental management, which may include—

(a) auditing. monitoring and ensuring compliance: and

(b) reporting requirements and the furnishing of information.

Procedure for making regulations

47. (1) Before making any regulations under this Act. a Minister or MEC must—

(a) publish a notice in the relevant *Gazette*—

(i) setting out the draft regulations: and

(ii) inviting written comments to be submitted on the proposed regulations within a specified period mentioned in the notice: and

(b) consider all comments received in accordance with paragraph *(a)*(ii).

(2) The Minister must. within 30 days after promulgating and publishing any regulations under this Act, table the regulations in the National Assembly and the National Council of Provinces, and an MEC must so table the regulations in the relevant provincial legislature or. if Parliament or the provincial legislature is then not in session. within 30 days after the beginning of the next ensuing session of Parliament or the provincial legislature.

(3) In considering regulations—

(a) tabled in the National Assembly. a committee of the National Assembly must consider and report to the National Assembly;

(b) tabled in the National Council of Provinces, a committee of the National Council of Provinces must consider and report to the National Council of Provinces; and

(c) tabled in a provincial legislature, a committee of that provincial legislature must consider and report to the provincial legislature.

whether the regulations—

(i) are consistent with the purposes of this Act;

(ii) are within the powers conferred by this Act;

(iii) are consistent with the Constitution; and

(iv) create offences and prescribe penalties for such offences that are appropriate and acceptable.

(4) The National Council of Provinces may by resolution reject the regulations within 30 days after they have been tabled in the National Council of Provinces, and such rejection must be referred to the National Assembly for consideration.

(5) *(a)* The National Assembly, after considering any rejection of a regulation by the National Council of Provinces; and

(b) the relevant provincial legislature,

may by resolution within 60 days after they have been tabled disapprove of the regulations. and may suspend its disapproval for any period and on any conditions to allow the Minister or MEC to correct a defect.

(6) If the National Assembly or provincial legislature disapproves of any regulation, the regulation lapses, but without affecting—

(a) the validity of anything done in terms of the regulation before it lapsed; or

(b) a right or privilege acquired or an obligation or liability incurred before it lapsed.

CHAPTER 10

GENERAL AND TRANSITIONAL PROVISIONS

State bound

48. This Act is binding on the State except in so far as any criminal liability is concerned.

Limitation of liability

49. Neither the State nor any other person is liable for any damage or loss caused by—

(a) the exercise of any power or the performance of any duty under this Act: or

(b) the failure to exercise any power. or perform any function or duty under this Act.

unless the exercise of or failure to exercise the power. or performance or failure to perform the duty was unlawful. negligent or in bad faith.

Repeal of laws

50. (1) Sections 2.3.4.5.6.7, 8.9.10.11.12.13.14. 14A.14B.14C.15.27A and 38 of the Environment Conservation Act. 1989 (Act No. 73 of 1989). are hereby repealed.

(2) Sections 21.22 and 26 of the Environment Conservation Act, 1989 (Act No. 73 of 1989) and the notices and regulations issued pursuant to sections 21 and 22 and in force on the commencement date of this Act are repealed with effect from a date to be published by the Minister in the *Gazette*, which date may not be earlier than the date on which regulations or notices made or issued under section 24 of this Act are promulgated and the Minister is satisfied that the regulations and notices under sections 21 and 22 have become redundant.

Savings

51. Anything done or deemed to have been done under a provision repealed by this Act—

(a) remains valid to the extent that it is consistent with this Act until anything done under this Act overrides it: and

(b) subject to paragraph *(a)* is considered to be an action under the corresponding provision of this Act.

Short title

52. This Act is called the National Environmental Management Act. 1998.

Commencement

53. This Act comes into operation on a date fixed by the President in the *Gazette*.

SCHEDULE 1

Section 11(1)

National departments exercising functions which may affect the environment

* Department of Environmental Affairs and Tourism
* Department of Land Affairs
* Department of Agriculture
* Department of Housing
* Department of Trade and Industry
* Department of Water Affairs and Forestry
* Department of Transport
* Department of Defence

SCHEDULE 2

Section 11(2)

National departments exercising functions that involve the management of the environment

* Department of Environmental Affairs and Tourism
* Department of Water Affairs and Forestry
* Department of Minerals and Energy
* Department of Land Affairs
* Department of Health
* Department of Labour

SCHEDULE 3

(Section 34)

Part *(a):* National Legislation

No. and year of law	**Short title**	**Relevant provisions**
Act No. 36 of 1947	Fertilizers. Farm Feeds, Agricultural Remedies and Stock Remedies	Section 18(I)(l) in so far as it relates to contraventions of sections 7 and *7bis*
Act No. 71 of 1962	Animal Protect ion	Sections 2(1) and 2A
Act No. 45 of 1965	Atmospheric Pollution Prevention	Section 9
Act No 15 of 1973	Hazardous Substances	Section 19(1)(a) and (b) in so far as it relates to contraventions of sections 3 and 3A
Act No. 57 of 1976	National Parks	Section 24(1)(b)
Act No. 63 of 1976	Mountain Catchment Areas	Section I 4 in so far as it relates to contraventions of section 3
Act No. 63 of 1977	Health	Section 27
Act No. 73 of 1980	Dumping at Sea Control	Sections 2(1)(a) and 2(I)(b)
Act No 6 of 1980	Marine Pollution (Control and Civ il Liability	Section 2(I)
Act No 43 of 1983	Conservation of Agricultural Resources	Sections 6 and 7
Act No. 2 of 1986	MarinePollution Prevention of Pollution from Ships	Section 3A
Act No. 73 of 1989	Environment Conserv ation	Section 29(2)(a) and (4)
Act No. 18 of 1998	Marine Living Resources	Section 58(I) in so far as it relates to contraventions of sections 43(2). 45. and 47. and section 58(2) in so far as it relates to contraventions of international conserv ation and management measures
Act No 36 of 1998	N ational Water	Section 151(i) and (j)

Part (b): Provincial Legislation

No. and year of law	Short title	Relevant provisions
Ordinance No. 8 of 1969	Orange Free State Conservation	Section **40(I)(a)** in so far as it relates to contraventions of sections 2(3). 14(2). 15(a). 16(a) and 33
Ordinance No. 9 of 1969	Orange Free State Townships	Section 40(1)(a)(ii)
Ordinance No. 15 of 1974	Natal Nature Conservation	Section 55 in so far as it relates to section 37(1), to section 49 in respect of specially protected game and to section 51 in respect of specially protected game. section 109 in so far as It relates to section 101. to section 102 and to section 104 section 154 in so far as it I relates to section 152; section 185 in so far as it relates to section 183. and section 208 in so far as it relates to section **194** and to section 200
Ordinance No. 19 of 1974	Cape Nature and Environmental Conserv ation	Section 86(1) in so far as it relates to contraventions of sections 26. 41(l) (b)(ii) and (c)-(e,). 52(a), 57(a), 58(b) and 62(I)
Ordinance No. 12 of 1983	Transvaal Nature Conservation	Sections 16A. 42.84.96 and 98
Ordinance No. 15 of 1985	Cape Land Use Planning	Section 46(I) in so far as it relates to sections 23(I) and 39(2)
Ordinance No. 15 of 1986	Transvaal Town Planning and Townships	Sections 42, 93 and 115
Act No. 5 of 1998	KwaZulu Natal Planning and Development	Section 48
Act No. 29 of 1992	KwaZulu Nature Conservation	Section 67 in so far as it relates to sections 59(!). 59(2), 60(I) and 62(I): section 86 in so far as it relates to sections 76. 77 and 82: and section 110 in so far as it relates to 109

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GOVERNMENT NOTICES

DEPARTMENT OF ENVIRONMENTAL AFFAIRS

No. R. 543 **18 June 2010**

NATIONAL ENVIRONMENTAL MANAGEMENT ACT, 1998 (ACT NO. 107 OF 1998)
ENVIRONMENTAL IMPACT ASSESSMENT REGULATIONS

I, Buyelwa Patience Sonjica, Minister of Water and Environmental Affairs, hereby make the regulations pertaining to environmental impact assessments under sections 24(5), 24M and 44 of the National Environmental Management Act, 1998 (Act No. 107 of 1998) in the Schedule hereto.

BUYELWA SONJICA
MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

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CHAPTER 1

INTERPRETATION AND PURPOSE OF THESE REGULATIONS

Interpretation

1. (1) In these Regulations any word or expression to which a meaning has been assigned in the Act has that meaning, and unless the context requires otherwise—

"***activity***" means an activity identified in any notice published by the Minister or MEC in terms of section 24D(1)(a) of the Act as a listed activity or specified activity;

"alternatives", in relation to a proposed activity, means different means of meeting the general purpose and requirements of the activity, which may include alternatives to—

(a) the property on which or location where it is proposed to undertake the activity;
(b) the type of activity to be undertaken;
(c) the design or layout of the activity;
(d) the technology to be used in the activity;
(e) the operational aspects of the activity; and
(f) the option of not implementing the activity.

"application" means an application for—

(a) an environmental authorisation in terms of Chapter 3 of these Regulations;
(b) an amendment to an environmental authorisation in terms of Chapter 4 of these Regulations;
(c) an amendment to an environmental management programme; or
(c) an exemption from a provision of these Regulations in terms of Chapter 5 of these Regulations;

"basic assessment report" means a report contemplated in regulation 22;

"cumulative impact", in relation to an activity, means the impact of an activity that in itself may not be significant, but may become significant when added to the existing and potential impacts eventuating from similar or diverse activities or undertakings in the area;

"EAP" means an environmental assessment practitioner as defined in section 1 of the Act;

"environmental audit report" means a document that provides verifiable findings and recommendations for improvement, in a structured and systematic manner, on the performance and compliance of an organisation and/or project against environmental policies, objectives, laws, regulations, licences, permits, conditions of authorisation, norms and standards;

"***environmental impact assessment***", means a systematic process of identifying, assessing and reporting environmental impacts associated with an activity and includes basic assessment and S&EIR;

"***environmental impact assessment report***" means a report contemplated in regulation 31;

"exploration" has the meaning assigned to it in the Mineral and Petroleum Resources Development Act, 2002;

"independent", in relation to an EAP or a person compiling a specialist report or undertaking a specialised process or appointed as a member of an appeal panel, means—

(a) that such EAP or person has no business, financial, personal or other interest in the activity, application or appeal in respect of which that EAP or person is appointed in terms of these

Regulations other than fair remuneration for work performed in connection with that activity, application or appeal; or

(b) that there are no circumstances that may compromise the objectivity of that EAP or person in performing such work;

"linear activity" means an activity that is undertaken across one or more properties and which affects the environment or any aspect of the environment along the course of the activity in different ways, and includes railways, roads, funiculars, pipelines, conveyor belts, cableways, powerlines, fences, runways, aircraft landing strips, and telecommunication lines;

"mining" has the meaning assigned to it in the Mineral and Petroleum Resources Development Act, 2002;

"ocean-based activity" means an activity in the territorial waters of the Republic;

"plan of study for environmental impact assessment" means a document contemplated in regulation **28**(1)(*l*), which forms part of a scoping report and sets out how an environmental impact assessment must be conducted;

"production right" has the meaning assigned to it in the Mineral and Petroleum Resources Development Act, 2002;

"prospecting" has the meaning assigned to it in the Mineral and Petroleum Resources Development Act, 2002;

"reconnaissance" has the meaning assigned to it in the Mineral and Petroleum Resources Development Act, 2002;

"registered environmental assessment practitioner / registered EAP" means an environmental assessment practitioner registered with

an appointed registration authority contemplated in section 24H of the Act;

"registered interested and affected party", in relation to an application, means an interested and affected party whose name is recorded in the register opened for that application in terms of regulation 55;

"respondent" means a person submitting a responding statement in terms of regulation 63(2)(a);

"scoping report" means a report contemplated in regulation 28;

"S&EIR" means the scoping and environmental impact reporting process as contemplated in regulation 26 to regulation 35;

"significant impact" means an impact that by its magnitude, duration, intensity or probability of occurrence may have a notable effect on one or more aspects of the environment;

"specialised process" means a process to obtain information which—

(a) is not readily available without undertaking the process; and

(b) is necessary for informing an assessment or evaluation of the impacts of an activity,

and includes risk assessment and cost benefit analysis;

"State department" means any department or administration in the national or provincial sphere of government exercising functions that involve the management of the environment; and

"the Act" means the National Environmental Management Act,1998 (Act No. 107 of 1998).

(2) Subject to paragraphs (3), (4) and (5), when a period of days must in terms of these Regulations be reckoned from or after a

particular day, that period must be reckoned as from the start of the day following that particular day to the end of the last day of the period, but if the last day of the period falls on a Saturday, Sunday or public holiday, that period must be extended to the end of the next day which is not a Saturday, Sunday or public holiday.

(3) For any action contemplated in terms of these regulations for which a timeframe is prescribed, the period of 15 December to 2 January must be excluded in the reckoning of days.

(4) Where a prescribed timeframe is affected by one or more public holidays, the timeframe must be extended by the number of public holiday days falling within that timeframe.

(5) Where an objection on an application has been referred to the Regional Mining Development and Environmental Committee, in terms of regulation 6(5) or (6), the applicable timeframe is deemed to be extended by 45 days.

(6) Any reference in these regulations to an environmental assessment practitioner will, from a date to be determined by the Minister by notice in the *Gazette*, be deemed to be a reference to a registered environmental assessment practitioner, as defined.

Purpose of Regulations

2. The purpose of these Regulations is to regulate the procedure and criteria as contemplated in Chapter 5 of the Act relating to the submission, processing and consideration of, and decision on, applications for environmental authorisations for the commencement of activities in order to avoid detrimental impacts on the environment, or where it can not be avoided, ensure mitigation and management of impacts to acceptable levels, and to optimise positive environmental impacts, and for matters pertaining thereto.

CHAPTER 2

COMPETENT AUTHORITY

Identification of competent authority

3. (1) All applications in terms of these Regulations must be decided upon by a competent authority.

(2) The competent authority, who must consider and decide upon an application in respect of a specific activity, must be determined with reference to the notice published under section **24D**(1) of the Act.

(3) Any dispute or disagreement in respect of who the competent authority should be in relation to any specific application must be resolved by the Minister and the MEC of the relevant province, the Minister and the Minister of Mineral Resources, or by the Minister and the designated organ of state, as the case may be.

Where to submit application

4. (1) If the Minister is the competent authority in respect of a specific application, the application must be submitted to the Department of Environmental Affairs.

(2) If an MEC is the competent authority in respect of a particular application, the application must be submitted to the provincial department responsible for environmental affairs in that province.

(3) If the Minister or MEC has, in terms of section **42** of the Act, delegated any powers or duties of a competent authority in relation to an application for the commencement of an activity, the application must be submitted to that delegated organ of state.

(4) If the Minister of Mineral Resources is the competent authority in respect of a specific application, the application must be

submitted to the relevant regional office of the Department of Mineral Resources.

Assistance by competent authority to applicant

5. (1) A competent authority may, on its own initiative, or upon request by an applicant or an EAP managing an application, and subject to the payment of any reasonable charges, if applicable—

(a) give the applicant or EAP access to any guidelines, departmental policies, decision-making instruments and information on practices that have been developed or to any other information in the possession of the competent authority that is relevant to the application; or

(b) advise the applicant or EAP, either in writing or by way of discussions, of the nature and extent of any of the processes that must be followed in order to comply with the Act and these Regulations.

(2) A competent authority must, on written request, furnish the applicant or EAP with officially adopted minutes of any meeting held or discussion that took place, as contemplated in subregulation (1)(b), between the competent authority and the applicant or EAP .

(3) The competent authority and the applicant or EAP, must on written request by a registered interested or affected party, provide access to the officially adopted minutes of meetings as contemplated in subregulation (2), to such a registered interested or affected party.

Consultation between competent authority and State departments administering a law relating to a matter affecting the environment

6. (1) Where an application in terms of these Regulations must also be made in terms of other legislation and that other legislation requires that information must be submitted or processes must be carried out that are substantially similar to information or processes required in terms of these Regulations, and where an agreement has been reached in order

to give effect to Chapter 3 of the Constitution and sections 24(4)(a)(i), 24K and 24L of the Act, the application must be dealt with in accordance with such agreement.

(2) If the Minister, MEC, Minister of Mineral Resources or identified competent authority considers an application for an environmental authorisation, the Minister, MEC, Minister of Mineral Resources or competent authority must take into account all relevant factors including any comments received from a relevant State department that administers a law relating to a matter affecting the environment relevant to that application for environmental authorisation.

(3) The Minister, MEC, Minister of Mineral Resources or identified competent authority must consult with every State department that administers a law relating to a matter affecting the environment relevant to that application for an environmental authorisation when he or she considers the application.

(4) A State department consulted in terms of subregulation (3) must submit its comments within 40 days from the date on which the Minister, MEC, Minister of Mineral Resources or identified competent authority requests such State department, in writing to, submit comments.

(5) Where comments submitted in terms of subregulation (4) constitute an objection as contemplated in section 24O(4) of the Act, the Minister of Mineral Resources must refer such objection to the Regional Mining Development and Environmental Committee and provide a copy of such objection to the applicant.

(6) Where comments submitted by interested and affected parties to the EAP constitute an objection against an application for prospecting, mining, reconnaissance, exploration, production or related

activities in a prospecting, mining, reconnaissance, exploration or production area, the EAP must—

(a) refer such objections to the Minister of Minerals Resources who in turn refers it to the Regional Mining Development and Environmental Committee; and

(b) provide a copy of such objections to the competent authority.

(7) The Regional Mining Development and Environmental Committee must, within 45 days after the date of receiving such an objection, consider the objection and must make written recommendations to the Minister of Mineral Resources.

Competent authorities' right of access to information

7. (1) A competent authority is entitled to all information that reasonably has or may have the potential of influencing any decision with regard to an application unless access to that information is protected by law.

(2) Unless access to the information contemplated in subregulation (1) is protected by law, an applicant or EAP or other person in possession of that information must, on request by the competent authority, disclose that information to the competent authority, whether or not such information is favourable to the applicant.

Criteria to be taken into account by competent authorities when considering applications

8. When considering an application the competent authority must have regard to section 24O and 24(4) of the Act as well as the need for and desirability of the activity.

Timeframes for competent authorities

9. (1) A competent authority must meet timeframes applicable to competent authorities in terms of these Regulations.

(2) Where the applicable timeframes contemplated in regulations **24**(1)(a), **25**(1), **30**(1), **34**(2) or **35**, as the case may be, are not met, those applicable timeframes are automatically extended by 60 days.

(3) Upon the lapsing of an extension contemplated in subregulation (2) for decisions contemplated in regulations **24**(1)(a), **30**(1)(a) or (c) or **34**(2)(a) or (d), the competent authority must base his or her decision on the available information.

(4) Upon the lapsing of an extension contemplated in subregulation (2) regarding decisions to grant or refuse authorisation contemplated in regulations **25** or **35**, as the case may be, the provisions of section 6(2)(g) and (3) of the Promotion of Administrative Justice Act, 2000 will apply.

Notification of decision on application

10. (1) After a competent authority has reached a decision on an application, the competent authority must, in writing and within 2 days—

(a) notify the applicant of the decision;

(b) give reasons for the decision to the applicant; and

(c) draw the attention of the applicant to the fact that an appeal may be lodged against the decision in terms of Chapter 7 of these Regulations, if such appeal is available in the circumstances of the decision.

(2) The applicant must, in writing, within 12 days of the date of the decision on the application—

(a) notify all registered interested and affected parties of-

(i) the outcome of the application; and

(ii) the reasons for the decision;

(b) draw the attention of all registered interested and affected parties to the fact that an appeal may be lodged against the decision in terms of Chapter 7 of these Regulations, if such appeal is available in the circumstances of the decision;

(c) draw the attention of all registered interested and affected parties to the manner in which they can access the decision; and

(d) publish a notice—

(i) informing interested and affected parties of the decision;

(ii) informing interested and affected parties where the decision can be accessed; and

(iii) drawing the attention of interested and affected parties to the fact that an appeal may be lodged against the decision in terms of Chapter 7 of these Regulations, if such appeal is available under the circumstances of the decision,

in the newspapers contemplated in regulation 54(2)(c) and (d) and which newspaper was used for the placing of advertisements as part of the public participation process.

Registry of applications and record of decisions

11. A competent authority must keep—

(a) a register of all applications received by the competent authority in terms of these Regulations; and

(b) records of all decisions in respect of environmental authorisations.

CHAPTER 3

APPLICATIONS FOR ENVIRONMENTAL AUTHORISATION

Part 1: General matters

Applications

12. (1) An application for an environmental authorisation for the commencement of an activity must be made to the competent authority referred to in regulation 3.

(2) An application must—

(a) be made on an official application form obtainable from the relevant competent authority; and

(b) when submitted in terms of regulation **21**(1) or **26**(b), be accompanied by—

(i) the written notice referred to in regulation **15**(1) as well as proof of serving of such notice on the owner or person in control of the land, if the applicant is not the owner or person in control of the land on which the activity is to be undertaken; and

(ii) the prescribed application fee, if any.

(3) An application for an environmental authorisation may—

(a) be submitted simultaneously with an application for any right or permit in terms of the Mineral and Petroleum Resources Development Act, 2002;

(b) where section 24L of the Act applies, be submitted in the manner as agreed to by the relevant authorities.

Checking of applications for compliance with formal requirements

13. (1) Upon receipt of an application, the competent authority to which the application is submitted must check whether the application—

(a) is properly completed and that it contains the information required in the application form; and

(b) is accompanied by any reports, other documents and fees as required in terms of these Regulations; and

(c) has taken into account any guideline applicable to the submission of applications.

(2) The competent authority must, within 14 days of receipt of the application, and in writing—

(a) acknowledge receipt of and accept the application, if the application is in order; or

(b) acknowledge receipt and reject, in writing, the application, if it is not in order.

(3) The applicant or EAP managing an application that has been rejected in terms of subregulation (2) may correct that application and resubmit it to the competent authority.

(4) Subregulations (1) and (2) apply afresh to a corrected application submitted to the competent authority in terms of subregulation (3).

Combination of applications

14. (1) If an applicant intends undertaking more than one activity of the same type at different locations within the area of jurisdiction of the competent authority, different applications in respect of the different locations must be submitted, but the competent authority may, at the written request of the applicant, grant permission for the submission of a single application in respect of all those activities, whether or not the application is submitted on one or more application forms.

(2) If the competent authority grants permission in terms of subregulation (1), the application must be dealt with as a consolidated process in respect of all the activities covered by the application, but the potential environmental impacts of each activity must be considered in terms of the location where the activity is to be undertaken.

Activity on land owned by person other than applicant

15. (1) If the applicant is not the owner or person in control of the land on which the activity is to be undertaken, the applicant must give written notice of the proposed activity to the owner or person in control of the land on which the activity is to be undertaken, and inform such person that he may participate in the public participation process as contemplated in regulation **54**.

(2) In circumstances where a notice as contemplated in subregulation (1) will not serve the purpose of notifying the owner or person in control of the land as that person is unable to understand the content of the notice due to—

(i) illiteracy;

(ii) disability; or

(iii) any other disadvantage,

alternative means of notifying the owner or person in control of the land must be agreed to with the competent authority and a record of such agreement as well as proof of compliance with the requirement to give notice must be provided.

(3) Proof of the notice contemplated in subregulation (1) must be submitted with the application form as contemplated in regulation 12(2).

(4) The format of a notice contemplated in subregulation (1) or (2) may be determined by the competent authority and proof of service of such notice must be submitted to the competent authority.

Appointment of EAPs to manage applications

16. (1) Before conducting basic assessment or S&EIR, an applicant must appoint an EAP at own cost to manage the application.

(2) The applicant must-

(a) take all reasonable steps to verify whether the EAP to be appointed complies with regulation **17**(a) and (b); and

(b) provide the EAP with access to all information at the disposal of the applicant regarding the application, whether or not such information is favourable to the applicant.

General requirements for EAPs or a person compiling a specialist report or undertaking a specialised process

17. An EAP appointed in terms of regulation **16**(1) must—

(a) be independent;

(b) have expertise in conducting environmental impact assessments, including knowledge of the Act, these Regulations and any guidelines that have relevance to the proposed activity;

(c) perform the work relating to the application in an objective manner, even if this results in views and findings that are not favourable to the applicant;

(d) comply with the Act, these Regulations and all other applicable legislation;

(e) take into account, to the extent possible, the matters referred to in regulation **8** when preparing the application and any report relating to the application; and

(f) disclose to the applicant and the competent authority all material information in the possession of the EAP that reasonably has or may have the potential of influencing—

(i) any decision to be taken with respect to the application by the competent authority in terms of these Regulations; or

(ii) the objectivity of any report, plan or document to be prepared by the EAP in terms of these Regulations for submission to the competent authority.

Disqualification of EAPs or a person compiling a specialist report or undertaking a specialised process

18. (1) If the competent authority at any stage of considering an application has reason to believe that the EAP managing an application

or a person compiling a specialist report or undertaking a specialised process may not comply with the requirements of regulation 17 in respect of the application, the competent authority must—

(a) notify the EAP and applicant of the reasons therefore and that the application is suspended until the matter is resolved; and

(b) afford the EAP and applicant an opportunity to make representations to the competent authority regarding the independence of the EAP, in writing.

(2) An interested and affected party may notify the competent authority of suspected non-compliance with regulation 17.

(3) Where an interested and affected party notifies the competent authority of suspected non-compliance with regulation 17, the competent authority must investigate the allegation.

(4) The notification referred to in subregulation (2) must be submitted in writing and must contain documentation supporting the allegation, which is referred to in the notification.

(5) If, after considering the matter, the competent authority is unconvinced of compliance with regulation 17 by the EAP or person compiling a specialist report or undertaking a specialised process, the competent authority must in writing, inform the EAP or person compiling a specialist report or undertaking a specialised process and the applicant accordingly and may—

(a) refuse to accept any further reports or input from the EAP or person compiling a specialist report or undertaking a specialised process in respect of the application in question;

(b) request the applicant to –

(i) commission, at own cost, an external review by an independent person or persons of any reports prepared or processes conducted by the EAP or person compiling a

specialist report or undertaking a specialised process in connection with the application;

(ii) redo any specific aspects of the work done by the previous EAP or person compiling a specialist report or undertaking a specialised process in connection with the application; and

(iii) to complete any unfinished work in connection with the application; or

(c) request the applicant to take such action as the competent authority requires to remedy the defects.

(6) If the application has reached a stage where a register of interested and affected parties has been opened in terms of regulation **55**, the applicant must inform all registered interested and affected parties of any suspension of the application as well as of any decisions taken by the competent authority in terms of subregulation (5).

Determination of assessment process applicable to application

19. (1) When appointed in terms of regulation **16**(1), an EAP must in accordance with regulation **20** determine whether basic assessment or scoping must be applied to the application, taking into account–

(a) any guidelines applicable to the activity which is the subject of the application; and

(b) any advice given by the competent authority in terms of regulation **5**.

(2) An application must be managed in accordance with—

(a) Part 2 of this Chapter if basic assessment must be applied to the application; or

(b) Part 3 of this Chapter if S&EIR must be applied to the application.

Determining whether basic assessment or S&EIR is to be applied to application

20. (1) Basic assessment must be applied to an application if the authorisation applied for is in respect of an activity—

(a) listed in a notice issued by the Minister or an MEC in terms of section 24D of the Act identifying further activities for which environmental authorisation is required and stipulating that the procedure described in Part 2 of this Chapter must be applied to applications for environmental authorisation in respect of those activities; or

(b) for which permission has been granted in terms of subregulation (4) for basic assessment instead of S&EIR to be applied to the application.

(2) S&EIR must be applied to an application if—

(a) the authorisation applied for is in respect of an activity listed in a notice issued by the Minister or an MEC in terms of section 24D of the Act, identifying further activities for which environmental authorisation is required, and stipulating that the procedure described in Part 3 of this Chapter, must be applied to applications for environmental authorisation in respect of those activities;

(b) permission has been granted in terms of subregulation (3) for scoping instead of basic assessment to be applied to the application; or

(c) the application is for two or more activities as part of the same development and S&EIR must in terms of paragraph (a) or (b) be applied in respect of any of the activities.

(3) If an applicant intends undertaking an activity to which basic assessment must be applied in terms of subregulation (1) and the applicant, on the advice of the EAP managing the application, is for any reason of the view that it is unlikely that the competent authority will be able to reach a decision on the basis of information provided in a basic assessment report, the applicant may apply, in writing, to the competent authority for permission to apply S&EIR instead of basic assessment to the application.

(4) If an applicant intends undertaking an activity to which S&EIR must be applied in terms of subregulation (2) and the applicant, on the advice of the EAP managing the application, is for any reason of the view that it is likely that the competent authority will be able to reach a decision on the basis of information provided in a basic assessment report, the applicant may apply, in writing, to the competent authority for permission to apply basic assessment instead of S&EIR to the application.

Part 2: Application subject to basic assessment

Submission of application to competent authority and steps to be taken after submission of application

21. (1) If a basic assessment must be applied to an application, the applicant or EAP managing the application must submit an application form, including a declaration of interest by the EAP and any documents referred to in regulation **12**(2)(b), to the competent authority before conducting basic assessment.

(2) After having submitted an application, the EAP managing the application, must—

(a) conduct at least a public participation process as set out in regulation **54**;

(b) open and maintain a register of all interested and affected parties in respect of the application in accordance with regulation **55**;

(c) consider all comments and representations received from interested and affected parties following the public participation process conducted in terms of paragraph (a), and subject the proposed application to basic assessment;

(d) prepare a basic assessment report in accordance with regulation **22**; and

(e) give all registered interested and affected parties an opportunity to comment on the basic assessment report in accordance with regulation **56**.

(3) The format of an application form as contemplated in subregulation (1) may be determined by the competent authority.

Content of basic assessment reports

22. (1) The EAP managing an application to which this Part applies must prepare a basic assessment report in a format that may be determined by the competent authority.

(2) A basic assessment report must contain all the information that is necessary for the competent authority to consider the application and to reach a decision contemplated in regulation **25**, and must include—

(a) details of—

(i) the EAP who prepared the report; and

(ii) the expertise of the EAP to carry out basic assessment procedures;

(b) a description of the proposed activity;

(c) a description and a map of the property on which the activity is to be undertaken and the location of the activity on the property, or, if it is—

(i) a linear activity, a description of the route of the activity; or

(ii) an ocean-based activity, the coordinates within which the activity is to be undertaken;

(d) a description of the environment that may be affected by the proposed activity and the manner in which the geographical, physical, biological, social, economic and cultural aspects of the environment may be affected by the proposed activity;

(e) an identification of all legislation and guidelines that have been considered in the preparation of the basic assessment report;

(f) details of the public participation process conducted in terms of regulation **21**(2)(a) in connection with the application, including—

(i) the steps that were taken to notify potentially interested and affected parties of the proposed application;

(ii) proof that notice boards, advertisements and notices notifying potentially interested and affected parties of the proposed application have been displayed, placed or given;

(iii) a list of all persons, organisations and organs of state that were registered in terms of regulation 55 as interested and affected parties in relation to the application; and

(iv) a summary of the issues raised by interested and affected parties, the date of receipt of and the response of the EAP to those issues;

(g) a description of the need and desirability of the proposed activity;

(h) a description of any identified alternatives to the proposed activity that are feasible and reasonable, including the advantages and disadvantages that the proposed activity or alternatives will have on the environment and on the community that may be affected by the activity;

(i) a description and assessment of the significance of any environmental impacts, including—

(i) cumulative impacts, that may occur as a result of the undertaking of the activity or identified alternatives or as a result of any construction, erection or decommissioning associated with the undertaking of the activity;

(ii) the nature of the impact;

(iii) the extent and duration of the impact;

(iv) the probability of the impact occurring;

(v) the degree to which the impact can be reversed;

(vi) the degree to which the impact may cause irreplaceable loss of resources; and

(vii) the degree to which the impact can be mitigated;

(j) any environmental management and mitigation measures proposed by the EAP;

(k) any inputs and recommendations made by specialists to the extent that may be necessary;

(l) a draft environmental management programme containing the aspects contemplated in regulation 33;

(m) a description of any assumptions, uncertainties and gaps in knowledge;

(n) a reasoned opinion as to whether the activity should or should not be authorised, and if the opinion is that it should be authorised, any conditions that should be made in respect of that authorisation

(o) any representations, and comments received in connection with the application or the basic assessment report;

(p) the minutes of any meetings held by the EAP with interested and affected parties and other role players which record the views of the participants;

(q) any responses by the EAP to those representations, comments and views;

(r) any specific information required by the competent authority; and;

(s) any other matters required in terms of sections 24(4)(a) and (b) of the Act.

(3) In addition, a basic assessment report must take into account—

(a) any relevant guidelines; and

(b) any departmental policies, environmental management instruments and other decision making instruments that have been developed or adopted by the competent authority in respect of the kind of activity which is the subject of the application.

(4) The EAP managing the application must provide the competent authority with detailed, written proof of an investigation as required by section 24(4)(b)(i) of the Act and motivation if no reasonable or feasible alternatives, as contemplated in subregulation 22(2)(h), exist.

Submission of basic assessment report to competent authority

23. After having complied with regulation **21**, the EAP managing the application must submit to the competent authority, where applicable,

within the timeframes stipulated by the competent authority, the prescribed fee, and at least 5 copies of —

(a) the basic assessment report;

(b) any representations, and comments received in connection with the application or the basic assessment report;

(c) the minutes of any meetings held by the EAP with interested and affected parties and other role players which record the views of the participants; and

(d) any responses by the EAP to those representations, comments and views.

(2) The competent authority must, within 14 days of receipt of the basic assessment report, and in writing, acknowledge receipt thereof.

Consideration of application

24. (1) A competent authority must within 30 days of acknowledging receipt of the basic assessment report and in writing—

(a) accept the basic assessment report, if the basic assessment report complies with the requirements of regulation 22;

(b) reject the basic assessment report, if it

(i) does not contain material information required in terms of these Regulations; or

(ii) has not taken into account guidelines applicable in respect of basic assessment reports.

(2) If the basic assessment report is rejected, the competent authority must request the EAP managing the application–

(a) to submit such additional information as the competent authority may require;

(b) to submit a report on any specialist study or specialised process as the competent authority may require in relation to any aspect of the proposed activity;

(c) to suggest, consider or comment on feasible and reasonable alternatives; or

(d) to subject the application to S&EIR.

(3) The competent authority may reject the basic assessment report if it does not substantially comply with regulation **21** or **22**.

(4) A basic assessment report that has been rejected in terms of subregulation (3) may be amended and resubmitted by the EAP to the competent authority.

(5) Comments that are made by interested and affected parties in respect of an amended basic assessment report must be attached to the report, but the EAP need not make further changes to the report in response to such comments.

(6) Upon receipt of any information, reports, suggestions or comments requested in terms of subregulation (2)(a), (b) or (c) or any amended basic assessment report submitted in terms of subregulation (4), the competent authority must reconsider the application as per regulation 24(1).

(7) If the competent authority requests in terms of subregulation (2)(d) that the application be subjected to S&EIR, the application must be proceeded with in accordance with regulations **26** to **35**.

Decision on application

25. 1) A competent authority must—

(a) within 30 days of accepting a basic assessment report in terms of regulation **24**(1), or within 30 days of the lapsing of the 60 days contemplated in regulation 9(2); or

(b) if paragraphs (a), (b) or (c) of regulation **24**(2) are applicable or if the basic assessment report has been rejected in terms of regulation **24**(3), within 30 days of receipt of the required information, reports, suggestions or comments or the amended

basic assessment report, consider the application and basic assessment report and in writing–

(i) grant the authorisation in respect of all or part of the activity applied for; or

(ii) refuse the authorisation in respect of all or part of the activity.

(2) To the extent that authorisation is granted for an alternative, such alternative must, for the purposes of subregulation (1), be regarded as having been applied for.

(3) On having reached a decision, the competent authority must comply with regulation **10**(1), after which an applicant must comply with regulation **10**(2).

Part 3: Application subject to scoping and environmental impact reporting

Submission of application to competent authority

26. If S&EIR must be applied to an application, the applicant or EAP managing the application must—

(a) complete the application form for environmental authorisation of the relevant activity; and

(b) submit the completed application form to the competent authority, together with—

(i) a declaration of interest by the EAP on a form determined by the competent authority; and

(ii) any documents referred to in regulation **12**(2)(b).

Steps to be taken after submission of application

27. After having submitted an application, the EAP managing the application must—

(a) conduct at least the public participation process set out in regulation **54**;

(b) give notice, in writing, of the proposed application to any organ of state which has jurisdiction in respect of any aspect of the activity;

(c) open and maintain a register of all interested and affected parties in respect of the application in accordance with regulation **55**;

(d) consider all comments and representations received from interested and affected parties following the public participation process;

(e) subject the application to scoping by identifying—

(i) issues that will be relevant for consideration of the application;

(ii) the potential environmental impacts of the proposed activity; and

(iii) alternatives to the proposed activity that are feasible and reasonable;

(f) prepare a scoping report in accordance with regulation **28**;

(g) give all registered interested and affected parties an opportunity to comment on the scoping report in accordance with regulation **56;**

(h) where applicable, submit the scoping report within the timeframes stipulated by the competent authority; and

(i) submit at least five copies of the scoping report contemplated in paragraph (f) simultaneously to the competent authority.

Content of scoping report

28. (1) A scoping report must contain all the information that is necessary for a proper understanding of the nature of issues identified during scoping, and must include—

(a) details of—

(i) the EAP who prepared the report; and

(ii) the expertise of the EAP to carry out scoping procedures;

(b) a description of the proposed activity;

(c) a description of any feasible and reasonable alternatives that have been identified;

(d) a description of the property on which the activity is to be undertaken and the location of the activity on the property, or if it is—

(i) a linear activity, a description of the route of the activity; or

(ii) an ocean-based activity, the coordinates where the activity is to be undertaken;

(e) a description of the environment that may be affected by the activity and the manner in which activity may be affected by the environment;

(f) an identification of all legislation and guidelines that have been considered in the preparation of the scoping report;

(g) a description of environmental issues and potential impacts, including cumulative impacts, that have been identified;

(h) details of the public participation process conducted in terms of regulation **27**(a), including—

(i) the steps that were taken to notify potentially interested and affected parties of the application;

(ii) proof that notice boards, advertisements and notices notifying potentially interested and affected parties of the application have been displayed, placed or given;

(iii) a list of all persons or organisations that were identified and registered in terms of regulation 55 as interested and affected parties in relation to the application; and

(iv) a summary of the issues raised by interested and affected parties, the date of receipt of and the response of the EAP to those issues;

(i) a description of the need and desirability of the proposed activity;

(j) a description of identified potential alternatives to the proposed activity, including advantages and disadvantages that the proposed activity or alternatives may have on the environment and the community that may be affected by the activity;

(k) copies of any representations, and comments received in connection with the application or the scoping report from interested and affected parties;

(l) copies of the minutes of any meetings held by the EAP with interested and affected parties and other role players which record the views of the participants; and

(m) any responses by the EAP to those representations and comments and views;

(n) a plan of study for environmental impact assessment which sets out the proposed approach to the environmental impact assessment of the application, which must include—

(i) a description of the tasks that will be undertaken as part of the environmental impact assessment process, including any specialist reports or specialised processes, and the manner in which such tasks will be undertaken;

(ii) an indication of the stages at which the competent authority will be consulted;

(iii) a description of the proposed method of assessing the environmental issues and alternatives, including the option of not proceeding with the activity; and

(iv) particulars of the public participation process that will be conducted during the environmental impact assessment process;

(o) any specific information required by the competent authority; and

(p) any other matters required in terms of sections 24(4)(a) and (b) of the Act.

(2) In addition, a scoping report must take into account any guidelines applicable to the kind of activity which is the subject of the application.

(3) The EAP managing the application must provide the competent authority with detailed, written proof of an investigation as required by section 24(4)(b)(i) of the Act and motivation if no reasonable or feasible alternatives, as contemplated in subregulation (1)(c), exist.

Submission of scoping reports to competent authority

29. The EAP managing an application must submit 5 copies of the scoping report compiled in terms of regulation **28** to the competent authority, together with —

(a) copies of any representations, and comments received in connection with the application or the scoping report from interested and affected parties;

(b) copies of the minutes of any meetings held by the EAP with interested and affected parties and other role players which record the views of the participants; and

(c) any responses by the EAP to those representations and comments and views.

Consideration of scoping reports

30. (1) The competent authority must, within 30 days of receipt of a scoping report, or receipt of the required information, reports, or comments or the amended scoping report, consider it, and in writing—

(a) accept the report and advise the EAP to proceed with the tasks contemplated in the plan of study for environmental impact assessment;

(b) request the EAP to make such amendments to the report as the competent authority may require; or

(c) reject the scoping report if it—

(i) does not contain material information required in terms of these Regulations; or

(ii) has not taken into account guidelines applicable in respect of scoping reports and plans of study for environmental impact assessment.

(2) In addition to complying with subregulation (1), the competent authority may advise the EAP of any matter that may prejudice the success of the application.

(3) A scoping report hat has been rejected by the competent authority in terms of subregulation (1)(c) may be amended and resubmitted by the EAP.

(4) On receipt of the amended scoping, the competent authority must reconsider the scoping in accordance with subregulation (1).

Environmental impact assessment reports

31. (1) If a competent authority accepts a scoping report and advises the EAP in terms of regulation 30(1)(a) to proceed with the tasks contemplated in the plan of study for environmental impact assessment, the EAP must proceed with those tasks, including the public participation process for environmental impact assessment referred to in regulation 28(1)(g)(i)-(iv) and prepare an environmental impact assessment report in respect of the proposed activity.

(2) An environmental impact assessment report must contain all information that is necessary for the competent authority to consider the application and to reach a decision contemplated in regulation 35, and must include—

(a) details of—

(i) the EAP who compiled the report; and

(ii) the expertise of the EAP to carry out an environmental impact assessment;

(b) a detailed description of the proposed activity;

(c) a description of the property on which the activity is to be undertaken and the location of the activity on the property, or if it is—

(i) a linear activity, a description of the route of the activity; or

(ii) an ocean-based activity, the coordinates where the activity is to be undertaken;

(d) a description of the environment that may be affected by the activity and the manner in which the physical, biological, social, economic and cultural aspects of the environment may be affected by the proposed activity;

(e) details of the public participation process conducted in terms of subregulation (1), including—

(i) steps undertaken in accordance with the plan of study;

(ii) a list of persons, organisations and organs of state that were registered as interested and affected parties;

(iii) a summary of comments received from, and a summary of issues raised by registered interested and affected parties, the date of receipt of these comments and the response of the EAP to those comments; and

(iv) copies of any representations and comments received from registered interested and affected parties;

(f) a description of the need and desirability of the proposed activity;

(g) a description of identified potential alternatives to the proposed activity, including advantages and disadvantages that the

proposed activity or alternatives may have on the environment and the community that may be affected by the activity;

(h) an indication of the methodology used in determining the significance of potential environmental impacts;

(i) a description and comparative assessment of all alternatives identified during the environmental impact assessment process;

(j) a summary of the findings and recommendations of any specialist report or report on a specialised process;

(k) a description of all environmental issues that were identified during the environmental impact assessment process, an assessment of the significance of each issue and an indication of the extent to which the issue could be addressed by the adoption of mitigation measures;

(l) an assessment of each identified potentially significant impact, including--

(i) cumulative impacts;

(ii) the nature of the impact;

(iii) the extent and duration of the impact;

(iv) the probability of the impact occurring;

(v) the degree to which the impact can be reversed;

(vi) the degree to which the impact may cause irreplaceable loss of resources; and

(vii) the degree to which the impact can be mitigated;

(m) a description of any assumptions, uncertainties and gaps in knowledge;

(n) a reasoned opinion as to whether the activity should or should not be authorised, and if the opinion is that it should be authorised, any conditions that should be made in respect of that authorisation;

(o) an environmental impact statement which contains—

(i) a summary of the key findings of the environmental impact assessment; and

(ii) a comparative assessment of the positive and negative implications of the proposed activity and identified alternatives;

(p) a draft environmental management programme containing the aspects contemplated in regulation **33**;

(q) copies of any specialist reports and reports on specialised processes complying with regulation **32**;

(r) any specific information that may be required by the competent authority; and

(s) any other matters required in terms of sections 24(4)(a) and (b) of the Act.

(3) The EAP managing the application must provide the competent authority with detailed, written proof of an investigation as required by section 24(4)(b)(i) of the Act and motivation if no reasonable or feasible alternatives, as contemplated in subregulation **31**(2)(g), exist.

Specialist reports and reports on specialised processes

32. (1) An applicant or the EAP managing an application may appoint a person to carry out a specialist study or specialised process.

(2) The person referred to in subregulation (1) must comply with the requirements of regulation 17.

(3) A specialist report or a report on a specialised process prepared in terms of these Regulations must contain—

(a) details of—

(i) the person who prepared the report; and

(ii) the expertise of that person to carry out the specialist study or specialised process;

(b) a declaration that the person is independent in a form as may be specified by the competent authority;

(c) an indication of the scope of, and the purpose for which, the report was prepared;

(d) a description of the methodology adopted in preparing the report or carrying out the specialised process;

(e) a description of any assumptions made and any uncertainties or gaps in knowledge;

(f) a description of the findings and potential implications of such findings on the impact of the proposed activity, including identified alternatives, on the environment;

(g) recommendations in respect of any mitigation measures that should be considered by the applicant and the competent authority;

(h) a description of any consultation process that was undertaken during the course of carrying out the study;

(i) a summary and copies of any comments that were received during any consultation process; and

(j) any other information requested by the competent authority.

Content of draft environmental management programme

33. A draft environmental management programme must comply with section 24N of the Act and include –

(a) details of –

(i) the person who prepared the environmental management programme; and

(ii) the expertise of that person to prepare an environmental management programme;

(b) information on any proposed management or mitigation measures that will be taken to address the environmental impacts that have been identified in a report contemplated by these Regulations, including environmental impacts or objectives in respect of—

(i) planning and design;

(ii) pre-construction and construction activities;

(iii) operation or undertaking of the activity;

(iv) rehabilitation of the environment; and

(v) closure, where relevant.

(c) a detailed description of the aspects of the activity that are covered by the draft environmental management programme;

(d) an identification of the persons who will be responsible for the implementation of the measures contemplated in paragraph (b);

(e) proposed mechanisms for monitoring compliance with and performance assessment against the environmental management programme and reporting thereon;

(f) as far as is reasonably practicable, measures to rehabilitate the environment affected by the undertaking of any listed activity or specified activity to its natural or predetermined state or to a land use which conforms to the generally accepted principle of sustainable development, including, where appropriate, concurrent or progressive rehabilitation measures;

(g) a description of the manner in which it intends to—

(i) modify, remedy, control or stop any action, activity or process which causes pollution or environmental degradation;

(ii) remedy the cause of pollution or degradation and migration of pollutants;

(iii) comply with any prescribed environmental management standards or practices;

(iv) comply with any applicable provisions of the Act regarding closure, where applicable;

(v) comply with any provisions of the Act regarding financial provisions for rehabilitation, where applicable;

(h) time periods within which the measures contemplated in the environmental management programme must be implemented;

(i) the process for managing any environmental damage, pollution, pumping and treatment of extraneous water or ecological degradation as a result of undertaking a listed activity;

(j) an environmental awareness plan describing the manner in which—

(i) the applicant intends to inform his or her employees of any environmental risk which may result from their work; and

(ii) risks must be dealt with in order to avoid pollution or the degradation of the environment;

(k) where appropriate, closure plans, including closure objectives.

Consideration of environmental impact assessment reports

34. (1) (a) Where applicable, the EAP must submit the environmental impact assessment report within the timeframes stipulated by the competent authority.

(b) On completion of the environmental impact assessment report, the EAP must submit at least 5 copies of the environmental impact assessment report to the competent authority.

(2) The competent authority must, within 60 days of receipt of an environmental impact assessment report, in writing—

(a) accept the report; or

(b) reject the report if it does not substantially comply with regulation 31(2) and

(i) notify the applicant that the report has been referred for specialist review in terms of section 24I of the Act; or

(ii) request the applicant to make such amendments to the report as the competent authority may require for acceptance of the environmental impact assessment report.

(3) The acceptance of the environmental impact assessment report in subregulation (2)(a) may include acceptance of the environmental management programme if it meets the requirements.

(4) (a) An environmental impact assessment report that is rejected in terms of subregulation (2)(b) may be amended and resubmitted by the EAP.

(b) On receipt of the amended report, the competent authority must reconsider the report in accordance with subregulation (2).

Decision on applications

35. (1) A competent authority must within 45 days of acceptance of an environmental impact assessment report in terms of regulation 34 or, if the report was referred for specialist review in terms of

section 24I of the Act, within 45 days of receipt of the findings of the specialist reviewer, or within 30 days of the lapsing of the 60 days contemplated in regulation 9(2), in writing—

(a) grant authorisation in respect of all or part of the activity applied for; or

(b) refuse authorisation in respect of all or part of the activity.

(2) To the extent that authorisation is granted for an alternative, such alternative must for the purposes of subregulation (1) be regarded as having been applied for.

(3) On having reached a decision, the competent authority must comply with regulation 10(1).

(4) The Minister of Mineral Resources may only issue an authorisation if the provisions of section 24P(1) of the Act have been complied with.

Part 4: Environmental authorisation

Issue of environmental authorisation

36. (1) If the competent authority decides to grant authorisation, the competent authority must issue an environmental authorisation complying with regulation 37 to, and in the name of, the applicant.

(2) If in the case of an application referred to in regulation 14, the competent authority decides to grant authorisation in respect of more than one activity, the competent authority may issue a single environmental authorisation covering all the activities for which authorisation was granted.

(3) A competent authority may issue an integrated environmental authorisation as contemplated in section 24L of the Act.

Content of environmental authorisation

37. (1) An environmental authorisation must specify—

(a) the name, address and telephone number of the person to whom the authorisation is issued;

(b) a description of the activity that is authorised;

(c) a description of the property on which the activity is to be undertaken and the location of the activity on the property, or if it is—

(i) a linear activity, a description of the route of the activity; or

(ii) an ocean-based activity, the coordinates within which the activity is to be undertaken;

(d) the conditions subject to which the activity may be undertaken, including conditions determining—

(i) the period for which the environmental authorisation is valid, if granted for a specific period;

(ii) requirements for the management, monitoring and reporting of the impacts of the activity on the environment throughout the life cycle of the activity as contained in the approved environmental management programme; and

(iii) the transfer of rights and obligations when there is a change of ownership in the property on which the activity is to take Place; and

(e) where applicable, indicate the manner in which and when the competent authority will approve the environmental management programme; and

(f) the requirements on the manner in which and the frequency when the environmental management programme will be approved, amended or updated.

(2) An environmental authorisation may—

(a) provide that the authorised activity may not commence before specified conditions are complied with;

(b) require the holder of the authorisation to furnish the competent authority with reports prepared by the holder of the authorisation or a person who is independent, at specified times or intervals—

(i) indicating the extent to which the conditions of the authorisation are or are not being complied with;

(ii) providing details of the nature of, and reasons for, any non-compliance with a condition of the authorisation; and

(iii) describing any action taken, or to be taken, to mitigate the effects of any non-compliance or to prevent any recurrence of the non-compliance;

(c) require the holder of the authorisation to furnish the competent authority with environmental audit reports on the impacts of the authorised activity on the environment, at specified times or intervals or whenever requested by the competent authority;

(d) where applicable, require the holder of the authorisation to furnish the competent authority with proof of compliance with the requirements regarding financial provision;

(e) where applicable, require the holder of the authorisation to furnish the competent authority with proof of compliance with the applicable requirements regarding closure; and

(f) include any other condition that the competent authority considers necessary for the protection of the environment.

CHAPTER 4

AMENDMENT AND SUSPENSION OF ENVIRONMENTAL AUTHORISATION AND ENVIRONMENTAL MANAGEMENT PROGRAMME

General

38. (1) The competent authority that issued an environmental authorisation has jurisdiction in all matters pertaining to the amendment of that authorisation.

(2) An environmental authorisation may be amended—

(a) on application by the holder of the authorisation in accordance with Part 1 of this Chapter; or

(b) on the initiative of the competent authority in accordance with Part 2 of this Chapter.

(3) An environmental authorisation may be amended by—

(a) attaching an additional condition or requirement;

(b) substituting a condition or requirement;

(c) removing a condition or requirement;

(d) changing a condition or requirement;

(e) updating or changing any detail on the authorisation; or

(f) correcting a technical or editorial error.

Part 1: Amendment on application by holders of environmental authorisation

Applications for amendment

39. (1) The holder of an environmental authorisation may at any time apply to the relevant competent authority for the amendment of the authorisation.

(2) An application contemplated in subregulation (1) may be submitted if

(a) there is a material change in the circumstances which existed at the time of the granting of the environmental authorisation;

(b) there has been a change of ownership in the property and transfer of rights and obligations must be provided for; or

(c) a condition contained in the environmental authorisation must be amended, added, substituted, corrected, removed or updated.

Submission of application for amendment

40. (1) An application in terms of regulation **39** must be in writing and accompanied by a motivation for such amendment.

(2) The competent authority must, within 14 days of receipt of an application, acknowledge receipt of the application, in writing.

Consideration of application and decision on non-substantive amendments

41. (1) Upon receipt of an application made in terms of regulation **39**, the competent authority—

(a) must consider whether granting the application is likely to adversely affect the environment or the rights or interests of other parties; and

(b) may for that purpose request the applicant to furnish additional information and such request must accompany the acknowledgement of receipt of the application.

(2) The competent authority must within 30 days of acknowledging receipt of the application decide the application if—

(a) the application is for a non-substantive amendment to the environmental authorisation; or

(b) the environment or the rights or interests of other parties are not likely to be adversely affected.

(3) If the application is for a substantive amendment, or if the environment or the rights or interests of other parties are likely to be adversely affected, the competent authority must, before deciding the application, request the applicant to the extent appropriate—

(a) to conduct a public participation process as referred to in regulation **54** or any other public participation process that may be appropriate in the circumstances to bring the proposed amendment to the attention of potential interested and affected parties, including organs of state which have jurisdiction in respect of any aspect of the relevant activity;

(b) to conduct such investigations and assessments as the competent authority may direct, to prepare reports on those investigations and

assessments, and, if the competent authority so directs, to make use of an EAP for this purpose; and

(c) to submit to the competent authority those reports, together with any comments on those reports from registered interested and affected parties.

Decision on application

42. (1) Within 30 days of completion of the process contemplated for substantive amendments in regulation **41**(3), the competent authority must accept or reject the information contemplated in regulation **41**(3)(c).

(2) On having accepted the information, the competent authority must reach a decision regarding the application for amendment.

(3) If the information contemplated in regulation 41(3)(c) was rejected, it may be amended and resubmitted, whereupon the competent authority must act in accordance with subregulation (1).

(4) On having reached a decision on whether or not to grant the application, the competent authority must comply with regulation **10**.

(5) If an application is approved, the competent authority must issue an amendment to the environmental authorisation either by way of a new environmental authorisation or an addendum to the existing environmental authorisation.

Part 2: Amendment on initiative of competent authority

Purposes for which competent authority may amend environmental authorisations

43. The relevant competent authority may on own initiative amend an environmental authorisation if it is necessary or desirable—

(a) to prevent deterioration or further deterioration of the environment;

(b) to achieve prescribed environmental standards; or

(c) to accommodate demands brought about by impacts on socio-economic circumstances and it is in the public interest to meet those demands.

Process

44. (1) If a competent authority intends amending an environmental authorisation in terms of regulation **43**, the competent authority must first—

(a) notify the holder of the environmental authorisation, in writing, of the proposed amendment;

(b) give the holder of the environmental authorisation an opportunity to submit representations on the proposed amendment, in writing; and

(c) if necessary, conduct a public participation process as referred to in regulation **54** or any other public participation process that may be appropriate in the circumstances to bring the proposed amendment to the attention of potential interested and affected parties, including organs of state which have jurisdiction in respect of any aspect of the relevant activity.

(2) The process referred to in subregulation (1) must afford an opportunity to—

(a) potential interested and affected parties to submit to the competent authority written representations on the proposed amendment; and

(b) the holder of the environmental authorisation to comment on any representations received in terms of paragraph (a) in writing.

(3) Subregulation (1)(c) need not be complied with if the proposal is to amend the environmental authorisation in a non-substantive way.

Decision

45. (1) The competent authority must, within 30 days of completing the actions in regulation **44**(1), reach a decision to amend or not amend the environmental authorisation.

(2) Within 30 days of completion of the process contemplated in regulation 44 and where the competent authority decides to amend the environmental authorisation, the competent authority must issue an amendment to the environmental authorisation either by way of a new environmental authorisation or an addendum to the relevant environmental authorisation.

(3) On having made a decision, the competent authority must in writing and within 2 days—

(a) notify the holder of the environmental authorisation of the decision;

(b) give reasons for the decision to the holder of the environmental authorisation; and

(c) draw the attention of the holder of the environmental authorisation to the fact that an appeal may be lodged against the decision in terms of Chapter 7 of these Regulations, if such appeal is available in the circumstances of the decision.

(4) The competent authority must, in writing, within 12 days of the date of the decision—

(a) notify all registered interested and affected parties, if any, of—

(i) the decision;

(ii) the reasons for the decision;

(b) draw the attention of all registered interested and affected parties, if any, to the fact that an appeal may be lodged against the decision in terms of Chapter 7 of these Regulations, if such appeal is available in the circumstances of the decision, and

(c) draw the attention of all registered interested and affected parties, if any, to the manner in which they could access the decision.

Part 3: Amendment of environmental management programme

Amendment of environmental management programme

46. (1)The competent authority may, on own initiative or upon application, amend an environmental management programme if it is necessary or desirable—

(a) to prevent deterioration or further deterioration of the environment;

(b) to achieve prescribed environmental standards;

(c) to accommodate demands brought about by impacts on socio-economic circumstances and it is in the public interest to meet those demands;

(d) to ensure compliance with the conditions of the environmental authorisation;

(e) in order to assess the continued appropriateness and adequacy of the environmental management programme; or

(f) when an environmental management programme is in conflict with the principles set out in the Act

(2) An application contemplated in subregulation (1) must be in writing and must be supported by the necessary motivation.

(3) A competent authority must acknowledge receipt of an application for amendment within 14 days.

(4) (a) If a competent authority initiates the amendment of an environmental management programme, the competent authority must first—

(i) notify the holder of the environmental management programme, in writing, of the proposed amendment;

(ii) give the holder of the environmental management programme an opportunity to submit representations on the proposed amendment, in writing; and

(iii) where appropriate, conduct a public participation process as referred to in regulation **54** or any other public participation process that may be appropriate in the circumstances to bring the proposed amendment

to the attention of potential interested and affected parties, including organs of state which have jurisdiction in respect of any aspect of the relevant activity.

(b) The process referred to in subregulation (4)(a) must, where applicable, afford an opportunity to—

(i) potential interested and affected parties to submit to the competent authority written representations on the proposed amendment; and

(ii) the holder of the environmental management programme to comment on any representations received in terms of paragraph (a) in writing.

(c) Subregulations (4)(a)(iii) and (b) need not be complied with if the proposal to amend the environmental management programme is for a non-substantive amendment.

(5) (a) If the holder of an environmental authorisation applies for the amendment of an environmental management programme, such holder must first, where appropriate, conduct a public participation process as referred to in regulation **54** or any other public participation process that may be appropriate in the circumstances to bring the proposed amendment to the attention of potential interested and affected parties, including organs of state which have jurisdiction in respect of any aspect of the relevant activity.

(b) Subregulation (a) need not be complied with if the application to amend the environmental management programme is for a non-substantive amendment.

(6) The competent authority must, within 30 days of receiving all information and, where applicable, completing all prescribed processes —

(a) in the case of an application to amend an environmental management programme that was approved in terms of the Act through the issuing of an environmental authorisation, refuse the application or approve the application by issuing an addendum to the relevant environmental authorisation; or

(b) in the case of an application to amend an environmental management programme that was approved in terms of the Minerals and Petroleum Resources Development Act, refuse or approve the application to amend the environmental management programme and communicate the decision in writing to the holder of the prospecting, mining, reconnaissance, exploration or production right or permit.

(7) Where an environmental management programme was amended, the competent authority must in writing and within 2 days—

(a) notify the holder of the environmental management programme of the amendment;

(b) give reasons for the amendment to the holder of the environmental management programme; and

(c) draw the attention of the holder of the environmental management programme to the fact that an appeal may be lodged against the amendment in terms of Chapter 7 of these Regulations, if such appeal is available in the circumstances of the decision.

(8) Where the amendment was initiated by the competent authority and where a public participation process was undertaken as per subregulation (4)(a)(iii), the competent authority must, in writing, within 12 days of the date of the amendment—

(a) notify all registered interested and affected parties of—

(i) the amendment;

(ii) the reasons for the amendment;

(b) draw the attention of all registered interested and affected parties to the fact that an appeal may be lodged against the amendment in

terms of Chapter 7 of these Regulations, if such appeal is available in the circumstances of the decision, and

(c) draw the attention of all registered interested and affected parties to the manner in which they could access the amendment.

(9) Where the amendment was applied for by the holder of the environmental management programme and where a public participation process was undertaken as per subregulation (5)(a), the applicant or EAP must, in writing, within 12 days of the date of the amendment—

(a) notify all registered interested and affected parties of—

(i) the amendment;

(ii) the reasons for the amendment;

(b) draw the attention of all registered interested and affected parties to the fact that an appeal may be lodged against the amendment in terms of Chapter 7 of these Regulations, if such appeal is available in the circumstances of the decision, and

(c) draw the attention of all registered interested and affected parties to the manner in which they could access the amendment.

Part 4: Suspension of environmental authorisation

Suspension of environmental authorisation

47. (1) The competent authority may by written notice, providing the reasons for the suspension, to the holder of an environmental authorisation suspend with immediate effect an environmental authorisation which may or may not be the subject of proceedings in terms of this Part if—

(a) there are reasonable grounds for believing that the contravention or non-compliance with a condition of the authorisation is causing harm to the environment; or

(b) suspension of the authorisation is necessary to prevent harm or further harm to the environment; or

(c) a condition of the authorisation has been contravened or is not being complied with;

(d) the authorisation was obtained through—

(i) fraudulent means; or

(ii) the misrepresentation or non-disclosure of material information; or

(e) the activity has permanently or indefinitely been discontinued; or

(f) unforeseen circumstances lead to potential significant detrimental effects on the environment or on human rights.

Suspension procedures

48. (1) If the competent authority considers the suspension of an environmental authorisation, the competent authority must—

(a) notify the holder of the authorisation, in writing, of the proposed suspension and the reasons why suspension of the authorisation is considered;

(b) give the holder of the authorisation an opportunity—

(i) to comment on any environmental audit report submitted to or obtained by the competent authority in terms of regulation 69(2); and

(ii) to submit any representations on the proposed suspension which the holder of the authorisation wishes to make.

(2) Subregulation (1)(a) and (b) may be complied with either before or after a suspension.

(3) Subregulation 1(a) and (b) may be complied with after a suspension only where suspension of the authorisation is necessary to prevent harm or further harm to the environment or where the procedures contemplated in subregulation 1(a) or (b) will defeat the purpose of the suspension.

Decision

49. (1) Upon having reached a decision on whether or not to suspend the environmental authorisation, the competent authority must notify the holder of the authorisation of the decision in writing.

(2) If the decision is to suspend the environmental authorisation, the competent authority must—

(a) give to the holder of the authorisation the reasons for the decision; and

(b) draw the attention of the holder of the environmental authorisation to the fact that an appeal may be lodged against the decision in terms of Chapter 7 of these Regulations, if such appeal is available in the circumstances of the decision.

(3) The provisions of this Part do not affect the institution of criminal proceedings against the holder of an environmental authorisation in terms of section 24F(2) of the Act.

CHAPTER 5

EXEMPTION FROM PROVISIONS OF REGULATIONS

Applications for exemption

50. Any person to whom a provision of these Regulations applies may, subject to the provisions of section 24M of the Act, apply to the Minister or the MEC, or the Minister of Mineral Resources, where appropriate, for an exemption from any provision of the Act as it relates to environmental impact assessment or from any provision of these regulations.

Submission of application

51. (1) An application in terms of regulation **50** must be in writing, and must be accompanied by—

(a) an explanation of the reasons for the application;

(b) any applicable supporting documents; and

(c) the prescribed application fee, if any.

(2) The Minister, MEC or Minister of Mineral Resources where appropriate must, within 14 days of receipt of an application, acknowledge receipt of the application in writing.

(3) The applicant or EAP must communicate his or her intention to apply for exemption in terms of regulation **50** by giving notice in the manner prescribed in subregulation **54**(2)(a), (b), (c) or (d) or a combination thereof which is appropriate in the circumstances and as agreed to with the Minister, MEC or Minister of Mineral Resources, to the land owner or person in control of the land and all potential or registered interested and affected parties, as the case may be.

(4) The notice contemplated in subregulation (3), must, as a minimum, contain—

(a) the provisions from which exemption is applied for;

(b) the manner in which and the person to whom comments on the application for such exemption must be submitted; and

(c) the date on which comments on the application for exemption must be submitted.

Consideration of application

52. (1) Upon receipt of an application in terms of regulation **50**, the Minister or MEC or Minister of Mineral Resources, where appropriate, may request the applicant to furnish additional information or may advise the applicant of any matter that may prejudice the success of the application.

(2) The Minister, MEC or Minister of Mineral Resources must consider the application, additional information, if such information was submitted in terms of subregulation (1), and any comments and reach a decision within 30 days of receipt of all information, except where an application for exemption relates to an action to be taken after the granting or refusal of the environmental authorisation, in which case the decision on the exemption and environmental authorisation may be combined.

Decision on application

53. (1) On having reached a decision on whether to grant or refuse the application, the Minister, MEC or Minister of Mineral Resources, where appropriate, must comply with regulation **10**.

(2) If an application is approved, the Minister, MEC or Minister of Mineral Resources, where appropriate, must issue a written exemption notice to the applicant, stating—

(a) the name, address and telephone number of the person to whom the exemption is granted;

(b) the provision of these Regulations from which exemption is granted;

(c) the conditions subject to which exemption is granted, including conditions relating to the transfer of the written exemption notice; and

(d) the period for which exemption is granted, if the exemption is granted for a period.

CHAPTER 6
PUBLIC PARTICIPATION PROCESS

Public participation process

54. (1) This regulation only applies in instances where adherence to the provisions of this regulation is specifically required.

(2) The person conducting a public participation process must take into account any guidelines applicable to public participation as

contemplated in section 24J of the Act and must give notice to all potential interested and affected parties of the application which is subjected to public participation by—

(a) fixing a notice board at a place conspicuous to the public at the boundary or on the fence of—

(i) the site where the activity to which the application relates is or is to be undertaken; and

(ii) any alternative site mentioned in the application;

(b) giving written notice to—

(i) the owner or person in control of that land if the applicant is not the owner or person in control of the land;

(ii) the occupiers of the site where the activity is or is to be undertaken or to any alternative site where the activity is to be undertaken;

(iii) owners and occupiers of land adjacent to the site where the activity is or is to be undertaken or to any alternative site where the activity is to be undertaken;

(iv) the municipal councillor of the ward in which the site or alternative site is situated and any organisation of ratepayers that represent the community in the area;

(v) the municipality which has jurisdiction in the area;

(vi) any organ of state having jurisdiction in respect of any aspect of the activity; and

(vii) any other party as required by the competent authority;

(c) placing an advertisement in—

(i) one local newspaper; or

(ii) any official *Gazette* that is published specifically for the purpose of providing public notice of applications or other submissions made in terms of these Regulations;

(d) placing an advertisement in at least one provincial newspaper or national newspaper, if the activity has or may have an impact that extends beyond the boundaries of the metropolitan or local municipality in which it is or will be undertaken: Provided that this paragraph need not be complied with if an advertisement has

been placed in an official *Gazette* referred to in subregulation (c)(ii); and

(e) using reasonable alternative methods, as agreed to by the competent authority, in those instances where a person is desiring of but unable to participate in the process due to—

(i) illiteracy;

(ii) disability; or

(iii) any other disadvantage.

(3) A notice, notice board or advertisement referred to in subregulation (2) must–

(a) give details of the application which is subjected to public participation; and

(b) state—

(i) that the application has been submitted to the competent authority in terms of these Regulations, as the case may be;

(ii) whether basic assessment or scoping procedures are being applied to the application, in the case of an application for environmental authorisation;

(iii) the nature and location of the activity to which the application relates;

(iv) where further information on the application or activity can be obtained; and

(vi) the manner in which and the person to whom representations in respect of the application may be made.

(4) A notice board referred to in subregulation (2) must—

(a) be of a size at least 60cm by 42cm; and

(b) display the required information in lettering and in a format as may be determined by the competent authority.

(5) Where deviation from subregulation (2) may be appropriate, the person conducting the public participation process may deviate from

the requirements of that subregulation to the extent and in the manner as may be agreed to by the competent authority.

(6) Where a basic assessment report, scoping report or environmental impact assessment report as contemplated in regulations **22**, **28** and **31** respectively is amended because it has been rejected or because of a request for additional information by the competent authority, and such amended report contains new information, the amended basic assessment report, scoping report or environmental impact assessment report must be subjected to the processes contemplated in regulations **21**, **27** and **31**, as the case may be, on the understanding that the application form need not be resubmitted.

(7) When complying with this regulation, the person conducting the public participation process must ensure that—

(a) information containing all relevant facts in respect of the application is made available to potential interested and affected parties; and

(b) participation by potential interested and affected parties is facilitated in such a manner that all potential interested and affected parties are provided with a reasonable opportunity to comment on the application.

(8) Unless justified by exceptional circumstances, as agreed to by the competent authority, the applicant and EAP managing the environmental assessment process must refrain from conducting any public participation process during the period of 15 December to 2 January.

Register of interested and affected parties

55. (1) An EAP managing an application must open and maintain a register which contains the names, contact details and addresses of—

(a) all persons who, as a consequence of the public participation process conducted in respect of that application in terms of

regulation **54**, have submitted written comments or attended meetings with the applicant or EAP;

(b) all persons who, after completion of the public participation process referred to in paragraph (a), have requested the applicant or the EAP managing the application, in writing, for their names to be placed on the register; and

(c) all organs of state which have jurisdiction in respect of the activity to which the application relates.

(2) An EAP managing an application must give access to the register to any person who submits a request for access to the register in writing.

Registered interested and affected parties entitled to comment on submissions

56. (1) A registered interested and affected party is entitled to comment, in writing, on all written submissions, including draft reports made to the competent authority by the applicant or the EAP managing an application, and to bring to the attention of the competent authority any issues which that party believes may be of significance to the consideration of the application, provided that--

(a) comments are submitted within—

(i) the timeframes that have been approved or set by the competent authority; or

(ii) any extension of a timeframe agreed to by the applicant or EAP;

(b) a copy of comments submitted directly to the competent authority is served on the EAP; and

(c) the interested and affected party discloses any direct business, financial, personal or other interest which that party may have in the approval or refusal of the application.

(2) Before the EAP managing an application for environmental authorisation submits a final report compiled in terms of these

Regulations to the competent authority, the EAP must give registered interested and affected parties access to, and an opportunity to comment on the report in writing.

(3) The report referred to in subregulation (2) include—

(a) basic assessment reports;

(b) basic assessment reports amended and resubmitted in terms of regulation **24** (4);

(c) scoping reports;

(d) scoping reports amended and resubmitted in terms of regulation **30(3)**;

(e) specialist reports and reports on specialised processes compiled in terms of regulation 32;

(f) environmental impact assessment reports submitted in terms of regulation 31;

(g) environmental impact assessment reports amended and resubmitted in terms of regulation **34(4)**; and

(h) draft environmental management programmes compiled in terms of regulation 33.

(4) The draft versions of reports referred to in subregulation (3) must be submitted to the competent authority prior to awarding registered interested and affected parties an opportunity to comment.

(5) Registered interested and affected parties must submit comments on draft reports contemplated in subregulation (4) to the EAP, who should record it in accordance with regulations **21**, **28** or **31**.

(6) Registered interested and affected parties must submit comments on final reports contemplated in subregulation (3) to the competent authority and provide a copy of such comments to the applicant or EAP.

(7) The competent authority must, in order to give effect to section 24O of the Act, on receipt of the draft reports contemplated in subregulation (5), request any State department that administers a law relating to a matter affecting the environment to comment within 40 days.

(8) The timeframe of 40 days as contemplated in subregulation (7) must be read as 60 days in the case of waste management activities as contemplated in the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008), on which the Department of Water Affairs must concur and issue a record of decision in terms of section 49(2) of the National Environmental Management: Waste Management Act, 2008 (Act No. 59 of 2008).

(9) (a) When a State department is requested by the competent authority to comment, such State department must, within 40 days or in the case of Department of Water Affairs, 60 days for waste management activities, of being requested to comment by the competent authority, provide comments to the competent authority.

(b) If a State department fails to submit comments within 40, or 60 days for waste management activities, from the date on which the Minister, MEC, Minister of Mineral Resources or identified competent authority requests such State department in writing to submit comment, it will be regarded that there are no comments.

Comments of interested and affected parties to be recorded in reports submitted to competent authority

57. (1) The EAP managing an application for environmental authorisation must ensure that the comments of interested and affected parties are recorded in reports and that such written comments, including records of meetings, are attached to the report, submitted to the competent authority in terms of these Regulations.

(2) Where a person is desiring but unable to access written comments as contemplated in subregulation (1) due to—

(i) a lack of skills to read or write;

(ii) disability; or

(iii) any other disadvantage,

reasonable alternative methods of recording comments must be provided for.

CHAPTER 7
APPEALS

Application of this Chapter

58. (1) This Chapter applies to decisions that—

(a) are subject to an appeal to the Minister or MEC in terms of section 43 (1) or (2) of the Act; and

(b) were taken by an organ of state acting under delegation in terms of section 42 or 42A of the Act in the exercise of a power or duty vested by the Act or these Regulations in a competent authority.

(2) No appeal in terms of this Chapter is available if the Minister or MEC took decisions themselves in their capacity as the competent authority for the application for an environmental authorisation.

Jurisdiction of Minister and MEC to decide appeals

59. An appeal must be decided as provided for in section 43 of the Act.

Notice of intention to appeal

60. (1) A person affected by a decision referred to in these regulations who wishes to appeal against the decision, must submit a notice of intention to appeal with the Minister, MEC, or delegated organ of state, as the case may be, within 20 days after the date of the decision.

(2) If the appellant is an applicant, the appellant must provide each person and organ of state which was a registered interested and affected party in relation to the applicant's application, within 10 days of having submitted the notice contemplated in subregulation (1), with—

(a) a copy of the notice referred to in subregulation (1); and

(b) a notice indicating that the appeal submission will be made available on the day of lodging it with the Minister or MEC and where and for what period the appeal submission will be available for inspection by such person or organ of state.

(3) If the appellant is a person other than an applicant, the appellant must provide the applicant, within 10 days of having lodged the notice contemplated in subregulation (1), with—

(a) a copy of the notice referred to in subregulation (1); and

(b) a notice indicating where and for what period the appeal submission will be available for inspection by the applicant.

(4) The Minister, MEC or designated organ of state, may, as the case may be, in writing, on good cause extend the period within which a notice of intention to appeal must be submitted.

Submission of appeal

61. (1) An appeal lodged must be submitted to the appeal authority as indicated in section 43 of the Act.

(2) An appeal must be—

(a) submitted in writing; and

(b) accompanied by—

(i) a statement setting out the grounds of appeal;

(ii) supporting documentation which is referred to in the appeal and which is not in the possession of the Minister, MEC, Minister of Mineral Resources or designated organ of state;

(iii) a statement by the appellant that regulation 60(2) or (3) has

been complied with together with copies of the notices referred to in that regulation; and

(iv) the prescribed appeal fee, if any.

(3) The appellant must take into account any guidelines applicable to appeals as contemplated in section 24J of the Act.

Time within which appeal must be lodged

62. (1) An appeal as contemplated in regulation **61**(1), must be submitted within 30 days after the lapsing of the 20 days contemplated in regulation **60**(1).

(2) The Minister, MEC, Minister of Mineral Resources or designated organ of state, as the case may be, may, in writing, on good cause extend the period within which an appeal must be submitted.

Responding statement

63. (1) A person or organ of state that receives a notice in terms of regulation **60**(2), or an applicant who receives a notice in terms of regulation **60**(3), may submit to the Minister, MEC, Minister of Mineral Resources or designated organ of state, as the case may be, a responding statement within 30 days from the date the appeal submission was lodged with the Minister, MEC or Minister of Mineral Resources.

(2) (a) A person, organ of state or applicant who submits a responding statement in terms of subregulation (1), must within 10 days of having submitted the responding statement, serve a copy of the statement on the appellant.

(b) If the responding statement introduces any new information not dealt with in the appeal submission of the appellant, the appellant is entitled to submit an answering statement to such new information to the Minister, MEC, Minister of Mineral Resources or

designated organ of state, as the case may be, within 30 days of being served a copy in accordance with subregulation (2)(a).

(c) The appellant must, within 10 days of having submitted the answering statement, serve a copy of the answering statement on the respondent who submitted the new information.

(3) The Minister, MEC, Minister of Mineral Resources or designated organ of state, as the case may be, may, in writing, on good cause extend the period within which responding statements in terms of subregulation (1) or an appellant's answering statement in terms of subregulation (2)(b) must be submitted.

Processing of appeal

64. (1) Receipt by the Minister, MEC, Minister of Mineral Resources or designated organ of state, as the case may be, of an appeal, responding statement or answering statement must be acknowledged within 10 days of receipt of the appeal, responding statement or answering statement.

(2) An appellant and each respondent is entitled to be notified of—

(a) a direction in terms of section 43(7) of the Act, if the Minister, MEC or delegated organ of state, as the case may be, issues such a direction; and

(b) the appointment of an appeal panel in terms of section 43(5) of the Act, if the Minister, MEC, Minister of Mineral Resources or designated organ of state, as the case may be, appoints an appeal panel for purposes of the appeal.

(3) The Minister, MEC, Minister of Mineral Resources or designated organ of state, as the case may be, may request the appellant or a respondent to submit such additional information in connection with

the appeal as the Minister, MEC or Minister of Mineral Resources may require.

Appeal panel

65. (1) If the Minister, MEC or the Minister of Mineral Resources appoints an appeal panel, the Minister, MEC or Minister of Mineral Resources must furnish the panel with a written instruction concerning—

(a) the issues in respect of which the panel must make recommendations; and

(b) the period within which recommendations must be submitted to the Minister, MEC or Minister of Mineral Resources.

(2) A member of an appeal panel must be independent.

(3) If an appeal panel introduces any new information not dealt with in the appeal submission of the appellant or in the statements of the respondents, the appellant, each respondent and the applicant, if that applicant is not the appellant nor a respondent, are entitled to submit to the panel, within a period determined by the panel, any additional statements rebutting or supporting such new information.

(4) An appeal panel must submit its recommendations to the Minister, MEC or Minister of Mineral Resources in writing.

Decision on appeal

66. (1) The Minister, MEC, Minister of Mineral Resources or any other competent authority empowered under Chapter 5 of the Act to make a decision on an appeal, as the case may be, may combine his decision on appeals contemplated in regulation **60** where such appeals pertain to the same matter.

(2) The Minister, MEC, Minister of Mineral Resources or any other competent authority empowered under Chapter 5 of the Act to make a decision on an appeal, as the case may be, must reach a final

decision on an appeal or appeals submitted, within 90 days of receipt of all relevant information, including any statements, supporting documentation, reports or any other additional information requested, or recommendations of an appeal panel which may assist the Minister, MEC, Minister of Mineral Resources or designated organ of state, as the case may be, in the decision making process.

(3) When the Minister, MEC or Minister of Mineral Resources has reached a decision on an appeal, the appellant and each respondent must be notified of the decision within 10 days of the decision being reached and of the extent to which the decision appealed against is upheld or overturned in writing.

(4) The decision contemplated in subregulation (3) must contain reasons for such decision.

CHAPTER 8
GENERAL MATTERS

Failure to comply with requirements for consideration of applications

67. (1) An application in terms of these Regulations lapses if the applicant, after having submitted the application fails, for a period of six months, to comply with a requirement in terms of these Regulations.

(2) Subregulation (1) does not apply where reasons for failure have been communicated to the competent authority in writing and accepted by the competent authority.

Resubmission of similar applications

68. No applicant may submit an application which is substantially similar to a previous application which has been refused, unless—

(a) the new application contains new or material information not previously submitted to the competent authority; or

(b) a period of three years has elapsed since the refusal.

Compliance monitoring

69. (1) If a competent authority reasonably suspects that the person who holds an environmental authorisation or who has been granted an exemption in terms of Chapter 5 of these Regulations has contravened or failed to comply with a condition of the authorisation or exemption, the competent authority may request that person, in writing, to submit an explanation for the alleged contravention or non-compliance.

(2) If the competent authority reasonably suspects that the alleged contravention or failure has caused, or may cause, harm to the environment, the competent authority may request the person concerned, in writing, to submit an environmental audit report on the harm or suspected harm to the environment or on any specific matter determined by the competent authority.

(3) An explanation and environmental audit report requested in terms of subregulations (1) or (2) must be submitted in a form and within a period determined by the competent authority.

(4) The competent authority may require a person contemplated in subregulation (1) to appoint an independent person approved by the competent authority to perform the environmental audit.

(5) A person contemplated in subregulation (1) is liable for all costs in connection with the environmental audit, including the preparation and submission of the audit report.

(6) If a person contemplated in subregulation (2) is requested to submit an environmental audit report and fails to submit the report within the period determined in terms of subregulation (3), the competent authority may—

(a) appoint an independent person to perform the audit; and

(b) recover the cost of the audit from that person.

(7) Subregulations (1) to (6) must be read together with the provisions of chapter 7 of the Act.

(8) Every holder of an environmental authorisation must conduct such monitoring and such performance assessment of the approved environmental authorisation and environmental management programme as may be prescribed through conditions of the environmental authorisation.

Assistance to people with special needs

70. The competent authority processing an application or the Minister or MEC or Minister of Mineral Resources processing an appeal in terms of these Regulations must give reasonable assistance to people with

(a) illiteracy;

(b) a disability; or

(c) any other disadvantage

who can not, but desire to, comply with these regulations.

Offences

71. (1) In addition to section 24F of the Act, a person is guilty of an offence if that person—

(a) provides incorrect or misleading information in any document submitted in terms of these Regulations to a competent authority;

(b) fails to comply with regulation 7(2);

(c) fails to comply with a request in terms of regulation 69(2); or

(d) commences or continues with an activity where the environmental authorisation was suspended in terms of regulation 49.

(2) A person convicted of an offence in terms of subregulation (1) is liable to a fine not exceeding R1 million or to imprisonment for a

period not exceeding one year, or to both such fine and such imprisonment.

CHAPTER 9
TRANSITIONAL ARRANGEMENTS AND COMMENCEMENT

Definition

72. In this Chapter –

"ECA" means the Environment Conservation Act, 1989 (Act No. 73 of 1989);

"NEMA" means the National Environmental Management Act, 1998 (Act No. 107 of 1998);

"previous ECA notices" as contemplated in these transitional arrangements, means the previous notices in terms of ECA (Government Notice R. 1182 as amended by Government Notice R. 1355 of 17 October 1997, Government Notice R. 448 of 27 March 1998 and Government Notice R. 670 of 10 May 2002):

"previous ECA regulations" as contemplated in these transitional arrangements, means the previous regulations published in terms of sections 26 and 28 of the ECA, by Government Notice R. 1183 of 5 September 1997;

"previous NEMA notices" as contemplated in these transitional arrangements means the previous notices published in terms of section 24(2) of NEMA (Government Notices R. 386 and R. 387 in the Government Gazette of 21 April 2006);

"previous NEMA regulations" as contemplated in these transitional arrangements means the previous Environmental Impact Assessment Regulations in terms NEMA (Government Notice No. R. 385 in the Government Gazette of 21 April 2006 refer).

Continuation of things done and authorisations issued under previous ECA regulations

73. (1) Anything done in terms of the previous ECA regulations and which can be done in terms of a provision of these Regulations must be regarded as having been done in terms of the provision of these Regulations.

(2) Any authorisation issued or exemption granted in terms of the previous ECA regulations, must be regarded to be an environmental authorisation issued in terms of these Regulations.

Pending applications and appeals (ECA)

74. (1) An application submitted in terms of the previous ECA regulations and which is pending when these Regulations take effect, must despite the repeal of those regulations be dispensed with in terms of those previous regulations as if those previous regulations were not repealed.

(2) If a situation arises where activities listed under the previous ECA Notices that are not listed similarly under the current lists of activities and competent authorities identified in terms of sections 24(2) and 24D of the National Environmental Management Act, 1998 (Act No. 107 of 1998) or in terms of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) and where a decision on an application submitted under the previous ECA regulations is still pending, the competent authority will consider such application to be withdrawn.

(3) Where an application submitted in terms of the previous ECA regulations is pending in relation to an activity of which a component of the same activity was not listed under the previous ECA Notices, but is

now listed in terms of section 24(2) of the Act, the competent authority must dispense of such application in terms of those previous ECA regulations and may authorise the activity listed in terms of section 24(2) as if it was applied for, on condition that all impacts of the newly listed activity and requirements of these regulations have also been considered and adequately assessed by the applicant.

(4) An appeal lodged in terms of the previous ECA regulations, which is pending when these Regulations take effect must despite the repeal of those previous ECA regulations be dispensed with in terms thereof as if those previous ECA regulations were not repealed.

Continuation of things done and authorisations issued under previous NEMA regulations

75. (1) Anything done in terms of the previous NEMA regulations and which can be done in terms of a provision of these Regulations must be regarded as having been done in terms of the provision of these Regulations.

(2) Any authorisation issued in terms of the previous NEMA Regulations must be regarded to be an environmental authorisation issued in terms of these Regulations.

(3) Any environmental management programme or environmental management plan approved in terms of the Mineral and Petroleum Resources Development Act or regulations promulgated in terms thereof or any old order right approved in terms of the Minerals Act, 1991, prior to any provision relating to prospecting, mining, reconnaissance, exploration and production coming into effect in terms of the Act shall be deemed to be approved in terms of the Act.

Pending applications and appeals (NEMA)

76. (1) An application submitted in terms of the previous NEMA regulations and which is pending when these Regulations take effect,

must despite the repeal of those regulations be dispensed with in terms of those previous NEMA regulations as if those previous NEMA regulations were not repealed.

(2) If a situation arises where activities, listed under the previous NEMA Notices, are not listed similarly under the current lists of activities and competent authorities identified in terms of section 24(2) and 24D of the National Environmental Management Act, 1998 (Act No. 107 of 1998) or in terms of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008), and where a decision on an application submitted under the previous NEMA regulations is still pending, the competent authority will consider such application to be withdrawn.

(3) Where an application submitted in terms of the previous NEMA regulations, is pending in relation to an activity of which a component of the same activity was not listed under the previous NEMA Notices, but is now listed in terms of section 24(2) of the Act, the competent authority must dispense of such application in terms of the previous NEMA regulations and may authorise the activity listed in terms of section 24(2) as if it was applied for, on condition that all impacts of the newly listed activity and requirements of these regulations have also been considered and adequately assessed by the applicant.

(4) An appeal lodged in terms of the previous NEMA regulations, and which is pending when these Regulations take effect must despite the repeal of those previous NEMA regulations be dispensed with in terms thereof as if those previous NEMA regulations were not repealed.

Continuation of regulations regulating authorisations for activities in certain coastal areas

77. These Regulations do not affect the continued application of the regulations published in terms of sections 26 and 28 of the Environment

Conservation Act, 1989 (Act No. 73 of 1989), by Government Notice R. 1528 of 27 November 1998.

Repeal of Environmental Impact Regulations, 2006

78. The Environmental Impact Assessment Regulations published in Notice No. R. 385, in the Gazette No. 28938 of 21 April 2006 is hereby repealed.

Short title and commencement

79. These Regulations are called the Environmental Impact Assessment Regulations, 2010, and take effect on a date determined by the Minister by notice in the Gazette.

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Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain even numbered pages as the other language is printed on uneven numbered pages.

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

Registered at the Post Office as a Newspaper *As 'n Nuusblad by die Poskantoor Geregistreer*

VOL. 358 CAPE TOWN, 6 APRIL 1995 KAAPSTAD, 6 APRIL 1995 No. 16352

OFFICE OF THE PRESIDENT

No. 509. 6 April 1995

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

No. 2 of 1995: Land Administration Act, 1995.

KANTOOR VAN DIE PRESIDENT

No. 509. 6 April 1995

Hierby word bekend gemaak dat die President sy goedkeuring geheg het aan die onderstaande Wet, wat hierby ter algemene inligting gepubliseer word:

No. 2 van 1995: Wet op Grondadministrasie, 1995.

ACT

To provide for the delegation of powers and the assignment of the administration of laws regarding land matters to the provinces; to provide for the creation of uniform land legislation; and to provide for matters incidental thereto.

(English text signed by the President.)
(Assented to 27 March 1995.)

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

Definitions

1. In this Act, unless the context otherwise indicates—

"Minister" means the Minister of Land Affairs;

"proclaimed area" means—

(a) any area of the territories of the former Republics of Transkei, Bophuthatswana, Venda and Ciskei;

(b) any area for which a legislative assembly was established in terms of the Self-governing Territories Constitution Act, 1971 (Act No. 21 of 1971); and

(c) any land or area which was referred to in section 25 of the Black Administration Act, 1927 (Act No. 38 of 1927), or section 21 of the Development Trust and Land Act, 1936 (Act No. 18 of 1936), and which is situated outside an area referred to in paragraph *(a)* or *(b)*.

Delegation of powers and assignment of functions

2. (1) *(a)* The Minister may, either in general or in a particular case or in cases of a particular nature, in writing delegate to—

(i) a Premier or a member of the Executive Council of a province; or

(ii) any officer in the service of the national government or a local government body contemplated in section 1 of the Local Government Transition Act, 1993 (Act No. 209 of 1993),

any power conferred upon him or her by or under a law regarding land matters.

(b) Any person to whom any power has been delegated under paragraph *(a)* shall exercise that power subject to the directions of the Minister.

(c) The Minister may at any time revoke in writing such delegation, and the delegation of any power shall not prevent the Minister from exercising that power himself or herself.

(d) The Premier or a member of the Executive Council of a province to whom any power has been delegated under paragraph *(a)*(i) may, subject to any directions contemplated in paragraph *(b)* and such further conditions and periods of time as he or she may consider necessary, in writing delegate any such power to—

(i) the Director-General of that province;

(ii) any officer in the service of the provincial government concerned.

(2) The President may, by proclamation in the *Gazette*—

(a) assign the administration of a law regarding land matters to a Premier of a province; or

(b) reassign the administration of a law assigned in terms of paragraph *(a)* to a Minister referred to in section 88 of the Constitution,

either generally or to the extent specified in the proclamation, and subject to such conditions, amendments, adaptations, modifications and periods of time as the President may consider necessary.

(3) When the President assigns the administration of a law in terms of subsection (2), or at any time thereafter, and to the extent that he or she considers it necessary for the efficient carrying out of the assignment, he or she may—

(a) amend or adapt such law in order to regulate its application and interpretation;

(b) where the assignment does not relate to the whole of such law, repeal and re-enact, whether with or without an amendment or adaptation contemplated in paragraph *(a)*, those of its provisions to which the assignment relates or to the extent that the assignment relates to them; and

(c) regulate any other matter necessary, in his or her opinion, as a result of the assignment, including matters relating to the transfer or secondment of persons (subject to sections 236 and 237 of the Constitution) and relating to the transfer of assets, liabilities, rights and obligations, including funds, to or from the national or a provincial government or any department of state, administration, force or other institution.

(4) *(a)* The transfer of any asset, liability, right or obligation as contemplated in subsection (3) shall be done subject to the provisions of the relevant applicable Exchequer Act.

(b) The transfer or secondment of persons as contemplated in subsection (3) shall be done after consultation with the Public Service Commission and the relevant provincial service commission, if applicable.

(5) The Premier of a province may, subject to such conditions and periods of time as he or she may consider necessary, in writing authorise—

(a) any member or members of the Executive Council of that province;

(b) any member or members of such Executive Council and the Director-General of that province jointly;

(c) the said Director-General;

(d) any officer in the service of the provincial government concerned;

(e) any local government body contemplated in section 1 of the Local Government Transition Act, 1993,

to exercise or perform in general or in a particular case or in cases of a particular nature, any power, duty or function which the Premier is in terms of a proclamation under subsection (2) authorised to exercise or perform, except the power to make regulations.

(6) The provisions of section 10(5) and (5A) of the Interpretation Act, 1957 (Act No. 33 of 1957), shall apply *mutatis mutandis* to the administration of a law or any provision of any law assigned under subsection (2)*(a)* or reassigned to a Minister under subsection (2)*(b)*.

Power of President in relation to certain laws

3. (1) In order to provide for the uniformity of laws in respect of land matters and land administration, the President may by proclamation in the *Gazette*—

(a) repeal, amend or adapt any law applicable in a proclaimed area;

(b) make new laws or declare existing laws applicable to a proclaimed area.

(2) When the President declares existing laws applicable as contemplated in subsection (1), he or she may—

(a) amend such law in order to regulate its application in the relevant area; and

(b) repeal or amend any law, or part thereof, that was in force in such area immediately prior to the commencement of the Constitution in order to regulate any matter which, in his or her opinion, is necessary to be regulated in consequence of such application.

(3) The provisions of this section shall lapse on 31 December 1996.

Tabling of list of proclamations

4. A list of proclamations issued by the President in terms of sections 2 and 3 shall be laid upon the Table of Parliament in the same manner as the list referred to in section 17 of the Interpretation Act, 1957 (Act No. 33 of 1957), and if Parliament by resolution disapproves of any such proclamation or any provision thereof, such proclamation or provision shall cease to be of force and effect, but without prejudice to the validity of anything done in terms of such proclamation or such provision before it so ceased to be of force and effect, or to any right or liability acquired or incurred in terms of such proclamation or such provision before it so ceased to be of force and effect.

Short title

5. This Act shall be called the Land Administration Act, 1995.

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FREE STATE PROVINCE

PROVINCIAL GAZETTE

PROVINSIALE KOERANT

PROVINSIE VRYSTAAT

Published by Authority *Uitgegee op Gesag*

No. 21

BLOEMFONTEIN, 27 MARCH 1998

BLOEMFONTEIN, 27 MAART 1998

OFFICE OF THE PREMIER

No. 3 27 March 1998

It is hereby notified that the Acting Premier has assented to the following Act which is hereby published for general information:-

No. 1 of 1998: Free State Land Administration Act, 1998

KANTOOR VAN DIE PREMIER

No. 3 27 Maart 1998

Hierby word bekend gemaak dat die Waarnemende Premier die onderstaande Wet bekragtig het, wat hierby ter algemene inligting gepubliseer word:-

No. 1 van 1998: Vrystaat Wet op Grondadministrasie, 1998

ACT

To provide for the acquisition and disposal of land by the Provincial Government and for matters incidental thereto.

BE IT ENACTED by the Provincial Legislature of the Free State Province, as follows:

(Afrikaans text signed by the Acting Premier.)
Assented to 20 March 1998)

Definitions

1. In this Act, unless the context indicates otherwise -

"acquire" shall include the purchase, expropriation, exchange, leasing or receipt of immovable property through donation and the registration of a real right in respect of immovable property in favour of the Provincial Government, and **"acquisition"** has a corresponding meaning;

"beneficiary" means any person, body corporate, institution or body of persons corporate or unincorporate, who acquires Provincial land or any right thereto;

"dispose" shall include the sale, exchange, letting or donation of immovable property and the registration of any real right in respect of immovable property in favour of a beneficiary, and **"disposal"** has a corresponding meaning;

"Executive Council" means the Executive Council of the Provincial Government referred to in section 132 of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996);

"immovable property" includes a real right in or over immovable property;

"Premier" means the Premier acting in consultation with the other members of the Executive Council;

"Provincial Government" means the Free State Provincial Government;

"Provincial land" means any immovable property registered in the name of the Provincial Government after 27 April 1994;

"Registrar" means the Registrar of Deeds as defined in the Deeds Registries Act, 1937 (Act No 47 of 1937);

"regulation" means any regulation made and in force in terms of this Act;

"this Act" includes the regulations.

Acquisition and disposal of immovable property

2. (1) The Premier may on such terms and conditions as he or she may deem fit, acquire immovable property or dispose of Provincial land.

(2) The provisions of the Expropriation Act, 1975 (Act No 63 of 1975), shall apply *mutatis mutandis* to the expropriation of land under subsection (1), and in such application a reference in the said Act to -

(a) "Minister" shall be construed as a reference to the Premier, or the member of the Executive Council or an official to whom the power referred to in subsection (1) has been assigned under section 5; and

(b) "section 2" shall be construed as a reference to subsection (1).

(3) Immovable property acquired under subsection (1), shall be registered in the name of the Provincial Government.

(4) The provisions of subsection (1) shall not exempt the Premier or any beneficiary from complying with any obligation imposed in terms of any registered condition of title.

(5) The Premier shall ensure that a consolidated register is established and maintained in order to reflect all Provincial land.

(6) The Premier shall annually submit a report to the Provincial Legislature in which he or she shall provide the following information:

(a) details of all written applications received from persons to acquire Provincial land;

(b) details of all disposals of Provincial land, all acquisitions of immovable property as well as purchases of immovable property under section 3, including:

(i) a full description of the immovable property concerned;
(ii) the names of the beneficiaries;
(iii) the purchase price (if any); and
(iv) any conditions imposed.

Pre-emptive right of Provincial Government

3. (1) When the Premier disposes of Provincial land, he or she may impose a condition to the effect that the beneficiary or his or her successors in title, shall not sell or otherwise alienate such immovable property within a maximum period of 5 (five) years from the date of the initial registration of the immovable property into the name of the beneficiary, unless it has first been offered for sale to the Provincial Government.

(2) Any such offer shall be made in writing and shall be accepted or rejected by the Premier within a period of 60 (sixty) days after receipt thereof.

(3) If such offer is accepted, the purchase price shall be determined -

(a) by agreement between the Premier and the beneficiary; or

(b) if the Premier and the beneficiary are unable to come to an agreement within a period of 60 (sixty) days after the acceptance of the offer, by an arbitrator appointed by agreement between the Premier and the beneficiary, or failing agreement, by an arbitrator appointed by the Premier, and the provisions of the Arbitration Act, 1965 (Act No 42 of 1965), shall *mutatis mutandis* be applicable.

(4) The Premier may at any time exempt a beneficiary from a condition imposed under subsection (1).

(5) The Registrar shall at the request of the Premier -

(a) make such endorsement on the title deed of the immovable property and such entries in his or her registers as may be necessary to indicate that a condition referred to in subsection (1) apply in respect of such immovable property; and

(b) cancel any such endorsement and entries where an exemption has been granted under subsection (4) in respect of the immovable property.

(6) No transfer of immovable property in respect of which a condition referred to in subsection (1) applies, shall be passed to a person other than the Provincial Government, unless there is produced to the Registrar a certificate by the Premier to the effect that such immovable property has been offered for sale in terms of the said subsection and that the offer has been rejected.

Execution of documents

4. (1) If the Premier has under section 2 acquired immovable property or disposed of Provincial land, he or she shall sign or cause to be signed on behalf of the Provincial Government all documents as may be required by law to give effect to the acquisition or disposal.

(2) All documents shall be signed on behalf of the Provincial Government by a person authorised thereto by the Premier, either generally or in regard to specific immovable property or Provincial land.

Assignment of powers and duties

5. (1) The Premier may, subject to such conditions as he or she may determine, either generally or in regard to specific immovable property or Provincial land or in a specified case, assign to any member of the Executive Council, any power or duty conferred or imposed upon him or her by or under this Act.

(2) The member of the Executive Council may either generally or in regard to specific immovable property or Provincial land or in a specified case, assign any power or duty conferred upon or assigned to him or her by or under this Act, to any official in the service of the Provincial Government.

Regulations

6. The Premier may make such regulations as he or she considers necessary or expedient for the achievement of the purposes or objectives of this Act.

Validation of acts

7. Any transaction in relation to Provincial land which occurred after 27 April 1994 and prior to the commencement of this Act, and which would have been lawfully undertaken but for the lapsing of powers of attorney or the absence of delegated authority to either the Premier, a member of the Executive Council or any official in the employ of the Provincial Government, shall be deemed to have been lawfully effected.

Saving

8. The provisions of this Act shall not apply to any matter regulated in the Roads Ordinance, 1968 (Ordinance No 4 of 1968).

Short title

9. This Act shall be called the Free State Land Administration Act, 1998.

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PROVINSIE VRYSTAAT

PROVINSIALE KOERANT

PROVINCIAL GAZETTE

FREE STATE PROVINCE

Uitgegee op Gesag *Published by Authority*

No. 24

BLOEMFONTEIN, 31 MAART 2003

BLOEMFONTEIN, 31 MARCH 2003

KANTOOR VAN DIE PREMIER

No. 1 **31 Maart 2003**

Hierby word bekend gemaak dat die Premier die onderstaande Wet bekragtig het, wat hierby ter algemene inligting gepubliseer word:-

No. 1 van 2003 : Vrystaatse Wet op Finansiële Bestuur, 2003

OFFICE OF THE PREMIER

No. 1 **31 March 2003**

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

No. 1 of 2003 : Free State Finance Management Act, 2003

WET

Om voorsiening te maak vir die onttrekking van staatsgeld uit die Vrystaatse Provinsiale Inkomstefonds, as 'n regstreekse las, ooreenkomstig die Grondwet van die Republiek van Suid-Afrika, 1996 (Wet No. 108 van 1996) en om uitvoering te gee aan sekere bepalings van die Wet op Openbare Finansiële Bestuur, 1999 (Wet No. 1 van 1999) in die Provinsie en om voorsiening te maak vir sake wat daarmee in verband staan.

DAAR WORD BEPAAL deur die Provinsiale Wetgewer van die Provinsie Vrystaat, soos volg:-

(Afrikaanse teks deur die Premier bekragtig en geteken.)

Woordomskrywings

1. In hierdie Wet, tensy die samehang anders bepaal, beteken -

"Grondwet" die Grondwet van die Republiek van Suid-Afrika, 1996 (Wet No. 108 van 1996);

"Fonds" die Vrystaat Provinsiale Inkomstefonds;

"hierdie Wet" die Vrystaatse Wet op Openbare Finansiële Bestuur, 2002;

"LUR vir Finansies" die Lid van die Uitvoerende Raad van die Provinsie Vrystaat verantwoordelik vir Finansies;

"Nasionale Tesourie" die Tesourie ingestel ingevolge artikel 5 van die WOFB;

"provinsiale departement" 'n departement in die Provinsiale Administrasie: Vrystaat, soos gelys in Kolom 1 van Bylae 2 van die Staatsdienswet, 1994;

"provinsiale openbare entiteit" 'n provinsiale openbare entiteit soos omskryf in artikel 1 van die WOFB;

"Provinsiale Inkomstefonds" die Provinsiale Inkomstefonds bedoel in artikel 226 van die Grondwet;

"Provinsiale Tesourie" die Tesourie ingestel ingevolge artikel 17 van die WOFB;

"regstreekse las" 'n onttrekking van fondse uit die Vrystaatse Provinsiale Inkomstefonds ingevolge hierdie Wet;

"rekenpligtige beampte" 'n rekenpligtige beampte bedoel in artikel 36 van die WOFB;

"uitsluiting" geld uitgesluit van deponerings in die Provinsiale Inkomstefonds soos genoem in artikel 22 van die WOFB; en

"WOFB" die Wet op Openbare Finansiële Bestuur, 1999 (Wet No. 1 van 1999).

ACT

To provide for the withdrawal of certain State monies from the Free State Provincial Revenue Fund, as a direct charge, in accordance with the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and to give effect to certain provisions of the Public Finance Management Act, 1999 (Act No. 1 of 1999) in the Province and to provide for matters incidental thereto.

BE IT ENACTED by the Provincial Legislature of the Free State Province, as follows:-

(Afrikaans text assented to and signed by the Premier.)

Definitions

1. In this Act, unless the context otherwise indicates –

"**accounting officer**" means an accounting officer contemplated in section 36 of the PFMA;

"**Constitution**" means the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996);

"**direct charge**" means a withdrawal of funds from the Free State Provincial Revenue Fund in terms of this Act;

"**exclusion**" means money excluded from deposits into the Provincial Revenue Fund as mentioned in section 22 of the PFMA;

"Fund" means the Free State Provincial Revenue Fund;

"**MEC for Finance**" means the Member of the Executive Council of the Province of the Free State responsible for Finance;

"**National Treasury**" means the Treasury established in terms of section 5 of the PFMA;

"**provincial department**" means a Department within the Provincial Administration: Free State, as listed in Column 1 of Schedule 2 of the Public Service Act, 1994;

"**provincial public entity**" means a provincial public entity as defined in section 1 of the PFMA;

"**Provincial Revenue Fund**" means the Provincial Revenue Fund envisaged in section 226 of the Constitution;

"**Provincial Treasury**" means the Treasury established in terms of section 17 of the PFMA;

"**this Act**" means the Free State Finance Management Act, 2002; and

"**the PFMA**" means the Public Finance Management Act, 1999 (Act No. 1 of 1999).

Doel van Wet

2. Die doel van die Wet is om voorsiening te maak vir sekere regstreekse laste teen die Fonds.

Onttrekking uit of uitsluiting van die Fonds

3. Behoudens artikel 23(3) van die WOFB kan die Provinsiale Tesourie geld uit die Fonds oorplaas na die provinsiale departement of provinsiale openbare entiteit wat geraak word deur die onttrekking van die uitsluiting bedoel in artikel 23 van die WOFB, vanaf die datum waarop die onttrekking van 'n uitsluiting deur die Nasionale Tesourie in werking tree tot die einde van die betrokke boekjaar, as 'n regstreekse las teen die Fonds.

Verkeerdelike deponering in en belegging uit die Fonds

4. Ooreenkomstig artikel 24 van die WOFB kan die Provinsiale Tesourie, as regstreekse las teen die Fonds, fondse uit die Fonds onttrek -

(a) om geld wat verkeerdelik in die Fonds gedeponeer is of nie daarvoor bestem is nie, terug te betaal; of

(b) om geld in die Nasionale Inkomstefonds te deponeer of te belê.

Gebruik van fondse in noodsituasies

5. Behoudens artikel 25 van die WOFB kan die LUR vir Finansies, as 'n regstreekse las teen die Fonds, die gebruik van fondse uit die Fonds goedkeur om uitgawe van buitengewone aard waarvoor nie in die Begrotingswet voorsiening gemaak is nie en wat nie sonder ernstige benadeling van die openbare belang van die Provinsie Vrystaat uitgestel kan word tot 'n toekomstige begroting van die Provinsiale Wetgewer nie, te bestry.

Onttrekking uit die Fonds voordat die jaarlikse begroting aangeneem is

6. Indien 'n jaarlikse begroting nie aangeneem is voor die begin van die boekjaar waarop dit betrekking het nie, kan fondse uit die Fonds onttrek word ooreenkomstig artikel 29 van die WOFB as 'n regstreekse las teen die Fonds totdat die begroting aangeneem is.

Aanwending van besparings tussen hoofindelings binne 'n begrotingspos

7. Behoudens artikel 43 van die WOFB is 'n aanwending deur 'n rekenpligtige beampte van 'n besparing bedoel in subartikel (1) van voorgaande artikel 'n direkte debiet teen die Fonds.

Kort titel

8. Hierdie Wet heet die Vrystaatse Wet op Finansiële Bestuur, 2003.

Purpose of this Act

2. The purpose of this Act is to provide for certain direct charges against the Fund.

Withdrawal of exclusion from the Fund

3. Subject to section 23(3) of the PFMA, the Provincial Treasury may transfer money from the Fund from the date on which the withdrawal of an exclusion by the National Treasury takes effect until the end of the relevant financial year, as a direct charge against the Fund to the provincial department or provincial public entity affected by the withdrawal of the exclusion contemplated in section 23 of the PFMA.

Refunds and investment from the Fund

4. In accordance with section 24 of the PFMA, the Provincial Treasury may, as a direct charge against the Provincial Revenue Fund, withdraw funds from the Fund –

(c) to refund money incorrectly paid into, or which is not due to, the Fund; or

(d) to deposit into or invest money in the National Revenue Fund.

Use of funds in emergency situations

5. Subject to section 25 of the PFMA, the MEC for Finance may, as a direct charge against the Fund, authorise the use of funds from the Fund to defray expenditure of an exceptional nature which is not provided for in the Appropriation Act and which cannot, without serious prejudice to the public interest in the Free State Province, be postponed to a future appropriation by the Provincial Legislature.

Withdrawal from the Fund before the annual budget is passed

6. If an annual budget is not passed before the start of the financial year to which it relates, funds may be withdrawn, in accordance with section 29 of the PFMA, from the Fund as a direct charge against the Fund until the budget is passed.

Utilisation of savings between main division within vote

7. Subject to section 43 of the PFMA, an utilisation by an accounting officer of a saving, contemplated in subsection (1) of afore-said section, shall be a direct charge against the Fund.

Short title

8. This Act is called the Free State Finance Management Act, 2003.

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Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain even numbered pages as the other language is printed on uneven numbered pages.

Government Gazette

REPUBLIC OF SOUTH AFRICA

Vol. 563 Cape Town 17 May 2012 **No. 35361**

THE PRESIDENCY

No. 393 31 March 2010

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

No. 5 of 2012: Division of Revenue Act, 2012.



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

(English text signed by the President)
(Assented to 15 May 2012)

ACT

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2012/13 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.

PREAMBLE

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

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

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

ARRANGEMENT OF PROVISIONS OF ACT

Sections

CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

1. Interpretation
2. Objects of Act

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

3. Equitable division of revenue raised nationally among spheres of government
4. Equitable division of provincial share among provinces
5. Equitable division of local government share among municipalities
6. Shortfalls, excess revenue and additional allocations

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations

7. Conditional allocations to provinces
8. Conditional allocations to municipalities

Part 2

Duties of accounting officers in respect of Schedule 4 to 8 allocations

9. Duties of transferring national officer in respect of Schedule 4 allocations
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11. Duties of receiving officer in respect of Schedule 4 allocations
12. Duties of receiving officer in respect of Schedule 5, 6 and 8 allocations
13. Duties of receiving officer in respect of infrastructure conditional allocations to provinces
14. Duties in respect of annual financial statements and annual reports for 2012/13

Part 3

Matters relating to Schedule 4 to 8 allocations

15. Publication of allocations and frameworks
16. Spending in terms of purpose and subject to conditions
17. Withholding of allocation
18. Stopping of allocation
19. Re-allocation of funds
20. Conversion of allocations
21. Unspent conditional allocations

Part 4

Matters relating to Schedule 1 to 8 allocations

22. Payment schedule
23. Amendment of payment schedule

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CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

Interpretation

1. (1) In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act or the Municipal Finance Management Act has the meaning assigned to it in the Act in question, and—

"accreditation" means accreditation of a municipality, in terms of section 10(2) of the Housing Act, 1997 (Act No. 107 of 1997), to administer national housing

programmes, read with Part 3 of the National Housing Code, 2009 (Financial Interventions: Accreditation of Municipalities);

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

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

"corporation for public deposits account" means a bank account of a Provincial Revenue Fund held with the Corporation for Public Deposits, established by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984);

"Disaster Management Act" means the Disaster Management Act, 2002 (Act No. 57 of 2002);

"financial year" means the financial year commencing on 1 April 2012 and ending on 31 March 2013;

"framework" means the conditions and other information in respect of a conditional allocation published by the National Treasury in terms of section 15;

"level one accreditation" means accreditation to render beneficiary management, subsidy budget planning and allocation, and priority programme management and administration;

"level three accreditation" means an executive assignment to administer all aspects, including financial administration, of national housing programmes;

"level two accreditation" means accreditation to render full programme management and administration of all housing instruments and housing programmes in addition to the responsibilities under a level one accreditation;

"Municipal Finance Management Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"municipal financial year" means the financial year of a municipality commencing on 1 July 2012 and ending on 30 June 2013;

"next financial year" means the financial year commencing on 1 April 2013 and ending on 31 March 2014;

"next municipal financial year" means the financial year of a municipality commencing on 1 July 2013 and ending on 30 June 2014;

"organ of state" means an organ of state as defined in section 239 of the Constitution of the Republic of South Africa, 1996;

"payment schedule" means a schedule which sets out—

(a) the amount of each transfer of an equitable share or any conditional allocation in terms of this Act to be transferred to a province or municipality in the financial year;

(b) the date on which each transfer must be paid; and

(c) to whom, and to which bank account, each transfer must be paid;

"prescribe" means prescribe by regulation in terms of section 37;

"primary bank account"—

(a) in relation to a province, means a bank account of the Provincial Revenue Fund held with a commercial bank which the accounting officer of the provincial treasury has certified to the National Treasury as the bank account into which all conditional allocations in terms of this Act must be deposited; and

(b) in relation to a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act;

"Public Finance Management Act" means the Public Finance Management Act, 1999 (Act No. 1 of 1999);

"quarter" means the period from—

(a) 1 April to 30 June;

(b) 1 July to 30 September;

(c) 1 October to 31 December; or

(d) 1 January to 31 March;

"receiving officer"—

(a) in relation to a Schedule 4, 5 or 8 allocation transferred to a province, means the accounting officer of the provincial department which receives that allocation or a portion thereof for spending via an appropriation from its Provincial Revenue Fund; or

(b) in relation to a Schedule 4, 6, 7 or 8 allocation transferred to or provided in kind to a municipality, means the accounting officer of the municipality;

"receiving provincial department", in relation to a Schedule 4, 5 or 8 allocation transferred to a province, means the provincial department which receives that allocation or a portion thereof for spending via an appropriation from its Provincial Revenue Fund;

"this Act" includes any framework or allocation published, or any regulation made under this Act;

"transferring national officer" means the accounting officer of a national department that transfers a Schedule 4, 5, 6 or 8 allocation to a province or municipality or spends a Schedule 7 allocation on behalf of a municipality.

(2) Any determination, instruction or request made in terms of this Act must be in writing.

(3) A reference to a specific conditional allocation refers to the allocation indicated in a Schedule to this Act and a framework by that name.

Objects of Act

2. The objects of this Act are to—

(a) provide for the equitable division of revenue raised nationally among the three spheres of government;

(b) promote predictability and certainty in respect of all allocations to provinces and municipalities, in order that provinces and municipalities may plan their budgets over a multi-year period and thereby promote better coordination between policy, planning and budgeting; and

(c) promote transparency and accountability in the resource allocation process, by ensuring that all allocations are reflected on the budgets of provinces and municipalities and by ensuring that the expenditure of conditional allocations is reported on by the receiving provincial departments and municipalities.

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

Equitable division of revenue raised nationally among spheres of government

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

(2) An envisaged division of revenue anticipated to be raised in respect of the next financial year and the 2014/15 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 1.

Equitable division of provincial share among provinces

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

(2) An envisaged division for each province of revenue anticipated to be raised nationally in respect of the next financial year and the 2014/15 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 2.

(3) Each province's equitable share allocation contemplated in subsection (1) must be transferred to the corporation for public deposits account of the province, in accordance with a payment schedule determined by the National Treasury in terms of section 22.

Equitable division of local government share among municipalities

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

(2) An envisaged division between municipalities of revenue anticipated to be raised nationally in respect of the next financial year and the 2014/15 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 3.

(3) Each municipality's equitable share contemplated in subsection (1) must be transferred to the primary bank account of the municipality in three transfers on 6 July 2012, 30 November 2012 and 22 March 2013, in accordance with a payment schedule determined by the National Treasury in terms of section 22.

Shortfalls, excess revenue and additional allocations

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 exceeds the anticipated revenue set out in Schedule 1, the excess accrues to the national government, subject to subsection (3), to be used to reduce borrowing or pay debt as part of its share of revenue raised nationally, in addition to its share in Column A of Schedule 1.

(3) The national government may—

(a) appropriate a portion of its equitable share or excess revenue contemplated in subsection (2) to make further allocations in an adjustments budget to—

(i) national departments; or

(ii) provinces or municipalities, as a conditional or an unconditional allocation; and

(b) increase a conditional allocation to a province or municipality through a virement under section 43 of the Public Finance Management Act or section 28(2)*(d)* of the Municipal Finance Management Act, as the case may be.

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations

Conditional allocations to provinces

7. (1) Conditional allocations to provinces in respect of the financial year from the national government's share of revenue raised nationally are set out in Column A of the following Schedules:

(a) Schedule 4, specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets;

(b) Schedule 5, specifying specific-purpose allocations to provinces;

(c) Schedule 7, specifying allocations-in-kind to provinces for designated special programmes; and

(d) Schedule 8, specifying funds that are currently not allocated to specific provinces, that may be released to provinces to fund disaster response within

a period from three days up to three months following a declared disaster in terms of the conditions of the Disaster Management Act.

(2) An envisaged division of conditional allocations to provinces from the national government's share of revenue anticipated to be raised nationally for the next financial year and the 2014/15 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1).

Conditional allocations to municipalities

8. (1) Conditional allocations to local government in respect of the financial year from the national government's share of revenue raised nationally are set out in Column A of the following Schedules:

(a) Schedule 4, specifying allocations to municipalities to supplement the funding of functions funded from municipal budgets;

(b) Schedule 6, specifying specific-purpose allocations to municipalities;

(c) Schedule 7, specifying allocations-in-kind to municipalities for designated special programmes; and

(d) Schedule 8, specifying funds that are currently not allocated to specific municipalities, that may be released to local government or municipalities to fund disaster response within a period from three days up to three months following a declared disaster in terms of the conditions of the Disaster Management Act.

(2) An envisaged division of conditional allocations to local government from the national government's share of revenue anticipated to be raised nationally for the next financial year and the 2014/15 financial year, which, with the exception of what is provided in subsection (4) in relation to the Public Transport Infrastructure and Systems Grant, and which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1).

(3) The National Treasury must, in terms of section 15, publish the share or indicative allocation of each municipality in respect of the local government allocations contemplated in subsections (1)*(a)* to *(d)* and (2) in the *Gazette*.

(4) Despite subsection (2), in respect of the Public Transport Infrastructure and Systems Grant, funding which is specifically approved by the National Treasury in relation to transport contracts for capital projects must be regarded as being firm allocations for the next financial year and the 2014/15 financial year that will not be altered downwards in the Division of Revenue Acts in respect of those financial years.

(5) *(a)* Subject to paragraph *(b)*, a municipality may only after obtaining the approval of the National Treasury, pledge, offer as security or commit to a person or institution future conditional allocation transfers due to the municipality for the next financial year and the 2014/15 financial year, for the purpose of securing a loan or any other form of financial or other support from that person or institution.

(b) Prior to granting an approval in terms of paragraph *(a)*, the National Treasury must—

(i) inform the relevant transferring national officer of a request by a municipality for approval to pledge, offer as security or commit to a person or institution future conditional allocation transfers due to the municipality as referred to in paragraph *(a)*; and

(ii) provide a period of three working days for the transferring national officer to provide comment to the National Treasury on the municipality's request for approval, unless this period is extended by the National Treasury.

Part 2

Duties of accounting officers in respect of Schedule 4 to 8 allocations

Duties of transferring national officer in respect of Schedule 4 allocations

9. (1) The transferring national officer of a Schedule 4 allocation is responsible for—

(a) ensuring that transfers to all provinces and municipalities are—

(i) deposited only into the primary bank account of a province or municipality; and

(ii) made in accordance with the payment schedule approved in terms of section 22, unless allocations are withheld or stopped in terms of section 17 or 18;

(b) monitoring expenditure and non-financial performance information on programmes funded by an allocation, in accordance with subsections (2) and (3) and the requirements of the applicable framework;

(c) complying with the requirements of the applicable framework;

(d) submitting a quarterly performance report within 45 days after the end of each quarter to the National Treasury, in accordance with the requirements of the relevant framework; and

(e) evaluating the performance of programmes funded or partially funded by the allocation and the submission of such evaluations to the National Treasury, within four months in respect of a province, and six months in respect of a municipality, after the end of the financial year.

(2) *(a)* Subsection (1)*(b)* does not apply to the Urban Settlements Development Grant.

(b) The transferring national officer must publish the information provided for in terms of section 13(1) in the *Gazette*, in a format determined by the National Treasury, not later than 28 days after this Act takes effect.

(3) With respect to Schedule 4 allocations, any monitoring programme or system that is utilised to monitor expenditure and non-financial performance information funded by an allocation must—

(i) be approved by the National Treasury;

(ii) not impose any excessive administrative responsibility on receiving officers of provincial departments or municipalities beyond the provision of standard management information;

(iii) be compatible and integrated with and not unnecessarily duplicate other relevant and related national and provincial systems; and

(iv) be consistent with section 11(2).

Duties of transferring national officer in respect of Schedule 5 to 7 allocations

10. (1) A transferring national officer must—

(a) not later than 14 days after this Act takes effect, certify to the National Treasury that—

(i) allocation frameworks, including conditions and monitoring provisions, are reasonable and do not impose excessive administrative responsibility on receiving provincial departments and municipalities beyond the provision of standard management information;

(ii) monitoring provisions are compatible and integrated with and do not duplicate other relevant and related national, provincial and local systems;

(iii) in respect of a Schedule 5 allocation, any business plans requested in respect of how allocations will be utilised by a province have been approved prior to the start of the financial year;

(iv) in respect of a Schedule 6 allocation transferred to a municipality, any business plans requested in respect of how allocations will be utilised by a municipality have been approved prior to the start of the financial year;

(b) in respect of Schedule 5 and 6 allocations—

(i) transfer funds only after information required in terms of this Act has been secured and all relevant information has been provided to the National Treasury;

(ii) transfer funds only in accordance with a payment schedule determined in accordance with section 22; and

(iii) deposit funds only into the primary bank account of a province or municipality, or, where appropriate, into the corporation for public deposits account of a province; and

(c) ensure that all other arrangements or requirements as stipulated in this Act or in the relevant framework for the particular allocation necessary for the transfer of an allocation have been complied with prior to the start of the financial year, and are complied with throughout the financial year.

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

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

(4) Before making the first transfer of any allocation, the transferring national officer must take note of any notice in terms of section 30(1) from the National Treasury outlining the details of the account for each province or municipality.

(5) The transferring national officer of a Schedule 6 allocation is responsible for monitoring expenditure and non-financial performance information on programmes funded by an allocation.

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

(a) the amount of funds transferred to a province or municipality;

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

(c) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 or 6 allocation;

(d) the actual expenditure incurred by the transferring national officer in respect of a Schedule 7 allocation;

(e) any matter or information that may be prescribed in the relevant framework for the particular allocation; and

(f) such other matters as the National Treasury may determine.

(7) A transferring national officer must submit a quarterly performance report within 45 days after the end of each quarter to the National Treasury, in accordance with the requirements of the relevant framework.

(8) The transferring national officer must evaluate the performance of programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury, within four months in respect of a province, and six months in respect of a municipality, after the end of the financial year.

(9) The transferring national officer for the Human Settlements Development Grant, in consultation with the receiving officer and the National Treasury, must—

(a) determine the allocations for the Medium Term Expenditure Framework period from the Human Settlements Development Grant for each municipality that has level one and two accreditation; and

(b) submit those allocations to the National Treasury not later than 28 days after this Act takes effect.

(10) The transferring national officer must publish the allocations referred to in subsection (9) in the *Gazette* within 14 days after submitting the allocations to the National Treasury.

Duties of receiving officer in respect of Schedule 4 allocations

11. (1) A receiving officer of a Schedule 4 allocation is responsible for—

(a) complying with the framework for a Schedule 4 allocation as published in terms of section 15; and

(b) the manner in which a Schedule 4 allocation is allocated and spent.

(2) The receiving officer of a municipality must—

(a) ensure and certify to the National Treasury that the municipality—

(i) indicates or, if required, exclusively appropriates each programme funded or partially funded by this allocation in its annual budget; and

(ii) makes public, in accordance with the requirements of section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000),

the conditions and other information in respect of the allocation, to facilitate performance measurement and the use of required inputs and outputs;

(b) report to the transferring national officer, the relevant provincial treasury and the National Treasury, on—

(i) spending and financial performance against programmes funded by a Schedule 4 allocation, other than the Urban Settlements Development Grant; and

(ii) in the case of the Urban Settlements Development Grant, spending and financial performance against the municipality's entire capital budget and performance against the targets stipulated in the infrastructure performance framework that is required in terms of the framework,

when the municipality prepares its monthly budget statements as required in terms of section 71 of the Municipal Finance Management Act for the months of September 2012, December 2012, March 2013 and June 2013; and

(c) within 30 days after the end of each quarter, report to the transferring national officer and the National Treasury on—

(i) non-financial performance against programmes, in respect of Schedule 4 allocations other than the Urban Settlements Development Grant; and

(ii) performance for that quarter against the targets stipulated in the infrastructure performance framework that is required in terms of the framework, in respect of the Urban Settlements Development Grant.

(3) The National Treasury must make the report submitted to it in terms of subsection (2)*(b)* or *(c)* available to any other national departments that have responsibilities relating to the allocation.

(4) The receiving officer in a province must—

(a) submit, as part of the report required in section 40(4)*(c)* of the Public Finance Management Act, reports to the relevant provincial treasury and the transferring national officer on spending and performance against programmes; and

(b) submit a quarterly performance report within 30 days after the end of each quarter to the relevant provincial treasury, the National Treasury and the transferring national officer.

(5) The receiving officer must report against programmes funded or partially funded by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report.

(6) *(a)* The receiving officer must, within two months after the end of the financial year, and where relevant, the municipal financial year, evaluate the performance of the province or municipality, as the case may be, in respect of programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer and the relevant provincial treasury.

(b) Municipalities that receive the Urban Settlements Development Grant must report expenditure and non-financial performance information against their capital budgets, in accordance with the requirements of section 71 of the Municipal Finance Management Act.

(c) With respect to the Urban Settlements Development Grant, reporting on performance will be based on the infrastructure budget of the municipality concerned.

Duties of receiving officer in respect of Schedule 5, 6 or 8 allocation

12. (1) The receiving officer of a Schedule 5, 6 or 8 allocation must ensure compliance with the requirements of the relevant framework.

(2) The relevant receiving officer must, in respect of a Schedule 5, 6 or 8 allocation transferred to—

(a) a province, as part of the report required in section 40(4)*(c)* of the Public Finance Management Act, report on the matters referred to in subsection (3) and submit a copy of the section 40(4)*(c)* report to the relevant provincial treasury and the transferring national officer;

(b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, report on the matters referred to in subsection (4) and submit a copy of the section 71 report to the relevant provincial treasury, the National Treasury and the transferring national officer; and

(c) a province or a municipality, submit a quarterly performance report within 30 days after the end of each quarter to the relevant provincial treasury, the National Treasury and the transferring national officer.

(3) A report by a province in terms of subsection (2)*(a)* 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;
(b) the amount of funds stopped or withheld from the province;
(c) the actual expenditure by the province in respect of a Schedule 5 allocation;
(d) the amount transferred to any national or provincial public entity to implement a programme funded by a Schedule 5 allocation on behalf of a province or to assist the province in implementing such a programme;
(e) the available figures regarding the expenditure by a public entity referred to in paragraph *(d)*;
(f) the extent of compliance with this Act and with the conditions of an allocation provided for in a framework, based on the available information at the time of reporting;
(g) an explanation of any material problems experienced by the province regarding an allocation which has been received and a summary of the steps taken to deal with such problems;
(h) any matter or information that may be prescribed in the relevant framework for the particular allocation; and
(i) such other issues and information as the National Treasury may determine.

(4) A report by a municipality in terms of subsection (2)*(b)* must set out for that month and for the financial year up to the end of that month—

(a) the amount received by the municipality;
(b) the amount of funds stopped or withheld from the municipality;
(c) the extent of compliance with this Act and with the conditions of an allocation or part of an allocation provided for in a framework;
(d) an explanation of any material problems experienced by the municipality regarding an allocation which has been received and a summary of the steps taken to deal with such problems;
(e) any matter or information that may be prescribed in the relevant framework for the particular allocation; and
(f) such other issues and information as the National Treasury may determine.

(5) A receiving officer must, within two months after the end of the financial year, and where relevant, the municipal financial year, evaluate its performance in respect of programmes or functions funded or partially funded by an allocation and submit such evaluation to the transferring national officer.

(6) The receiving officer of the Human Settlements Development Grant, in consultation with the transferring national officer, must publish in the *Gazette* within 14 days of this Act taking effect, the expenditure planned from the Human Settlements Development Grant, over the Medium Term Expenditure Framework period per municipality with level one and level two accreditation, separately indicating the spending to be undertaken directly by the province, as well as transfers to each municipality.

Duties of receiving officer in respect of infrastructure conditional allocations to provinces

13. (1) Receiving provincial departments for the Education Infrastructure Grant, the Health Infrastructure Grant and the Provincial Roads Maintenance Grant must provide the transferring national officer, not later than 14 days after this Act takes effect, with a list of infrastructure projects for education, health and roads that will be fully or partially funded from the allocations during the 2012/13 and 2014/15 financial years, in a format that will be determined by the National Treasury.

(2) Receiving officers of the Health Infrastructure Grant, Education Infrastructure Grant, Hospital Revitalisation Grant, Nursing Colleges and Schools Grant and the Provincial Roads Maintenance Grant are responsible for—

(a) submitting to the transferring national officer and the National Treasury prior to 3 September 2012 or another date agreed to in writing by the National Treasury and the transferring national officer, approved organisational structures which—
(i) are in compliance with any directives by the Minister for the Public Service and Administration relevant to infrastructure delivery in the sector; and

(ii) include—

(aa) an indication of the number of posts per profession and the highest educational qualifications of the incumbent and years of experience in the management or operationalisation of infrastructure in the public service; and

(bb) an indication of the number of vacancies and existing positions filled;

(b) ensuring that all infrastructure expenditure partially or fully funded by conditional allocations is reported through the Project and Asset Segment in the Standard Chart of Accounts;

(c) maintaining up to date databases of all contracts that are fully or partially funded by conditional allocations that are compliant with the Register of Projects and i-Tender system; and

(d) ensuring that infrastructure projects comply with best practise standards and guidelines contained in Practice Note 22 that was issued in terms of section 5 of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000).

(3) Non-compliance with any of the requirements in subsection (1) or (2) that is discovered by the National Treasury or the transferring national officer during the 2012/13 financial year may result in the withholding or stopping of the relevant allocation in terms of sections 17 and 18.

(4) *(a)* The receiving officer of the Education Infrastructure Grant, the Provincial Roads Maintenance Grant or the Health Infrastructure Grant must, within two months after the end of the financial year, evaluate the performance of the province in respect of programmes funded or partially funded by those allocations, and submit such evaluation to the transferring national officer and the relevant provincial treasury.

(b) Provinces that receive the Education Infrastructure Grant, the Provincial Roads Maintenance Grant or the Health Infrastructure Grant must report expenditure and non-financial performance information against their infrastructure budgets, in accordance with the requirements of section 32 of the Public Finance Management Act.

(c) Reporting on performance referred to in paragraph *(b)* must be based on the infrastructure budget of the province concerned.

Duties in respect of annual financial statements and annual reports for 2012/13

14. (1) The 2012/13 financial statements of a national department transferring any funds in respect of an allocation set out in Schedule 4, 5, 6 or 8 must, in addition to any requirements in terms of any other applicable law—

(a) indicate the total amount of that allocation transferred to a province or municipality;

(b) indicate the transfers, if any, that were withheld or stopped in respect of each province or municipality;

(c) indicate any re-allocations by the National Treasury in terms of section 19;

(d) certify that all transfers to a province or municipality were deposited into the primary bank account of a province or municipality or, where appropriate, into the corporation for public deposits account of a province; and

(e) indicate the funds, if any, utilised for the administration of the allocation by the receiving officer.

(2) The 2012/13 annual report of a national department transferring any funds in respect of an allocation set out in Schedule 4, 5, 6 or 8 must, in addition to any requirements in terms of any other applicable law, indicate—

(a) the reasons for the withholding or stopping of any transfers to a province or municipality;

(b) to what extent provinces or municipalities were monitored for compliance with this Act and the conditions of an allocation provided for in the relevant framework;

(c) to what extent the allocation achieved its objectives and outputs; and

(d) any non-compliance with this Act or the relevant framework, and the steps taken to deal with such non-compliance.

(3) The 2012/13 financial statements of a provincial department receiving an allocation in terms of Schedule 4, 5 or 8 must, in addition to any requirements in terms of any other applicable law—

(a) indicate the total amount of all allocations received;

(b) indicate the total amount of actual expenditure on all allocations except Schedule 4 allocations; and

(c) certify that all transfers in terms of this Act to the province were deposited into the primary bank account of the province or, where appropriate, into the corporation for public deposits account of a province.

(4) The 2012/13 annual report of a provincial department receiving an allocation in terms of Schedule 4, 5 or 8 must, in addition to any requirements in terms of any other applicable law—

(a) indicate to what extent the provincial department complied with the provisions of this Act and met the conditions provided for in the relevant framework of such an allocation;

(b) indicate the steps taken to deal with non-compliance with any of the provisions of this Act or the conditions provided for in the relevant framework of such an allocation;

(c) indicate the extent to which the objectives and outputs of the allocation were achieved;

(d) contain any other information that may be specified in the relevant framework for the allocation; and

(e) contain such other information as the National Treasury may determine.

(5) The 2012/13 financial statements and annual report of a municipality must be prepared in accordance with the Municipal Finance Management Act.

(6) The National Treasury may determine how transferring departments and receiving municipalities report on local government allocations on a quarterly basis, to facilitate the audit of allocations for both the national and municipal financial years.

Part 3

Matters relating to Schedule 4 to 8 allocations

Publication of allocations and frameworks

15. (1) The National Treasury must, within 14 days of this Act taking effect, publish in the *Gazette*—

(a) the allocations per municipality, in respect of Schedule 4 and 6 allocations;

(b) the indicative allocations per province and municipality, in respect of Schedule 7 allocations; and

(c) the framework for each allocation in Schedules 4 to 8.

(2) The National Treasury must publish in the *Gazette*—

(a) any revisions of or amendments to the allocations and frameworks published in terms of subsection (1)*(a)* and (*c*);

(b) any virement which is made in accordance with the requirements of section 6(3) and the Public Finance Management Act;

(c) any revisions of or amendments to the allocations and frameworks published in terms of subsection (1) necessary to give effect to the conversion of an allocation in terms of section 20; and

(d) any revised allocations in respect of Schedule 7 allocations.

(3) The National Treasury may, at any time—

(a) after consultation with or at the written request of a transferring national officer; and

(b) after submitting a revised framework to Parliament for parliamentary comment for a period of 14 days when Parliament is in session,

revise or amend a framework published in terms of subsection (1)*(c)* or (2)*(a)*, to correct any error or omission.

(4) An amendment, revision, virement or re-allocation takes effect on publication thereof in the *Gazette*, with the exception of a Schedule 8 allocation.

Spending in terms of purpose and subject to conditions

16. (1) Despite anything to the contrary contained in any law, an allocation referred to in Schedules 4 to 8 may only be utilised for the purpose stipulated in the Schedule concerned and in accordance with the framework published in terms of section 15.

(2) A receiving officer may not transfer any Schedule 5 or 6 allocation or a portion of such an allocation to any other entity or other sphere of government for the performance of a function envisaged in terms of the allocation, unless the receiving officer has entered into a payment schedule that has been approved by the National Treasury with the entity or other sphere of government that will be performing the function, and—

(a) it is a transfer that is approved in the budget of the receiving provincial department or municipality or a framework published in terms of section 15;

(b) it is a payment for services rendered or goods received, which services or goods were procured in accordance with the supply chain management policy or procurement policy of the relevant province or municipality and for which adequate documentation for payment has been received; or

(c) in the case of an advance payment or a transfer which is not consistent with the budget of the receiving provincial department or municipality—

(i) the receiving officer has certified to the National Treasury that the transfer is not an attempt to artificially inflate its spending estimates and that there are good reasons for the advance payment or transfer; and

(ii) the National Treasury has approved the advance payment or transfer.

(3) No public entity, other than Eskom Holdings Limited in respect of funds received from the Department of Energy and water boards and in respect of funds received from the Department of Water Affairs and the Department of Human Settlements for the implementation of Schedule 7 allocations, may receive funds for the provision of a municipal service or municipal function on behalf of a municipality from a national or provincial organ of state, except via the municipality responsible for that service or function, unless the National Treasury approves otherwise in respect of municipalities it considers to have low capacity.

(4) *(a)* In respect of the Human Settlements Development Grant, a receiving officer and a municipality with level one, two or three accreditation as at 1 April 2012, must within any deadline determined by the National Treasury, comply with the requirements of subsection (2), by—

(i) entering into a payment schedule; and

(ii) submitting the payment schedule to the National Treasury for approval.

(b) If a municipality receives accreditation after 1 April 2012, paragraph *(a)* may apply if approved by the National Treasury.

(5) A receiving officer must request the National Treasury to amend the payment schedule referred to in subsection (4), in accordance with the procedure set out in section 23, in instances where a transfer to a municipality with level three accreditation has been withheld or stopped in terms of section 17 or 18.

Withholding of allocation

17. (1) Subject to subsections (2) and (3), a transferring national officer may withhold the transfer of a Schedule 4, 5 or 6 allocation, or any portion of such allocation, for a period not exceeding 30 days, if—

(a) the province or municipality does not comply with the provisions of this Act or conditions to which the allocation, as provided for in the relevant framework, is subject;

(b) roll-overs of conditional allocations approved by the National Treasury in accordance with section 21 have not been spent; or

(c) expenditure on previous transfers during the financial year reflects significant under-spending, for which no satisfactory explanation is given.

(2) A maximum of five per cent of the next transfer as contained in the payment schedule for the Health Professions Training and Development Grant and the National Tertiary Services Grant may be withheld in terms of this section.

(3) A transferring national officer must, at least seven working days prior to withholding an allocation in terms of subsection (1)—

(a) give the relevant receiving officer—

(i) written notice of the intention to withhold the allocation; and

(ii) an opportunity to submit written representations as to why the allocation should not be withheld; and

(b) inform the relevant provincial treasury and the National Treasury, and in respect of any conditional allocation to local government, also the provincial department responsible for local government.

(4) A notice contemplated in subsection (3) must include the reasons for withholding the allocation and the intended duration of the withholding.

(5) *(a)* The National Treasury may, when a transferring national officer is withholding an allocation in terms of subsection (1), instruct or approve a request from that transferring national officer to withhold an allocation for a period longer than 30 days, but not exceeding 120 days, if the withholding will—

(i) facilitate compliance with this Act or the conditions to which the allocation is subject; or

(ii) minimise the risk of under-spending.

(b) A transferring national officer must, when requesting the withholding of an allocation in terms of this subsection, submit proof of its compliance with subsection (3) and any representations received from the receiving officer, to the National Treasury.

(c) The transferring national officer must again comply with subsection (3) when the National Treasury instructs or approves a request by the transferring national officer in terms of paragraph *(a)*.

Stopping of allocation

18. (1) Despite section 17, the National Treasury may, in its discretion or at the request of a transferring national officer, or a receiving officer, stop the transfer of a Schedule 4, 5 or 6 allocation referred to in section 17(1) to a province or municipality—

(a) on the grounds of persistent and material non-compliance with—

(i) this Act; or

(ii) a condition to which the allocation, as provided for in the relevant framework, is subject;

(b) if the National Treasury anticipates that a province or municipality will substantially under-spend on that programme or allocation in the financial year;

(c) if a function is reassigned from a province to a municipality; or

(d) if a province implementing an infrastructure project does not comply with best practise standards and guidelines contained in Practice Note 22 that was issued in terms of section 5 of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000).

(2) Except where a function is reassigned from a province to a municipality, the National Treasury must, when stopping an allocation in terms of this section—

(a) comply with the requirements set out in section 17(3)*(a)*, and in respect of a municipality, also with the requirements of section 38 of the Municipal Finance Management Act; and

(b) inform the relevant provincial treasury of its intention to stop the allocation.

(3) Any stopping of an allocation contemplated in subsection (1) must, together with an explanatory memorandum, be published by the National Treasury in the *Gazette*.

(4) *(a)* The National Treasury may, by notice in the *Gazette*, approve that an allocation or any portion of such allocation stopped in terms of subsection (1), be utilised to meet that province's or municipality's outstanding statutory and contractual financial commitments.

(b) The utilisation of funds contemplated in this subsection is a direct charge against the National Revenue Fund.

Re-allocation of funds

19. (1) *(a)* The National Treasury may, when it stops a Schedule 4, 5 or 6 allocation in terms of section 18, after consultation with the transferring national officer and the relevant provincial treasury, determine that a portion of the allocation that will not be spent be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation will be spent in the financial year or the next financial year.

(b) The reallocation of a portion of an allocation or the full allocation on condition that the allocation will be spent in the next financial year, in terms of paragraph *(a)*, must be deemed to be a roll-over approved by the National Treasury in terms of section 21(2)*(a)*, and the roll-over process set out in Treasury Regulation 6.4.2, made in terms of section 76 of the Public Finance Management Act, does not need to be followed.

(2) *(a)* Despite subsection (1), the National Treasury may, when an intervention in terms of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act is taking place, on such conditions as it may determine, authorise—

(i) in relation to section 100 of the Constitution, the transferring national officer to spend an allocation stopped in terms of section 18 on behalf of the relevant province;

(ii) in relation to section 139 of the Constitution and sections 137 and 139 of the Municipal Finance Management Act, the intervening province to spend an allocation stopped in terms of section 18 on behalf of the relevant municipality; or

(iii) in relation to section 150 of the Municipal Finance Management Act, the relevant transferring national officer to spend an allocation stopped in terms of section 18 on behalf of the relevant municipality.

(b) An allocation that is spent by the transferring national officer or intervening province referred to in paragraph *(a)* must, for the purposes of this Act, be regarded as a Schedule 7 allocation from the date on which the authorisation is given.

(3) The National Treasury may, after consultation with the transferring national officer, determine a portion of the allocation that will be reallocated in the event of the reassignment of a function from a province to a municipality.

Conversion of allocations

20. (1) The National Treasury may, in its discretion or at the request of the transferring national officer, convert an allocation listed in Schedule 6 to become an allocation listed in Schedule 7, or convert an allocation listed in Schedule 7 to become an allocation listed in Schedule 6, if the National Treasury is satisfied that the conversion will prevent under-spending on the allocation.

(2) In respect of the School Infrastructure Backlogs Grant, the National Treasury may, at the request of the transferring national officer and a receiving province, convert the allocation to the province to become an allocation to the Education Infrastructure Grant, if the National Treasury and the transferring national officer are satisfied the province has demonstrated the capacity to implement projects and that the conversion will not be likely to result in—

(a) underspending on the allocation; or

(b) a lesser level of service delivery compared to if the allocation is provided to the province as a Schedule 7 grant-in-kind.

(3) An allocation that is converted in terms of this section must be paid to or expended on behalf of the same province or municipality to which the allocation was originally made.

(4) A conversion referred to in subsection (1) or (2) takes effect on the date of publication referred to in section 15(2)*(c)*.

(5) The National Treasury must inform the transferring national officer and each affected receiving province or municipality of a conversion.

Unspent conditional allocations

21. (1) Despite the provisions of the Public Finance Management Act or the Municipal Finance Management Act relating to roll-overs, any conditional allocation that is, in the case of a province, not spent at the end of a financial year or, in the case of a municipality, at the end of a municipal financial year, reverts to the National Revenue Fund, unless the relevant receiving officer can prove to the satisfaction of the National Treasury that the unspent allocation is committed to identifiable projects.

(2) The National Treasury, and a provincial treasury in the case of a provincially funded allocation, may, at the request of a transferring national officer, provincial treasury or municipality, approve—

(a) a roll-over from a conditional allocation to the next financial year; and

(b) spending of a portion of a conditional allocation on activities related to the purpose of that allocation, where the province or municipality projects significant unforeseeable and unavoidable over-spending on its budget.

(3) *(a)* Any funds which must revert to the National Revenue Fund in terms of subsection (1), and which have not been approved by the National Treasury to be retained in terms of subsection (2), must be repaid to the National Revenue Fund.

(b) A receiving officer must ensure that all funds referred to in paragraph *(a)* are repaid to the National Revenue Fund.

(4) The National Treasury, in accordance with subsection (5), may offset any funds which must be repaid to the National Revenue Fund in terms of subsections (1) and (3), but which have not been repaid—

(a) in the case of a province, against future advances for conditional allocations to that province; and

(b) in the case of a municipality, against future advances for the equitable share or conditional allocations to that municipality.

(5) Prior to the National Treasury offsetting any amounts against allocations to a province or municipality in terms of subsection (4), the National Treasury must give the relevant transferring national officer, province or municipality—

(a) written notice of the intention to offset amounts against upcoming advances for allocations; and

(b) an opportunity, within 14 days of receipt of the notice referred to in paragraph *(a)*, to—

(i) submit written representations and other documentary proof that the unspent allocation was either spent in accordance with the relevant framework, or is committed to identifiable projects;

(ii) propose alternative means acceptable to the National Treasury by which the unspent allocations can be repaid to the National Revenue Fund; and

(iii) propose an alternative payment schedule in terms of which the unspent allocations will be repaid to the National Revenue Fund.

(6) A notice contemplated in subsection (5) must include the intended amount to be offset against allocations, and the reasons for offsetting the amounts.

(7) The retention of funds which should revert to the National Revenue Fund in terms of subsections (1) and (3), and which have not been approved by the National Treasury to be retained in terms of subsection (2), constitutes financial misconduct by the receiving officer in terms of section 34.

Part 4

Matters relating to Schedule 1 to 8 allocations

Payment schedule

22. (1) *(a)* The National Treasury determines the payment schedule for the transfer of a province's equitable share allocation, after consultation with the accounting officer of the provincial treasury.

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

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

(d) Any advances in terms of paragraph *(c)* must be offset against transfers to the province which would otherwise become due in terms of that payment schedule.

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

(b) Despite paragraph *(a)*, the National Treasury, after consultation with the accounting officer of the national department responsible for local government, may, for cash management purposes in the municipality or when an intervention in terms of section 139 of the Constitution or sections 137, 139 or 150 of the Municipal Finance Management Act is taking place, on such conditions as it may determine, approve a request or direct that the equitable share or a portion of the equitable share which has not yet fallen due for transfer in accordance with the payment schedule, be advanced to a municipality.

(c) Any advances in terms of paragraph *(b)* must be offset against transfers to the municipality which would otherwise become due in terms of that payment schedule.

(3) *(a)* The National Treasury must approve the payment schedule for the transfer of an allocation listed in Schedules 4 to 8 to a province or municipality.

(b) The transferring national officer of a Schedule 4, 5 or 6 allocation must submit a payment schedule to the National Treasury for approval within 14 days after this Act takes effect.

(c) Prior to the submission of a payment schedule in terms of paragraph *(b)*, the transferring national officer must—

(i) in relation to a Schedule 4 allocation, consult the relevant receiving officer; and

(ii) in relation to a Schedule 5 or 6 allocation, consult the relevant province or municipality.

(4) The transferring national officer of a Schedule 4, 5 or 6 allocation must provide the receiving officer and the relevant provincial treasury with a copy of the approved payment schedule prior to making the first transfer in accordance therewith.

(5) Schedule 4 and 6 transfers must accord with the municipal financial year.

Amendment of payment schedule

23. (1) Subject to subsection (2), a transferring national officer of a Schedule 4, 5 or 6 allocation must, within seven days of the withholding or stopping of an allocation in terms of section 17 or 18, amend a payment schedule as a result of the withholding or stopping of an allocation in terms of this Act and submit the amended payment schedule to the National Treasury prior to any further transfers being made.

(2) The National Treasury may, in the interest of better debt and cash-flow management or to deal with financial mismanagement or financial misconduct, slow spending or accelerated spending, amend any payment schedule for an allocation listed in Schedules 2 to 6, on notification to—

(a) the accounting officer of a provincial treasury, in the case of a provincial allocation; and

(b) the accounting officer of the national department responsible for local government, in the case of a local government allocation.

(3) A payment schedule amended in terms of subsection (1) or (2) must take account of—

(a) the monthly spending commitments of provinces or municipalities;

(b) the revenue at the disposal of provinces or municipalities; and

(c) the minimisation of risk and debt servicing costs for all three spheres of government.

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

(5) The transferring national officer must immediately inform the receiving officer of any amendment to a payment schedule in accordance with subsection (1) or (2).

CHAPTER 4

MATTERS RELATING TO ALL ALLOCATIONS

Transfers made in error or fraudulently

24. (1) Despite anything to the contrary contained in any law, the transfer of an allocation that is an overpayment to a province, municipality or public entity in error or fraudulently is regarded as not legally due to that province, municipality or public entity, as the case may be.

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

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

Allocations not listed in Schedules

25. (1) An allocation, other than—

(a) a re-allocation referred to in section 19; or

(b) a revised indicative allocation in respect of a Schedule 7 allocation,

which is not listed in the Schedules referred to in sections 7 and 8, may only be made in terms of section 6(3).

(2) The National Treasury must publish the allocations referred to in subsection (1) and frameworks for such allocations in the *Gazette*, prior to the transfer of any funds to a province or municipality.

(3) The transferring national officer must notify the relevant provincial treasury and the National Treasury of the excess incentive payment earned to be appropriated either in the provincial adjustments appropriation bill, if made before the end of November each year, or in the appropriation bill for the next financial year.

(4) Subsection (2) does not apply to Schedule 8 allocations.

(5) A transfer to a province or municipality as a Schedule 8 allocation may only be made after the National Treasury has approved the transfer.

(6) *(a)* The transferring national officer must notify the relevant provincial treasury and the National Treasury in writing within 14 days of a transfer of a Schedule 8 allocation to a province or municipality.

(b) The National Treasury must publish a Schedule 8 allocation in the *Gazette* within 16 days after being notified in terms of paragraph *(a)*.

(7) Schedule 8 allocations must be appropriated either in the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriation legislation.

(8) Any transfer received as a result of a performance in terms of a Schedule 8 Grant under the Division of Revenue Act, 2011 (Act No. 6 of 2011), must be used in accordance with the conditions that applied to Schedule 8 conditional allocations in terms of that Act.

Preparations for next financial year and 2014/15 financial year

26. (1) *(a)* A category C municipality that receives a conditional allocation in terms of this Act must, using the envisaged conditional allocations to that municipality for the next financial year and the 2014/15 financial year as set out in Column B of the Schedules, by 2 October 2012—

(i) agree on the provisional allocations and the projects to be funded from those allocations in the next financial year and the 2014/15 financial year with each category B municipality within the category C municipality's area of jurisdiction; and

(ii) submit to the transferring national officer—

(aa) the provisional allocations referred to in subparagraph (i); and

(bb) the projects referred to in subparagraph (i), listed per municipality to be funded from the allocations for the next financial year and the 2014/15 financial year.

(b) Where a category C municipality and a category B municipality cannot agree on the allocations and projects referred to in paragraph *(a)*, the category C municipality must request the relevant transferring national officer to facilitate agreement.

(c) The transferring national officer must take all necessary steps to facilitate agreement as soon as possible, but no later than 60 days after receiving a request referred to in paragraph *(b)*.

(d) Any proposed amendment or adjustment of the allocations that is intended to be published in terms of section 29(3)*(b)* must be agreed with the relevant category B municipality, the transferring national officer and the National Treasury, prior to publication, and prior to the submission of the allocations referred to in paragraph *(a)*(ii).

(e) If agreement is not reached between the category C municipality and the category B municipality on the provisional allocations and projects referred to in paragraph *(a)* prior to 2 October 2012, the National Treasury may proceed to determine the provisional allocations and provide those provisional allocations to the municipalities concerned and the transferring national officer.

(f) (i) The final allocations based on the provisional allocations referred to in paragraphs *(a)*(i) and (ii) and *(e)* must be submitted to the National Treasury by 7 December 2012.

(ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 7 December 2012, the National Treasury may determine the appropriate allocations, taking into consideration the envisaged allocations for the next financial year.

(2) *(a)* The transferring national officer of a conditional allocation, using the envisaged conditional allocations for the next financial year and the 2014/15 financial year as set out in Column B of the Schedules to this Act, must, by 2 October 2012, submit to the National Treasury for approval—

(i) the provisional allocations to each province or municipality in respect of new conditional allocations to be made in the next financial year;

(ii) any amendments to the envisaged allocations for each province or municipality set out in Column B of the Schedules in respect of existing conditional allocations; and

(iii) the draft frameworks for the allocations referred to in subparagraphs (i) and (ii) in the format to be determined by the National Treasury.

(b) Any proposed amendment or adjustment for the next financial year of the allocation criteria of an existing conditional allocation must be agreed with the National Treasury prior to the submission of the provisional allocations and draft frameworks referred to in paragraph *(a)*(ii) and (iii).

(c) The National Treasury may, if the transferring national officer fails to comply with paragraph *(a)* by 2 October 2012, determine—

(i) the provisional allocations in paragraph *(a)*(i);

(ii) any amendments to the envisaged allocations contemplated in paragraph *(a)*(ii); and

(iii) the draft frameworks for the allocations referred to in paragraph *(a)*(iii),

and submit that information to the relevant provinces or municipalities.

(d) (i) The final allocations based on the provisional allocations referred to in paragraph *(a)*(i) and (ii) must be submitted to the National Treasury by 7 December 2012.

(ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 7 December 2012, the National Treasury may determine the appropriate allocations, taking into consideration the envisaged allocations for the next financial year.

(3) The National Treasury may, in preparation for the next financial year, instruct transferring national officers, receiving officers and municipalities to submit to it such plans and information for any conditional allocation as it may determine at specified times prior to the start of the next financial year.

Expenditure prior to commencement of Division of Revenue Act, 2013

27. Despite sections 3(2), 7(2) and 8(2), if the annual Division of Revenue Act for the next financial year has not commenced before or on 1 April 2013, the National Treasury may determine that an amount not exceeding 45 per cent of the total amount of each allocation made in terms of sections 3(1), 7(1) and 8(1) be transferred to the relevant province or municipality as a direct charge against the National Revenue Fund.

CHAPTER 5

DUTIES OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY

Duties of municipalities

28. (1) *(a)* In addition to the requirements of the Municipal Finance Management Act, the accounting officer of a category C municipality must, no later than 14 days after this Act takes effect, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, for the 2012/13 municipal financial year and the two following municipal financial years.

(b) The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C

municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities.

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

(3) A category C municipality must ensure that it does not duplicate a function currently performed by a category B municipality and must transfer funds for the provision of services, including basic services, to the relevant category B municipality that is providing municipal services, irrespective of the fact that—

(a) the category C municipality retains the power or function in terms of the Municipal Structures Act; and

(b) a service delivery agreement for the provision of services by the category B municipality on behalf of the category C municipality has not been concluded.

(4) A category B municipality which is not authorised to perform a function in terms of the Municipal Structures Act may not extend the scope or type of services that it currently provides, without—

(a) entering into a service delivery agreement with the category C municipality which is authorised to perform the function in terms of the Municipal Structures Act; or

(b) obtaining the legal authorisation to perform the function in terms of the Municipal Structures Act.

(5) *(a)* A category C municipality and a category B municipality must, before the commencement of a municipal financial year, agree to a payment schedule in respect of the allocations referred to in subsection (1)*(b)* to be transferred to the category B municipality in that financial year, and the category C municipality must submit that payment schedule to the National Treasury before the commencement of a municipal financial year.

(b) A category C municipality must make transfers in accordance with the payment schedule submitted in terms of paragraph *(a)*.

(6) *(a)* The National Treasury may withhold or stop any allocation to the category C municipality and reallocate the allocation to the relevant category B municipalities if a category C municipality fails to—

(i) make allocations referred to in subsection (1)*(b)*;

(ii) reach an agreement contemplated in subsection (2); or

(iii) submit a payment schedule in accordance with subsection (5)*(a)*.

(b) Sections 17(3) and 18(3) and (4) of this Act and section 216 of the Constitution apply, with the necessary changes, to the withholding and stopping of an allocation in accordance with paragraph *(a)*.

(c) The National Treasury may, where it stops an allocation in terms of this section, after consultation with the transferring national officer, determine that a portion of the allocation that will not be spent be reallocated to one or more municipalities, on condition that the allocation will be spent in the financial year or the next financial year.

(7) A municipality must ensure that any allocation made to it in terms of this Act, or by a province or another municipality, that is not reflected in its budget as tabled in accordance with section 16 of the Municipal Finance Management Act, is reflected in its budget to be considered for approval in accordance with section 24 of the Municipal Finance Management Act.

(8) In respect of the Human Settlements Development Grant, the financial and non-financial reporting that is required to be submitted by a municipality with a level three accreditation in terms of the framework must relate to the requirements specified in the framework.

(9) A municipality with a level three accreditation must submit the required monthly financial and quarterly performance reports to the receiving officer, the transferring national officer and the National Treasury.

Duties of provincial treasuries

29. (1) The provincial treasury must reflect Schedule 5 allocations separately in the province's appropriation bill or a schedule to its appropriation bill.

(2) *(a)* The provincial treasury must, on the same day that its budget is tabled in the provincial legislature, or a later date approved by the National Treasury, but not later than 14 days after this Act takes effect, publish the following in the *Gazette*:

(i) The indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds;

(ii) the indicative allocation to be made per school in the province;

(iii) the indicative allocation to any national or provincial public entity for the implementation of a programme funded by a Schedule 5 allocation on behalf of a province or for assistance provided to the province in implementing such a programme;

(iv) the envisaged division of the allocation contemplated in subparagraphs (i) and (ii), in respect of each municipality and school, for the next financial year and the 2014/15 financial year;

(v) the conditions and other information in respect of the allocations referred to in subparagraphs (i), (ii) and (iii) to facilitate performance measurement and the use of required inputs and outputs; and

(vi) the budget of each hospital in a format determined by the National Treasury.

(b) The allocations and budgets referred to in paragraph *(a)* must be deemed to be final if the legislature passes the appropriation bill without any amendments.

(c) If the legislature amends the appropriation bill, the accounting officer of the provincial treasury must publish amended allocations and budgets in the *Gazette* within 14 days of the legislature passing the appropriation bill, which allocations must align to the appropriation bill as passed by the legislature, and which must be deemed to be final.

(3) *(a)* Despite subsection (2) or any law, a provincial treasury may, in accordance with a framework determined by the National Treasury, amend the allocations referred to in subsection (2) or make additional allocations to municipalities that were not published in terms of subsection (1) or (2).

(b) Any amendments to the allocations published in terms of subsection (2)*(a)* must be published in the *Gazette* not later than 14 February 2013.

(c) The allocations referred to in paragraph *(a)* must be deemed to be final if they are published in the *Gazette* in accordance with paragraph *(b)*.

(4) *(a)* A provincial treasury must, as part of its consolidated monthly report in terms of section 32 of the Public Finance Management Act, in the format determined by the National Treasury, report on—

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

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

(iii) actual transfers made by the province to municipalities, and actual expenditure by municipalities on such allocations, based on the information available from municipalities at the time of reporting.

(b) The report contemplated in paragraph *(a)* must include reports for each quarter, and be in the format and include the information as may be determined by the National Treasury.

(5) A provincial treasury must—

(a) ensure—

(i) that a payment schedule is agreed between each provincial department and receiving institution referred to in subsection (2)*(a)*; and

(ii) that transfers are made promptly in accordance therewith; and

(b) submit the payment schedules to the National Treasury within 14 days of this Act taking effect.

(6) Should a provincial treasury fail to comply with the requirement to make transfers promptly to a receiving officer in accordance with the agreed payment schedule, as required in terms of subsection (5)*(a)*, the receiving officer concerned may request the provincial treasury to immediately make the transfer to the receiving officer, or to provide written reasons within three business days as to why the transfer has not been made.

(7) If a provincial treasury fails to either make the transfer requested by the receiving officer or provide reasons within the period stipulated in subsection (6), or if the receiving officer disputes the reasons provided by the provincial treasury as to why the transfer has not been made, then the receiving officer may request the National Treasury to investigate the matter with the provincial treasury concerned.

(8) When the National Treasury is requested to investigate a failure by a provincial treasury to promptly effect transfer to a receiving officer in terms of subsection (7), the National Treasury must investigate the matter, assess any reasons given by the provincial treasury as to why the transfer was not effected, and either direct the provincial treasury to immediately effect the transfer, or provide reasons to the receiving officer concerned confirming why the provincial treasury was correct in not effecting the transfer, and advise the provincial treasury and the receiving officer as to what steps must be taken.

Duties of National Treasury

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

(2) The National Treasury must, together with the monthly report contemplated in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in the Schedules referred to in sections 7 and 8 or made in terms of section 25.

(3) The National Treasury may, in any report it publishes that aggregates reports published by provincial treasuries contemplated in section 71(7) of the Municipal Finance Management Act, and in any report in respect of municipal finances, include a report on the equitable share and conditional allocations provided for in this Act.

CHAPTER 6

GENERAL

Allocations by public entities to provinces or municipalities

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

Liability for costs incurred in violation of principles of cooperative governance and intergovernmental relations

32. (1) An organ of state involved in an intergovernmental dispute regarding any provision of this Act or any division of revenue matter or allocation must, before approaching a court to resolve such dispute, make every effort to settle the dispute with the other organ of state concerned, including exhausting all mechanisms provided for the settlement of disputes in relevant legislation.

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

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

Irregular expenditure

33. The following transfers constitute irregular expenditure in terms of the Public Finance Management Act and the Municipal Finance Management Act, as the case may be:

(a) A transfer prohibited in terms of section 16(2);

(b) a transfer by a transferring national officer to a bank account of a province or municipality that is not—
(i) the primary bank account; or
(ii) in respect of provinces, a corporation for public deposits account;
(c) a transfer made in error or fraudulently as referred to in section 24(1); or
(d) any transfer made or spending of an allocation in contravention of this Act or a framework published in terms of this Act.

Financial misconduct

34. (1) Despite anything to the contrary contained in any law, any wilful or negligent non-compliance with a provision of this Act or a framework published in terms of this Act constitutes financial misconduct.

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

Delegations and assignments

35. (1) The Minister may, in writing, delegate any of the powers entrusted to the National Treasury in terms of this Act and assign any of the duties imposed on the National Treasury in terms of this Act, to an official of the National Treasury.

(2) A delegation or assignment in terms of subsection (1) to an official of the National Treasury—
(a) is subject to any limitations or conditions that the Minister may impose;
(b) may authorise that official to subdelegate, in writing, the delegated power or assigned duty to another National Treasury official; and
(c) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The Minister may confirm, vary or revoke any decision taken by an official as a result of a delegation, subject to any rights that may have vested as a consequence of the decision.

(4) A Member of the Executive Council responsible for financial matters in a province may, in writing, delegate any of the powers entrusted to the Provincial Treasury of that province in terms of this Act and assign any of the duties imposed on the Provincial Treasury in terms of this Act, to an official of the Provincial Treasury.

(5) Subsections (2) and (3) apply with the necessary changes to a delegation or assignment in terms of subsection (4).

Exemptions

36. (1) The National Treasury may, on written application by a transferring national officer, province or municipality, exempt such officer, province or municipality in writing from complying with a provision of this Act.

(2) Any exemption granted in terms of subsection (1) must set out the period and conditions, if any, to which it is subject and must be published in the *Gazette*.

Regulations

37. 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
(b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act.

Repeal of laws

38. (1) Subject to subsection (2), the Division of Revenue Act, 2011 (Act No. 6 of 2011), with the exception of sections 15 and 38(1), is hereby repealed.

(2) The repeal of the Division of Revenue Act, 2011 (Act No. 6 of 2011), does not affect any obligation set out in that Act, the execution of which is still outstanding.

Short title and commencement

39. This Act is called the Division of Revenue Act, 2012, and takes effect on 1 April 2012 or the date of publication thereof by the President in the *Gazette*, whichever is the later date.

SCHEDULE 1

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

Spheres of Government	Column A	Column B	
	2012/13 Allocation	Forward Estimates	
		2013/14	2014/15
	R'000	R'000	R'000
National[1,2]	622 434 681	684 327 086	746 588 676
Provincial	309 057 382	328 920 693	349 350 999
Local	37 873 396	40 581 787	43 638 905
TOTAL	**969 365 459**	**1 053 829 566**	**1 139 578 580**

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

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

SCHEDULE 2

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

Province	Column A	Column B	
	2012/13 Allocation	Forward Estimates	
		2013/14	2014/15
	R'000	R'000	R'000
Eastern Cape	46 940 272	49 602 467	52 215 629
Free State	18 531 165	19 466 736	20 412 571
Gauteng	54 545 389	58 613 875	62 880 944
KwaZulu-Natal	67 802 913	72 579 341	77 551 103
Limpopo	38 721 016	40 969 082	43 170 325
Mpumalanga	24 874 453	26 287 888	27 698 217
Northern Cape	8 255 155	8 742 528	9 230 224
North West	20 614 831	21 905 865	23 214 536
Western Cape	28 772 188	30 752 911	32 977 450
TOTAL	**309 057 382**	**328 920 693**	**349 350 999**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
EASTERN CAPE					
A	BUF	Buffalo City	651 565	698 242	750 687
A	NMA	Nelson Mandela Bay	729 226	781 838	841 201
B	EC101	Camdeboo	37 264	40 259	43 479
B	EC102	Blue Crane Route	39 254	42 313	45 631
B	EC103	Ikwezi	15 627	16 837	18 061
B	EC104	Makana	67 002	71 985	78 142
B	EC105	Ndlambe	55 952	60 093	65 146
B	EC106	Sundays River Valley	36 314	39 288	42 463
B	EC107	Baviaans	17 189	18 509	19 857
B	EC108	Kouga	47 299	50 948	55 655
B	EC109	Kou-Kamma	29 210	31 556	34 077
C	DC10	Cacadu District Municipality	71 325	74 517	78 566
Total: Cacadu Municipalities			**416 436**	**446 305**	**481 077**
B	EC121	Mbhashe	120 099	129 065	140 344
B	EC122	Mnquma	154 089	165 479	179 494
B	EC123	Great Kei	31 853	34 435	37 199
B	EC124	Amahlathi	90 283	96 982	105 295
B	EC126	Ngqushwa	62 426	67 037	72 708
B	EC127	Nkonkobe	86 351	92 780	100 812
B	EC128	Nxuba	20 983	22 670	24 483
C	DC12	Amatole District Municipality	583 540	629 005	679 327
Total: Amatole Municipalities			**1 149 624**	**1 237 453**	**1 339 662**
B	EC131	Inxuba Yethemba	40 558	43 575	47 324
B	EC132	Tsolwana	24 741	26 641	28 581
B	EC133	Inkwanca	17 833	19 199	20 599
B	EC134	Lukhanji	109 210	117 362	127 591
B	EC135	Intsika Yethu	88 676	96 006	103 803
B	EC136	Emalahleni	69 797	75 590	81 744
B	EC137	Engcobo	76 102	81 794	88 980
B	EC138	Sakhisizwe	38 813	41 691	45 258
C	DC13	Chris Hani District Municipality	359 914	386 308	415 728
Total: Chris Hani Municipalities			**825 644**	**888 166**	**959 608**
B	EC141	Elundini	73 466	79 520	85 966
B	EC142	Senqu	89 723	96 358	104 540
B	EC143	Maletswai	22 944	24 872	26 915
B	EC144	Gariep	24 997	27 021	29 190
C	DC14	Joe Gqabi District Municipality	166 056	178 286	192 423
Total: Joe Gqabi Municipalities			**377 186**	**406 057**	**439 034**
B	EC153	Ngquza Hill	111 157	119 498	130 097
B	EC154	Port St Johns	67 852	73 630	79 720
B	EC155	Nyandeni	127 388	136 871	148 729
B	EC156	Mhlontlo	99 507	106 947	116 335
B	EC157	King Sabata Dalindyebo	169 531	181 579	195 070
C	DC15	O.R. Tambo District Municipality	449 945	482 839	519 518
Total: O.R. Tambo Municipalities			**1 025 380**	**1 101 364**	**1 189 469**
B	EC441	Matatiele	105 328	113 183	123 036
B	EC442	Umzimvubu	106 050	113 969	123 934
B	EC443	Mbizana	112 442	121 927	131 953
B	EC444	Ntabankulu	62 559	67 888	73 504
C	DC44	Alfred Nzo District Municipality	297 598	319 472	344 702
Total: Alfred Nzo Municipalities			**683 977**	**736 439**	**797 129**
Total: Eastern Cape Municipalities			**5 859 038**	**6 295 864**	**6 797 867**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
FREE STATE					
A	MAN	Mangaung	608 634	652 171	701 138
B	FS161	Letsemeng	50 533	54 390	58 601
B	FS162	Kopanong	88 546	94 938	102 399
B	FS163	Mohokare	51 002	54 893	59 143
B	FS171	Naledi	37 182	40 019	43 117
C	DC16	Xhariep District Municipality	22 802	24 390	25 981
Total: Xhariep Municipalities			**250 065**	**268 630**	**289 241**
B	FS181	Masilonyana	81 091	86 995	94 013
B	FS182	Tokologo	43 058	46 228	49 628
B	FS183	Tswelopele	62 058	66 570	71 927
B	FS184	Matjhabeng	432 357	463 211	497 815
B	FS185	Nala	134 966	144 722	156 133
C	DC18	Lejweleputswa District Municipality	97 137	101 178	105 517
Total: Lejweleputswa Municipalities			**850 667**	**908 904**	**975 033**
B	FS191	Setsoto	165 468	177 472	191 625
B	FS192	Dihlabeng	129 367	138 891	150 388
B	FS193	Nketoana	77 933	83 599	90 308
B	FS194	Maluti-a-Phofung	338 076	362 119	389 051
B	FS195	Phumelela	56 039	60 124	65 001
B	FS196	Mantsopa	66 714	71 652	77 449
C	DC19	Thabo Mofutsanyana District Municipality	76 578	80 100	83 914
Total: Thabo Mofutsanyana Municipalities			**910 175**	**973 957**	**1 047 736**
B	FS201	Moqhaka	163 244	175 215	189 641
B	FS203	Ngwathe	153 983	165 209	178 575
B	FS204	Metsimaholo	97 653	104 647	112 501
B	FS205	Mafube	75 102	80 555	87 006
C	DC20	Fezile Dabi	131 146	135 887	140 897
Total: Fezile Dabi Municipalities			**621 128**	**661 513**	**708 620**
Total: Free State Municipalities			**3 240 669**	**3 465 175**	**3 721 768**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
GAUTENG					
A	EKU	Ekurhuleni	1 825 341	1 957 841	2 107 743
A	JHB	City of Johannesburg	2 125 543	2 281 428	2 458 593
A	TSH	City of Tshwane	1 040 630	1 117 278	1 204 520
B	GT421	Emfuleni	597 485	640 148	688 010
B	GT422	Midvaal	50 833	54 698	59 601
B	GT423	Lesedi	59 701	64 159	69 690
C	DC42	Sedibeng District Municipality	226 009	234 056	242 549
Total: Sedibeng Municipalities			**934 028**	**993 061**	**1 059 850**
B	GT481	Mogale City	210 117	225 189	242 126
B	GT482	Randfontein	92 992	100 007	108 795
B	GT483	Westonaria	98 840	106 089	114 838
B	GT484	Merafong City	185 846	199 081	213 914
C	DC48	West Rand District Municipality	166 903	173 274	180 056
Total: West Rand Municipalities			**754 698**	**803 640**	**859 729**
Total: Gauteng Municipalities			**6 680 240**	**7 153 248**	**7 690 435**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
KWAZULU-NATAL					
A	ETH	eThekwini	1 769 412	1 899 944	2 048 545
B	KZN211	Vulamehlo	35 614	38 287	41 687
B	KZN212	Umdoni	27 805	29 934	32 712
B	KZN213	Umzumbe	86 177	93 230	100 756
B	KZN214	UMuziwabantu	43 500	46 725	50 723
B	KZN215	Ezinqoleni	26 036	28 154	30 418
B	KZN216	Hibiscus Coast	85 382	91 574	98 560
C	DC21	Ugu District Municipality	260 269	279 554	301 024
Total: Ugu Municipalities			**564 783**	**607 458**	**655 880**
B	KZN221	uMshwathi	55 649	60 240	65 128
B	KZN222	uMngeni	35 302	38 035	41 588
B	KZN223	Mooi Mpofana	21 925	23 656	25 526
B	KZN224	Impendle	23 775	25 561	27 431
B	KZN225	Msunduzi	338 903	363 502	391 259
B	KZN226	Mkhambathini	28 180	30 526	33 016
B	KZN227	Richmond	29 266	31 689	34 266
C	DC22	Umgungundlovu District Municipality	314 311	339 503	367 300
Total: Umgungundlovu Municipalities			**847 311**	**912 712**	**985 514**
B	KZN232	Emnambithi/Ladysmith	106 393	114 388	124 440
B	KZN233	Indaka	59 607	64 330	69 422
B	KZN234	Umtshezi	29 644	31 893	34 766
B	KZN235	Okhahlamba	62 494	67 133	72 896
B	KZN236	Imbabazane	64 585	69 783	75 360
C	DC23	Uthukela District Municipality	253 410	272 002	292 725
Total:Uthukela Municipalities			**576 133**	**619 529**	**669 609**
B	KZN241	Endumeni	32 355	34 927	38 510
B	KZN242	Nquthu	71 672	77 027	83 774
B	KZN244	Msinga	69 621	75 475	81 668
B	KZN245	Umvoti	41 962	45 103	49 070
C	DC24	Umzinyathi District Municipality	177 373	190 325	204 767
Total: Umzinyathi Municipalities			**392 983**	**422 857**	**457 789**
B	KZN252	Newcastle	270 475	289 781	311 436
B	KZN253	Emadlangeni	13 989	15 082	16 177
B	KZN254	Dannhauser	47 617	51 514	55 674
C	DC25	Amajuba District Municipality	97 319	105 075	113 636
Total: Amajuba Municipalities			**429 400**	**461 452**	**496 923**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
B	KZN261	eDumbe	36 417	39 110	42 431
B	KZN262	uPhongolo	59 760	64 198	69 715
B	KZN263	Abaqulusi	79 053	84 983	92 518
B	KZN265	Nongoma	72 001	77 416	84 334
B	KZN266	Ulundi	78 231	84 129	91 692
C	DC26	Zululand District Municipality	258 854	277 840	299 001
Total: Zululand Municipalities			**584 316**	**627 676**	**679 691**
B	KZN271	Umhlabuyalingana	56 693	61 556	66 670
B	KZN272	Jozini	73 817	80 044	86 626
B	KZN273	The Big Five False Bay	14 141	15 245	16 350
B	KZN274	Hlabisa	25 755	27 978	30 311
B	KZN275	Mtubatuba	48 763	53 165	57 725
C	DC27	Umkhanyakude District Municipality	176 384	189 272	203 644
Total: Umkhanyakude Municipalities			**395 553**	**427 260**	**461 326**
B	KZN281	Mfolozi	43 392	47 213	51 199
B	KZN282	uMhlathuze	179 139	191 975	206 393
B	KZN283	Ntambanana	20 311	22 148	24 049
B	KZN284	uMlalazi	79 831	85 881	93 715
B	KZN285	Mthonjaneni	25 107	26 969	29 278
B	KZN286	Nkandla	50 777	55 046	59 564
C	DC28	uThungulu District Municipality	328 762	355 051	384 065
Total: Uthungulu Municipalities			**727 319**	**784 283**	**848 263**
B	KZN291	Mandeni	65 009	69 874	76 014
B	KZN292	KwaDukuza	72 649	77 913	83 848
B	KZN293	Ndwedwe	58 371	62 782	68 474
B	KZN294	Maphumulo	48 830	52 838	57 111
C	DC29	iLembe District Municipality	228 010	245 123	264 146
Total: iLembe Municipalities			**472 869**	**508 530**	**549 593**
B	KZN431	Ingwe	50 739	54 883	59 308
B	KZN432	Kwa Sani	12 054	13 013	13 957
B	KZN433	Greater Kokstad	48 477	52 054	56 391
B	KZN434	Ubuhlebezwe	50 309	54 472	58 900
B	KZN435	Umzimkhulu	85 299	91 643	99 559
C	DC43	Sisonke District Municipality	203 556	218 521	235 753
Total: Sisonke Municipalities			**450 434**	**484 586**	**523 868**
Total: KwaZulu-Natal Municipalities			**7 210 513**	**7 756 287**	**8 377 001**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
LIMPOPO					
B	LIM331	Greater Giyani	132 615	142 462	154 706
B	LIM332	Greater Letaba	133 166	143 030	155 233
B	LIM333	Greater Tzaneen	195 684	209 576	225 129
B	LIM334	Ba-Phalaborwa	61 461	66 094	72 018
B	LIM335	Maruleng	53 513	57 977	62 712
C	DC33	Mopani District Municipality	463 410	497 516	535 513
Total: Mopani Municipalities			**1 039 849**	**1 116 655**	**1 205 311**
B	LIM341	Musina	31 447	33 978	36 696
B	LIM342	Mutale	42 892	46 578	50 453
B	LIM343	Thulamela	260 695	279 187	299 881
B	LIM344	Makhado	235 434	252 135	270 826
C	DC34	Vhembe District Municipality	476 439	511 035	549 640
Total: Vhembe Municipalities			**1 046 907**	**1 122 913**	**1 207 496**
B	LIM351	Blouberg	90 331	97 038	105 381
B	LIM352	Aganang	75 680	81 964	88 640
B	LIM353	Molemole	74 498	80 450	86 851
B	LIM354	Polokwane	388 232	415 871	446 844
B	LIM355	Lepelle-Nkumpi	124 157	133 381	144 867
C	DC35	Capricorn District Municipality	402 162	433 214	467 620
Total: Capricorn Municipalities			**1 155 060**	**1 241 918**	**1 340 203**
B	LIM361	Thabazimbi	60 104	64 551	70 003
B	LIM362	Lephalale	80 984	86 919	94 055
B	LIM364	Mookgopong	25 758	27 837	30 070
B	LIM365	Modimolle	56 393	60 536	65 544
B	LIM366	Bela-Bela	45 008	48 339	52 420
B	LIM367	Mogalakwena	249 145	266 832	286 633
C	DC36	Waterberg District Municipality	90 530	94 219	98 171
Total: Waterberg Municipalities			**607 922**	**649 233**	**696 896**
B	LIM471	Ephraim Mogale	68 729	73 838	80 210
B	LIM472	Elias Motsoaledi	129 556	139 187	151 191
B	LIM473	Makhuduthamaga	143 213	153 818	166 931
B	LIM474	Fetakgomo	46 115	50 004	54 116
B	LIM475	Greater Tubatse	129 796	139 462	151 546
C	DC47	Sekhukhune District Municipality	365 585	392 479	422 445
Total: Sekhukhune Municipalities			**882 994**	**948 788**	**1 026 439**
Total: Limpopo Municipalities			**4 732 732**	**5 079 507**	**5 476 345**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
MPUMALANGA					
B	MP301	Albert Luthuli	159 110	170 758	184 796
B	MP302	Msukaligwa	105 157	112 916	122 383
B	MP303	Mkhondo	100 346	107 747	116 808
B	MP304	Pixley Ka Seme	84 113	90 238	97 522
B	MP305	Lekwa	79 067	84 916	92 081
B	MP306	Dipaleseng	44 041	47 466	51 183
B	MP307	Govan Mbeki	189 937	203 551	218 845
C	DC30	Gert Sibande District Municipality	252 910	261 780	271 123
Total: Gert Sibande Municipalities			**1 014 681**	**1 079 372**	**1 154 741**
B	MP311	Victor Khanye	50 861	54 608	59 155
B	MP312	Emalahleni	181 640	194 669	209 309
B	MP313	Steve Tshwete	85 818	92 016	98 998
B	MP314	Emakhazeni	35 648	38 555	41 666
B	MP315	Thembisile Hani	221 044	237 192	256 569
B	MP316	Dr JS Moroka	230 199	248 061	267 452
C	DC31	Nkangala District Municipality	299 711	310 161	321 160
Total: Nkangala Municipalities			**1 104 921**	**1 175 262**	**1 254 309**
B	MP321	Thaba Chweu	75 312	80 866	87 638
B	MP322	Mbombela	312 298	334 542	359 474
B	MP323	Umjindi	48 789	52 391	56 793
B	MP324	Nkomazi	259 653	278 075	298 694
B	MP325	Bushbuckridge	445 036	477 143	514 585
C	DC32	Ehlanzeni District Municipality	178 734	186 053	193 896
Total: Ehlanzeni Municipalities			**1 319 822**	**1 409 070**	**1 511 080**
Total: Mpumalanga Municipalities			**3 439 424**	**3 663 704**	**3 920 130**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
NORTHERN CAPE					
B	NC061	Richtersveld	11 904	12 950	14 044
B	NC062	Nama Khoi	32 468	35 199	38 095
B	NC064	Kamiesberg	12 477	13 463	14 438
B	NC065	Hantam	20 014	21 659	23 414
B	NC066	Karoo Hoogland	13 175	14 209	15 238
B	NC067	Khâi-Ma	12 489	13 476	14 451
C	DC6	Namakwa District Municipality	32 116	33 572	35 447
Total: Namakwa Municipalities			**134 643**	**144 528**	**155 127**
B	NC071	Ubuntu	17 705	19 161	20 713
B	NC072	Umsobomvu	29 319	31 648	34 159
B	NC073	Emthanjeni	34 322	37 112	40 103
B	NC074	Kareeberg	11 941	12 963	14 039
B	NC075	Renosterberg	14 691	15 834	16 984
B	NC076	Thembelihle	14 630	15 769	16 915
B	NC077	Siyathemba	20 108	21 735	23 480
B	NC078	Siyancuma	35 680	38 485	41 518
C	DC7	Pixley Ka Seme District Municipality	27 054	28 797	30 532
Total: Pixley Ka Seme Municipalities			**205 450**	**221 504**	**238 443**
B	NC081	Mier	9 959	10 766	11 541
B	NC082	Kai !Garib	46 950	50 407	54 622
B	NC083	//Khara Hais	52 652	56 623	61 632
B	NC084	!Kheis	15 852	17 077	18 318
B	NC085	Tsantsabane	25 422	27 500	29 720
B	NC086	Kgatelopele	14 659	15 898	17 207
	DC8	Siyanda District Municipality	42 890	44 870	47 435
Total: Siyanda Municipalities			**208 384**	**223 141**	**240 475**
B	NC091	Sol Plaatje	146 493	157 014	168 840
B	NC092	Dikgatlong	44 948	48 459	52 263
B	NC093	Magareng	28 704	30 964	33 406
B	NC094	Phokwane	63 719	68 373	73 950
C	DC9	Frances Baard District Municipality	87 442	91 004	99 640
Total: Frances Baard Municipalities			**371 306**	**395 814**	**428 099**
B	NC451	Joe Morolong	72 127	77 961	84 209
B	NC452	Ga-Segonyana	65 874	70 737	76 691
B	NC453	Gamagara	20 705	22 428	24 263
C	DC45	John Taolo Gaetsewe District Municipality	55 361	58 251	61 815
Total: John Taolo Gaetsewe Municipalities			**214 067**	**229 377**	**246 978**
Total: Northern Cape Municipalities			**1 133 850**	**1 214 364**	**1 309 122**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
NORTH WEST					
B	NW371	Moretele	155 654	168 055	181 403
B	NW372	Madibeng	273 733	293 205	315 018
B	NW373	Rustenburg	256 520	274 824	295 354
B	NW374	Kgetlengrivier	42 641	45 963	49 565
B	NW375	Moses Kotane	228 799	245 488	265 434
C	DC37	Bojanala Platinum District Municipality	239 064	248 045	257 581
Total: Bojanala Platinum Municipalities			**1 196 411**	**1 275 580**	**1 364 355**
B	NW381	Ratlou	67 258	72 722	78 566
B	NW382	Tswaing	63 830	68 580	74 508
B	NW383	Mafikeng	121 440	130 078	139 755
B	NW384	Ditsobotla	79 407	85 348	92 853
B	NW385	Ramotshere Moiloa	80 152	86 125	93 607
C	DC38	Ngaka Modiri Molema	394 002	423 958	457 207
Total: Ngaka Modiri Molema Municipalities			**806 089**	**866 811**	**936 496**
B	NW392	Naledi	33 235	35 740	38 918
B	NW393	Mamusa	31 940	34 578	37 385
B	NW394	Greater Taung	100 547	108 941	117 842
B	NW396	Lekwa-Teemane	28 302	30 659	33 163
B	NW397	NW397	66 113	71 545	77 334
C	DC39	Dr Ruth Segomotsi Mompati District Municipality	209 603	225 141	196 841
Total: Dr Ruth Segomotsi Mompati Municipalities			**469 740**	**506 604**	**501 483**
B	NW401	Ventersdorp	45 869	49 420	53 279
B	NW402	Tlokwe	85 150	91 264	98 136
B	NW403	City of Matlosana	335 773	359 709	386 545
B	NW404	Maquassi Hills	77 840	83 519	90 304
C	DC40	Dr Kenneth Kaunda District Municipality	156 438	156 023	161 865
Total: Dr Kenneth Kaunda Municipalities			**701 070**	**739 935**	**790 129**
Total: North West Municipalities			**3 173 310**	**3 388 930**	**3 592 463**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
WESTERN CAPE					
A	CPT	City of Cape Town	1 084 416	1 165 272	1 257 857
B	WC011	Matzikama	36 388	39 092	42 429
B	WC012	Cederberg	26 013	28 144	30 429
B	WC013	Bergrivier	22 679	24 627	26 689
B	WC014	Saldanha Bay	34 054	36 735	40 276
B	WC015	Swartland	26 752	28 867	31 723
C	DC1	West Coast District Municipality	70 000	72 212	74 954
Total: West Coast Municipalities			**215 886**	**229 677**	**246 500**
B	WC022	Witzenberg	46 200	49 664	54 018
B	WC023	Drakenstein	69 397	74 441	80 136
B	WC024	Stellenbosch	41 241	44 284	47 736
B	WC025	Breede Valley	62 986	67 524	72 632
B	WC026	Langeberg	51 280	55 105	59 863
C	DC2	Cape Winelands District Municipality	205 814	210 513	217 832
Total: Cape Winelands Municipalities			**476 918**	**501 531**	**532 217**
B	WC031	Theewaterskloof	53 343	57 332	62 316
B	WC032	Overstrand	36 146	38 984	42 707
B	WC033	Cape Agulhas	16 877	18 315	19 845
B	WC034	Swellendam	18 897	20 474	22 158
C	DC3	Overberg District Municipality	43 926	45 929	48 516
Total: Overberg Municipalities			**169 189**	**181 034**	**195 542**
B	WC041	Kannaland	18 989	20 515	22 158
B	WC042	Hessequa	26 522	28 810	31 232
B	WC043	Mossel Bay	42 495	45 755	49 973
B	WC044	George	80 370	86 196	92 766
B	WC045	Oudtshoorn	43 034	46 290	50 452
B	WC047	Bitou	23 375	25 403	27 568
B	WC048	Knysna	30 859	33 272	36 395
C	DC4	Eden District Municipality	125 699	129 788	134 520
Total: Eden Municipalities			**391 343**	**416 029**	**445 064**
B	WC051	Laingsburg	9 536	10 316	11 060
B	WC052	Prince Albert	10 586	11 438	12 262
B	WC053	Beaufort West	32 765	35 411	38 273
C	DC5	Central Karoo District Municipality	12 981	14 000	14 999
Total: Central Karoo Municipalities			**65 868**	**71 165**	**76 594**
Total: Western Cape Municipalities			**2 403 620**	**2 564 708**	**2 753 774**
National Total			**37 873 396**	**40 581 787**	**43 638 905**

SCHEDULE 4

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Agriculture, Forestry and Fisheries (Vote 26)	Comprehensive Agricultural Support Programme Grant	To expand the provision of agricultural support services, promote and facilitate agricultural development by targeting smallholding and previously disadvantaged farmers thereby contributing to the Zero Hunger Strategy.	General conditional allocation to provinces	Eastern Cape	197 209	217 565	228 810
				Free State	126 829	140 305	146 531
				Gauteng	48 016	53 481	60 816
				KwaZulu-Natal	183 726	202 522	212 632
				Limpopo	192 243	205 597	215 561
				Mpumalanga	114 829	130 683	134 547
				Northern Cape	424 999	375 329	378 390
				North West	155 277	169 679	179 410
				Western Cape	91 863	104 859	108 394
				TOTAL	**1 534 991**	**1 600 020**	**1 665 091**
Basic Education (Vote 15)	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education; to enhance capacity to deliver infrastructure in education; to address damage to school infrastructure caused by disasters.	General conditional allocation to provinces	Eastern Cape	883 403	1 026 115	1 023 645
				Free State	459 635	476 004	487 142
				Gauteng	512 866	546 004	537 105
				KwaZulu-Natal	1 247 477	1 318 435	1 373 989
				Limpopo	942 091	988 433	918 075
				Mpumalanga	530 711	539 520	593 387
				Northern Cape	307 609	321 714	337 252
				North West	507 200	529 489	543 350
				Western Cape	431 397	451 931	455 916
				TOTAL	**5 822 389**	**6 197 645**	**6 269 861**
Health (Vote 16)	(a) Health Infrastructure Grant	To supplement provincial funding of health infrastructure to address backlogs, accelerate the provision of health facilities and ensure proper life cycle maintenance of provincial health infrastructure.	General conditional allocation to provinces	Eastern Cape	258 862	276 982	305 244
				Free State	139 073	147 417	158 293
				Gauteng	110 361	116 983	127 859
				KwaZulu-Natal	393 367	416 969	427 845
				Limpopo	267 888	283 961	294 837
				Mpumalanga	108 971	115 509	126 385
				Northern Cape	98 258	104 154	115 029
				North West	112 790	119 863	130 739
				Western Cape	131 411	139 296	150 171
				TOTAL	**1 620 981**	**1 721 134**	**1 836 402**

SCHEDULE 4

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Health (Vote 16)	(b) Health Professions Training and Development Grant	Support provinces to fund service costs associated with training of health science trainees on the public service platform; co-funding of the National Human Resource Plan for Health in expanding undergraduate medical education for 2012 and beyond (2025).	Nationally assigned function to provinces	Eastern Cape	178 730	188 560	199 874
				Free State	130 930	138 131	146 419
				Gauteng	725 310	765 202	811 114
				KwaZulu-Natal	261 860	276 262	292 837
				Limpopo	103 913	109 628	116 206
				Mpumalanga	85 208	89 894	95 288
				Northern Cape	68 583	72 356	76 697
				North West	93 522	98 666	104 586
				Western Cape	428 120	451 667	478 767
				TOTAL	**2 076 176**	**2 190 366**	**2 321 788**
	(c) National Tertiary Services Grant	Ensure provision of tertiary health services for all South African citizens; to compensate tertiary facilities for the costs associated with provision of these services including cross border patients.	Nationally assigned function to provinces	Eastern Cape	682 445	743 621	786 007
				Free State	786 724	849 661	898 091
				Gauteng	3 044 567	3 305 931	3 493 891
				KwaZulu-Natal	1 323 114	1 415 731	1 496 427
				Limpopo	288 427	305 732	323 158
				Mpumalanga	91 879	91 879	97 116
				Northern Cape	266 621	282 618	298 727
				North West	211 765	224 470	237 264
				Western Cape	2 182 468	2 400 714	2 537 554
				TOTAL	**8 878 010**	**9 620 357**	**10 168 235**
Higher Education and Training (Vote 17)	Further Education and Training Colleges Grant	To ensure the successful transfer of the Further Education and Training college function to the Department of Higher Education and Training.	General conditional allocation to provinces	Eastern Cape	688 593	769 713	813 208
				Free State	317 955	355 412	375 496
				Gauteng	1 113 533	1 244 713	1 315 050
				KwaZulu-Natal	839 837	938 774	991 823
				Limpopo	536 612	599 828	633 723
				Mpumalanga	342 696	383 067	404 714
				Northern Cape	76 599	85 623	90 462
				North West	257 233	287 536	303 784
				Western Cape	584 213	653 036	689 938
				TOTAL	**4 757 271**	**5 317 702**	**5 618 198**

SCHEDULE 4

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Transport (Vote 37)	(a) Provincial Roads Maintenance Grant	To supplement provincial roads investments and support preventative, routine and emergency maintenance on provincial road networks; ensure provinces implement and maintain road asset management systems; promote the use of labour-intensive methods in road maintenance; repair roads and bridges damaged by floods.	General conditional allocation to provinces	Eastern Cape	1 369 985	1 432 390	1 498 209
				Free State	564 930	605 447	634 294
				Gauteng	579 081	655 248	688 302
				KwaZulu-Natal	1 501 171	1 516 651	1 590 923
				Limpopo	1 168 594	1 205 341	1 263 047
				Mpumalanga	1 240 694	1 471 078	1 545 460
				Northern Cape	483 706	502 060	522 498
				North West	594 789	661 905	694 944
				Western Cape	478 895	490 359	515 153
				TOTAL	**7 981 845**	**8 540 479**	**8 952 830**
	(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	174 466	183 960	193 258
				Free State	192 872	203 382	213 663
				Gauteng	1 625 746	1 714 344	1 801 078
				KwaZulu-Natal	808 279	852 325	895 350
				Limpopo	260 725	274 932	288 840
				Mpumalanga	439 003	462 926	486 340
				Northern Cape	39 255	41 390	43 480
				North West	80 686	85 082	89 380
				Western Cape	696 237	734 180	771 320
				TOTAL	**4 317 269**	**4 552 521**	**4 782 709**

SCHEDULE 4

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

Vote	Name of allocation	Purpose	City	Column A	Column B	
				2012/13 Allocation	Forward Estimates	
					2013/14	2014/15
				R'000	R'000	R'000
Human Settlements (Vote 31)	Urban Settlements Development Grant	To assist metropolitan municipalities to improve urban land production to the benefit of poor households, by supplementing the revenues of metropolitan municipalities to: reduce the real average cost of urban land, increase the supply of well located land, enhance tenure security and quality of life in informal settlements, improve spatial densities and to subsidise the capital costs of acquiring land and providing basic services for poor households.	Buffalo City	499 474	613 305	712 541
			City of Cape Town	971 980	1 193 497	1 386 611
			City of Johannesburg	1 290 748	1 584 912	1 841 359
			City of Tshwane	1 051 070	1 290 611	1 499 439
			Ekurhuleni	1 212 537	1 488 877	1 729 785
			eThekwini	1 287 560	1 580 999	1 836 812
			Mangaung	485 967	596 719	693 272
			Nelson Mandela Bay	592 870	727 986	845 778
			TOTAL	**7 392 206**	**9 076 906**	**10 545 597**

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Agriculture, Forestry and Fisheries (Vote 26)	(a) Ilima/Letsema Projects Grant	To assist vulnerable South African farming communities achieve an increase in agricultural production and increased income, invest in infrastructure that unlocks agricultural production and supply government markets with agricultural products thus releasing them from the poverty trap.	Conditional allocation	Eastern Cape	42 000	43 845	46 062
				Free State	54 600	57 999	60 802
				Gauteng	16 798	17 538	20 126
				KwaZulu-Natal	63 000	65 768	69 093
				Limpopo	42 000	43 845	46 062
				Mpumalanga	42 000	43 845	46 062
				Northern Cape	63 000	70 034	72 003
				North West	42 000	43 845	46 062
				Western Cape	50 400	51 737	54 353
				TOTAL	**415 798**	**438 456**	**460 625**
	(b) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To enhance the sustainable conservation of natural agricultural resources through a community-based participatory approach; to create job/work opportunities through the Expanded Public Works Programme; to create an enabling environment for improved food security and poverty relief.	Conditional allocation	Eastern Cape	16 823	15 866	10 853
				Free State	8 953	8 571	5 427
				Gauteng	6 246	6 163	4 748
				KwaZulu-Natal	20 304	18 746	10 854
				Limpopo	20 356	19 562	10 178
				Mpumalanga	10 958	10 249	6 105
				Northern Cape	12 724	12 055	7 462
				North West	11 557	10 552	8 140
				Western Cape	7 740	7 233	4 070
				TOTAL	**115 661**	**108 997**	**67 837**
Arts and Culture (Vote 14)	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	78 058	74 633	69 171
				Free State	50 304	55 070	63 379
				Gauteng	56 452	60 611	64 247
				KwaZulu-Natal	48 619	56 297	69 674
				Limpopo	68 822	72 662	72 081
				Mpumalanga	68 822	72 662	77 081
				Northern Cape	72 395	76 431	76 076
				North West	64 973	69 210	67 077
				Western Cape	56 129	60 210	72 828
				TOTAL	**564 574**	**597 786**	**631 614**

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Basic Education (Vote 15)	(a) Dinaledi Schools Grant	To promote Mathematics and Physical Science teaching and learning; to improve learner performance in Mathematics and Physical Science in line with the Action Plan 2014; to improve teachers' content knowledge of Mathematics and Physical Science.	Conditional allocation	Eastern Cape	11 964	12 620	13 342
				Free State	7 179	7 572	8 005
				Gauteng	20 139	21 244	22 459
				KwaZulu-Natal	17 547	18 509	19 568
				Limpopo	10 169	10 727	11 341
				Mpumalanga	9 172	9 676	10 229
				Northern Cape	3 391	3 576	3 780
				North West	10 568	11 147	11 785
				Western Cape	9 571	10 097	10 673
				TOTAL	**99 700**	**105 168**	**111 182**
	(b) HIV and Aids (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by increasing sexual and reproductive health knowledge, skills and appropriate decision making among learners and educators; to mitigate the impact of HIV by providing a caring, supportive and enabling environment for learners and educators; to ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse.	Conditional allocation	Eastern Cape	35 252	37 187	39 350
				Free State	12 491	13 175	13 897
				Gauteng	29 147	30 746	32 522
				KwaZulu-Natal	46 806	49 368	52 261
				Limpopo	29 942	31 586	33 412
				Mpumalanga	17 416	18 371	19 404
				Northern Cape	4 579	4 828	5 049
				North West	15 616	16 478	17 398
				Western Cape	17 416	18 371	19 404
				TOTAL	**208 665**	**220 110**	**232 697**
	(c) National School Nutrition Programme Grant	To provide nutritious meals to targeted learners.	Conditional allocation	Eastern Cape	903 644	954 674	1 013 124
				Free State	261 367	272 852	290 394
				Gauteng	548 690	578 868	609 471
				KwaZulu-Natal	1 151 644	1 214 985	1 283 755
				Limpopo	879 338	937 023	994 466
				Mpumalanga	474 560	495 661	526 572
				Northern Cape	113 136	119 359	122 392
				North West	329 301	347 412	364 128
				Western Cape	244 784	258 247	269 613
				TOTAL	**4 906 464**	**5 179 081**	**5 473 915**

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Basic Education (Vote 15)	(d) Technical Secondary Schools Recapitalisation Grant	To recapitalise up to 200 technical schools to improve their capacity to contribute to skills development and training in the country.	Conditional allocation	Eastern Cape	30 000	31 649	33 560
				Free State	19 870	20 963	20 942
				Gauteng	25 000	26 375	30 549
				KwaZulu-Natal	40 490	42 716	45 193
				Limpopo	26 700	28 169	29 802
				Mpumalanga	25 678	27 058	28 627
				Northern Cape	12 500	13 188	13 568
				North West	17 867	18 850	19 206
				Western Cape	11 264	11 884	12 035
				TOTAL	**209 369**	**220 852**	**233 482**
Health (Vote 16)	(a) Comprehensive HIV and Aids Grant	To enable the health sector to develop an effective response to HIV and Aids including universal access to HIV Counselling and Testing; to support the implementation of the National Operational Plan for comprehensive HIV and Aids treatment and care; to subsidise in-part funding for the antiretroviral treatment programme.	Conditional allocation	Eastern Cape	1 060 852	1 273 296	1 473 053
				Free State	615 160	742 984	861 713
				Gauteng	1 901 293	2 258 483	2 619 375
				KwaZulu-Natal	2 225 423	2 652 072	3 073 536
				Limpopo	713 432	861 143	1 000 811
				Mpumalanga	575 032	690 591	800 153
				Northern Cape	248 372	302 468	349 998
				North West	685 204	825 302	958 196
				Western Cape	738 080	927 547	1 074 487
				TOTAL	**8 762 848**	**10 533 886**	**12 211 322**
	(b) Hospital Revitalisation Grant	To provide funding to enable provinces to plan, manage, modernise, rationalise and transform health infrastructure, health technology, monitoring and evaluation of the health facilities in line with national policy objectives; to supplement expenditure on health infrastructure delivered through public-private partnerships.	Conditional allocation	Eastern Cape	402 679	408 719	485 251
				Free State	472 384	479 470	486 662
				Gauteng	795 439	807 371	896 882
				KwaZulu-Natal	566 605	575 104	661 132
				Limpopo	301 193	310 211	399 266
				Mpumalanga	300 000	300 000	304 500
				Northern Cape	346 083	351 274	356 543
				North West	423 127	448 258	454 982
				Western Cape	496 085	503 526	511 079
				TOTAL	**4 103 595**	**4 183 933**	**4 556 297**

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Health (Vote 16)	(c) National Health Insurance Grant	Test innovations necessary for implementing National Health Insurance; to undertake health system strengthening initiatives and support selected pilot districts in implementing identified service delivery interventions; to strengthen the resource management of selected central hospitals.	Conditional allocation	Eastern Cape	11 500	26 835	38 334
				Free State	16 500	38 500	55 000
				Gauteng	31 500	73 500	105 000
				KwaZulu-Natal	33 000	77 000	110 000
				Limpopo	11 500	26 833	38 334
				Mpumalanga	11 500	26 833	38 333
				Northern Cape	11 500	26 833	38 333
				North West	11 500	26 833	38 333
				Western Cape	11 500	26 833	38 333
				TOTAL	**150 000**	**350 000**	**500 000**
	(d) Nursing Colleges and Schools Grant	To supplement provincial funding of health infrastructure to accelerate the provision of health facilities including office furniture and related equipment, and to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.	Conditional allocation	Eastern Cape	14 660	21 257	25 760
				Free State	9 160	14 282	19 995
				Gauteng	12 480	19 096	24 734
				KwaZulu-Natal	16 480	23 896	29 454
				Limpopo	12 400	18 980	26 572
				Mpumalanga	9 740	14 123	19 772
				Northern Cape	6 080	10 816	15 143
				North West	8 680	12 586	17 620
				Western Cape	10 320	14 964	20 950
				TOTAL	**100 000**	**150 000**	**200 000**
Human Settlements (Vote 31)	Human Settlements Development Grant	To provide funding for the creation of sustainable human settlements.	Conditional allocation	Eastern Cape	2 292 859	2 472 919	2 538 910
				Free State	961 619	1 034 905	1 026 409
				Gauteng	4 003 776	4 329 066	4 620 481
				KwaZulu-Natal	2 915 297	3 148 736	3 305 541
				Limpopo	1 471 617	1 588 823	1 657 732
				Mpumalanga	965 127	1 043 499	1 113 121
				Northern Cape	339 551	366 002	372 298
				North West	1 050 933	1 134 578	1 182 890
				Western Cape	1 725 180	1 865 344	1 990 939
				TOTAL	**15 725 959**	**16 983 872**	**17 808 321**

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Public Works (Vote 7)	(a) Devolution of Property Rate Funds Grant	To facilitate the transfer of the property rates expenditure responsibility to provinces.	Conditional allocation	Eastern Cape	200 825	210 376	222 243
				Free State	231 399	244 755	258 561
				Gauteng	281 469	294 376	310 982
				KwaZulu-Natal	551 100	588 180	621 359
				Limpopo	35 399	37 024	39 113
				Mpumalanga	76 870	83 029	87 712
				Northern Cape	43 911	46 424	49 042
				North West	178 185	202 408	213 825
				Western Cape	319 501	345 421	364 906
				TOTAL	**1 918 659**	**2 051 993**	**2 167 743**
	(b) 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 identified focus areas, in compliance with the Expanded Public Works Programme (EPWP) guidelines.	Conditional allocation	Eastern Cape	60 333	-	-
				Free State	21 391	-	-
				Gauteng	18 835	-	-
				KwaZulu-Natal	79 506	-	-
				Limpopo	48 983	-	-
				Mpumalanga	26 255	-	-
				Northern Cape	9 915	-	-
				North West	10 444	-	-
				Western Cape	17 099	-	-
				Unallocated	-	361 624	383 255
				TOTAL	**292 761**	**361 624**	**383 255**
	(c) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments identified in the 2012 Social Sector EPWP Log-frame to increase job creation by focusing on the strengthening and expansion of social service programmes that have employment potential.	Conditional allocation	Eastern Cape	22 121	-	-
				Free State	23 908	-	-
				Gauteng	41 945	-	-
				KwaZulu-Natal	1 673	-	-
				Limpopo	57 734	-	-
				Mpumalanga	13 659	-	-
				Northern Cape	2 073	-	-
				North West	29 564	-	-
				Western Cape	24 724	-	-
				Unallocated	-	257 564	272 972
				TOTAL	**217 401**	**257 564**	**272 972**

SCHEDULE 5

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2012/13 Allocation	Forward Estimates	
						2013/14	2014/15
					R'000	R'000	R'000
Sport and Recreation South Africa (Vote 20)	Mass Participation and Sport Development Grant	To facilitate sport and recreation participation and empowerment within schools, clubs and hubs in partnership with relevant stakeholders.	Conditional allocation	Eastern Cape	66 056	69 987	73 931
				Free State	34 371	36 417	38 469
				Gauteng	73 930	78 330	82 744
				KwaZulu-Natal	91 122	96 544	101 986
				Limpopo	55 733	59 050	62 378
				Mpumalanga	39 883	42 257	44 638
				Northern Cape	27 404	29 035	30 671
				North West	36 497	38 670	40 849
				Western Cape	44 644	47 301	49 966
				TOTAL	**469 640**	**497 591**	**525 632**

SCHEDULE 6

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
CURRENT GRANTS					
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Systems Improvement Grant	To assist municipalities build in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislation, policies and the local government turnaround strategy.	230 096	242 734	257 298
Public Works (Vote 7)	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 identified focus areas, in compliance with the Expanded Public Works Programme guidelines.	599 240	701 924	743 912
National Treasury (Vote 10)	(a) Infrastructure Skills Development Grant	To strengthen the capacity of local government to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills available and to facilitate lifelong learning and the transfer of knowledge to municipalities.	75 460	100 000	106 000
	(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.	402 753	424 798	449 138
Energy (Vote 29)	Electricity Demand Side Management Grant	To provide subsidies to municipalities to implement Electricity Demand Side Management in municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.	200 000	200 000	200 000
Water Affairs (Vote 38)	Water Services Operating Subsidy Grant	To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government.	562 434	420 945	449 558
		TOTAL	**2 069 983**	**2 090 401**	**2 205 906**
INFRASTRUCTURE GRANTS					
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Infrastructure Grant	To provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.	13 881 633	14 643 465	15 764 200
Energy (Vote 29)	Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, clinics and the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.	1 151 443	1 314 772	1 487 658
National Treasury (Vote 10)	Neighbourhood Development Partnership Grant	To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally).	578 132	598 041	591 179
Transport (Vote 37)	(a) Public Transport Infrastructure and Systems Grant	To provide for accelerated planning, construction and improvement of public and non-motorised transport infrastructure and services.	4 988 103	5 549 981	5 870 846
	(b) Rural Roads Asset Management Grant	To assist rural district municipalities to set up rural Road Asset Management Systems, and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa.	37 295	39 154	41 418
		TOTAL	**20 636 606**	**22 145 413**	**23 755 301**

SCHEDULE 7

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Province	Column A	Column B	
				2012/13 Allocation	Forward Estimates	
					2013/14	2014/15
				R'000	R'000	R'000
Basic Education (Vote 15)	School Infrastructure Backlogs Grant	Eradication of inappropriate school infrastructure; provision of water, sanitation and electricity to schools.	Eastern Cape	1 526 635	4 689 000	-
			Free State	160 730	100 000	-
			Gauteng	45 540	-	-
			KwaZulu-Natal	159 089	60 000	-
			Limpopo	144 368	60 000	-
			Mpumalanga	141 519	100 000	-
			Northern Cape	14 590	-	-
			North West	109 469	80 000	-
			Western Cape	13 060	100 000	-
			Unallocated	-	-	5 500 340
			TOTAL	2 315 000	5 189 000	5 500 340

SCHEDULE 7

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
National Treasury (Vote 10)	Neighbourhood Development Partnership Grant	To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally).	80 000	55 000	58 300
Energy (Vote 29)	Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.	1 879 368	1 982 596	2 098 903
Water Affairs (Vote 38)	(a) Water Services Operating Subsidy Grant	To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government.	132 598	312 584	327 625
	(b) Regional Bulk Infrastructure Grant	To develop infrastructure required to connect or augment a water resource, to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality, and in the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works.	2 516 641	2 921 728	3 351 460
Human Settlements (Vote 31)	Rural Households Infrastructure Grant	To provide specific capital funding for the eradication of rural water and sanitation backlogs and is targeted at existing households where bulk-dependent services are not viable. The grant also funds training for beneficiaries on health and hygiene practices and how to maintain the facilities provided.	479 500	389 000	-
		TOTAL	**5 088 107**	**5 660 908**	**5 836 288**

SCHEDULE 8

UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Province	Column A	Column B	
				2012/13 Allocation	Forward Estimates	
					2013/14	2014/15
				R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 3)	Provincial Disaster Grant	To provide for the immediate release of funds for disaster response.	Eastern Cape	-	-	-
			Free State	-	-	-
			Gauteng	-	-	-
			KwaZulu-Natal	-	-	-
			Limpopo	-	-	-
			Mpumalanga	-	-	-
			Northern Cape	-	-	-
			North West	-	-	-
			Western Cape	-	-	-
			Unallocated	180 000	190 000	201 400
			TOTAL	180 000	190 000	201 400

UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A	Column B	
			2012/13 Allocation	Forward Estimates	
				2013/14	2014/15
			R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Disaster Grant	To provide for the immediate release of funds for disaster response.	330 000	350 000	371 000
		TOTAL	330 000	350 000	371 000

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Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain even numbered pages as the other language is printed on uneven numbered pages.

Government Gazette

REPUBLIC OF SOUTH AFRICA

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THE PRESIDENCY

No. 417 10 June 2013

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

Act No. 2 of 2013: division of Revenue Act, 2013

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

(English text signed by the President)
(Assented to 7 June 2013)

ACT

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2013/14 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.

PREAMBLE

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

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

WHEREAS section 7(3) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), requires the introduction of the Division of Revenue Bill at the same time as the Appropriation Bill is introduced,

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

ARRANGEMENT OF PROVISIONS OF ACT

Sections

CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

1. Interpretation
2. Objects of Act

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

3. Equitable division of revenue raised nationally among spheres of government
4. Equitable division of provincial share among provinces
5. Equitable division of local government share among municipalities
6. Shortfalls and excess revenue

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations

7. Conditional allocations to provinces
8. Conditional allocations to municipalities

Part 2

Duties of accounting officers in respect of Schedule 4 to 7 allocations

9. Duties of transferring national officer in respect of Schedule 4 allocations
10. Duties of transferring national officer in respect of Schedule 5 and 6 allocations
11. Duties of receiving officer in respect of Schedule 4 allocations
12. Duties of receiving officer in respect of Schedule 5 or 7 allocations
13. Duties of receiving officer in respect of infrastructure conditional allocations to provinces
14. Duties in respect of annual financial statements and annual reports for 2013/14

Part 3

Matters relating to Schedule 4 to 7 allocations

15. Publication of allocations and frameworks
16. Expenditure in terms of purpose and subject to conditions
17. Withholding of allocation
18. Stopping of allocation
19. Re-allocation of funds
20. Conversion of allocations
21. Unspent conditional allocations

Part 4

Matters relating to Schedule 1 to 7 allocations

22. Payment schedule
23. Amendment of payment schedule

CHAPTER 4

MATTERS RELATING TO ALL ALLOCATIONS

24. Transfers made in error or fraudulently
25. New allocations during financial year and Schedule 7 allocations
26. Preparations for next financial year and 2015/16 financial year
27. Transfers before commencement of Division of Revenue Acts for 2013 and 2014

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DUTIES AND POWERS OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY

28. Duties of municipalities
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32. Liability for costs incurred in violation of principles of cooperative governance and intergovernmental relations
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SCHEDULE 1

Equitable division of revenue raised nationally among the three spheres of government

SCHEDULE 2

Determination of each province's equitable share of the provincial sphere's share of revenue raised nationally (as a direct charge against the National Revenue Fund)

SCHEDULE 3

Determination of each municipality's equitable share of the local government sphere's share of revenue raised nationally

SCHEDULE 4

Part A

Allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets

Part B

Allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets

SCHEDULE 5

Part A

Specific purpose allocations to provinces

Part B

Specific purpose allocations to municipalities

SCHEDULE 6

Part A

Allocations-in-kind to provinces for designated special programmes

Part B

Allocations-in-kind to municipalities for designated special programmes

SCHEDULE 7

Part A

Provision to specifically cater for immediate release of funds to provinces for disaster response

Part B

Provision to specifically cater for immediate release of funds to municipalities for disaster response

CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

Interpretation

1. (1) In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act or the Municipal Finance Management Act has the meaning assigned to it in the Act in question, and—

"accreditation" means accreditation of a municipality, in terms of section 10(2) of the Housing Act, 1997 (Act No. 107 of 1997), to administer national housing programmes, read with Part 3 of the National Housing Code, 2009 (Financial Interventions: Accreditation of Municipalities);

"allocation" means the equitable share allocation to the national sphere of government in Schedule 1, a province in Schedule 2 or a municipality in Schedule 3, or a conditional allocation;

"category A, B or C municipality" means a category A, B or C municipality envisaged in section 155(1) of the Constitution;

"conditional allocation" means an allocation to a province or municipality from the national government's share of revenue raised nationally, envisaged in section 214(1)*(c)* of the Constitution, as set out in Schedule 4, 5, 6 or 7;

"Constitution" means the Constitution of the Republic of South Africa, 1996;

"corporation for public deposits account" means a bank account of the Provincial Revenue Fund held with the Corporation for Public Deposits, established by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984);

"Education Infrastructure Grant" means the Education Infrastructure Grant referred to in Part A of Schedule 4;

"financial year" means, in relation to—

(a) a national or provincial department, the year ending 31 March 2014; or

(b) a municipality, the year ending 30 June 2014;

"framework" means the conditions and other information in respect of a conditional allocation published by the National Treasury in terms of section 15 or 25;

"Health Facility Revitalisation Grant" means the Health Facility Revitalisation Grant referred to in Part A of Schedule 5;

"Human Settlements Development Grant" means the Human Settlements Infrastructure Grant referred to in Part A of Schedule 5;

"legislation" means national legislation or provincial legislation as defined in section 239 of the Constitution;

"level one accreditation" means accreditation to render beneficiary management, subsidy budget planning and allocation, and priority programme management and administration, of national housing programmes;

"level three accreditation" means an executive assignment to administer all aspects, including financial administration, of national housing programmes;

"level two accreditation" means accreditation to render full programme management and administration of all housing instruments and national housing programmes in addition to the responsibilities under a level one accreditation;

"Municipal Finance Management Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"next financial year" means, in relation to—
(a) a national or provincial department, the year ending 31 March 2015; or
(b) a municipality, the year ending 30 June 2015;
"organ of state" means an organ of state as defined in section 239 of the Constitution;
"overpayment" means the transfer of more than the allocated amount of an allocation or the transfer of an allocation not in accordance with a payment schedule;
"Provincial Roads Maintenance Grant" means the Provincial Roads Maintenance Grant referred to in Part A of Schedule 4;
"payment schedule" means a schedule which sets out—
(a) the amount of each transfer of an equitable share or any conditional allocation in terms of this Act to be transferred to a province or municipality in the financial year;
(b) the date on which each transfer must be paid; and
(c) to whom, and to which bank account, each transfer must be paid;
"prescribe" means prescribe by regulation in terms of section 37;
"primary bank account" in relation to—
(a) a province, means a bank account of the Provincial Revenue Fund, envisaged in section 21(2) of the Public Finance Management Act and which the accounting officer of the provincial treasury has certified to the National Treasury; and
(b) a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act;
"Public Finance Management Act" means the Public Finance Management Act, 1999 (Act No. 1 of 1999);
"Public Transport Operations Grant" means the Public Transport Operations Grant referred to in Part A of Schedule 4;
"quarter" means, in relation to—
(a) a national or provincial department, the period from—
(i) 1 April to 30 June;
(ii) 1 July to 30 September;
(iii) 1 October to 31 December; or
(iv) 1 January to 31 March; or
(b) a municipality—
(i) 1 July to 30 September;
(ii) 1 October to 31 December;
(iii) 1 January to 31 March; or
(iv) 1 April to 30 June;
"receiving officer'' means, in relation to—
(a) a Schedule 4, 5, 6 or 7 allocation transferred to a province, the accounting officer of the provincial department which receives that allocation or a portion thereof for expenditure via an appropriation from its Provincial Revenue Fund; or
(b) a Schedule 4, 5, 6 or 7 allocation transferred or provided in kind to a municipality, the accounting officer of the municipality;
"receiving provincial department" in relation to a Schedule 4, 5, 6 or 7 allocation transferred to a province, means the provincial department which receives that allocation or a portion thereof for expenditure via an appropriation from its Provincial Revenue Fund;
"School Infrastructure Backlogs Grant" means the School Infrastructure Backlogs Grant referred to in Part A of Schedule 6;
"Technical Secondary Schools Recapitalisation Grant" means the Technical Secondary Schools Recapitalisation Grant referred to in Part A of Schedule 5;
"this Act" includes any framework or allocation published, or any regulation made in terms of this Act;
"transferring national officer" means the accounting officer of a national department that transfers a Schedule 4, 5 or 7 allocation to a province or municipality or spends a Schedule 6 allocation on behalf of a province or municipality;
"Urban Settlements Development Grant" means the Urban Settlements Development Grant referred to in Part B of Schedule 4.

(2) Any approval, certification, decision, determination, instruction, notification or request in terms of this Act must be in writing.

Objects of Act

2. The objects of this Act are to—
(a) provide for the equitable division of revenue raised nationally among the three spheres of government;
(b) promote predictability and certainty in respect of all allocations to provinces and municipalities, in order that provinces and municipalities may plan their budgets over a multi-year period and thereby promote better coordination between policy, planning and budgeting; and
(c) promote transparency and accountability in the resource allocation process, by ensuring that all allocations are reflected on the budgets of provinces and municipalities and by ensuring that the expenditure of conditional allocations is reported on by the receiving provincial departments and municipalities.

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

Equitable division of revenue raised nationally among spheres of government

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

(2) An envisaged division of revenue anticipated to be raised in respect of the next financial year and the 2015/16 financial year, and which is subject to the provisions of the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 1.

Equitable division of provincial share among provinces

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

(2) An envisaged division for each province of revenue anticipated to be raised nationally in respect of the next financial year and the 2015/16 financial year, and which is subject to the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 2.

(3) The National Treasury must transfer each province's equitable share allocation referred to in subsection (1) to the corporation for public deposits account of the province, in accordance with the payment schedule determined in terms of section 22.

Equitable division of local government share among municipalities

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

(2) An envisaged division between municipalities of revenue anticipated to be raised nationally in respect of the next financial year and the 2015/16 financial year, and which is subject to the annual Division of Revenue Acts for those financial years, is set out in Column B of Schedule 3.

(3) The National Treasury must transfer each municipality's equitable share referred to in subsection (1) to the primary bank account of the municipality in three transfers on 5 July 2013, 29 November 2013 and 21 March 2014, in accordance with the payment schedule determined in terms of section 22.

Shortfalls and excess revenue

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

(2) If the actual revenue raised nationally in respect of the financial year exceeds the anticipated revenue set out in Column A of Schedule 1, the excess accrues to the national government, and may be used to reduce borrowing or pay debt as part of its share of revenue raised nationally.

(3) A portion of national government's equitable share or excess revenue envisaged in subsection (2), may be appropriated through the applicable legislation envisaged in section 12 of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), to make further allocations to—

(a) national departments; or

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

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations

Conditional allocations to provinces

7. (1) Conditional allocations to provinces for the financial year from the national government's share of revenue raised nationally are set out in—

(a) Part A of Schedule 4, specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets;

(b) Part A of Schedule 5, specifying specific-purpose allocations to provinces;

(c) Part A of Schedule 6, specifying allocations-in-kind to provinces for designated special programmes; and

(d) Part A of Schedule 7, specifying funds that are not allocated to specific provinces, that may be released to provinces to fund disaster response within a period from three days up to three months following a declared disaster in terms of the conditions of the Disaster Management Act, 2002 (Act No. 57 of 2002).

(2) An envisaged division of conditional allocations to provinces from the national government's share of revenue anticipated to be raised nationally for the next financial year and the 2015/16 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1).

(3) *(a)* The Health Facility Revitalisation Grant consists of the Health Infrastructure Grant Component, the Hospital Revitalisation Grant Component and Nursing Colleges and Schools Grant Component.

(b) The national transferring officer must submit proposed allocations per grant component for each province to the National Treasury for approval and publication in terms of paragraph *(c)*.

(c) The National Treasury must, within 14 days after this Act takes effect, publish by notice in the *Gazette* the allocations per grant component for every province.

(d) Subject to such conditions as the National Treasury may determine, the National Treasury may, on request of the national transferring officer, or in its discretion after consultation with the national transferring officer, approve amendments to the allocations for a grant component for a province.

(e) The approval of an amendment in terms of paragraph *(d)* takes effect on the date of the notification conveying the approval to the national transferring officer.

(f) The national transferring officer must, within 7 days after receipt of the notification referred to in paragraph *(e)*, notify the affected receiving officer of the approval of an amendment in terms of paragraph *(d)*.

(g) The National Treasury must, within 14 days after each quarter, publish by notice in the *Gazette* all amendments approved in terms of paragraph *(d)* during that quarter.

Conditional allocations to municipalities

8. (1) Conditional allocations to local government in respect of the financial year from the national government's share of revenue raised nationally are set out in—

(a) Part B of Schedule 4, specifying allocations to municipalities to supplement the funding of functions funded from municipal budgets;

(b) Part B of Schedule 5, specifying specific-purpose allocations to municipalities;

(c) Part B of Schedule 6, specifying allocations-in-kind to municipalities for designated special programmes; and

(d) Part B of Schedule 7, specifying funds that are not allocated to specific municipalities, that may be released to local government or municipalities to fund disaster response within a period from three days up to three months following a declared disaster in terms of the conditions of the Disaster Management Act, 2002 (Act No. 57 of 2002).

(2) An envisaged division of conditional allocations to local government from the national government's share of revenue anticipated to be raised nationally for the next financial year and the 2015/16 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1).

(3) Funding approved by the National Treasury for specific transport contracts for capital projects from the indicative allocations for the Public Transport Infrastructure Grant listed in Column B of Part B of Schedule 5, may not be altered downwards in the Division of Revenue Acts for the next financial and 2015/16 financial year.

(4) *(a)* A municipality may only with the approval of the National Treasury pledge, offer as security or commit to a person or institution any envisaged conditional allocation to the municipality for the next financial year and the 2015/16 financial year, for the purpose of securing a loan or any other form of financial or other support from that person or institution.

(b) Before making a decision, the National Treasury must—

(i) notify the relevant transferring national officer of the approval sought by a municipality and that the officer may submit comment to the National Treasury regarding the approval sought, within five working days after notification or such longer period as the National Treasury may approve; and

(ii) consider any comment so submitted by the officer.

Part 2

Duties of accounting officers in respect of Schedule 4 to 7 allocations

Duties of transferring national officer in respect of Schedule 4 allocations

9. (1) The transferring national officer of a Schedule 4 allocation is responsible for—

(a) ensuring that transfers to all provinces and municipalities are—

(i) deposited only into the primary bank account of a province or municipality; and

(ii) made in accordance with the payment schedule approved in terms of section 22, unless allocations are withheld or stopped in terms of section 17 or 18;

(b) monitoring financial and non-financial performance information on programmes partially or fully funded by an allocation, other than the Urban Settlements Development Grant, in accordance with subsection (2) and the requirements of the applicable framework;

(c) complying with the requirements of the applicable framework;

(d) submitting a monthly provincial report on infrastructure expenditure partially or fully funded by the allocation within 30 days after the end of each month to the National Treasury, in the format determined by the National Treasury;

(e) submitting a quarterly non-financial performance report within 45 days after the end of each quarter to the National Treasury in terms of the relevant framework; and

(f) evaluating the performance of programmes funded or partially funded by the allocation and the submission of such evaluations to the National Treasury, within four months in respect of a provincial department, and six months in respect of a municipality, after the end of the financial year.

(2) Any monitoring programme or system that is utilised to monitor financial and non-financial performance information on a programme partially or fully funded by a Schedule 4 allocation must—

(i) be approved by the National Treasury;

(ii) not impose any excessive administrative responsibility on receiving officers beyond the provision of standard management information;

(iii) be compatible and integrated with and not unnecessarily duplicate other relevant national, provincial and local systems; and

(iv) support compliance with section 11(2).

Duties of transferring national officer in respect of Schedules 5 and 6 allocations

10. (1) A transferring national officer of a Schedule 5 or 6 allocation must—

(a) not later than 14 days after this Act takes effect, certify to the National Treasury that—

(i) frameworks are reasonable and do not impose excessive administrative responsibility on receiving provincial departments and municipalities beyond the provision of standard management information;

(ii) monitoring provisions are compatible and integrated with and do not duplicate other relevant national, provincial and local systems; and

(iii) in respect of a Schedule 5 allocation, any business plans requested in respect of how allocations will be utilised by a province or municipality, as the case may be, have been approved before the start of the financial year;

(b) in respect of Schedule 5 allocations—

(i) transfer funds only after receipt of all information required in terms of this Act and submission of all relevant information to the National Treasury;

(ii) transfer funds only in accordance with the payment schedule determined in terms of section 22; and

(iii) deposit funds only into the primary bank account of a province or municipality; and

(c) ensure that all other provisions of this Act and the relevant framework for the particular allocation necessary for the transfer of an allocation are complied with.

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

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

(4) Before making the first transfer of any allocation in terms of subsection (1)*(b)*, the transferring national officer must take note of any notice in terms of section 30(1) containing the details of the relevant primary bank accounts.

(5) The transferring national officer of a Schedule 5 allocation to a municipality is responsible for monitoring financial and non-financial performance information on programmes funded by the allocation.

(6) Any transferring national officer of a Schedule 5 or 6 allocation must, as part of the reporting envisaged in section 40(4)*(c)* of the Public Finance Management Act, submit information, in the format determined by the National Treasury, for the month in question, and for the financial year up to the end of that month, on—

(a) the amount of funds transferred to a province or municipality;

(b) the amount of funds withheld or stopped from any province or municipality, the reasons for the withholding or stopping and the steps taken by the

transferring national officer and the receiving officer to deal with the matters or causes that necessitated the withholding or stopping of the payment;

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

(d) the actual expenditure incurred by the transferring national officer in respect of a Schedule 6 allocation;

(e) any matter or information that may be required by the relevant framework for the particular allocation; and

(f) such other matters as the National Treasury may determine.

(7) A transferring national officer must submit to the National Treasury—

(a) a monthly provincial report on infrastructure expenditure partially or fully funded by the Health Facility Revitalisation Grant or Technical Secondary Schools Recapitalisation Grant within 30 days after the end of each month, in the format determined by the National Treasury; and

(b) a quarterly performance report of all programmes partially or fully funded by a Schedule 5 or 6 allocation within 45 days after the end of each quarter, in accordance with the requirements of the relevant framework.

(8) The transferring national officer must evaluate the performance of all programmes partially or fully funded by a Schedule 5 or 6 allocation and submit such evaluations to the National Treasury, within four months in respect of a provincial department, and six months in respect of a municipality, after the end of the financial year.

(9) The transferring national officer for the Human Settlements Development Grant must—

(a) in consultation with the receiving officer and the National Treasury, determine the allocations for the financial year and the indicative allocations for the next financial year and the 2015/16 financial year from the Human Settlements Development Grant for each municipality that has level one or two accreditation;

(b) submit the allocations and indicative allocations to the National Treasury not later than 28 days after this Act takes effect; and

(c) publish by notice in the *Gazette* the allocations and indicative allocations within 14 days after the submission thereof to the National Treasury.

Duties of receiving officer in respect of Schedule 4 allocations

11. (1) The receiving officer of a Schedule 4 allocation is responsible for—

(a) complying with the relevant framework for the Schedule 4 allocation; and

(b) the manner in which the Schedule 4 allocation received from a national transferring officer is allocated and spent.

(2) The receiving officer of a municipality must—

(a) ensure and certify to the National Treasury that the municipality—

(i) indicates each programme partially or fully funded by a Schedule 4 allocation in its annual budget and that the Schedule 4 allocation is specifically and exclusively appropriated in that budget according to the purpose of the allocation; and

(ii) makes public, in terms of section 21A of the Municipal Systems Act, the conditions and other information in respect of the allocation, to facilitate performance measurement and the use of required inputs and outputs; and

(b) when submitting the municipality's statements in terms of section 71 of the Municipal Finance Management Act for September 2013, December 2013, March 2014 and June 2014, report to the transferring national officer, the relevant provincial treasury and the National Treasury—

(i) in respect of the Urban Settlements Development Grant, on financial performance against the measures defined in its service delivery and budget implementation plan; and

(ii) in respect of any other Schedule 4 allocation, on financial performance of programmes partially or fully funded by the allocation; and

(c) within 30 days after the end of each quarter, report to the transferring national officer and the National Treasury—

(i) in respect of the Urban Settlements Development Grant, on non-financial

performance for that quarter against the measures defined in its service delivery and budget implementation plan; and

(ii) in respect of any other Schedule 4 allocation, on non-financial performance of programmes partially or fully funded by the allocation.

(3) The National Treasury must make the report submitted to it in terms of subsection (2)*(b)* or *(c)* available to any other national departments that have responsibilities relating to the allocation.

(4) The receiving officer in a province must submit to the relevant provincial treasury and the transferring national officer—

(a) as part of the report required in section 40(4)*(c)* of the Public Finance Management Act, reports on financial and non-financial performance of programmes partially or fully funded by a Schedule 4 allocation;

(b) a quarterly non-financial performance report of programmes partially or fully funded by a Schedule 4 allocation within 30 days after the end of each quarter; and

(c) a monthly provincial report on infrastructure programmes partially or fully funded by a Schedule 4 allocation within 15 days after the end of each month, in the format determined by the National Treasury.

(5) The receiving officer must report on programmes partially or fully funded by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report.

(6) *(a)* The receiving officer must, within two months after the end of the financial year, evaluate the financial and non-financial performance of the province or municipality, as the case may be, in respect of programmes partially or fully funded by a Schedule 4 allocation and submit such evaluation to the transferring national officer and the relevant provincial treasury.

(b) A municipality that receives the Urban Settlements Development Grant must report financial and non-financial performance information against its capital budget in terms of section 71 of the Municipal Finance Management Act.

(c) The reporting on performance with respect to the Urban Settlements Development Grant must be based on the infrastructure budget and service delivery and budget implementation plan of the municipality concerned.

Duties of receiving officer in respect of Schedule 5 or 7 allocations

12. (1) The receiving officer of a Schedule 5 or 7 allocation must ensure compliance with the relevant framework.

(2) The relevant receiving officer must, in respect of a Schedule 5 or 7 allocation transferred to—

(a) a province, as part of the report required in section 40(4)*(c)* of the Public Finance Management Act, report on the matters referred to in subsection (3) and submit a copy of that report to the relevant provincial treasury and the transferring national officer;

(b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant transferring national officer; and

(c) a province or a municipality, submit a quarterly non-financial performance report within 30 days after the end of each quarter to the transferring national officer and the relevant provincial treasury.

(3) A report for a province in terms of subsection (2)*(a)* 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;

(b) the amount of funds stopped or withheld from the province;

(c) the actual expenditure by the province in respect of Schedule 5 and 7 allocations;

(d) the amount transferred to any national or provincial public entity to implement a programme funded by a Schedule 5 allocation on behalf of a province or to assist the province in implementing such a programme;

(e) the available figures regarding the expenditure by a public entity referred to in paragraph *(d)*;

(f) the extent of compliance with this Act and with the conditions of an allocation provided for in a framework, based on the available information at the time of reporting;

(g) an explanation of any material problems experienced by the province regarding an allocation which has been received and a summary of the steps taken to deal with such problems;

(h) any matter or information that may be prescribed in the relevant framework for the particular allocation; and

(i) such other issues and information as the National Treasury may determine.

(4) A report for a municipality in terms of subsection (2)*(b)* must set out for that month and for the financial year up to the end of that month—

(a) the amount received by the municipality;

(b) the amount of funds stopped or withheld from the municipality;

(c) the extent of compliance with this Act and with the conditions of an allocation or part of an allocation provided for in a framework;

(d) an explanation of any material problems experienced by the municipality regarding an allocation which has been received and a summary of the steps taken to deal with such problems;

(e) any matter or information that may be determined in the relevant framework for the particular allocation; and

(f) such other matter and information as the National Treasury may determine.

(5) A receiving officer must, within two months after the end of the financial year, evaluate the performance in respect of programmes or functions partially or fully funded by an allocation and submit such evaluation to the transferring national officer and the relevant provincial treasury.

(6) The receiving officer of the Human Settlements Development Grant must, in consultation with the transferring national officer, publish in the *Gazette* within 14 days after this Act takes effect, the planned expenditure from the Human Settlements Development Grant, for the financial year, the next financial and the 2015/16 financial year per municipality with level one or level two accreditation, separately indicating the expenditure to be undertaken directly by the province, and transfers to each municipality.

Duties of receiving officer in respect of infrastructure conditional allocations to provinces

13. (1) The receiving officer of the Education Infrastructure Grant, Health Facility Revitalisation Grant or Provincial Roads Maintenance Grant must—

(a) within 14 days after this Act takes effect, publish in the provincial *Gazette* a list of infrastructure projects for education, health and roads that will require full or partial funding from conditional allocations from the next financial year and the 2015/16 financial year, in the format determined by the National Treasury;

(b) within seven days after the publication, submit the published list to the national transferring officer and the National Treasury; and

(c) publish in the provincial *Gazette* any amendment to the list and submit it to the national transferring officer, the provincial treasury and the National Treasury.

(2) The receiving officer of the Education Infrastructure Grant, Health Facility Revitalisation Grant or Provincial Roads Maintenance Grant must—

(a) within 14 days after this Act takes effect or another date approved by the National Treasury, submit to the transferring national officer and the National Treasury, the approved organisational structure of the affected provincial department that—

(i) complies with the Public Service Act, 1994 (Proclamation No. 103 of 1994), applicable to infrastructure delivery in the sector; and

(ii) includes an indication of the number of—

(aa) posts per profession and the highest educational qualifications of the incumbent and years of experience in the management or operationalisation of infrastructure in the public sector; and

(bb) vacancies and existing positions filled;

(b) report on all infrastructure expenditure partially or fully funded by the grant to the transferring national officer and the National Treasury in the format determined by the National Treasury;

(c) maintain a database of every contract that is fully or partially funded by the grant and, if the contract is above the prescribed tender value, ensure that it is recorded in the register of projects in terms of section 22(3) of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000);

(d) ensure that infrastructure projects comply with construction industry best practise standards and guidelines, as identified and approved by the National Treasury; and

(e) within two months after the end of the financial year—

(i) evaluate the financial and non-financial performance of the province in respect of programmes partially or fully funded by the grant based on the infrastructure budget of the province; and

(ii) submit the evaluation to the transferring national officer, the relevant provincial treasury and the National Treasury.

Duties in respect of annual financial statements and annual reports for 2013/14

14. (1) The 2013/14 financial statements of a national department responsible for transferring an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation—

(a) indicate the total amount of that allocation transferred to a province or municipality;

(b) indicate any transfer withheld or stopped in terms of section 17 or 18 in respect of each province or municipality;

(c) indicate any reallocations by the National Treasury in terms of section 19;

(d) certify that all transfers to a province or municipality were deposited into the primary bank account of a province or municipality; and

(e) indicate the funds, if any, utilised for the administration of the allocation by the receiving officer.

(2) The 2013/14 annual report of a national department responsible for transferring an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation indicate—

(a) the reasons for the withholding or stopping of any transfers to a province or municipality in terms of section 17 or 18;

(b) to what extent provinces or municipalities were monitored for compliance with this Act;

(c) to what extent the allocation achieved its objectives and outputs; and

(d) any non-compliance with this Act, and the steps taken to address such non-compliance.

(3) The 2013/14 financial statements of a provincial department responsible for receiving an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation—

(a) indicate the total amount of all allocations received;

(b) indicate the total amount of actual expenditure on all allocations except Schedule 4 allocations; and

(c) certify that all transfers of allocations in Schedule 4, 5 and 7 to the province were deposited into the primary bank account of the province.

(4) The 2013/14 annual report of a provincial department receiving an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation—

(a) indicate to what extent the provincial department complied with this Act;

(b) indicate the steps taken to address non-compliance with this Act;

(c) indicate the extent to which the objectives and outputs of the allocation were achieved;
(d) contain any other information that may be specified in the relevant framework for the allocation; and
(e) contain such other information as the National Treasury may determine.

(5) The 2013/14 financial statements and annual report of a municipality receiving an allocation in Schedule 4, 5 or 7 must be prepared in accordance with the Municipal Finance Management Act.

(6) The National Treasury may determine how transferring departments and receiving municipalities report on allocations to municipalities on a quarterly basis, to facilitate the audit of allocations for the financial year.

Part 3

Matters relating to Schedule 4 to 7 allocations

Publication of allocations and frameworks

15. (1) The National Treasury must, within 14 days after this Act takes effect, publish by notice in the *Gazette*—
(a) the allocations per municipality for Part B of Schedule 5 allocations;
(b) the indicative allocations per municipality for Part B of Schedule 6 allocations; and
(c) the framework for each allocation in Schedules 4 to 7.

(2) For purposes of correcting an error or omission in an allocation or framework published in terms of subsection (1), the National Treasury must—
(a) after consultation with or at the written request of a transferring national officer; and
(b) in the case of a proposed amendment of a framework, after submitting the proposed amendment to Parliament for comment for a period of 14 days when Parliament is in session,
by notice in the *Gazette* amend the affected allocation or framework.

(3) An amendment in terms of subsection (2) takes effect on the date of publication of the notice in the *Gazette*.

Expenditure in terms of purpose and subject to conditions

16. (1) Despite anything to the contrary in any other legislation, an allocation referred to in Schedules 4 to 7 may only be utilised for the purpose stipulated in the Schedule concerned and in accordance with the applicable framework.

(2) A receiving officer may not transfer any Schedule 5 allocation thereof to any other entity or other sphere of government for the performance of a function envisaged in terms of the allocation, unless the receiving officer and that entity or other sphere of government, with the approval of the National Treasury, agreed to a payment schedule and—
(a) it is a transfer that is approved in the budget of the receiving provincial department or municipality or the applicable framework;
(b) it is a payment for services rendered or goods received, which services or goods were procured in accordance with the supply chain management policy or procurement policy of the relevant province or municipality and for which adequate documentation for payment has been received; or
(c) in the case of an advance payment or a transfer which is not consistent with the budget of the receiving provincial department or municipality—
(i) the receiving officer has certified to the National Treasury that the transfer is not an attempt to artificially inflate its expenditure estimates and that there are good reasons for the advance payment or transfer; and
(ii) the National Treasury has approved the advance payment or transfer.

(3) For purposes of the implementation of a Schedule 6 allocation to a municipality—
(a) Eskom Holdings Limited may receive funds directly from the transferring national officer of the Department of Energy;

(b) a water board, as defined in section 1 of the Water Services Act, 1997 (Act No. 108 of 1997), may receive funds directly from the transferring national officer of the Department of Water Affairs or the Department of Human Settlements.

(4) *(a)* For purposes of the Human Settlements Development Grant, a receiving officer and a municipality with level one, two or three accreditation as at 1 April 2013, must, by the date determined by the National Treasury, comply with subsection (2) by—

(i) entering into a payment schedule; and

(ii) submitting the payment schedule to the National Treasury for approval.

(b) If a municipality receives accreditation after 1 April 2013, the National Treasury may approve that paragraph *(a)* applies.

(c) If the transfer of the Human Settlements Development Grant to a municipality with level three accreditation is withheld or stopped in terms of section 17 or 18, the receiving officer must request the National Treasury to amend the payment schedule in terms of section 23.

(5) If a function fully or partially funded by the Human Settlements Development Grant is assigned by a province to a municipality having a level 3 accreditation, as envisaged in section 10 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)—

(a) funds from that Grant for the province for the function must be stopped in terms of section 18 and reallocated in terms of section 19 to the municipality which has been assigned the function;

(b) any project or contract regarding the function must, if possible, be finalised by the province before the date the function is assigned and, if not finalised, the province must notify the relevant municipality and the National Treasury;

(c) any project or contract regarding the function not finalised at the date at which the function is assigned, must be subjected to an external audit and the province and the municipality must enter into an agreement to cede to the municipality all contracts related to the function;

(d) money that is retained by the province for any contract related to the function that is not ceded to the municipality must be spent by 31 March 2014 and will not be available in terms of section 30 of the Public Finance Management Act or section 28(6)*(c)*; and

(e) the receiving officer of the province must submit to the national transferring officer and the National Treasury a list of liabilities attached to the function, that were not transferred to the municipality within seven days after the function is assigned to provide for the adjustment of the applicable allocations.

(6) Subsection (5) applies, with the necessary changes, if a function that is fully or partially funded by the Public Transport Operations Grant, is assigned by a province to a municipality, as envisaged in section 10 of the Local Government: Municipal Systems Act, 2000.

(7) A project funded by the Human Settlements Development Grant that is initiated after 1 April 2013, must be done in terms of an agreement with the municipality and aligned to the allocations for the municipality in the applicable framework.

Withholding of allocation

17. (1) Subject to subsections (2) and (3), a transferring national officer may withhold the transfer of a Schedule 4 or 5 allocation, or any portion thereof, for a period not exceeding 30 days, if—

(a) the province or municipality does not comply with any provision of this Act;

(b) roll-overs of conditional allocations approved by the National Treasury in terms of section 21 have not been spent; or

(c) expenditure on previous transfers during the financial year reflects significant under-expenditure, for which no satisfactory explanation is given.

(2) If an allocation is withheld in terms of subsection (1), it suspends the applicable payment schedule approved in terms of section 22(3) until it is amended in terms of section 23(1).

(3) The amount withheld in terms of this section in the case of the Health Professions Training and Development Grant and the National Tertiary Services Grant listed in Part A of Schedule 4 may not exceed five per cent of the next transfer as contained in the relevant payment schedule.

(4) A transferring national officer must, at least seven working days before withholding an allocation in terms of subsection (1)—

(a) give the relevant receiving officer—
  (i) notice of the intention to withhold the allocation; and
  (ii) an opportunity to submit written representations as to why the allocation should not be withheld; and

(b) inform the relevant provincial treasury and the National Treasury, and in respect of any conditional allocation to a municipality, also the provincial department responsible for local government.

(5) A notice envisaged in subsection (4) must include the reasons for withholding the allocation and the intended duration of the withholding to inform the amendment of the payment schedule in terms of section 23.

(6) *(a)* The National Treasury may instruct, or approve a request from, the transferring national officer to withhold an allocation in terms of subsection (1) for a period longer than 30 days, but not exceeding 120 days, if the withholding will—
  (i) facilitate compliance with this Act; or
  (ii) minimise the risk of under-spending.

(b) When requesting the withholding of an allocation in terms of this subsection, a transferring national officer must submit to the National Treasury proof of compliance with subsection (4) and any representations received from the receiving officer.

(c) The transferring national officer must again comply with subsection (4) when the National Treasury instructs or approves a request by the transferring national officer in terms of paragraph *(a)*.

Stopping of allocation

18. (1) Despite section 17, the National Treasury may, in its discretion or at the request of a transferring national officer, or a receiving officer, stop the transfer of a Schedule 4 or 5 allocation, or a portion thereof, to a province or municipality—

(a) on the grounds of persistent and material non-compliance with this Act;

(b) if the National Treasury anticipates that a province or municipality will substantially under-spend on that programme or allocation in the financial year;

(c) if a function is assigned from a province to a municipality, as envisaged in section 10 of the Local Government: Municipal Systems Act, 2000; or

(d) if a province implementing an infrastructure project does not comply with construction industry best practise standards and guidelines, as identified and approved by the National Treasury.

(2) Except where a function is assigned from a province to a municipality, the National Treasury must, before stopping an allocation in terms of this section—

(a) comply with section 17(4)*(a)*, and in respect of a municipality, also with section 38 of the Municipal Finance Management Act; and

(b) inform the relevant provincial treasury of its intention to stop the allocation.

(3) The National Treasury must give notice in the *Gazette* of the stopping of an allocation in terms of this section and include in the notice the effective date of, and reason for, the stopping.

(4) *(a)* The National Treasury may, by notice in the *Gazette*, approve that an allocation or any portion of such allocation stopped in terms of this section, be utilised to meet any outstanding statutory or contractual financial commitment of the province or municipality in question.

(b) The utilisation of funds envisaged in this subsection is a direct charge against the National Revenue Fund.

Reallocation of funds

19. (1) *(a)* When a Schedule 4 or 5 allocation or a portion thereof is stopped in terms of section 18, the National Treasury may, after consultation with the transferring national officer and the relevant provincial treasury, determine that the allocation or a portion thereof be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent in the financial year or the next financial year.

(b) The National Treasury must—

(i) give notice in the *Gazette* of a reallocation; and

(ii) provide a copy of the notice to the transferring national officer and each affected receiving officer.

(c) The reallocation of an allocation or a portion thereof on condition that it must be spent in the next financial year, must be regarded as a roll-over approved by the National Treasury in terms of section 21(2), and any regulations regarding the process for roll-overs, made in terms of section 76 of the Public Finance Management Act, do not apply.

(2) *(a)* When an intervention in terms of section 100 or 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act takes place, the National Treasury may, despite subsection (1) and on such conditions as it may determine, authorise, in relation to—

(i) section 100 of the Constitution, the transferring national officer to spend an allocation stopped in terms of section 18 on behalf of the relevant province;

(ii) section 139 of the Constitution or sections 137 and 139 of the Municipal Finance Management Act, the intervening province to spend an allocation stopped in terms of section 18 on behalf of the relevant municipality; or

(iii) section 150 of the Municipal Finance Management Act, the relevant transferring national officer to spend an allocation stopped in terms of section 18 on behalf of the relevant municipality.

(b) An allocation that is spent by the transferring national officer or intervening province referred to in paragraph *(a)* must, for the purposes of this Act, be regarded as a Schedule 6 allocation from the date on which the authorisation is given.

(3) When a function is assigned by a province to a municipality, as envisaged in section 10 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), the National Treasury must, after consultation with the transferring national officer, determine the portion of the allocation to be reallocated in terms of subsection (1).

(4) *(a)* If it is unlikely that a conditional allocation related to infrastructure in Schedule 4, 5 or 6, or a portion thereof, will be spent by the end of the financial year, the National Treasury may, after consultation with the national transferring officer and the national department responsible for local government, authorise that any part of the likely unspent portion of the allocation be reallocated to pay for the reconstruction and rehabilitation of infrastructure damage caused by a disaster.

(b) The reallocated funds must be utilised in the financial year and for the same conditional allocation and the same province or municipality to which the allocation was originally made.

(c) The national transferring officer must determine the conditions for spending the reallocated funds, after consultation with the national department responsible for local government and with the approval of the National Treasury.

Conversion of allocations

20. (1) If satisfied that—

(a) the conversion will prevent under-expenditure or improve the level of service delivery on the allocation in question; and

(b) the affected national or provincial department or municipality has demonstrated the capacity to implement projects,

the National Treasury may, in its discretion or at the request of the transferring national officer and the affected receiving officer, convert any portion of—

(i) an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6;

(ii) an allocation listed in Part B of Schedule 6 to one listed in Part B of Schedule 5;

(iii) the School Infrastructure Backlogs Grant to the Education Infrastructure Grant; or

(iv) the National Health Grant listed in Part A of Schedule 6 to the relevant component of the Health Facility Revitalisation Grant or the National Health Insurance Grant listed in Part A of Schedule 5.

(2) Any portion of an allocation converted in terms of subsection (1) must be utilised for the same province or municipality to which the allocation was originally made.

(3) The National Treasury must—

(a) give notice in the *Gazette* of a conversion in terms of subsection (1); and

(b) provide a copy of the notice to the transferring national officer and each affected receiving officer.

(4) A conversion in terms of subsection (1) takes effect on the date of publication of the notice in terms of subsection (3)*(a)*.

Unspent conditional allocations

21. (1) Despite anything to the contrary in the Public Finance Management Act or the Municipal Finance Management Act, any conditional allocation, or a portion thereof, that is not spent at the end of the financial year reverts to the National Revenue Fund, unless the roll-over of the allocation is approved in terms of subsection (2).

(2) The National Treasury may, at the request of a transferring national officer, receiving officer or provincial treasury, approve a roll-over of a conditional allocation to the next financial year if the unspent funds are committed to identifiable projects.

(3) *(a)* The receiving officer must ensure that any funds that must revert to the National Revenue Fund in terms of subsection (1), are paid into that Fund.

(b) The receiving officer must—

(i) in the case of a provincial department, request the rollover of unspent funds through its provincial treasury; and

(ii) inform the transferring national officer of all processes regarding the request.

(4) The National Treasury may, in accordance with subsection (5), offset any funds which must revert to the National Revenue Fund in terms of subsection (1), but which have not yet been paid into that Fund—

(a) in the case of a province, against future advances for conditional allocations to that province; or

(b) in the case of a municipality, against future advances for the equitable share or conditional allocations to that municipality.

(5) Before any funds are offset in terms of subsection (4), the National Treasury must give the relevant transferring national officer, province or municipality—

(a) notice of the intention to offset amounts against future advances for allocations; and

(b) an opportunity, within 14 days of receipt of the notice, to—

(i) submit written representations and other written proof that the allocation, or a portion thereof, was either spent in terms of the relevant framework or is committed to identifiable projects;

(ii) propose alternative means acceptable to the National Treasury by which the unspent allocations can be paid into the National Revenue Fund; and

(iii) propose an alternative payment schedule in terms of which the unspent allocations will be paid into the National Revenue Fund.

(6) A notice referred to in subsection (5) must include the intended amount to be offset against allocations and the reasons for offsetting the amounts.

Part 4

Matters relating to Schedule 1 to 7 allocations

Payment schedule

22. (1) *(a)* The National Treasury must, after consultation with the accounting officer of the provincial treasury, determine the payment schedule for the transfer of a province's equitable share allocation.

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

(c) Despite paragraph *(a)*, the National Treasury may, for cash management purposes relating to the corporation for public deposits account or when an intervention in terms of section 100 of the Constitution takes place, on such conditions as it may determine,

advance funds to a province in respect of its equitable share or a portion of it which has not yet fallen due for transfer in terms of the payment schedule.

(d) Any advances in terms of paragraph *(c)* must be offset against transfers to the province which would otherwise become due in terms of the payment schedule.

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

(b) Despite paragraph *(a)*, National Treasury may approve a request or direct that the equitable share or a portion of the equitable share which has not yet fallen due for transfer in terms of the payment schedule, be advanced to a municipality—

(i) after consultation with the accounting officer of the national department responsible for local government;

(ii) for purposes of cash management in the municipality or an intervention in terms of section 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act; and

(iii) on such conditions as it may determine.

(c) Any advances in terms of paragraph *(b)* must be offset against transfers to the municipality which would otherwise become due in terms of the payment schedule.

(3) *(a)* Subject to section 27(1), the National Treasury must, within 14 days after this Act takes effect, approve the payment schedule for the transfer of an allocation listed in Schedule 4 or 5 to a province or municipality.

(b) The transferring national officer of a Schedule 4 or 5 allocation must submit a payment schedule to the National Treasury for approval before the first transfer is made.

(c) Before the submission of a payment schedule in terms of paragraph *(b)*, the transferring national officer must, in relation to—

(i) a Schedule 4 allocation, consult the relevant receiving officer; and

(ii) a Schedule 5 allocation, consult the relevant province or municipality.

(d) The National Treasury must determine the requirements regarding payment schedules for the transfer of allocations listed in Schedule 6.

(4) The transferring national officer of a Schedule 4 or 5 allocation must provide the receiving officer and the relevant provincial treasury with a copy of the approved payment schedule before making the first transfer in terms thereof.

(5) The transfer of a Schedule 4 or 5 allocation to a municipality must accord with the financial year.

Amendment of payment schedule

23. (1) *(a)* Subject to subsection (2), a transferring national officer of a Schedule 4 or 5 allocation must, within seven days of the withholding or stopping of an allocation in terms of section 17 or 18, submit an amended payment schedule to the National Treasury for approval.

(b) No transfers may be made until the National Treasury has approved the amended payment schedule.

(2) For purposes of better debt and cash-flow management or addressing financial mismanagement or financial misconduct or slow or accelerated expenditure, the National Treasury may amend any payment schedule for an allocation listed in Schedule 2, 3, 4 or 5, after notifying, in the case of—

(a) an allocation to a province, the accounting officer of the provincial treasury in question;

(b) an allocation to a municipality, the accounting officer of the national department responsible for local government;

(c) a Schedule 4 or 5 allocation, the relevant transferring national officer.

(3) A payment schedule amended in terms of subsection (1) or (2) must take into account—

(a) the monthly expenditure commitments of provinces or municipalities;

(b) the revenue at the disposal of provinces or municipalities; and

(c) the minimisation of risk and debt servicing costs for all three spheres of government.

(4) The transferring national officer must immediately inform the receiving officer of any amendment to a payment schedule in accordance with subsection (1) or (2).

CHAPTER 4

MATTERS RELATING TO ALL ALLOCATIONS

Transfers made in error or fraudulently

24. (1) Despite anything to the contrary in any legislation, the transfer of an allocation that is an overpayment to a province, municipality or public entity, made in error or fraudulently, is regarded as not legally due to that province, municipality or public entity, as the case may be.

(2) The responsible transferring national officer must, without delay, recover an overpayment referred to subsection (1), unless an instruction has been issued in terms of subsection (3).

(3) The National Treasury may instruct that the recovery referred to in subsection (2) be effected by set-off against future transfers to the affected province, municipality or public entity in terms of a payment schedule.

New allocations during financial year and Schedule 7 allocations

25. (1) If further allocations are made to provinces or municipalities, as envisaged in terms of section 6(3), the National Treasury must, before the transfer of any funds to a province or municipality, by notice in the *Gazette* and as applicable—

(a) amend any allocation or framework published in terms of section 15(1), as amended in terms of section 15(2);

(b) publish the allocation per municipality for any new Part B of Schedule 5 allocation or the indicative allocation per municipality for any new Part B of Schedule 6 allocation; or

(c) publish a framework for any new Schedule 4, 5, 6 or 7 allocation.

(2) Section 15(2) and (3) applies with the necessary changes to allocations and frameworks published in terms of subsection (1).

(3) *(a)* The transferring national officer may, with the approval of the National Treasury, transfer a Schedule 7 allocation to a province or municipality.

(b) The transferring national officer must notify the relevant provincial treasury and the National Treasury within 14 days of a transfer of a Schedule 7 allocation to a province or municipality.

(c) The National Treasury must publish a Schedule 7 allocation by notice in the *Gazette* within 21 days after being notified in terms of paragraph *(b)*.

(d) Schedule 7 allocations must be appropriated either in the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriation legislation.

Preparations for next financial year and 2015/16 financial year

26. (1) *(a)* A category C municipality that receives a conditional allocation in terms of this Act must, using the indicative conditional allocations to that municipality for the next financial year and the 2015/16 financial year as set out in Column B of the Schedules to this Act, by 2 October 2013—

(i) agree on the provisional allocations and the projects to be funded from those allocations in the next financial year and the 2015/16 financial year with each category B municipality within the category C municipality's area of jurisdiction; and

(ii) submit to the transferring national officer—

(aa) the provisional allocations referred to in subparagraph (i); and

(bb) the projects referred to in subparagraph (i), listed per municipality to be funded from the allocations for the next financial year and the 2015/16 financial year.

(b) If a category C municipality and a category B municipality cannot agree on the allocations and projects referred to in paragraph *(a)*, the category C municipality must request the relevant transferring national officer to facilitate agreement.

(c) The transferring national officer must take all necessary steps to facilitate agreement as soon as possible, but no later than 60 days after receiving a request referred to in paragraph *(b)*.

(d) Any proposed amendment or adjustment of the allocations that is intended to be published in terms of section 29(3)*(b)* must be agreed with the relevant category B municipality, the transferring national officer and the National Treasury, before publication and the submission of the allocations referred to in paragraph *(a)*(ii).

(e) If agreement is not reached between the category C municipality and the category B municipality on the provisional allocations and projects referred to in paragraph *(a)* before 2 October 2013, the National Treasury may determine the provisional allocations and provide those provisional allocations to the municipalities concerned and the transferring national officer.

(f) (i) The final allocations based on the provisional allocations referred to in paragraph *(a)*(i) and (ii) and *(e)* must be submitted to the National Treasury by 6 December 2013.

(ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 6 December 2013, the National Treasury may determine the appropriate allocations, taking into consideration the indicative allocations for the next financial year.

(2) *(a)* The transferring national officer of a conditional allocation, using the indicative conditional allocations for the next financial year and the 2015/16 financial year as set out in Column B of the Schedules to this Act, must, by 2 October 2013, submit to the National Treasury for approval—

(i) the provisional allocations to each province or municipality in respect of new conditional allocations to be made in the next financial year;

(ii) any amendments to the indicative allocations for each province or municipality set out in Column B of the Schedules in respect of existing conditional allocations; and

(iii) the draft frameworks for the allocations referred to in subparagraphs (i) and (ii) in the format to be determined by the National Treasury.

(b) Any proposed amendment or adjustment for the next financial year of the allocation criteria of an existing conditional allocation must be agreed with the National Treasury before the submission of the provisional allocations and draft frameworks referred to in paragraph *(a)*(ii) and (iii).

(c) If the transferring national officer fails to comply with paragraph *(a)* by 2 October 2013, the National Treasury may determine—

(i) the provisional allocations in paragraph *(a)*(i);

(ii) any amendments to the indicative allocations contemplated in paragraph *(a)*(ii); and

(iii) the draft frameworks for the allocations referred to in paragraph *(a)*(iii), and submit that information to the relevant provinces or municipalities.

(d) (i) The final allocations based on the provisional allocations referred to in paragraph *(a)*(i) and (ii) must be submitted to the National Treasury by 6 December 2013.

(ii) If the transferring national officer fails to submit the allocations referred to in subparagraph (i) by 6 December 2013, the National Treasury may determine the appropriate allocations, taking into consideration the indicative allocations for the next financial year.

(3) The National Treasury may, in preparation for the next financial year, instruct transferring national officers and receiving officers to submit to it such plans and information for any conditional allocation as it may determine at specified times before the start of the next financial year.

(4) *(a)* For purposes of the Education Infrastructure or Health Facility Revitalisation Grant in the 2015/16 financial year, the accounting officer of the relevant provincial department must, in the format determined by the National Treasury, submit to the national transferring officer and the National Treasury, by—

(i) 5 July 2013, a document setting out the roles and responsibilities of the relevant provincial departments regarding infrastructure delivery, approved by the Executive Council of the province;

(ii) 26 July 2013, a user asset management plan for all infrastructure programmes for the financial, next financial and 2015/16 financial years; and

(iii) 20 September 2013, an infrastructure programme management plan and construction procurement strategy for infrastructure programmes envisaged to commence in the 2015/16 financial year.

(b) The National Treasury must, by 6 December 2013, notify the national transferring officer and the affected provincial departments which infrastructure programmes and projects it will propose for full or partial funding through the grant in the financial years in question.

Transfers before commencement of Division of Revenue Acts for 2013 and 2014

27. (1) If an amount of an allocation is transferred in terms of section 27 of the Division of Revenue Act, 2012, before this Act takes effect, the amount is, with the changes required by the context, subject to the applicable framework for the 2012/13 financial year and the other requirements of the Division of Revenue Act, 2012, as if it is an amount of an allocation for the 2012/13 financial year.

(2) Despite sections 3(2), 7(2) and 8(2), if the annual Division of Revenue Act for the next financial year has not commenced before or on 1 April 2014, the National Treasury may determine that an amount not exceeding 45 per cent of the total amount of each allocation made in terms of section 3(1), 7(1) or 8(1) be transferred to the relevant province or municipality as a direct charge against the National Revenue Fund.

(3) If an amount of an allocation, made in terms of section 7(1) or 8(1), is transferred in terms of subsection (2), the amount is, with the changes required by the context, subject to the applicable framework for the 2013/14 financial year and the other requirements of this Act as if it is an amount of an allocation for the 2013/14 financial year.

CHAPTER 5

DUTIES AND POWERS OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY

Duties of municipalities

28. (1) *(a)* In addition to the requirements of the Municipal Finance Management Act, the accounting officer of a category C municipality must, within 14 days after this Act takes effect, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, for the 2013/14 financial year and the two following financial years.

(b) The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities.

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

(3) A category C municipality must ensure that it does not duplicate a function currently performed by a category B municipality and must transfer funds for the provision of services, including basic services, to the relevant category B municipality that is providing municipal services, despite the fact that—

(a) the category C municipality retains the power or function in terms of the Municipal Structures Act; and

(b) a service delivery agreement for the provision of services by the category B municipality on behalf of the category C municipality has not been concluded.

(4) A category B municipality which is not authorised to perform a function in terms of the Municipal Structures Act may not extend the scope or type of services that it currently provides, without—

(a) entering into a service delivery agreement with the category C municipality which is authorised to perform the function in terms of the Municipal Structures Act; or

(b) obtaining authorisation to perform the function in terms of the Municipal Structures Act.

(5) *(a)* A category C municipality and a category B municipality must, before the commencement of a financial year, agree to a payment schedule in respect of the allocations referred to in subsection (1)*(b)* to be transferred to the category B municipality in that financial year, and the category C municipality must submit that payment schedule to the National Treasury before the commencement of the financial year.

(b) A category C municipality must make transfers in accordance with the payment schedule submitted in terms of paragraph *(a)*.

(6) *(a)* The National Treasury may withhold or stop any allocation to the category C municipality and reallocate the allocation to the relevant category B municipalities if a category C municipality fails to—

(i) make allocations referred to in subsection (1)*(b)*;
(ii) reach an agreement envisaged in subsection (2); or
(iii) submit a payment schedule in accordance with subsection (5)*(a)*.

(b) Sections 17(3) and 18(3) and (4) of this Act and section 216 of the Constitution apply, with the necessary changes, to the withholding or stopping of an allocation in accordance with paragraph *(a)*.

(c) The National Treasury may, where it stops an allocation in terms of this section, after consultation with the transferring national officer, determine that a portion of the allocation that will not be spent, be reallocated to one or more municipalities, on condition that the allocation will be spent in the financial year or the next financial year.

(7) A municipality must ensure that any allocation made to it in terms of this Act, or by a province or another municipality, that is not reflected in its budget as tabled in accordance with section 16 of the Municipal Finance Management Act, is reflected in its budget to be considered for approval in accordance with section 24 of the Municipal Finance Management Act.

(8) A municipality with a level three accreditation for the Human Settlements Development Grant must—

(a) ensure that it reports on financial and non-financial performance related to the requirements specified in the relevant framework; and
(b) submit the reports to the receiving officer, the transferring national officer and the National Treasury.

Duties and powers of provincial treasuries

29. (1) The provincial treasury must reflect allocations in Part A of Schedule 5 to the province separately in the appropriation Bill of the province.

(2) *(a)* The provincial treasury must, on the same day that its budget is tabled in the provincial legislature, or a later date approved by the National Treasury, but not later than 14 days after this Act takes effect, publish by notice in the *Gazette*—

(i) the indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds;
(ii) the indicative allocation to be made per school and per hospital in the province;
(iii) the indicative allocation to any national or provincial public entity for the implementation of a programme funded by an allocation in Part A of Schedule 5 on behalf of a province or for assistance provided to the province in implementing such a programme;
(iv) the envisaged division of the allocation envisaged in subparagraphs (i) and (ii), in respect of each municipality, school and hospital, for the next financial year and the 2015/16 financial year;
(v) the conditions and other information in respect of the allocations referred to in subparagraphs (i), (ii) and (iii) to facilitate performance measurement and the use of required inputs and outputs; and
(vi) the budget of each school and each hospital in a format determined by the National Treasury.

(b) The allocations and budgets referred to in paragraph *(a)* must be regarded as final when the appropriation Act takes effect.

(c) If the provincial legislature amends its appropriation Bill, the provincial treasury must publish amended allocations and budgets by notice in the *Gazette* within 14 days after the appropriation Act takes effect, and those allocations and budget must be regarded as final.

(3) *(a)* Despite subsection (2) or any other legislation, a provincial treasury may, in accordance with a framework determined by the National Treasury, amend the allocations referred to in subsection (2) or make additional allocations to municipalities that were not published in terms of subsection (1) or (2).

(b) Any amendments to the allocations published in terms of subsection (2)*(a)* or *(c)* must be published by notice in the *Gazette* not later than 14 February 2014 and takes effect on the date of the publication.

(4) A provincial treasury must, as part of its report in terms of section 32(2) of the Public Finance Management Act, in the format determined by the National Treasury, report on—

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

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

(c) actual transfers made by the province to municipalities or public entities, and actual expenditure by municipalities or public entities on such allocations, based on the latest information available from municipalities or public entities at the time of reporting; and

(d) financial and non-financial performance regarding the Education Infrastructure, Health Facility Revitalisation and Provincial Roads Maintenance Grants, received by the province, against its infrastructure budget.

(5) *(a)* A provincial treasury must—

(i) ensure that a payment schedule is agreed between each provincial department and receiving institution envisaged in subsection (2)*(a)*;

(ii) ensure that transfers are made promptly to the relevant receiving officer in terms of the agreed payment schedule; and

(iii) submit the payment schedules to the National Treasury within 14 days after this Act takes effect.

(b) If a provincial department and receiving institution do not agree to a payment schedule in time for submission to the National Treasury, the provincial treasury must, after consultation with the national transferring officer, determine the payment schedule.

(6) If a provincial treasury fails to make a transfer in terms of subsection (5)*(b)*, the relevant receiving officer may request the provincial treasury to immediately make the transfer or to provide written reasons within three working days as to why the transfer has not been made.

(7) If a provincial treasury fails to make the transfer requested by the receiving officer or provide reasons in terms of subsection (6), or the receiving officer disputes the reasons provided by the provincial treasury as to why the transfer has not been made, the receiving officer may request the National Treasury to investigate the matter.

(8) Upon a request in terms of subsection (7), the National Treasury must—

(a) consult the national transferring officer on the matter;

(b) investigate the matter, assess any reasons given by the provincial treasury as to why the transfer was not made;

(c) direct the provincial treasury to immediately effect the transfer or provide reasons to the receiving officer confirming why the provincial treasury was correct in not making the transfer; and

(d) advise the provincial treasury and the receiving officer as to what steps must be taken to ensure the transfer.

Duties and powers of National Treasury

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

(2) The National Treasury must, together with the statement envisaged in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in Schedules 4, 5, 6 and 7 or made in terms of section 25.

(3) The National Treasury may, in any report it publishes that aggregates statements published by provincial treasuries envisaged in section 71(7) of the Municipal Finance Management Act, and in any report in respect of municipal finances, include a report on the equitable share and conditional allocations provided for in this Act.

CHAPTER 6

GENERAL

Allocations by public entities to provinces or municipalities

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

Liability for costs incurred in violation of principles of cooperative governance and intergovernmental relations

32. (1) An organ of state involved in an intergovernmental dispute regarding any provision of this Act or any division of revenue matter or allocation must, before approaching a court to resolve such dispute, make every effort to settle the dispute with the other organ of state concerned, including exhausting all mechanisms provided for the settlement of disputes in relevant legislation.

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

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

Irregular expenditure

33. The following transfers constitute irregular expenditure in terms of the Public Finance Management Act or the Municipal Finance Management Act, as the case may be:

(a) A transfer prohibited in terms of section 16(2);
(b) a transfer by a transferring national officer to a bank account of a province or municipality that is not the primary bank account;
(c) a transfer envisaged in section 24(1); or
(d) a transfer made or expenditure of an allocation in contravention of this Act.

Financial misconduct

34. (1) Despite anything to the contrary in any other legislation, any wilful or negligent non-compliance with a provision of this Act constitutes financial misconduct.

(2) Section 84 of the Public Finance Management Act or section 171 of the Municipal Finance Management Act, as the case may be, applies in respect of financial misconduct envisaged in subsection (1).

Delegations and assignments

35. (1) The Minister may, in writing, delegate any of the powers entrusted to the National Treasury in terms of this Act and assign any of the duties imposed on the National Treasury in terms of this Act, to an official of the National Treasury.

(2) A delegation or assignment in terms of subsection (1) to an official of the National Treasury—

(a) is subject to any limitations or conditions that the Minister may impose;

(b) may authorise that official to subdelegate, in writing, the delegated power or assigned duty to another National Treasury official; and

(c) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The Minister may vary or revoke any decision taken by an official as a result of a delegation, subject to any rights that may have vested as a consequence of the decision.

(4) A Member of the Executive Council responsible for finance in a province may, in writing, delegate any of the powers entrusted to the Provincial Treasury of that province in terms of this Act and assign any of the duties imposed on the Provincial Treasury in terms of this Act, to an official of the Provincial Treasury.

(5) Subsections (2) and (3) apply with the necessary changes to a delegation or assignment in terms of subsection (4).

Exemptions

36. (1) If a good ground exists, the National Treasury may, on request or in its own discretion and on good grounds, approve a departure from a provision of a framework, a regulation made under section 37 or a condition imposed in terms of this Act.

(2) For purposes of subsection (1), good grounds include the fact that the provision of the framework, regulation or condition—

(a) cannot be implemented in practice;

(b) impede the achievement of any object of this Act; or

(c) undermines the financial viability of the affected national or provincial department or municipality.

(3) Any departure approved in terms of subsection (1) must set out the period and conditions of the departure, if any, and must be published in the *Gazette*.

Regulations

37. 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

(b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act.

Repeal of laws

38. (1) Subject to section 27(1) and subsection (2), the Division of Revenue Act, 2012 (Act No. 5 of 2012), except sections 15 and 25, is hereby repealed.

(2) The repeal of the Division of Revenue Act, 2012 (Act No. 5 of 2012), does not affect any obligation set out in that Act, the execution of which is still outstanding.

Short title and commencement

39. This Act is called the Division of Revenue Act, 2013, and takes effect on 1 April 2013 or the date of publication in the *Gazette*, whichever is the later date.

SCHEDULE 1

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

Spheres of Government	Column A	Column B	
	2013/14 Allocation	Forward Estimates	
		2014/15	2015/16
	R'000	R'000	R'000
National[1,2]	676 920 412	733 566 388	791 822 019
Provincial	337 572 412	359 924 199	383 697 159
Local	40 581 787	44 490 145	50 207 698
TOTAL	**1 055 074 611**	**1 137 980 732**	**1 225 726 876**

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

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

SCHEDULE 2

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

Province	Column A	Column B	
	2013/14 Allocation	Forward Estimates	
		2014/15	2015/16
	R'000	R'000	R'000
Eastern Cape	50 164 506	52 337 533	54 611 258
Free State	20 000 325	20 905 461	21 897 266
Gauteng	61 374 917	67 431 166	74 049 582
KwaZulu-Natal	73 509 972	77 812 867	82 110 075
Limpopo	41 361 830	43 264 039	45 268 523
Mpumalanga	27 210 543	29 079 599	31 092 725
Northern Cape	9 021 508	9 620 556	10 264 595
North West	22 754 264	24 419 406	26 216 949
Western Cape	32 174 547	35 053 572	38 186 186
TOTAL	**337 572 412**	**359 924 199**	**383 697 159**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
EASTERN CAPE					
A	BUF	Buffalo City	653 660	656 856	654 044
A	NMA	Nelson Mandela Bay	743 325	761 940	772 901
B	EC101	Camdeboo	39 006	40 943	43 371
B	EC102	Blue Crane Route	40 796	42 411	44 607
B	EC103	Ikwezi	16 860	18 186	20 653
B	EC104	Makana	69 044	72 174	75 667
B	EC105	Ndlambe	59 738	64 879	72 949
B	EC106	Sundays River Valley	40 404	46 337	55 159
B	EC107	Baviaans	18 694	20 459	23 484
B	EC108	Kouga	54 165	66 128	81 674
B	EC109	Kou-Kamma	31 384	33 881	37 571
C	DC10	Cacadu District Municipality	75 091	80 338	86 781
Total: Cacadu Municipalities			**445 182**	**485 736**	**541 916**
B	EC121	Mbhashe	136 195	163 002	211 166
B	EC122	Mnquma	168 933	191 570	236 239
B	EC123	Great Kei	34 158	36 790	42 494
B	EC124	Amahlathi	96 720	105 532	124 944
B	EC126	Ngqushwa	66 451	71 882	83 511
B	EC127	Nkonkobe	94 338	106 634	131 252
B	EC128	Nxuba	22 307	23 804	26 694
C	DC12	Amathole District Municipality	621 631	662 019	694 475
Total: Amatole Municipalities			**1 240 733**	**1 361 233**	**1 550 775**
B	EC131	Inxuba Yethemba	40 356	40 656	41 139
B	EC132	Tsolwana	27 463	31 354	39 001
B	EC133	Inkwanca	19 355	21 252	25 206
B	EC134	Lukhanji	112 656	118 544	128 228
B	EC135	Intsika Yethu	99 780	116 201	147 419
B	EC136	Emalahleni	78 749	92 189	117 658
B	EC137	Engcobo	86 604	104 165	135 276
B	EC138	Sakhisizwe	42 714	48 690	59 939
C	DC13	Chris Hani District Municipality	385 035	412 881	441 527
Total: Chris Hani Municipalities			**892 712**	**985 932**	**1 135 393**
B	EC141	Elundini	84 626	102 081	133 357
B	EC142	Senqu	98 133	111 140	136 991
B	EC143	Maletswai	24 074	25 448	27 642
B	EC144	Gariep	25 608	26 340	27 760
C	DC14	Joe Gqabi District Municipality	178 958	194 392	211 537
Total: Joe Gqabi Municipalities			**411 399**	**459 401**	**537 287**
B	EC153	Ngquza Hill	126 980	153 791	201 492
B	EC154	Port St Johns	78 040	93 591	121 664
B	EC155	Nyandeni	143 347	169 814	218 287
B	EC156	Mhlontlo	110 614	128 084	160 508
B	EC157	King Sabata Dalindyebo	184 567	206 947	253 784
C	DC15	O.R. Tambo District Municipality	493 970	550 599	614 106
Total: O.R. Tambo Municipalities			**1 137 518**	**1 302 826**	**1 569 841**
B	EC441	Matatiele	118 249	139 223	177 399
B	EC442	Umzimvubu	117 834	136 376	170 923
B	EC443	Mbizana	126 027	145 455	183 149
B	EC444	Ntabankulu	69 894	80 014	99 570
C	DC44	Alfred Nzo District Municipality	319 703	344 069	368 520
Total: Alfred Nzo Municipalities			**751 707**	**845 137**	**999 561**
Total: Eastern Cape Municipalities			**6 276 236**	**6 859 061**	**7 761 718**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
FREE STATE					
A	MAN	Mangaung	605 072	602 710	591 487
B	FS161	Letsemeng	50 434	50 100	49 583
B	FS162	Kopanong	85 634	82 382	78 029
B	FS163	Mohokare	51 873	52 865	54 514
B	FS164	Naledi	38 200	39 235	40 703
C	DC16	Xhariep District Municipality	25 535	29 343	35 005
Total: Xhariep Municipalities			**251 676**	**253 925**	**257 834**
B	FS181	Masilonyana	82 581	84 684	87 776
B	FS182	Tokologo	43 518	43 813	44 497
B	FS183	Tswelopele	61 909	61 962	62 134
B	FS184	Matjhabeng	424 920	415 397	399 963
B	FS185	Nala	130 670	126 013	120 179
C	DC18	Lejweleputswa District Municipality	100 936	105 052	111 194
Total: Lejweleputswa Municipalities			**844 534**	**836 921**	**825 743**
B	FS191	Setsoto	165 019	165 090	165 262
B	FS192	Dihlabeng	129 734	131 161	131 457
B	FS193	Nketoana	78 119	78 872	80 004
B	FS194	Maluti-a-Phofung	361 770	390 798	446 530
B	FS195	Phumelela	56 906	58 214	59 911
B	FS196	Mantsopa	67 071	67 801	68 729
C	DC19	Thabo Mofutsanyana District Municipality	81 281	87 537	98 062
Total: Thabo Mofutsanyana Municipalities			**939 900**	**979 473**	**1 049 955**
B	FS201	Moqhaka	164 486	167 008	168 900
B	FS203	Ngwathe	156 191	159 928	165 001
B	FS204	Metsimaholo	101 698	107 333	114 374
B	FS205	Mafube	75 544	76 538	78 085
C	DC20	Fezile Dabi District Municipality	134 501	137 635	140 289
Total: Fezile Dabi Municipalities			**632 420**	**648 442**	**666 649**
Total: Free State Municipalities			**3 273 602**	**3 321 471**	**3 391 668**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
GAUTENG					
A	EKU	Ekurhuleni	1 917 953	2 039 212	2 161 058
A	JHB	City of Johannesburg	2 293 212	2 527 926	2 822 727
A	TSH	City of Tshwane	1 166 964	1 371 322	1 628 130
B	GT421	Emfuleni	598 857	601 209	596 178
B	GT422	Midvaal	54 673	60 571	67 337
B	GT423	Lesedi	64 253	71 468	81 742
C	DC42	Sedibeng District Municipality	232 785	239 720	246 087
Total: Sedibeng Municipalities			**950 568**	**972 968**	**991 344**
B	GT481	Mogale City	222 291	238 193	255 661
B	GT482	Randfontein	95 880	100 241	102 691
B	GT483	Westonaria	104 957	113 478	125 673
B	GT484	Merafong City	181 074	175 743	167 138
C	DC48	West Rand District Municipality	172 587	178 648	185 485
Total: West Rand Municipalities			**776 789**	**806 303**	**836 648**
Total: Gauteng Municipalities			**7 105 486**	**7 717 731**	**8 439 907**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
KWAZULU-NATAL					
A	ETH	eThekwini	1 869 806	1 990 981	2 101 119
B	KZN211	Vulamehlo	40 580	48 709	62 702
B	KZN212	uMmdoni	33 387	43 748	60 726
B	KZN213	Umzumbe	94 545	105 482	128 104
B	KZN214	uMuziwabantu	49 397	59 169	76 423
B	KZN215	Ezinqoleni	29 480	34 540	43 567
B	KZN216	Hibiscus Coast	92 600	103 875	126 653
C	DC21	Ugu District Municipality	287 183	323 621	366 670
Total: Ugu Municipalities			**627 172**	**719 144**	**864 845**
B	KZN221	uMshwathi	61 423	69 540	85 328
B	KZN222	uMngeni	37 208	40 399	44 603
B	KZN223	Mpofana	23 278	24 858	27 700
B	KZN224	Impendle	25 741	28 098	33 000
B	KZN225	Msunduzi	354 313	373 677	393 300
B	KZN226	Mkhambathini	32 583	39 486	51 522
B	KZN227	Richmond	33 881	41 323	54 362
C	DC22	Umgungundlovu District Municipality	338 828	366 437	394 877
Total: Umgungundlovu Municipalities			**907 255**	**983 818**	**1 084 692**
B	KZN232	Emnambithi/Ladysmith	111 249	118 704	130 197
B	KZN233	Indaka	63 187	67 334	76 123
B	KZN234	Umtshezi	33 196	39 403	50 245
B	KZN235	Okhahlamba	69 121	79 386	98 688
B	KZN236	Imbabazane	68 921	73 945	85 171
C	DC23	Uthukela District Municipality	269 199	286 424	302 679
Total: Uthukela Municipalities			**614 873**	**665 196**	**743 103**
B	KZN241	Endumeni	34 084	37 113	41 381
B	KZN242	Nquthu	79 597	92 273	116 168
B	KZN244	Msinga	81 641	100 938	134 802
B	KZN245	Umvoti	49 358	62 719	85 376
C	DC24	Umzinyathi District Municipality	192 952	212 794	236 226
Total: Umzinyathi Municipalities			**437 632**	**505 837**	**613 953**
B	KZN252	Newcastle	276 638	284 723	296 857
B	KZN253	Emadlangeni	15 507	17 485	21 116
B	KZ254	Dannhauser	52 872	60 196	74 526
C	DC25	Amajuba District Municipality	104 535	112 431	120 442
Total: Amajuba Municipalities			**449 552**	**474 835**	**512 941**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
B	KZN261	eDumbe	40 352	46 464	57 714
B	KZN262	uPhongolo	66 389	77 124	97 092
B	KZN263	Abaqulusi	85 565	95 691	115 029
B	KZN265	Nongoma	81 160	96 329	124 159
B	KZN266	Ulundi	87 088	101 357	128 392
C	DC26	Zululand District Municipality	276 930	296 860	317 554
Total: Zululand Municipalities			**637 484**	**713 825**	**839 940**
B	KZN271	Umhlabuyalingana	68 319	87 853	121 580
B	KZN272	Jozini	85 485	103 831	137 040
B	KZN273	The Big Five False Bay	17 275	22 514	31 093
B	KZN274	Hlabisa	30 174	37 140	49 351
B	KZN275	Mtubatuba	60 744	81 486	116 884
C	DC27	Umkhanyakude District Municipality	196 603	225 596	260 529
Total: Umkhanyakude Municipalities			**458 600**	**558 420**	**716 477**
B	KZN281	Mfolozi	52 392	67 506	93 955
B	KZN282	uMhlathuze	190 384	204 798	228 096
B	KZN283	Ntambanana	24 403	30 928	42 504
B	KZN284	uMlalazi	91 327	111 120	145 753
B	KZN285	Mthonjaneni	27 730	31 711	38 882
B	KZN286	Nkandla	57 099	66 041	82 996
C	DC28	uThungulu District Municipality	353 909	381 498	406 383
Total: Uthungulu Municipalities			**797 244**	**893 602**	**1 038 569**
B	KZN291	Mandeni	74 289	90 610	119 571
B	KZN292	KwaDukuza	78 566	88 242	106 084
B	KZN293	Ndwedwe	67 373	82 895	110 018
B	KZN294	Maphumulo	54 076	61 172	75 028
C	DC29	iLembe District Municipality	253 386	289 560	332 346
Total: iLembe Municipalities			**527 690**	**612 479**	**743 047**
B	KZN431	Ingwe	57 002	66 137	83 272
B	KZN432	Kwa Sani	12 846	13 634	15 188
B	KZN433	Greater Kokstad	47 950	47 712	47 669
B	KZN434	Ubuhlebezwe	57 039	67 075	85 602
B	KZN435	Umzimkhulu	96 838	116 362	151 506
C	DC43	Sisonke District Municipality	216 056	230 220	243 065
Total: Sisonke Municipalities			**487 731**	**541 140**	**626 302**
Total: KwaZulu-Natal Municipalities			**7 815 039**	**8 659 277**	**9 884 988**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
LIMPOPO					
B	LIM331	Greater Giyani	148 104	173 860	222 511
B	LIM332	Greater Letaba	146 418	167 647	209 454
B	LIM333	Greater Tzaneen	211 762	236 039	289 971
B	LIM334	Ba-Phalaborwa	69 433	83 307	108 033
B	LIM335	Maruleng	60 742	71 900	92 865
C	DC33	Mopani District Municipality	504 909	558 369	620 072
Total: Mopani Municipalities			**1 141 368**	**1 291 122**	**1 542 906**
B	LIM341	Musina	34 393	39 062	48 052
B	LIM342	Mutale	51 174	64 959	88 990
B	LIM343	Thulamela	290 472	338 870	434 680
B	LIM344	Makhado	256 239	288 042	356 332
C	DC34	Vhembe District Municipality	524 104	589 779	668 296
Total: Vhembe Municipalities			**1 156 382**	**1 320 712**	**1 596 350**
B	LIM351	Blouberg	100 568	117 100	147 981
B	LIM352	Aganang	84 880	98 117	123 471
B	LIM353	Molemole	80 861	89 040	106 885
B	LIM354	Polokwane	415 990	454 995	518 016
B	LIM355	Lepelle-Nkumpi	138 190	161 220	205 236
C	DC35	Capricorn District Municipality	431 845	464 522	496 617
Total: Capricorn Municipalities			**1 252 334**	**1 384 994**	**1 598 206**
B	LIM361	Thabazimbi	60 129	60 696	59 712
B	LIM362	Lephalale	83 078	86 772	91 274
B	LIM364	Mookgopong	29 014	33 863	41 179
B	LIM365	Modimolle	57 283	58 581	59 493
B	LIM366	Bela-Bela	48 639	54 226	62 905
B	LIM367	Mogalakwena	267 909	292 559	339 353
C	DC36	Waterberg District Municipality	94 609	99 446	106 745
Total: Waterberg Municipalities			**640 661**	**686 143**	**760 661**
B	LIM471	Ephraim Mogale	77 149	91 627	118 772
B	LIM472	Elias Motsoaledi	143 438	166 928	213 459
B	LIM473	Makhuduthamaga	157 863	181 822	229 192
B	LIM474	Fetakgomo	52 946	63 595	83 250
B	LIM475	Greater Tubatse	148 455	182 718	246 541
C	DC47	Sekhukhune District Municipality	406 157	464 938	536 183
Total: Sekhukhune Municipalities			**986 008**	**1 151 628**	**1 427 397**
Total: Limpopo Municipalities			**5 176 753**	**5 834 599**	**6 925 520**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
MPUMALANGA					
B	MP301	Albert Luthuli	171 462	188 811	218 671
B	MP302	Msukaligwa	108 953	114 918	121 221
B	MP303	Mkhondo	110 712	127 217	152 657
B	MP304	Pixley Ka Seme	85 631	87 919	91 094
B	MP305	Lekwa	81 428	85 036	88 237
B	MP306	Dipaleseng	46 059	48 593	52 440
B	MP307	Govan Mbeki	191 144	193 630	194 469
C	DC30	Gert Sibande District Municipality	259 860	266 056	271 180
Total: Gert Sibande Municipalities			**1 055 249**	**1 112 180**	**1 189 969**
B	MP311	Victor Khanye	54 204	59 124	67 126
B	MP312	Emalahleni	192 475	207 818	228 491
B	MP313	Steve Tshwete	92 630	103 593	119 269
B	MP314	Emakhazeni	38 535	42 256	48 318
B	MP315	Thembisile Hani	237 008	259 757	299 541
B	MP316	Dr JS Moroka	248 190	270 519	314 317
C	DC31	Nkangala District Municipality	308 850	318 220	326 609
Total: Nkangala Municipalities			**1 171 892**	**1 261 287**	**1 403 671**
B	MP321	Thaba Chweu	81 198	90 471	104 348
B	MP322	Mbombela	342 190	388 559	460 251
B	MP323	Umjindi	52 284	57 371	65 417
B	MP324	Nkomazi	290 822	340 862	424 283
B	MP325	Bushbuckridge	485 251	544 632	648 039
C	DC32	Ehlanzeni District Municipality	188 227	200 664	219 306
Total: Ehlanzeni Municipalities			**1 439 972**	**1 622 559**	**1 921 644**
Total: Mpumalanga Municipalities			**3 667 113**	**3 996 026**	**4 515 284**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
NORTHERN CAPE					
B	NC061	Richtersveld	12 338	12 808	13 357
B	NC062	Nama Khoi	33 821	35 283	36 682
B	NC064	Kamiesberg	13 681	15 124	17 565
B	NC065	Hantam	20 312	20 560	20 591
B	NC066	Karoo Hoogland	13 898	14 659	15 758
B	NC067	Khâi-Ma	13 134	13 810	14 833
C	DC6	Namakwa District Municipality	33 148	34 529	35 586
Total: Namakwa Municipalities			**140 332**	**146 773**	**154 372**
B	NC071	Ubuntu	19 400	21 585	25 118
B	NC072	Umsobomvu	30 684	32 357	34 839
B	NC073	Emthanjeni	34 820	35 326	35 822
B	NC074	Kareeberg	13 268	15 069	17 919
B	NC075	Renosterberg	15 574	16 502	18 100
B	NC076	Thembelihle	15 650	16 718	18 588
B	NC077	Siyathemba	21 171	22 427	24 149
B	NC078	Siyancuma	36 842	37 997	39 446
C	DC7	Pixley Ka Seme District Municipality	29 375	32 277	36 465
Total: Pixley Ka Seme Municipalities			**216 784**	**230 258**	**250 446**
B	NC081	Mier	11 016	12 293	14 489
B	NC082	!Kai !Garib	48 286	50 278	51 971
B	NC083	//Khara Hais	53 914	56 126	57 390
B	NC084	!Kheis	16 899	17 946	19 612
B	NC085	Tsantsabane	26 145	27 060	28 093
B	NC086	Kgatelopele	15 302	16 086	17 044
	DC8	Siyanda District Municipality	44 983	47 834	51 247
Total: Siyanda Municipalities			**216 545**	**227 623**	**239 846**
B	NC091	Sol Plaatje	145 905	145 433	142 820
B	NC092	Dikgatlong	48 022	51 624	57 946
B	NC093	Magareng	30 294	32 056	34 685
B	NC094	Phokwane	67 054	71 291	77 127
C	DC9	Frances Baard District Municipality	89 990	97 520	103 974
Total: Frances Baard Municipalities			**381 265**	**397 924**	**416 552**
B	NC451	Joe Morolong	80 780	93 120	114 538
B	NC452	Ga-Segonyana	73 591	86 859	108 890
B	NC453	Gamagara	21 203	22 045	22 924
C	DC45	John Taolo Gaetsewe District Municipality	58 112	61 492	65 096
Total: John Taolo Gaetsewe Municipalities			**233 686**	**263 516**	**311 448**
Total: Northern Cape Municipalities			**1 188 612**	**1 266 094**	**1 372 664**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
NORTH WEST					
B	NW371	Moretele	177 267	210 187	264 075
B	NW372	Madibeng	308 470	369 058	462 097
B	NW373	Rustenburg	285 427	335 130	402 725
B	NW374	Kgetlengrivier	46 026	50 590	58 162
B	NW375	Moses Kotane	248 277	276 647	326 105
C	DC37	Bojanala Platinum District Municipality	250 823	266 080	286 552
Total: Bojanala Platinum Municipalities			**1 316 290**	**1 507 692**	**1 799 716**
B	NW381	Ratlou	73 777	82 797	101 553
B	NW382	Tswaing	68 209	74 607	87 950
B	NW383	Mafikeng	131 186	145 926	177 871
B	NW384	Ditsobotla	83 079	88 952	98 143
B	NW385	Ramotshere Moiloa	88 637	102 746	129 720
C	DC38	Ngaka Modiri Molema District Municipality	426 496	465 909	509 322
Total: Ngaka Modiri Molema Municipalities			**871 384**	**960 937**	**1 104 559**
B	NW392	Naledi	34 611	36 879	40 154
B	NW393	Mamusa	34 309	37 316	43 987
B	NW394	Greater Taung	114 303	135 395	175 070
B	NW396	Lekwa-Teemane	30 312	32 859	38 172
B	NW397	NW397	73 389	83 818	104 492
C	DC39	Dr Ruth Segomotsi Mompati District Municipality	225 666	223 722	260 966
Total: Dr Ruth Segomotsi Mompati Municipalities			**512 590**	**549 989**	**662 841**
B	NW401	Ventersdorp	49 829	55 159	64 103
B	NW402	Tlokwe	92 603	104 399	120 781
B	NW403	City of Matlosana	337 085	340 138	342 031
B	NW404	Maquassi Hills	81 259	85 989	92 525
C	DC40	Dr Kenneth Kaunda District Municipality	155 482	160 721	166 170
Total: Dr Kenneth Kaunda Municipalities			**716 258**	**746 406**	**785 610**
Total: North West Municipalities			**3 416 522**	**3 765 024**	**4 352 726**

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
WESTERN CAPE					
A	CPT	City of Cape Town	1 243 293	1 502 066	1 815 088
B	WC011	Matzikama	37 874	40 003	41 516
B	WC012	Cederberg	28 188	30 873	34 375
B	WC013	Bergrivier	24 815	27 571	30 689
B	WC014	Saldanha Bay	38 632	46 557	55 610
B	WC015	Swartland	32 506	43 233	56 007
C	DC1	West Coast District Municipality	72 626	76 206	80 912
Total: West Coast Municipalities			**234 641**	**264 443**	**299 109**
B	WC022	Witzenberg	49 553	54 284	59 253
B	WC023	Drakenstein	75 995	85 596	97 233
B	WC024	Stellenbosch	50 157	65 832	85 118
B	WC025	Breede Valley	67 964	74 468	82 030
B	WC026	Langeberg	53 158	55 865	57 518
C	DC2	Cape Winelands District Municipality	209 436	213 628	217 049
Total: Cape Winelands Municipalities			**506 263**	**549 673**	**598 201**
B	WC031	Theewaterskloof	57 262	62 652	68 737
B	WC032	Overstrand	41 949	52 164	64 741
B	WC033	Cape Agulhas	18 057	19 424	20 744
B	WC034	Swellendam	19 857	20 979	21 979
C	DC3	Overberg District Municipality	46 637	50 646	55 626
Total: Overberg Municipalities			**183 762**	**205 865**	**231 827**
B	WC041	Kannaland	20 051	21 162	22 445
B	WC042	Hessequa	28 189	30 054	31 606
B	WC043	Mossel Bay	47 196	54 855	63 858
B	WC044	George	85 716	92 615	101 174
B	WC045	Oudtshoorn	45 958	49 992	54 609
B	WC047	Bitou	29 614	41 028	57 552
B	WC048	Knysna	35 982	44 920	56 304
C	DC4	Eden District Municipality	129 669	134 265	139 387
Total: Eden Municipalities			**422 375**	**468 891**	**526 935**
B	WC051	Laingsburg	10 224	10 911	12 132
B	WC052	Prince Albert	11 661	13 057	15 372
B	WC053	Beaufort West	35 567	39 061	44 355
C	DC5	Central Karoo District Municipality	14 638	16 895	20 204
Total: Central Karoo Municipalities			**72 090**	**79 924**	**92 063**
Total: Western Cape Municipalities			**2 662 424**	**3 070 862**	**3 563 223**
National Total			**40 581 787**	**44 490 145**	**50 207 698**

SCHEDULE 4A

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2013/14 Allocation	Forward Estimates	
						2014/15	2015/16
					R'000	R'000	R'000
Agriculture, Forestry and Fisheries (Vote 26)	Comprehensive Agricultural Support Programme Grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform's restitution and redistribution; and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in exports.	General conditional allocation to provinces	Eastern Cape	219 055	230 292	240 859
				Free State	140 274	146 478	152 226
				Gauteng	55 880	63 205	66 125
				KwaZulu-Natal	202 522	212 632	222 405
				Limpopo	205 545	215 473	225 593
				Mpumalanga	130 683	134 547	140 719
				Northern Cape	371 539	374 686	391 923
				North West	169 663	179 384	188 458
				Western Cape	104 859	108 394	113 376
				TOTAL	**1 600 020**	**1 665 091**	**1 741 684**
Basic Education (Vote 15)	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education; to enhance capacity to deliver infrastructure in education; to address damage to infrastructure caused by floods in January and February 2011.	General conditional allocation to provinces	Eastern Cape	1 010 870	1 217 318	1 710 084
				Free State	468 931	572 856	804 746
				Gauteng	537 892	644 463	905 339
				KwaZulu-Natal	1 298 847	1 432 140	2 011 863
				Limpopo	983 599	1 145 712	1 609 491
				Mpumalanga	531 504	644 463	905 339
				Northern Cape	316 934	358 035	502 966
				North West	521 622	644 463	905 339
				Western Cape	960 465	501 249	704 153
				TOTAL	**6 630 664**	**7 160 699**	**10 059 320**
Health (Vote 16)	(a) Health Professions Training and Development Grant	Support provinces to fund service costs associated with training of health science trainees on the public service platform; co-funding of the national human resource plan for health in expanding undergraduate medical education for 2013 and beyond (2025).	Nationally assigned function to provinces	Eastern Cape	188 560	199 874	209 068
				Free State	138 131	146 419	153 154
				Gauteng	765 202	811 114	848 425
				KwaZulu-Natal	276 262	292 837	306 308
				Limpopo	109 628	116 206	121 552
				Mpumalanga	89 894	95 288	99 671
				Northern Cape	72 356	76 697	80 225
				North West	98 666	104 586	109 397
				Western Cape	451 667	478 767	500 790
				TOTAL	**2 190 366**	**2 321 788**	**2 428 590**

SCHEDULE 4A

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2013/14 Allocation	Forward Estimates	
						2014/15	2015/16
					R'000	R'000	R'000
Health (Vote 16)	(b) National Tertiary Services Grant	Ensure provision of tertiary health services for all South African citizens; to compensate tertiary facilities for the costs associated with provision of these services including cross boundary patients.	Nationally assigned function to provinces	Eastern Cape	743 621	786 007	822 163
				Free State	849 661	898 091	939 403
				Gauteng	3 305 931	3 493 891	3 654 610
				KwaZulu-Natal	1 415 731	1 496 427	1 565 263
				Limpopo	305 732	323 158	338 024
				Mpumalanga	91 879	97 116	101 584
				Northern Cape	282 618	298 727	312 468
				North West	224 470	237 264	248 178
				Western Cape	2 400 714	2 537 554	2 654 281
				TOTAL	**9 620 357**	**10 168 235**	**10 635 974**
Higher Education and Training (Vote 17)	Further Education and Training Colleges Grant	To ensure the successful transfer of the Further Education and Training College function to the Department of Higher Education and Training.	General conditional allocation to provinces	Eastern Cape	296 421	315 761	335 551
				Free State	172 068	183 137	194 212
				Gauteng	673 887	716 971	759 663
				KwaZulu-Natal	325 736	347 178	369 399
				Limpopo	375 709	399 560	422 922
				Mpumalanga	130 670	139 270	148 181
				Northern Cape	40 519	43 130	45 749
				North West	76 232	81 369	86 877
				Western Cape	351 437	373 920	396 219
				TOTAL	**2 442 679**	**2 600 296**	**2 758 773**

SCHEDULE 4A

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2013/14 Allocation	Forward Estimates	
						2014/15	2015/16
					R'000	R'000	R'000
Transport (Vote 37)	(a) Provincial Roads Maintenance Grant	To supplement provincial investments for preventative, routine, emergency maintenance and road rehabilitation of provincial road networks; ensure all roads are classified as per Road Infrastructure Strategic Framework of South Africa and the Road Classification and Access Management guidelines by end of 2013/14; and implement and maintain road asset management systems; to supplement provincial projects for the repairs to roads and bridges damaged by a natural disaster as assessed by the National Disaster Management Centre; to improve the state of the coal haulage network.	General conditional allocation to provinces	Eastern Cape	1 102 836	1 190 337	1 207 966
				Free State	1 130 462	1 179 270	1 456 183
				Gauteng	433 048	468 838	536 257
				KwaZulu-Natal	1 678 920	1 751 593	2 167 940
				Limpopo	990 578	1 071 819	1 152 561
				Mpumalanga	1 487 722	1 513 010	902 196
				Northern Cape	659 484	684 484	751 328
				North West	639 923	668 058	838 630
				Western Cape	573 237	598 781	760 859
				TOTAL	**8 696 210**	**9 126 190**	**9 773 920**
	(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	183 960	193 258	202 148
				Free State	203 382	213 663	223 491
				Gauteng	1 714 344	1 801 078	1 883 928
				KwaZulu-Natal	852 325	895 350	936 536
				Limpopo	274 932	288 840	302 126
				Mpumalanga	462 926	486 340	508 712
				Northern Cape	41 390	43 480	45 481
				North West	85 082	89 380	93 491
				Western Cape	734 180	771 320	806 801
				TOTAL	**4 552 521**	**4 782 709**	**5 002 714**

SCHEDULE 4B

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

Vote	Name of allocation	Purpose	City	Column A	Column B	
				2013/14 Allocation	Forward Estimates	
					2014/15	2015/16
				R'000	R'000	R'000
Human Settlements (Vote 31)	Urban Settlements Development Grant	Supplements the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.	Buffalo City	613 305	698 290	722 958
			City of Cape Town	1 193 497	1 358 879	1 406 882
			City of Johannesburg	1 488 877	1 695 189	1 755 074
			City of Tshwane	1 290 611	1 469 450	1 521 361
			Ekurhuleni	1 584 912	1 804 532	1 868 280
			eThekwini	1 580 999	1 800 075	1 863 667
			Mangaung	596 719	679 406	703 407
			Nelson Mandela Bay	727 986	828 863	858 144
			TOTAL	**9 076 906**	**10 334 684**	**10 699 773**

SCHEDULE 5A

SPECIFIC-PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2013/14 Allocation	Forward Estimates	
						2014/15	2015/16
					R'000	R'000	R'000
Agriculture, Forestry and Fisheries (Vote 26)	(a) 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.	Conditional allocation	Eastern Cape	43 845	46 062	47 700
				Free State	57 999	60 802	62 877
				Gauteng	17 538	20 126	24 234
				KwaZulu-Natal	65 768	69 093	71 549
				Limpopo	43 845	46 062	47 940
				Mpumalanga	43 845	46 062	47 702
				Northern Cape	70 034	72 003	75 500
				North West	43 845	46 062	47 940
				Western Cape	51 737	54 353	56 372
				TOTAL	**438 456**	**460 625**	**481 814**
	(b) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To promote sustainable development and use of natural resources by engaging in 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	15 866	10 853	11 178
				Free State	8 571	5 427	5 787
				Gauteng	6 163	4 748	5 112
				KwaZulu-Natal	18 746	10 854	11 179
				Limpopo	19 562	10 178	10 512
				Mpumalanga	10 249	6 105	6 460
				Northern Cape	12 055	7 462	7 809
				North West	10 552	8 140	8 482
				Western Cape	7 233	4 070	4 439
				TOTAL	**108 997**	**67 837**	**70 958**
Arts and Culture (Vote 14)	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	72 492	109 418	145 934
				Free State	62 918	119 013	156 114
				Gauteng	63 470	125 608	163 039
				KwaZulu-Natal	63 145	122 754	160 042
				Limpopo	56 528	81 010	111 502
				Mpumalanga	72 521	114 781	151 671
				Northern Cape	75 596	118 396	154 467
				North West	64 058	98 883	133 978
				Western Cape	67 058	126 347	163 815
				TOTAL	**597 786**	**1 016 210**	**1 340 562**

SCHEDULE 5A

SPECIFIC-PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2013/14 Allocation	Forward Estimates	
						2014/15	2015/16
					R'000	R'000	R'000
Basic Education (Vote 15)	(a) Dinaledi Schools Grant	To improve the quality of learner performance in Mathematics, Physical Sciences, Life Sciences and First Additional Language English, in line with the Action Plan for 2014; to improve the content knowledge, pedagogies and didactic skills of mathematics, physical sciences and life sciences teachers.	Conditional allocation	Eastern Cape	12 620	13 342	13 956
				Free State	7 573	8 006	8 374
				Gauteng	21 244	22 458	23 491
				KwaZulu-Natal	18 509	19 568	20 468
				Limpopo	10 727	11 340	11 862
				Mpumalanga	9 675	10 228	10 698
				Northern Cape	3 577	3 782	3 956
				North West	11 147	11 785	12 327
				Western Cape	10 096	10 673	11 164
				TOTAL	**105 168**	**111 182**	**116 296**
	(b) HIV and Aids (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by increasing sexual and reproductive health knowledge, skills and appropriate decision making among learners and educators; to mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators; to ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse; to reduce the vulnerability of children to HIV, TB and STI infections, with a particular focus on orphaned and vulnerable children.	Conditional allocation	Eastern Cape	34 895	37 023	37 753
				Free State	12 135	11 570	11 129
				Gauteng	30 012	30 195	30 611
				KwaZulu-Natal	48 634	52 261	51 255
				Limpopo	30 852	31 085	31 542
				Mpumalanga	18 015	19 404	20 297
				Northern Cape	5 205	5 059	5 281
				North West	16 122	17 388	18 198
				Western Cape	17 637	17 077	20 297
				TOTAL	**213 507**	**221 062**	**226 363**
	(c) National School Nutrition Programme Grant	To provide nutritious meals to targeted learners.	Conditional allocation	Eastern Cape	949 162	984 548	1 020 116
				Free State	274 552	299 205	317 157
				Gauteng	585 157	640 541	678 974
				KwaZulu-Natal	1 206 190	1 237 534	1 287 034
				Limpopo	932 050	991 153	1 030 799
				Mpumalanga	496 661	524 913	545 910
				Northern Cape	119 859	134 645	142 724
				North West	348 912	366 890	381 566
				Western Cape	260 538	282 486	299 435
				TOTAL	**5 173 081**	**5 461 915**	**5 703 715**

SCHEDULE 5A

SPECIFIC-PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2013/14 Allocation	Forward Estimates	
						2014/15	2015/16
					R'000	R'000	R'000
Basic Education (Vote 15)	(d) Technical Secondary Schools Recapitalisation Grant	To recapitalise up to 200 technical schools to improve their capacity to contribute to skills development and training in the country.	Conditional allocation	Eastern Cape	31 648	32 928	34 541
				Free State	20 963	22 219	23 309
				Gauteng	26 375	27 958	28 627
				KwaZulu-Natal	42 717	45 280	47 499
				Limpopo	28 169	29 859	31 322
				Mpumalanga	27 058	28 682	30 087
				Northern Cape	13 188	13 978	14 663
				North West	18 850	19 981	20 960
				Western Cape	11 884	12 597	13 214
				TOTAL	**220 852**	**233 482**	**244 222**
Health (Vote 16)	(a) Comprehensive HIV and Aids Grant	To enable the health sector to develop an effective response to HIV and Aids including universal access to HIV counselling and testing; to support the implementation of the national operational plan for comprehensive HIV and Aids treatment and care; to subsidise in-part funding for the antiretroviral treatment programme.	Conditional allocation	Eastern Cape	1 273 296	1 485 116	1 683 639
				Free State	742 984	868 770	984 903
				Gauteng	2 258 483	2 640 825	2 993 839
				KwaZulu-Natal	2 652 072	3 098 705	3 512 927
				Limpopo	861 143	1 009 007	1 143 886
				Mpumalanga	690 591	806 706	914 542
				Northern Cape	302 468	352 864	400 033
				North West	825 302	966 043	1 095 179
				Western Cape	927 547	1 083 286	1 228 095
				TOTAL	**10 533 886**	**12 311 322**	**13 957 043**
	(b) Health Facility Revitalisation Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including health technology, organisational systems and quality assurance; supplement expenditure on health infrastructure delivered through public-private partnerships; to enhance capacity to deliver infrastructure in health.	Conditional allocation	Eastern Cape	562 792	292 930	337 106
				Free State	538 962	554 950	589 840
				Gauteng	771 033	742 475	747 961
				KwaZulu-Natal	962 469	1 090 431	1 139 972
				Limpopo	457 442	170 673	203 824
				Mpumalanga	283 509	313 885	341 706
				Northern Cape	421 428	419 572	439 264
				North West	496 121	508 721	513 664
				Western Cape	629 786	645 200	674 582
				TOTAL	**5 123 542**	**4 738 837**	**4 987 919**

SCHEDULE 5A

SPECIFIC-PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2013/14 Allocation	Forward Estimates	
						2014/15	2015/16
					R'000	R'000	R'000
Health (Vote 16)	(c) National Health Insurance Grant	Test innovations in health services provision for implementing National Health Insurance, allowing for each district to interpret and design innovations relevant to its specific context; to undertake health system strengthening initiatives; to assess the feasibility, acceptability, effectiveness and affordability of innovative ways of engaging private sector resources for public purpose.	Conditional allocation	Eastern Cape	4 850	7 000	7 397
				Free State	4 850	7 000	7 397
				Gauteng	4 850	7 000	7 397
				KwaZulu-Natal	9 700	14 000	14 793
				Limpopo	4 850	7 000	7 397
				Mpumalanga	4 850	7 000	7 397
				Northern Cape	4 850	7 000	7 397
				North West	4 850	7 000	7 396
				Western Cape	4 850	7 000	7 396
				TOTAL	**48 500**	**70 000**	**73 967**
Human Settlements (Vote 31)	Human Settlements Development Grant	To provide funding for the creation of sustainable human settlements.	Conditional allocation	Eastern Cape	2 523 803	1 314 985	1 306 773
				Free State	1 120 936	584 045	580 398
				Gauteng	4 108 399	2 140 611	2 127 244
				KwaZulu-Natal	3 235 428	1 685 764	1 675 237
				Limpopo	1 324 742	690 235	685 925
				Mpumalanga	1 124 332	585 815	582 157
				Northern Cape	395 724	206 186	204 899
				North West	1 224 537	638 025	634 040
				Western Cape	1 925 971	1 003 495	997 229
				Unallocated	-	9 069 160	10 873 303
				TOTAL	**16 983 872**	**17 918 321**	**19 667 205**
Public Works (Vote 7)	(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 EPWP guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads; other economic and social infrastructure; tourism and cultural industries; and sustainable land based livelihoods.	Incentive allocation to provinces	Eastern Cape	79 577	-	-
				Free State	18 001	-	-
				Gauteng	15 606	-	-
				KwaZulu-Natal	102 137	-	-
				Limpopo	49 370	-	-
				Mpumalanga	34 291	-	-
				Northern Cape	14 045	-	-
				North West	17 266	-	-
				Western Cape	25 621	-	-
				Unallocated	-	370 947	381 574
				TOTAL	**355 914**	**370 947**	**381 574**

SCHEDULE 5A

SPECIFIC-PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2013/14 Allocation	Forward Estimates	
						2014/15	2015/16
					R'000	R'000	R'000
Public Works (Vote 7)	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments identified in the 2012 Social Sector EPWP log-frame to increase job creation by focusing on the strengthening and expansion of social service programmes that have employment potential.	Incentive allocation to provinces	Eastern Cape	49 728	-	-
				Free State	8 545	-	-
				Gauteng	27 652	-	-
				KwaZulu-Natal	24 306	-	-
				Limpopo	57 717	-	-
				Mpumalanga	1 961	-	-
				Northern Cape	19 879	-	-
				North West	50 870	-	-
				Western Cape	16 906	-	-
				Unallocated	-	272 972	285 529
				TOTAL	**257 564**	**272 972**	**285 529**
Sport and Recreation South Africa (Vote 20)	Mass Participation and Sport Development Grant	To facilitate sport and recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	Eastern Cape	61 334	65 401	68 671
				Free State	38 832	41 774	43 863
				Gauteng	88 269	92 683	95 214
				KwaZulu-Natal	79 883	83 877	88 071
				Limpopo	56 529	59 355	62 323
				Mpumalanga	44 772	47 011	49 362
				Northern Cape	30 806	33 506	35 181
				North West	41 596	43 676	45 860
				Western Cape	55 570	58 349	61 266
				TOTAL	**497 591**	**525 632**	**549 811**

SCHEDULE 5B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
RECURRENT GRANTS					
Cooperative Governance and Traditional Affairs (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 legislation.	240 307	252 152	261 060
Public Works (Vote 7)	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 EPWP guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads; basic services infrastructure, including water and sewer reticulation, sanitation, pipelines (excluding bulk infrastructure); other economic and social infrastructure; tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; health service programmes; and community safety programmes.	610 674	632 325	660 966
National Treasury (Vote 10)	(a) Infrastructure Skills Development Grant	To strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills available; to facilitate lifelong learning and the transfer of knowledge and skills to municipalities; to sustain infrastructure related management capacity in local government.	98 500	154 425	179 226
	(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.	424 798	449 138	469 799
	(c) Integrated City Development Grant	To provide a financial incentive for metropolitan municipalities to integrate and focus their use of available infrastructure investment and regulatory instruments to achieve a more compact urban spatial form.	40 000	150 000	150 000
Sport and Recreation SA (Vote 20)	2014 African Nations Championship Host City Operating Grant	To assist host cities with the operational responsibilities associated with the hosting of the 2014 African Nations Championship.	120 000	-	-
Energy (Vote 29)	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.	180 722	155 415	202 005
Transport (Vote 37)	Public Transport Network Operations Grant	To provide supplementary operational funding to municipalities operating approved Integrated Rapid Public Transport Network/Integrated Public Transport Network services.	881 305	744 817	862 024
Water Affairs (Vote 38)	Water Services Operating Subsidy Grant	To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department.	420 945	449 558	470 239
		TOTAL	**3 017 251**	**2 987 830**	**3 255 319**

SCHEDULE 5B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
INFRASTRUCTURE GRANTS					
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Infrastructure Grant	To provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.	14 352 060	14 683 835	15 448 070
Energy (Vote 29)	Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.	1 634 772	1 564 658	2 056 090
National Treasury (Vote 10)	Neighbourhood Development Partnership Grant	To support and facilitate the planning and development of neighbourhood development programmes and projects that provide catalytic infrastructure to leverage third party public and private sector development towards improving the quality of life of residents in targeted underserved neighbourhoods (generally townships).	598 041	591 179	600 000
Human Settlements (Vote 31)	Rural Households Infrastructure Grant	To provide specific capital funding for the reduction of rural water and sanitation backlogs and to target existing households where bulk-dependent services are not viable.	106 721	113 124	118 328
Transport (Vote 37)	(a) Public Transport Infrastructure Grant	To provide for accelerated planning, construction and improvement of public and non-motorised transport infrastructure.	4 668 676	5 126 029	5 278 881
	(b) Rural Roads Asset Management Systems Grant	To assist rural district municipalities to set up rural Road Asset Management Systems, and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa.	52 205	75 223	97 763
Water Affairs (Vote 38)	Municipal Water Infrastructure Grant	To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a basic water supply service.	602 965	1 058 976	2 671 934
		TOTAL	**22 015 440**	**23 213 024**	**26 271 066**

SCHEDULE 6A

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Province	Column A	Column B	
				2013/14 Allocation	Forward Estimates	
					2014/15	2015/16
				R'000	R'000	R'000
Basic Education (Vote 15)	School Infrastructure Backlogs Grant	Eradication of entire inappropriate school infrastructure; provision of water, sanitation and electricity to schools.	Eastern Cape	824 085	2 025 542	2 772 301
			Free State	717 299	613 161	40 000
			Gauteng	13 060	16 800	-
			KwaZulu-Natal	224 433	38 096	-
			Limpopo	71 267	20 000	-
			Mpumalanga	64 104	4 700	-
			Northern Cape	25 189	18 200	-
			North West	16 544	14 400	8 009
			Western Cape	-	418 604	92 000
			TOTAL	**1 955 981**	**3 169 503**	**2 912 310**
Health (Vote 16)	(a) 2014 African Nations Championship: Health and Medical Services Grant	To provide health and medical services for the 2014 African Nations Championship.	Eastern Cape	-	-	-
			Free State	-	-	-
			Gauteng	-	-	-
			KwaZulu-Natal	-	-	-
			Limpopo	-	-	-
			Mpumalanga	-	-	-
			Northern Cape	-	-	-
			North West	-	-	-
			Western Cape	-	-	-
			Unallocated	6 000	-	-
			TOTAL	**6 000**	**-**	**-**
	(b) National Health Grant	To address capacity constraints in the provinces and to create an alternate track to speed up infrastructure delivery; to improve spending, performance, monitoring and evaluation on National Health Insurance pilots and infrastructure projects.	Eastern Cape	135 000	484 000	484 000
			Free State	94 000	92 000	95 000
			Gauteng	102 000	247 000	247 000
			KwaZulu-Natal	58 000	32 000	32 000
			Limpopo	155 000	550 000	550 000
			Mpumalanga	106 123	116 100	107 682
			Northern Cape	44 816	47 142	47 839
			North West	85 086	94 620	95 431
			Western Cape	27 000	17 000	17 000
			Unallocated	291 000	420 000	443 803
			TOTAL	**1 098 025**	**2 099 862**	**2 119 755**

SCHEDULE 6B

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
National Treasury (Vote 10)	Neighbourhood Development Partnership Grant	To support and facilitate the planning and development of neighbourhood development programmes and projects that provide catalytic infrastructure to leverage third party public and private sector development towards improving the quality of life of residents in targeted underserved neighbourhoods (generally townships).	55 000	58 300	65 000
Energy (Vote 29)	(a) Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.	2 141 027	2 488 037	3 680 043
Water Affairs (Vote 38)	(a) Water Services Operating Subsidy Grant	To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department.	138 894	142 013	151 185
	(b) Regional Bulk Infrastructure Grant	To develop infrastructure 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; in the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works.	3 203 397	4 482 896	4 871 654
		TOTAL	**5 538 318**	**7 171 246**	**8 767 882**

SCHEDULE 7A

UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Province	Column A	Column B	
				2013/14 Allocation	Forward Estimates	
					2014/15	2015/16
				R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 3)	Provincial Disaster Grant	To provide for the immediate release of funds for disaster response.	Eastern Cape	-	-	-
			Free State	-	-	-
			Gauteng	-	-	-
			KwaZulu-Natal	-	-	-
			Limpopo	-	-	-
			Mpumalanga	-	-	-
			Northern Cape	-	-	-
			North West	-	-	-
			Western Cape	-	-	-
			Unallocated	188 100	197 372	204 344
			TOTAL	**188 100**	**197 372**	**204 344**

SCHEDULE 7B

UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A	Column B	
			2013/14 Allocation	Forward Estimates	
				2014/15	2015/16
			R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 3)	Municipal Disaster Grant	To provide for the immediate release of funds for disaster response.	346 500	363 580	376 424
		TOTAL	**346 500**	**363 580**	**376 424**

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FREE STATE PROVINCE

PROVINCIAL GAZETTE

PROVINSIALE KOERANT

PROVINSIE VRYSTAAT

Published by Authority *Uitgegee op Gesag*

No. 148

BLOEMFONTEIN, 31 MARCH 2011

BLOEMFONTEIN, 31 MAART 2011

OFFICE OF THE PREMIER	KANTOOR VAN DIE PREMIER
No. 1 **31 March 2011**	**No. 1** **31 Maart 2011**
It is hereby notified that the Premier has assented to the following Act which is hereby published for general information:-	Hierby word bekend gemaak dat die Premier die onderstaande Wet bekragtig het, wat hierby ter algemene inligting gepubliseer word:-
No. 1 of 2011 : Finance Act, 2011	**No. 1 van 2011 : Finansieswet, 2011**

ACT

To authorize certain unauthorized expenditure and to provide for matters connected therewith.

BE IT ENACTED by the Provincial Legislature of the Free State Province, as follows:

(Afrikaans text assented to and signed by the Premier.)

Authorizing of expenditure

1. (1) The unauthorized amount of R481 372 525.88, set out in the Schedules which –

(a) the Public Accounts Committee recommended for authorization by the Provincial Legislature; and

(b) is more fully described in the Report of the Auditor General on the Accounts of the Free State Provincial Government for the financial years 2007/2008 and 2008/2009,

is hereby authorized in terms of section 34 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) in the manner set out in subsection (2).

(2) The unauthorized amounts referred to –

(a) in the second column of Schedule A, which represents unauthorized expenditure resulting from overspending of the Vote referred to in the first column of Schedule A, become a direct charge against the relevant Vote for the financial year indicated on the Schedule;

(b) in the second column of Schedule B, which amounts represent unauthorized expenditure as a result of overspending of a Vote referred to in the first column of Schedule B, become direct charges against the Provincial Revenue Fund; and

(c) in the second column of Schedule C, which amounts represent unauthorized expenditure resulting from another reason than the overspending of the Vote referred to in the first column of Schedule C, become direct charges against the Provincial Revenue Fund.

Short title

2. This Act is called the Finance Act, 2011.

WET

Om bepaalde ongemagtigde uitgawes te magtig en voorsiening te maak vir sake wat daarmee verband hou.

DAAR WORD BEPAAL deur die Provinsiale Wetgewer van die Provinsie Vrystaat, soos volg:-

(Afrikaanse teks deur die Premier bekragtig en geteken.)

Magtiging van uitgawes

1. (1) Die ongemagtigde bedrag van R481 372 525.88, genoem in die Bylae, wat -

(a) die Komitee op Openbare Rekeninge aanbeveel het vir magtiging deur die Provinsiale Wetgewer; en

(b) meer volledig beskryf word in die Verslag van die Ouditeur-Generaal oor die rekenings van die Vrystaatse Provinsiale Regering vir die boekjare 2007/2008 en 2008/2009,

word hiermee gemagtig ingevolge artikel 34 van die Wet op Openbare Finansiële Bestuur, 1999 (Wet Nr. 1 van 1999) op die wyse soos uiteengesit in subartikel (2).

(2) Die ongemagtigde bedrae soos na verwys word -

(a) in die tweede kolom van Bylae A, welke bedrae ongemagtigde uitgawe verteenwoordig wat die gevolg is van oorbesteding van die Begrotingspos waarna verwys word in die eerste kolom van Bylae A, word 'n direkte las teen die betrokke Begrotingspos vir die boekjaar aangedui op die Bylae;

(b) in die tweede kolom van Bylae B, welke bedrae ongemagtigde uitgawe verteenwoordig wat die gevolg is van oorbesteding van 'n Begrotingspos waarna verwys word in die eerste kolom van Bylae B, word direkte laste teen die Provinsiale Inkomstefonds; en

(c) in die tweede kolom van Bylae C, welke bedrae ongemagtigde uitgawe verteenwoordig wat die gevolg is van 'n ander rede as die oorbesteding van die Begrotingspos waarna verwys word in die eerste kolom van Bylae C, word direkte laste teen die Provinsiale Inkomstefonds.

Korttitel

2. Hierdie Wet heet die Finansieswet, 2011.

SCHEDULE A

UNAUTHORIZED EXPENDITURE AS A RESULT OF OVERSPENDING OF A VOTE (BECOME A DIRECT CHARGE AGAINST THE RELEVANT VOTE)

VOTE TITLE	AMOUNT AUTHORIZED R	FINANCIAL YEAR
Health	18 329 538.00	2010/2011
TOTAL	**18 329 538.00**	

SCHEDULE B

UNAUTHORIZED EXPENDITURE AS A RESULT OF OVERSPENDING OF A VOTE (BECOME A DIRECT CHARGE AGAINST THE PROVINCIAL REVENUE FUND)

VOTE TITLE	AMOUNT AUTHORIZED R
Health	100 933 462.00
Education	35 639 160.21
Sport, Arts, Culture and Recreation	2 637 329.90
TOTAL	**139 209 862.11**

SCHEDULE C

UNAUTHORIZED EXPENDITURE FOR ANOTHER REASON THAN OVERSPENDING OF A VOTE (BECOME A DIRECT CHARGE AGAINST THE PROVINCIAL REVENUE FUND)

VOTE TITLE	AMOUNT AUTHORIZED R
Economic Development, Tourism and Environmental Affairs	10 400 691.37
Health	105 758 043.00
Education	207 480 056.58
Public Works and Rural Development	334.82
Sport, Arts, Culture and Recreation	194 000.00
TOTAL	**323 833 125.77**

BYLAE A

ONGEMAGTIGDE UITGAWE AS GEVOLG VAN OORBESTEDING OP 'N BEGROTINGSPOS (WORD 'N DIREKTE LAS TEEN DIE BETROKKE BEGROTINGSPOS)

BEGROTINGSPOSTITEL	BEDRAG GEMAGTIG R	BOEKJAAR
Gesondheid	18 329 538.00	2010/2011
TOTAAL	**18 329 538.00**	

BYLAE B

ONGEMAGTIGDE UITGAWE AS GEVOLG VAN OORBESTEDING OP 'N BEGROTINGSPOS (WORD 'N DIREKTE LAS TEEN DIE PROVINSIALE INKOMSTEFONDS)

BEGROTINGSPOSTITEL	BEDRAG GEMAGTIG R
Gesondheid	100 933 462.00
Onderwys	35 639 160.21
Sport, Kuns, Kultuur en Ontspanning	2 637 329.90
TOTAAL	**139 209 862.11**

BYLAE C

ONGEMAGTIGDE UITGAWE VIR 'N REDE ANDERS AS OORBESTEDING OP 'N BEGROTINGSPOS (WORD 'N DIREKTE LAS TEEN DIE PROVINSIALE INKOMSTEFONDS)

BEGROTINGSPOSTITEL	BEDRAG GEMAGTIG R
Ekonomiese Ontwikkeling, Toerisme en Omgewingsake	10 400 691.37
Gesondheid	105 758 043.00
Onderwys	207 480 056.58
Openbare Werke en Landelike Ontwikkeling	334.82
Sport, Kuns, Kultuur en Ontspanning	194 000.00
TOTAAL	**323 833 125.77**

PROVINCIAL GAZETTE
(Published every Friday)

All correspondence, advertisements, etc. must be addressed to the Officer in charge of the Provincial Gazette, P.O. Box 517, Bloemfontein, Tel.: (051) 403 3139. Free Voucher copies of the Provincial Gazette or cuttings of advertisements are NOT supplied.

Subscription Rates (payable in advance)

The subscription fee for the Provincial Gazette (including all Extraordinary Provincial Gazettes) are as follows:

SUBSCRIPTION: (POST)

PRICE PER COPY	R 16.80
HALF-YEARLY	R420.10
YEARLY	R840.30

SUBSCRIPTION: (OVER THE COUNTER / E-MAIL)

PRICE PER COPY	R 10.70
HALF-YEARLY	R 266.20
YEARLY	R 532.45

Stamps are not accepted

Closing time for acceptance of copy

All advertisements must reach the Officer in Charge of the Provincial Gazette **not later than 16:00, three workings days** prior to the publication of the Gazette. Advertisements received after that time will be held over for publication in the issue of the following week, or if desired by the advertiser, will be inserted in the current issue as a "Late Advertisement". In such case the advertisement must be delivered to the Officer in Charge **not later than 08:00 on the Tuesday** preceding the publication of the Gazette and double rate will be charged for that advertisement.

A "Late Advertisement" will not be inserted as such without definite instructions from the advertiser.

Advertisement Rates

Notices required by Law to be inserted in the Provincial Gazette: R15.30 per centimeter or portion thereof, single column.

Advertisement fees are payable in advance to the Officer in charge of the Provincial Gazette, P.O. Box 517, Bloemfontein, 9300, Tel.: (051) 403 3139.

NUMBERING OF PROVINCIAL GAZETTE

You are hereby informed that the numbering of the Provincial Gazette /Tender Bulletin and notice numbers will from 2010 coincide with the relevant financial year. In other words, the chronological numbering starting from one will commence on or after 1 April of every year.

Printed and published by the Free State Provincial Government

PROVINSIALE KOERANT
(Verskyn elke Vrydag)

Alle korrespondensie, advertensies, ens. moet aan die Beampte Belas met die Provinsiale Koerant, Posbus 517, Bloemfontein, Tel.: No. (051) 403 3139 geadresseer word. Gratis eksemplare van die Provinsiale Koerant of uitknipsels van advertensies word NIE verskaf nie.

Intekengeld (vooruitbetaalbaar)

Die intekengeld vir die Provinsiale Koerant (insluitend alle Buitengewone Provinsiale Koerante) is soos volg:

INTEKENGELD: (POS)

PRYS PER EKSEMPLAAR	R 16.80
HALFJAARLIKS	R420.10
JAARLIKS	R840.30

INTEKENGELD: (OOR DIE TOONBANK / E-POS)

PRYS PER EKSEMPLAAR	R 10.70
HALFJAARLIKS	R 266.20
JAARLIKS	R 532.45

Seëls word nie aanvaar nie.

Sluitingstyd vir die Aanname van Kopie

Alle advertensies moet die Beampte Belas met die Provinsiale Koerant bereik **nie later nie as 16:00 drie werksdae** voordat die Koerant uitgegee word. Advertensies wat na daardie tyd ontvang word, word oorgehou vir publikasie in die uitgawe van die volgende week, of as die adverteerder dit verlang, sal dit in die Koerant wat op die pers is as 'n "Laat Advertensie" geplaas word. In sulke gevalle moet die advertensie aan die Beampte oorhandig word **nie later nie as 08:00 op die Dinsdag** voordat die Koerant gepubliseer word en dubbeltarief sal vir die advertensie gevra word.

'n "Laat Advertensie" sal nie sonder definitiewe instruksies van die Adverteerder as sodanige geplaas word nie.

Advertensietariewe

Kennisgewings wat volgens Wet in die Provinsiale Koerant geplaas moet word: R15.30 per sentimeter of deel daarvan, enkelkolom.

Advertensiegelde is vooruitbetaalbaar aan die Beampte belas met die Provinsiale Koerant, Posbus 517, Bloemfontein 9300, Tel.: (051) 403 3139.

NOMMERING VAN PROVINSIALE KOERANT

U word hiermee in kennis gestel dat die nommering van die Provinsiale Koerant / Tender Bulletin en kennisgewingnommers vanaf 2010 met die betrokke boekjaar sal ooreenstem. Met ander woorde, die kronologiese nommering beginnende met een, sal op of na 1 April van elke jaar begin.

Gedruk en uitgegee deur die Vrystaatse Provinsiale Regering

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FREE STATE PROVINCE

PROVINCIAL GAZETTE

PROVINSIALE KOERANT

PROVINSIE VRYSTAAT

Published by Authority *Uitgegee op Gesag*

No. 112

BLOEMFONTEIN, 30 MARCH 2012

BLOEMFONTEIN, 30 MAART 2012

OFFICE OF THE PREMIER	KANTOOR VAN DIE PREMIER
No. 3 30 March 2012	No. 3 30 Maart 2012
It is hereby notified that the Premier has assented to the following Act which is hereby published for general information:-	Hierby word bekend gemaak dat die Premier die onderstaande Wet bekragtig het, wat hierby ter algemene inligting gepubliseer word:-
No. 3 of 2012 : Finance Act, 2012	No. 3 van 2012 : Finansieswet, 2012

ACT

To authorise certain unauthorised expenditure and to provide for matters connected therewith.

BE IT ENACTED by the Provincial Legislature of the Province, as follows:

(English text assented to and signed by the Premier.)

Authorising of expenditure

1. (1) The unauthorised amount of R 215 252 818.86 set out in the Schedules which –

(a) the Provincial Public Accounts Committee recommended for authorisation by the Provincial Legislature; and

(b) is more fully described in the Report of the Auditor General of South Africa on the Annual Financial Statements for the years 2007/8, 2008/9 and 2009/10,

is hereby authorized in terms of section 34 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) in the manner set out in subsection (2).

(2) The unauthorised amounts referred to –

(a) in the second column of Schedule A, which represents unauthorised expenditure resulting from overspending of the Vote referred to in the first column, become a direct charge against the Provincial Revenue Fund; and

(b) in the second column of Schedule B, which amounts represent unauthorised expenditure resulting from another reason than the overspending of the Vote referred to in the first column, become direct charges against the Provincial Revenue Fund.

Short title

2. This Act is called the Finance Act, 2012.

WET

Om bepaalde ongemagtigde uitgawes te magtig en voorsiening te maak vir sake wat daarmee verband hou.

DAAR WORD BEPAAL deur die Provinsiale Wetgewer van die Provinsie Vrystaat, soos volg:-

(Engelse teks deur die Premier bekragtig en geteken.)

Magtiging van uitgawes

1. (1) Die ongemagtigde bedrag van R 215 252 818.86, genoem in die Bylae, wat -

(a) die Provinsiale Komitee op Openbare Rekeninge aanbeveel het vir magtiging deur die Provinsiale Wetgewer; en

(b) meer volledig beskryf word in die Verslag van die Ouditeur-Generaal van Suid-Afrika oor die Jaarlikse Finansiële State vir die boekjare 2007/8, 2008/9 en 2009/10,

word hiermee gemagtig ingevolge artikel 34 van die Wet op Openbare Finansiële Bestuur, 1999 (Wet Nr. 1 van 1999) op die wyse soos uiteengesit in subartikel (2).

(2) Die ongemagtigde bedrae soos na verwys word -

(a) in die tweede kolom van Bylae A, welke bedrae ongemagtigde uitgawe verteenwoordig wat die gevolg is van oorbesteding van die Begrotingspos waarna verwys word in die eerste kolom van Bylae A, word 'n direkte las teen die Provinsiale Inkomstefonds; en

(b) in die tweede kolom van Bylae B, welke bedrae ongemagtigde uitgawe verteenwoordig wat die gevolg is van 'n ander rede as die oorbesteding van die Begrotingspos waarna verwys word in die eerste kolom van Bylae B, word 'n direkte laste teen die Provinsiale Inkomstefonds.

Korttitel

2. Hierdie Wet heet die Finansieswet, 2012.

SCHEDULE A

UNAUTHORIED EXPENDITURE AS A RESULT OF OVERSPENDING OF A VOTE (BECOME A DIRECT CHARGE AGAINST THE PROVINCIAL REVENUE FUND)

VOTE TITLE	AMOUNT AUTHORISED R
Economic Development, Tourism and Environmental Affairs	12 143 000.00
Health	9 957 957.00
Sport, Arts, Culture and Recreation	1 606 206.89
TOTAL	**23 707 163.89**

SCHEDULE B

UNAUTHORIZED EXPENDITURE FOR ANOTHER REASON THAN OVERSPENDING OF A VOTE (BECOME A DIRECT CHARGE AGAINST THE PROVINCIAL REVENUE FUND)

VOTE TITLE	AMOUNT AUTHORISED R
Premier	277 086.02
Health	11 247 000.00
Police, Roads and Transport	133 532 450.86
	46 489 118.09
TOTAL	**191 545 654.97**

BYLAE A

ONGEMAGTIGDE UITGAWE AS GEVOLG VAN OORBESTEDING OP 'N BEGROTINGSPOS (WORD 'N DIREKTE LAS TEEN DIE PROVINSIALE INKOMSTEFONDS)

BEGROTINGSPOSTITEL	BEDRAG GEMAGTIG R
Ekonomiese Ontwikkeling, Toerisme en Omgewingsake	12 143 000.00
Gesondheid	9 957 957.00
Sport, Kuns, Kultuur en Ontspanning	1 606 206.89
TOTAAL	**23 707 163.89**

BYLAE B

ONGEMAGTIGDE UITGAWE VIR 'N REDE ANDERS AS OORBESTEDING OP 'N BEGROTINGSPOS (WORD 'N DIREKTE LAS TEEN DIE PROVINSIALE INKOMSTEFONDS)

BEGROTINGSPOSTITEL	BEDRAG GEMAGTIG R
Premier	277 086.02
Gesondheid	11 247 000.00
Polisie, Paaie en Vervoer	133 532 450.86
	46 489 118.09
TOTAAL	**191 545 654.97**

PROVINCIAL GAZETTE
(Published every Friday)

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Subscription Rates (payable in advance)

The subscription fee for the Provincial Gazette (including all Extraordinary Provincial Gazettes) are as follows:

SUBSCRIPTION: (POST)

PRICE PER COPY	**R 18.80**
HALF-YEARLY	**R469.40**
YEARLY	**R938.80**

SUBSCRIPTION: (OVER THE COUNTER / E-MAIL)

PRICE PER COPY	**R 11.10**
HALF-YEARLY	**R 277.90**
YEARLY	**R 555.80**

Stamps are not accepted

Closing time for acceptance of copy

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Advertisement Rates

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NUMBERING OF PROVINCIAL GAZETTE

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Printed and published by the Free State Provincial Government

PROVINSIALE KOERANT
(Verskyn elke Vrydag)

Alle korrespondensie, advertensies, ens. moet aan die Beampte Belas met die Provinsiale Koerant, Posbus 517, Bloemfontein, Tel.: No. (051) 403 3139 geadresseer word. Gratis eksemplare van die Provinsiale Koerant of uitknipsels van advertensies word NIE verskaf nie.

Intekengeld (vooruitbetaalbaar)

Die intekengeld vir die Provinsiale Koerant (insluitend alle Buitengewone Provinsiale Koerante) is soos volg:

INTEKENGELD: (POS)

PRYS PER EKSEMPLAAR	**R 18.80**
HALFJAARLIKS	**R469.40**
JAARLIKS	**R938.80**

INTEKENGELD: (OOR DIE TOONBANK / E-POS)

PRYS PER EKSEMPLAAR	**R 11.10**
HALFJAARLIKS	**R 277.90**
JAARLIKS	**R 555.80**

Seëls word nie aanvaar nie.

Sluitingstyd vir die Aanname van Kopie

Alle advertensies moet die Beampte Belas met die Provinsiale Koerant bereik **nie later nie as 16:00 drie werksdae** voordat die Koerant uitgegee word. Advertensies wat na daardie tyd ontvang word, word oorgehou vir publikasie in die uitgawe van die volgende week, of as die adverteerder dit verlang, sal dit in die Koerant wat op die pers is as 'n "Laat Advertensie" geplaas word. In sulke gevalle moet die advertensie aan die Beampte oorhandig word **nie later nie as 08:00 op die Dinsdag** voordat die Koerant gepubliseer word en dubbeltarief sal vir dié advertensie gevra word.

'n "Laat Advertensie" sal nie sonder definitiewe instruksies van die Adverteerder as sodanige geplaas word nie.

Advertensietariewe

Kennisgewings wat volgens Wet in die Provinsiale Koerant geplaas moet word: R26.40 per sentimeter of deel daarvan, enkelkolom.

Advertensiegelde is vooruitbetaalbaar aan die Beampte belas met die Provinsiale Koerant, Posbus 517, Bloemfontein 9300, Tel.: (051) 403 3139.

NOMMERING VAN PROVINSIALE KOERANT

U word hiermee in kennis gestel dat die nommering van die Provinsiale Koerant / Tender Bulletin en kennisgewingnommers vanaf 2010 met die betrokke boekjaar sal ooreenstem. Met ander woorde, die kronologiese nommering beginnende met een, sal op of na 1 April van elke jaar begin.

Gedruk en uitgegee deur die Vrystaatse Provinsiale Regering

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FREE STATE PROVINCE

PROVINCIAL GAZETTE

PROVINSIALE KOERANT

PROVINSIE VRYSTAAT

Published by Authority *Uitgegee op Gesag*

No. 93

BLOEMFONTEIN, 28 MARCH 2013

BLOEMFONTEIN, 28 MAART 2013

OFFICE OF THE PREMIER	KANTOOR VAN DIE PREMIER
No. 3 **28 March 2013**	**No. 3** **28 Maart 2013**
It is hereby notified that the Premier has assented to the following Act which is hereby published for general information:-	Hierby word bekend gemaak dat die Premier die onderstaande Wet bekragtig het, wat hierby ter algemene inligting gepubliseer word:-
No. 3 of 2013 : Finance Act, 2013	**No. 3 van 2013 : Finansieswet, 2013**

ACT

To authorise certain unauthorised expenditure and to provide for matters connected therewith.

BE IT ENACTED by the Provincial Legislature of the Province, as follows:-

(English text assented to and signed by the Premier on 27 March 2013.)

Authorising of expenditure

1. (1) The unauthorised amount of R 226, 407, 072.66 set out in the Schedules which –

(a) the Provincial Account Committee recommended for authorisation by the Provincial Legislature;

(b) is more fully described in the Report of the Auditor General of South Africa on the Annual Financial Statements for the financial years 2010/11 and 2011/12; and

(c) were set out in relation to the Department of Health in Finance Act, 2009 (Act No. 8 of 2009) and Finance Act, 2011 (Act No. 1 of 2011) and which were not fully implemented by the Department of Health,

is hereby authorized in terms of section 34 of Public Finance Management Act, 1999 (Act No.1 of 1999) in the manner set out in subsection (2).

(2) The unauthorised amounts referred to –

(a) in the second column of Schedule A, which represents unauthorised expenditure resulting from overspending of the vote referred to in the first column of Schedule A. R 50, 790, 723 and R 43, 529, 000 were previously enacted by Finance Act, 2009 and Finance Act, 2011 as charges against the relevant Vote, but in terms of this Act they become direct charges against the Provincial Revenue Fund in the 2012/13 and 2013/2014 financial years, respectively;

(b) in the second column of Schedule B, which represents unauthorised expenditure resulting from another reason than overspending of the Vote, become direct charges against the Provincial Revenue Fund during 2012/2013 financial year; and

(c) in the second column of Schedule C, which amount represents an unauthorised expenditure resulting from another reason than overspending of the Vote, become a direct charge against the relevant Vote in the financial year indicated in column 3.

Short title

2. This Act is called the Finance Act, 2013.

WET

Om bepaalde ongemagtigde uitgawes te magtig en voorsiening te maak vir sake wat daarmee verband hou.

DAAR WORD BEPAAL deur die Provinsiale Wetgewer van die Provinsie, soos volg:-

(Engelse teks deur die Premier bekragtig en geteken op 27 Maart 2013.)

Magtiging van uitgawes

1. (1) Die ongemagtigde bedrag van R 226, 407, 072.66, genoem in die Bylae, wat –

(a) die Provinsiale Komitee op Openbare Rekeninge aanbeveel het vir magtiging deur die Provinsiale Wetgewer;

(b) meer volledig beskryf word in die Verslag van die Ouditeur-generaal van Suid-Afrika oor die Jaarlikse Finansiële State vir die boekjare 2010/11 en 2011/12; en

(c) in die Finansieswet, 2009 (Wet Nr. 8 van 2009) en Finansieswet, 2011 (Wet Nr. 1 van 2011) in verband met die Departement van Gesondheid genoem is en wat nie ten volle geïmplementeer kon word deur die Departement van Gesondheid nie,

word hiermee gemagtig ingevolge artikel 34 van die Wet op Openbare Finansiële Bestuur, 1999 (Wet Nr. 1 van 1999) op die wyse soos uiteengesit in subartikel (2).

(2) Die ongemagtigde bedrae soos na verwys word –

(a) in die tweede kolom van Bylae A, welke bedrae ongemagtigde uitgawe verteenwoordig wat die gevolg is van oorbesteding van die Begrotingspos waarna verwys word in die eerste kolom van Bylae A. R 50, 790, 723 en R 43, 529, 000 was voorheen bekragtig deur die Finansieswet, 2009 en Finansieswet, 2011, as direkte laste teen die betrokke Begrotingspos, maar ingevolge hierdie Wet word dit onderskeidelik direkte laste teen die Provinsiale Inkomstefonds in die 2012/13 en 2013/2014 boekjare;

(b) in die tweede kolom van Bylae B, welke bedrae ongemagtigde uitgawes verteenwoordig wat die gevolg is van 'n ander rede as die oorbesteding van die Begrotingspos, word direkte laste teen die Provinsiale Inkomstefonds gedurende 2012/2013 boekjaar; en

(c) in die tweede kolom van Bylae C, welke bedrag 'n ongemagtigde uitgawe verteenwoordig wat die gevolg is van 'n ander rede as die oorbesteding van die Begrotingspos, word 'n direkte las teen die betrokke Begrotingspos gedurende die boekjaar aangedui in kolom 3.

Korttitel

2. Hierdie Wet heet die Finansieswet, 2013.

SCHEDULE A

UNAUTHORISED EXPENDITURE AS A RESULT OF OVERSPENDING OF A VOTE (BECOME A DIRECT CHARGE AGAINST THE PROVINCIAL REVENUE FUND)

VOTE TITLE	AMOUNT AUTHORISED R	FINANCIAL YEAR
Health	50, 790, 723.00	2012/2013
Health	43, 529, 000.00	2013/2014
TOTAL	**94, 319, 723.00**	

SCHEDULE B

UNAUTHORISED EXPENDITURE FOR ANOTHER REASON THAN OVERSPENDING OF A VOTE (BECOME A DIRECT CHARGE AGAINST PROVINCIAL REVENUE FUND)

VOTE TITLE	AMOUNT AUTHORISED R
Health	61, 591, 000.00
Social Development	395, 302.55
Police, Roads and Transport	64, 017, 081.08
Agriculture	2, 000.00
Agriculture and Rural Development	66, 551.06
Sport, Arts, Culture and Recreation	2, 688, 710.00
TOTAL	**128, 760, 644.69**

SCHEDULE C

UNAUTHORISED EXPENDITURE FOR ANOTHER REASON THAN OVERSPENDING OF A VOTE (BECOME A DIRECT CHARGE AGAINST THE RELEVANT VOTE)

VOTE TITLE	AMOUNT AUTHORISED R	FINANCIAL YEAR
Police, Roads and Transport	3, 326, 704.97	2013/14
TOTAL	**3, 326, 704.97**	

BYLAE A

ONGEMAGTIGDE UITGAWE AS GEVOLG VAN OORBESTEDING OP 'N BEGROTINGSPOS (WORD 'N DIREKTE LAS TEEN DIE PROVINSIALE INKOMSTEFONDS)

BEGROTINGSPOS TITEL	BEDRAG GEMAGTIG R	BOEKJAAR
Gesondheid	50, 790, 723.00	2012/2013
Gesondheid	43, 529, 000.00	2013/2014
TOTAAL	**94, 319, 723.00**	

BYLAE B

ONGEMAGTIGDE UITGAWE VIR 'N ANDER REDE AS OORBESTEDING VAN 'N BEGROTINGSPOS (WORD 'N DIREKTE LAS TEEN DIE PROVINSIALE INKOMSTEFONDS)

BEGROTINGSPOSTITEL	BEDRAG GEMAGTIG R
Gesondheid	61, 591, 000.00
Maatskaplike Ontwikkeling	395, 302.55
Polisie, Paaie en Vervoer	64, 017, 081.08
Landbou	2, 000.00
Landbou en Landelike Ontwikkeling	66, 551.06
Sport, Kuns, Kultuur en Ontspanning	2, 688, 710.00
TOTAAL	**128, 760, 644.69**

BYLAE C

ONGEMAGTIGDE UITGAWE VIR 'N ANDER REDE AS OORBESTEDING VAN 'N BEGROTINGSPOS (WORD 'N DIREKTE LAS TEEN DIE BETROKKE BEGROTINGSPOS)

BEGROTINGSPOSTITEL	BEDRAG GEMAGTIG R	BOEKJAAR
Polisie, Paaie en Vervoer	3, 326, 704.97	2013/14
TOTAAL	**3, 326, 704.97**	

PROVINCIAL GAZETTE
(Published every Friday)

All correspondence, advertisements, etc. must be addressed to the Officer in charge of the Provincial Gazette, P.O. Box 517, Bloemfontein, Tel.: (051) 403 3139. Free Voucher copies of the Provincial Gazette or cuttings of advertisements are NOT supplied.

Subscription Rates (payable in advance)

The subscription fee for the Provincial Gazette (including all Extraordinary Provincial Gazettes) are as follows:

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PRICE PER COPY	**R 19.80**
HALF-YEARLY	**R495.00**
YEARLY	**R989.90**

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PRICE PER COPY	**R 11.70**
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You are hereby informed that the numbering of the Provincial Gazette /Tender Bulletin and notice numbers will from 2010 coincide with the relevant financial year. In other words, the chronological numbering starting from one will commence on or after 1 April of every year.

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PROVINSIALE KOERANT
(Verskyn elke Vrydag)

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NOMMERING VAN PROVINSIALE KOERANT

U word hiermee in kennis gestel dat die nommering van die Provinsiale Koerant / Tender Bulletin en kennisgewingnommers vanaf 2010 met die betrokke boekjaar sal ooreenstem. Met ander woorde, die kronologiese nommering beginnende met een, sal op of na 1 April van elke jaar begin.

Gedruk en uitgegee deur die Vrystaatse Provinsiale Regering

26

LOCAL GOVERNMENT: MUNICIPAL DEMARCATION ACT 27 OF 1998

[ASSENTED TO 24 JUNE 1998] [DATE OF COMMENCEMENT: 1 FEBRUARY 1999]
(Unless otherwise indicated)

(English text signed by the President)

as amended by

Local Government Laws Amendment Act 51 of 2002
Local Government Laws Amendment Act 19 of 2008

ACT

To provide for criteria and procedures for the determination of municipal boundaries by an independent authority; and to provide for matters connected thereto.

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Schedule

1 Definitions

(1) In this Act, unless the context otherwise indicates-

'Board' means the Municipal Demarcation Board established by section 2;

'committee' means a committee of the Board established in terms of section 18 and includes an investigating committee contemplated in section 30;

'Constitution' means the Constitution of the Republic of South Africa;

'Department' means the national department responsible for local government;

'determination' includes any redetermination, and **'determine'** and **'redetermine'** have corresponding meanings;

'Electoral Commission' means the Electoral Commission established by section 3 of the Electoral Commission Act, 1996 (Act 51 of 1996);

'employee', except in sections 34 (1) and 35 (1), includes a person seconded to the Board;

'financial year' means the financial year of the Board, which is the same as that of the Department;

'**Manager**' means the Manager of the Board appointed in terms of section 33;
'**MEC for local government**' means the member of the Executive Council of a province responsible for local government in the province;
'**metropolitan area**' means an area recognised as a metropolitan area in terms of the Local Government: Municipal Structures Act, 1998;
'**Minister**' means the national Minister responsible for local government;
'**municipal financial year**' means the financial year of a municipality commencing on 1 July each year and ending on 30 June of the following year;
'municipality' means a municipality mentioned in section 155 (6) of the Constitution and includes a municipality which existed when this Act took effect;
'**organ of state**' means an organ of state as defined in section 239 of the Constitution;
'**President**' means the President acting as the head of the national executive in terms of section 85 (2) of the Constitution;
'**SALGA**' means the South African Local Government Association recognised in terms of the Organised Local Government Act, 1997 (Act 52 of 1997), as the national organisation representing municipalities; and
'**this Act**' includes the regulations made under section 41.

(2) When in this Act the Minister is required to act in consultation with the MECs for local government, the Minister must act with the concurrence of the majority of those MECs after all the MECs have been consulted.

CHAPTER 1
MUNICIPAL DEMARCATION BOARD (ss 2-20)

[Date of commencement of Chapter 1: 3 July 1998.]

Part 1
Establishment, function and general powers of Board (ss 2-5)

2 Establishment

There is a Board called the Municipal Demarcation Board.

[Date of commencement of s. 2: 3 July 1998.]

3 Status

The Board-

(a) is a juristic person;
(b) is independent; and
(c) must be impartial and perform its function without fear, favour or prejudice.

[Date of commencement of s. 3: 3 July 1998.]

4 Functions

The functions of the Board are-

(a) to determine municipal boundaries in accordance with this Act and other appropriate legislation enacted in terms of Chapter 7 of the Constitution; and
(b) to render an advisory service in respect of matters provided for in this Act and other appropriate legislation when so requested.

[Date of commencement of s. 4: 3 July 1998.]

5 General powers

(1) The Board may do all that is necessary or expedient to perform its function

effectively, which includes the power to-

(a) determine its own staff establishment subject to section 20 (2), and appoint employees in posts on the staff establishment having due regard to available funds;

(b) obtain, by agreement, the services of any person, including any organ of state, for the performance of any specific act or function;

(c) acquire or dispose of any right in or to property, but ownership in immovable property may be acquired or disposed of only with the consent of the Minister;

(d) open and operate its own bank accounts;

(e) insure itself against any loss, damage or risk;

(f) perform legal acts, including acts in association with or on behalf of any other person or organ of state;

(g) institute or defend any legal action;

(h) collect and disseminate relevant information; and

(i) do anything that is incidental to the exercise of any of its powers.

(2) The Board may not borrow money.

(3) The Board may require a municipality that may reasonably be affected by a boundary determination in terms of section 21, to provide the Board or any of its committees with facilities, available to that municipality, for the holding of meetings.

[Date of commencement of s. 5: 3 July 1998.]

Part 2
Membership of Board (ss 6-14)

6 Composition

(1) The Board consists of no fewer than seven and no more than 10 members appointed by the President in accordance with section 8.

(2) The Minister-

(a) must determine the number of the members of the Board; and

(b) may alter from time to time the number determined in terms of paragraph *(a)*, but a reduction in the number may be effected only by not filling a vacancy when a vacancy arises.

(3) The composition of the Board must-

(a) be broadly representative of the South African society;

(b) reflect regional diversity; and

(c) collectively represent a pool of knowledge concerning issues relevant to municipal demarcation in each of the provinces.

[Date of commencement of s. 6: 3 July 1998.]

7 Qualifications

(1) A member of the Board must be a South African citizen and have a qualification or experience in or knowledge appropriate to-

(a) local government generally; or

(b) any of the following:

(i) development economics;

(ii) integrated development planning;

(iii) community development;

(iv) traditional leadership and traditional communities;

(v) local government and municipal administration;
(vi) municipal finance;
(vii) municipal services;
(viii) social or economic geography;
(ix) town and regional planning;
(x) legal and constitutional matters affecting local government;
(xi) land survey, cartography and geographic information systems;
(xii) public health care; or
(xiii) transport planning.

(2) The following persons are disqualified from becoming or remaining a member of the Board:

(a) an unrehabilitated insolvent;
(b) a person who is placed under curatorship;
(c) a person who is declared to be of unsound mind by a court of the Republic; or
(d) a person who after 4 February 1997 has been convicted of an offence and sentenced to imprisonment without the option of a fine for a period of not less than 12 months.

(3) A disqualification in terms of subsection (2) *(d)* ends five years after the imprisonment has been completed.

[Date of commencement of s. 7: 3 July 1998.]

8 Appointment procedure

(1) Whenever it is necessary to appoint a person as a member of the Board, the Minister must-

(a) through advertisements in the media circulating nationally and in each of the provinces, invite persons who comply with section 7 to apply within a specified period for appointment as a member; and
(b) establish a selection panel consisting of-
(i) the President of the Constitutional Court or another member of that Court designated by the President of that Court, who must also be the convenor of the panel;
(ii) a judge designated by the Chief Justice;
(iii) one member of the Commission for Gender Equality, established by the Constitution, designated by that Commission;
(iv) two persons with specific knowledge of boundary demarcation of whom one must be designated by the Minister in consultation with the MECs for local government and the other person by SALGA; and
(v) the Chairperson of the Select Committee of the National Council of Provinces responsible for local government matters.

(2) For the purposes of any subsequent establishment of a selection panel, a person designated in terms of subsection (1) *(b)* remains designated until replaced.
(3) The selection panel may determine its own procedure including its decision-making procedure, but must act in a transparent and open way.
(4) The selection panel must consider all applications and from amongst the applicants compile a list of nominees taking into account sections 6 (3) and 7.

(5) The list referred to in subsection (4) must be submitted to the Minister and must consist of-

(a) three more names than the number of appointments that must be made, if six or more appointments must be made; or

(b) two more names than the number of appointments that must be made, if fewer than six appointments must be made.

(6) If the selection panel is unable to compile a list consisting of the required number of nominees, the procedure set out in subsections (1) *(a)*, (4) and (5) must be repeated, except that applicants who applied in the first round-

(a) need not reapply; and

(b) must be considered when the list is compiled in the second round.

(7) The President must make the required number of appointments from the list.

[Date of commencement of s. 8: 3 July 1998.]

9 Terms of office

(1) A member of the Board is appointed for five years.

(2) There is no limit to the number of terms a member of the Board may serve.

(3) Any reappointment of a member of the Board is subject to section 8.

[Date of commencement of s. 9: 3 July 1998.]

10 Chairperson and deputy chairperson

(1) The President appoints one of the members of the Board as the chairperson and another member as the deputy chairperson of the Board.

(2) The chairperson and the deputy chairperson hold office as chairperson and deputy chairperson for the duration of their terms of office as members of the Board.

(3) The deputy chairperson acts as chairperson if-

(a) the chairperson is absent or unable to perform the functions of chairperson; or

(b) the office of chairperson is vacant.

[Date of commencement of s. 10: 3 July 1998.]

11 Conditions of appointment of members

(1) The Minister, with the concurrence of the Minister of Finance, must determine the conditions of appointment of the members of the Board, taking into account-

(a) the conditions of appointment of members of other institutions referred to in section 219 (5) of the Constitution;

(b) the role, duties and responsibilities of a member of the Board;

(c) affordability in relation to the responsibilities of the Board; and

(d) the level of expertise and experience required for a member of the Board.

(2) A member of the Board is either a full-time or part-time member, as may be determined by the Minister.

(3) Conditions of appointment may differ in respect of-

(a) the chairperson, deputy chairperson and other members of the Board;

(b) full-time and part-time members; and

(c) any other appropriate circumstances.

[Date of commencement of s. 11: 3 July 1998.]

12 Conduct of members

(1) A member of the Board-

(a) must perform the functions of office in good faith and without fear, favour or prejudice;

(b) must disclose any personal or any private business interest that that member or any spouse, partner or business associate of that member may have in any matter before the Board and must withdraw from the proceedings of the Board when that matter is considered by the Board, unless the Board decides that the member's interest in the matter is trivial or not relevant;

(c) may not use the position or privileges of a member for private gain or to improperly benefit another person;

(d) who is a full-time member may not undertake any other paid work, except with the consent of the Board and the Minister; and

(e) may not act in any other way that compromises the credibility, impartiality, independence or integrity of the Board.

(2) A member of the Board who contravenes or fails to comply with subsection (1) is guilty of misconduct.

[Date of commencement of s. 12: 3 July 1998.]

13 Termination of membership

(1) A person ceases to be a member of the Board when that person-

(a) is no longer eligible under section 7 to be a member;

(b) resigns; or

(c) is removed from office in terms of subsection (4).

(2) A member of the Board may resign by giving at least three months' written notice to the Minister, but the Minister may accept a shorter period in a specific case.

(3) A member of the Board is regarded as having resigned if that member-

(a) accepts nomination for the National Assembly, the National Council of Provinces, a provincial legislature or a municipal council;

(b) is an office bearer of a political party; or

(c) is a member of the National Assembly, a permanent delegate to the National Council of Provinces, a member of a provincial legislature or a member of a municipal council and fails to resign from such office within 30 days of having been appointed as a member of the Board.

(4) *(a)* The President may remove a member of the Board from office, but only on the ground of misconduct, incapacity or incompetence.

(b) A decision to remove such a member of the Board on the ground of misconduct or incompetence must be based on a finding to that effect by an investigating tribunal appointed by the President.

(c) The President may suspend a member of the Board who is under investigation under paragraph *(b)*.

[Date of commencement of s. 13: 3 July 1998.]

14 Vacancies

(1) As soon as practical after a vacancy has occurred in the Board another person must be appointed as a member of the Board in accordance with section 8.

(2) Subsection (1) does not apply if the Minister wants to reduce the number of the members of the Board in terms of section 6 (2) *(b)*.

[Date of commencement of s. 14: 3 July 1998.]

Part 3
Operating procedures of Board (ss 15-20)

15 Meetings

(1) The chairperson of the Board decides when and where the Board meets, but must convene a meeting if a majority of the members of the Board request the chairperson in writing to convene a Board meeting at a time and place set out in the request.

(2) The chairperson or the deputy chairperson presides at meetings of the Board, but if both are absent from a meeting, the members of the Board present must elect another member to preside at the meeting.

[Date of commencement of s. 15: 3 July 1998.]

16 Procedures

The Board may determine its internal procedures.

[Date of commencement of s. 16: 3 July 1998.]

17 Decisions

A question before the Board is decided by a supporting vote of at least the majority of the members of the Board.

[Date of commencement of s. 17: 3 July 1998.]

18 Committees

(1) The Board may-

(a) establish one or more committees to assist the Board in the performance of its function or the exercise of any of its powers; and

(b) dissolve a committee at any time.

(2) The Board-

(a) must determine the function of a committee;

(b) must appoint the chairperson and other members of a committee;

(c) may authorise a committee to co-opt advisory members within limits determined by the Board;

(d) may remove a member of a committee from office at any time; and

(e) may determine a committee's procedure.

(3) When appointing members to a committee, the Board is not restricted to Board members.

(4) Sections 7, 12 and 13 (3) also apply to members of a committee and when those sections are applied to members of a committee a reference in those sections to the Board and a member of the Board must be read as a reference to a committee and a member of a committee, respectively.

(5) The Board determines the remuneration, allowances and other conditions of office of members of a committee who are not-

(a) Board members;

(b) employees; or

(c) in the service of the national government, a provincial government or a municipality.

[Date of commencement of s. 18: 3 July 1998.]

19 Assignment of powers and duties

(1) When necessary for the proper performance of its function, the Board may-

(a) delegate any of its powers, excluding the power to make the final decision on the determination of a municipal boundary, to-

(i) a Board member;

(ii) a committee of the Board; or

(iii) an employee; or

(b) instruct any such member, committee or employee to perform any of the Board's duties.

(2) A delegation or instruction in terms of subsection (1)-

(a) is subject to any conditions and directions the Board may impose; and

(b) does not divest the Board of the responsibility concerning the exercise of the power or the performance of the duty.

(3) The Board may confirm, vary or revoke any decision taken by a member of the Board, committee, or employee, in consequence of a delegation or instruction.

[Date of commencement of s. 19: 3 July 1998.]

20 Administrative assistance to Board

(1) The Board may conclude an agreement with the Department, a provincial department or a municipality for the provision of administrative and secretarial assistance to the Board or any of its committees.

(2) Before the Board determines or extends its staff establishment in terms of section 5 (1) *(a)*, it must first establish the extent to which administrative and secretarial assistance could be provided under an agreement envisaged in subsection (1) of this section.

[Date of commencement of s. 20: 3 July 1998.]

CHAPTER 2
DEMARCATION (ss 21-31)
Part 1
Boundary determinations (ss 21-23)

21 Determination of municipal boundaries

(1) The Board-

(a) must determine municipal boundaries in the territory of the Republic; and

(b) may redetermine any municipal boundaries determined by it in terms of paragraph *(a)*.

(2) Any determination or redetermination of a municipal boundary must be consistent with this Act and other appropriate legislation enacted in terms of Chapter 7 of the Constitution: Provided that section 26 does not apply where the Board redetermines a municipal boundary in respect of which the MEC for local government and all the municipalities that are affected by the redetermination have indicated in writing that they have no objection to such redetermination.

(3) The Board must publish its determination or redetermination of a municipal boundary in the relevant *Provincial Gazette*.

(4) Any person aggrieved by a determination of a municipal boundary may within 30 days of publication of that determination submit objections in writing to the Board.

(5) The Board must-

(a) consider any objections;

(b) either confirm, vary or withdraw its determination; and

(c) publish its decision in terms of paragraph *(b)* in the relevant *Provincial*

Gazette.

(6) Any person may, subject to the Promotion of Access to Information Act, 2000 (Act 2 of 2000), request the Board to provide reasons for its decision in terms of subsection (5) *(b)*.

22 Work programme

(1) The Board performs the function mentioned in section 21 (1)-

(a) on its own initiative;

(b) on request by the Minister or a MEC for local government; or

(c) on request by a municipality with the concurrence of any other municipality affected by the proposed determination or redetermination.

(2) The Minister may, after consultation with the MEC's for local government and the Board, determine priorities and reasonable time-frames for a determination or redetermination.

(3) Where the Board performs the function mentioned in section 21 (1) on its own initiative as a result of receiving a request from a member of the public, the Board may-

(a) require that member of the public to furnish the Board with such information as may be required by the Board; and

(b) solicit the views of the persons and institutions referred to in section 26 (3) on the matter before the Board.

(4) Where the Board has solicited the views of persons and institutions as provided for in subsection (3) *(b)*, the Board does not need to comply with section 26 when it considers the determination or redetermination of a municipal boundary under the circumstances referred to in subsection (3).

(5) Where the Board performs the function mentioned in section 21 (1) on request by a municipality, the Board may require that municipality to furnish the Board with such information as may be required by the Board.

23 When boundary determinations take effect

(1) After the Board has considered any objections in terms of section 21 (5), or has redetermined a boundary under the circumstances provided for in the proviso to section 21 (2), the Board must without delay send particulars of the determination to the Electoral Commission.

(2) If the Electoral Commission is of the view that the boundary determination-

(a) will affect the representation of voters in the council of any of the municipalities affected by the boundary determination, the determination takes effect from the date of the next election in the area concerned; or

(b) will not materially affect the representation of voters in such council, the determination takes effect from a date determined by notice in the relevant *Provincial Gazette* by the MEC for local government in the province concerned.

(3) *(a)* The Electoral Commission, within 60 days after having received the particulars referred to in subsection (1), must make known its view as envisaged in subsection (2) by notice in the relevant *Provincial Gazette*.

(b) The MEC for local government in the province concerned must publish the notice referred to in subsection (2) *(b)* within three months of the date of the notice published by the Electoral Commission in terms of paragraph *(a)*, and send a copy of the

notice to the Board.

(4) *(a)* A determination referred to in subsection (2) *(b)* takes effect on the commencement date of the municipal financial year following the date of publication of the notice effecting such determination.

(b) The Board must, at least six months prior to the commencement of the municipal financial year in which boundary determinations are to take effect, inform the Minister of Finance of such determinations.

(c) The Minister of Finance may, in exceptional cases, including those referred to in section 87 of the Municipal Structures Act, 1998 (Act 117 of 1998), decide on a different or shorter period than the period referred to in paragraph *(a)* and *(b)*.

Part 2

***Demarcation criteria* (ss 24-25)**

24 Demarcation objectives

When the Board determines a municipal boundary its objective must be to establish an area that would-

(a) enable the municipality for that area to fulfil its constitutional obligations, including-

(i) the provision of democratic and accountable government for the local communities;

(ii) the provision of services to the communities in an equitable and sustainable manner;

(iii) the promotion of social and economic development; and

(iv) the promotion of a safe and healthy environment;

(b) enable effective local governance;

(c) enable integrated development; and

(d) have a tax base as inclusive as possible of users of municipal services in the municipality.

25 Factors to be taken into account

In order to attain the objectives set out in section 24, the Board must, when determining a municipal boundary, take into account-

(a) the interdependence of people, communities and economies as indicated by-

(i) existing and expected patterns of human settlement and migration;

(ii) employment;

(iii) commuting and dominant transport movements;

(iv) spending;

(v) the use of amenities, recreational facilities and infrastructure; and

(vi) commercial and industrial linkages;

(b) the need for cohesive, integrated and unfragmented areas, including metropolitan areas;

(c) the financial viability and administrative capacity of the municipality to perform municipal functions efficiently and effectively;

(d) the need to share and redistribute financial and administrative resources;

(e) provincial and municipal boundaries;

(f) areas of traditional rural communities;

(g) existing and proposed functional boundaries, including magisterial

districts, voting districts, health, transport, police and census enumerator boundaries;

(h) existing and expected land use, social, economic and transport planning;

(i) the need for co-ordinated municipal, provincial and national programmes and services, including the needs for the administration of justice and health care;

(j) topographical, environmental and physical characteristics of the area;

(k) the administrative consequences of its boundary determination on-

(i) municipal creditworthiness;

(ii) existing municipalities, their council members and staff; and

(iii) any other relevant matter; and

(l) the need to rationalise the total number of municipalities within different categories and of different types to achieve the objectives of effective and sustainable service delivery, financial viability and macro-economic stability.

Part 3

Demarcation procedure (ss 26-30)

26 Public notification of determination of municipal boundaries

(1) Before the Board considers any determination of a municipal boundary in terms of section 21, it must publish a notice in a newspaper circulating in the area concerned-

(a) stating the Board's intention to consider the matter; and

(b) inviting written representations and views from the public within a specified period (which may not be shorter than 21 days).

(2) When the Board publishes a notice it must convey by radio or other appropriate means of communication the contents of the notice in the area concerned.

(3) The Board must send by registered post, electronic means or by hand a copy of the notice to-

(a) the MEC for local government in the province concerned;

(b) each municipality that will be affected by the Board's consideration of the matter;

(c) the magistrate concerned if any magisterial district is affected; and

(d) the provincial House of Traditional Leaders concerned established by provincial legislation in terms of section 212 (2) *(a)* of the Constitution if the boundary of a traditional authority is affected,

and invite them to submit written representations or their views on the matter to the Board within the period determined in terms of subsection (1).

27 Consideration by Board

When the period for written representations and views has expired, the Board-

(a) must consider all representations and views submitted to it; and

(b) may take a decision on the determination or, before it takes such a decision-

(i) hold a public meeting;

(ii) conduct a formal investigation; or

(iii) do both.

28 Public meetings

(1) If the Board decides to hold a public meeting it must publish a notice in the newspaper circulating in the area concerned-

(a) stating the time, date and place of the meeting or of each meeting; and

(b) inviting the public to attend the meeting or meetings.

(2) When the Board publishes a notice, it must convey, where appropriate, by radio or other appropriate means of communication the contents of the notice in the area concerned.

(3) At a public meeting a representative of the Board must-

(a) explain the issues the Board has to consider, including any options open to the Board;

(b) allow members of the public attending the meeting to air their views on these issues; and

(c) answer relevant questions.

29 Formal investigations

(1) If the Board decides to conduct an investigation it may conduct the investigation itself or in terms of section 18 designate one or more Board members or other persons as an investigating committee to conduct the investigation on its behalf.

(2) If an investigation committee has been appointed, the committee must report and make recommendations to the Board.

30 Powers of investigating committees

For the purposes of its investigation the Board or an investigating committee may-

(a) by written notice summon a person who in its opinion has information which is material to the investigation to appear before the Board or the committee-

(i) to give evidence; or

(ii) to produce a document available to that person and specified in the summons;

(b) call a person present at a Board or committee meeting, whether summoned or not-

(i) to give evidence before the Board or committee; or

(ii) to produce a document in that person's custody;

(c) administer an oath or solemn affirmation to that person;

(d) question that person, or have such a person questioned by a person designated by the Board or committee; and

(e) retain for a reasonable period a document produced in terms of paragraph *(a)* (ii) or *(b)* (ii).

Part 4

***Regulation of consequences of boundary determinations* (s 31)**

31 Demarcation affecting existing municipalities

The legal, practical and other consequences resulting from the area of a municipality being wholly or partially incorporated in or combined with the area of another municipality, must be dealt with in terms of the Local Government: Municipal Structures Act, 1998.

CHAPTER 3
ADMINISTRATIVE AND OTHER MATTERS (ss 32-44)

Part 1

Administration (ss 32-35)

32 Appointment of Manager

(1) The Board must appoint a person as the Manager of the Board.

(2) The person appointed as the Manager holds office-

(a) for an agreed term not exceeding five years, but which is renewable; and

(b) subject to the terms and conditions applicable to employees.

33 Responsibilities of Manager

(1) The Manager is the chief executive officer and also the accounting officer of the Board.

(2) As chief executive officer of the Board, the Manager is responsible for-

(a) the formation and development of an efficient administration;

(b) the organisation, control and management of all staff, including persons seconded to the Board from any other organ of state;

(c) the maintenance of discipline; and

(d) the carrying out of the decisions of the Board.

(3) As accounting officer of the Board the Manager is responsible for-

(a) all income and expenditure of the Board;

(b) all assets and the discharge of all liabilities of the Board; and

(c) the proper and diligent implementation of Part 2 of this Chapter.

34 Conditions of employment of employees

(1) An employee of the Board is employed subject to the terms and conditions of employment determined by the Board.

(2) The terms and conditions must comply with the basic values and principles set out in section 195 of the Constitution.

(3) Persons in the public service or other state institutions seconded to the Board, perform their functions under the control and directions of the Manager.

35 Pension rights

(1) A person appointed as an employee of the Board may become a member of the Government Employees' Pension Fund mentioned in section 2 of the Government Employees' Pension Law, 1996 (Proclamation 21 of 1996).

(2) An employee of the Board who becomes a member of that pension fund, is entitled to pension and retirement benefits as if that person is an official in the public service.

Part 2
Finances of Board (ss 36-39)

36 Funding

(1) The Board is entitled to money appropriated annually by Parliament to enable it to perform its functions effectively. The Board may receive money from any other source through the National Revenue Fund.

(2) For the purposes of subsection (1) the Board-

(a) must submit to the Minister and the Minister of Finance, during each financial year, but before a date set by the Minister, estimates of the Board's income and expenditure for the next financial year; and

(b) may submit to the Minister and the Minister of Finance, at any time during a financial year, estimates of the Board's income and expenditure supplementary to those mentioned in paragraph *(a)*.

(3) When submitting the estimates the Board must disclose full particulars of any income that has accrued, or is expected to accrue, to the Board from a source other than an appropriation by Parliament.

(4) The Board must refund to the National Revenue Fund any money paid to the Board in terms of an appropriation under subsection (1) that has not been used at the end of a financial year, unless otherwise agreed with the Minister acting with the concurrence of Minister of Finance.

37 Accountability

As accounting officer of the Board, the Manager must-

(a) keep full and proper records of-

(i) all income and expenditure of the Board; and

(ii) all assets, liabilities and financial transactions of the Board;

(b) ensure that the Board's available resources are properly safeguarded and used in the most efficient and effective way;

(c) ensure that all statutory measures applicable to the Board are complied with; and

(d) prepare annual financial statements in accordance with generally accepted accounting practice within three months after the end of each financial year.

38 Audit

The financial statements and records of the Board must be audited annually by the Auditor-General.

39 Accountability and reporting

(1) *(a)* The Board is accountable to Parliament and must annually submit to both Houses of Parliament a written report on the activities of the Board during a financial year.

(b) A copy of the report must also be submitted to each provincial legislature.

(2) The report must be submitted within six months after the end of the financial year to which it relates, and must include audited financial statements if those statements are available at that time, reflecting the Board's financial affairs during the year, consisting of at least-

(a) a balance sheet;

(b) an income statement; and

(c) a report of the auditors.

Part 3

Miscellaneous matters (ss 40-45)

40 Civil liability of Board

(1) The State Liability Act, 1957 (Act 20 of 1957), applies, with the necessary changes, in respect of the Board, and in such application a reference in that Act to the Minister of the department concerned must be construed as a reference to the chairperson of the Board.

(2) No member of the Board, is liable for anything done or omitted in good faith when performing a duty or exercising a power in terms of this Act.

41 Regulations

The Minister may make regulations not inconsistent with this Act or any Act of Parliament-

(a) by prescribing, on the advice of the Board, further procedures relating to the way in which the Board operates when performing its function;

(b) by prescribing objectives and general targets for the rationalisation of municipalities as contemplated in section 25 *(l)*; or

(c) concerning any matter referred to in this Act which in the opinion of the Minister is necessary or expedient for the effective carrying out or furtherance of the provisions and objects of this Act.

42 Offences and penalties

(1) A person commits an offence if that person-

(a) wilfully disrupts the proceedings of the Board or a Board committee;

(b) wilfully hinders, obstructs or threatens members of the Board or of a committee, or other persons in the exercise of their powers or the performance of their duties in terms of this Act;

(c) does anything calculated to improperly influence the Board or a committee in its consideration of a matter;

(d) after having been summoned in terms of section 31 *(a)* fails-

(i) to be present at a meeting of the Board or an investigating committee at the time and place specified in the summons;

(ii) to remain present until excused by the Board or committee; or

(iii) to produce a document specified in the summons;

(e) after having been called in terms of section 31 *(b)* refuses-

(i) to appear before the Board or the committee;

(ii) to answer any question; or

(iii) to produce a document in that person's custody; or

(f) falsely gives out to be a Board member, a committee member or an employee.

(2) A person convicted of an offence in terms of subsection (1) is liable to a fine or to imprisonment not exceeding one year or to both a fine and imprisonment.

43 Repeal of legislation

The legislation mentioned in the first column of the Schedule is hereby repealed to the extent set out in the other column of the Schedule.

44 Transitional provisions

The boundaries of municipalities which existed immediately before this Act took effect, continue to exist until superseded by boundaries determined by the Board in terms of section 21.

45 Short title

This Act is called the Local Government: Municipal Demarcation Act, 1998, and takes effect on the date on which the Local Government: Municipal Structures Act, 1998, comes into effect.

(2) Chapter 1 comes into effect on the date of the publication of this Act.

Schedule

No and year of law	Short title	Extent of repeal
Act 91 of 1983 Act 209 of 1993	Promotion of Local Government Affairs Act, 1983 Local Government Transition Act, 1993	The repeal of Chapter 1A The repeal of sections 10E, 10J and 10K

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Government Gazette

REPUBLIC OF SOUTH AFRICA

Vol. 464 Cape Town 13 February 2004 No. 26019

THE PRESIDENCY

No. 176 13 February 2004

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

No. 56 of 2003: Local Government: Municipal Finance Management Act, 2003.



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

(English text signed by the President.)
(Assented to 9 February 2004.)

ACT

To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.

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

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CHAPTER 1

INTERPRETATION, OBJECT, APPLICATION AND AMENDMENT OF ACT

Definitions

1. (1) In this Act, unless the context indicates otherwise—

"accounting officer"—

(a) in relation to a municipality, means the municipal official referred to in section 60; or

(b) in relation to a municipal entity, means the official of the entity referred to in section 93,

and includes a person acting as the accounting officer;

"allocation", in relation to a municipality, means—

(a) a municipality's share of the local government's equitable share referred to in section 214(1)*(a)* of the Constitution;

(b) an allocation of money to a municipality in terms of section 214(1)*(c)* of the Constitution;

(c) an allocation of money to a municipality in terms of a provincial budget; or

(d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"annual Division of Revenue Act" means the Act of Parliament which must be enacted annually in terms of section 214 (1) of the Constitution;

"annual report", in relation to a municipality or municipal entity, means an annual report contemplated in section 121;

"approved budget" means an annual budget—

(a) approved by a municipal council; or

(b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution,

and includes such an annual budget as revised by an adjustments budget in terms of section 28;

"Auditor-General" means the person appointed as Auditor-General in terms of section 193 of the Constitution, and includes a person—

(a) acting as Auditor-General;

(b) acting in terms of a delegation by the Auditor-General; or

(c) designated by the Auditor-General to exercise a power or perform a duty of the Auditor-General;

"basic municipal service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"board of directors", in relation to a municipal entity, has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Budget Forum" has the meaning assigned in section 1 of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997);

"budget-related policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including—

(a) the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or

(c) the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"budget year" means the financial year for which an annual budget is to be approved in terms of section 16(1);

"category", in relation to municipalities, means a category A, B or C municipality referred to in section 155(1) of the Constitution;

"chief financial officer" means a person designated in terms of section 80(2)*(a)*;

"councillor" means a member of a municipal council;

"creditor", in relation to a municipality, means a person to whom money is owing by the municipality;

"current year" means the financial year which has already commenced, but not yet ended;

"debt" means—

(a) a monetary liability or obligation created by a financing agreement, note, debenture, bond or overdraft, or by the issuance of municipal debt instruments; or

(b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

"delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"district municipality" means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

"financial recovery plan" means a plan prepared in terms of section 141;

"financial statements", in relation to municipality or municipal entity, means statements consisting of at least—

(a) a statement of financial position;

(b) a statement of financial performance;

(c) a cash-flow statement;

(d) any other statements that may be prescribed; and

(e) any notes to these statements;

"financial year" means a year ending on 30 June;

"financing agreement" includes any loan agreement, lease, instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"Head", in relation to the Municipal Finance Recovery Service, means a person—

(a) appointed in terms of section 159 as the Head of the Service; or

(b) acting as the Head of the Service;

"irregular expenditure", in relation to a municipality or municipal entity, means—

(a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;

(b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;

(c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or

(d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law,

but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment", in relation to funds of a municipality, means—

(a) the placing on deposit of funds of a municipality with a financial institution; or

(b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"lender", in relation to a municipality, means a person who provides debt finance to a municipality;

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"local municipality" means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

"long-term debt" means debt repayable over a period exceeding one year;

"mayor", in relation to—

(a) a municipality with an executive mayor, means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act; or

(b) a municipality with an executive committee, means the councillor elected as the mayor of the municipality in terms of section 48 of that Act;

"MEC for finance" means the member of the Executive Council of a province who is responsible for finance in that province;

"MEC for local government" means the member of the Executive Council of a province who is responsible for local government in that province;

"Minister" means the Cabinet member responsible for finance;

"month" means one of the 12 months of a calendar year;
"multi-jurisdictional service utility" has the meaning assigned to it in section 1 of the Municipal Systems Act;
"municipal council" or **"council"** means the council of a municipality referred to in section 18 of the Municipal Structures Act;
"municipal debt instrument" means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;
"municipal entity" has the meaning assigned to it in section 1 of the Municipal Systems Act;
"Municipal Financial Recovery Service" means the Municipal Financial Recovery Service established by section 157;
"municipality"—
(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);
"municipal manager" means a person appointed in terms of section 82(1)*(a)* or *(b)* of the Municipal Structures Act;
"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act;
"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;
"municipal tax" means property rates or other taxes, levies or duties that a municipality may impose;
"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;
"official", in relation to a municipality or municipal entity, means—
(a) an employee of a municipality or municipal entity;
(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;
"organised local government" means an organisation recognised in terms of section 2(1) of the Organised Local Government Act, 1997 (Act No. 52 of 1997), to represent local government nationally or provincially;
"overspending"—
(a) in relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
(b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
(c) in relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section;
"parent municipality" has the meaning assigned to it in section 1 of the Municipal Systems Act;
"past financial year" means the financial year preceding the current year;
"political office-bearer", in relation to a municipality, means—
(a) the speaker, executive mayor, deputy executive mayor, mayor, deputy mayor or a member of the executive or mayoral committee of a municipality elected, designated or appointed in terms of a specific provision of the Municipal Structures Act; or
(b) a councillor referred to in section 57(1) of this Act;
"political structure", in relation to a municipality, means—
(a) the council of a municipality; or

(b) any committee or other collective structure of a municipality elected, designated or appointed in terms of a specific provision of the Municipal Structures Act;

"prescribe" means prescribe by regulation in terms of section 168;

"primary bank account" means a bank account referred to in section 8(1);

"private company" means a company referred to in sections 19 and 20 of the Companies Act,1973 (Act No. 61 of 1973);

"provincial department" means a department listed in Schedule 2 of the Public Service Act, 1994 (Proclamation No. 103 of 1994), which falls within a provincial administration listed in Schedule 1 to that Act;

"provincial treasury" means a treasury established in terms of section 17 of the Public Finance Management Act;

"Public Finance Management Act" means the Public Finance Management Act, 1999 (Act No. 1 of 1999);

"quarter" means any of the following periods in a financial year:

(a) 1 July to 30 September;

(b) 1 October to 31 December;

(c) 1 January to 31 March; or

(d) 1 April to 30 June;

"senior manager"—

(a) in relation to a municipality, means a manager referred to in section 56 of the Municipal Systems Act; or

(b) in relation to a municipal entity, means a manager directly accountable to the chief executive officer of the entity;

"security" means any mechanism intended to secure the interest of a lender or investor, and includes any of the mechanisms mentioned in section 48(2);

"service delivery agreement" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"service delivery and budget implementation plan" means a detailed plan approved by the mayor of a municipality in terms of section 53(1)*(c)*(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate—

(a) projections for each month of—

(i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

(c) any other matters that may be prescribed,

and includes any revisions of such plan by the mayor in terms of section 54(1)*(c)*;

"service utility" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"shared control", in relation to a municipal entity, means the rights and powers a municipality has over a municipal entity which is—

(a) a private company in which effective control as defined in section 1 of the Municipal Systems Act is vested in that municipality and one or more other municipalities collectively; or

(b) a multi-jurisdictional service utility in which that municipality participates;

"short-term debt" means debt repayable over a period not exceeding one year;

"sole control", in relation to a municipal entity, means the rights and powers a municipality has over a municipal entity which is—

(a) a private company in which effective control as defined in section 1 of the Municipal Systems Act is vested in that municipality alone; or

(b) a service utility established by the municipality;

"standards of generally recognised accounting practice" means an accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of Chapter 11 of the Public Finance Management Act;

"this Act" includes regulations made in terms of section 168 or 175;

"unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with this Act;

"vote" means—

(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and

(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

(2) In this Act, a word or expression derived from a word or expression defined in subsection (1) has a corresponding meaning unless the context indicates that another meaning is intended.

Object of Act

2. The object of this Act is to secure sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for—

(a) ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities;

(b) the management of their revenues, expenditures, assets and liabilities and the handling of their financial dealings;

(c) budgetary and financial planning processes and the co-ordination of those processes with the processes of organs of state in other spheres of government;

(d) borrowing;

(e) the handling of financial problems in municipalities;

(f) supply chain management; and

(g) other financial matters.

Institutions to which Act applies

3. (1) This Act applies to—

(a) all municipalities;

(b) all municipal entities; and

(c) national and provincial organs of state to the extent of their financial dealings with municipalities.

(2) In the event of any inconsistency between a provision of this Act and any other legislation in force when this Act takes effect and which regulates any aspect of the fiscal and financial affairs of municipalities or municipal entities, the provision of this Act prevails.

Amendments to Act

4. Draft national legislation directly or indirectly amending this Act, or providing for the enactment of subordinate legislation that may conflict with this Act, may be introduced in Parliament only after the Minister and the Financial and Fiscal Commission have been consulted in writing on the contents of the draft legislation, and have responded in writing.

CHAPTER 2

SUPERVISION OVER LOCAL GOVERNMENT FINANCE MANAGEMENT

General functions of National Treasury and provincial treasuries

5. (1) The National Treasury must—

(a) fulfil its responsibilities in terms of Chapter 13 of the Constitution and this Act;

(b) promote the object of this Act as stated in section 2—

(i) within the framework of co-operative government set out in Chapter 3 of the Constitution; and

(ii) when coordinating intergovernmental financial and fiscal relations in terms of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997), the annual Division of Revenue Act and the Public Finance Management Act; and

(c) enforce compliance with the measures established in terms of section 216 (1) of the Constitution, including those established in terms of this Act.

(2) To the extent necessary to comply with subsection (1), the National Treasury may—

(a) monitor the budgets of municipalities to establish whether they—

(i) are consistent with the national government's fiscal and macro-economic policy; and

(ii) comply with Chapter 4;

(b) promote good budget and fiscal management by municipalities, and for this purpose monitor the implementation of municipal budgets, including their expenditure, revenue collection and borrowing;

(c) monitor and assess compliance by municipalities and municipal entities with—

(i) this Act; and

(ii) any applicable standards of generally recognised accounting practice and uniform expenditure and revenue classification systems;

(d) investigate any system of financial management and internal control in any municipality or municipal entity and recommend improvements;

(e) take appropriate steps if a municipality or municipal entity commits a breach of this Act, including the stopping of funds to a municipality in terms of section 216(2) of the Constitution if the municipality, or a municipal entity under the sole or shared control of that municipality, commits a serious or persistent material breach of any measures referred to in that section; and

(f) take any other appropriate steps necessary to perform its functions effectively.

(3) A provincial treasury must in accordance with a prescribed framework—

(a) fulfil its responsibilities in terms of this Act;

(b) promote the object of this Act as stated in section 2 within the framework of co-operative government set out in Chapter 3 of the Constitution; and

(c) assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act.

(4) To the extent necessary to comply with subsection (3), a provincial treasury—

(a) must monitor—

(i) compliance with this Act by municipalities and municipal entities in the province;

(ii) the preparation by municipalities in the province of their budgets;
(iii) the monthly outcome of those budgets; and
(iv) the submission of reports by municipalities in the province as required in terms of this Act;

(b) may assist municipalities in the province in the preparation of their budgets;
(c) may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act; and
(d) may take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act.

(5) The functions assigned to the National Treasury or a provincial treasury in terms of this Act are additional to those assigned to the National Treasury or a provincial treasury in terms of the Public Finance Management Act.

(6) The Minister, as the head of the National Treasury, takes all decisions of the National Treasury in terms of this Act, except those decisions taken as a result of a delegation in terms of section 6(1).

(7) The MEC for finance in a province, as the head of the provincial treasury, takes all decisions of the provincial treasury in terms of this Act, except those decisions taken as a result of a delegation in terms of section 6(4).

(8) A provincial treasury must submit all information submitted to it in terms of this Act to the National Treasury on a quarterly basis, or when requested.

Delegations by National Treasury

6. (1) The Minister may delegate any of the powers or duties assigned to the National Treasury in terms of this Act to—

(a) the Director-General of the National Treasury; or
(b) the MEC responsible for a provincial department, as the Minister and the MEC may agree.

(2) The Minister may not delegate the National Treasury's power to stop funds to a municipality in terms of section 5(2)*(e)*.

(3) A delegation in terms of subsection (1)—

(a) must be in writing;
(b) is subject to any limitations or conditions which the Minister may impose;
(c) may, subject to any such limitations or conditions, authorise—
(i) the Director-General of the National Treasury to sub-delegate a delegated power or duty to a staff member of the National Treasury; and
(ii) the MEC responsible for the relevant provincial department to sub-delegate a delegated power or duty to a staff member of that department; and
(d) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.

(4) The MEC for finance in a province may delegate any of the powers or duties assigned to a provincial treasury in terms of this Act to the head of the relevant provincial department of which the provincial treasury forms part.

(5) A delegation in terms of subsection (4)—

(a) must be in writing;
(b) is subject to any limitations or conditions which the MEC for finance in the province may impose;
(c) may, subject to any such limitations or conditions, authorise the relevant head of the provincial department to sub-delegate a delegated power or duty to a staff member of that treasury; and
(d) does not divest the provincial treasury of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.

(6) The Minister or MEC for finance in a province, as may be appropriate, may confirm, vary or revoke any decision taken in consequence of a delegation or

sub-delegation in terms of this section, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

CHAPTER 3

MUNICIPAL REVENUE

Part 1: Municipal bank accounts

Opening of bank accounts

7. (1) Every municipality must open and maintain at least one bank account in the name of the municipality.

(2) All money received by a municipality must be paid into its bank account or accounts, and this must be done promptly and in accordance with this Chapter and any requirements that may be prescribed.

(3) A municipality may not open a bank account—

(a) abroad;

(b) with an institution not registered as a bank in terms of the Banks Act, 1990 (Act No. 94 of 1990); or

(c) otherwise than in the name of the municipality.

(4) Money may be withdrawn from a municipal bank account only in terms of section 11(1).

Primary bank account

8. (1) A municipality must have a primary bank account. If a municipality—

(a) has only one bank account, that account is its primary bank account; or

(b) has more than one bank account, it must designate one of those bank accounts as its primary bank account.

(2) The following moneys must be paid into a municipality's primary bank account:

(a) All allocations to the municipality, including those made to the municipality for transmission to a municipal entity or other external mechanism assisting the municipality in the performance of its functions;

(b) all income received by the municipality on its investments;

(c) all income received by the municipality in connection with its interest in any municipal entity, including dividends;

(d) all money collected by a municipal entity or other external mechanism on behalf of the municipality; and

(e) any other moneys as may be prescribed.

(3) A municipality must take all reasonable steps to ensure that all moneys referred to in subsection (2) are paid into its primary bank account.

(4) No organ of state in the national, provincial or local sphere of government may transfer an allocation of money referred to in subsection (2) to a municipality except through the municipality's primary bank account. All allocations due by an organ of state to a municipal entity must be made through the parent municipality, or if there are more than one parent municipality, any of those parent municipalities as may be agreed between the parent municipalities.

(5) The accounting officer of a municipality must submit to the National Treasury, the relevant provincial treasury and the Auditor-General, in writing, the name of the bank where the primary bank account of the municipality is held, and the type and number of the account. If a municipality wants to change its primary bank account, it may do so only after the accounting officer has informed the National Treasury and the Auditor-General, in writing, at least 30 days before effecting the change.

Bank account details to be submitted to provincial treasuries and Auditor-General

9. The accounting officer of a municipality must submit to the relevant provincial treasury and the Auditor-General, in writing—

(a) within 90 days after the municipality has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account; and

(b) annually before the start of a financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account.

Control of municipal bank accounts

10. (1) The accounting officer of a municipality—

(a) must administer all the municipality's bank accounts, including a bank account referred to in section 12 or 48(2)*(d)*;

(b) is accountable to the municipal council for the municipality's bank accounts; and

(c) must enforce compliance with sections 7, 8 and 11.

(2) The accounting officer may delegate the duties referred to in subsection (1)*(c)* to the municipality's chief financial officer only.

Withdrawals from municipal bank accounts

11. (1) Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts, and may do so only—

(a) to defray expenditure appropriated in terms of an approved budget;

(b) to defray expenditure authorised in terms of section 26(4);

(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);

(d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section;

(e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including—

(i) money collected by the municipality on behalf of that person or organ of state by agreement; or

(ii) any insurance or other payments received by the municipality for that person or organ of state;

(f) to refund money incorrectly paid into a bank account;

(g) to refund guarantees, sureties and security deposits;

(h) for cash management and investment purposes in accordance with section 13;

(i) to defray increased expenditure in terms of section 31; or

(j) for such other purposes as may be prescribed.

(2) Any authorisation in terms of subsection (1) to a senior financial official to withdraw money or to authorise the withdrawal of money from a bank account must be in accordance with a framework as may be prescribed. The accounting officer may not authorise any official other than the chief financial officer to withdraw money or to authorise the withdrawal of money from the municipality's primary bank account if the municipality has a primary bank account which is separate from its other bank accounts.

(3) Money may be withdrawn from a bank account in terms of subsection (1)*(b)* to *(j)* without appropriation in terms of an approved budget.

(4) The accounting officer must within 30 days after the end of each quarter—

(a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)*(b)* to *(j)* during that quarter; and

(*b*) submit a copy of the report to the relevant provincial treasury and the Auditor-General.

Relief, charitable, trust or other funds

12. (1) No political structure or office-bearer of a municipality may set up a relief, charitable, trust or other fund of whatever description except in the name of the municipality. Only the municipal manager may be the accounting officer of any such fund.

(2) A municipality may in terms of section 7 open a separate bank account in the name of the municipality for the purpose of a relief, charitable, trust or other fund.

(3) Money received by the municipality for the purpose of a relief, charitable, trust or other fund must be paid into a bank account of the municipality, or if a separate bank account has been opened in terms of subsection (2), into that account.

(4) Money in a separate account opened in terms of subsection (2) may be withdrawn from the account without appropriation in terms of an approved budget, but only—

(*a*) by or on the written authority of the accounting officer acting in accordance with decisions of the municipal council; and

(*b*) for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

Part 2: Cash, investment and asset management

Cash management and investments

13. (1) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may prescribe a framework within which municipalities must—

(*a*) conduct their cash management and investments; and

(*b*) invest money not immediately required.

(2) A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be prescribed in terms of subsection (1).

(3) A bank where a municipality at the end of a financial year holds a bank account, or held a bank account at any time during a financial year, must—

(*a*) within 30 days after the end of that financial year notify the Auditor-General, in writing, of such bank account, including—

(i) the type and number of the account; and

(ii) the opening and closing balances of that bank account in that financial year; and

(*b*) promptly disclose information regarding the account when so requested by the National Treasury or the Auditor-General.

(4) A bank, insurance company or other financial institution which at the end of a financial year holds, or at any time during a financial year held, an investment for a municipality, must—

(*a*) within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year; and

(*b*) promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.

Disposal of capital assets

14. (1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public—

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

(4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2)*(a)* and *(b)* in respect of movable capital assets below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.

(6) This section does not apply to the transfer of a capital asset to another municipality or to a municipal entity or to a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework.

CHAPTER 4

MUNICIPAL BUDGETS

Appropriation of funds for expenditure

15. A municipality may, except where otherwise provided in this Act, incur expenditure only—

(a) in terms of an approved budget; and

(b) within the limits of the amounts appropriated for the different votes in an approved budget.

Annual budgets

16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

(3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Contents of annual budgets and supporting documents

17. (1) An annual budget of a municipality must be a schedule in the prescribed format—

(a) setting out realistically anticipated revenue for the budget year from each revenue source;

(b) appropriating expenditure for the budget year under the different votes of the municipality;

(c) setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;

(d) setting out—

(i) estimated revenue and expenditure by vote for the current year; and

(ii) actual revenue and expenditure by vote for the financial year preceding the current year; and

(e) a statement containing any other information required by section 215(3) of the Constitution or as may be prescribed.

(2) An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.

(3) When an annual budget is tabled in terms of section 16(2), it must be accompanied by the following documents:

(a) Draft resolutions—
  (i) approving the budget of the municipality;
  (ii) imposing any municipal tax and setting any municipal tariffs as may be required for the budget year; and
  (iii) approving any other matter that may be prescribed;

(b) measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan;

(c) a projection of cash flow for the budget year by revenue source, broken down per month;

(d) any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act;

(e) any proposed amendments to the budget-related policies of the municipality;

(f) particulars of the municipality's investments;

(g) any prescribed budget information on municipal entities under the sole or shared control of the municipality;

(h) particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate;

(i) particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements;

(j) particulars of any proposed allocations or grants by the municipality to—
  (i) other municipalities;
  (ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers;
  (iii) any other organs of state;
  (iv) any organisations or bodies referred to in section 67(1);

(k) the proposed cost to the municipality for the budget year of the salary, allowances and benefits of—
  (i) each political office-bearer of the municipality;
  (ii) councillors of the municipality; and
  (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;

(l) the proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of—
  (i) each member of the entity's board of directors; and
  (ii) the chief executive officer and each senior manager of the entity; and

(m) any other supporting documentation as may be prescribed.

Funding of expenditure

18. (1) An annual budget may only be funded from—

(a) realistically anticipated revenues to be collected;

(b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and

(c) borrowed funds, but only for the capital budget referred to in section 17(2).

(2) Revenue projections in the budget must be realistic, taking into account—

(a) projected revenue for the current year based on collection levels to date; and

(b) actual revenue collected in previous financial years.

Capital projects

19. (1) A municipality may spend money on a capital project only if—

(a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2);

(b) the project, including the total cost, has been approved by the council;

(c) section 33 has been complied with, to the extent that that section may be applicable to the project; and

(d) the sources of funding have been considered, are available and have not been committed for other purposes.

(2) Before approving a capital project in terms of subsection (1)*(b)*, the council of a municipality must consider—

(a) the projected cost covering all financial years until the project is operational; and

(b) the future operational costs and revenue on the project, including municipal tax and tariff implications.

(3) A municipal council may in terms of subsection (1)*(b)* approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.

Matters to be prescribed

20. (1) The Minister, acting with the concurrence of the Cabinet member responsible for local government—

(a) must prescribe the form of the annual budget of municipalities; and

(b) may prescribe—

(i) the form of resolutions and supporting documentation relating to the annual budget;

(ii) the number of years preceding and following the budget year for which revenue and expenditure history or projections must be shown in the supporting documentation;

(iii) inflation projections to be used with regard to the budget;

(iv) uniform norms and standards concerning the setting of municipal tariffs, financial risks and other matters where a municipality uses a municipal entity or other external mechanism for the performance of a municipal service or other function;

(v) uniform norms and standards concerning the budgets of municipal entities; or

(vi) any other uniform norms and standards aimed at promoting transparency and expenditure control.

(2) The Minister may take appropriate steps to ensure that a municipality in the exercise of its fiscal powers in terms of section 229 of the Constitution does not materially and unreasonably prejudice—

(a) national economic policies, particularly those on inflation, administered pricing and equity;

(b) economic activities across municipal boundaries; and

(c) the national mobility of goods, services, capital or labour.

Budget preparation process

21. (1) The mayor of a municipality must—

(a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for—

(i) the preparation, tabling and approval of the annual budget;
(ii) the annual review of—
(aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
(bb) the budget-related policies;
(iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and
(iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).

(2) When preparing the annual budget, the mayor of a municipality must—
(a) take into account the municipality's integrated development plan;
(b) take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;
(c) take into account the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;
(d) consult—
(i) the relevant district municipality and all other local municipalities within the area of the district municipality, if the municipality is a local municipality;
(ii) all local municipalities within its area, if the municipality is a district municipality;
(iii) the relevant provincial treasury, and when requested, the National Treasury; and
(iv) any national or provincial organs of state, as may be prescribed; and
(e) provide, on request, any information relating to the budget—
(i) to the National Treasury; and
(ii) subject to any limitations that may be prescribed, to—
(aa) the national departments responsible for water, sanitation, electricity and any other service as may be prescribed;
(bb) any other national and provincial organ of states, as may be prescribed; and
(cc) another municipality affected by the budget.

Publication of annual budgets

22. Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must—
(a) in accordance with Chapter 4 of the Municipal Systems Act—
(i) make public the annual budget and the documents referred to in section 17(3); and
(ii) invite the local community to submit representations in connection with the budget; and
(b) submit the annual budget—
(i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and
(ii) in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

Consultations on tabled budgets

23. (1) When the annual budget has been tabled, the municipal council must consider any views of—
(a) the local community; and

(b) the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.

(2) After considering all budget submissions, the council must give the mayor an opportunity—

(a) to respond to the submissions; and

(b) if necessary, to revise the budget and table amendments for consideration by the council.

(3) The National Treasury may issue guidelines on the manner in which municipal councils should process their annual budgets, including guidelines on the formation of a committee of the council to consider the budget and to hold public hearings.

(4) No guidelines issued in terms of subsection (3) are binding on a municipal council unless adopted by the council.

Approval of annual budgets

24. (1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

(2) An annual budget—

(a) must be approved before the start of the budget year;

(b) is approved by the adoption by the council of a resolution referred to in section 17(3)*(a)*(i); and

(c) must be approved together with the adoption of resolutions as may be necessary—

(i) imposing any municipal tax for the budget year;

(ii) setting any municipal tariffs for the budget year;

(iii) approving measurable performance objectives for revenue from each source and for each vote in the budget;

(iv) approving any changes to the municipality's integrated development plan; and

(v) approving any changes to the municipality's budget-related policies.

(3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

Failure to approve budget before start of budget year

25. (1) If a municipal council fails to approve an annual budget, including revenue-raising measures necessary to give effect to the budget, the council must reconsider the budget and again vote on the budget, or on an amended version thereof, within seven days of the council meeting that failed to approve the budget.

(2) The process provided for in subsection (1) must be repeated until a budget, including revenue-raising measures necessary to give effect to the budget, is approved.

(3) If a municipality has not approved an annual budget, including revenue-raising measures necessary to give effect to the budget, by the first day of the budget year, the mayor must immediately comply with section 55.

Consequences of failure to approve budget before start of budget year

26. (1) If by the start of the budget year a municipal council has not approved an annual budget or any revenue-raising measures necessary to give effect to the budget, the provincial executive of the relevant province must intervene in the municipality in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget or those revenue-raising measures are approved, including dissolving the council and—

(a) appointing an administrator until a newly elected council has been declared elected; and

(b) approving a temporary budget or revenue-raising measures to provide for the continued functioning of the municipality.

(2) Sections 34(3) and (4) and 35 of the Municipal Structures Act apply when a provincial executive dissolves a municipal council.

(3) When approving a temporary budget for a municipality in terms of subsection (1)*(b)*, the provincial executive is not bound by any provision relating to the budget process applicable to a municipality in terms of this Act or other legislation. Such a budget must, after the intervention has ended, be replaced by a budget approved by the newly elected council, provided that the provisions of this Chapter relating to annual budgets are substantially complied with in line with any revised time frames approved by the MEC for finance in the province.

(4) Until a budget for the municipality is approved in terms of subsection (1), funds for the requirements of the municipality may, with the approval of the MEC for finance in the province, be withdrawn from the municipality's bank accounts in accordance with subsection (5).

(5) Funds withdrawn from a municipality's bank accounts in terms of subsection (4)—

(a) may be used only to defray current and capital expenditure in connection with votes for which funds were appropriated in the approved budget for the previous financial year; and

(b) may not—

(i) during any month, exceed eight per cent of the total amount appropriated in that approved budget for current expenditure, which percentage must be scaled down proportionately if revenue flows are not at least at the same level as the previous financial year; and

(ii) exceed the amount actually available.

(6) The funds provided for in subsection (4) are not additional to funds appropriated for the budget year, and any funds withdrawn in terms of subsection (5) must be regarded as forming part of the funds appropriated in a subsequently approved annual budget for the budget year.

Non-compliance with provisions of this Chapter

27. (1) The mayor of a municipality must, upon becoming aware of any impending non-compliance by the municipality of any provisions of this Act or any other legislation pertaining to the tabling or approval of an annual budget or compulsory consultation processes, inform the MEC for finance in the province, in writing, of such impending non-compliance.

(2) If the impending non-compliance pertains to a time provision, except section 16(1), the MEC for finance may, on application by the mayor and on good cause shown, extend any time limit or deadline contained in that provision, provided that no such extension may compromise compliance with section 16(1). An MEC for finance must—

(a) exercise the power contained in this subsection in accordance with a prescribed framework; and

(b) promptly notify the National Treasury, in writing, of any extensions given in terms of this subsection, together with the name of the municipality and the reasons.

(3) The mayor of a municipality must, upon becoming aware of any actual non-compliance by the municipality of a provision of this Chapter, inform the council, the MEC for finance and the National Treasury, in writing, of—

(a) such non-compliance; and

(b) any remedial or corrective measures the municipality intends to implement to avoid a recurrence.

(4) Non-compliance by a municipality with a provision of this Chapter relating to the budget process or a provision in any legislation relating to the approval of a budget-related policy, does not affect the validity of an annual or adjustments budget.

(5) The provincial executive may intervene in terms of the appropriate provision of section 139 of the Constitution if a municipality cannot or does not comply with a provision of this Chapter, including a provision relating to process.

Municipal adjustments budgets

28. (1) A municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget—

(a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;

(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

(c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;

(d) may authorise the utilisation of projected savings in one vote towards spending under another vote;

(e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;

(f) may correct any errors in the annual budget; and

(g) may provide for any other expenditure within a prescribed framework.

(3) An adjustments budget must be in a prescribed form.

(4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)*(b)* to *(g)* may only be tabled within any prescribed limitations as to timing or frequency.

(5) When an adjustments budget is tabled, it must be accompanied by—

(a) an explanation how the adjustments budget affects the annual budget;

(b) a motivation of any material changes to the annual budget;

(c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and

(d) any other supporting documentation that may be prescribed.

(6) Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

(7) Sections 22*(b)*, 23(3) and 24(3) apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.

Unforeseen and unavoidable expenditure

29. (1) The mayor of a municipality may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

(2) Any such expenditure—

(a) must be in accordance with any framework that may be prescribed;

(b) may not exceed a prescribed percentage of the approved annual budget;

(c) must be reported by the mayor to the municipal council at its next meeting; and

(d) must be appropriated in an adjustments budget.

(3) If such adjustments budget is not passed within 60 days after the expenditure was incurred, the expenditure is unauthorised and section 32 applies.

Unspent funds

30. The appropriation of funds in an annual or adjustments budget lapses to the extent that those funds are unspent at the end of the financial year to which the budget relates, except in the case of an appropriation for expenditure made for a period longer than that financial year in terms of section 16(3).

Shifting of funds between multi-year appropriations

31. When funds for a capital programme are appropriated in terms of section 16(3) for more than one financial year, expenditure for that programme during a financial year may exceed the amount of that year's appropriation for that programme, provided that—

(a) the increase does not exceed 20 per cent of that year's appropriation for the programme;

(b) the increase is funded within the following year's appropriation for that programme;

(c) the municipal manager certifies that—

(i) actual revenue for the financial year is expected to exceed budgeted revenue; and

(ii) sufficient funds are available for the increase without incurring further borrowing beyond the annual budget limit;

(d) prior written approval is obtained from the mayor for the increase; and

(e) the documents referred to in paragraphs *(c)* and *(d)* are submitted to the relevant provincial treasury and the Auditor-General.

Unauthorised, irregular or fruitless and wasteful expenditure

32. (1) Without limiting liability in terms of the common law or other legislation—

(a) a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;

(b) the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);

(c) any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure, is liable for that expenditure; or

(d) any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.

(2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—

(a) in the case of unauthorised expenditure, is—

(i) authorised in an adjustments budget; or

(ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and

(b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.

(3) If the accounting officer becomes aware that the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful

expenditure, the accounting officer is not liable for any ensuing unauthorised, irregular or fruitless and wasteful expenditure provided that the accounting officer has informed the council, the mayor or the executive committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure.

(4) The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of—

(a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;

(b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and

(c) the steps that have been taken—

(i) to recover or rectify such expenditure; and

(ii) to prevent a recurrence of such expenditure.

(5) The writing off in terms of subsection (2) of any unauthorised, irregular or fruitless and wasteful expenditure as irrecoverable, is no excuse in criminal or disciplinary proceedings against a person charged with the commission of an offence or a breach of this Act relating to such unauthorised, irregular or fruitless and wasteful expenditure.

(6) The accounting officer must report to the South African Police Service all cases of alleged—

(a) irregular expenditure that constitute a criminal offence; and

(b) theft and fraud that occurred in the municipality.

(7) The council of a municipality must take all reasonable steps to ensure that all cases referred to in subsection (6) are reported to the South African Police Service if—

(a) the charge is against the accounting officer; or

(b) the accounting officer fails to comply with that subsection.

(8) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may regulate the application of this section by regulation in terms of section 168.

Contracts having future budgetary implications

33. (1) A municipality may enter into a contract which will impose financial obligations on the municipality beyond a financial year, but if the contract will impose financial obligations on the municipality beyond the three years covered in the annual budget for that financial year, it may do so only if—

(a) the municipal manager, at least 60 days before the meeting of the municipal council at which the contract is to be approved—

(i) has, in accordance with section 21A of the Municipal Systems Act—

(aa) made public the draft contract and an information statement summarising the municipality's obligations in terms of the proposed contract; and

(bb) invited the local community and other interested persons to submit to the municipality comments or representations in respect of the proposed contract; and

(ii) has solicited the views and recommendations of—

(aa) the National Treasury and the relevant provincial treasury;

(bb) the national department responsible for local government; and

(cc) if the contract involves the provision of water, sanitation, electricity, or any other service as may be prescribed, the responsible national department;

(b) the municipal council has taken into account—

(i) the municipality's projected financial obligations in terms of the proposed contract for each financial year covered by the contract;

(ii) the impact of those financial obligations on the municipality's future municipal tariffs and revenue;

(iii) any comments or representations on the proposed contract received from the local community and other interested persons; and

(iv) any written views and recommendations on the proposed contract by the National Treasury, the relevant provincial treasury, the national department responsible for local government and any national department referred to in paragraph *(a)*(ii)*(cc)*; and

(c) the municipal council has adopted a resolution in which—

(i) it determines that the municipality will secure a significant capital investment or will derive a significant financial economic or financial benefit from the contract;

(ii) it approves the entire contract exactly as it is to be executed; and

(iii) it authorises the municipal manager to sign the contract on behalf of the municipality.

(2) The process set out in subsection (1) does not apply to—

(a) contracts for long-term debt regulated in terms of section 46(3);

(b) employment contracts; or

(c) contracts—

(i) for categories of goods as may be prescribed; or

(ii) in terms of which the financial obligation on the municipality is below—

(aa) a prescribed value; or

(bb) a prescribed percentage of the municipality's approved budget for the year in which the contract is concluded.

(3) *(a)* All contracts referred to in subsection (1) and all other contracts that impose a financial obligation on a municipality—

(i) must be made available in their entirety to the municipal council; and

(ii) may not be withheld from public scrutiny except as provided for in terms of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).

(b) Paragraph *(a)*(i) does not apply to contracts in respect of which the financial obligation on the municipality is below a prescribed value.

(4) This section may not be read as exempting the municipality from the provisions of Chapter 11 to the extent that those provisions are applicable in a particular case.

CHAPTER 5

CO-OPERATIVE GOVERNMENT

Capacity building

34. (1) The national and provincial governments must by agreement assist municipalities in building the capacity of municipalities for efficient, effective and transparent financial management.

(2) The national and provincial governments must support the efforts of municipalities to identify and resolve their financial problems.

(3) When performing its monitoring function in terms of section 155(6) of the Constitution, a provincial government—

(a) must share with a municipality the results of its monitoring to the extent that those results may assist the municipality in improving its financial management;

(b) must, upon detecting any emerging or impending financial problems in a municipality, alert the municipality to those problems; and

(c) may assist the municipality to avert or resolve financial problems.

(4) Non-compliance with this section or any other provision of this Act by the national or a provincial government does not affect the responsibility of a municipality, its political structures, political office-bearers and officials to comply with this Act.

Promotion of co-operative government by national and provincial institutions

35. National and provincial departments and public entities must—

(a) in their fiscal and financial relations with the local sphere of government, promote co-operative government in accordance with Chapter 3 of the Constitution;

(b) promptly meet their financial commitments towards municipalities;

(c) provide timely information and assistance to municipalities to enable municipalities—

(i) to plan properly, including in developing and revising their integrated development plans; and

(ii) to prepare their budgets in accordance with the processes set out in Chapter 4 of this Act; and

(d) comply with the Public Finance Management Act, the annual Division of Revenue Act and the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997), to the extent that those Acts regulate intergovernmental relations with the local sphere of government.

National and provincial allocations to municipalities

36. (1) In order to provide predictability and certainty about the sources and levels of intergovernmental funding for municipalities, the accounting officer of a national or provincial department and the accounting authority of a national or provincial public entity responsible for the transfer of any proposed allocations to a municipality, must by no later than 20 January of each year notify the National Treasury or the relevant provincial treasury, as may be appropriate, of all proposed allocations, and the projected amounts of those allocations, to be transferred to each municipality during each of the next three financial years.

(2) The Minister or the MEC responsible for finance in a province must, to the extent possible, when tabling the national annual budget in the National Assembly or the provincial annual budget in the provincial legislature, make public particulars of any allocations due to each municipality in terms of that budget, including the amount to be transferred to the municipality during each of the next three financial years.

Promotion of co-operative government by municipalities

37. (1) Municipalities must—

(a) in their fiscal and financial relations with the national and provincial spheres of government and other municipalities, promote co-operative government in accordance with Chapter 3 of the Constitution and the Intergovernmental Fiscal Relations Act;

(b) provide budgetary and other financial information to relevant municipalities and national and provincial organs of state; and

(c) promptly meet all financial commitments towards other municipalities or national and provincial organs of state.

(2) In order to enable municipalities to include allocations from other municipalities in their budgets and to plan effectively for the spending of such allocations, the accounting officer of a municipality responsible for the transfer of any allocation to another municipality must, by no later than 120 days before the start of its budget year, notify the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during each of the next three financial years.

Stopping of funds to municipalities

38. (1) The National Treasury may stop—

(a) the transfer of funds due to a municipality as its share of the local government's equitable share referred to in section 214(1)*(a)* of the

Constitution, but only if the municipality commits a serious or persistent breach of the measures established in terms of section 216(1) of the Constitution; or

(b) the transfer of funds due to a municipality as an allocation referred to in section 214(1)*(c)* of the Constitution, but only if the municipality or the municipal entity for which the funds are destined—

(i) commits a serious or persistent breach of the measures established in terms of section 216(1) of the Constitution; or

(ii) breaches or fails to comply with any conditions subject to which the allocation is made.

(2) Before the National Treasury stops the transfer of funds to a municipality in terms of subsection (1)*(a)* or *(b)*, it must—

(a) give the municipality an opportunity to submit written representations with regard to the proposed stopping of the funds;

(b) inform the MEC for local government in the province; and

(c) consult the Cabinet member responsible for the national department making the transfer.

(3) If the stopping of funds in terms of subsection (1)*(a)* or *(b)* affects the provision of basic municipal services in the municipality, the provincial executive must monitor the continuation of those services. Section 139 of the Constitution applies if the municipality cannot or does not fulfil its obligations with regard to the provision of those services.

(4) When considering whether to stop the transfer of funds to a municipality in terms of subsection (1)*(a)* or *(b)*(i), the National Treasury must take into account all relevant facts, including—

(a) the municipality's compliance with the requirements of this Act, in particular those relating to—

(i) annual financial statements, including the submission to the Auditor-General of its annual financial statements; and

(ii) budgets, including the submission of information on the budget and implementation of the budget to the National Treasury and the relevant provincial treasury; and

(b) the municipality's co-operation with other municipalities on fiscal and financial matters, in the case of district and local municipalities.

Stopping of equitable share allocations to municipalities

39. (1) A decision by the National Treasury to stop the transfer to a municipality of funds referred to in section 38(1)*(a)*—

(a) lapses after the expiry of 120 days, subject to approval of the decision in terms of paragraph *(b)* of this subsection and renewal of the decision in terms of subsection (2); and

(b) may be enforced immediately, but will lapse retrospectively unless Parliament approves it following a process substantially the same as that established in terms of section 75 of the Constitution, and prescribed by the joint rules and orders of Parliament. This process must be completed within 30 days of the decision by the National Treasury to stop the transfer of the funds.

(2) Parliament may renew a decision to stop the transfer of funds referred to in section 38(1)*(a)* for no more than 120 days at a time, following the process established in terms of subsection (1)*(b)* of this section.

(3) Before Parliament approves or renews a decision to stop the transfer of funds to a municipality—

(a) the Auditor-General must report to Parliament, if requested to do so by Parliament; and

(b) the municipality must be given an opportunity to answer the allegations against it, and to state its case, before a committee.

Stopping of other allocations to municipalities

40. If the transfer of funds to a municipality has been stopped in terms of section 38(1)*(b)* for the rest of the relevant financial year, the accounting officer of the national or provincial department responsible for the transfer must reflect such stopping of funds, together with reasons, in the annual financial statements of the department.

Monitoring of prices and payments for bulk resources

41. (1) The National Treasury must monitor—

(a) the pricing structure of organs of state for the supply of electricity, water or any other bulk resources that may be prescribed, to municipalities and municipal entities for the provision of municipal services; and

(b) payments made by municipalities and municipal entities for such bulk resources.

(2) Each organ of state providing such bulk resources to a municipality must within 15 days after the end of each month furnish the National Treasury with a written statement setting out, for each municipality or for each municipal entity providing municipal services on behalf of such municipalities—

(a) the amount to be paid by the municipality or municipal entity for such bulk resources for that month, and for the financial year up to the end of that month;

(b) the arrears owing and the age profile of such arrears; and

(c) any actions taken by that organ of state to recover arrears.

Price increases of bulk resources for provision of municipal services

42. (1) If a national or provincial organ of state which supplies water, electricity or any other bulk resource as may be prescribed, to a municipality or municipal entity for the provision of a municipal service, intends to increase the price of such resource for the municipality or municipal entity, it must first submit the proposed amendment to its pricing structure—

(a) to its executive authority within the meaning of the Public Finance Management Act; and

(b) to any regulatory agency for approval, if national legislation requires such approval.

(2) The organ of state referred to in subsection (1) must, at least 40 days before making a submission in terms of subsection (1)*(a)* or *(b)*, request the National Treasury and organised local government to provide written comments on the proposed amendment.

(3) Any submission in terms of subsection (1)*(a)* or *(b)* must be accompanied by—

(a) a motivation of the reasons for the proposed amendment;

(b) an explanation of how the amendment takes account of—

(i) the national government's inflation targets and other macroeconomic policy objectives;

(ii) steps taken by the organ of state to improve its competitiveness or efficiency in order to reduce costs;

(iii) any objectives or targets as outlined in any corporate or other governance plan applicable to that organ of state;

(c) any written comments received from the National Treasury, organised local government or any municipalities; and

(d) an explanation of how such comments have been taken into account.

(4) The executive authority of the organ of state must table the amendment and the documents referred to in subsection (3) in Parliament or the relevant provincial legislature, as may be appropriate.

(5) Unless approved otherwise by the Minister, an amendment to a pricing structure which is tabled in Parliament or the relevant provincial legislature—

(a) on or before 15 March in any year, does not take effect for the affected municipalities or municipal entities before 1 July in that year; or

(b) after 15 March in any year, does not take effect for the affected municipalities or municipal entities before 1 July the next year.

Applicability of tax and tariff capping on municipalities

43. (1) If a national or provincial organ of state in terms of a power contained in any national or provincial legislation determines the upper limits of a municipal tax or tariff, such determination takes effect for municipalities on a date specified in the determination.

(2) Unless the Minister on good grounds approves otherwise, the date specified in a determination referred to in subsection (1) may—

(a) if the determination was promulgated on or before 15 March in a year, not be a date before 1 July in that year; or

(b) if the determination was promulgated after 15 March in a year, not be a date before 1 July in the next year.

(3) If a municipality has in accordance with section 33 or 46(3) entered into a contract which provides for an annual or other periodic escalation of payments to be made by the municipality under the contract, no determination in terms of a power referred to in subsection (1) of the upper limits of a municipal tax or tariff applies to that municipality in so far as such upper limits would impair the municipality's ability to meet the escalation of its payments under the contract.

Disputes between organs of state

44. (1) Whenever a dispute of a financial nature arises between organs of state, the parties concerned must as promptly as possible take all reasonable steps that may be necessary to resolve the matter out of court.

(2) If the National Treasury is not a party to the dispute, the parties—

(a) must report the matter to the National Treasury; and

(b) may request the National Treasury to mediate between the parties or to designate a person to mediate between them.

(3) If the National Treasury accedes to a request in terms of subsection (2), the National Treasury may determine the mediation process.

(4) This section only applies if at least one of the organs of state referred to in subsection (1) is a municipality or municipal entity.

CHAPTER 6

DEBT

Short-term debt

45. (1) A municipality may incur short-term debt only in accordance with and subject to the provisions of this Act and only when necessary to bridge—

(a) shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or

(b) capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

(2) A municipality may incur short-term debt only if—

(a) a resolution of the municipal council, signed by the mayor, has approved the debt agreement; and

(b) the accounting officer has signed the agreement or other document which creates or acknowledges the debt.

(3) For the purpose of subsection (2)*(a)*, a municipal council may—

(a) approve a short-term debt transaction individually; or

(b) approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that—

(i) the credit limit must be specified in the resolution of the council;

(ii) the terms of the agreement, including the credit limit, may be changed only by a resolution of the council; and

(iii) if the council approves a credit facility that is limited to emergency use, the accounting officer must notify the council in writing as soon as practical of the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as options for repaying such debt.

(4) A municipality—

(a) must pay off short-term debt within the financial year; and

(b) may not renew or refinance short-term debt, whether its own debt or that of any other entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

(5) *(a)* No lender may wilfully extend credit to a municipality for the purpose of renewing or refinancing short-term debt that must be paid off in terms of subsection (4)*(a)*.

(b) If a lender wilfully extends credit to a municipality in contravention of paragraph *(a)*, the municipality is not bound to repay the loan or interest on the loan.

(6) Subsection (5)*(b)* does not apply if the lender—

(a) relied in good faith on written representations of the municipality as to the purpose of the borrowing; and

(b) did not know and had no reason to believe that the borrowing was for the purpose of renewing or refinancing short-term debt.

Long-term debt

46. (1) A municipality may incur long-term debt only in accordance with and subject to any applicable provisions of this Act, including section 19, and only for the purpose of—

(a) capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution, including costs referred to in subsection (4); or

(b) re-financing existing long-term debt subject to subsection (5).

(2) A municipality may incur long-term debt only if—

(a) a resolution of the municipal council, signed by the mayor, has approved the debt agreement; and

(b) the accounting officer has signed the agreement or other document which creates or acknowledges the debt.

(3) A municipality may incur long-term debt only if the accounting officer of the municipality—

(a) has, in accordance with section 21A of the Municipal Systems Act—

(i) at least 21 days prior to the meeting of the council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided; and

(ii) invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and

(b) has submitted a copy of the information statement to the municipal council at least 21 days prior to the meeting of the council, together with particulars of—

(i) the essential repayment terms, including the anticipated debt repayment schedule; and

(ii) the anticipated total cost in connection with such debt over the repayment period.

(4) Capital expenditure contemplated in subsection (1)*(a)* may include—

(a) financing costs, including—
(i) capitalised interest for a reasonable initial period;
(ii) costs associated with security arrangements in accordance with section 48;
(iii) discounts and fees in connection with the financing;
(iv) fees for legal, financial, advisory, trustee, credit rating and other services directly connected to the financing; and
(v) costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing;
(b) costs of professional services directly related to the capital expenditure; and
(c) such other costs as may be prescribed.

(5) A municipality may borrow money for the purpose of re-financing existing long-term debt, provided that—
(a) the existing long-term debt was lawfully incurred;
(b) the re-financing does not extend the term of the debt beyond the useful life of the property, plant or equipment for which the money was originally borrowed;
(c) the net present value of projected future payments (including principal and interest payments) after re-financing is less than the net present value of projected future payments before re-financing; and
(d) the discount rate used in projecting net present value referred to in paragraph (c), and any assumptions in connection with the calculations, must be reasonable and in accordance with criteria set out in a framework that may be prescribed.

(6) A municipality's long-term debt must be consistent with its capital budget referred to in section 17(2).

Conditions applying to both short-term and long-term debt

47. A municipality may incur debt only if—
(a) the debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency; and
(b) section 48(3) has been complied with, if security is to be provided by the municipality.

Security

48. (1) A municipality may, by resolution of its council, provide security for—
(a) any of its debt obligations;
(b) any debt obligations of a municipal entity under its sole control; or
(c) contractual obligations of the municipality undertaken in connection with capital expenditure by other persons on property, plant or equipment to be used by the municipality or such other person for the purpose of achieving the objects of local government in terms of section 152 of the Constitution.

(2) A municipality may in terms of subsection (1) provide any appropriate security, including by—
(a) giving a lien on, or pledging, mortgaging, ceding or otherwise hypothecating, an asset or right, or giving any other form of collateral;
(b) undertaking to effect payment directly from money or sources that may become available and to authorise the lender or investor direct access to such sources to ensure payment of the secured debt or the performance of the secured obligations, but this form of security may not affect compliance with section 8(2);
(c) undertaking to deposit funds with the lender, investor or third party as security;
(d) agreeing to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders or investors, including revenue intercepts, payments into dedicated accounts or other payment mechanisms or procedures;

(e) ceding as security any category of revenue or rights to future revenue;
(f) undertaking to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms;
(g) undertaking to retain revenues or specific municipal tariffs or other charges, fees or funds at a particular level or at a level sufficient to meet its financial obligations;
(h) undertaking to make provision in its budgets for the payment of its financial obligations, including capital and interest;
(i) agreeing to restrictions on debt that the municipality may incur in future until the secured debt is settled or the secured obligations are met; and
(j) agreeing to such other arrangements as the municipality may consider necessary and prudent.

(3) A council resolution authorising the provision of security in terms of subsection (2)(a)—

(a) must determine whether the asset or right with respect to which the security is provided, is necessary for providing the minimum level of basic municipal services; and
(b) if so, must indicate the manner in which the availability of the asset or right for the provision of that minimum level of basic municipal services will be protected.

(4) If the resolution has determined that the asset or right is necessary for providing the minimum level of basic municipal services, neither the party to whom the municipal security is provided, nor any successor or assignee of such party, may, in the event of a default by the municipality, deal with the asset or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.

(5) A determination in terms of subsection (3) that an asset or right is not necessary for providing the minimum level of basic municipal services is binding on the municipality until the secured debt has been paid in full or the secured obligations have been performed in full, as the case may be.

Disclosure

49. (1) Any person involved in the borrowing of money by a municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective investor—

(a) disclose all information in that person's possession or within that person's knowledge that may be material to the decision of that prospective lender or investor; and
(b) take reasonable care to ensure the accuracy of any information disclosed.

(2) A lender or investor may rely on written representations of the municipality signed by the accounting officer, if the lender or investor did not know and had no reason to believe that those representations were false or misleading.

Municipal guarantees

50. A municipality may not issue any guarantee for any commitment or debt of any organ of state or person, except on the following conditions:

(a) The guarantee must be within limits specified in the municipality's approved budget;
(b) a municipality may guarantee the debt of a municipal entity under its sole control only if the guarantee is authorised by the council in the same manner and subject to the same conditions applicable to a municipality in terms of this Chapter if it incurs debt;
(c) a municipality may guarantee the debt of a municipal entity under its shared control or of any other person, but only with the approval of the National Treasury, and then only if—

(i) the municipality creates, and maintains for the duration of the guarantee, a cash-backed reserve equal to its total potential financial exposure as a result of such guarantee; or

(ii) the municipality purchases and maintains in effect for the duration of the guarantee, a policy of insurance issued by a registered insurer, which covers the full amount of the municipality's potential financial exposure as a result of such guarantee.

National and provincial guarantees

51. Neither the national nor a provincial government may guarantee the debt of a municipality or municipal entity except to the extent that Chapter 8 of the Public Finance Management Act provides for such guarantees.

CHAPTER 7

RESPONSIBILITIES OF MAYORS

General responsibilities

52. The mayor of a municipality—

(a) must provide general political guidance over the fiscal and financial affairs of the municipality;

(b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;

(c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and

(e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

Budget processes and related matters

53. (1) The mayor of a municipality must—

(a) provide general political guidance over the budget process and the priorities that must guide the preparation of a budget;

(b) co-ordinate the annual revision of the integrated development plan in terms of section 34 of the Municipal Systems Act and the preparation of the annual budget, and determine how the integrated development plan is to be taken into account or revised for the purposes of the budget; and

(c) take all reasonable steps to ensure—

(i) that the municipality approves its annual budget before the start of the budget year;

(ii) that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget; and

(iii) that the annual performance agreements as required in terms of section 57(1)*(b)* of the Municipal Systems Act for the municipal manager and all senior managers—

(aa) comply with this Act in order to promote sound financial management;

(bb) are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan; and

(cc) are concluded in accordance with section 57(2) of the Municipal Systems Act.

(2) The mayor must promptly report to the municipal council and the MEC for finance in the province any delay in the tabling of an annual budget, the approval of the service delivery and budget implementation plan or the signing of the annual performance agreements.

(3) The mayor must ensure—

(a) that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan; and

(b) that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.

Budgetary control and early identification of financial problems

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—

(a) consider the statement or report;

(b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;

(c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

(d) issue any appropriate instructions to the accounting officer to ensure—

(i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and

(ii) that spending of funds and revenue collection proceed in accordance with the budget;

(e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) in the case of a section 72 report, submit the report to the council by 31 January of each year.

(2) If the municipality faces any serious financial problems, the mayor must—

(a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—

(i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;

(ii) the tabling of an adjustments budget; or

(iii) steps in terms of Chapter 13; and

(b) alert the council and the MEC for local government in the province to those problems.

(3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Report to provincial executive if conditions for provincial intervention exist

55. If a municipality has not approved an annual budget by the first day of the budget year or if the municipality encounters a serious financial problem referred to in section 136, the mayor of the municipality—

(a) must immediately report the matter to the MEC for local government in the province; and

(b) may recommend to the MEC an appropriate provincial intervention in terms of section 139 of the Constitution.

Exercise of rights and powers over municipal entities

56. (1) The mayor of a municipality which has sole or shared control over a municipal entity, must guide the municipality in exercising its rights and powers over the municipal entity in a way—

(a) that would reasonably ensure that the municipal entity complies with this Act and at all times remains accountable to the municipality; and

(b) that would not impede the entity from performing its operational responsibilities.

(2) In guiding the municipality in the exercise of its rights and powers over a municipal entity in accordance with subsection (1), the mayor may monitor the operational functions of the entity, but may not interfere in the performance of those functions.

Municipalities which do not have mayors

57. (1) The council of a municipality which does not have a mayor, must designate a councillor to exercise the powers and duties assigned by this Act to a mayor.

(2) A reference in this Act to the mayor of a municipality must, in the case of a municipality which does not have a mayor, be construed as a reference to a councillor designated by the council of the municipality in terms of subsection (1).

Municipalities with executive committees

58. The powers and functions assigned by this Act to a mayor must, in the case of a municipality which has an executive committee referred to in section 43 of the Municipal Structures Act, be exercised by the mayor in consultation with the executive committee.

Delegations of mayoral powers and duties

59. (1) The powers and duties assigned in terms of this Act to the mayor of a municipality, may—

(a) in the case of a municipality which has an executive mayor referred to in section 55 of the Municipal Structures Act, be delegated by the executive mayor in terms of section 60(1) of that Act to another member of the municipality's mayoral committee;

(b) in the case of a municipality which has an executive committee referred to in section 43 of that Act, be delegated by the council of the municipality to another member of the executive committee; or

(c) in the case of a municipality which has designated a councillor in terms of section 57(1) of this Act, be delegated by the council to any other councillor.

(2) A delegation in terms of subsection (1)—

(a) must be in writing;

(b) is subject to any limitations or conditions that the executive mayor or council, as the case may be, may impose; and

(c) does not divest the mayor of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.

(3) The mayor may confirm, vary or revoke any decision taken in consequence of a delegation in terms of this section, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

CHAPTER 8

RESPONSIBILITIES OF MUNICIPAL OFFICIALS

Part 1: Accounting officers

Municipal managers to be accounting officers

60. The municipal manager of a municipality is the accounting officer of the municipality for the purposes of this Act, and, as accounting officer, must—

(a) exercise the functions and powers assigned to an accounting officer in terms of this Act; and

(b) provide guidance and advice on compliance with this Act to—

(i) the political structures, political office-bearers and officials of the municipality; and

(ii) any municipal entity under the sole or shared control of the municipality.

Fiduciary responsibilities of accounting officers

61. (1) The accounting officer of a municipality must—

(a) act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs;

(b) disclose to the municipal council and the mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or the mayor; and

(c) seek, within the sphere of influence of the accounting officer, to prevent any prejudice to the financial interests of the municipality.

(2) An accounting officer may not—

(a) act in a way that is inconsistent with the duties assigned to accounting officers of municipalities in terms of this Act; or

(b) use the position or privileges of, or confidential information obtained as, accounting officer for personal gain or to improperly benefit another person.

Financial management

General financial management functions

62. (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—

(a) that the resources of the municipality are used effectively, efficiently and economically;

(b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;

(c) that the municipality has and maintains effective, efficient and transparent systems—

(i) of financial and risk management and internal control; and

(ii) of internal audit operating in accordance with any prescribed norms and standards;

(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;

(e) that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15; and

(f) that the municipality has and implements—

(i) a tariff policy referred to in section 74 of the Municipal Systems Act;

(ii) a rates policy as may be required in terms of any applicable national legislation;

(iii) a credit control and debt collection policy referred to in section 96*(b)* of the Municipal Systems Act; and

(iv) a supply chain management policy in accordance with Chapter 11.

(2) The accounting officer is responsible for and must account for all bank accounts of the municipality, including any bank account opened for—

(a) any relief, charitable, trust or other fund set up by the municipality in terms of section 12; or

(b) a purpose referred to in section 48(2)*(d)*.

Asset and liability management

63. (1) The accounting officer of a municipality is responsible for the management of—

(a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and

(b) the liabilities of the municipality.

(2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure—

(a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;

(b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and

(c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

Revenue management

64. (1) The accounting officer of a municipality is responsible for the management of the revenue of the municipality.

(2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure—

(a) that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy;

(b) that revenue due to the municipality is calculated on a monthly basis;

(c) that accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;

(d) that all money received is promptly deposited in accordance with this Act into the municipality's primary and other bank accounts;

(e) that the municipality has and maintains a management, accounting and information system which—

(i) recognises revenue when it is earned;

(ii) accounts for debtors; and

(iii) accounts for receipts of revenue;

(f) that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;

(g) that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and

(h) that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

(3) The accounting officer must immediately inform the National Treasury of any payments due by an organ of state to the municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

(4) The accounting officer must take all reasonable steps to ensure—

(a) that any funds collected by the municipality on behalf of another organ of state is transferred to that organ of state at least on a weekly basis; and

(b) that such funds are not used for purposes of the municipality.

Expenditure management

65. (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.

(2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—

(a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;

(b) that the municipality has and maintains a management, accounting and information system which—

(i) recognises expenditure when it is incurred;

(ii) accounts for creditors of the municipality; and

(iii) accounts for payments made by the municipality;

(c) that the municipality has and maintains a system of internal control in respect of creditors and payments;

(d) that payments by the municipality are made—

(i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and

(ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

(e) that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure;

(f) that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments;

(g) that any dispute concerning payments due by the municipality to another organ of state is disposed of in terms of legislation regulating disputes between organs of state;

(h) that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework;

(i) that the municipality's supply chain management policy referred to in section 111 is implemented in a way that is fair, equitable, transparent, competitive and cost-effective; and

(j) that all financial accounts of the municipality are closed at the end of each month and reconciled with its records.

Expenditure on staff benefits

66. The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely—

(a) salaries and wages;

(b) contributions for pensions and medical aid;

(c) travel, motor car, accommodation, subsistence and other allowances;

(d) housing benefits and allowances;

(e) overtime payments;

(f) loans and advances; and

(g) any other type of benefit or allowance related to staff.

Funds transferred to organisations and bodies outside government

67. (1) Before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body—

(a) has the capacity and has agreed—
  (i) to comply with any agreement with the municipality;
  (ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
  (iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and
  (iv) to submit its audited financial statements for its financial year to the accounting officer promptly;

(b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and

(c) has in respect of previous similar transfers complied with all the requirements of this section.

(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1)*(c)* make a further transfer to that organisation or body provided that—

(a) subsection (1)*(a)* and *(b)* is complied with: and

(b) the relevant provincial treasury has approved the transfer.

(3) The accounting officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).

(4) Subsection (1)*(a)* does not apply to an organisation or body serving the poor or used by government as an agency to serve the poor, provided—

(a) that the transfer does not exceed a prescribed limit; and

(b) that the accounting officer—
  (i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and
  (ii) certifies to the Auditor-General that compliance by that organisation or body with subsection (1)*(a)* is uneconomical or unreasonable.

Budget preparation

68. The accounting officer of a municipality must—

(a) assist the mayor in performing the budgetary functions assigned to the mayor in terms of Chapters 4 and 7; and

(b) provide the mayor with the administrative support, resources and information necessary for the performance of those functions.

Budget implementation

69. (1) The accounting officer of a municipality is responsible for implementing the municipality's approved budget, including taking all reasonable steps to ensure—

(a) that the spending of funds is in accordance with the budget and is reduced as necessary when revenue is anticipated to be less than projected in the budget or in the service delivery and budget implementation plan; and

(b) that revenue and expenditure are properly monitored.

(2) When necessary, the accounting officer must prepare an adjustments budget and submit it to the mayor for consideration and tabling in the municipal council.

(3) The accounting officer must no later than 14 days after the approval of an annual budget submit to the mayor—

(a) a draft service delivery and budget implementation plan for the budget year; and

(b) drafts of the annual performance agreements as required in terms of section 57(1)*(b)* of the Municipal Systems Act for the municipal manager and all senior managers.

Impending shortfalls, overspending and overdrafts

70. (1) The accounting officer of a municipality must report in writing to the municipal council—

(a) any impending—
  (i) shortfalls in budgeted revenue; and
  (ii) overspending of the municipality's budget; and

(b) any steps taken to prevent or rectify such shortfalls or overspending.

(2) If a municipality's bank account, or if the municipality has more than one bank account, the consolidated balance in those bank accounts, shows a net overdrawn position for a period exceeding a prescribed period, the accounting officer of the municipality must promptly notify the National Treasury in the prescribed format of—

(a) the amount by which the account or accounts are overdrawn;

(b) the reasons for the overdrawn account or accounts; and

(c) the steps taken or to be taken to correct the matter.

(3) When determining the net overdrawn position for purposes of subsection (2), the accounting officer must exclude any amounts reserved or pledged for any specific purpose or encumbered in any other way.

Reports and reportable matters

Monthly budget statements

71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

(a) Actual revenue, per revenue source;

(b) actual borrowings;

(c) actual expenditure, per vote;

(d) actual capital expenditure, per vote;

(e) the amount of any allocations received;

(f) actual expenditure on those allocations, excluding expenditure on—
  (i) its share of the local government equitable share; and
  (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(g) when necessary, an explanation of—
  (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
  (ii) any material variances from the service delivery and budget implementation plan; and
  (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

(2) The statement must include—

(a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and

(b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)*(e)* during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)*(e)* and *(f)* to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

Mid-year budget and performance assessment

72. (1) The accounting officer of a municipality must by 25 January of each year—

(a) assess the performance of the municipality during the first half of the financial year, taking into account—

(i) the monthly statements referred to in section 71 for the first half of the financial year;

(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;

(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and

(iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to—

(i) the mayor of the municipality;

(ii) the National Treasury; and

(iii) the relevant provincial treasury.

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)*(b)* of this section.

(3) The accounting officer must, as part of the review—

(a) make recommendations as to whether an adjustments budget is necessary; and

(b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Reports on failure to adopt or implement budget-related and other policies

73. The accounting officer must inform the provincial treasury, in writing, of—

(a) any failure by the council of the municipality to adopt or implement a budget-related policy or a supply chain management policy referred to in section 111; or

(b) any non-compliance by a political structure or office-bearer of the municipality with any such policy.

General reporting obligation

74. (1) The accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required.

(2) If the accounting officer of a municipality is unable to comply with any of the responsibilities in terms of this Act, he or she must promptly report the inability, together with reasons, to the mayor and the provincial treasury.

Information to be placed on websites of municipalities

75. (1) The accounting officer of a municipality must place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality:

(a) The annual and adjustments budgets and all budget-related documents;
(b) all budget-related policies;
(c) the annual report;
(d) all performance agreements required in terms of section 57(1)*(b)* of the Municipal Systems Act;
(e) all service delivery agreements;
(f) all long-term borrowing contracts;
(g) all supply chain management contracts above a prescribed value;
(h) an information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the previous quarter;
(i) contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;
(j) public-private partnership agreements referred to in section 120;
(k) all quarterly reports tabled in the council in terms of section 52*(d)*; and
(l) any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.

(2) A document referred to in subsection (1) must be placed on the website not later than five days after its tabling in the council or on the date on which it must be made public, whichever occurs first.

Protection of accounting officer

76. Any action taken by a political structure or office-bearer of a municipality against the accounting officer of the municipality solely because of that accounting officer's compliance with a provision of this Act, is an unfair labour practice for the purposes of the Labour Relations Act, 1995 (Act No. 66 of 1995).

Part 2: Financial administration

Top management of municipalities

77. (1) The top management of a municipality's administration consists of—

(a) the accounting officer;
(b) the chief financial officer;
(c) all senior managers who are responsible for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of section 79; and
(d) any other senior officials designated by the accounting officer.

(2) The top management must assist the accounting officer in managing and co-ordinating the financial administration of the municipality.

Senior managers and other officials of municipalities

78. (1) Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure—

(a) that the system of financial management and internal control established for the municipality is carried out diligently;

(b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;

(c) that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented;

(d) that all revenue due to the municipality is collected;

(e) that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary;

(f) that all information required by the accounting officer for compliance with the provisions of this Act is timeously submitted to the accounting officer; and

(g) that the provisions of this Act, to the extent applicable to that senior manager or official, including any delegations in terms of section 79, are complied with.

(2) A senior manager or such official must perform the functions referred to in subsection (1) subject to the directions of the accounting officer of the municipality.

Delegations

79. (1) The accounting officer of a municipality—

(a) must, for the proper application of this Act in the municipality's administration, develop an appropriate system of delegation that will both maximise administrative and operational efficiency and provide adequate checks and balances in the municipality's financial administration;

(b) may, in accordance with that system, delegate to a member of the municipality's top management referred to in section 77 or any other official of the municipality—

(i) any of the powers or duties assigned to an accounting officer in terms of this Act; or

(ii) any powers or duties reasonably necessary to assist the accounting officer in complying with a duty which requires the accounting officer to take reasonable or appropriate steps to ensure the achievement of the aims of a specific provision of this Act; and

(c) must regularly review delegations issued in terms of paragraph *(b)* and, if necessary, amend or withdraw any of those delegations.

(2) The accounting officer may not delegate to any political structure or political office-bearer of the municipality any of the powers or duties assigned to accounting officers in terms of this Act.

(3) A delegation in terms of subsection (1)—

(a) must be in writing;

(b) is subject to such limitations and conditions as the accounting officer may impose in a specific case;

(c) may either be to a specific individual or to the holder of a specific post in the municipality;

(d) may, in the case of a delegation to a member of the municipality's top management in terms of subsection (1)*(b)*, authorise that member to sub-delegate the delegated power or duty to an official or the holder of a specific post in that member's area of responsibility; and

(e) does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.

(4) The accounting officer may confirm, vary or revoke any decision taken in consequence of a delegation or sub-delegation in terms of this section, but no such

variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

CHAPTER 9

MUNICIPAL BUDGET AND TREASURY OFFICES

Establishment

80. (1) Every municipality must have a budget and treasury office.

(2) A budget and treasury office consists of—

(a) a chief financial officer designated by the accounting officer of the municipality;

(b) officials of the municipality allocated by the accounting officer to the chief financial officer; and

(c) any other persons contracted by the municipality for the work of the office.

Role of chief financial officer

81. (1) The chief financial officer of a municipality—

(a) is administratively in charge of the budget and treasury office;

(b) must advise the accounting officer on the exercise of powers and duties assigned to the accounting officer in terms of this Act;

(c) must assist the accounting officer in the administration of the municipality's bank accounts and in the preparation and implementation of the municipality's budget;

(d) must advise senior managers and other senior officials in the exercise of powers and duties assigned to them in terms of section 78 or delegated to them in terms of section 79; and

(e) must perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management, review and other duties as may in terms of section 79 be delegated by the accounting officer to the chief financial officer.

(2) The chief financial officer of a municipality is accountable to the accounting officer for the performance of the duties referred to in subsection (1).

Delegations

82. (1) The chief financial officer of a municipality may sub-delegate any of the duties referred to in section 81(1)*(b)*, *(d)* and *(e)*—

(a) to an official in the budget and treasury office;

(b) to the holder of a specific post in that office; or

(c) with the concurrence of the accounting officer, to—

(i) any other official of the municipality; or

(ii) any person contracted by the municipality for the work of the office.

(2) If the chief financial officer sub-delegates any duties in terms of subsection (1) to a person who is not an employee of the municipality, the chief financial officer must be satisfied that effective systems and procedures are in place to ensure control and accountability.

(3) A sub-delegation in terms of subsection (1)—

(a) must be in writing;

(b) is subject to such limitations or conditions as the chief financial officer may impose; and

(c) does not divest the chief financial officer of the responsibility concerning the delegated duty.

(4) The chief financial officer may confirm, vary or revoke any decision taken in consequence of a sub-delegation in terms of subsection (1), but no such variation or

revocation of a decision may detract from any rights that may have accrued as a result of the decision.

Competency levels of professional financial officials

83. (1) The accounting officer, senior managers, the chief financial officer and other financial officials of a municipality must meet the prescribed financial management competency levels.

(2) A municipality must for the purposes of subsection (1) provide resources or opportunities for the training of officials referred to in that subsection to meet the prescribed competency levels.

(3) The National Treasury or a provincial treasury may assist municipalities in the training of officials referred to in subsection (1).

CHAPTER 10

MUNICIPAL ENTITIES

Part 1: Establishment

Financial implications for municipalities

84. (1) When considering the establishment of, or participation in, a municipal entity, a municipality must first—

(a) determine precisely the function or service that such entity would perform on behalf of the municipality; and

(b) make an assessment of the impact of the shifting of that function or service to the entity on the municipality's staff, assets and liabilities, including an assessment of—

(i) the number of staff of the municipality to be transferred to the entity;

(ii) the number of staff of the municipality that would become redundant because of the shifting of that function or service;

(iii) the cost to the municipality of any staff retrenchments or the retention of redundant staff;

(iv) any assets of the municipality to be transferred to the entity;

(v) any assets of the municipality that would become obsolete because of the shifting of that function or service;

(vi) any liabilities of the municipality to be ceded to the entity; and

(vii) any debt of the municipality attributed to that function or service which the municipality would retain.

(2) A municipality may establish or participate in a municipal entity only if—

(a) the municipal manager, at least 90 days before the meeting of the municipal council at which the proposed establishment of the entity, or the municipality's proposed participation in the entity, is to be approved—

(i) has, in accordance with section 21A of the Municipal Systems Act—

(aa) made public an information statement setting out the municipality's plans for the municipal entity together with the assessment which the municipality must conduct in terms of subsection (1); and

(bb) invited the local community, organised labour and other interested persons to submit to the municipality comments or representations in respect of the matter; and

(ii) has solicited the views and recommendations of—

(aa) the National Treasury and the relevant provincial treasury;

(bb) the national and provincial departments responsible for local government; and

(cc) the MEC for local government in the province; and

(b) the municipal council has taken into account—

(i) the assessment referred to in subsection (1);

(ii) any comments or representations on the matter received from the local community, organised labour and other interested persons;
(iii) any written views and recommendations on the matter received from the National Treasury, the relevant provincial treasury, the national department responsible for local government or the MEC for local government in the province.

(3) For the purposes of this section, "establish" includes the acquisition of an interest in a private company that would render that private company a municipal entity.

Part 2: Financial governance

Bank accounts

85. (1) A municipal entity must open and maintain at least one bank account in the name of the entity.

(2) All money received by a municipal entity must be paid into its bank account or accounts, and this must be done promptly and in accordance with any requirements that may be prescribed.

(3) A municipal entity may not open a bank account—
(a) abroad;
(b) with an institution not registered as a bank in terms of the Banks Act, 1990 (Act No. 94 of 1990);
(c) otherwise than in the name of the entity; and
(d) without the approval of its board of directors.

(4) Money may be withdrawn from a municipal entity's bank account only in accordance with requirements that may be prescribed.

(5) The accounting officer of a municipal entity—
(a) must administer all the entity's bank accounts;
(b) is accountable to the board of directors of the entity for the entity's bank accounts; and
(c) must enforce any requirements that may be prescribed in terms of subsection (4).

Bank account details

86. (1) The accounting officer of a municipal entity must submit to the entity's parent municipality, in writing—
(a) within 90 days after the entity has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account; and
(b) annually before the start of a financial year, the name of each bank where the entity holds a bank account, and the type and number of each account.

(2) The accounting officer of the municipal entity's parent municipality, or if there are more than one parent municipality, any one of the accounting officers of those municipalities as may be agreed between them, must upon receipt of the information referred to in subsection (1), submit that information to the Auditor-General, the National Treasury and the relevant provincial treasury, in writing.

Budgets

87. (1) The board of directors of a municipal entity must for each financial year submit a proposed budget for the entity to its parent municipality not later than 150 days before the start of the entity's financial year or earlier if requested by the parent municipality.

(2) The parent municipality must consider the proposed budget of the entity and assess the entity's priorities and objectives. If the parent municipality makes any recommendations on the proposed budget, the board of directors of the entity must

consider those recommendations and, if necessary, submit a revised budget to the parent municipality not later than 100 days before the start of the financial year.

(3) The mayor of the parent municipality must table the proposed budget of the municipal entity in the council when the annual budget of the municipality for the relevant year is tabled.

(4) The board of directors of a municipal entity must approve the budget of the municipal entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality.

(5) The budget of a municipal entity must—

(a) be balanced;

(b) be consistent with any service delivery agreement or other agreement between the entity and the entity's parent municipality;

(c) be within any limits determined by the entity's parent municipality, including any limits on tariffs, revenue, expenditure and borrowing;

(d) include a multi-year business plan for the entity that—

(i) sets key financial and non-financial performance objectives and measurement criteria as agreed with the parent municipality;

(ii) is consistent with the budget and integrated development plan of the entity's parent municipality;

(iii) is consistent with any service delivery agreement or other agreement between the entity and the entity's parent municipality; and

(iv) reflects actual and potential liabilities and commitments, including particulars of any proposed borrowing of money during the period to which the plan relates; and

(e) otherwise comply with the requirements of section 17(1) and (2) to the extent that such requirements can reasonably be applied to the entity.

(6) The board of directors of a municipal entity may, with the approval of the mayor, revise the budget of the municipal entity, but only for the following reasons:

(a) To adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;

(b) to authorise expenditure of any additional allocations to the municipal entity from its parent municipality;

(c) to authorise, within a prescribed framework, any unforeseeable and unavoidable expenditure approved by the mayor of the parent municipality;

(d) to authorise any other expenditure within a prescribed framework.

(7) Any projected allocation to a municipal entity from its parent municipality must be provided for in the annual budget of the parent municipality, and to the extent not so provided, the entity's budget must be adjusted.

(8) A municipal entity may incur expenditure only in accordance with its approved budget or an adjustments budget.

(9) The mayor must table the budget or adjusted budget and any adjustments budget of a municipal entity as approved by its board of directors, at the next council meeting of the municipality.

(10) A municipal entity's approved budget or adjusted budget must be made public in substantially the same way as the budget of a municipality must be made public.

(11) The accounting officer of a municipal entity must by no later than seven working days after the end of each month submit to the accounting officer of the parent municipality a statement in the prescribed format on the state of the entity's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

(a) Actual revenue, per revenue source;

(b) actual borrowings;

(c) actual expenditure;

(d) actual capital expenditure;

(e) the amount of any allocations received;

(f) actual expenditure on those allocations, excluding expenditure on allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(g) when necessary, an explanation of—

(i) any material variances from the entity's projected revenue by source, and from the entity's expenditure projections;

(ii) any material variances from the service delivery agreement and the business plan; and

(iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the entity's approved budget.

(12) The statement must include a projection of revenue and expenditure for the rest of the financial year, and any revisions from initial projections.

(13) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the entity's approved budget.

(14) The statement to the accounting officer of the municipality must be in the format of a signed document and in electronic format.

Mid-year budget and performance assessment

88. (1) The accounting officer of a municipal entity must by 20 January of each year—

(a) assess the performance of the entity during the first half of the financial year, taking into account—

(i) the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and

(ii) the entity's annual report for the past year, and progress on resolving problems identified in the annual report; and

(b) submit a report on such assessment to—

(i) the board of directors of the entity; and

(ii) the parent municipality of the entity.

(2) A report referred to in subsection (1) must be made public.

Remuneration packages

89. The parent municipality of a municipal entity must—

(a) determine the upper limits of the salary, allowances and other benefits of the chief executive officer and senior managers of the entity; and

(b) monitor and ensure that the municipal entity reports to the council on all expenditure incurred by that municipal entity on directors and staff remuneration matters, and in a manner that discloses such expenditure per type of expenditure namely:

(i) Salaries and wages;

(ii) contributions for pensions and medical aid;

(iii) travel, motor car, accommodation, subsistence and other allowances;

(iv) housing benefits and allowances;

(v) overtime payments;

(vi) loans and advances; and

(vii) any other type of benefit or allowance related to directors and staff.

Disposal of capital assets

90. (1) A municipal entity may not transfer ownership as a result of a sale or other transaction or otherwise dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipal entity may transfer ownership or otherwise dispose of a capital asset other than an asset contemplated in subsection (1), but only after the council of its parent municipality, in a meeting open to the public—

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services may not be reversed by the municipality or municipal entity after that asset has been sold, transferred or otherwise disposed of.

(4) A municipal council may delegate to the accounting officer of a municipal entity its power to make the determinations referred to in subsection (2)*(a)* and *(b)* in respect of movable capital assets of the entity below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent and competitive and consistent with the supply chain management policy which the municipal entity must have and maintain in terms of section 111.

(6) This section does not apply to the transfer of a capital asset to a municipality or another municipal entity or to a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury provided that such transfers are in accordance with a prescribed framework.

Financial year

91. The financial year of a municipal entity must be the same as that of municipalities.

Audit

92. The Auditor-General must audit and report on the accounts, financial statements and financial management of each municipal entity.

Part 3: Accounting officers

Chief executive officer to be accounting officer

93. The chief executive officer of a municipal entity appointed in terms of section 93J of the Municipal Systems Act is the accounting officer of the entity.

Fiduciary duties of accounting officers

94. (1) The accounting officer of a municipal entity must—

(a) exercise utmost care to ensure reasonable protection of the assets and records of the entity;

(b) act with fidelity, honesty, integrity and in the best interest of the entity in managing the financial affairs of the entity;

(c) disclose to the entity's parent municipality and the entity's board of directors all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the parent municipality or the board of directors; and

(d) seek, within the sphere of influence of that accounting officer, to prevent any prejudice to the financial interests of the parent municipality or the municipal entity.

(2) The accounting officer may not—

(a) act in a way that is inconsistent with the responsibilities assigned to accounting officers of municipal entities in terms of this Act; or

(b) use the position or privileges of, or confidential information obtained as accounting officer, for personal gain or to improperly benefit another person.

General financial management functions of accounting officers

95. The accounting officer of a municipal entity is responsible for managing the financial administration of the entity, and must for this purpose take all reasonable steps to ensure—

(a) that the resources of the entity are used effectively, efficiently, economically and transparently;

(b) that full and proper records of the financial affairs of the entity are kept;

(c) that the entity has and maintains effective, efficient and transparent systems-

(i) of financial and risk management and internal control; and

(ii) of internal audit complying with and operating in accordance with any prescribed norms and standards;

(d) that irregular and fruitless and wasteful expenditure and other losses are prevented;

(e) that expenditure is in accordance with the operational policies of the entity; and

(f) that disciplinary or, when appropriate, criminal proceedings, are instituted against any official of the entity who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15.

Asset and liability management

96. (1) The accounting officer of a municipal entity is responsible for the management of—

(a) the assets of the entity, including the safeguarding and maintenance of those assets; and

(b) the liabilities of the entity.

(2) The accounting officer must, for the purposes of subsection (1), take all reasonable steps to ensure that the entity has and maintains—

(a) a management, accounting and information system that accounts for proper assets and liabilities of the management systems of the municipal entity; and

(b) a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

Revenue management

97. The accounting officer of a municipal entity must take all reasonable steps to ensure—

(a) that the entity has and implements effective revenue collection systems to give effect to its budget;

(b) that all revenue due to the entity is collected;

(c) that any funds collected by the entity on behalf of a municipality—

(i) are transferred to that municipality strictly in accordance with the agreement between the entity the municipality; and

(ii) are not used for the purposes of the entity;

(d) that the municipal entity has effective revenue collection systems consistent with those of the parent municipality;

(e) that revenue due to the entity is calculated on a monthly basis;

(f) that accounts for service charges are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;

(g) that all money received is promptly deposited in accordance with this Act into the municipal entity's bank accounts;

(h) that the municipal entity has and maintains a management, accounting and information system which—

(i) recognises revenue when it is earned;

(ii) accounts for debtors; and

(iii) accounts for receipts of revenue;

(i) that the municipal entity has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed; and

(j) that all revenue received by the municipal entity, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

(3) The accounting officer must immediately inform the parent municipality of any payments due by an organ of state to the entity in respect of service charges, if such payments are regularly in arrears for periods of more than 30 days.

Monthly reconciliation of revenue and accounts

98. The accounting officer of a municipal entity must take all reasonable steps to ensure that—

(a) all revenue received by the entity, including revenue received by any collecting agency on its behalf, is reconciled on a monthly or more regular basis; and

(b) all accounts of the entity are reconciled each month.

Expenditure management

99. (1) The accounting officer of a municipal entity is responsible for the management of the expenditure of the entity.

(2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—

(a) that the entity has and maintains an effective system of expenditure control including procedures for the approval, authorisation, withdrawal and payment of funds;

(b) that all money owing by the entity is paid within 30 days of receiving the relevant invoice or statement unless prescribed otherwise for certain categories of expenditure;

(c) that the entity has and maintains a management, accounting and information system which—

(i) recognises expenditure when it is incurred;

(ii) accounts for creditors of the entity; and

(iii) accounts for payments made by the entity;

(d) that the entity has and maintains a system of internal control in respect of creditors and payments;

(e) that payments by the entity are made—

(i) directly to the person to whom it is due unless agreed otherwise only for reasons as may be prescribed; and

(ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

(f) that the entity complies with its tax, duty, pension, medical aid, audit fees and other statutory commitments;

(g) that the entity's available working capital is managed effectively and economically in terms of any prescribed cash management and investment framework; and

(h) that the entity has and implements a supply chain management policy in accordance with section 111 in a way that is fair, equitable, transparent and cost-effective.

Budget implementation

100. The accounting officer of a municipal entity is responsible for implementing the entity's budget, including taking effective and appropriate steps to ensure that—

(a) the spending of funds is in accordance with the budget;

(b) revenue and expenditure are properly monitored; and

(c) spending is reduced as necessary when revenue is anticipated to be less than projected in the budget.

Part 4: Reports and reportable matters

Impending under collection, shortfalls, overspending, overdrafts, and non-payment

101. (1) The accounting officer of a municipal entity must report, in writing, to the board of directors of the entity, at its next meeting, and to the accounting officer of the entity's parent municipality any financial problems of the entity, including—

(a) any impending or actual—
  (i) under collection of revenue due;
  (ii) shortfalls in budgeted revenue;
  (iii) overspending of the entity's budget;
  (iv) delay in the entity's payments to any creditors; or
  (v) overdraft in any bank account of the entity for a period exceeding 21 days; and

(b) any steps taken to rectify such financial problems.

(2) The accounting officer of the municipality must table a report referred to in subsection (1) in the municipal council at its next meeting.

Irregular or fruitless and wasteful expenditure

102. (1) On discovery of any irregular expenditure or any fruitless and wasteful expenditure, the board of directors of a municipal entity must promptly report, in writing, to the mayor and municipal manager of the entity's parent municipality and the Auditor-General—

(a) particulars of the expenditure; and

(b) any steps that have been taken—
  (i) to recover the expenditure; and
  (ii) to prevent a recurrence of the expenditure.

(2) The board of directors of a municipal entity must promptly report to the South African Police Service any-

(a) irregular expenditure that may constitute a criminal offence; and

(b) other losses suffered by the municipal entity which resulted from suspected criminal conduct.

Reporting of improper interference by councillors

103. The accounting officer of a municipal entity must promptly report to the speaker of the council of the entity's parent municipality any interference by a councillor outside that councillor's assigned duties, in—

(a) the financial affairs of the municipal entity; or

(b) the responsibilities of the board of directors of the municipal entity.

General reporting obligations

104. (1) The accounting officer of a municipal entity—

(a) is, except where otherwise provided in this Act, responsible for the submission by the entity of all reports, returns, notices and other information to the entity's parent municipality, as may be required by this Act; and

(b) must submit to the accounting officer of the entity's parent municipality, the National Treasury, the relevant provincial treasury, the department of local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required.

(2) If the accounting officer of a municipal entity is unable to comply with any of the responsibilities in terms of this Act, he or she must promptly report the inability, together with reasons, to the council of the entity's parent municipality.

Part 5: Other officials of municipal entities

Duties of other officials

105. (1) Each official of a municipal entity exercising financial management responsibilities must take all reasonable steps within that official's area of responsibility to ensure—

(a) that the system of financial management and internal control established for the entity is carried out diligently;

(b) that the financial and other resources of the entity are utilised effectively, efficiently, economically and transparently;

(c) that any irregular expenditure, fruitless and wasteful expenditure and other losses are prevented;

(d) that all revenue due to the entity is collected;

(e) that the provisions of this Act to the extent applicable to that official, including any delegations in terms of section 106, are complied with; and

(f) that the assets and liabilities of the entity are managed effectively, and that assets are safeguarded and maintained to the extent necessary.

(2) An official of a municipal entity must perform the functions referred to in subsection (1) subject to the directions of the accounting officer of the entity.

Delegation of powers and duties by accounting officers

106. (1) The accounting officer of a municipal entity—

(a) may delegate to an official of that entity—

(i) any of the powers or duties assigned or delegated to the accounting officer in terms of this Act; or

(ii) any powers or duties reasonably necessary to assist the accounting officer in complying with a duty which requires the accounting officer to take reasonable or appropriate steps to ensure the achievement of the aims of a specific provision of this Act; and

(b) must regularly review delegations issued in terms of paragraph *(a)* and, if necessary, amend or withdraw any of those delegations.

(2) A delegation in terms of subsection (1)—

(a) must be in writing;

(b) is subject to any limitations and conditions the accounting officer may impose;

(c) may be either to a specific individual or to the holder of a specific post in the municipal entity; and

(d) does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.

(3) An accounting officer may confirm, vary or revoke any decision taken by an official in consequence of a delegation in terms of subsection (1), but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

Competency levels of professional financial officials

107. The accounting officer, senior managers, any chief financial officer and all other financial officials of a municipal entity must meet the prescribed financial management competency levels.

Part 6: General

Borrowing of money

108. (1) A municipal entity may borrow money, but only in accordance with—

(a) the entity's multi-year business plan referred to in section 87(5)*(d)*; and

(b) the provisions of Chapter 6 to the extent that those provisions can be applied to a municipal entity.

(2) In applying Chapter 6 to a municipal entity, a reference in that Chapter to a municipality, a municipal council or an accounting officer must be read as referring to a municipal entity, the board of directors of a municipal entity or the accounting officer of a municipal entity, respectively.

Financial problems in municipal entities

109. If a municipal entity experiences serious or persistent financial problems and the board of directors of the entity fails to act effectively, the parent municipality must either—

(a) take appropriate steps in terms of its rights and powers over that entity, including its rights and powers in terms of any relevant service delivery or other agreement;

(b) impose a financial recovery plan, which must meet the same criteria set out in section 142 for a municipal financial recovery plan; or

(c) liquidate and disestablish the entity.

CHAPTER 11

GOODS AND SERVICES

Part 1: Supply chain management

Application of this Part

110. (1) This Part, subject to subsection (2), applies to—

(a) the procurement by a municipality or municipal entity of goods and services;

(b) the disposal by a municipality or municipal entity of goods no longer needed;

(c) the selection of contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; and

(d) the selection of external mechanisms referred to in section 80(1)*(b)* of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(2) This Part, except where specifically provided otherwise, does not apply if a municipality or municipal entity contracts with another organ of state for—

(a) the provision of goods or services to the municipality or municipal entity;

(b) the provision of a municipal service or assistance in the provision of a municipal service; or

(c) the procurement of goods and services under a contract secured by that other organ of state, provided that the relevant supplier has agreed to such procurement.

(3) The disposal of goods by a municipality or municipal entity in terms of this Part must be read with sections 14 and 90.

Supply chain management policy

111. Each municipality and each municipal entity must have and implement a supply chain management policy which gives effect to the provisions of this Part.

Supply chain management policy to comply with prescribed framework

112. (1) The supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:

(a) The range of supply chain management processes that municipalities and municipal entities may use, including tenders, quotations, auctions and other types of competitive bidding;

(b) when a municipality or municipal entity may or must use a particular type of process;

(c) procedures and mechanisms for each type of process;

(d) procedures and mechanisms for more flexible processes where the value of a contract is below a prescribed amount;

(e) open and transparent pre-qualification processes for tenders or other bids;

(f) competitive bidding processes in which only pre-qualified persons may participate;

(g) bid documentation, advertising of and invitations for contracts;

(h) procedures and mechanisms for—

(i) the opening, registering and recording of bids in the presence of interested persons;

(ii) the evaluation of bids to ensure best value for money;

(iii) negotiating the final terms of contracts; and

(iv) the approval of bids;

(i) screening processes and security clearances for prospective contractors on tenders or other bids above a prescribed value;

(j) compulsory disclosure of any conflicts of interests prospective contractors may have in specific tenders and the exclusion of such prospective contractors from those tenders or bids;

(k) participation in the supply chain management system of persons who are not officials of the municipality or municipal entity, subject to section 117;

(l) the barring of persons from participating in tendering or other bidding processes, including persons—

(i) who were convicted for fraud or corruption during the past five years;

(ii) who wilfully neglected, reneged on or failed to comply with a government contract during the past five years; or

(iii) whose tax matters are not cleared by South African Revenue Service;

(m) measures for—

(i) combating fraud, corruption, favouritism and unfair and irregular practices in municipal supply chain management; and

(ii) promoting ethics of officials and other role players involved in municipal supply chain management;

(n) the invalidation of recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendations or decisions that were made, taken or in any way influenced by—

(i) councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors set out in Schedule 1 to the Municipal Systems Act; or

(ii) municipal officials in contravention of item 4 or 5 of the Code of Conduct for Municipal Staff Members set out in Schedule 2 to that Act;

(o) the procurement of goods and services by municipalities or municipal entities through contracts procured by other organs of state;

(p) contract management and dispute settling procedures; and

(q) the delegation of municipal supply chain management powers and duties, including to officials.

(2) The regulatory framework for municipal supply chain management must be fair, equitable, transparent, competitive and cost-effective.

Unsolicited bids

113. (1) A municipality or municipal entity is not obliged to consider an unsolicited bid received outside its normal bidding process.

(2) If a municipality or municipal entity decides to consider an unsolicited bid received outside a normal bidding process, it may do so only in accordance with a prescribed framework.

(3) The framework must strictly regulate and limit the power of municipalities and municipal entities to approve unsolicited bids received outside their normal tendering or other bidding processes.

Approval of tenders not recommended

114. (1) If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor-General, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

(2) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

Implementation of system

115. (1) The accounting officer of a municipality or municipal entity must—

(a) implement the supply chain management policy of the municipality or municipal entity; and

(b) take all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.

(2) No person may impede the accounting officer in fulfilling this responsibility.

Contracts and contract management

116. (1) A contract or agreement procured through the supply chain management system of a municipality or municipal entity must—

(a) be in writing;

(b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for—

(i) the termination of the contract or agreement in the case of non- or under-performance;

(ii) dispute resolution mechanisms to settle disputes between the parties;

(iii) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and

(iv) any other matters that may be prescribed.

(2) The accounting officer of a municipality or municipal entity must—

(a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;

(b) monitor on a monthly basis the performance of the contractor under the contract or agreement;

(c) establish capacity in the administration of the municipality or municipal entity—

(i) to assist the accounting officer in carrying out the duties set out in paragraphs *(a)* and *(b)*; and

(ii) to oversee the day-to-day management of the contract or agreement; and

(d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

(3) A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after—

(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and

(b) the local community—

(i) has been given reasonable notice of the intention to amend the contract or agreement; and

(ii) has been invited to submit representations to the municipality or municipal entity.

Councillors barred from serving on municipal tender committees

117. No councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.

Interference

118. No person may—

(a) interfere with the supply chain management system of a municipality or municipal entity; or

(b) amend or tamper with any tenders, quotations, contracts or bids after their submission.

Competency levels of officials involved in municipal supply chain management

119. (1) The accounting officer and all other officials of a municipality or municipal entity involved in the implementation of the supply chain management policy of the municipality or municipal entity must meet the prescribed competency levels.

(2) A municipality and a municipal entity must for the purposes of subsection (1) provide resources or opportunities for the training of officials referred to in that subsection to meet the prescribed competency levels.

(3) The National Treasury or a provincial treasury may assist municipalities and municipal entities in the training of officials referred to in subsection (1).

Part 2: Public-private partnerships

Conditions and process for public-private partnerships

120. (1) A municipality may enter into a public-private partnership agreement, but only if the municipality can demonstrate that the agreement will—

(a) provide value for money to the municipality;

(b) be affordable for the municipality; and

(c) transfer appropriate technical, operational and financial risk to the private party.

(2) A public-private partnership agreement must comply with any prescribed regulatory framework for public-private partnerships.

(3) If the public-private partnership involves the provision of a municipal service, Chapter 8 of the Municipal Systems Act must also be complied with.

(4) Before a public-private partnership is concluded, the municipality must conduct a feasibility study that—

(a) explains the strategic and operational benefits of the public-private partnership for the municipality in terms of its objectives;

(b) describes in specific terms—

(i) the nature of the private party's role in the public-private partnership;

(ii) the extent to which this role, both legally and by nature, can be performed by a private party; and

(iii) how the proposed agreement will—
(aa) provide value for money to the municipality;
(bb) be affordable for the municipality;
(cc) transfer appropriate technical, operational and financial risks to the private party; and
(dd) impact on the municipality's revenue flows and its current and future budgets;
(c) takes into account all relevant information; and
(d) explains the capacity of the municipality to effectively monitor, manage and enforce the agreement.

(5) The national government may assist municipalities in carrying out and assessing feasibility studies referred to in subsection (4).

(6) When a feasibility study has been completed, the accounting officer of the municipality must—
(a) submit the report on the feasibility study together with all other relevant documents to the council for a decision, in principle, on whether the municipality should continue with the proposed public-private partnership;
(b) at least 60 days prior to the meeting of the council at which the matter is to be considered, in accordance with section 21A of the Municipal Systems Act—
(i) make public particulars of the proposed public-private partnership, including the report on the feasibility study; and
(ii) invite the local community and other interested persons to submit to the municipality comments or representations in respect of the proposed public-private partnership; and
(c) solicit the views and recommendations of—
(i) the National Treasury;
(ii) the national department responsible for local government;
(iii) if the public-private partnership involves the provision of water, sanitation, electricity or any other service as may be prescribed, the responsible national department; and
(iv) any other national or provincial organ of state as may be prescribed.

(7) Part 1 of this Chapter applies to the procurement of public-private partnership agreements. Section 33 also applies if the agreement will have multi-year budgetary implications for the municipality within the meaning of that section.

CHAPTER 12

FINANCIAL REPORTING AND AUDITING

Preparation and adoption of annual reports

121. (1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

(2) The purpose of an annual report is—
(a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
(b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
(c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

(3) The annual report of a municipality must include—
(a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);

(b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;

(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;

(d) the Auditor-General's audit report in terms of section 45*(b)* of the Municipal Systems Act;

(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;

(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)*(b)* for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;

(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs *(b)* and *(d)*;

(h) any explanations that may be necessary to clarify issues in connection with the financial statements;

(i) any information as determined by the municipality;

(j) any recommendations of the municipality's audit committee; and

(k) any other information as may be prescribed.

(4) The annual report of a municipal entity must include—

(a) the annual financial statements of the entity, as submitted to the Auditor-General for audit in terms of section 126(2);

(b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;

(c) an assessment by the entity's accounting officer of any arrears on municipal taxes and service charges;

(d) an assessment by the entity's accounting officer of the entity's performance against any measurable performance objectives set in terms the service delivery agreement or other agreement between the entity and its parent municipality;

(e) particulars of any corrective action taken or to be taken in response to issues raised in the audit report referred to in paragraph *(b)*;

(f) any information as determined by the entity or its parent municipality;

(g) any recommendations of the audit committee of the entity or of its parent municipality; and

(h) any other information as may be prescribed.

Preparation of financial statements

122. (1) Every municipality and every municipal entity must for each financial year prepare annual financial statements which—

(a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and

(b) discloses the information required in terms of sections 123, 124 and 125.

(2) A municipality which has sole control of a municipal entity, or which has effective control within the meaning of the Municipal Systems Act of a municipal entity which is a private company, must in addition to complying with subsection (1), prepare consolidated annual financial statements incorporating the annual financial statements of the municipality and of such entity. Such consolidated annual financial statements must comply with any requirements as may be prescribed.

(3) Both annual financial statements and consolidated annual financial statements must be prepared in accordance with generally recognised accounting practice prescribed in terms of section 91(1)*(b)* of the Public Finance Management Act.

Disclosures on intergovernmental and other allocations

123. (1) The annual financial statements of a municipality must disclose information on—

(a) any allocations received by the municipality from—
  (i) an organ of state in the national or provincial sphere of government; or
  (ii) a municipal entity or another municipality;
(b) any allocations made by the municipality to—
  (i) a municipal entity or another municipality; or
  (ii) any other organ of state;
(c) how any allocations referred to in paragraph *(a)* were spent, per vote, excluding allocations received by the municipality as its portion of the equitable share or where prescribed otherwise because of the nature of the allocation;
(d) whether the municipality has complied with the conditions of—
  (i) any allocations made to the municipality in terms of section 214(1)*(c)* of the Constitution; and
  (ii) any allocations made to the municipality other than by national organs of state;
(e) the reasons for any non-compliance with conditions referred to in paragraph *(d)*; and
(f) whether funds destined for the municipality in terms of the annual Division of Revenue Act were delayed or withheld, and the reasons advanced to the municipality for such delay or withholding.

(2) The annual financial statements of a municipal entity must disclose information on—

(a) any allocations received by the entity from any municipality or other organ of state;
(b) any allocations made by the entity to a municipality or other organ of state; and
(c) any other information as may be prescribed.

Disclosures concerning councillors, directors and officials

124. (1) The notes to the annual financial statements of a municipality must include particulars of—

(a) the salaries, allowances and benefits of political office-bearers and councillors of the municipality, whether financial or in kind, including a statement by the accounting officer whether or not those salaries, allowances and benefits are within the upper limits of the framework envisaged in section 219 of the Constitution;
(b) any arrears owed by individual councillors to the municipality, or a municipal entity under its sole or shared control, for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days, including the names of those councillors; and
(c) the salaries, allowances and benefits of the municipal manager, the chief financial officer, every senior manager and such categories of other officials as may be prescribed.

(2) The notes to the annual financial statements of a municipal entity must include particulars of the salaries, allowances and benefits of—

(a) the members of the board of directors of the entity; and
(b) the chief executive officer of the entity, every senior manager and such categories of other officials as may be prescribed.

Other compulsory disclosures

125. (1) The notes to the financial statements of a municipality must include—

(a) a list of all municipal entities under the sole or shared control of the municipality during the financial year and as at the last day of the financial year.
(b) the total amount of contributions to organised local government for the financial year, and the amount of any contributions outstanding as at the end of the financial year; and

(c) the total amounts paid in audit fees, taxes, levies, duties and pension and medical aid contributions, and whether any amounts were outstanding as at the end of the financial year.

(2) The notes to the annual financial statements of a municipality or municipal entity must disclose the following information:

(a) In respect of each bank account held by the municipality or entity during the relevant financial year—
  (i) the name of the bank where the account is or was held, and the type of account; and
  (ii) year opening and year end balances in each of these bank accounts;

(b) a summary of all investments of the municipality or entity as at the end of the financial year;

(c) particulars of any contingent liabilities of the municipality or entity as at the end of the financial year;

(d) particulars of—
  (i) any material losses and any material irregular or fruitless and wasteful expenditures, including in the case of a municipality, any material unauthorised expenditure, that occurred during the financial year, and whether these are recoverable;
  (ii) any criminal or disciplinary steps taken as a result of such losses or such unauthorised, irregular or fruitless and wasteful expenditures; and
  (iii) any material losses recovered or written off;

(e) particulars of non-compliance with this Act; and

(f) any other matters that may be prescribed.

Submission and auditing of annual financial statements

126. (1) The accounting officer of a municipality—

(a) must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing; and

(b) must in addition, in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.

(2) The accounting officer of a municipal entity must prepare the annual financial statements of the entity and, within two months after the end of the financial year to which those statements relate, submit the statements to—

(a) the parent municipality of the entity; and

(b) the Auditor-General, for auditing.

(3) The Auditor-General must—

(a) audit those financial statements; and

(b) submit an audit report on those statements to the accounting officer of the municipality or entity within three months of receipt of the statements.

(4) If the Auditor-General is unable to complete an audit within three months of receiving the financial statements from an accounting officer, the Auditor-General must promptly submit a report outlining the reasons for the delay to the relevant municipality or municipal entity and to the relevant provincial legislature and Parliament.

(5) Once the Auditor-General has submitted an audit report to the accounting officer, no person other than the Auditor-General may alter the audit report or the financial statements to which the audit report relates.

Submission and tabling of annual reports

127. (1) The accounting officer of a municipal entity must, within six months after the end of a financial year, or on such earlier date as may be agreed between the entity and its parent municipality, submit the entity's annual report for that financial year to the municipal manager of the entity's parent municipality.

(2) The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.

(3) If the mayor, for whatever reason, is unable to table in the council the annual report of the municipality, or the annual report of any municipal entity under the municipality's sole or shared control, within seven months after the end of the financial year to which the report relates, the mayor must—

(a) promptly submit to the council a written explanation referred to in section 133(1)*(a)* setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready; and

(b) submit to the council the outstanding annual report or the outstanding components of the annual report as soon as may be possible.

(4) The Auditor-General may submit the financial statements and audit report—

(a) of a municipality directly to the municipal council, the National Treasury, the relevant provincial treasury, the MEC responsible for local government in the province and any prescribed organ of state, if the mayor fails to comply with subsection (2) or (3); or

(b) of a municipal entity directly to the parent municipality, the National Treasury, the relevant provincial treasury, the MEC responsible for local government in the province and any prescribed organ of state, if the accounting officer of the entity fails to comply with subsection (1).

(5) Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must—

(a) in accordance with section 21A of the Municipal Systems Act—

(i) make public the annual report; and

(ii) invite the local community to submit representations in connection with the annual report; and

(b) submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

(6) Subsection (5), with the necessary modifications as the context may require, is also applicable if only components of the annual report are tabled in terms of subsection (3).

Compliance to be monitored

128. The accounting officer of a parent municipality must—

(a) monitor whether the accounting officer of any municipal entity under the sole or shared control of the municipality has complied with sections 121(1) and 126(2);

(b) establish the reasons for any non-compliance; and

(c) promptly report any non-compliance, together with the reasons for such non-compliance, to the council of the parent municipality, the relevant provincial treasury and the Auditor-General.

Oversight reports on annual reports

129. (1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

(a) has approved the annual report with or without reservations;

(b) has rejected the annual report; or

(c) has referred the annual report back for revision of those components that can be revised.

(2) The accounting officer must—

(a) attend council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report; and

(b) submit copies of the minutes of those meetings to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

(3) The accounting officer must in accordance with section 21A of the Municipal Systems Act make public an oversight report referred to in subsection (1) within seven days of its adoption.

(4) The National Treasury may issue guidelines on—

(a) the manner in which municipal councils should consider annual reports and conduct public hearings; and

(b) the functioning and composition of any public accounts or oversight committees established by the council to assist it to consider an annual report.

(5) No guidelines issued in terms of subsection (4) are binding on a municipal council unless adopted by the council.

(6) This section, with the necessary modifications as the context may require, is also applicable if only components of the annual report were tabled in terms of section 127(3).

Council meetings open to public and certain public officials

130. (1) The meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state, and a reasonable time must be allowed—

(a) for the discussion of any written submissions received from the local community or organs of state on the annual report; and

(b) for members of the local community or any organs of state to address the council.

(2) Representatives of the Auditor-General are entitled to attend, and to speak at, any council meeting referred to in subsection (1).

(3) This section, with the necessary modifications as the context may require, is also applicable if only components of the annual report were tabled in terms of section 127(3).

Issues raised by Auditor-General in audit reports

131. (1) A municipality must address any issues raised by the Auditor-General in an audit report. The mayor of a municipality must ensure compliance by the municipality with this subsection.

(2) The MEC for local government in the province must—

(a) assess all annual financial statements of municipalities in the province, the audit reports on such statements and any responses of municipalities to such audit reports, and determine whether municipalities have adequately addressed any issues raised by the Auditor-General in audit reports; and

(b) report to the provincial legislature any omission by a municipality to adequately address those issues within 60 days.

Submissions to provincial legislatures

132. (1) The following documents must be submitted to the provincial legislature:

(a) The annual report of each municipality and each municipal entity in the province, or if only components of an annual report were tabled in terms of section 127(3), those components; and

(b) all oversight reports on those annual reports adopted in terms of section 129(1).

(2) The accounting officer of a municipality must submit the documents referred to in subsection (1)*(a)* and *(b)* to the provincial legislature within seven days after the municipal council has adopted the relevant oversight report in terms of section 129(1).

(3) The MEC for local government in a province must monitor whether municipalities in the province comply with subsection (2).

(4) A provincial legislature may deal with the documents referred to it in terms of subsection (1) in accordance with its constitutional powers.

(5) The National Treasury may issue guidelines on the manner in which provincial legislatures should consider the annual reports of municipalities. No guidelines issued in terms of this subsection are binding on a provincial legislature unless adopted by the legislature.

Consequences of non-compliance with certain provisions

133. (1) If the accounting officer of a municipality or municipal entity fails to submit financial statements to the Auditor-General in accordance with section 126(1) or (2), or if the mayor fails to table the annual report of the municipality or a municipal entity in the council in accordance with section 127(2)—

(a) the mayor must promptly table in the council a written explanation setting out the reasons for the failure;

(b) the Auditor-General, in the case of any failure to submit financial statements for auditing, must promptly—

(i) inform the speaker of the council, the National Treasury and the MEC for local government and the MEC for finance in the province of such failure; and

(ii) issue a special report on the failure to the relevant provincial legislature; and

(c) the municipal council—

(i) must request the speaker or any other councillor to investigate the reasons for the failure and report to the council;

(ii) must take appropriate steps to ensure that the financial statements are submitted to the Auditor-General or that the annual report, including the financial statements and the audit report on those statements, is tabled in the council, as the case may be; and

(iii) may order that disciplinary steps be taken against the accounting officer or other person responsible for the failure;

(d) the provincial executive may intervene in the municipality in terms of section 139 of the Constitution;

(e) the National Treasury may take appropriate steps against the municipality in terms of section 5(2)*(e)*; and

(f) the provincial treasury may take appropriate steps against the municipality in terms of section 5(4)*(d)*.

(2) The Auditor-General must submit to Parliament and the provincial legislatures—

(a) by no later than 31 October of each year, the names of any municipalities or municipal entities which have failed to submit their financial statements to the Auditor-General in terms of section 126; and

(b) at quarterly intervals thereafter, the names of any municipalities or municipal entities whose financial statements are still outstanding at the end of each interval.

Annual report to Parliament

134. The Cabinet member responsible for local government must, as part of the report referred to in section 48 of the Municipal Systems Act, annually report to Parliament on actions taken by MECs for local government to address issues raised by the Auditor-General in audit reports on financial statements of municipalities and municipal entities.

CHAPTER 13

RESOLUTION OF FINANCIAL PROBLEMS

Part 1: Identification of financial problems

Primary responsibility for resolution of financial problems

135. (1) The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality itself.

(2) A municipality must meet its financial commitments.

(3) If a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately—

(a) seek solutions for the problem;

(b) notify the MEC for local government and the MEC for finance in the province; and

(c) notify organised local government.

Part 2: Provincial interventions

Types of provincial interventions

136. (1) If the MEC for local government in a province becomes aware that there is a serious financial problem in a municipality, the MEC must promptly—

(a) consult the mayor of the municipality to determine the facts;

(b) assess the seriousness of the situation and the municipality's response to the situation; and

(c) determine whether the situation justifies or requires an intervention in terms of section 139 of the Constitution.

(2) If the financial problem has been caused by or resulted in a failure by the municipality to comply with an executive obligation in terms of legislation or the Constitution, and the conditions for an intervention in terms of section 139(1) of the Constitution are met, the provincial executive must promptly decide whether or not to intervene in the municipality. If the provincial executive decides to intervene, section 137 applies.

(3) If the municipality has failed to approve a budget or any revenue-raising measures necessary to give effect to the budget, as a result of which the conditions for an intervention in terms of section 139(4) of the Constitution are met, the provincial executive must intervene in the municipality in accordance with section 26.

(4) If the municipality, as a result of a crisis in its financial affairs, is in serious or persistent material breach of its obligations to provide basic services or to meet its financial commitments, or admits that it is unable to meet its obligations or financial commitments, as a result of which the conditions for an intervention in terms of section 139(5) of the Constitution are met, the provincial executive must intervene in the municipality in accordance with section 139.

Discretionary provincial interventions

137. (1) If the conditions for a provincial intervention in a municipality in terms of section 139(1) of the Constitution are met and the provincial executive decides in terms of section 136(2) of this Act to intervene in the municipality, the provincial executive may take any appropriate steps referred to in section 139(1) of the Constitution, including—

(a) assessing the seriousness of the financial problem in the municipality;

(b) seeking solutions to resolve the financial problem in a way that would be sustainable and would build the municipality's capacity to manage its own financial affairs;

(c) determining whether the financial problem, singly or in combination with other problems, is sufficiently serious or sustained that the municipality would benefit from a financial recovery plan and, if so, requesting any suitably qualified person—

(i) to prepare an appropriate financial recovery plan for the municipality;

(ii) to recommend appropriate changes to the municipality's budget and revenue-raising measures that will give effect to the recovery plan; and

(iii) to submit the recovery plan and any recommendations referred to in subparagraphs (i) and (ii) to the MEC for local government in the province within a period determined by the MEC; and

(d) consulting the mayor of the municipality to obtain the municipality's

co-operation in resolving the financial problem, and if applicable, implementing the financial recovery plan.

(2) The MEC must submit any assessment in terms of subsection (1)*(a)*, any determination in terms of subsection (1)*(c)* and a copy of any request in terms of subsection (1)*(c)*, to the municipality and the Cabinet member responsible for local government.

(3) This section does not apply to a provincial intervention which is unrelated to a financial problem in a municipality.

Criteria for determining serious financial problems

138. When determining for the purposes of section 137 the seriousness of a financial problem, all relevant facts must be considered, and the following factors, singly or in combination, may indicate a serious financial problem:

(a) The municipality has failed to make payments as and when due;

(b) the municipality has defaulted on financial obligations for financial reasons;

(c) the actual current expenditure of the municipality has exceeded the sum of its actual current revenue plus available surpluses for at least two consecutive financial years;

(d) the municipality had an operating deficit in excess of five per cent of revenue in the most recent financial year for which financial information is available;

(e) the municipality is more than 60 days late in submitting its annual financial statements to the Auditor-General in accordance with section 126;

(f) the Auditor-General has withheld an opinion or issued a disclaimer due to inadequacies in the financial statements or records of the municipality, or has issued an opinion which identifies a serious financial problem in the municipality;

(g) any of the above conditions exists in a municipal entity under the municipality's sole control, or in a municipal entity for whose debts the municipality may be responsible, and the municipality has failed to intervene effectively; or

(h) any other material condition exists which indicates that the municipality, or a municipal entity under the municipality's sole control, is likely to be unable for financial reasons to meet its obligations.

Mandatory provincial interventions arising from financial crises

139. (1) If a municipality, as a result of a crisis in its financial affairs, is in serious or persistent material breach of its obligations to provide basic services or to meet its financial commitments, or admits that it is unable to meet its obligations or financial commitments, the provincial executive must promptly—

(a) request the Municipal Financial Recovery Service—

(i) to determine the reasons for the crisis in its financial affairs;

(ii) to assess the municipality's financial state;

(iii) to prepare an appropriate recovery plan for the municipality;

(iv) to recommend appropriate changes to the municipality's budget and revenue-raising measures that will give effect to the recovery plan; and

(v) to submit to the MEC for finance in the province—

(aa) the determination and assessment referred to in subparagraphs (i) and (ii) as a matter of urgency; and

(bb) the recovery plan and recommendations referred to in subparagraphs (iii) and (iv) within a period, not to exceed 90 days, determined by the MEC for finance; and

(b) consult the mayor of the municipality to obtain the municipality's co-operation in implementing the recovery plan, including the approval of a budget and legislative measures giving effect to the recovery plan.

(2) The MEC for finance in the province must submit a copy of any request in terms of subsection (1)*(a)* and of any determination and assessment received in terms of subsection (1)*(a)*(v)*(aa)* to—

(a) the municipality;

(b) the Cabinet member responsible for local government; and

(c) the Minister.

(3) An intervention referred to in subsection (1) supersedes any discretionary provincial intervention referred to in section 137, provided that any financial recovery plan prepared for the discretionary intervention must continue until replaced by a recovery plan for the mandatory intervention.

Criteria for determining serious or persistent material breach of financial commitments

140. (1) When determining whether the conditions for a mandatory intervention referred to in section 139 are met, all relevant facts must be considered.

(2) The following factors, singly or in combination, may indicate that a municipality is in serious material breach of its obligations to meet its financial commitments:

(a) The municipality has failed to make any payment to a lender or investor as and when due;

(b) the municipality has failed to meet a contractual obligation which provides security in terms of section 48;

(c) the municipality has failed to make any other payment as and when due, which individually or in the aggregate is more than an amount as may be prescribed or, if none is prescribed, more than two per cent of the municipality's budgeted operating expenditure; or

(d) the municipality's failure to meet its financial commitments has impacted, or is likely to impact, on the availability or price of credit to other municipalities.

(3) Any recurring or continuous failure by a municipality to meet its financial commitments which substantially impairs the municipality's ability to procure goods, services or credit on usual commercial terms, may indicate that the municipality is in persistent material breach of its obligations to meet its financial commitments.

(4) Subsections (2) and (3) do not apply to—

(a) disputed obligations as to which there are pending legal actions between the municipality and the creditor, provided that such actions are not instituted to avoid an intervention; or

(b) obligations explicitly waived by the creditor.

Preparation of financial recovery plans

141. (1) Any suitably qualified person may, on request by the provincial executive, prepare a financial recovery plan for a discretionary provincial intervention referred to in section 137.

(2) Only the Municipal Financial Recovery Service may prepare a financial recovery plan for a mandatory provincial intervention referred to in section 139.

(3) When preparing a financial recovery plan, the person referred to in subsection (1) or the Municipal Financial Recovery Service must—

(a) consult—

(i) the relevant municipality;

(ii) the municipality's principal suppliers and creditors, to the extent they can reasonably be contacted;

(iii) the MEC for finance and the MEC for local government in the province; and

(iv) organised labour;

(b) take into account—

(i) any financial recovery plan that has previously been prepared for the municipality; and

(ii) any proposed financial recovery plan, or proposals for a financial recovery plan, that may be advanced by the municipality or any creditor of the municipality; and

(c) at least 14 days before finalising the plan—

(i) submit the plan for comment to—

(aa) the municipality;

(bb) the MEC for finance and the MEC for local government in the province;

(cc) organised local government in the province;

(dd) organised labour; and

(ee) any supplier or creditor of the municipality, on request; and

(ii) publish a notice in a newspaper of general circulation in the municipality—

(aa) stating the place, including any website address, where copies of the plan will be available to the public free of charge or at a reasonable price; and

(bb) inviting the local community to submit written comments in respect of the plan.

(4) The person charged with preparing the financial recovery plan or the Municipal Financial Recovery Service must—

(a) consider any comments received pursuant to subsection (3)*(c)*;

(b) finalise the financial recovery plan; and

(c) submit the final plan to the MEC for finance in the province for approval in terms of section 143.

Criteria for financial recovery plans

142. (1) A financial recovery plan must be aimed at securing the municipality's ability to meets its obligations to provide basic services or its financial commitments, and such a plan, whether for a mandatory or discretionary intervention—

(a) must—

(i) identify the financial problems of the municipality;

(ii) be designed to place the municipality in a sound and sustainable financial condition as soon as possible;

(iii) state the principal strategic objectives of the plan, and ways and means for achieving those objectives;

(iv) set out a specific strategy for addressing the municipality's financial problems, including a strategy for reducing unnecessary expenditure and increasing the collection of revenue, as may be necessary;

(v) identify the human and financial resources needed to assist in resolving financial problems, and where those resources are proposed to come from;

(vi) describe the anticipated time frame for financial recovery, and milestones to be achieved; and

(vii) identify what actions are necessary for the implementation of the plan, distinguishing between actions to be taken by the municipality and actions to be taken by other parties; and

(b) may—

(i) provide for the liquidation of specific assets, excluding those needed for the provision of the minimum level of basic municipal services;

(ii) provide for debt restructuring or debt relief in accordance with Part 3 of this Chapter;

(iii) provide for special measures to prevent unauthorised, irregular and fruitless and wasteful expenditures and other losses; and

(iv) identify any actual and potential revenue sources.

(2) In addition, a financial recovery plan—

(a) for a mandatory intervention must—

(i) set spending limits and revenue targets;

(ii) provide budget parameters which bind the municipality for a specified period or until stated conditions have been met; and

(iii) identify specific revenue-raising measures that are necessary for

financial recovery, including the rate at which any municipal tax and tariffs must be set to achieve financial recovery; and

(b) for a discretionary intervention may suggest for adoption by the municipality—

(i) spending limits and revenue targets;

(ii) budget parameters for a specified period or until stated conditions have been met; and

(iii) specific revenue-raising measures that are necessary for financial recovery.

Approval of financial recovery plans

143. (1) On receipt of a financial recovery plan pursuant to a discretionary intervention referred to in section 137, the MEC for local government in the province may approve the recovery plan with or without amendments, as the MEC considers appropriate.

(2) On receipt of a financial recovery plan pursuant to a mandatory intervention referred to in section 139, the MEC for finance must verify that the process set out in section 141 has been followed and that the criteria contained in section 142 are met, and—

(a) if so, approve the recovery plan; or

(b) if not, direct what defects must be rectified.

(3) The responsible MEC must submit an approved recovery plan to—

(a) the municipality;

(b) the Minister and the Cabinet member responsible for local government;

(c) the Auditor-General; and

(d) organised local government in the province.

Amendment of financial recovery plans

144. (1) The MEC for local government or the MEC for finance in the province may at any time, but subject to section 141(1) and (2), request any suitably qualified person or the Municipal Financial Recovery Service to prepare an amended financial recovery plan in accordance with the directions of the MEC.

(2) Section 141, read with such changes as the context may require, apply to the amendment of a financial recovery plan in terms of this section.

(3) No amendment of a recovery plan may impede the implementation of any court order made or agreement reached in terms of the plan before the amendment.

Implementation of financial recovery plans in discretionary provincial interventions

145. (1) If the financial recovery plan was prepared in a discretionary provincial intervention referred to in section 137, the municipality must—

(a) implement the approved recovery plan; and

(b) report monthly to the MEC for local government in the province on the implementation of the plan, in such manner as the plan may determine.

(2) The financial recovery plan binds the municipality in the exercise of its executive authority, but only to the extent to resolve the financial problems of the municipality.

(3) If the municipality cannot or does not implement the approved recovery plan, the provincial executive may in terms of section 139(1) or (4) of the Constitution take further appropriate steps to ensure implementation of the plan.

(4) Sections 34(3) and (4) and 35 of the Municipal Structures Act apply if a provincial executive dissolves a municipal council in terms of subsection (3).

Implementation of financial recovery plans in mandatory provincial interventions

146. (1) If the recovery plan was prepared in a mandatory provincial intervention referred to in section 139—

(a) the municipality must implement the approved recovery plan;

(b) all revenue, expenditure and budget decisions must be taken within the framework of, and subject to the limitations of, the recovery plan; and

(c) the municipality must report monthly to the MEC for finance in the province on the implementation of the plan in such manner as the plan may determine.

(2) The financial recovery plan binds the municipality in the exercise of both its legislative and executive authority, including the approval of a budget and legislative measures giving effect to the budget, but only to the extent necessary to achieve the objectives of the recovery plan.

(3) The provincial executive must in terms of section 139(5)*(b)* of the Constitution either—

(a) dissolve the council of the municipality, if the municipality cannot or does not approve legislative measures, including a budget or any revenue-raising measures, necessary to give effect to the recovery plan within the time frames specified in the plan and—

(i) appoint an administrator until a newly elected council has been declared elected; and

(ii) approve a temporary budget and revenue-raising measures, and other measures to give effect to the recovery plan and to provide for the continued functioning of the municipality; or

(b) assume responsibility for the implementation of the recovery plan to the extent that the municipality cannot or does not take executive measures to give effect to the recovery plan.

(4) Sections 34(3) and (4) and 35 of the Municipal Structures Act apply when a provincial executive dissolves a municipal council in terms of section 139(5)*(b)*(i) of the Constitution.

Regular review of provincial interventions

147. (1) The MEC for local government or the MEC for finance in a province must at least every three months—

(a) review any discretionary provincial intervention referred to in section 137 or any mandatory provincial intervention referred to in section 139, including—

(i) progress with resolving the municipality's financial problems and its financial recovery; and

(ii) the effectiveness of any financial recovery plan; and

(b) submit progress reports and a final report on the intervention to—

(i) the municipality;

(ii) the Minister;

(iii) the Cabinet member responsible for local government;

(iv) the provincial legislature; and

(v) organised local government in the province.

(2) The MEC for local government or the MEC for finance may request the person who prepared the recovery plan, or the Municipal Financial Recovery Service, to assist the MEC in complying with subsection (1).

Termination of provincial interventions

148. (1) A discretionary intervention referred to in section 137 must end—

(a) if it is terminated in terms of section 139(2)*(b)* of the Constitution; or

(b) when—

(i) the municipality is able and willing to fulfil the executive obligation in terms of legislation or the Constitution that gave rise to the intervention; and

(ii) the financial problem that has been caused by or has caused the failure by the municipality to comply with that obligation is resolved.

(2) A mandatory intervention referred to in section 139 must end when—

(a) the crisis in the municipality's financial affairs has been resolved; and

(b) the municipality's ability to meet its obligations to provide basic services or its financial commitments is secured.

(3) When a provincial intervention ends, the MEC for local government or the MEC for finance in the province must notify—

(a) the municipality;

(b) the Minister, in the case of a mandatory intervention;

(c) the Cabinet member responsible for local government;

(d) any creditors having pending litigation against the municipality;

(e) the provincial legislature; and

(f) organised local government in the province.

Access to information, records and documents of municipalities

149. If a provincial executive intervenes in a municipality in terms of section 139 of the Constitution, the provincial executive and its representatives have access to such information, records and documents of the municipality or of any municipal entity under the sole or shared control of the municipality as may be necessary for the intervention, including for identifying or resolving the financial problem of the municipality.

National interventions

150. (1) If the conditions for a provincial intervention in a municipality in terms of section 139(4) or (5) of the Constitution are met and the provincial executive cannot or does not or does not adequately exercise the powers or perform the functions referred to in that section, the national executive must—

(a) consult the relevant provincial executive; and

(b) act or intervene in terms of that section in the stead of the provincial executive.

(2) If the national executive intervenes in a municipality in terms of subsection (1)—

(a) the national executive assumes for the purposes of the intervention the functions and powers of a provincial executive in terms of this Chapter;

(b) the Minister assumes for the purposes of the intervention the functions and powers of an MEC for finance in terms of this Chapter; and

(c) a reference in this Chapter—

(i) to a provincial executive must be read as a reference to the national executive;

(ii) to an MEC for finance must be read as a reference to the Minister; and

(iii) to a provincial intervention must be read as a reference to a national intervention.

Part 3: Debt relief and restructuring

Legal rights

151. Except as expressly provided for in this Part, nothing in this Chapter limits or affects —

(a) the rights of any creditor or other person having a claim against a municipality;

(b) any person's access to ordinary legal process in accordance with the common law and relevant legislation; or

(c) the rights of a municipality or municipal entity, or of the parties to a contract with a municipality or municipal entity, to alternative dispute resolution mechanisms, notice procedures and other remedies, processes or procedures.

Application for stay of legal proceedings

152. (1) If a municipality is unable to meet its financial commitments, it may apply to the High Court for an order to stay, for a period not exceeding 90 days, all legal proceedings, including the execution of legal process, by persons claiming money from the municipality or a municipal entity under the sole control of the municipality.

(2) Notice of an application in terms of subsection (1) must be given to—

(a) the MEC for local government and the MEC for finance in the province;

(b) the Minister;

(c) the Cabinet member responsible for local government;

(d) organised local government; and

(e) to the extent that they can reasonably be contacted, all persons to whom the municipality or the municipal entity owes an amount in excess of a prescribed amount, or if no amount is prescribed, in excess of R100 000.

(3) An application in terms of subsection (1) may for the purposes of section 139(5) of the Constitution be regarded as an admission by the municipality that it is unable to meet its financial commitments.

Application for extraordinary relief

153. (1) A municipality may apply to the High Court for an order—

(a) to stay, for a period not exceeding 90 days at a time, all legal proceedings, including the execution of legal process, by persons claiming money from the municipality;

(b) to suspend the municipality's financial obligations to creditors, or any portion of those obligations, until the municipality can meet those obligations; or

(c) to terminate the municipality's financial obligations to creditors, and to settle claims in accordance with a distribution scheme referred to in section 155.

(2) The Court may make an order in terms of subsection (1) only if—

(a) the provincial executive has intervened in terms of section 139 and a financial recovery plan to restore the municipality to financial health has been approved for the municipality;

(b) the financial recovery plan is likely to fail without the protection of such an order;

(c) section 154 has been complied with, in the case of an application for an order referred to in subsection (1)*(b)*; and

(d) section 155(1) has been complied with, in the case of an application for an order referred to in subsection (1)*(c)*.

(3) Notice of an application in terms of subsection (1) must be given to—

(a) all creditors to whom the municipality owes an amount in excess of a prescribed amount, or if no amount is prescribed, in excess of R100 000, in so far as those creditors can reasonably be contacted;

(b) the MEC for finance and the MEC for local government in the province;

(c) the Minister;

(d) the Cabinet member responsible for local government; and

(e) organised labour.

Suspension of financial obligations

154. Before issuing an order in terms of section 153(1)*(b)* for the suspension of a municipality's financial obligations to creditors, the court must be satisfied that—

(a) the municipality cannot currently meet its financial obligations to creditors; and

(b) all assets not reasonably necessary to sustain effective administration or to provide the minimum level of basic municipal services have been or are to be liquidated in accordance with the approved financial recovery plan for the benefit of meeting creditors' claims.

Termination of financial obligations and settlement of claims

155. (1) Before issuing an order for the termination of a municipality's financial obligations to creditors in terms of section 153(1)*(c)*, the court must be satisfied that—

(a) the municipality cannot meet its financial obligations to its creditors and is not likely to be able to do so in the foreseeable future;

(b) all assets not reasonably necessary to sustain effective administration or to provide the minimum level of basic municipal services have been liquidated in accordance with the approved financial recovery plan for the benefit of meeting creditors' claims; and

(c) all employees have been discharged except those affordable in terms of reasonably projected revenues as set out in the approved financial recovery plan.

(2) If the court issues an order referred to subsection (1), the MEC for finance in the province must appoint a trustee to prepare a distribution scheme for the proportional settlement of all legitimate claims against the municipality as at the date of the order. Those claims must be settled against the amount realised from the liquidation of assets referred to in subsection (1)*(b)*.

(3) A distribution scheme must—

(a) determine the amount available for distribution;

(b) list all creditors with claims which qualify for the purposes of the distribution scheme, indicating which of those are secured and the manner in which they are secured; and

(c) provide for the distribution of the amount available amongst creditors in the following order of preference:

(i) First preference must be given to the rights of secured creditors as to the assets with which they are secured in terms of section 48, provided the security in question was given in good faith and at least six months before the mandatory provincial intervention in terms of section 139 began;

(ii) thereafter the preferences provided for in the Insolvency Act, 1936 (Act No. 24 of 1936), read with the necessary changes as the context may require, must be applied; and

(iii) thereafter non-preferent claims must be settled in proportion to the amount of the different claims.

(4) A distribution scheme may not be implemented unless approved by the court.

Matters to be prescribed

156. The Minister, acting with the concurrence of the Cabinet member responsible for local government, must by regulation in terms of section 168—

(a) provide for an equitable process for the recognition of claims against a municipality for the purposes of sharing in a distribution scheme, provided that rejection of any claim does not prevent a creditor from proving the claim in a court; and

(b) provide for public access to a distribution scheme.

Part 4: Municipal Financial Recovery Service

Establishment

157. (1) A Municipal Financial Recovery Service is hereby established as an institution within the public service.

(2) The Municipal Financial Recovery Service forms part of, and functions within, the National Treasury.

Functions and powers

158. The Municipal Financial Recovery Service—

(a) must perform the duties and may exercise the powers assigned to the Service in terms of this Act;

(b) may, on request by the MEC for finance in a province, prepare a financial recovery plan for a municipality or, with the approval of the Director-General of the National Treasury, instruct any suitably qualified person to prepare the plan in accordance with the directions of the Service;

(c) may, on request by the MEC for finance in the province, monitor the implementation of any financial recovery plans that it has prepared, and may recommend such amendments and revisions as are appropriate;

(d) may on request by any municipality that is experiencing financial problems, and in co-ordination with any other provincial or national efforts, assist the municipality to identify the causes of, and potential solutions for, these financial problems;

(e) may, with the approval of the Director-General of the National Treasury, obtain the services of any financial expert to perform any specific work for the Service; and

(f) may collect information on municipal financial problems and on best practices in resolving such problems.

Appointment of Head

159. (1) The Minister must appoint a person as the Head of the Service, subject to subsection (2) and legislation governing the public service.

(2) A person appointed as the Head of the Service holds office in the National Treasury on terms and conditions set out in a written employment contract, which must include terms and conditions setting performance standards.

Responsibilities of Head

160. (1) The Head of the Service—

(a) is responsible for the performance by the Service of its functions and the exercise of its powers; and

(b) takes all decisions of the Service in the performance of its functions and the exercise of its powers, except those decisions of the Service taken in consequence of a delegation in terms of section 162.

(2) The Head of the Service performs the functions of office subject to the directions of the Director-General of the National Treasury.

Staff

161. The staff of the Municipal Financial Recovery Service consists of—

(a) the Head of the Service;

(b) persons in the service of, or contracted by, the National Treasury and designated by the Director-General of the National Treasury for the work of the Service; and

(c) persons seconded from an organ of state or organisation to the Service by agreement between the Director-General and that organ of state or organisation.

Delegations

162. (1) The Head of the Service may delegate, in writing, any of the powers or duties of the Service to a member of the staff of the Service.

(2) A delegation in terms of subsection (1)—

(a) must be in writing;

(b) is subject to the limitations or conditions which the Head of the Service may impose; and

(c) does not divest the Head of the Service of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.

(3) The Head of the Service may confirm, vary or revoke any decision taken in consequence of a delegation in terms of subsection (1), provided that no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

CHAPTER 14

GENERAL TREASURY MATTERS

Liabilities and risks payable in foreign currencies

163. (1) No municipality or municipal entity may incur a liability or risk payable in a foreign currency.

(2) Subsection (1) does not apply—

(a) to debt regulated in terms of section 47; or

(b) to the procurement of goods or services denominated in a foreign currency but the Rand value of which is determined at the time of procurement, or where this is not possible and risk is low, at the time of payment

Forbidden activities

164. (1) No municipality or municipal entity may—

(a) conduct any commercial activities—

(i) otherwise than in the exercise of the powers and functions assigned to it in terms of the Constitution or national or provincial legislation; or

(ii) outside the borders of the Republic;

(b) provide a municipal service in an area outside its jurisdiction except with the approval of the council of the municipality having jurisdiction in that area; or

(c) make loans to—

(i) councillors or officials of the municipality;

(ii) directors or officials of the entity; or

(iii) members of the public.

(2) If a municipality or municipal entity on the date on which this section takes effect is engaged in any activity prohibited by subsection (1)*(a)* or *(b)* and which is otherwise lawful, the municipality or entity must take all reasonable steps to rectify its position and to comply with that subsection as soon as may be reasonable in the circumstances.

Internal audit unit

165. (1) Each municipality and each municipal entity must have an internal audit unit, subject to subsection (3).

(2) The internal audit unit of a municipality or municipal entity must—

(a) prepare a risk-based audit plan and an internal audit program for each financial year;

(b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to—

(i) internal audit;

(ii) internal controls;

(iii) accounting procedures and practices;

(iv) risk and risk management;

(v) performance management;

(vi) loss control; and

(vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and

(c) perform such other duties as may be assigned to it by the accounting officer.

(3) The internal audit function referred to in subsection (2) may be outsourced if the municipality or municipal entity requires assistance to develop its internal capacity and the council of the municipality or the board of directors of the entity has determined that this is feasible or cost-effective.

Audit committees

166. (1) Each municipality and each municipal entity must have an audit committee, subject to subsection (6).

(2) An audit committee is an independent advisory body which must—

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to—

(i) internal financial control and internal audits;

(ii) risk management;

(iii) accounting policies;

(iv) the adequacy, reliability and accuracy of financial reporting and information;

(v) performance management;

(vi) effective governance;

(vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;

(viii) performance evaluation; and

(ix) any other issues referred to it by the municipality or municipal entity;

(b) review the annual financial statements to provide the council of the municipality or, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;

(c) respond to the council on any issues raised by the Auditor-General in the audit report;

(d) carry out such investigations into the financial affairs of the municipality or municipal entity as the council of the municipality, or in the case of a municipal entity, the council of the parent municipality or the board of directors of the entity, may request; and

(e) perform such other functions as may be prescribed.

(3) In performing its functions, an audit committee—

(a) has access to the financial records and other relevant information of the municipality or municipal entity; and

(b) must liaise with—

(i) the internal audit unit of the municipality; and

(ii) the person designated by the Auditor-General to audit the financial statements of the municipality or municipal entity.

(4) An audit committee must—

(a) consist of at least three persons with appropriate experience, of whom the majority may not be in the employ of the municipality or municipal entity, as the case may be; and

(b) meet as often as is required to perform its functions, but at least four times a year.

(5) The members of an audit committee must be appointed by the council of the municipality or, in the case of a municipal entity, by the council of the parent municipality. One of the members who is not in the employ of the municipality or municipal entity, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

(6) A single audit committee may be established for—

(a) a district municipality and the local municipalities within that district municipality; and
(b) a municipality and municipal entities under its sole control.

Councillors' remuneration

167. (1) A municipality may remunerate its political office-bearers and members of its political structures, but only—
(a) within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members; and
(b) in accordance with section 219(4) of the Constitution.

(2) Any remuneration paid or given in cash or in kind to a person as a political office-bearer or as a member of a political structure of a municipality otherwise than in accordance with subsection (1), including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure, and the municipality—
(a) must, and has the right to, recover that remuneration from the political office-bearer or member; and
(b) may not write off any expenditure incurred by the municipality in paying or giving that remuneration.

(3) The MEC for local government in a province must report to the provincial legislature—
(a) any transgressions of subsection (1); and
(b) any non-compliance with sections 17(3)(k)(i) and (ii) and 124(1)(a).

Treasury regulations and guidelines

168. (1) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may make regulations or guidelines applicable to municipalities and municipal entities, regarding—
(a) any matter that may be prescribed in terms of this Act;
(b) financial management and internal control;
(c) a framework for regulating the exercise of municipal fiscal and tariff-fixing powers;
(d) a framework regulating the financial commitments of municipalities and municipal entities in terms of public-private partnership agreements;
(e) the establishment by municipalities of, and control over—
  (i) municipal entities; and
  (ii) business units contemplated in section 76(a)(ii) of the Municipal Systems Act;
(f) the safe-guarding of the financial affairs of municipalities and of municipal entities when assets, liabilities or staff are transferred from or to a municipality or a municipal entity;
(g) the alienation, letting or disposal of assets by municipalities or municipal entities;
(h) internal audit units and their functioning;
(i) the information to be disclosed when municipalities or municipal entities issue or incur debt and the manner in which such information must be disclosed, including by way of a prospectus or other document;
(j) the circumstances under which further or specific disclosures are required after money has been borrowed by a municipality or municipal entity;
(k) the circumstances under which documentation or information pertaining to municipal debt must be lodged or registered;
(l) the establishment of a registry for the registration of documentation and information pertaining to municipal borrowing;
(m) the settlement of claims against a municipality following an order of court in terms of section 153;
(n) the information that must be placed on the websites of municipalities;
(o) a framework regulating investments by municipal entities; and
(p) any other matter that may facilitate the enforcement and administration of this Act.

(2) A regulation or guideline in terms of this section may—

(a) differentiate between different—
(i) kinds of municipalities, which may, for the purposes of this section, be defined either in relation to categories, types or budgetary size of municipalities or in any other manner;
(ii) categories of municipal entities;
(iii) categories of accounting officers; or
(iv) categories of officials; or
(b) be limited in its application to a particular—
(i) kind of municipality, which may, for the purposes of this section, be defined either in relation to a category, type or budgetary size of municipality or in any other manner;
(ii) category of municipal entities;
(iii) category of accounting officers; or
(iv) category of officials.

(3) No guidelines issued in terms of subsection (1) are binding on—
(a) a municipality unless adopted by its council; or
(b) a municipal entity unless adopted by the council of the entity's parent municipality.

Consultative processes before promulgation of regulations

169. (1) Before regulations in terms of section 168 are promulgated, the Minister must—
(a) consult organised local government on the substance of those regulations; and
(b) publish the draft regulations in the *Government Gazette* for public comment.

(2) Regulations made in terms of section 168 must be submitted to Parliament for parliamentary scrutiny at least 30 days before their promulgation.

Departures from treasury regulations or conditions

170. (1) The National Treasury may on good grounds approve a departure from a treasury regulation or from any condition imposed in terms of this Act.

(2) Non-compliance with a regulation made in terms of section 168, or with a condition imposed by the National Treasury in terms of this Act, may on good grounds shown be condoned by the Treasury.

CHAPTER 15

FINANCIAL MISCONDUCT

Part 1: Disciplinary proceedings

Financial misconduct by municipal officials

171. (1) The accounting officer of a municipality commits an act of financial misconduct if that accounting officer deliberately or negligently—
(a) contravenes a provision of this Act;
(b) fails to comply with a duty imposed by a provision of this Act on the accounting officer of a municipality;
(c) makes or permits, or instructs another official of the municipality to make, an unauthorised, irregular or fruitless and wasteful expenditure; or
(d) provides incorrect or misleading information in any document which in terms of a requirement of this Act must be—
(i) submitted to the mayor or the council of the municipality, or to the Auditor-General, the National Treasury or other organ of state; or
(ii) made public.

(2) The chief financial officer of a municipality commits an act of financial misconduct if that officer deliberately or negligently—
(a) fails to carry out a duty delegated to that officer in terms of section 79 or 81(1)*(e)*;

(b) contravenes or fails to comply with a condition of any delegation of a power or duty in terms of section 79 or 81(1)*(e)*;

(c) makes or permits, or instructs another official of the municipality to make, an unauthorised, irregular or fruitless and wasteful expenditure; or

(d) provides incorrect or misleading information to the accounting officer for the purposes of a document referred to in subsection (1)*(d)*.

(3) A senior manager or other official of a municipality exercising financial management responsibilities and to whom a power or duty was delegated in terms of section 79, commits an act of financial misconduct if that senior manager or official deliberately or negligently—

(a) fails to carry out the delegated duty;

(b) contravenes or fails to comply with a condition of the delegated power or duty;

(c) makes an unauthorised, irregular or fruitless and wasteful expenditure; or

(d) provides incorrect or misleading information to the accounting officer for the purposes of a document referred to in subsection (1)*(d)*.

(4) A municipality must—

(a) investigate allegations of financial misconduct against the accounting officer, the chief financial officer, a senior manager or other official of the municipality unless those allegations are frivolous, vexatious, speculative or obviously unfounded; and

(b) if the investigation warrants such a step, institute disciplinary proceedings against the accounting officer, chief financial officer or that senior manager or other official in accordance with systems and procedures referred to in section 67 of the Municipal Systems Act, read with Schedule 2 of that Act.

Financial misconduct by officials of municipal entities

172. (1) The accounting officer of a municipal entity commits an act of financial misconduct if that accounting officer deliberately or negligently—

(a) contravenes a provision of this Act;

(b) fails to comply with a duty imposed by a provision of this Act on the accounting officer of a municipal entity;

(c) makes or permits, or instructs another official of the municipal entity to make, an irregular or fruitless and wasteful expenditure; or

(d) provides incorrect or misleading information in any document which in terms of this Act must be—

(i) submitted to the entity's board of directors or parent municipality or to the Auditor-General; or

(ii) made public.

(2) A senior manager or other official of a municipal entity exercising financial management responsibilities and to whom a power or duty was delegated in terms of section 106, commits an act of financial misconduct if that senior manager or official deliberately or negligently—

(a) fails to carry out the delegated duty;

(b) contravenes or fails to comply with a condition of the delegated power or duty;

(c) makes an irregular or fruitless and wasteful expenditure; or

(d) provides incorrect or misleading information to the accounting officer for the purposes of a document referred to in subsection (1)*(d)*.

(3) A municipal entity must—

(a) investigate allegations of financial misconduct against the accounting officer, a senior manager or other official of the entity unless those allegations are frivolous, vexatious, speculative or obviously unfounded; and

(b) if the investigation warrants such a step, institute disciplinary proceedings against the accounting officer, senior manager or official in terms of Schedule 3 of the Municipal Systems Act.

Part 2: Criminal proceedings

Offences

173. (1) The accounting officer of a municipality is guilty of an offence if that accounting officer—

(a) deliberately or in a grossly negligent way—

(i) contravenes or fails to comply with a provision of section 61(2)*(b)*, 62(1), 63(2)*(a)* or *(c)*, 64(2)*(a)* or *(d)* or 65(2)*(a)*, *(b)*, *(c)*, *(d)*, *(f)* or *(i)*;

(ii) fails to take reasonable steps to implement the municipality's supply chain management policy referred to in section 111;

(iii) fails to take all reasonable steps to prevent unauthorised, irregular or fruitless and wasteful expenditure; or

(iv) fails to take all reasonable steps to prevent corruptive practices—

(aa) in the management of the municipality's assets or receipt of money; or

(bb) in the implementation of the municipality's supply chain management policy;

(b) deliberately misleads or withholds information from the Auditor-General on any bank accounts of the municipality or on money received or spent by the municipality; or

(c) deliberately provides false or misleading information in any document which in terms of a requirement of this Act must be —

(aa) submitted to the Auditor-General, the National Treasury or any other organ of state; or

(bb) made public.

(2) The accounting officer of a municipal entity is guilty of an offence if that accounting officer—

(a) deliberately or in a grossly negligent way—

(i) contravenes or fails to comply with a provision of section 94(2)*(b)*, 95(1), 96(2), 97*(a)* or 99(2)*(a)*, *(c)* or *(e)*;

(ii) fails to take all reasonable steps to prevent irregular or fruitless and wasteful expenditure; or

(iii) fails to take all reasonable steps to prevent corruptive practices in the management of the entity's assets, receipt of money or supply chain management system;

(b) deliberately misleads or withholds information from the Auditor-General or the entity's parent municipality on any bank accounts of the municipal entity or on money received or spent by the entity; or

(c) deliberately provides false or misleading information in any document which in terms of a requirement of this Act must be—

(aa) submitted to the entity's parent municipality, the Auditor-General, the National Treasury or any other organ of state; or

(bb) made public.

(3) A senior manager or other official of a municipality or municipal entity exercising financial management responsibilities and to whom a power or duty was delegated in terms of section 79 or 106, is guilty of an offence if that senior manager or official deliberately or in a grossly negligent way contravenes or fails to comply with a condition of the delegation.

(4) A councillor of a municipality is guilty of an offence if that councillor—

(a) deliberately influences or attempts to influence the accounting officer, the chief financial officer, a senior manager or any other official of the municipality to contravene a provision of this Act or to refrain from complying with a requirement of this Act;

(b) interferes in the financial management responsibilities or functions assigned in terms of this Act to the accounting officer of the municipality or delegated to the chief financial officer of the municipality in terms of this Act;

(c) interferes in the financial management responsibilities or functions assigned in terms of this Act to the accounting officer of a municipal entity under the sole or shared control of the municipality; or

(d) interferes in the management or operational activities of a municipal entity under the sole or shared control of the municipality.

(5) A councillor, an official of a municipality or municipal entity, a member of the board of directors of a municipal entity or any other person is guilty of an offence if that person deliberately or in a grossly negligent way—

(a) impedes an accounting officer from complying with a provision of this Act;

(b) gives incorrect, untrue or misleading information material to an investment decision relating to borrowing by a municipality or municipal entity;

(c) makes a withdrawal in contravention of section 11;

(d) fails to comply with section 49;

(e) contravenes a provision of section 115(2), 118 or 126(5); or

(f) provides false or misleading information for the purposes of any document which must in terms of a requirement of this Act be—

(i) submitted to the council, mayor or accounting officer of a municipality or to the Auditor-General or the National Treasury; or

(ii) made public.

Penalties

174. A person is liable on conviction of an offence in terms of section 173 to imprisonment for a period not exceeding five years or to an appropriate fine determined in terms of applicable legislation.

Part 3: General

Regulations on financial misconduct procedures and criminal proceedings

175. (1) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may make regulations prescribing—

(a) the manner, form and circumstances in which allegations and disciplinary and criminal charges of financial misconduct must be reported to the National Treasury, the MEC for local government in the province and the Auditor-General, including—

(i) particulars of the alleged financial misconduct; and

(ii) steps taken in connection with such financial misconduct;

(b) matters relating to internal investigations by municipalities and municipal entities of allegations of financial misconduct;

(c) the circumstances in which the National Treasury or the MEC for local government in the province may direct that disciplinary steps be taken or criminal charges be laid against a person for financial misconduct;

(d) criteria for the composition and functioning of a disciplinary board which hears a charge of financial misconduct;

(e) the circumstances in which the findings of a disciplinary board and any sanctions imposed by the board must be reported to the National Treasury, the MEC for local government in the province and the Auditor-General; and

(f) any other matters to the extent necessary to enforce the provisions of this Act.

(2) A regulation in terms of subsection (1) may—

(a) differentiate between different—

(i) kinds of municipalities, which may, for the purposes of this section, be defined either in relation to categories, types or budgetary size of municipalities or in any other manner;

(ii) categories of municipal entities;

(iii) categories of accounting officers; or

(iv) categories of other officials; or

(b) be limited in its application to a particular—

(i) kind of municipality, which may, for the purposes of this section, be defined either in relation to a category, type or budgetary size of municipality or in any other manner;
(ii) category of municipal entities;
(iii) category of accounting officers; or
(iv) category of other officials.

CHAPTER 16

MISCELLANEOUS

Liability of functionaries exercising powers and functions in terms of this Act

176. (1) No municipality or any of its political structures, political office-bearers or officials, no municipal entity or its board of directors or any of its directors or officials, and no other organ of state or person exercising a power or performing a function in terms of this Act, is liable in respect of any loss or damage resulting from the exercise of that power or the performance of that function in good faith.

(2) Without limiting liability in terms of the common law or other legislation, a municipality may recover from a political office-bearer or official of the municipality, and a municipal entity may recover from a director or official of the entity, any loss or damage suffered by it because of the deliberate or negligent unlawful actions of that political office-bearer or official when performing a function of office.

Delays and exemptions

177. (1) The Minister may by notice in the *Gazette*—
(a) delay the implementation of a provision of this Act for a transitional period not exceeding five years from the date when this section takes effect; or
(b) where practicalities impede the strict application of a specific provision of this Act, exempt any municipality or municipal entity from, or in respect of, such provision for a period and on conditions determined in the notice.

(2) A delay or exemption in terms of subsection (1) may—
(a) apply to—
(i) municipalities generally; or
(ii) municipal entities generally; or
(b) be limited in its application to a particular—
(i) municipality;
(ii) kind of municipality, which may, for the purposes of this section, be defined either in relation to a category, type or budgetary size of municipality or in any other manner;
(iii) municipal entity; or
(iv) category of municipal entities.

(3) To facilitate the restructuring of the electricity industry as authorised by the Cabinet member responsible for such restructuring, the Minister, acting with the concurrence of the Cabinet member responsible for local government and after consultation with organised local government, may, by notice in the *Gazette*, exempt any municipality or municipal entity from any specific provision of this Act for a period of not more than four years and on conditions determined in the notice, provided that such exemption may not be understood as obligating any municipality to transfer any staff, assets or liabilities.

Transitional provisions

178. (1) Anything done in terms of a provision repealed by section 179(1), which can be done in terms of a provision of this Act, must be regarded as having been done in terms of this Act.

(2) All municipalities must within three months of the date on which this section takes effect, submit to the National Treasury a list of—

(a) all corporate entities in which the municipality or a municipal entity under its sole or shared control has an interest, specifying—
  (i) the name and address of the corporate entity;
  (ii) the purpose, extent and other particulars of the interest;
  (iii) if such corporate entity is a municipal entity, whether the entity is under the sole or shared control of the municipality; and
  (iv) such other information as may be required by the National Treasury;
(b) all public-private partnerships to which the municipality is a party, with a value of more than one million Rands in total or per annum, specifying—
  (i) the name and physical address of the private party participating in the public-private partnership;
  (ii) the purpose and other particulars of the public-private partnership; and
  (iii) such other information as may be required by the National Treasury; and
(c) all other types of contracts of the municipality for a period beyond 1 January 2007 and with a value of more than one million Rands in total or per annum.

Repeal and amendment of legislation

179. (1) The legislation referred to in the second column of the Schedule is hereby amended or repealed to the extent indicated in the third column of the Schedule.

(2) Despite the repeal of section 10G of the Local Government Transition Act, 1993 (Act No. 209 of 1993), by subsection (1) of this section, the provisions contained in subsections (6), (6A) and (7) of section 10G remain in force until the legislation envisaged in section 229(2)*(b)* of the Constitution is enacted.

(3) The repeal of the Municipal Accountants Act, 1988 (Act No. 21 of 1988), takes effect on a date determined by the Minister by notice in the *Gazette*.

Short title and commencement

180. (1) This Act is called the Local Government: Municipal Finance Management Act, 2003, and takes effect on a date determined by the Minister by notice in the *Gazette*.

(2) Different dates may in terms of subsection (1) be determined for different provisions of the Act.

SCHEDULE

REPEAL AND AMENDMENT OF LEGISLATION
(Section 179)

No. and year of Act	Short title of Act	Extent of repeal or amendment
Act No. 91 of 1983	Promotion of Local Government Affairs Act, 1983	The repeal of section 17(D).
Act No. 21 of 1988	Municipal Accountants Act, 1988	The repeal of the whole.
Act No. 209 of 1993	Local Government Transition Act, 1993	The repeal of section 10G.

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Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain even numbered pages as the other language is printed on uneven numbered pages.

Government Gazette

REPUBLIC OF SOUTH AFRICA

Vol. 553 Cape Town 5 July 2011 No. 34433

THE PRESIDENCY

No. 559 5 July 2011

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

No. 7 of 2011: Local Government: Municipal Systems Amendment Act, 2011.

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

GENERAL EXPLANATORY NOTE:

[ ] Words in bold type in square brackets indicate omissions from existing enactments.

Words underlined with a solid line indicate insertions in existing enactments.

(English text signed by the President)
(Assented to 2 July 2011)

ACT

To amend the Local Government: Municipal Systems Act, 2000, so as to insert and amend certain definitions; to make further provision for the appointment of municipal managers and managers directly accountable to municipal managers; to provide for procedures and competency criteria for such appointments, and for the consequences of appointments made otherwise than in accordance with such procedures and criteria; to determine timeframes within which performance agreements of municipal managers and managers directly accountable to municipal managers must be concluded; to make further provision for the evaluation of the performance of municipal managers and managers directly accountable to municipal managers; to require employment contracts and performance agreements of municipal managers and managers directly accountable to municipal managers to be consistent with the Act and any regulations made by the Minister; to require all staff systems and procedures of a municipality to be consistent with uniform standards determined by the Minister by regulation; to bar municipal managers and managers directly accountable to municipal managers from holding political office in political parties; to regulate the employment of municipal employees who have been dismissed; to provide for the Minister to make regulations relating to the duties, remuneration, benefits and other terms and conditions of employment of municipal managers and managers directly accountable to municipal managers; to provide for the approval of staff establishments of municipalities by the respective municipal councils; to prohibit the employment of a person in a municipality if the post to which he or she is appointed is not provided for in the staff establishment of that municipality; to enable the Minister to prescribe frameworks to regulate human resource management systems for local government and mandates for organised local government; to extend the Minister's powers to make regulations relating to municipal staff matters; to make a consequential amendment to the Local Government: Municipal Structures Act, 1998, by deleting the provision dealing with the appointment of municipal managers; and to provide for matters connected therewith.

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

Amendment of section 1 of Act 32 of 2000

1. Section 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (hereinafter referred to as the principal Act), is hereby amended— 5

(a) by the substitution for the definition of "municipal manager" of the following definition:

" **'municipal manager'** means a person appointed in terms of section **[82 of the Municipal Structures Act]** 54A;"; and

(b) by the insertion after the definition of "parent municipality" of the following definition:

" **'political office'**, in relation to a political party or structure thereof, means—

(a) the position of chairperson, deputy chairperson, secretary, deputy secretary or treasurer of the party nationally or in any province, region or other area in which the party operates; or

(b) any position in the party equivalent to a position referred to in paragraph *(a)*, irrespective of the title designated to the position;".

Insertion of section 54A in Act 32 of 2000

2. The following section is hereby inserted in the principal Act after section 54:

"**Appointment of municipal managers and acting municipal managers**

54A. (1) The municipal council must appoint—

(a) a municipal manager as head of the administration of the municipality; or

(b) an acting municipal manager under circumstances and for a period as prescribed.

(2) A person appointed as municipal manager in terms of subsection (1) must at least have the skills, expertise, competencies and qualifications as prescribed.

(2A) *(a)* A person appointed in terms of subsection (1)*(b)* may not be appointed to act for a period that exceeds three months.

(b) A municipal council may, in special circumstances and on good cause shown, apply in writing to the MEC for local government to extend the period of appointment contemplated in paragraph *(a)*, for a further period that does not exceed three months.

(3) A decision to appoint a person as municipal manager, and any contract concluded between the municipality and that person in consequence of the decision, is null and void if—

(a) the person appointed does not have the prescribed skills, expertise, competencies or qualifications; or

(b) the appointment was otherwise made in contravention of this Act.

(4) If the post of municipal manager becomes vacant, the municipality must—

(a) advertise the post nationally to attract a pool of candidates nationwide; and

(b) select from the pool of candidates a suitable person who complies with the prescribed requirements for appointment to the post.

(5) The municipality must re-advertise the post if there is no suitable candidate who complies with the prescribed requirements.

(6) *(a)* The municipality may request the MEC for local government to second a suitable person, on such conditions as prescribed, to act in the advertised position until such time as a suitable candidate has been appointed.

(b) If the MEC for local government has not seconded a suitable person within a period of 60 days after receipt of the request referred to in paragraph *(a)*, the municipality may request the Minister to second a suitable person, on such conditions as prescribed, until such time as a suitable candidate has been appointed.

(7) *(a)* The municipality must, within 14 days, inform the MEC for local government of the appointment process and outcome, as may be prescribed.

(b) The MEC for local government must, within 14 days of receipt of the information referred to in paragraph *(a)*, submit a copy thereof to the Minister.

(8) If a person is appointed as municipal manager in contravention of this section, the MEC for local government must, within 14 days of receiving the information provided for in subsection (7), take appropriate steps to enforce compliance by the municipality with this section, which may include an application to a court for a declaratory order on the validity of the appointment, or any other legal action against the municipality.

(9) Where an MEC for local government fails to take appropriate steps referred to in subsection (8), the Minister may take the steps contemplated in that subsection.

(10) A municipality may, in special circumstances and on good cause shown, apply in writing to the Minister to waive any of the requirements listed in subsection (2) if it is unable to attract suitable candidates.

(11) A person who has been appointed as acting municipal manager before this section took effect, must be regarded as having been appointed in accordance with this section for the period of the acting appointment.

(12) Any pending legal or disciplinary action in connection with an appointment made before this section took effect, will not be affected by this section after it took effect.".

Substitution of section 56 of Act 32 of 2000

3. The following section is hereby substituted for section 56 of the principal Act:

"**Appointment of managers directly accountable to municipal managers**

56. (1) *(a)* A municipal council, after consultation with the municipal manager, must appoint—

(i) a manager directly accountable to the municipal manager; or

(ii) an acting manager directly accountable to the municipal manager under circumstances and for a period as prescribed.

(b) A person appointed in terms of paragraph *(a)*(i) must at least have the skills, expertise, competencies and qualifications as prescribed.

(c) A person appointed in terms of paragraph *(a)*(ii) may not be appointed to act for a period that exceeds three months: Provided that a municipal council may, in special circumstances and on good cause shown, apply in writing to the MEC for local government to extend the period of appointment contemplated in paragraph *(a)*, for a further period that does not exceed three months.

(2) A decision to appoint a person referred to in subsection (1)*(a)*(ii), and any contract concluded between the municipality and that person in consequence of the decision, is null and void if—

(a) the person appointed does not have the prescribed skills, expertise, competencies or qualifications; or

(b) the appointment was otherwise made in contravention of this Act,

unless the Minister, in terms of subsection (6), has waived any of the requirements listed in subsection (1)*(b)*.

(3) If a post referred to in subsection (1)*(a)*(i) becomes vacant, the municipal council must—

(a) advertise the post nationally to attract a pool of candidates nationwide; and

(b) select from the pool of candidates a suitable person who complies with the prescribed requirements for appointment to the post.

(4) The municipal council must re-advertise the post if there is no suitable candidate who complies with the prescribed requirements.

(4A) *(a)* The municipal council must, within 14 days of the date of appointment, inform the MEC for local government of the appointment process and outcome, as may be prescribed.

(b) The MEC for local government must, within 14 days of receipt of the information referred to in paragraph *(a)*, submit a copy thereof to the Minister.

(5) If a person is appointed to a post referred to in subsection (1)*(a)* in contravention of this Act, the MEC for local government must, within 14 days of becoming aware of such appointment, take appropriate steps to enforce compliance by the municipality with this Act, which steps may include an application to a court for a declaratory order on the validity of the appointment or any other legal action against the municipality.

(6) A municipality may, in special circumstances and on good cause shown, apply in writing to the Minister to waive any of the requirements listed in subsection (1)*(b)* if it is unable to attract suitable candidates.

(7) A person appointed in a permanent capacity as a manager directly accountable to the municipal manager when this section takes effect, must be regarded as having been appointed in accordance with this section.

(8) A person appointed as an acting manager directly accountable to the municipal manager when this section takes effect, must be regarded as having been appointed in accordance with this section only for the period of the acting appointment.

(9) Any pending legal or disciplinary action in connection with an appointment made before this section took effect, will not be affected by this section after it took effect.".

Substitution of word in section 54A and section 56

4. The principal Act is hereby amended by the substitution, in section 54A and section 56, for the word "municipality", wherever it occurs, of the words "municipal council".

Insertion of section 56A in Act 32 of 2000

5. The following section is hereby inserted in the principal Act after section 56:

"**Limitation of political rights of municipal managers and managers directly accountable to municipal managers**

56A. (1) A municipal manager or manager directly accountable to a municipal manager may not hold political office in a political party, whether in a permanent, temporary or acting capacity.

(2) This section does not apply to a person appointed as municipal manager or a manager directly accountable to the municipal manager when subsection (1) takes effect.".

Amendment of section 57 of Act 32 of 2000

6. (1) Section 57 of the principal Act is hereby amended—

(a) by the substitution for paragraph *(a)* of subsection (2) of the following paragraph:

"*(a)* (i) be concluded within [**a reasonable time**] 60 days after a person has been appointed as the municipal manager or as a manager directly accountable to the municipal manager, failing which the appointment lapses: Provided that, upon

good cause shown by such person to the satisfaction of the municipality, the appointment shall not lapse; and

(ii) be concluded annually, thereafter, within one month after the beginning of **[the]** each financial year of the municipality;";

(b) by the substitution for subsection (3) of the following subsection:

"(3) The employment contract referred to in subsection (1)*(a)* must—

(a) include **[, subject to applicable labour legislation,]** details of duties, remuneration, benefits and other terms and conditions of employment as agreed to by the parties, subject to consistency with—

(i) this Act;

(ii) any regulations as may be prescribed that are applicable to municipal managers or managers directly accountable to municipal managers; and

(iii) any applicable labour legislation; and

(b) be signed by both parties before the commencement of service.";

(c) by the insertion after subsection (3) of the following subsection:

"(3A) Any regulations that relate to the duties, remuneration, benefits and other terms and conditions of employment of municipal managers or managers directly accountable to municipal managers, must be regarded as forming part of an employment contract referred to in subsection (1)*(a)*.";

(d) by the deletion of paragraph *(b)* of subsection (4);

(e) by the insertion after subsection (4B) of the following subsection:

"(4C) Any regulations that relate to standards and procedures for evaluating performance of municipal managers or managers directly accountable to municipal managers, and intervals for evaluation, must be regarded as forming part of a performance agreement referred to in subsection (1)*(b)*."; and

(f) by the deletion of subsection (7).

(2) The deletion of section 57(7) of the principal Act does not affect the continuation or validity of a fixed-term employment contract of a manager directly accountable to the municipal manager which is in force when this Act takes effect.

Insertion of section 57A in Act 32 of 2000

7. The following section is hereby inserted in the principal Act after section 57:

"Employment of dismissed staff and record of disciplinary proceedings

57A. (1) Any staff member dismissed for misconduct may only be re-employed in any municipality after the expiry of a prescribed period.

(2) The Minister must prescribe different periods of expiry, as contemplated in subsection (1), for different categories of misconduct.

(3) Notwithstanding subsection (1) and (2), a staff member dismissed for financial misconduct contemplated in section 171 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), corruption or fraud, may not be re-employed in any municipality for a period of ten years.

(4) Notwithstanding subsection (1), the Minister may prescribe acts of misconduct in respect of which no period need expire before a person may again be employed in any municipality.

(5) Subject to subsection (1), a decision to employ a person dismissed for misconduct must be taken with due regard to the nature of the misconduct concerned.

(6) A municipality must maintain a record that contains the prescribed information regarding the disciplinary proceedings of staff members dismissed for misconduct.

(7) A copy of the record referred to in subsection (6) must be submitted to the MEC for local government on a quarterly basis.

(8) The MEC for local government must, within 14 days of receipt of the record referred to in subsection (6), submit a copy thereof to the Minister.

(9) The Minister must maintain a record of all staff members that have—

(a) been dismissed for misconduct; or

(b) resigned prior to the finalisation of the disciplinary proceedings,

which record must be made available to municipalities as prescribed.".

Amendment of section 66 of Act 32 of 2000

8. Section 66 of the principal Act is hereby amended—

(a) by the substitution for paragraph *(a)* of subsection (1) of the following paragraph:

"*(a)* [**approve**] develop a staff establishment for the municipality, and submit the staff establishment to the municipal council for approval;"; and

(b) by the insertion after subsection (2) of the following subsections:

"(3) No person may be employed in a municipality unless the post to which he or she is appointed, is provided for in the staff establishment of that municipality.

(4) A decision to employ a person in a municipality, and any contract concluded between the municipality and that person in consequence of the decision, is null and void if the appointment was made in contravention of subsection (3).

(5) Any person who takes a decision contemplated in subsection (4), knowing that the decision is in contravention of subsection (3), may be held personally liable for any irregular or fruitless and wasteful expenditure that the municipality may incur as a result of the invalid decision.".

Amendment of section 67 of Act 32 of 2000

9. Section 67 of the principal Act is hereby amended—

(a) by the substitution for the words in subsection (1) preceding paragraph *(a)* of the following words:

"(1) A municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures, consistent with any uniform standards prescribed in terms of section 72(1)*(c)*, to ensure fair, efficient, effective and transparent personnel administration, including—"; and

(b) by the substitution for subsection (3) of the following subsection:

"(3) Systems and procedures adopted in terms of subsection (1), apply also to a person referred to in section 57 **[except to the extent that they are inconsistent with that person's employment contract]**.".

Amendment of section 71 of Act 32 of 2000

10. The following section is hereby substituted for section 71 of the principal Act:

"Bargaining council agreements

71. (1) Organised local government must, before embarking on any negotiations with parties in the bargaining council established for municipalities, consult the—

(a) Financial and Fiscal Commission established in terms of section 220 of the Constitution;

(b) Minister; and

(c) any other parties as may be prescribed.

(2) Organised local government must, in concluding any collective agreement resulting from negotiations contemplated in subsection (1), take into account—

(a) the budgets of municipalities;

(b) the fiscal capacity and efficiency of municipalities; and

(c) national economic policies.

(3) Municipalities must comply with any collective agreements concluded by organised local government within its mandate on behalf of local government in the bargaining council established for municipalities.".

Amendment of section 72 of Act 32 of 2000

11. Section 72 of the principal Act is hereby amended—

(a) by the substitution in subsection (1) for subparagraph (ii) of paragraph *(c)* of the following subparagraph:

"(ii) municipal staff systems and procedures referred to in section 67(1) and the matters that must be dealt with in such systems and procedures, including—

(aa) transfers; and

(bb) termination of service.";

(b) by the substitution for paragraph *(e)* of subsection (1) of the following paragraph:

"*(e)* training, competency and skills development of staff members of municipalities, including in-house training, subject to the requirements of the Skills Development Act, 1998 (Act No. 81 of 1998), the Skills Development Levies Act, 1999 (Act No. 28 of 1999), and the **[Local Government]** Municipal Finance Management Act **[, 2003 (Act No. 56 of 2003)]**;";

(c) by the insertion in subsection (1) after paragraph *(g)* of the following paragraphs:

"*(g*A*)* subject to applicable labour legislation, the regulation of medical aid and pension, after consultation with the Minister of Health and the Minister of Finance;

*(g*B*)* the level of skills, expertise and competency that municipal managers and managers directly accountable to municipal managers must have;

*(g*C*)* prohibiting the performance of remunerative work outside the municipality;";

(d) by the deletion in subsection (2) at the end of paragraph *(a)* of the word "and";

(e) by the insertion in subsection (2) at the end of paragraph *(b)* of the word "; and"; and

(f) by the insertion in subsection (2) after paragraph *(b)* of the following paragraph:

"*(c)* when necessary, differentiate between different categories of municipal staff members."; and

(g) by the insertion after subsection (2) of the following subsection:

"(2A) The Minister may, subject to applicable labour legislation and after consultation with the Minister for Public Service and Administration, make regulations relating to the duties, remuneration, benefits and other terms and conditions of employment of municipal managers and managers directly accountable to municipal managers.".

Amendment of section 106 of Act 32 of 2000

12. Section 106 of the principal Act is hereby amended by the insertion after subsection (4) of the following subsection:

"(5) *(a)* Where an MEC fails to conduct an investigation within 90 days, notwithstanding a request from the Minister in terms of subsection (4)*(a)*, the Minister may in terms of this section conduct such investigation.

(b) The Minister must send a report detailing the outcome of the investigation referred to in paragraph *(a)* to the President.".

Amendment of section 120 of Act 32 of 2000

13. Section 120 of the principal Act is hereby amended by the substitution in subsection (1) for paragraph *(a)* of the following paragraph:

"*(a)* the matters listed in sections 22, 37, 49, 54A, 56, 72, 86A and 104;".

Amendment of Schedule 1 to Act 32 of 2000

14. Schedule 1 to the principal Act is hereby amended by the insertion of the following item after item 2:

"**Voting at meetings**

2A. A councillor may not vote in favour of or agree to a resolution which is before the council or a committee of the council which conflicts with any legislation applicable to local government.".

Repeal of section 82 of Act 117 of 1998

15. Section 82 of the Local Government: Municipal Structures Act, 1998, is hereby repealed.

Transitional arrangements

16. This Act does not affect the employment contract of a municipal manager or a manager directly accountable to the municipal manager entered into before this Act took effect, and such contract continues until it lapses or is terminated.

Short title

17. This Act is called the Local Government: Municipal Systems Amendment Act, 2011.

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Government Gazette

REPUBLIC OF SOUTH AFRICA

Vol. 467 Cape Town 7 June 2004 No. 26435

THE PRESIDENCY

No. 699 7 June 2004

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

No. 4 of 2004: Powers, Privileges and Immunities of Parliaments and Provincial Legislatures Act, 2004.



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

(English text signed by the President.)
(Assented to 31 May 2004.)

ACT

To define and declare certain powers, privileges and immunities of Parliament, provincial legislatures, members of the National Assembly, delegates to the National Council of Provinces and members of provincial legislatures; and to provide for incidental matters.

WHEREAS the Constitution of the Republic of South Africa, 1996, sets out certain powers, privileges and immunities of Parliament and provincial legislatures and their members;

AND WHEREAS sections 58(2), 71(2) and 117(2) of the Constitution provide that other privileges and immunities of the respective legislatures and their members may be prescribed by national legislation;

AND WHEREAS it is considered essential to provide for such further privileges and immunities in order to protect the authority, independence and dignity of the legislatures and their members and to enable them to carry out their constitutional functions;

AND WHEREAS it is expedient to regulate certain other incidental matters relating to the functioning of Parliament and provincial legislatures:

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

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CHAPTER 1

DEFINITIONS

Definitions

1. In this Act, unless the context indicates otherwise—

"Chairperson" means the Chairperson of the National Council of Provinces or, when applicable, the office-bearer acting as Chairperson of the Council;

"committee" means a committee or subcommittee consisting of members and established in terms of the standing rules or legislation, including a joint committee;

"disturbance" means any act which interferes with or disrupts or which is likely to interfere with or disrupt the proceedings of Parliament or a House or committee;

"House" means the National Assembly or the National Council of Provinces, as the case requires;

"joint committee" means a committee consisting of members of both Houses of Parliament;

'joint rules" means the rules referred to in section 45 of the Constitution;

"journals" means any recording of the proceedings of Parliament or a House or committee, including minutes, transcripts and tape recordings;

"member", in relation to—

(a) the National Assembly, means a member of the Assembly, and includes a Minister or Deputy Minister who is not such a member;

(b) the National Council of Provinces, means—

(i) a permanent delegate to the Council; or

(ii) a special delegate to the Council, while acting as a special delegate,

and includes the Deputy President, a Minister and a Deputy Minister;

"Parliament" means the National Assembly and the National Council of Provinces;

"precincts", means the precincts of Parliament referred to in section 2;

"provincial legislature" means a provincial legislature referred to in section 104 of the Constitution;

"Secretary" means the Secretary to Parliament;

"security services" means the security services referred to in section 199 of the Constitution;

"Speaker" means the Speaker of the National Assembly or, when applicable, the office-bearer acting as Speaker;

"staff member" means the Secretary or any other person employed or contracted by Parliament, whether in a permanent or temporary capacity;

"standing rules" means the rules made by the National Assembly or the National Council of Provinces under section 57 or 70 of the Constitution, as well as the joint rules;

"the Constitution" means the Constitution of the Republic of South Africa, 1996.

CHAPTER 2

PRECINCTS OF PARLIAMENT

Description of precincts of Parliament

2. (1) The precincts of Parliament is the area of land and every building or part of a building under Parliament's control, including—

(a) the chambers in which the proceedings of the Houses are conducted and the galleries and lobbies of the chambers;

(b) every part of the buildings in which the chambers are situated, and every forecourt, yard, garden, enclosure or open space appurtenant thereto;

(c) committee rooms and other meeting places provided or used primarily for Parliament's purposes; and

(d) every other building or part of a building provided or used in connection with the proceedings of Parliament, while so used.

(2) In so far as it may be necessary for the achievement of the objects of this Act in a case where a House or committee convenes beyond the seat of Parliament, this Act applies as if the premises where the House or committee is sitting were within the precincts of Parliament.

Control over precincts of Parliament

3. The Speaker and the Chairperson, subject to this Act, the standing rules and resolutions of the Houses, exercise joint control and authority over the precincts on behalf of Parliament.

Presence of security services in precincts of Parliament

4. (1) Members of the security services may—

(a) enter upon, or remain in, the precincts for the purpose of performing any policing function; or

(b) perform any policing function in the precincts,

only with the permission and under the authority of the Speaker or the Chairperson.

(2) When there is immediate danger to the life or safety of any person or damage to any property, members of the security services may without obtaining such permission enter upon and take action in the precincts in so far as it is necessary to avert that danger. Any such action must as soon as possible be reported to the Speaker and the Chairperson.

Execution of process and arrest of persons within precincts of Parliament

5. A person may not within the precincts—

(a) execute or serve or tender for service any summons, subpoena or other process issued by a court; or

(b) except as authorised by section 4 or 11, arrest another person,

without the express permission of, or in accordance with the directives of, the Speaker or the Chairperson or a person authorised by the Speaker or the Chairperson.

CHAPTER 3

PRIVILEGES, IMMUNITIES, INDEPENDENCE AND PROTECTION OF MEMBERS AND PARLIAMENT

Freedom of speech in joint sittings

6. The President and members have the same privileges and immunities in a joint sitting of the National Assembly and the National Council of Provinces as they have before the Assembly or the Council.[1]

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1. In terms of the Constitution, the following persons have freedom of speech in the respective Houses and committees:

(a) National Assembly and its committees: Cabinet members, Deputy Ministers and members of the Assembly (section 58(1)).

(b) National Council of Provinces and its committees: Cabinet members, Deputy Ministers, delegates to the Council, officials in the national executive or a provincial executive referred to in section 66(2) of the Constitution, and the local government representatives referred to in section 67 of the Constitution (section 71(1)).

(c) Joint committees: Cabinet members, members of the National Assembly and delegates to the National Council of Provinces (section 45(2)).

Sections 58(1) and 71(1) of the Constitution provide that the persons who have freedom of speech in the respective Houses and committees in terms of those sections are not liable to civil or criminal proceedings, arrest, imprisonment or damages for—

(i) anything that they have said in, produced before or submitted to the relevant House or any of its committees; or

(ii) anything revealed as a result of anything that they have said in, produced before or submitted to the House or any of its committees.

Prohibited acts in respect of Parliament and members

7. A person may not—

(a) improperly interfere with or impede the exercise or performance by Parliament or a House or committee of its authority or functions;

(b) improperly interfere with the performance by a member of his or her functions as a member;

(c) threaten or obstruct a member proceeding to or going from a meeting of Parliament or a House or committee;

(d) assault or threaten a member, or deprive a member of any benefit, on account of the member's conduct in Parliament or a House or committee;

(e) while Parliament or a House or committee is meeting, create or take part in any disturbance within the precincts; or

(f) fail or refuse to comply with an instruction by a duly authorised staff member regarding—

(i) the presence of persons at a particular meeting in the precincts; or

(ii) the possession of any article, including a firearm, in the precincts or any part thereof.

Improper influence of members

8. (1) A person may not by fraud, intimidation, force, insult or threat of any kind, or by the offer or promise of any inducement or benefit of any kind, or by any other improper means—

(a) influence a member in the performance of the member's functions as a member;

(b) induce a member to be absent from Parliament or a House or committee; or

(c) attempt to compel a member to declare himself or herself in favour of or against anything pending before or proposed or expected to be submitted to Parliament or a House or committee.

(2) A member may not ask for, receive or accept any fee, compensation, gift, reward, favour or benefit, for the member or another person, for or in respect of—

(a) voting in a particular manner, or not voting, on any matter before a House or committee;

(b) promoting or opposing anything pending before or proposed or expected to be submitted to a House or committee; or

(c) making a representation to a House or committee.

Attendance of members before court

9. (1) When a member is required to attend a court as a witness in any civil or criminal proceedings, or as a defendant in any civil proceedings, the Speaker or the Chairperson or a person designated by the Speaker or Chairperson may issue a certificate stating that the member is required to attend to business in Parliament.

(2) Such a certificate is sufficient proof that the member is in attendance on Parliament, and the member shall be absolved from attending the court pending completion of that business.

Giving evidence of proceedings

10. (1) No member or staff member may give evidence in any court or place outside Parliament regarding the contents of the journals or the evidence given before, or any document submitted to, Parliament or a House or committee, without first having obtained the leave of the Houses or the House concerned.

(2) During a recess or adjournment of a House the Speaker or the Chairperson or a person designated by the Speaker or Chairperson may give such leave.

Persons creating disturbance

11. A person who creates or takes part in any disturbance in the precincts while Parliament or a House or committee is meeting, may be arrested and removed from the precincts, on the order of the Speaker or the Chairperson or a person designated by the Speaker or Chairperson, by a staff member or a member of the security services.

CHAPTER 4

DISCIPLINARY ACTION AGAINST MEMBERS FOR CONTEMPT OF PARLIAMENT

Disciplinary action against members for contempt

12. (1) Subject to this Act, a House has all the powers which are necessary for enquiring into and pronouncing upon any act or matter declared by or under section 13 to be contempt of Parliament by a member, and taking the disciplinary action provided therefore.

(2) A House must appoint a standing committee to deal with all enquiries referred to in subsection (1).

(3) Before a House may take any disciplinary action against a member in terms of subsection (1), the standing committee must—

(a) enquire into the matter in accordance with a procedure that is reasonable and procedurally fair; and

(b) table a report on its findings and recommendations in the House.

(4) The fact that the standing committee is enquiring into a matter or that a House has taken disciplinary action against a member does not preclude criminal investigation or proceedings against the member in connection with the matter concerned.

(5) When a House finds a member guilty of contempt, the House may, in addition to any other penalty to which the member may be liable under this Act or any other law, impose any one or more of the following penalties:

(a) A formal warning;

(b) a reprimand;

(c) an order to apologise to Parliament or the House or any person, in a manner determined by the House;

(d) the withholding, for a specified period, of the member's right to the use or enjoyment of any specified facility provided to members by Parliament;

(e) the removal, or the suspension for a specified period, of the member from any parliamentary position occupied by the member;

(f) a fine not exceeding the equivalent of one month's salary and allowances payable to the member concerned by virtue of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998);

(g) the suspension of the member, with or without remuneration, for a period not exceeding 30 days, whether or not the House or any of its committees is scheduled to meet during that period.

(6) When a House finds a member guilty of contempt, the House may, where appropriate, instead of or in addition to the imposition of a penalty under subsection (5), refer the matter to the National Director of Public Prosecutions.

(7) A fine payable under subsection (5)*(f)* may be recovered—

(a) by deducting instalments from the members' salary, as specified by the House in imposing the fine; or

(b) if not so recovered, by means of civil action in a competent court.

(8) All fines under subsection (5)*(f)* which are paid or recovered must be paid into Parliament's bank account.

(9) A member may not be suspended under subsection (5)*(g)* unless the House has found that—

(a) the member is guilty of a serious or repeated contempt; and

(b) none of the other penalties set out in subsection (5) will be sufficient.

(10) A member who has been suspended under subsection (5)*(g)* must leave the precincts, and may not, during the period of suspension, without the written permission of the Speaker or the Chairperson—

(a) enter the precincts for whatever purpose; or

(b) participate in any activity of Parliament or any committee.

(11) Despite the Remuneration of Public Office Bearers Act, 1998, a member who has been suspended without remuneration under subsection (5)*(g)* is not entitled to any salary or allowances under that Act for the period of suspension.

(12) Except as provided in the Constitution, a House does not have the power to terminate a member's membership of the House.

(13) This section does not affect the power of a person presiding at a meeting of a House or a committee, or a joint meeting of the Houses, to maintain order and discipline in the meeting.

Conduct constituting contempt

13. A member is guilty of contempt of Parliament if the member—

(a) contravenes section 7, 8, 10, 19, 21(1) or 26;

(b) commits an act mentioned in section 17(1)*(a)*, *(b)* or *(c)* or (2)*(a)*, *(b)*, *(c)*, *(d)* or *(e)*;

(c) wilfully fails or refuses to obey any rule, order or resolution of a House or the Houses; or

(d) commits an act which in terms of the standing rules constitutes—

(i) contempt of Parliament; or

(ii) a breach or abuse of parliamentary privilege.

CHAPTER 5

WITNESSES

Summonsing of witnesses

14. (1) A joint committee may—

(a) summons any person to appear before it to give evidence on oath or affirmation, or to produce documents; or

(b) require any person or institution to report to it.

(2) A summons in terms of subsection (1), or section 56*(a)* or 69*(a)* of the Constitution, to appear before a House or committee to give evidence or to produce documents[2] must be issued by the Secretary on the instructions of—

(a) the Speaker or the Chairperson; or

(b) the chairperson of the committee concerned, acting in accordance with a resolution of the committee and with the concurrence of the Speaker or the Chairperson.

(3) The summons must state—

(a) the name of the person summonsed;

(b) the name or designation of the person who must serve the summons;

(c) the time, place and venue at which the person summonsed is required to appear;

(d) the subject of the enquiry;

(e) the purpose for which the evidence of that person is required; and

(f) a description of the document, if any, which that person is required to produce.

(4) The summons must be served by the sheriff, or by a person designated by the Secretary, by delivering a copy of the summons—

(a) to the person mentioned in the summons; or

(b) at that person's usual or last known place of residence or of employment or business, to a person apparently over the age of 18 years and apparently residing or employed there.

2. In terms of sections 56(a) and 69(a) of the Constitution, the respective Houses of Parliament or any of their committees may summons any person to appear before them to give evidence on oath or affirmation or to produce documents.

(5) A return by the person who served the summons that service thereof has been effected in accordance with subsection (4) is *prima facie* proof of the service.

(6) A person summonsed in terms of this section or requested by a House or committee to attend a meeting of the House or committee, is entitled to be paid an amount for his or her expenses, as approved by the Speaker or Chairperson in accordance with the standing rules.

Examination of witnesses

15. When a House or committee requires that anything be verified or otherwise ascertained by the oral examination of a witness, the person presiding at the enquiry may—

(a) call upon and administer an oath to, or accept an affirmation from, any person present at the enquiry who was or could have been summonsed in terms of section 14; and

(b) examine that person, or request the person to produce any document in the person's possession or custody or under his or her control which may have a bearing on the subject of the enquiry, subject to any limitation provided for in the standing rules with regard to the type of subject matter about which a witness may be questioned or the type of document that a witness may be requested to produce.

Privilege of witnesses

16. (1) Subject to subsection (2), the law regarding privilege as applicable to a witness summonsed to give evidence or to produce a document before the High Court of South Africa applies to the examination of a person in terms of section 15.

(2) A person who is being examined under oath or affirmation in terms of section 15 may be required to answer any question put to him or her in connection with the subject of the enquiry, and to produce any document that he or she is requested to produce under that section, despite the fact that the answer or the document would incriminate him or her or would tend to expose him or her to criminal or civil proceedings, or damages.

(3) Evidence given under oath or affirmation by a person before a House or committee may not be used against that person in any court or place outside Parliament, except in criminal proceedings where the person concerned stands trial on a charge of perjury or a charge contemplated in section 17(1)*(c)* or (2)*(d)* or *(e)*.

Offences relating to witnesses

17. (1) A person who—

(a) has been duly summonsed in terms of section 14 and who fails, without sufficient cause—

(i) to attend at the time and place specified in the summons; or

(ii) to remain in attendance until excused from further attendance by the person presiding at the enquiry;

(b) when called upon under section 15*(a)*, refuses to be sworn in or to make an affirmation as a witness; or

(c) fails, without sufficient cause—

(i) to answer fully and satisfactorily all questions lawfully put to him or her under section 15*(b)*; or

(ii) to produce any document in his or her possession or custody or under his or her control which he or she has been required to produce under section 15*(b)*,

commits an offence and is liable to a fine or to imprisonment for a period not exceeding 12 months or to both the fine and the imprisonment.

(2) A person who—

(a) threatens or obstructs another person in respect of evidence to be given before a House or committee;

(b) induces another person—

(i) to refrain from giving evidence to or producing a document before a House or committee; or

(ii) to give false evidence before a House or committee;

(c) assaults or penalises or threatens another person, or deprives that person of any benefit, on account of the giving or proposed giving of evidence before a House or committee;

(d) with intent to deceive a House or committee, produces to the House or committee any false, untrue, fabricated or falsified document; or

(e) whether or not during examination under section 15, wilfully furnishes a House or committee with information, or makes a statement before it, which is false or misleading,

commits an offence and is liable to a fine or to imprisonment for a period not exceeding two years or to both the fine and imprisonment.

(3) Subject to section 13*(b)*, subsections (1) and (2) do not apply to a member.

CHAPTER 6

PUBLICATIONS AND BROADCASTING

Protection in respect of publications

18. (1) No person is liable to civil or criminal proceedings in respect of the publication of any report, paper or minutes of Parliament or a House or committee by order or under the authority of the Houses, or the House or committee concerned.

(2) No member or staff member is liable to civil or criminal proceedings in respect of the publication to a member of a document that has been submitted to or is before Parliament or a House or committee.

Unauthorised publishing

19. No person may wilfully publish—

(a) any document if the publication of that document is prohibited by or in terms of the standing rules or an order or a resolution of a House;

(b) any document purporting that it has been published under the authority of Parliament, a House, a committee, the Speaker or the Chairperson, while it has not been published under such authority; or

(c) any document purporting that it is a verbatim account of proceedings of Parliament or a House or committee, while it is not such an account.

Admissibility of journals as evidence

20. In any proceedings before a court or any other tribunal in which the proceedings of Parliament or a House are relevant, a copy of the journals printed or purporting to have been printed by order of the Houses or the House concerned or the Speaker or Chairperson, is admissible as evidence of the journals without any proof being given that the copy was so printed.

Broadcasting of proceedings

21. (1) No person may broadcast or televise or otherwise transmit by electronic means the proceedings of Parliament or of a House or committee, or any part of those proceedings, except by order or under the authority of the Houses or the House concerned, and in accordance with the conditions, if any, determined by the Speaker or Chairperson in terms of the standing rules.

(2) No person is liable to civil or criminal proceedings in respect of the broadcasting, televising or electronic transmission of proceedings of Parliament or a House or committee if it has been authorised under subsection (1) and complies with the conditions, if any, determined under that subsection.

CHAPTER 7

GENERAL

Liability for acts done under authority of Parliament

22. No person is liable in damages or otherwise for any act done in good faith in terms of this Act, or under the authority of a House or committee and within the legal powers of the House or committee, or under any order or summons issued by virtue of those powers.

Civil proceedings against Parliament

23. (1) In any civil proceedings against Parliament or a House or committee, the State Liability Act, 1957 (Act No. 20 of 1957), applies, with the necessary changes.

(2) For the purposes of subsection (1), where appropriate, a reference in the State Liability Act, 1957, to the Minister of a department must, where the proceedings are against—

(a) Parliament or a House, be construed as a reference to the Speaker or the Chairperson, or to both the Speaker and the Chairperson, as the case requires;

(b) a committee, be construed as a reference to the chairperson of the committee.

Duty of criminal courts in respect of members

24. When a member of the National Assembly or a permanent delegate to the National Council of Provinces has been convicted of an offence and sentenced to more than 12 months' imprisonment without the option of a fine—

(a) the registrar or clerk of the court sentencing that person must in writing inform the Speaker or the Chairperson, as the case requires, of the nature of the offence and the sentence imposed; and

(b) if an appeal is noted against the conviction or sentence, the registrar or clerk of the court hearing the appeal must in writing inform the Speaker or the Chairperson, as the case requires, of the noting of the appeal and of the outcome thereof.

Protection of members of public

25. (1) A person, other than a member, who feels aggrieved by a statement or remark made by a member or a witness in or before a House or committee about that person, may submit a written request to the Secretary to have a response recorded.

(2) The committee referred to in section 12(2) must, subject to the standing rules, consider the request and, if approved, publish the response of the person in the appropriate parliamentary paper.

Hindering or obstructing staff members

26. A person may not hinder or obstruct a staff member in the execution of the staff member's duties or while the staff member is proceeding to or going from Parliament or a House or committee in the course of or in connection with his or her duties.

Offences

27. (1) A person, including a member, who contravenes section 7 or 8(1) commits an offence and is liable to a fine or to imprisonment for a period not exceeding three years or to both the fine and the imprisonment.

(2) A person, including a member, who contravenes section 19, 21(1) or 26 commits an offence and is liable to a fine or to imprisonment for a period not exceeding 12 months or to both the fine and the imprisonment.

(3) A member who contravenes section 8(2) commits an offence and is liable to a fine or to imprisonment for a period not exceeding 15 years or to both the fine and the imprisonment.

CHAPTER 8

PROVINCIAL LEGISLATURES

Application of Act to provincial legislatures

28. (1) Sections 2, 4, 5, 7, 8, 9, 10, 11, 12, 13, 18, 19, 20, 21, 22, 25, 26, and 27 apply, with the necessary changes, to provincial legislatures as well.

(2) In such application, a reference in those sections to—

(a) Parliament or a House, must be construed as a reference to the provincial legislature concerned;

(b) a committee, must be construed as a reference to a committee of the provincial legislature;

(c) the Speaker or the Chairperson, must be construed as a reference to the Speaker of the provincial legislature;

(d) a member, must be construed—

(i) as a reference to a member of the provincial legislature; and

(ii) except in sections 12 and 13, as including a permanent delegate of the province to the National Council of Provinces;

(e) the Secretary, must be construed as a reference to the Secretary of the provincial legislature;

(f) standing rules, must be construed as a reference to the rules made by the provincial legislature in terms of section 116 of the Constitution.

Civil proceedings against provincial legislatures

29. (1) In any civil proceedings against a provincial legislature or any of its committees, the State Liability Act, 1957 (Act No. 20 of 1957), applies, with the necessary changes.

(2) For the purposes of subsection (1), where appropriate, a reference in the State Liability Act, 1957, to the Minister of a department must, where the proceedings are against—

(a) a provincial legislature, be construed as a reference to the Speaker of the legislature;

(b) a committee of a provincial legislature, be construed as a reference to the chairperson of the committee.

Duty of criminal courts in respect of members of provincial legislatures

30. When a member of a provincial legislature has been convicted of an offence and sentenced to more than 12 months' imprisonment without the option of a fine—

(a) the registrar or clerk of the court sentencing that person must in writing inform the Speaker of the provincial legislature of the nature of the offence and the sentence imposed; and

(b) if an appeal is noted against the conviction or sentence, the registrar or clerk of the court hearing the appeal must in writing inform the Speaker concerned of the noting of the appeal and of the outcome thereof.

CHAPTER 9

REPEAL OF LEGISLATION AND SHORT TITLE

Repeal of laws

31. The laws mentioned in the Schedule are repealed to the extent specified in the third column.

Short title

32. This Act is called the Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, 2003.

SCHEDULE

LAWS REPEALED

(section 31)

No. and year of law	Short title	Extent of repeal
Act No. 91 of 1963	Powers and Privileges of Parliament Act, 1963	The whole, except sections 31 and 39
Act No. 62 of 1967	Powers and Privileges of Parliament Amendment Act, 1967	The whole
Act No. 33 of 1974	Parliamentary Service Act, 1974	Sections 13,14,15,16,17 and 18
Act No. 95 of 1984	Powers and Privileges of Parliament Amendment Act, 1984	The whole
Act No. 99 of 1985	Powers and Privileges of Parliament and the Constitution Amendment Act, 1985	The whole
Act No. 98 of 1992	Powers and Privileges of Parliament Amendment Act, 1992	The whole

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PREVENTION OF ORGANISED CRIME ACT
NO. 121 OF 1998

[View Regulation]

[ASSENTED TO 24 NOVEMBER, 1998]
[DATE OF COMMENCEMENT: 21 JANUARY, 1999]

(*English text signed by the President*)

as amended by

Prevention of Organised Crime Amendment Act, No. 24 of 1999

Prevention of Organised Crime Second Amendment Act, No. 38 of 1999

Financial Intelligence Centre Act, No. 38 of 2001

ACT

To introduce measures to combat organised crime, money laundering and criminal gang activities; to prohibit certain activities relating to racketeering activities; to provide for the prohibition of money laundering and for an obligation to report certain information; to criminalise certain activities associated with gangs; to provide for the recovery of the proceeds of unlawful activity; for the civil forfeiture of criminal assets that have been used to commit an offence or assets that are the proceeds of unlawful activity; to provide for the establishment of a Criminal Assets Recovery Account; to amend the Drugs and Drug Trafficking Act, 1992; to amend the International Co-operation in Criminal Matters Act, 1996; to repeal the Proceeds of Crime Act, 1996; to incorporate the provisions contained in the Proceeds of Crime Act, 1996; and to provide for matters connected therewith.

Preamble.—WHEREAS the Bill of Rights in the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), enshrines the rights of all people in the Republic and affirms the democratic values of human dignity, equality and freedom;

AND WHEREAS the Constitution places a duty on the State to respect, protect, promote and fulfil the rights in the Bill of Rights;

AND WHEREAS there is a rapid growth of organised crime, money laundering and criminal gang activities nationally and internationally and since organised crime has internationally been identified as an international security threat;

AND WHEREAS organised crime, money laundering and criminal gang activities infringe on the rights of the people as enshrined in the Bill of Rights;

AND WHEREAS it is the right of every person to be protected from fear, intimidation and physical harm caused by the criminal activities of violent gangs and individuals;

AND WHEREAS organised crime, money laundering and criminal gang activities, both individually and collectively, present a danger to public order and safety and economic stability,

and have the potential to inflict social damage;

AND WHEREAS the South African common law and statutory law fail to deal effectively with organised crime, money laundering and criminal gang activities, and also fail to keep pace with international measures aimed at dealing effectively with organised crime, money laundering and criminal gang activities;

AND BEARING IN MIND that it is usually very difficult to prove the direct involvement of organised crime leaders in particular cases, because they do not perform the actual criminal activities themselves, it is necessary to criminalise the management of, and related conduct in connection with enterprises which are involved in a pattern of racketeering activity;

AND WHEREAS no person convicted of an offence should benefit from the fruits of that or any related offence, whether such offence took place before or after the commencement of this Act, legislation is necessary to provide for a civil remedy for the restraint and seizure, and confiscation of property which forms the benefits derived from such offence;

AND WHEREAS no person should benefit from the fruits of unlawful activities, nor is any person entitled to use property for the commission of an offence, whether such activities or offence took place before or after the commencement of this Act, legislation is necessary to provide for a civil remedy for the preservation and seizure, and forfeiture of property which is derived from unlawful activities or is concerned in the commission or suspected commission of an offence;

AND WHEREAS there is a need to devote such forfeited assets and proceeds to the combating of organised crime and money laundering;

AND WHEREAS the pervasive presence of criminal gangs in many communities is harmful to the well being of those communities, it is necessary to criminalise participation in or promotion of criminal gang activities:

[Preamble amended by s. 13 of Act No. 38 of 1999.]

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CHAPTER 1
DEFINITIONS AND INTERPRETATION

1. Definitions and interpretation of Act.—(1) In this Act, unless the context otherwise indicates—

"Account" means the Criminal Assets Recovery Account established under section 63;

(*c*) resides in or frequents a particular criminal gang's area and adopts their style of dress, their use of hand signs, language or their tattoos, and associates with known members of a criminal gang;

(*d*) has been arrested more than once in the company of identified members of a criminal gang for offences which are consistent with usual criminal gang activities;

[Para. (*d*) amended by s. 13 (*b*) of Act No. 24 of 1999.]

Wording of Sections

(*e*) is identified as a member of a criminal gang by physical evidence such as photographs or other documentation.

CHAPTER 5
PROCEEDS OF UNLAWFUL ACTIVITIES

PART 1
Application of Chapter

12. Definitions and interpretation of Chapter.—(1) In this Chapter, unless the context indicates otherwise—

"affected gift" means any gift—

(*a*) made by the defendant concerned not more than seven years before the fixed date; or

(*b*) made by the defendant concerned at any time, if it was a gift—

(i) of property received by that defendant in connection with an offence committed by him or her or any other person; or

(ii) of property, or any part thereof, which directly or indirectly represented in that defendant's hands property received by him or her in that connection, whether any such gift was made before or after the commencement of this Act;

"confiscation order" means an order referred to in section 18 (1);

"defendant" means a person against whom a prosecution for an offence has been instituted, irrespective of whether he or she has been convicted or not, and includes a person referred to in section 25 (1) (*b*);

"fixed date", in relation to a defendant—

(*a*) if a prosecution for an offence has been instituted against the defendant, means the date on which such prosecution has been instituted; or

(*b*) if a restraint order has been made against the defendant, means the date of such restraint order,

whichever is the earlier date;

"realisable property" means property referred to in section 14;

"restraint order" means an order referred to in section 26 (1).

(2) In this Chapter, except where it is inconsistent with the context or clearly inappropriate, any reference—

(*a*) to a person who holds property shall be construed as a reference to a person who has any interest in the property, and—

(i) if the estate of such person has been sequestrated, also to the trustee of his or her insolvent estate; or

[Sub-para. (i) substituted by s. 2 of Act No. 38 of 1999. (English only)]

Wording of Sections

(ii) if such person is a company or other juristic person which is being wound up, also to the liquidator thereof;

(*b*) to a person who transfers property to any other person shall be construed as a reference to a person who transfers or grants to any other person any interest in the property;

(*c*) to anything received in connection with an offence shall be construed as a reference also to anything received both in that connection and in some other connection.

(3) For the purposes of this Chapter, a person has benefited from unlawful activities if he or she has at any time, whether before or after the commencement of this Act, received or retained any proceeds of unlawful activities.

[Sub-s. (3) substituted by s. 14 (*d*) of Act No. 24 of 1999.]

Wording of Sections

13. Proceedings are civil, not criminal.—(1) For the purposes of this Chapter proceedings on application for a confiscation order or a restraint order are civil proceedings, and are not criminal proceedings.

(2) The rules of evidence applicable in civil proceedings apply to proceedings on application for a confiscation order or a restraint order.

(3) No rule of evidence applicable only in criminal proceedings shall apply to proceedings on application for a confiscation order or restraint order.

(4) No rule of construction applicable only in criminal proceedings shall apply to proceedings on application for a confiscation order or restraint order.

(5) Any question of fact to be decided by a court in any proceedings in respect of an application contemplated in this Chapter shall be decided on a balance of probabilities.

14. Realisable property.—(1) Subject to the provisions of subsection (2), the following property shall be realisable in terms of this Chapter, namely—

(*a*) any property held by the defendant concerned; and

(*b*) any property held by a person to whom that defendant has directly or indirectly made any affected gift.

(2) Property shall not be realisable property if a declaration of forfeiture is in force in respect thereof.

15. Value of property.—(1) For the purposes of this Chapter, the value of property, other

than money, in relation to any person holding the property, shall be—

(*a*) where any other person holds an interest in the property—

(i) the market value of the property; less

(ii) the amount required to discharge any encumbrance on the property; and

(*b*) where no other person holds an interest in the property, the market value of the property.

(2) Notwithstanding the provisions of subsection (1), any reference in this Chapter to the value at a particular time of a payment or reward, shall be construed as a reference to—

(*a*) the value of the payment or reward at the time when the recipient received it, as adjusted to take into account subsequent fluctuations in the value of money; or

(*b*) where subsection (3) applies, the value mentioned in that subsection, whichever is the greater value.

(3) If at the particular time referred to in subsection (2) the recipient holds—

(*a*) the property, other than cash, which he or she received, the value concerned shall be the value of the property at the particular time; or

(*b*) property which directly or indirectly represents in his or her hands the property which he or she received, the value concerned shall be the value of the property, in so far as it represents the property which he or she received, at the relevant time.

[Sub-s. (3) substituted by s. 15 of Act No. 24 of 1999.]

Wording of Sections

16. Gifts.—(1) For the purposes of this Chapter, a defendant shall be deemed to have made a gift if he or she has transferred any property to any other person directly or indirectly for a consideration the value of which is significantly less than the value of the consideration supplied by the defendant.

(2) For the purposes of section 20 (2) the gift which a defendant is deemed to have made shall consist of that share in the property transferred by the defendant which is equal to the difference between the value of that property as a whole and the consideration received by the defendant in return.

17. Conclusion of proceedings against defendant.—For the purposes of this Chapter, the proceedings contemplated in terms of this Chapter against a defendant shall be concluded when—

(*a*) the defendant is acquitted or found not guilty of an offence;

(*b*) subject to section 18 (2), the court convicting the defendant of an offence, sentences the defendant without making a confiscation order against him or her;

(*c*) the conviction in respect of an offence is set aside on review or appeal; or

(*d*) the defendant satisfies the confiscation order made against him or her.

PART 2
Confiscation Orders

18. Confiscation orders.—(1) Whenever a defendant is convicted of an offence the court

convicting the defendant may, on the application of the public prosecutor, enquire into any benefit which the defendant may have derived from—

(*a*) that offence;

(*b*) any other offence of which the defendant has been convicted at the same trial; and

(*c*) any criminal activity which the court finds to be sufficiently related to those offences,

and, if the court finds that the defendant has so benefited, the court may, in addition to any punishment which it may impose in respect of the offence, make an order against the defendant for the payment to the State of any amount it considers appropriate and the court may make any further orders as it may deem fit to ensure the effectiveness and fairness of that order.

(2) The amount which a court may order the defendant to pay to the State under subsection (1)—

(*a*) shall not exceed the value of the defendant's proceeds of the offences or related criminal activities referred to in that subsection, as determined by the court in accordance with the provisions of this Chapter; or

(*b*) if the court is satisfied that the amount which might be realised as contemplated in section 20 (1) is less than the value referred to in paragraph (*a*), shall not exceed an amount which in the opinion of the court might be so realised.

(3) A court convicting a defendant may, when passing sentence, indicate that it will hold an enquiry contemplated in subsection (1) at a later stage if—

(*a*) it is satisfied that such enquiry will unreasonably delay the proceedings in sentencing the defendant; or

(*b*) the public prosecutor applies to the court to first sentence the defendant and the court is satisfied that it is reasonable and justifiable to do so in the circumstances.

(4) If the judicial officer who convicted the defendant is absent or for any other reason not available, any judicial officer of the same court may consider an application referred to in subsection (1) and hold an enquiry referred to in that subsection and he or she may in such proceedings take such steps as the judicial officer who is absent or not available could lawfully have taken.

(5) No application referred to in subsection (1) shall be made without the written authority of the National Director.

(6) A court before which proceedings under this section are pending, may—

(*a*) in considering an application under subsection (1)—

(i) refer to the evidence and proceedings at the trial;

(ii) hear such further oral evidence as the court may deem fit;

(iii) direct the public prosecutor to tender to the court a statement referred to in section 21 (1) (*a*); and

(iv) direct a defendant to tender to the court a statement referred to in subsection (3) (*a*) of that section;

(*b*) subject to subsection (1) (*b*) or (3) (*b*) of section 21, adjourn such proceedings to any day on such conditions not inconsistent with a provision of the Criminal Procedure Act, 1977 (Act No. 51 of 1977), as the court may deem fit.

19. Value of proceeds of unlawful activities.—(1) Subject to the provisions of subsection (2), the value of a defendant's proceeds of unlawful activities shall be the sum of the values of the property, services, advantages, benefits or rewards received, retained or derived by him or her at any time, whether before or after the commencement of this Act, in connection with the unlawful activity carried on by him or her or any other person.

[Sub-s. (1) substituted by s. 16 (*a*) of Act No. 24 of 1999.]

Wording of Sections

(2) In determining the value of a defendant's proceeds of unlawful activities the court shall—

(*a*) where it has made a declaration of forfeiture or where a declaration of forfeiture has previously been made in respect of property which is proved to the satisfaction of the court—

(i) to have been the property which the defendant received in connection with the criminal activity carried on by him or her or any other person; or

(ii) to have been property which directly or indirectly represented in the defendant's hands the property which he or she received in that connection,

leave the property out of account;

(*b*) where a confiscation order has previously been made against the defendant leave out of account those proceeds of unlawful activities which are proved to the satisfaction of the court to have been taken into account in determining the amount to be recovered under that confiscation order.

20. Amounts which might be realised.—(1) For the purposes of section 18 (2) (*b*) or 21 (3) (*a*), the amount which might be realised at the time of the making of a confiscation order against a defendant shall be the amount equal to the sum of—

(*a*) the values at that time of all realisable property held by the defendant; and

(*b*) the values at that time of all affected gifts made by the defendant,

less the sum of all obligations, if any, of the defendant having priority and which the court may recognise for this purpose.

[Sub-s. (1) amended by s. 17 (*a*) of Act No. 24 of 1999.]

Wording of Sections

(2) Notwithstanding the provisions of section 15 (1) but subject to the provisions of section 16 (2), the value of an affected gift at the time of the making of the relevant confiscation order shall be—

(*a*) the value of the affected gift at the time when the recipient received it, as adjusted to take into account subsequent fluctuations in the value of money; or

(*b*) where subsection (3) applies, the value mentioned in that subsection,

whichever is the greater value.

(3) If at the time of the making of the relevant confiscation order the recipient holds—

(*a*) the property, other than cash, which he or she received, the value concerned shall be the value of the property at that time; or

(*b*) the property which directly or indirectly represents in his or her hands the property which he or she received, the value concerned shall be the value of the property,

in so far as it represents the property which he or she received, at the time.

(4) For the purposes of subsection (1), an obligation has priority at the time of the making of the relevant confiscation order—

(*a*) if it is an obligation of the defendant, where he or she has been convicted by a court of any offence—

(i) to pay a fine imposed before that time by the court; or

(ii) to pay any other amount under any resultant order made before that time by the court;

(*b*) if it is an obligation which—

(i) if the estate of the defendant had at that time been sequestrated; or

(ii) where the defendant is a company or other juristic person, if such company or juristic person is at that time being wound up,

would be payable in pursuance of any secured or preferent claim against the insolvent estate or against such company or juristic person, as the case may be.

(5) A court shall not determine the amounts which might be realised as contemplated in subsection (1) unless it has afforded all persons holding any interest in the property concerned an opportunity to make representations to it in connection with the realisation of that property.

21. Statements relating to proceeds of unlawful activities.—(1) (*a*) The public prosecutor may or, if so directed by the court, shall tender to the court a statement in writing under oath or affirmation by him or her or any other person in connection with any matter which is being enquired into by the court under section 18 (1), or which relates to the determination of the value of a defendant's proceeds of unlawful activities.

(*b*) A copy of such statement shall be served on the defendant at least 14 days before the date on which that statement is to be tendered to the court.

(2) (*a*) The defendant may dispute the correctness of any allegation contained in a statement referred to in subsection (1) (*a*), and if the defendant does so dispute the correctness of any such allegation, he or she shall state the grounds on which he or she relies.

(*b*) In so far as the defendant does not dispute the correctness of any allegation contained in such statement, that allegation shall be deemed to be conclusive proof of the matter to which it relates.

(3) (*a*) A defendant may or, if so directed by the court, shall tender to the court a statement in writing under oath or affirmation by him or her or by any other person in connection with any matter which relates to the determination of the amount which might be realised as contemplated in section 20 (1).

(*b*) A copy of such statement shall be served on the public prosecutor at least 14 days before the date on which that statement is to be tendered to the court.

(4) (*a*) The public prosecutor may admit the correctness of any allegation contained in a statement referred to in subsection (3) (*a*).

(*b*) In so far as the public prosecutor admits the correctness of any allegation contained in such statement, that allegation shall be deemed to be conclusive proof of the matter to which it relates.

22. Evidence relating to proceeds of unlawful activities.—(1) For the purposes of determining whether a defendant has derived a benefit in an enquiry under section 18 (1), if it is found that the defendant did not at the fixed date, or since the beginning of a period of seven years before the fixed date, have legitimate sources of income sufficient to justify the interests in any property that the defendant holds, the court shall accept this fact as *prima facie* evidence that such interests form part of such a benefit.

(2) For the purposes of an enquiry under section 18 (1), if it is found that a court had ordered the defendant to disclose any facts under section 26 (7) and that the defendant had without sufficient cause failed to disclose such facts or had, after being so ordered, furnished false information, knowing such information to be false or not believing it to be true, the court shall accept these facts as *prima facie* evidence that any property to which the information relates—

(*a*) forms part of the defendant's benefit, in determining whether he or she has derived a benefit from an offence; or

(*b*) is held by the defendant as an advantage, payment, service or reward in connection with the offences or related criminal activities referred to in section 18 (1).

(3) For the purposes of determining the value of a defendant's proceeds of unlawful activities in an enquiry under section 18 (1)—

(*a*) if the court finds that he or she has benefited from an offence and that—

(i) he or she held property at any time at, or since, his or her conviction; or

(ii) property was transferred to him or her at any time since the beginning of a period of seven years before the fixed date,

the court shall accept these facts as *prima facie* evidence that the property was received by him or her at the earliest time at which he or she held it, as an advantage, payment, service or reward in connection with the offences or related criminal activities referred to in section 18 (1);

(*b*) if the court finds that he or she has benefited from an offence and that expenditure had been incurred by him or her since the beginning of the period contemplated in paragraph (*a*), the court shall accept these facts as *prima facie* evidence that any such expenditure was met out of the advantages, payments, services or rewards, including any property received by him or her in connection with the offences or related criminal activities referred to in section 18 (1) committed by him or her.

[Sub-s. (3) substituted by s. 18 (*c*) of Act No. 24 of 1999.]

(4) For the purpose of determining the value of any property in an enquiry under section 18 (1), if the court finds that the defendant received property at any time as an advantage, payment, service or reward in connection with the offences or related criminal activities referred to in that subsection committed by him or her or by any other person the court shall accept this fact as *prima facie* evidence that he or she received that property free of any other interest therein.

23. Effect of confiscation orders.—(1) A confiscation order made—

(*a*) by a magistrate's court, other than a regional court, shall have the effect of a civil judgment of that court;

(*b*) by a regional court shall have the effect of a civil judgment of the magistrate's

court of the district in which the relevant trial took place.

(2) Where a High Court makes a confiscation order—

(*a*) the confiscation order shall have the effect of a civil judgment of that court; or

(*b*) the presiding judge may direct the registrar of that court to forward a certified copy of the confiscation order to the clerk of the magistrate's court designated by the presiding judge or, if no such court is designated, to the clerk of the magistrate's court within the area of jurisdiction of which the offence concerned was committed, and, on receipt of the said copy of the confiscation order the clerk of the magistrate's court concerned shall register the confiscation order whereupon it shall have the effect of a civil judgment of that magistrate's court.

24. Procedure where person absconds or dies.—(1) If a court is satisfied that—

(*a*) (i) a person had been charged with an offence;

(ii) a person had been convicted of any offence;

(iii) a restraint order had been made against a person; or

(iv) there is sufficient evidence for putting a person on trial for an offence;

(*b*) a warrant for his or her arrest had been issued and that the attendance of that person in court could not be secured after all reasonable steps were taken to execute that warrant;

(*c*) the proceedings against him or her cannot be resumed within a period of six months due to his or her continued absence; and

(*d*) there are reasonable grounds to believe that a confiscation order would have been made against him or her were it not for his or her continued absence,

the court may, on the application by the National Director, enquire into any benefit the person may have derived from that offence.

(2) (*a*) Whenever a defendant who has been convicted of an offence dies before a confiscation order is made, the court may, on the application by the National Director, enquire into any benefit the person may have derived from that offence if the court is satisfied that there are reasonable grounds to believe that a confiscation order would have been made against him or her were it not for his or her death.

(*b*) The executor of the estate of the deceased shall be entitled to appear before the court and make representations for purposes of the enquiry referred to in paragraph (*a*).

(3) The court conducting an enquiry under this section may—

(*a*) if the court finds that the person referred to in subsection (1) or (2) has so benefited, make a confiscation order and the provisions of this Part shall, with the necessary changes, apply to the making of such order;

[Para. (*a*) substituted by s. 19 (*a*) of Act No. 24 of 1999.]

Wording of Sections

(*b*) if a *curator bonis* has not been appointed in respect of any of the property concerned, appoint a *curator bonis* in respect of realisable property; and

(*c*) authorise the realisation of the property concerned in terms of Part 4.

(4) A court shall not exercise its powers under subsection (3) (*a*) and (*c*) unless it has

afforded all persons having any interest in the property concerned an opportunity to make representations to it in connection with the making of such orders.

(5) A court conducting an enquiry under this section shall not apply sections 21 and 22.

[Sub-s. (5) substituted by s. 19 (*b*) of Act No. 24 of 1999.]

Wording of Sections

(6) If a person, excluding a person contemplated in subsection (1) (*a*) (ii), against whom a confiscation order had been made under subsection (3) is subsequently tried and—

(*a*) convicted of one or other of the offences in respect of which the order had been made, the court convicting him or her may conduct an enquiry under section 18 and make an appropriate order;

[Para. (*a*) substituted by s. 19 (*c*) of Act No. 24 of 1999.]

Wording of Sections

(*b*) acquitted of the offence in respect of which the order had been made, the court acquitting him or her may make an appropriate order.

PART 3
Restraint Orders

24A. Order to remain in force pending appeal.—A restraint order and an order authorising the seizure of the property concerned or other ancillary order which is in force at the time of any decision by the court in relation to the making of a confiscation order, shall remain in force pending the outcome of any appeal against the decision concerned.

[S. 24A inserted by s. 3 of Act No. 38 of 1999.]

25. Cases in which restraint orders may be made.—(1) A High Court may exercise the powers conferred on it by section 26 (1)—

(*a*) when—

(i) a prosecution for an offence has been instituted against the defendant concerned;

(ii) either a confiscation order has been made against that defendant or it appears to the court that there are reasonable grounds for believing that a confiscation order may be made against that defendant; and

(iii) the proceedings against that defendant have not been concluded; or

(*b*) when—

(i) that court is satisfied that a person is to be charged with an offence; and

(ii) it appears to the court that there are reasonable grounds for believing that a confiscation order may be made against such person.

(2) Where the High Court has made a restraint order under subsection (1) (*b*), that court shall rescind the restraint order if the relevant person is not charged within such period as the court may consider reasonable.

26. Restraint orders.—(1) The National Director may by way of an *ex parte* application apply to a competent High Court for an order prohibiting any person, subject to such conditions

and exceptions as may be specified in the order, from dealing in any manner with any property to which the order relates.

(2) A restraint order may be made—

(*a*) in respect of such realisable property as may be specified in the restraint order and which is held by the person against whom the restraint order is being made;

(*b*) in respect of all realisable property held by such person, whether it is specified in the restraint order or not;

(*c*) in respect of all property which, if it is transferred to such person after the making of the restraint order, would be realisable property.

(3) (*a*) A court to which an application is made in terms of subsection (1) may make a provisional restraint order having immediate effect and may simultaneously grant a rule *nisi* calling upon the defendant upon a day mentioned in the rule to appear and to show cause why the restraint order should not be made final.

(*b*) If the defendant has been absent during a period of 21 days from his or her usual place of residence and from his or her business, if any, within the Republic, the court may direct that it shall be sufficient service of that rule if a copy thereof is affixed to or near the outer door of the buildings where the court sits and published in the *Gazette*, or may direct some other mode of service.

(*c*) Upon application by the defendant, the court may anticipate the return day for the purpose of discharging the provisional restraint order if 24 hours' notice of such application has been given to the applicant contemplated in subsection (1).

(4) (*a*) A restraint order shall provide for notice to be given to persons affected by the order.

(*b*) . . . . . .

[Para. (*b*) deleted by s. 4 (*a*) of Act No. 38 of 1999.]

Wording of Sections

(5) . . . . . .

[Sub-s. (5) deleted by s. 4 (*b*) of Act No. 38 of 1999.]

Wording of Sections

(6) Without derogating from the generality of the powers conferred by subsection (1), a restraint order may make such provision as the High Court may think fit—

(*a*) for the reasonable living expenses of a person against whom the restraint order is being made and his or her family or household; and

(*b*) for the reasonable legal expenses of such person in connection with any proceedings instituted against him or her in terms of this Chapter or any criminal proceedings to which such proceedings may relate,

if the court is satisfied that the person whose expenses must be provided for has disclosed under oath all his or her interests in property subject to a restraint order and that the person cannot meet the expenses concerned out of his or her unrestrained property.

(7) A High Court making a restraint order may also make such further order in respect of the discovery of any facts including facts relating to any property over which the defendant may have effective control and the location of such property as the court may consider necessary or expedient with a view to achieving the objects of the restraint order.

(8) A High Court making a restraint order shall at the same time make an order authorising the seizure of all movable property concerned by a police official, and any other ancillary orders that the court considers appropriate for the proper, fair and effective execution of the order.

[Sub-s. (8) substituted by s. 4 (*c*) of Act No. 38 of 1999.]

Wording of Sections

(9) Property seized under subsection (8) shall be dealt with in accordance with the directions of the High Court which made the relevant restraint order.

[Sub-s. (9) substituted by s. 20 (*b*) of Act No. 24 of 1999.]

Wording of Sections

(10) A High Court which made a restraint order—

(*a*) may on application by a person affected by that order vary or rescind the restraint order or an order authorising the seizure of the property concerned or other ancillary order if it is satisfied—

(i) that the operation of the order concerned will deprive the applicant of the means to provide for his or her reasonable living expenses and cause undue hardship for the applicant; and

(ii) that the hardship that the applicant will suffer as a result of the order outweighs the risk that the property concerned may be destroyed, lost, damaged, concealed or transferred; and

(*b*) shall rescind the restraint order when the proceedings against the defendant concerned are concluded.

[Sub-s. (10) added by s. 4 (*d*) of Act No. 38 of 1999.]

(11) When a court orders the rescission of an order authorising the seizure of property in terms of subsection (10) (*a*) the court shall make such other order as it considers appropriate for the proper, fair and effective execution of the restraint order concerned.

[Sub-s. (11) added by s. 4 (*d*) of Act No. 38 of 1999.]

27. Seizure of property subject to restraint order.—(1) In order to prevent any realisable property from being disposed of or removed contrary to a restraint order, any police official may seize any such property if he or she has reasonable grounds to believe that such property will be so disposed of or removed.

(2) Property seized under subsection (1) shall be dealt with in accordance with the directions of the High Court which made the relevant restraint order.

28. Appointment of *curator bonis* in respect of property subject to restraint order.—(1) Where a High Court has made a restraint order, that court may at any time—

(*a*) appoint a *curator bonis* to do, subject to the directions of that court, any one or more of the following on behalf of the person against whom the restraint order has been made, namely—

(i) to perform any particular act in respect of any of or all the property to which the restraint order relates;

(ii) to take care of the said property;

(iii) to administer the said property; and

(iv) where the said property is a business or undertaking, to carry on, with due regard to any law which may be applicable, the business or undertaking;

(*b*) order the person against whom the restraint order has been made to surrender forthwith, or within such period as that court may determine, any property in respect of which a *curator bonis* has been appointed under paragraph (*a*), into the custody of that *curator bonis*.

(2) Any person affected by an order contemplated in subsection (1) (*b*) may at any time apply—

(*a*) for the variation or rescission of the order; or

(*b*) for the variation of the terms of the appointment of the *curator bonis* concerned or for the discharge of that *curator bonis*.

(3) The High Court which made an order contemplated in subsection (1) (*b*)—

(*a*) may at any time—

(i) vary or rescind the order; or

(ii) vary the terms of the appointment of the *curator bonis* concerned or discharge that *curator bonis*;

(*b*) shall rescind the order and discharge the *curator bonis* concerned if the relevant restraint order is rescinded;

(*c*) may make such order relating to the fees and expenditure of the *curator bonis* as it deems fit, including an order for the payment of the fees of the *curator bonis*—

(i) from the confiscated proceeds if a confiscation order is made; or

(ii) by the State if no confiscation order is made.

29. Orders in respect of immovable property subject to restraint order.—(1) A High Court which has made a restraint order in respect of immovable property may at any time, with a view to ensuring the payment to the State—

(*a*) where a confiscation order has not been made, of an amount equal to the most recent value of the immovable property; or

(*b*) where a confiscation order has been made, of an amount not exceeding the amount payable under the confiscation order,

order the registrar of deeds concerned to endorse any one or more of the restrictions contemplated in subsection (2) on the title deed of the immovable property.

(2) An order contemplated in subsection (1) may be made in respect of the following restrictions, namely—

(*a*) that the immovable property shall not without the consent of the High Court be mortgaged or otherwise encumbered;

(*b*) that the immovable property shall not without the consent of the High Court be attached or sold in execution; and

(*c*) that the immovable property shall not without the consent of the High Court—

(i) vest in the Master of the High Court or trustee concerned, as the case may be,

when the estate of the owner of that immovable property is sequestrated; or

(ii) where the owner of that immovable property is a company or other juristic person which is being wound up, form part of the assets of such company or juristic person,

if the owner of that immovable property has not made the payment referred to in that subsection to the State.

(3) In order to give effect to subsection (1), the registrar of deeds concerned shall—

(*a*) make the necessary entries in his or her registers and the necessary endorsement on the office copy of the title deed, and thereupon any such restriction shall be effective against all persons except, in the case of a restriction contemplated in subsection (2) (*b*), against any person in whose favour a mortgage bond or other charge was registered against the title deed of immovable property prior to the endorsement of the restriction on the title deed of the immovable property, but shall lapse on the transfer of ownership of the immovable property concerned;

(*b*) when the original of the title deed is produced to him or her, make the necessary endorsement thereon.

(4) Unless the High Court directs otherwise, the custody of immovable property on the title deed of which a restriction contemplated in subsection (2) (*c*) was endorsed shall vest as from the date on which—

(*a*) the estate of the owner of the immovable property is sequestrated; or

(*b*) where the owner of the immovable property is a company or other juristic person, such company or juristic person is being wound up,

in the person in whom the said custody would have vested if such a restriction were not so endorsed.

(5) Where the High Court granted its consent in respect of a restriction contemplated in subsection (2) (*c*) and endorsed on the title deed of immovable property, the immovable property shall be deemed—

(*a*) if the estate of the owner of the immovable property was sequestrated, to have vested in the Master of the High Court or trustee concerned, as the case may be, as if such a restriction were not so endorsed; or

(*b*) if the owner of the immovable property is a company or other juristic person which is being wound up, to have formed part of the assets of such company or juristic person as if such a restriction were not so endorsed.

(6) Any person affected by an order contemplated in subsection (1) may at any time apply for the rescission of the order.

(7) (*a*) The High Court which made an order contemplated in subsection (1)—

(i) may at any time rescind the order; and

(ii) shall rescind the order if the relevant restraint order is rescinded or the amount payment of which is ensured by the order has with the consent of that court been paid into court.

(*b*) If such order is rescinded, the High Court shall direct the registrar of deeds concerned to cancel any restriction endorsed by virtue of that order on the title deed of immovable property, and that registrar of deeds shall give effect to any such direction.

29A. Variation and rescission of certain orders suspended by appeal.—The noting of an appeal against a decision to vary or rescind any order referred to in sections 26 (10), 28 (3) and 29 (7) shall suspend such a variation or rescission pending the outcome of the appeal.

[S. 29A inserted by s. 5 of Act No. 38 of 1999.]

PART 4
Realisation of Property

30. Realisation of property.—(1) A High Court may exercise the powers conferred upon it by subsection (2) when—

(*a*) a confiscation order has been made against the defendant concerned;

(*b*) such confiscation order is no longer subject to review or appeal; and

(*c*) the proceedings against that defendant have not been concluded.

(2) A High Court may, on the application of the National Director—

(*a*) if a *curator bonis* has not been appointed in respect of any of the property concerned, appoint a *curator bonis* in respect of realisable property;

(*b*) subject to subsection (3), authorise a *curator bonis* appointed under section 28 (1) (*a*) or under paragraph (*a*) of this subsection, as the case may be, to realise any realisable property in such manner as that court may determine;

(*c*) order any person who holds realisable property to surrender the said property forthwith into the custody of a *curator bonis* appointed under section 28 (1) (*a*) or under paragraph (*a*) of this subsection, as the case may be.

(3) A High Court shall not exercise its powers under subsection (2) (*b*) unless it has afforded all persons known to have any interest in the property concerned an opportunity to make representations to it in connection with the realisation of that property.

(4) If the court referred to in subsection (2) is satisfied that a person—

(*a*) is likely to be directly affected by the confiscation order; or

(*b*) has suffered damage to or loss of property or injury as a result of an offence or related criminal activity referred to in section 18 (1) which was committed by the defendant,

the court may allow that person to make representations in connection with the realisation of that property.

(5) If the court is satisfied that a person who has suffered damage to or loss of property or injury as a result of an offence or related criminal activity referred to in section 18 (1) which was committed by the defendant—

(*a*) has instituted civil proceedings, or intends to institute such proceedings within a reasonable time; or

(*b*) has obtained a judgment against the defendant,

in respect of that damage, loss or injury, the court may order that the *curator bonis* suspend the realisation of the whole or part of the realisable property concerned for the period that the court deems fit in order to satisfy such a claim or judgment and related legal expenses and may make such ancillary orders as it deems expedient.

(6) The *curator bonis* shall as soon as possible after—

(*a*) (i) the proceedings referred to in subsection (5) (*a*) have been disposed of; or

(ii) the judgment referred to in subsection (5) (*b*) has been satisfied, as the case may be; or

[Para. (*a*) substituted by s. 21 of Act No. 24 of 1999.]

Wording of Sections

(*b*) the period determined under subsection (5) has expired,

[Para. (*b*) substituted by s. 21 of Act No. 24 of 1999.]

Wording of Sections

whichever occurs first, realise the realisable property concerned as contemplated in subsection (2).

31. Application of certain sums of money.—(1) The following sums of money in the hands of a *curator bonis* appointed under this Chapter, namely—

(*a*) the proceeds of any realisable property realised by virtue of section 30; and

(*b*) any other sums of money, being property of the defendant concerned,

shall, after such payment as the High Court may direct have been made out of such sums of money, be applied on that defendant's behalf in satisfaction of the confiscation order made against him or her: Provided that where the High Court may direct payment out of such sums of money, the State shall not have a preferential claim: Provided further that, if sums of money remain in the hands of the *curator bonis* after the amount payable under such confiscation order has been fully paid, the *curator bonis* shall distribute those sums of money—

(i) among such persons who held realisable property which has been realised by virtue of section 30; and

(ii) in such proportions,

as that court may, after affording such persons an opportunity to make representations to it in connection with the distribution of those sums of money, direct.

(2) Without limiting the generality of subsection (1) such payment as the High Court may direct shall, for the purposes of that subsection, include any payment in respect of an obligation which was found to have priority in terms of section 20.

32. Functions of *curator bonis*.—(1) Immediately after letters of curatorship have been granted to a *curator bonis* appointed under this Chapter, the *curator bonis* shall take into his or her custody all the property in respect of which he or she was appointed, as well as any book, record or other document in the possession or custody or under the control of any person referred to in section 28 (1) (*b*) or 30 (2) (*c*) which relates to the said property.

(2) Save as is otherwise provided in this Chapter, the provisions of the Administration of Estates Act, 1965 (Act No. 66 of 1965), shall with the necessary changes apply in respect of a *curator bonis* appointed under this Chapter.

33. Exercise of powers by High Court and *curator bonis*.—(1) The powers conferred upon a High Court by sections 26 to 31, or upon a *curator bonis* appointed under this Chapter, shall—

(*a*) subject to paragraphs (*b*) and (*c*), be exercised with a view to making available the

current value of realisable property for satisfying any confiscation order made or which might be made against the defendant;

(*b*) in the case of realisable property held by a person to whom that defendant has directly or indirectly made an affected gift, be exercised with a view to realising not more than the current value of such gift;

(*c*) be exercised with a view to allowing any person other than that defendant or the recipient of such gift to retain or recover the current value of any property held by him or her,

and, except as provided in sections 20 (1) and 26 (6), any obligation of that defendant or the recipient of such gift which conflicts with the obligation to satisfy a confiscation order shall be left out of account.

(2) The provisions of subsection (1) shall not be construed as prohibiting any High Court from making any additional order in respect of a debt owed to the State.

34. Variation of confiscation orders.—(1) If the High Court is satisfied that the realisable property is inadequate for the payment of the balance of the amount to be recovered under a confiscation order against the defendant concerned, that court may, on the application of that defendant, issue a certificate to that effect stating the reasons for the court being so satisfied.

(2) For the purposes of subsection (1), the High Court may—

(*a*) in the case of realisable property held—

(i) by a person whose estate has been sequestrated, take into account the extent to which the proceeds of property in that estate may be distributed among the creditors; or

(ii) by a company or other juristic person which is being wound up, take into account the extent to which the assets of such company or juristic person may be distributed among the creditors;

(*b*) leave out of account any inadequacy in the realisable property which is in the opinion of that court wholly or partly attributable to anything done by the defendant for the purpose of preserving any property held by a person to whom the defendant had directly or indirectly made an affected gift from the risk of any realisation in terms of this Chapter.

(3) (*a*) If a certificate referred to in subsection (1) has been issued, the defendant may apply to the court which made the confiscation order against him or her for the reduction of the amount to be recovered under that confiscation order.

(*b*) Such court or, if the judge or judicial officer concerned is not available, any judge or judicial officer of that court may substitute for the amount to be recovered under such confiscation order such lesser amount as that court may consider just in the circumstances of the case.

35. Effect of sequestration of estates on realisable property.—(1) When the estate of a person who holds realisable property is sequestrated—

(*a*) the property for the time being subject to a restraint order made before the date of sequestration; and

(*b*) the proceeds of any realisable property realised by virtue of section 30 and for the

time being in the hands of a *curator bonis* appointed under this Chapter,

shall not vest in the Master of the High Court or trustee concerned, as the case may be.

(2) When the estate of a defendant who has directly or indirectly made an affected gift to any other person is sequestrated—

(*a*) no court shall set aside the disposition of such gift under section 29, 30 or 31 of the Insolvency Act, 1936 (Act No. 24 of 1936)—

(i) if a prosecution for an offence has been instituted against the defendant and the proceedings against him or her have not been concluded; or

(ii) if the property of such other person is subject to a restraint order;

[Para. (*a*) amended by s. 22 of Act No. 24 of 1999.]

Wording of Sections

(*b*) any court which sets aside any disposition contemplated in paragraph (*a*) after the conclusion of the proceedings against the defendant, shall take into account any realisation of the property of such other person in terms of this Chapter.

(3) Where the estate of an insolvent has been sequestrated, the powers conferred upon a High Court by sections 26 to 31 and 33 (2) or upon a *curator bonis* appointed under this Chapter, shall not be exercised—

(*a*) in respect of any property which forms part of that estate; or

(*b*) in respect of any property which the trustee concerned is entitled to claim from the insolvent under section 23 of the Insolvency Act, 1936.

(4) Nothing in the Insolvency Act, 1936, shall be construed as prohibiting any High Court or *curator bonis* appointed under this Chapter from exercising any power contemplated in subsection (3) in respect of any property or proceeds mentioned in subsection (1).

36. Effect of winding-up of companies or other juristic persons on realisable property.—(1) When any competent court has made an order for the winding-up of any company or other juristic person which holds realisable property or a resolution for the voluntary winding-up of any such company or juristic person has been registered in terms of any applicable law—

(*a*) no property for the time being subject to a restraint order made before the relevant time; and

(*b*) no proceeds of any realisable property realised by virtue of section 30 and for the time being in the hands of a *curator bonis* appointed under this Chapter,

shall form part of the assets of any such company or juristic person.

(2) Where an order mentioned in subsection (1) has been made in respect of a company or other juristic person or a resolution mentioned in that subsection has been registered in respect of such company or juristic person, the powers conferred upon a High Court by sections 26 to 31 and 33 (2) or upon a *curator bonis* appointed under this Chapter, shall not be exercised in respect of any property which forms part of the assets of such company or juristic person.

[Sub-s. (2) substituted by s. 23 of Act No. 24 of 1999.]

Wording of Sections

(3) Nothing in the Companies Act, 1973 (Act No. 61 of 1973), or any other law relating to juristic persons in general or any particular juristic person, shall be construed as prohibiting any

High Court or *curator bonis* appointed under this Chapter from exercising any power contemplated in subsection (2) in respect of any property or proceeds mentioned in subsection (1).

(4) For the purposes of subsection (1), "the relevant time" means—

(*a*) where an order for the winding-up of the company or juristic person, as the case may be, has been made, the time of the presentation to the court concerned of the application for the winding-up; or

(*b*) where no such order has been made, the time of the registration of the resolution authorising the voluntary winding-up of the company or juristic person, as the case may be.

(5) The provisions of section 35 (2) are with the necessary changes applicable to a company or juristic person who has directly or indirectly made an affected gift.

CHAPTER 6
CIVIL RECOVERY OF PROPERTY

PART 1
Introduction

37. Proceedings are civil, not criminal.—(1) For the purposes of this Chapter all proceedings under this Chapter are civil proceedings, and are not criminal proceedings.

(2) The rules of evidence applicable in civil proceedings apply to proceedings under this Chapter.

(3) No rule of evidence applicable only in criminal proceedings shall apply to proceedings under this Chapter.

(4) No rule of construction applicable only in criminal proceedings shall apply to proceedings under this Chapter.

PART 2
Preservation of Property

38. Preservation of property orders.—(1) The National Director may by way of an *ex parte* application apply to a High Court for an order prohibiting any person, subject to such conditions and exceptions as may be specified in the order, from dealing in any manner with any property.

(2) The High Court shall make an order referred to in subsection (1) if there are reasonable grounds to believe that the property concerned—

(*a*) is an instrumentality of an offence referred to in Schedule 1; or

(*b*) is the proceeds of unlawful activities.

(3) A High Court making a preservation of property order shall at the same time make an order authorising the seizure of the property concerned by a police official, and any other ancillary orders that the court considers appropriate for the proper, fair and effective execution of the order.

[Sub-s. (3) substituted by s. 6 of Act No. 38 of 1999.]

(4) Property seized under subsection (3) shall be dealt with in accordance with the directions of the High Court which made the relevant preservation of property order.

39. Notice of preservation of property orders.—(1) If a High Court makes a preservation of property order, the National Director shall, as soon as practicable after the making of the order—

(*a*) give notice of the order to all persons known to the National Director to have an interest in property which is subject to the order; and

(*b*) publish a notice of the order in the *Gazette*.

(2) A notice under subsection (1) (*a*) shall be served in the manner in which a summons whereby civil proceedings in the High Court are commenced, is served.

(3) Any person who has an interest in the property which is subject to the preservation of property order may enter an appearance giving notice of his or her intention to oppose the making of a forfeiture order or to apply for an order excluding his or her interest in the property concerned from the operation thereof.

(4) An appearance under subsection (3) shall be delivered to the National Director within, in the case of—

(*a*) a person upon whom a notice has been served under subsection (1) (*a*), 14 days after such service; or

(*b*) any other person, 14 days after the date upon which a notice under subsection (1) (*b*) was published in the *Gazette*.

(5) An appearance under subsection (3) shall contain full particulars of the chosen address for the delivery of documents concerning further proceedings under this Chapter and shall be accompanied by an affidavit stating—

(*a*) full particulars of the identity of the person entering the appearance;

(*b*) the nature and extent of his or her interest in the property concerned; and

(*c*) the basis of the defence upon which he or she intends to rely in opposing a forfeiture order or applying for the exclusion of his or her interests from the operation thereof.

40. Duration of preservation of property orders.—A preservation of property order shall expire 90 days after the date on which notice of the making of the order is published in the *Gazette* unless—

(*a*) there is an application for a forfeiture order pending before the High Court in respect of the property, subject to the preservation of property order;

(*b*) there is an unsatisfied forfeiture order in force in relation to the property subject to the preservation of property order; or

(*c*) the order is rescinded before the expiry of that period.

41. Seizure of property subject to preservation of property order.—(1) In order to prevent property subject to a preservation of property order from being disposed of or removed contrary to that order, any police official may seize any such property if he or she has reasonable

grounds to believe that such property will be so disposed of or removed.

(2) Property seized under subsection (1) shall be dealt with in accordance with the directions of the High Court which made the relevant preservation of property order.

42. Appointment of *curator bonis* in respect of property subject to preservation of property order.—(1) Where a High Court has made a preservation of property order, the High Court shall, if it deems it appropriate, at the time of the making of the order or at a later time—

(*a*) appoint a *curator bonis* to do, subject to the directions of that High Court, any one or more of the following on behalf of the person against whom the preservation of property order has been made, namely—

(i) to assume control over the property:

(ii) to take care of the said property;

(iii) to administer the said property and to do any act necessary for that purpose; and

(iv) where the said property is a business or undertaking, to carry on, with due regard to any law which may be applicable, the business or undertaking; and

(*b*) order any person holding property subject to the preservation of property order to surrender forthwith, or within such period as that Court may determine, any such property into the custody of the *curator bonis*.

[Sub-s. (1) amended by s. 7 of Act No. 38 of 1999.]

Wording of Sections

(2) The High Court which made an order under subsection (1) may make such order relating to the fees and expenditure of the *curator bonis* as it deems fit, including an order for the payment of the fees of the *curator bonis*—

(*a*) from the forfeited property if a forfeiture order is made; or

(*b*) by the State if no forfeiture order is made.

43. Orders in respect of immovable property subject to preservation of property order.—(1) A High Court which has made a preservation of property order in respect of immovable property may at any time, with a view to ensuring the effective execution of a subsequent order, order the registrar of deeds concerned to endorse any one or more of the restrictions referred to in subsection (2) on the title deed of the immovable property.

(2) An order under subsection (1) may be made in respect of the following restrictions, namely—

(*a*) that the immovable property shall not without the consent of the High Court be mortgaged or otherwise encumbered;

(*b*) that the immovable property shall not without the consent of the High Court be attached or sold in execution; and

(*c*) that the immovable property shall not without the consent of the High Court—

(i) vest in the Master of the High Court or trustee concerned, as the case may be, when the estate of the owner of that immovable property is sequestrated; or

(ii) where the owner of that immovable property is a company or other corporate

body which is being wound up, form part of the assets of such company or corporate body.

(3) In order to give effect to subsection (1), the registrar of deeds concerned shall—

(*a*) make the necessary entries in his or her registers and the necessary endorsement on the office copy of the title deed, and thereupon any such restriction shall be effective against all persons except, in the case of a restriction contemplated in subsection (2) (*b*), against any person in whose favour a mortgage bond or other charge was registered against the title deed of immovable property prior to the endorsement of the restriction on the title deed of the immovable property, but shall lapse on the transfer of ownership of the immovable property concerned;

(*b*) when the original of the title deed is produced to him or her, make the necessary endorsement thereon.

(4) Unless the High Court directs otherwise, the custody of immovable property on the title deed of which a restriction contemplated in subsection (2) (*c*) was endorsed shall vest as from the date on which—

(*a*) the estate of the owner of the immovable property is sequestrated; or

(*b*) where the owner of the immovable property is a company or other corporate body, such company or corporate body is being wound up,

in the person in whom the said custody would have vested if such a restriction were not so endorsed.

(5) Where the High Court granted its consent in respect of a restriction contemplated in subsection (2) (*c*) and endorsed on the title deed of immovable property, the immovable property shall be deemed—

(*a*) if the estate of the owner of the immovable property was sequestrated, to have vested in the Master of the High Court or trustee concerned, as the case may be. as if such a restriction were not so endorsed; or

(*b*) if the owner of the immovable property is a company or other juristic person which is being wound up, to have formed part of the assets of such company or juristic person as if such a restriction were not so endorsed.

(6) Any person affected by an order contemplated in subsection (1) may at any time apply for the rescission of the order.

44. Provision for expenses.—(1) A preservation of property order may make provision as the High Court deems fit for—

(*a*) reasonable living expenses of a person holding an interest in property subject to a preservation of property order and his or her family or household; and

(*b*) reasonable legal expenses of such a person in connection with any proceedings instituted against him or her in terms of this Act or any other related criminal proceedings.

(2) A High Court shall not make provision for any expenses under subsection (1) unless it is satisfied that—

(*a*) the person cannot meet the expenses concerned out of his or her property which is not subject to the preservation of property order; and

(*b*) the person has disclosed under oath all his or her interests in the property and has submitted to that Court a sworn and full statement of all his or her assets and liabilities.

45. Maximum legal expenses that can be met from preserved property.—(1) Despite provision in a preservation of property order for the meeting of legal expenses out of any property to which the order applies, a legal expense is not to be met out of that property to the extent that the amount payable for any legal service concerned exceeds any prescribed maximum allowable cost for that service.

(2) This section operates only to limit the amount of the legal expenses that a High Court may provide for under section 44 to be met out of property that is subject to a preservation of property order and does not limit or otherwise affect any entitlement of a legal practitioner to be paid or to recover for a legal service any amount that exceeds any applicable maximum.

46. Taxation of legal expenses.—(1) If a High Court granting a preservation of property order makes provision for a person's reasonable legal expenses—

(*a*) the National Director; or

(*b*) the *curator bonis*,

may apply to the High Court for an order under this section.

(2) The *curator bonis* or the National Director must give notice of an application under this section to the person concerned.

(3) On an application under this section, the High Court must order that the expenses be taxed as provided in the order.

(4) After an application is made for an order under this section, the *curator bonis* need not, unless ordered by the Court to do so, take any steps for the purpose of meeting the expenses as provided by the preservation of property order unless and until—

(*a*) an order under this section in relation to the expenses is complied with; or

(*b*) the application, and any appeal arising out of it, are finally determined, or otherwise disposed of, other than by the making of such an order.

47. Variation and rescission of orders.—(1) A High Court which made a preservation of property order—

(*a*) may on application by a person affected by that order vary or rescind the preservation of property order or an order authorising the seizure of the property concerned or other ancillary order if is satisfied—

(i) that the operation of the order concerned will deprive the applicant of the means to provide for his or her reasonable living expenses and cause undue hardship for the applicant; and

(ii) that the hardship that the applicant will suffer as result of the order outweighs the risk that the property concerned may be destroyed, lost, damaged, concealed or transferred; and

(*b*) shall rescind the preservation of property order when the proceedings against the defendant concerned are concluded.

[Sub-s. (1) substituted by s. 8 (*a*) of Act No. 38 of 1999.]

(1A) When a court orders the rescission of an order authorising the seizure of property under paragraph (*a*) of subsection (1) the court shall make such other order as it considers appropriate for the proper, fair and effective execution of the preservation of property order concerned.

[Sub-s. (1A) inserted by s. 8 (*b*) of Act No. 38 of 1999.]

(2) (*a*) Any person affected by an order for the appointment of a *curator bonis* may at any time apply—

(i) for the variation or rescission of the order;

(ii) for the variation of the terms of the appointment of the *curator bonis* concerned; or

(iii) for the discharge of the *curator bonis*.

(*b*) A High Court which made an order for the appointment of a *curator bonis*—

(i) may, if it deems it necessary in the interests of justice, at any time—

(*aa*) vary or rescind the order:

(*bb*) vary the terms of the appointment of the *curator bonis* concerned; or

(*cc*) discharge that *curator bonis*;

(ii) shall rescind the order and discharge the *curator bonis* concerned if the relevant preservation of property order is rescinded.

(3) (*a*) Any person affected by an order in respect of immovable property may at any time apply for the rescission of the order.

(*b*) A High Court which made an order in respect of immovable property—

(i) may, if it deems it necessary in the interests of justice, at any time rescind the order; or

(ii) shall rescind the order if the relevant preservation of property order is rescinded.

(*c*) If an order in respect of immovable property is rescinded, the High Court shall direct the registrar of deeds concerned to cancel any restriction endorsed by virtue of that order on the title deed of immovable property, and that registrar of deeds shall give effect to any such direction.

(4) The noting of an appeal against a decision to vary or rescind any order referred to in this section shall suspend such a variation or rescission pending the outcome of the appeal.

[Sub-s. (4) added by s. 8 (*c*) of Act No. 38 of 1999.]

PART 3
Forfeiture of Property

48. Application for forfeiture order.—(1) If a preservation of property order is in force the National Director may apply to a High Court for an order forfeiting to the State all or any of the property that is subject to the preservation of property order.

(2) The National Director shall give 14 days notice of an application under subsection (1) to every person who entered an appearance in terms of section 39 (3).

[Sub-s. (2) substituted by s. 26 of Act No. 24 of 1999.]

Wording of Sections

(3) A notice under subsection (2) shall be served in the manner in which a summons whereby civil proceedings in the High Court are commenced, is served.

(4) Any person who entered an appearance in terms of section 39 (3) may appear at the application under subsection (1)—

(*a*) to oppose the making of the order; or

(*b*) to apply for an order—

(i) excluding his or her interest in that property from the operation of the order; or

(ii) varying the operation of the order in respect of that property,

and may adduce evidence at the hearing of the application.

49. Late entry of appearance.—(1) Any person who, for any reason, did not enter an appearance in terms of section 39 (3) may, within 14 days of him or her becoming aware of the existence of a preservation of property order, apply to the High Court for leave to enter such an appearance.

(2) An application in terms of subsection (1) may be made before or after the date on which an application for a forfeiture order is made under section 48 (1), but shall be made before judgment is given in respect of such an application for a forfeiture order.

(3) The High Court may grant an applicant referred to in subsection (1) leave to enter an appearance in terms of section 39 (3) within the period which the Court deems appropriate, if the Court is satisfied on good cause shown that such applicant—

(*a*) has for sufficient reason failed to enter an appearance in terms of section 39 (3); and

(*b*) has an interest in the property which is subject to the preservation of property order.

(4) When a High Court grants an applicant leave to enter an appearance, the Court—

(*a*) shall make any order as to costs against the applicant; and

(*b*) may make any order to regulate the further participation of the applicant in proceedings concerning an application for a forfeiture order,

which it deems appropriate.

(5) An appearance entered after leave has been obtained under this section shall contain full particulars of the chosen address of the person who enters such appearance for the delivery of documents concerning further proceedings under this Chapter and shall be accompanied by an affidavit referred to in section 39 (5).

50. Making of forfeiture order.—(1) The High Court shall, subject to section 52, make an order applied for under section 48 (1) if the Court finds on a balance of probabilities that the property concerned—

(*a*) is an instrumentality of an offence referred to in Schedule 1; or

(*b*) is the proceeds of unlawful activities.

(2) The High Court may, when it makes a forfeiture order or at any time thereafter, make any ancillary orders that it considers appropriate, including orders for and with respect to facilitating the transfer to the State of property forfeited to the State under such an order.

(3) The absence of a person whose interest in property may be affected by a forfeiture order does not prevent the High Court from making the order.

(4) The validity of an order under subsection (1) is not affected by the outcome of criminal proceedings, or of an investigation with a view to institute such proceedings, in respect of an offence with which the property concerned is in some way associated.

(5) The Registrar of the Court making a forfeiture order must publish a notice thereof in the *Gazette* as soon as practicable after the order is made.

(6) A forfeiture order shall not take effect—

(*a*) before the period allowed for an application under section 54 or an appeal under section 55 has expired; or

(*b*) before such an application or appeal has been disposed of.

51. Notice of reasonable grounds that property is concerned in commission of offence.—(1) The National Director may apply to a judge in chambers or a magistrate for an order notifying a person having an interest in or control over property that there are reasonable grounds to believe that such property is an instrumentality of an offence referred to in Schedule 1.

(2) The judge or magistrate shall make an order referred to in subsection (1) if the judge or magistrate is satisfied that there are reasonable grounds to believe that the property concerned is an instrumentality of an offence referred to in Schedule 1.

(3) When a judge or magistrate makes an order under subsection (1), the registrar of the High Court concerned or clerk of the Magistrate's Court for the district concerned shall issue a notice in the prescribed form to the person referred to in the order, informing him or her that there are reasonable grounds to believe that property in which he or she has an interest or over which he or she has control, is an instrumentality of an offence referred to in Schedule 1.

(4) A notice issued under subsection (3) shall be served on the person concerned in the manner in which a summons whereby civil proceedings in the High Court are commenced is served.

52. Exclusion of interests in property.—(1) The High Court may, on application—

(*a*) under section 48 (3); or

(*b*) by a person referred to in section 49 (1),

[Para. (*b*) substituted by s. 29 (*a*) of Act No. 24 of 1999.]

Wording of Sections

and when it makes a forfeiture order, make an order excluding certain interests in property which is subject to the order, from the operation thereof.

(2) The High Court may make an order under subsection (1), in relation to the forfeiture of the proceeds of unlawful activities, if it finds on a balance of probabilities that the applicant for the order—

(*a*) had acquired the interest concerned legally and for a consideration, the value of which is not significantly less than the value of that interest; and

(*b*) where the applicant had acquired the interest concerned after the commencement of this Act, that he or she neither knew nor had reasonable grounds to suspect that the property in which the interest is held is the proceeds of unlawful activities.

[Sub-s. (2) substituted by s. 9 of Act No. 38 of 1999.]

Wording of Sections

(2A) The High Court may make an order under subsection (1), in relation to the forfeiture of an instrumentality of an offence referred to in Schedule 1, if it finds on a balance of probabilities that the applicant for the order had acquired the interest concerned legally, and—

(*a*) neither knew nor had reasonable grounds to suspect that the property in which the interest is held is an instrumentality of an offence referred to in Schedule 1; or

(*b*) where the offence concerned had occurred before the commencement of this Act, the applicant has since the commencement of this Act taken all reasonable steps to prevent the use of the property concerned as an instrumentality of an offence referred to in Schedule 1.

[Sub-s. (2A) inserted by s. 9 of Act No. 38 of 1999.]

(3) (*a*) If an applicant for an order under subsection (1) adduces evidence to show that he or she did not know or did not have reasonable grounds to suspect that the property in which the interest is held, is an instrumentality of an offence referred to in Schedule 1, the State may submit a return of the service on the applicant of a notice issued under section 51 (3) in rebuttal of that evidence in respect of the period since the date of such service.

(*b*) If the State submits a return of the service on the applicant of a notice issued under section 51 (3) as contemplated in paragraph (*a*), the applicant for an order under subsection (1) must, in addition to the facts referred to in subsection (2) (*a*) and (2) (*b*) (i), also prove on a balance of probabilities that, since such service, he or she has taken all reasonable steps to prevent the further use of the property concerned as an instrumentality of an offence referred to in Schedule 1.

(4) A High Court making an order for the exclusion of an interest in property under subsection (1) may, in the interest of the administration of justice or in the public interest, make that order upon the conditions that the Court deems appropriate including a condition requiring the person who applied for the exclusion to take all reasonable steps, within a period that the Court may determine, to prevent the future use of the property as an instrumentality of an offence referred to in Schedule 1.

53. Forfeiture order by default.—(1) If the National Director applies for a forfeiture order by default and the High Court is satisfied that no person has appeared on the date upon which an application under section 48 (1) is to be heard and, on the grounds of sufficient proof or otherwise, that all persons who entered appearances in terms of section 39 (3) have knowledge of notices given under section 48 (2), the Court may—

(*a*) make any order by default which the Court could have made under sections 50 (1) and (2);

(*b*) make such order as the Court may consider appropriate in the circumstances; or

(*c*) make no order.

(2) The High Court may, before making an order in terms of subsection (1), call upon the National Director to adduce such further evidence, either in writing or orally, in support of his or her application as the Court may consider necessary.

(3) Any person whose interest in the property concerned is affected by the forfeiture order or other order made by the Court under subsection (1) may, within 20 days after he or she has acquired knowledge of such order or direction, set the matter down for variation or rescission by the court.

(4) The court may, upon good cause shown, vary or rescind the default order or give some other direction on such terms as it deems appropriate.

54. Exclusion of interests in forfeited property.—(1) Any person affected by a forfeiture order who was entitled to receive notice of the application for the order under section 48 (2), but did not receive such notice, may, within 45 days after the notice of the making thereof is published in the *Gazette*, apply for an order excluding his or her interest in the property concerned from the operation of the order, or varying the operation of the order in respect of such property.

(2) The application shall be accompanied by an affidavit setting forth—

(*a*) the nature and extent of the applicant's right, title or interest in the property concerned;

(*b*) the time and circumstances of the applicant's acquisition of the right, title, or interest in the property;

(*c*) any additional facts supporting the application; and

(*d*) the relief sought.

(3) The hearing of the application shall, to the extent practicable and consistent with the interests of justice be held within 30 days of the filing of the application.

(4) The High Court may consolidate the hearing of the application with a hearing of any other application filed by a person under this section.

(5) At the hearing, the applicant may testify and present evidence and witnesses on his or her own behalf, and may cross-examine any witness who appears at the hearing.

(6) The National Director or the *curator bonis* concerned, or a person authorised in writing thereto by them, may present evidence and witnesses in rebuttal and in defence of their claim to the property and may cross-examine a witness who appears at the hearing.

(7) In addition to the testimony and evidence presented at the hearing, the High Court may, upon application by the National Director or the *curator bonis* concerned, or a person authorised in writing thereto by them, order that the testimony of any witness relating to the property forfeited, be taken by commission and that any book, paper, document, record, recording, or other material not privileged be produced at the taking down of such testimony by commission.

(8) The High Court may make an order under subsection (1), in relation to the forfeiture of the proceeds of unlawful activities, if it finds on a balance of probabilities that the applicant for the order—

(*a*) had acquired the interest concerned legally and for a consideration, the value of which is not significantly less than the value of that interest; and

(*b*) where the applicant had acquired the interest concerned after the commencement of this Act, that he or she neither knew nor had reasonable grounds to suspect that the property in which the interest is held is the proceeds of unlawful activities.

[Sub-s. (8) substituted by s. 10 of Act No. 38 of 1999.]

Wording of Sections

(8A) The High Court may make an order under subsection (1), in relation to the forfeiture of an instrumentality of an offence referred to in Schedule 1, if it finds on a balance of probabilities that the applicant for the order had acquired the interest concerned legally, and—

(*a*) neither knew nor had reasonable grounds to suspect that the property in which the interest is held is an instrumentality of an offence referred to in Schedule l; or

(*b*) where the offence concerned had occurred before the commencement of this Act, the applicant has since the commencement of this Act taken all reasonable steps to prevent the use of the property concerned as an instrumentality of an offence referred to in Schedule 1.

[Sub-s. (8A) inserted by s. 10 of Act No. 38 of 1999.]

(9) (*a*) When a person who testifies under this section—

(i) fails to answer fully and to the best of his or her ability any question lawfully put to him or her; or

(ii) gives false evidence knowing that evidence to be false or not believing it to be true,

he or she shall be guilty of an offence.

(*b*) When a person who furnishes an affidavit under subsection (2) makes a false statement in the affidavit knowing that statement to be false or not believing it to be true, he or she shall be guilty of an offence.

(*c*) A person convicted of an offence under this subsection shall be liable to the penalty prescribed by law for perjury.

55. Appeal against forfeiture order.—Any preservation of property order and any order authorising the seizure of the property concerned or other ancillary order which is in force at the time of any decision regarding the making of a forfeiture order under section 50 (1) shall remain in force pending the outcome of any appeal against the decision concerned.

[S. 55 substituted by s. 11 of Act No. 38 of 1999.]

Wording of Sections

56. Effect of forfeiture order.—(1) Where a High Court has made a forfeiture order and a *curator bonis* has not been appointed in respect of any of the property concerned, the High Court may appoint a *curator bonis* to perform any of the functions referred to in section 57 in respect of such property.

[Sub-s. (1) substituted by s. 32 of Act No. 24 of 1999.]

Wording of Sections

(2) On the date when a forfeiture order takes effect the property subject to the order is forfeited to the State and vests in the *curator bonis* on behalf of the State.

(3) Upon a forfeiture order taking effect the *curator bonis* may take possession of that property on behalf of the State from any person in possession, or entitled to possession, of the property.

57. Fulfilment of forfeiture order.—(1) The *curator bonis* must, subject to any order for the exclusion of interests in forfeited property under section 52 (2) (*a*) or 54 (8) and in accordance

with the directions of the Committee—

(*a*) deposit any moneys forfeited under section 56 (2) into the Account;

(*b*) deliver property forfeited under section 56 (2) to the Account; or

(*c*) dispose of property forfeited under section 56 (2) by sale or any other means and deposit the proceeds of the sale or disposition into the Account.

[Sub-s. (1) substituted by s. 33 (*a*) of Act No. 24 of 1999.]

Wording of Sections

(2) Any right or interest in forfeited property not exercisable by or transferable to the State, shall expire and shall not revert to the person who has possession, or was entitled to possession, of the property immediately before the forfeiture order took effect.

(3) No person who has possession, or was entitled to possession, of forfeited property immediately before the forfeiture order took effect, or any person acting in concert with, or on behalf of that person, shall be eligible to purchase forfeited property at any sale held by the *curator bonis*.

(4) . . . . . .

[Sub-s. (4) deleted by s. 33 (*b*) of Act No. 24 of 1999.]

Wording of Sections

(5) The expenses incurred in connection with the forfeiture and the sale, including expenses of seizure, maintenance and custody of the property pending its disposition, advertising and court costs shall be defrayed out of moneys appropriated by Parliament for that purpose.

PART 4
General Provisions Relating to Preservation and Forfeiture of Property

58. Offence may form the basis of multiple orders.—The fact that a preservation of property order or a forfeiture order has been made on the basis of an offence referred to in Schedule 1 in which a specific person has been involved does not prevent the making of another or other preservation of property orders or forfeiture orders on the basis of the same offence.

59. Application of Chapter to deceased estates.—(1) Any notice authorised or required to be given to a person under this Chapter is, in the case of a deceased person, sufficiently given to the executor of that person's estate.

(2) A reference in this Chapter to property of a person is, in the case of a person who is deceased, a reference to property that the person held immediately before his or her death.

(3) An order may be applied for and made under this Chapter—

(*a*) in respect of property which forms part of a deceased estate; and

(*b*) on evidence adduced concerning the activities of a person who is deceased.

60. Effect of death of joint owner of preserved property.—(1) If a person has an interest in property as joint owner of the property, the person's death after a preservation of property order is made in respect of the interest does not, while the order is in force, operate to vest the interest in the surviving joint owner or owners and the preservation of property order continues to apply to the interest as if the person had not died.

(2) A forfeiture order made in respect of that interest applies as if the order took effect in

relation to the interest immediately before the person died.

(3) Subsection (1) does not apply to an interest in property if a preservation of property order ceases to apply to that interest without a forfeiture order being made in respect of that interest.

61. Expedition of applications.—(*a*) In any application instituted under this Chapter by the State, the National Director may file with the Registrar of the High Court concerned a certificate stating that in his or her opinion the case is of general public importance.

(*b*) A copy of that certificate shall be furnished immediately by such Registrar to the Judge President of the High Court concerned or in his or her absence to the Acting Judge President or the Deputy Judge President of that Court.

(*c*) Upon receipt of such copy, such Judge President, Acting Judge President or Deputy Judge President, as the case may be, shall designate immediately a judge of that High Court to hear and determine the application.

62. Procedure and rules of court.—(1) The Rules Board for Courts of Law referred to in section 1 of the Rules Board for Courts of Law Act, 1985 (Act No. 107 of 1985), shall, in consultation with the Minister and after consultation with the National Director, with due regard to the purpose of this Act make rules for—

(*a*) the High Court regulating the proceedings contemplated in Chapters 5 and 6:

(*b*) the magistrate's court regulating the proceedings referred to in section 51.

[Para. (*b*) substituted by s. 34 of Act No. 24 of 1999.]

Wording of Sections

(2) In the absence of such rules the provisions of the Supreme Court Act, 1959 (Act No. 59 of 1959), and the rules made under section 43 of that Act and the provisions of the Magistrate's Court Act, 1944 (Act No. 32 of 1944), and the rules made under section 6 of the Rules Board for Courts of Law Act, 1985 (Act No. 107 of 1985), as the case may be, shall, with the necessary changes, apply in relation to proceedings in terms of such hearing except in so far as those rules are inconsistent with procedures prescribed in this Chapter.

CHAPTER 7
CRIMINAL ASSETS RECOVERY ACCOUNT

63. Establishment of Criminal Assets Recovery Account.—There is hereby established in the National Revenue Fund a separate account to be known as the Criminal Assets Recovery Account.

64. Finances of Account.—The Account shall consist of—

(*a*) all moneys derived from the fulfilment of confiscation and forfeiture orders contemplated in Chapters 5 and 6;

[Para. (*a*) substituted by s. 35 (*a*) of Act No. 24 of 1999.]

Wording of Sections

(*a*A) all property derived from the fulfilment of forfeiture orders as contemplated in section 57;

[Para. (*a*A) inserted by s. 35 (*b*) of Act No. 24 of 1999.]

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THE PRESIDENCY

No. 559 28 April 2004

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

No. 12 of 2004: Prevention and Combating of Corrupt Activities Act, 2003.



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

(English text signed by the President.)
(Assented to 27 April 2004.)

ACT

To provide for the strengthening of measures to prevent and combat corruption and corrupt activities; to provide for the offence of corruption and offences relating to corrupt activities; to provide for investigative measures in respect of corruption and related corrupt activities; to provide for the establishment and endorsement of a Register in order to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts; to place a duty on certain persons holding a position of authority to report certain corrupt transactions; to provide for extraterritorial jurisdiction in respect of the offence of corruption and offences relating to corrupt activities; and to provide for matters connected therewith.

PREAMBLE

WHEREAS the Constitution enshrines the rights of all people in the Republic and affirms the democratic values of human dignity, equality and freedom;

AND WHEREAS the Constitution places a duty on the State to respect, protect, promote and fulfil all the rights as enshrined in the Bill of Rights;

AND WHEREAS corruption and related corrupt activities undermine the said rights, endanger the stability and security of societies, undermine the institutions and values of democracy and ethical values and morality, jeopardise sustainable development, the rule of law and the credibility of governments, and provide a breeding ground for organised crime;

AND WHEREAS the illicit acquisition of personal wealth can be particularly damaging to democratic institutions, national economies, ethical values and the rule of law;

AND WHEREAS there are links between corrupt activities and other forms of crime, in particular organised crime and economic crime, including money-laundering;

AND WHEREAS corruption is a transnational phenomenon that crosses national borders and affects all societies and economies, and is equally destructive and reprehensible within both the public and private spheres of life, so that regional and international cooperation is essential to prevent and control corruption and related corrupt activities;

AND WHEREAS a comprehensive, integrated and multidisciplinary approach is required to prevent and combat corruption and related corrupt activities efficiently and effectively;

AND WHEREAS the availability of technical assistance can play an important role in enhancing the ability of States, including by strengthening capacity and by institution-building, to prevent and combat corruption and related corrupt activities efficiently and effectively;

AND WHEREAS the prevention and combating of corruption and related corrupt activities is a responsibility of all States requiring mutual cooperation, with the support and involvement of individuals and groups outside the public sector, such as organs of civil society and non-governmental and community-based organizations, if their efforts in this area are to be efficient and effective;

AND WHEREAS the United Nations has adopted various resolutions condemning all corrupt practices, and urged member states to take effective and concrete action to combat all forms of corruption and related corrupt practices;

AND WHEREAS the *Southern African Development Community Protocol against Corruption*, adopted on 14 August 2001 in Malawi, reaffirmed the need to eliminate the scourges of corruption through the adoption of effective preventive and deterrent measures and by strictly enforcing legislation against all types of corruption:

AND WHEREAS the Republic of South Africa desires to be in compliance with and to become Party to the *United Nations Convention against Corruption* adopted by the General Assembly of the United Nations on 31 October 2003;

AND WHEREAS it is desirable to unbundle the crime of corruption in terms of which, in addition to the creation of a general, broad and all-encompassing offence of corruption, various specific corrupt activities are criminalized,

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

ARRANGEMENT OF SECTIONS

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DEFINITIONS AND INTERPRETATION

1. Definitions
2. Interpretation

CHAPTER 2

OFFENCES IN RESPECT OF CORRUPT ACTIVITIES

Part 1: General offence of corruption

3. General offence of corruption

Part 2: Offences in respect of corrupt activities relating to specific persons

4. Offences in respect of corrupt activities relating to public officers
5. Offences in respect of corrupt activities relating to foreign public officials
6. Offences in respect of corrupt activities relating to agents
7. Offences in respect of corrupt activities relating to members of legislative authority
8. Offences in respect of corrupt activities relating to judicial officers
9. Offences in respect of corrupt activities relating to members of prosecuting authority

Part 3: Offences in respect of corrupt activities relating to receiving or offering of unauthorised gratification

10. Offences of receiving or offering of unauthorised gratification by or to party to an employment relationship

Part 4: Offences in respect of corrupt activities relating to specific matters

11. Offences in respect of corrupt activities relating to witnesses and evidential material during certain proceedings
12. Offences in respect of corrupt activities relating to contracts
13. Offences in respect of corrupt activities relating to procuring and withdrawal of tenders
14. Offences in respect of corrupt activities relating to auctions
15. Offences in respect of corrupt activities relating to sporting events
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17. Offence relating to acquisition of private interest in contract, agreement or investment of public body
18. Offences of unacceptable conduct relating to witnesses
19. Intentional interference with, hindering or obstructing of investigation of offence

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20. Accessory to or after an offence
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INVESTIGATIONS REGARDING POSSESSION OF PROPERTY RELATING TO CORRUPT ACTIVITIES

22. Investigations regarding property relating to corrupt activities
23. Application for, and issuing of investigation direction in respect of possession of property disproportionate to a person's present or past known sources of income or assets

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PRESUMPTIONS AND DEFENCES

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PENALTIES AND RELATED MATTERS

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SCHEDULE

CHAPTER 1

DEFINITIONS AND INTERPRETATION

Definitions

1. In this Act, unless the context indicates otherwise—

(i) **"agent"** means any authorised representative who acts on behalf of his or her principal and includes a director, officer, employee or other person authorised to act on behalf of his or her principal, and **"agency"** has a corresponding meaning;

(ii) **"animal"** means any living vertebrate member of the animal kingdom, domestic or wild, but does not include a human being;

(iii) **"business"** means any business, trade, occupation, profession, calling, industry or undertaking of any kind, or any other activity carried on for gain or profit by any person within the Republic or elsewhere, and includes all property derived from or used in or for the purpose of carrying on such other activity, and all the rights and liabilities arising from such other activity;

(iv) **"dealing"** includes—

(a) any promise, purchase, sale, barter, loan, charge, mortgage, lien, pledge, caveat, transfer, delivery, assignment, subrogation, transmission, gift, donation, trust, settlement, deposit, withdrawal, transfer between accounts or extension of credit;

(b) any agency or grant of power of attorney; or

(c) any act which results in any right, interest, title or privilege, whether present or future or whether vested or contingent, in the whole or in part of any property being conferred on any person;

(v) **"foreign public official"** means—

(a) any person holding a legislative, administrative or judicial office of a foreign state;

(b) any person performing public functions for a foreign state, including any person employed by a board, commission, corporation or other body or authority that performs a function on behalf of the foreign state; or

(c) an official or agent of a public international organisation;

(vi) **"foreign state"** means any country other than South Africa, and includes—

(a) any foreign territory;

(b) all levels and subdivisions of government of any such country or territory; or

(c) any agency of any such country or territory or of a political subdivision of any such country or territory;

(vii) **"gambling game"** means any gambling game as defined in section 1 of the National Gambling Act, 1996 (Act No. 33 of 1996);

(viii) **"game of chance"**, includes a lottery, lotto, numbers game, scratch game, sweepstake, or sports pool;

(ix) **"gratification"**, includes—

(a) money, whether in cash or otherwise;

(b) any donation, gift, loan, fee, reward, valuable security, property or interest in property of any description, whether movable or immovable, or any other similar advantage;

(c) the avoidance of a loss, liability, penalty, forfeiture, punishment or other disadvantage;

(d) any office, status, honour, employment, contract of employment or services, any agreement to give employment or render services in any capacity and residential or holiday accommodation;

(e) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;

(f) any forbearance to demand any money or money's worth or valuable thing;

(g) any other service or favour or advantage of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and includes the exercise or the forbearance from the exercise of any right or any official power or duty;

(h) any right or privilege;

(i) any real or pretended aid, vote, consent, influence or abstention from voting; or

(j) any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction or percentage;

(x) **"induce"** includes to persuade, encourage, coerce, intimidate or threaten or cause a person, and **"inducement"** has a corresponding meaning;

(xi) **"judicial officer"** means—

(a) any constitutional court judge or any other judge as defined in section 1 of the Judges' Remuneration and Conditions of Employment Act, 2001 (Act No. 47 of 2001);

(b) a judge of the Labour Court appointed under section 153(1)*(a)* or *(b)*, (4) or (5) of the Labour Relations Act, 1995 (Act No. 66 of 1995);

(c) the President or judge of the Land Claims Court appointed under section 22(3), (4) or (8) of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);

(d) any judge of the Competition Appeal Court appointed under section 36(2) of the Competition Act, 1998 (Act No. 89 of 1998);

(e) a judge or additional member appointed under section 7 of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996), to a Special Tribunal established in terms of section 2 of that Act;

(f) the presiding officer or member of the court of marine enquiry, the maritime court and the court of survey referred to in sections 267(1), 271(1) and 276(1) of the Merchant Shipping Act, 1951 (Act No. 57 of 1951), respectively;

(g) any presiding officer appointed under section 10(3)*(b)* of the Administration Amendment Act, 1929 (Act No. 9 of 1929), to a divorce court established in terms of section 10(1) of that Act;

(h) any regional magistrate or magistrate defined in section 1 of the Magistrates Act, 1993 (Act No. 90 of 1993);

(i) any commissioner appointed under section 9 of the Small Claims Courts Act, 1984 (Act No. 61 of 1984);

(j) any arbitrator, mediator or umpire, who in terms of any law presides at arbitration or mediation proceedings for the settlement by arbitration or mediation of a dispute which has been referred to arbitration or mediation;

(k) any adjudicator appointed under section 6 of the Short Process Courts and Mediation in Certain Civil Cases Act, 1991 (Act No. 103 of 1991);

(l) where applicable, any assessor who assists a judicial officer;

(m) any other presiding officer appointed to any court or tribunal established under any statute and who has the authority to decide causes or issues between parties and render decisions in a judicial capacity;

(n) any other person who presides at any trial, hearing, commission, committee or any other proceedings and who has the authority to decide causes or issues between parties and render decisions in a judicial capacity; or

(o) any person contemplated in paragraphs *(a)* to *(n)* who has been appointed in an acting or temporary capacity;

(xii) **"legislative authority"**, means the legislative authority referred to in section 43 of the Constitution;

(xiii) **"listed company"** means a company, the equity share capital of which is listed on a stock exchange as defined in section 1 of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985);

(xiv) **"National Commissioner"** means the National Commissioner of the South African Police Service appointed in terms of section 207(1) of the Constitution;

(xv) **"National Director"** means the National Director of Public Prosecutions appointed in terms of section 179(1) of the Constitution;

(xvi) **"official"** means any director, functionary, officer or agent serving in any capacity whatsoever in a public body, private organisation, corporate body, political party, institution or other employment, whether under a contract of service or otherwise, and whether in an executive capacity or not;

(xvii) **"person who is party to an employment relationship"**, includes any person who in any manner assists in carrying on or conducting the business of an employer;

(xviii) **"police official"** means a **"member"** of the South African Police Service as defined in section 1 of the South African Police Service Act, 1995 (Act No. 68 of 1995);

(xix) **"principal"**, includes—

(a) any employer;

(b) any beneficiary under a trust and any trust estate;

(c) the estate of a deceased person and any person with a beneficial interest in the estate of a deceased person;

(d) in the case of any person serving in or under a public body, the public body; or

(e) in the case of a legal representative referred to in the definition of **"agent"**, the person represented by such legal representative;

(xx) **"private sector"** means all persons or entities, including any—

(a) natural person or group of two or more natural persons who carries on a business;

(b) syndicate, agency, trust, partnership, fund, association, organisation or institution;

(c) company incorporated or registered as such;

(d) body of persons corporate or unincorporate; or

(e) other legal person,

but does not include—

(a) public officers;

(b) public bodies;

(c) any legislative authority or any member thereof;

(d) the judicial authority or any judicial officer; or

(e) the prosecuting authority or any member thereof;

(xxi) **"property"** means money or any other movable, immovable, corporeal or incorporeal thing, whether situated in the Republic or elsewhere and includes any rights, privileges, claims, securities and any interest therein and all proceeds thereof;

(xxii) **"public body"** means—

(a) any department of state or administration in the national or provincial sphere of government or any municipality in the local sphere of government; or

(b) any other functionary or institution when—

(i) exercising a power or performing a duty or function in terms of the Constitution or a provincial constitution; or

(ii) exercising a public power or performing a public duty or function in terms of any legislation;

(xxiii) **"public international organisation"** means—

(a) an organisation—

(i) of which two or more countries are members; or

(ii) that is constituted by persons representing two or more countries;

(b) an organisation established by, or a group of organisations constituted by—

(i) organisations of which two or more countries are members; or

(ii) organisations that are constituted by the representatives of two or more countries; or

(c) an organisation that is—

(i) an organ of, or office within, an organisation described in paragraph *(a)* or *(b)*;

(ii) a commission, council or other body established by an organisation or organ referred to in subparagraph (i); or

(iii) a committee or a subcommittee of a committee of an organisation referred to in paragraph *(a)* or *(b)* or of an organ, council or body referred to in subparagraph (i) or (ii);

(xxiv) **"public officer"** means any person who is a member, an officer, an employee or a servant of a public body, and includes—

(a) any person in the public service contemplated in section 8(1) of the Public Service Act, 1994 (Proclamation No. 103 of 1994);

(b) any person receiving any remuneration from public funds; or

(c) where the public body is a corporation, the person who is incorporated as such,

but does not include any—

(a) member of the legislative authority;

(b) judicial officer; or

(c) member of the prosecuting authority;

(xxv) **"sporting event"** means any event or contest in any sport, between individuals or teams, or in which an animal competes, and which is usually attended by the public and is governed by rules which include the constitution, rules or code of conduct of any sporting body which stages any sporting event or of any regulatory body under whose constitution, rules or code of conduct the sporting event is conducted; and

(xxvi) **"valuable security"** means any document—

(a) creating, transferring, surrendering or releasing any right to, in or over property;

(b) authorising the payment of money or delivery of any property; or

(c) evidencing the creation, transfer, surrender or release of any such right, the payment of money or delivery of any property or the satisfaction of any obligation.

Interpretation

2. (1) For purposes of this Act a person is regarded as having knowledge of a fact if—

(a) that person has actual knowledge of the fact; or

(b) the court is satisfied that—

(i) the person believes that there is a reasonable possibility of the existence of that fact; and

(ii) the person has failed to obtain information to confirm the existence of that fact,

and **"knowing"** shall be construed accordingly.

(2) For the purposes of this Act a person ought reasonably to have known or suspected a fact if the conclusions that he or she ought to have reached are those which would have been reached by a reasonably diligent and vigilant person having both—

(a) the general knowledge, skill, training and experience that may reasonably be expected of a person in his or her position; and

(b) the general knowledge, skill, training and experience that he or she in fact has.

(3) *(a)* A reference in this Act to accept or agree or offer to accept any gratification, includes to—

(i) demand, ask for, seek, request, solicit, receive or obtain;

(ii) agree to demand, ask for, seek, request, solicit, receive or obtain; or

(iii) offer to demand, ask for, seek, request, solicit, receive or obtain,

any gratification.

(b) A reference in this Act to give or agree or offer to give any gratification, includes to—

(i) promise, lend, grant, confer or procure;

(ii) agree to lend, grant, confer or procure; or

(iii) offer to lend, grant, confer or procure,

such gratification.

(4) A reference in this Act to any act, includes an omission and "**acting**" shall be construed accordingly.

(5) A reference in this Act to any person includes a person in the private sector.

CHAPTER 2
OFFENCES IN RESPECT OF CORRUPT ACTIVITIES

Part 1: General offence of corruption

General offence of corruption

3. Any person who, directly or indirectly—

(a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or

(b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person,

in order to act, personally or by influencing another person so to act, in a manner—

(i) that amounts to the—

(aa) illegal, dishonest, unauthorised, incomplete, or biased; or

(bb) misuse or selling of information or material acquired in the course of the,

exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;

(ii) that amounts to—

(aa) the abuse of a position of authority;

(bb) a breach of trust; or

(cc) the violation of a legal duty or a set of rules;

(iii) designed to achieve an unjustified result; or

(iv) that amounts to any other unauthorised or improper inducement to do or not to do anything,

is guilty of the offence of corruption.

Part 2: Offences in respect of corrupt activities relating to specific persons

Offences in respect of corrupt activities relating to public officers

4. (1) Any—

(a) public officer who, directly or indirectly, accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or

(b) person who, directly or indirectly, gives or agrees or offers to give any gratification to a public officer, whether for the benefit of that public officer or for the benefit of another person,

in order to act, personally or by influencing another person so to act, in a manner—

(i) that amounts to the—

(aa) illegal, dishonest, unauthorised, incomplete, or biased; or

(bb) misuse or selling of information or material acquired in the course of the, exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;

(ii) that amounts to—

(aa) the abuse of a position of authority;

(bb) a breach of trust; or

(cc) the violation of a legal duty or a set of rules;

(iii) designed to achieve an unjustified result; or

(iv) that amounts to any other unauthorised or improper inducement to do or not to do anything,

is guilty of the offence of corrupt activities relating to public officers.

(2) Without derogating from the generality of section 2(4), **"to act"** in subsection (1), includes—

(a) voting at any meeting of a public body;

(b) performing or not adequately performing any official functions;

(c) expediting, delaying, hindering or preventing the performance of an official act;

(d) aiding, assisting or favouring any particular person in the transaction of any business with a public body;

(e) aiding or assisting in procuring or preventing the passing of any vote or the granting of any contract or advantage in favour of any person in relation to the transaction of any business with a public body;

(f) showing any favour or disfavour to any person in performing a function as a public officer;

(g) diverting, for purposes unrelated to those for which they were intended, any property belonging to the state which such officer received by virtue of his or her position for purposes of administration, custody or for any other reason, to another person; or

(h) exerting any improper influence over the decision making of any person performing functions in a public body.

Offences in respect of corrupt activities relating to foreign public officials

5. (1) Any person who, directly or indirectly gives or agrees or offers to give any gratification to a foreign public official, whether for the benefit of that foreign public official or for the benefit of another person, in order to act, personally or by influencing another person so to act, in a manner—

(a) that amounts to the—

(i) illegal, dishonest, unauthorised, incomplete, or biased; or

(ii) misuse or selling of information or material acquired in the course of the, exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;

(b) that amounts to—

(i) the abuse of a position of authority;

(ii) a breach of trust; or

(iii) the violation of a legal duty or a set of rules;

(c) designed to achieve an unjustified result; or

(d) that amounts to any other unauthorised or improper inducement to do or not to do anything,

is guilty of the offence of corrupt activities relating to foreign public officials.

(2) Without derogating from the generality of section 2(4), **"to act"** in subsection (1) includes—

(a) the using of such foreign public official's or such others person's position to influence any acts or decisions of the foreign state or public international organisation concerned; or

(b) obtaining or retaining a contract, business or an advantage in the conduct of business of that foreign state or public international organisation.

Offences in respect of corrupt activities relating to agents

6. Any—

(a) agent who, directly or indirectly—

(i) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or

(ii) gives or agrees or offers to give to any person any gratification, whether for the benefit of that person or for the benefit of another person; or

(b) person who, directly or indirectly—

(i) accepts or agrees or offers to accept any gratification from an agent, whether for the benefit of himself or herself or for the benefit of another person; or

(ii) gives or agrees or offers to give any gratification to an agent, whether for the benefit of that agent or for the benefit of another person,

in order to act, personally or by influencing another person so to act, in a manner—

(aa) that amounts to the—

(aaa) illegal, dishonest, unauthorised, incomplete, or biased; or

(bbb) misuse or selling of information or material acquired in the course of the,

exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;

(bb) that amounts to—

(aaa) the abuse of a position of authority;

(bbb) a breach of trust; or

(ccc) the violation of a legal duty or a set of rules;

(cc) designed to achieve an unjustified result; or

(dd) that amounts to any other unauthorised or improper inducement to do or not to do anything,

is guilty of the offence of corrupt activities relating to agents.

Offences in respect of corrupt activities relating to members of legislative authority

7. (1) Any—

(a) member of the legislative authority who, directly or indirectly, accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or

(b) person who, directly or indirectly, gives or agrees or offers to give any gratification to a member of the legislative authority, whether for the benefit of that member or for the benefit of another person,

in order to act, personally or by influencing another person so to act, in a manner—

(i) that amounts to the—

(aa) illegal, dishonest, unauthorised, incomplete, or biased; or

(bb) misuse or selling of information or material acquired in the course of the,

exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;

(ii) that amounts to—

(aa) the abuse of a position of authority;
(bb) a breach of trust; or
(cc) the violation of a legal duty or a set of rules;
(iii) designed to achieve an unjustified result; or
(iv) that amounts to any other unauthorised or improper inducement to do or not to do anything,

is guilty of the offence of corrupt activities relating to members of the legislative authority.

(2) Without derogating from the generality of section 2(4), **"to act"** in subsection (1) includes—

(a) absenting himself or herself from;
(b) voting at any meeting of;
(c) aiding or assisting in procuring or preventing the passing of any vote in;
(d) exerting any improper influence over the decision making of any person performing his or her functions as a member of; or
(e) influencing in any way, the election, designation or appointment of any functionary to be elected, designated or appointed by,

the legislative authority of which he or she is a member or of any committee or joint committee of that legislative authority.

Offences in respect of corrupt activities relating to judicial officers

8. (1) Any—

(a) judicial officer who, directly or indirectly, accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or
(b) person who, directly or indirectly, gives or agrees or offers to give any gratification to a judicial officer, whether for the benefit of that judicial officer or for the benefit of another person,

in order to act, personally or by influencing another person so to act, in a manner—

(i) that amounts to the—
(aa) illegal, dishonest, unauthorised, incomplete, or biased; or
(bb) misuse or selling of information or material acquired in the course of the, exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;
(ii) that amounts to—
(aa) the abuse of a position of authority;
(bb) a breach of trust; or
(cc) the violation of a legal duty or a set of rules;
(iii) designed to achieve an unjustified result; or
(iv) that amounts to any other unauthorised or improper inducement to do or not to do anything,

is guilty of the offence of corrupt activities relating to judicial officers.

(2) Without derogating from the generality of section 2(4), **"to act"** in subsection (1) includes—

(a) performing or not adequately performing a judicial function;
(b) making decisions affecting life, freedoms, rights, duties, obligations and property of persons;
(c) delaying, hindering or preventing the performance of a judicial function;
(d) aiding, assisting or favouring any particular person in conducting judicial proceedings or judicial functions;
(e) showing any favour or disfavour to any person in the performance of a judicial function; or
(f) exerting any improper influence over the decision making of any person, including another judicial officer or a member of the prosecuting authority, performing his or her official functions.

Offences in respect of corrupt activities relating to members of prosecuting authority

9. (1) Any—

(a) member of the prosecuting authority who, directly or indirectly, accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person;

(b) person who, directly or indirectly, gives or agrees or offers to give any gratification to a member of the prosecuting authority, whether for the benefit of that member or for the benefit of another person,

in order to act, personally or by influencing another person so to act, in a manner—

(i) that amounts to the—

(aa) illegal, dishonest, unauthorised, incomplete, or biased; or

(bb) misuse or selling of information or material acquired in the course of the, exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;

(ii) that amounts to—

(aa) the abuse of a position of authority;

(bb) a breach of trust; or

(cc) the violation of a legal duty or a set of rules;

(iii) designed to achieve an unjustified result; or

(iv) that amounts to any other unauthorised or improper inducement to do or not to do anything,

is guilty of the offence of corrupt activities relating to members of the prosecuting authority.

(2) Without derogating from the generality of section 2(4), **"to act"** in subsection (1) includes—

(a) performing or not adequately performing a function relating to the—

(i) institution or conducting of criminal proceedings;

(ii) carrying out of any necessary functions incidental to the institution or conducting of such criminal proceedings; or

(iii) continuation or discontinuation of criminal proceedings;

(b) delaying, hindering or preventing the performance of a prosecutorial function;

(c) aiding or assisting any particular person in the performance of a function relating to the institution or conducting of criminal proceedings;

(d) showing any favour or disfavour to any person in the performance of a function relating to the institution or conducting of criminal proceedings; or

(e) exerting any improper influence over the decision making of any person, including another member of the prosecuting authority or a judicial officer, performing his or her official functions.

Part 3: Offences in respect of corrupt activities relating to receiving or offering of unauthorised gratification

Offences of receiving or offering of unauthorised gratification by or to party to an employment relationship

10. Any person—

(a) who is party to an employment relationship and who, directly or indirectly, accepts or agrees or offers to accept from any other person any unauthorised gratification, whether for the benefit of that person or for the benefit of another person; or

(b) who, directly or indirectly, gives or agrees or offers to give to any person who is party to an employment relationship any unauthorised gratification, whether for the benefit of that party or for the benefit of another person,

in respect of that party doing any act in relation to the exercise, carrying out or performance of that party's powers, duties or functions within the scope of that party's employment relationship, is guilty of the offence of receiving or offering an unauthorised gratification.

Part 4: Offences in respect of corrupt activities relating to specific matters

Offences in respect of corrupt activities relating to witnesses and evidential material during certain proceedings

11. (1) Any person who, directly or indirectly, accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person, in return for—

(a) testifying in a particular way or fashion or in an untruthful manner in a trial, hearing or other proceedings before any court, judicial officer, committee, commission or officer authorised by law to hear evidence or take testimony;

(b) withholding testimony or withholding a record, document, police docket or other object at any such trial, hearing or proceedings;

(c) giving or withholding information relating to any aspect at any such trial, hearing or proceedings;

(d) altering, destroying, mutilating, or concealing a record, document, police docket or other object with the intent to impair the availability of such record, document, police docket or other object for use at such trial, hearing or proceedings;

(e) giving or withholding information relating to or contained in a police docket;

(f) evading legal process summoning that person to appear as a witness or to produce any record, document, police docket or other object at such trial, hearing or proceedings; or

(g) being absent from such trial, hearing or proceedings,

is guilty of the offence of corrupt activities relating to witnesses and evidential material during certain proceedings.

(2) Any person who, directly or indirectly, gives or agrees or offers to give any gratification to any other person, whether for the benefit of that other person or for the benefit of another person, with the intent to—

(a) influence, delay or prevent the testimony of that person or another person as a witness in a trial, hearing or other proceedings before any court, judicial officer, committee, commission or any officer authorised by law to hear evidence or take testimony; or

(b) cause or induce any person to—

(i) testify in a particular way or fashion or in an untruthful manner in a trial, hearing or other proceedings before any court, judicial officer, committee, commission or officer authorised by law to hear evidence or take testimony;

(ii) withhold testimony or to withhold a record, document, police docket or other object at such trial, hearing or proceedings;

(iii) give or withhold information relating to any aspect at any such trial, hearing or proceedings;

(iv) alter, destroy, mutilate, or conceal a record, document, police docket or other object with the intent to impair the availability of such record, document, police docket or other object for use at such trial, hearing or proceedings;

(v) give or withhold information relating to or contained in a police docket;

(vi) evade legal process summoning that person to appear as a witness or to produce any record, document, police docket or other object at such trial, hearing or proceedings; or

(vii) be absent from such trial, hearing or other proceedings,

is guilty of the offence of corrupt activities relating to witnesses and evidential material during certain proceedings.

Offences in respect of corrupt activities relating to contracts

12. (1) Any person who, directly or indirectly—

(a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of that other person or of another person; or

(b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person,

(i) in order to improperly influence, in any way—

(aa) the promotion, execution or procurement of any contract with a public body, private organisation, corporate body or any other organisation or institution; or

(bb) the fixing of the price, consideration or other moneys stipulated or otherwise provided for in any such contract; or

(ii) as a reward for acting as contemplated in paragraph *(a)*,

is guilty of the offence of corrupt activities relating to contracts.

(2) Any person who, in order to obtain or retain a contract with a public body or as a term of such contract, directly or indirectly, gives or agrees or offers to give any gratification to any other person, whether for the benefit of that other person or for the benefit of another person—

(a) for the purpose of promoting, in any way, the election of a candidate or a category or party of candidates to the legislative authority; or

(b) with the intent to influence or affect, in any way, the result of an election conducted for the purpose of electing persons to serve as members of the legislative authority,

is guilty of an offence.

Offences in respect of corrupt activities relating to procuring and withdrawal of tenders

13. (1) Any person who, directly or indirectly, accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person, as—

(a) an inducement to, personally or by influencing any other person so to act—

(i) award a tender, in relation to a contract for performing any work, providing any service, supplying any article, material or substance or performing any other act, to a particular person; or

(ii) upon an invitation to tender for such contract, make a tender for that contract which has as its aim to cause the tenderee to accept a particular tender; or

(iii) withdraw a tender made by him or her for such contract; or

(b) a reward for acting as contemplated in paragraph *(a)*(i), (ii) or (iii),

is guilty of the offence of corrupt activities relating to procuring and withdrawal of tenders.

(2) Any person who, directly or indirectly—

(a) gives or agrees or offers to give any gratification to any other person, whether for the benefit of that other person or the benefit of another person, as—

(i) an inducement to, personally or by influencing any other person so to act, award a tender, in relation to a contract for performing any work, providing any service, supplying any article, material or substance or performing any other act, to a particular person; or

(ii) a reward for acting as contemplated in subparagraph (i); or

(b) with the intent to obtain a tender in relation to a contract for performing any work, providing any service, supplying any article, material or substance or performing any other act, gives or agrees or offers to give any gratification to

any person who has made a tender in relation to that contract, whether for the benefit of that tenderer or for the benefit of any other person, as—

(i) an inducement to withdraw the tender; or

(ii) a reward for withdrawing or having withdrawn the tender,

is guilty of the offence of corrupt activities relating to procuring and withdrawal of tenders.

Offences in respect of corrupt activities relating to auctions

14. (1) Any auctioneer who, directly or indirectly—

(a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person—

(i) in order to conduct the bidding process at an auction in a manner so as to favour or prejudice a specific person; or

(ii) as a reward for acting as contemplated in subparagraph (i); or

(b) gives or agrees or offers to give any gratification to any other person, whether for the benefit of that other person or for the benefit of another person—

(i) in order to influence that person to—

(aa) refrain from bidding at an auction; or

(bb) participate, personally or by influencing any other person so to participate, in the bidding process at an auction in such a manner so as to get a specific offer for the article or to sell the article at a specific amount or to sell the article to a specific bidder; or

(ii) as a reward for acting as contemplated in subparagraph (i),

is guilty of the offence of corrupt activities relating to auctions.

(2) Any person who, directly or indirectly—

(a) accepts or agrees or offers to accept any gratification from any other person or an auctioneer, whether for the benefit of himself or herself or for the benefit of another person—

(i) in return for that person—

(aa) refraining from bidding at an auction; or

(bb) participating, personally or by influencing any other person so to participate, at an auction in the bidding process in order to get a specific offer for the article or to buy the article for a specific amount or to sell the article to a specific bidder; or

(ii) as a reward for acting as contemplated in subparagraph (i); or

(b) gives or agrees or offers to give any gratification to an auctioneer, whether for the benefit of that auctioneer or for the benefit of another person—

(i) in order to influence that auctioneer to conduct the bidding process at an auction in such a manner so as to favour or prejudice a specific person; or

(ii) as a reward for acting as contemplated in subparagraph (i); or

(c) gives or agrees or offers to give any gratification to any other person, whether for the benefit of that other person or for the benefit of another person—

(i) in return for that other person—

(aa) refraining from bidding at an auction; or

(bb) participating, personally or by influencing any other person so to participate, in the bidding process at an auction in such a manner so as to get a specific offer for the article or to sell the article at a specific amount or to sell the article to a specific bidder; or

(ii) as a reward for acting as contemplated in subparagraph (i),

is guilty of the offence of corrupt activities relating to auctions.

Offences in respect of corrupt activities relating to sporting events

15. Any person who, directly or indirectly—

(a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of that other person or of another person; or

(b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person—

(i) in return for—

(aa) engaging in any act which constitutes a threat to or undermines the integrity of any sporting event, including, in any way, influencing the run of play or the outcome of a sporting event; or

(bb) not reporting the act contemplated in this section to the managing director, chief executive officer or to any other person holding a similar post in the sporting body or regulatory authority concerned or at his or her nearest police station; or

(ii) as a reward for acting as contemplated in subparagraph (i); or

(c) carries into effect any scheme which constitutes a threat to or undermines the integrity of any sporting event, including, in any way, influencing the run of play or the outcome of a sporting event,

is guilty of the offence of corrupt activities relating to sporting events.

Offences in respect of corrupt activities relating to gambling games or games of chance

16. Any person who, directly or indirectly—

(a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of that other person or of another person; or

(b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person—

(i) in return for engaging in any conduct which constitutes a threat to or undermines the integrity of any gambling game or a game of chance, including, in any way, influencing the outcome of a gambling game or a game of chance; or

(ii) as a reward for acting as contemplated in subparagraph (i); or

(c) carries into effect any scheme which constitutes a threat to or undermines the integrity of any gambling game or a game of chance, including, in any way, influencing the outcome of a gambling game or a game of chance,

is guilty of the offence of corrupt activities relating to gambling games or games of chance.

Part 5: Miscellaneous offences relating to possible conflict of interest and other unacceptable conduct

Offence relating to acquisition of private interest in contract, agreement or investment of public body

17. (1) Any public officer who, subject to subsection (2), acquires or holds a private interest in any contract, agreement or investment emanating from or connected with the public body in which he or she is employed or which is made on account of that public body, is guilty of an offence.

(2) Subsection (1) does not apply to—

(a) a public officer who acquires or holds such interest as a shareholder of a listed company;

(b) a public officer, whose conditions of employment do not prohibit him or her from acquiring or holding such interest; or

(c) in the case of a tender process, a public officer who acquires a contract, agreement or investment through a tender process and whose conditions of employment do not prohibit him or her from acquiring or holding such interest and who acquires or holds such interest through an independent tender process.

Offences of unacceptable conduct relating to witnesses

18. Any person who, directly or indirectly, intimidates or uses physical force, or improperly persuades or coerces another person with the intent to—

(a) influence, delay or prevent the testimony of that person or another person as a witness in a trial, hearing or other proceedings before any court, judicial officer, committee, commission or any officer authorised by law to hear evidence or take testimony; or

(b) cause or induce any person to—

(i) testify in a particular way or fashion or in an untruthful manner in a trial, hearing or other proceedings before any court, judicial officer, committee, commission or officer authorised by law to hear evidence or take testimony;

(ii) withhold testimony or to withhold a record, document, police docket or other object at such trial, hearing or proceedings;

(iii) give or withhold information relating to any aspect at any such trial, hearing or proceedings;

(iv) alter, destroy, mutilate, or conceal a record, document, police docket or other object with the intent to impair the availability of such record, document, police docket or other object for use at such trial, hearing or proceedings;

(v) give or withhold information relating to or contained in a police docket;

(vi) evade legal process summoning that person to appear as a witness or to produce any record, document, police docket or other object at such trial, hearing or proceedings; or

(vii) be absent from such trial, hearing or other proceedings,

is guilty of the offence of unacceptable conduct relating to a witness.

Intentional interference with, hindering or obstruction of investigation of offence

19. Any person who, at any stage, with intent to defraud or to conceal an offence in terms of this Chapter or to interfere with, or to hinder or obstruct a law enforcement body in its investigation of any such offence—

(a) destroys, alters, mutilates or falsifies any book, document, valuable security, account, computer system, disk, computer printout or other electronic device or any entry in such book, document, account or electronic device, or is privy to any such act;

(b) makes or is privy to making any false entry in such book, document, account or electronic device; or

(c) omits or is privy to omitting any information from any such book, document, account or electronic device,

is guilty of an offence.

Part 6: Other offences relating to corrupt activities

Accessory to or after offence

20. Any person who, knowing that property or any part thereof forms part of any gratification which is the subject of an offence in terms of Part 1, 2, 3 or 4, or section 21 (in so far as it relates to the aforementioned offences) of this Chapter, directly or indirectly, whether on behalf of himself or herself or on behalf of any other person—

(a) enters into or causes to be entered into any dealing in relation to such property or any part thereof; or

(b) uses or causes to be used, or holds, receives or conceals such property or any part thereof,

is guilty of an offence.

Attempt, conspiracy and inducing another person to commit offence

21. Any person who—

(a) attempts;
(b) conspires with any other person; or
(c) aids, abets, induces, incites, instigates, instructs, commands, counsels or procures another person,

to commit an offence in terms of this Act, is guilty of an offence.

CHAPTER 3

INVESTIGATIONS REGARDING POSSESSION OF PROPERTY RELATING TO CORRUPT ACTIVITIES

Investigation regarding property relating to corrupt activities

22. (1) Whenever the National Director has reason to suspect that there may be in any building, receptacle or place, or in the possession, custody or control of any person any property which—

(a) may have been used in the commission, or for the purpose of or in connection with the commission, of an offence under Chapter 2;
(b) may have facilitated the commission of such an offence, or enabled any person or entity to commit such an offence, or provided financial or economic support to a person or entity in the commission of such an offence; or
(c) may be the proceeds of such an offence,

he or she may, prior to the institution of any asset forfeiture or criminal proceedings, under written authority direct that a particular Director of Public Prosecutions or a Special Director of Public Prosecutions, shall have the power to institute an investigation in terms of the provisions of Chapter 5 of the National Prosecuting Authority Act, 1998 (Act No. 32 of 1998), relating to such property.

(2) For purposes of subsection (1), a reference in the said Chapter 5 to—

(a) the **"head of the Directorate of Special Operations"** or an **"Investigating Director"** shall be construed as a reference to a Director of Public Prosecutions or a Special Director of Public Prosecutions, as the case may be: Provided that for purposes of section 28(2)*(a)* of the said Act, a Director of Public Prosecutions or Special Director of Public Prosecutions, may only designate a Deputy Director of Public Prosecutions; and
(b) a **"special investigator"** shall be construed as to include a police official.

(3) If property seized under any power exercised under subsection (1) consists of cash or funds standing to the credit of a bank account, the Director of Public Prosecutions or a Special Director of Public Prosecutions who has instituted the investigation under that subsection shall cause the cash or funds to be paid into a banking account which shall be opened with any bank as defined in section 1 of the Banks Act, 1990 (Act No. 94 of 1990), and the Director of Public Prosecutions or a Special Director of Public Prosecutions shall forthwith report to the Financial Intelligence Centre the fact of the seizure of the cash or funds and the opening of the account.

Application for, and issuing of investigation direction in respect of possession of property disproportionate to a person's present or past known sources of income or assets

23. (1) The National Director, or any person authorised in writing thereto by him or her (hereinafter referred to as the applicant), may apply to a judge in chambers for the issuing of an investigation direction in terms of subsection (3).

(2) An application referred to in subsection (1) must be in writing and must—

(a) indicate the identity of the—
  (i) applicant and, if known, the identity of the person who will conduct the investigation; and
  (ii) person to be investigated (hereinafter referred to as the suspect);
(b) specify the grounds referred to in subsection (3) on which the application is made;

(c) contain full particulars of all the facts and circumstances alleged by the applicant in support of his or her application;

(d) include the basis for believing that evidence relating to the ground on which the application is made will be obtained through the investigation direction;

(e) indicate whether any previous application has been made for the issuing of an investigation direction in respect of the same suspect in the application and, if such previous application exists, must indicate the current status of that application; and

(f) indicate the period for which the investigation is required.

(3) *(a)* A judge in chambers may upon an *ex parte* application made to him or her in terms of subsection (1), issue an investigation direction.

(b) An investigation direction may only be issued if the judge concerned is satisfied that—

(i) there has been compliance with the provisions of subsection (2); and

(ii) on the facts alleged in the application concerned, there are reasonable grounds to believe that—

(aa) a person—

(aaa) maintains a standard of living above that which is commensurate with his or her present or past known sources of income or assets; or

(bbb) is in control or possession of pecuniary resources or property disproportionate to his or her present or past known sources of income or assets; and

(bb) that person maintains such a standard of living through the commission of corrupt activities or the proceeds of unlawful activities or that such pecuniary resources or properties are instrumentalities of corrupt activities or the proceeds of unlawful activities; and

(cc) such investigation is likely to reveal information, documents or things which may afford proof that such a standard of living is maintained through the commission of corrupt activities or the proceeds of unlawful activities or that such pecuniary resources or properties are instrumentalities of corrupt activities or the proceeds of unlawful activities.

(c) An investigation direction—

(i) must be in writing;

(ii) must indicate the identity of the suspect and, if known, the person who will conduct the investigation;

(iii) must specify the period for which it has been issued;

(iv) may specify conditions of restriction relating to the conducting of the investigation; and

(v) may be issued in respect of any place in the Republic.

(d) An application must be considered and an investigation direction issued without any notice to the suspect to whom the application applies and without hearing that suspect: Provided that where any previous investigation direction has been issued in respect of a suspect, the applicant may only apply for a further investigation direction in respect of that suspect on the same facts, after giving reasonable notice to the suspect concerned.

(e) A judge considering an application may require the applicant to furnish such further information as he or she deems necessary.

(4) If an investigation direction has been issued under subsection (3), the National Director or the person authorised thereto in the investigation direction, may, for the purposes of an investigation direction—

(a) summon the suspect or any other person, specified in the investigation direction, who is believed to be able to furnish any information on the subject of the investigation or to have in his or her possession or under his or her control any property, book, document or other object relating to that subject, to appear before the National Director or the person so authorised, at a time and place specified in the summons, to be questioned or to produce that property, book, document or other object;

(b) question that suspect or other person, under oath or affirmation administered by the National Director or the person so authorised, and examine or retain for

further examination or for safe custody such property, book, document or other object; or

(c) at any reasonable time and without prior notice or with such notice as he or she may deem appropriate, enter any premises where the suspect is or is suspected to be or any premises on or in which anything connected with that investigation is or is suspected to be, and may—

(i) inspect and search those premises, and there make such enquiries as he or she may deem necessary;

(ii) examine any property found on or in the premises which has a bearing or might have a bearing on the investigation in question, and request from the suspect or the owner or person in charge of the premises or from any person in whose possession or charge that property is, information regarding that property;

(iii) make copies of or take extracts from any book or document found on or in the premises which has a bearing or might have a bearing on the investigation in question, and request from any person suspected of having the necessary information, an explanation of any entry therein; or

(iv) seize, against the issue of a receipt, anything on or in the premises which has a bearing or might have a bearing on the investigation in question, or if he or she wishes to retain it for further examination or for safe custody:

Provided that any person from whom a book or document has been taken under paragraph *(b)* or *(c)*(iv), may, as long as it is in the possession of the person conducting the investigation, at his or her request be allowed, at his or her own expense and under the supervision of the person conducting the investigation, to make copies thereof or to take extracts therefrom at any reasonable time.

(5) *(a)* The law regarding privilege as applicable to a witness summoned to give evidence in a criminal case in a magistrate's court shall apply in relation to the questioning of a suspect or any person referred to in subsection (4): Provided that such a person shall not be entitled to refuse to answer any question upon the ground that the answer would tend to expose him or her to a criminal charge.

(b) No evidence regarding any questions and answers contemplated in paragraph *(a)* shall be admissible in any criminal proceedings, except in criminal proceedings where the person concerned stands trial on a charge contemplated in subsection (7)*(b)*, or in section 319(3) of the Criminal Procedure Act, 1955 (Act No. 56 of 1955).

(6) Subject to any directions, conditions or restrictions determined by the judge under subsection (3)*(c)*(iv), the provisions of sections 28(1)*(d)*, (2) to (10) and 29(2), (7)*(a)*, (9), (10)*(b)* and (11) of the National Prosecuting Authority Act, 1998 (Act No. 32 of 1998), relating to the conducting of an investigation and the execution of a warrant in terms of those provisions, apply, with the necessary changes, in respect of an investigation conducted in terms of subsection (4).

(7) Any person who—

(a) obstructs or hinders the person conducting the investigation or any other person in the performance of his or her functions in terms of this section; or

(b) when he or she is asked in terms of subsection (4) for information or an explanation relating to a matter within his or her knowledge, refuses or fails to give that information or explanation or gives information or an explanation which is false or misleading, knowing it to be false or misleading,

shall be guilty of an offence.

CHAPTER 4

PRESUMPTIONS AND DEFENCES

Presumptions

24. (1) Whenever a person is charged with an offence under Part 1 or 2, or section 21 (in so far as it relates to the aforementioned offences) of Chapter 2, proof that that person, or someone else at the instance of that person—

(a) accepted or agreed or offered to accept any gratification from; or

(b) gave or agreed or offered to give any gratification to,

any other person—

(i) who holds or seeks to obtain a contract, licence, permit, employment or anything whatsoever from a public body, private organisation, corporate body or other organisation or institution in which the person charged was serving as an official;

(ii) who is concerned, or who is likely to be concerned, in any proceedings or business transacted, pending or likely to be transacted before or by the person charged or public body, private organisation, corporate body, political party or other organisation or institution in which the person charged was serving as an official; or

(iii) who acts on behalf of a person contemplated in subparagraph (i) or (ii),

and, if the State can further show that despite having taken reasonable steps, it was not able with reasonable certainty to link the acceptance of or agreement or offer to accept or the giving or agreement to give or offer to give the gratification to any lawful authority or excuse on the part of the person charged, and in the absence of evidence to the contrary which raises reasonable doubt, is sufficient evidence that the person charged accepted or agreed or offered to accept such gratification from that person or gave or agreed or offered to give such gratification to that person in order to act, in a manner—

(aa) that amounts to the—

(aaa) illegal, dishonest, unauthorised, incomplete, or biased: or

(bbb) misuse or selling of information or material acquired in the course of the,

exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;

(bb) that amounts to—

(aaa) the abuse of a position of authority;

(bbb) a breach of trust; or

(ccc) the violation of a legal duty or a set of rules;

(cc) designed to achieve an unjustified result; or

(dd) that amounts to any other unauthorised or improper inducement to do or not to do anything.

(2) Whenever a public officer whose duties include the detection, investigation, prosecution or punishment of offenders, is charged with an offence involving the acceptance of a gratification, arising from—

(a) the arrest, detention, investigation or prosecution of any person for an alleged offence;

(b) the omission to arrest, detain or prosecute any person for an alleged offence; or

(c) the investigation of an alleged offence,

it is not necessary to prove that the accused person believed that an offence contemplated in paragraphs *(a)* to *(c)* or any other offence had been committed.

Defences

25. Whenever an accused person is charged with an offence under Part 1, 2, 3 or 4, or section 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2, it is not a valid defence for that accused person to contend that he or she—

(a) did not have the power, right or opportunity to perform or not to perform the act in relation to which the gratification was given, accepted or offered;

(b) accepted or agreed or offered to accept, or gave or agreed or offered to give the gratification without intending to perform or not to perform the act in relation to which the gratification was given, accepted or offered; or

(c) failed to perform or not to perform the act in relation to which the gratification was given, accepted or offered.

CHAPTER 5

PENALTIES AND RELATED MATTERS

Penalties

26. (1) Any person who is convicted of an offence referred to in—

(a) Part 1, 2, 3 or 4, or section 18 of Chapter 2, is liable—

(i) in the case of a sentence to be imposed by a High Court, to a fine or to imprisonment up to a period for imprisonment for life;

(ii) in the case of a sentence to be imposed by a regional court, to a fine or to imprisonment for a period not exceeding 18 years; or

(iii) in the case of a sentence to be imposed by a magistrate's court, to a fine or to imprisonment for a period not exceeding five years;

(b) section 17(1), 19, 20, 23(7)*(a)* or *(b)* or 34(2), is liable—

(i) in the case of a sentence to be imposed by a High Court or a regional court, to a fine or to imprisonment for a period not exceeding 10 years; or

(ii) in the case of a sentence to be imposed by a magistrate's court, to a fine or to imprisonment for a period not exceeding three years; or

(c) section 28(6)*(b)*, is liable to a fine of R250 000 or to imprisonment for a period not exceeding three years.

(2) A person convicted of an offence referred to in section 21, is liable to the punishment laid down in subsection (1) for the offence which that person attempted or conspired to commit or aided, abetted, induced, instigated, instructed, commanded, counseled or procured another person to commit.

(3) In addition to any fine a court may impose in terms of subsection (1) or (2), the court may impose a fine equal to five times the value of the gratification involved in the offence.

Authorisation by National Director, Deputy National Director or Director to institute proceedings in respect of certain offences

27. The institution of a prosecution for an offence referred to in section 17(1), 23(7)*(b)* or 34(2), must be authorised in writing by the National Director, a Deputy National Director of Public Prosecutions or the Director of Public Prosecutions concerned and only after the person concerned has been afforded a reasonable opportunity by the investigating or prosecuting authority, as the case may be, to explain, whether personally or through a legal representative—

(a) in the case of section 17(1), how he or she acquired the private interest concerned;

(b) in the case of section 23(7)*(b)*, how he or she acquired the property or resources concerned; or

(c) in the case of section 34(2), why he or she failed to report in terms of section 34(2).

Endorsement of Register

28. (1) *(a)* A court convicting a person of an offence contemplated in section 12 or 13, may, in addition to imposing any sentence contemplated in section 26, issue an order that—

(i) the particulars of the convicted person;

(ii) the conviction and sentence; and

(iii) any other order of the court consequent thereupon,

be endorsed on the Register.

(b) If the person so convicted is an enterprise, the court may also issue an order that—

(i) the particulars of that enterprise;

(ii) the particulars of any partner, manager, director or other person, who wholly or partly exercises or may exercise control over that enterprise and who was

involved in the offence concerned or who knows or ought reasonably to have known or suspected that the enterprise committed the offence concerned; and

(iii) the conviction, sentence and any other order of the court consequent thereupon,

be endorsed on the Register.

(c) The court may also issue an order contemplated in paragraph *(a)* in respect of—

(i) any other enterprise owned or controlled by the person so convicted; or

(ii) the particulars of any partner, manager, director or other person, who wholly or partly exercises or may exercise control over such other enterprise,

and which—

(aa) enterprise, partner, manager, director or other person was involved in the offence concerned; or

(bb) partner, manager, director or other person knew or ought reasonably to have known or suspected that such other enterprise was involved in the offence concerned.

(d) Whenever the Register is endorsed as contemplated in paragraph *(a)*, *(b)* or *(c)*, the endorsement applies, unless the court directs otherwise, to every enterprise to be established in the future, and which enterprise will be wholly or partly controlled or owned by the person or enterprise so convicted or endorsed, and the Registrar must, in respect of every such enterprise, endorse the Register accordingly.

(2) Where a court has issued an order under subsection (1), the registrar or clerk of such court must forthwith forward the court order to the Registrar and the Registrar must forthwith endorse the Register accordingly.

(3) *(a)* Where the Register has been endorsed in terms of subsection (2), in addition to any other legal action, the following restrictions may or must, as the case may be, be imposed:

(i) The National Treasury may terminate any agreement with the person or enterprise referred to in subsection (1)*(a)* or *(b)*: Provided that—

(aa) in considering the termination of an agreement, the National Treasury must take into account, among others, the following factors, namely—

(aaa) the extent and duration of the agreement concerned;

(bbb) whether it is likely to conclude a similar agreement with another person or enterprise within a specific time frame;

(ccc) the extent to which the agreement has been executed;

(ddd) the urgency of the services to be delivered or supplied in terms of the agreement;

(eee) whether extreme costs will follow such termination; and

(fff) any other factor which, in the opinion of the National Treasury, may impact on the termination of the agreement; and

(bb) if that agreement involves any purchasing authority or Government Department, such restriction may only be imposed after consultation with the purchasing authority or Government Department concerned;

(ii) the National Treasury must determine the period (which period may not be less than five years or more than 10 years) for which the particulars of the convicted person or the enterprise referred to in subsection (1)*(a)*, *(b)*, *(c)* or *(d)* must remain in the Register and during such period no offer in respect of any agreement from a person or enterprise referred to in that subsection may be considered by the National Treasury; or

(iii) during the period determined in subparagraph (ii), the National Treasury, the purchasing authority or any Government Department must—

(aa) ignore any offer tendered by a person or enterprise referred to in subsection (1)*(a)*, *(b)*, *(c)* or *(d)*; or

(bb) disqualify any person or enterprise referred to subsection (1)*(a)*, *(b)*, *(c)* or *(d)*, from making any offer or obtaining any agreement relating to the procurement of a specific supply or service.

(b) A restriction imposed under paragraph *(a)* only comes into effect after any appeal against the conviction or sentence or both has been finalised by the court: Provided that if the appeal court sets aside, varies or amends the order referred to in subsection (1), the National Treasury must, if necessary, amend the restrictions imposed under paragraph *(a)* accordingly.

(c) Where the National Treasury has terminated an agreement in terms of paragraph *(a)*(i), it may, in addition to any other legal remedy, recover from the person or enterprise any damages—

(i) incurred or sustained by the State as a result of the tender process or the conclusion of the agreement; or

(ii) which the State may suffer by having to make less favourable arrangements thereafter.

(4) The National Treasury—

(a) may at any time vary or rescind any restriction imposed under subsection (3)*(a)*(i) or (ii); and

(b) must, when the period determined in terms of subsection (3)*(a)*(ii) expires, remove the particulars of the person or enterprise concerned, from the Register.

(5) When the National Treasury imposes a restriction under subsection (3)*(a)*(i) or (ii), or amends or rescinds such a restriction, it must within 14 days in writing notify—

(a) the person whose particulars have been so endorsed;

(b) any purchasing authority on which it may decide; and

(c) all Government departments,

of any resolution or decision relative to such restriction or the amendment or rescinding thereof, and request such authorities and departments to take similar steps.

(6) *(a)* Any person whose particulars, conviction and sentence have been endorsed on the Register as contemplated in this section and who has been notified as contemplated in subsection (5)*(a)*, must in any subsequent agreement or tender process involving the State, disclose such endorsement, conviction and sentence.

(b) Any person who fails to comply with paragraph *(a)*, is guilty of an offence.

(7) For purposes of this section—

(a) **"agreement"** includes an agreement to procure and supply services, to arrange the hiring or letting of anything or the acquisition or granting of any right for or on behalf of the State;

(b) **"enterprise"** includes any individual, partnership, corporation, association, or other juristic person or legal entity, and any union or group of individuals associated in fact, although not a juristic person or legal entity;

(c) **"Registrar"** means the Registrar of the Register designated under section 30; and

(d) **"Register"** means the Register established under section 29.

CHAPTER 6

REGISTER FOR TENDER DEFAULTERS

Establishment of Register

29. Within six months after the commencement of this Chapter, the Minister of Finance must establish a register, to be known as the Register for Tender Defaulters, within the Office of the National Treasury.

Designation of Registrar

30. The Minister of Finance must designate a fit and proper person, with due regard to his or her experience, conscientiousness and integrity, as Registrar.

Powers, duties and functions of Registrar

31. (1) The Registrar must, subject to the provisions of section 28 and this Chapter, exercise and perform his or her powers, duties and functions subject to the control and directions of the National Treasury.

(2) The Registrar must—

(a) maintain the Register;

(b) manage the Office of the Registrar; and

(c) carry out the duties and perform the functions assigned to him or her by section 28, this Chapter or the National Treasury or any other law.

Access to Register

32. The Register is open to the public as prescribed.

Regulations pertaining to Register

33. (1) The Minister of Finance may, in consultation with the Minister responsible for the administration of justice, make regulations relating to—

(a) the maintenance and management of the Register, the particulars to be entered in such Register, the manner in which such particulars must be recorded and the period for which the information in the Register must be retained;

(b) access to information contained in the Register;

(c) the safe-keeping and disposal of records; or

(d) any other matter which the Minister may consider necessary to prescribe in order to achieve the objects of section 28 and this Chapter.

(2) Regulations made in terms of subsection (1) may, in respect of any contravention thereof or failure to comply therewith, prescribe as a penalty a fine or imprisonment for a period not exceeding 12 months.

CHAPTER 7

MISCELLANEOUS MATTERS

Duty to report corrupt transactions

34. (1) Any person who holds a position of authority and who knows or ought reasonably to have known or suspected that any other person has committed—

(a) an offence under Part 1, 2, 3 or 4, or section 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2; or

(b) the offence of theft, fraud, extortion, forgery or uttering a forged document, involving an amount of R100 000 or more, must report such knowledge or suspicion or cause such knowledge or suspicion to be reported to any police official.

(2) Subject to the provisions of section 37(2), any person who fails to comply with subsection (1), is guilty of an offence.

(3) *(a)* Upon receipt of a report referred to in subsection (1), the police official concerned must take down the report in the manner directed by the National Commissioner, and forthwith provide the person who made the report with an acknowledgment of receipt of such report.

(b) The National Commissioner must within three months of the commencement of this Act publish the directions contemplated in paragraph *(a)* in the *Gazette*.

(c) Any direction issued under paragraph *(b)*, must be tabled in Parliament before publication thereof in the *Gazette*.

(4) For purposes of subsection (1) the following persons hold a position of authority, namely—

(a) the Director-General or head, or equivalent officer, of a national or provincial department;

(b) in the case of a municipality, the municipal manager appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

(c) any public officer in the Senior Management Service of a public body;

(d) any head, rector or principal of a tertiary institution;

(e) the manager, secretary or a director of a company as defined in the Companies

Act, 1973 (Act No. 61 of 1973), and includes a member of a close corporation as defined in the Close Corporations Act, 1984 (Act No. 69 of 1984);

(f) the executive manager of any bank or other financial institution;

(g) any partner in a partnership;

(h) any person who has been appointed as chief executive officer or an equivalent officer of any agency, authority, board, commission, committee, corporation, council, department, entity, financial institution, foundation, fund, institute, service, or any other institution or organisation, whether established by legislation, contract or any other legal means;

(i) any other person who is responsible for the overall management and control of the business of an employer; or

(j) any person contemplated in paragraphs *(a)* to *(i)*, who has been appointed in an acting or temporary capacity.

Extraterritorial jurisdiction

35. (1) Even if the act alleged to constitute an offence under this Act occurred outside the Republic, a court of the Republic shall, regardless of whether or not the act constitutes an offence at the place of its commission, have jurisdiction in respect of that offence if the person to be charged—

(a) is a citizen of the Republic;

(b) is ordinarily resident in the Republic;

(c) was arrested in the territory of the Republic, or in its territorial waters or on board a ship or aircraft registered or required to be registered in the Republic at the time the offence was committed;

(d) is a company, incorporated or registered as such under any law, in the Republic; or

(e) any body of persons, corporate or unincorporated, in the Republic.

(2) Any act alleged to constitute an offence under this Act and which is committed outside the Republic by a person, other than a person contemplated in subsection (1), shall, regardless of whether or not the act constitutes an offence or not at the place of its commission, be deemed to have been committed also in the Republic if that—

(a) act affects or is intended to affect a public body, a business or any other person in the Republic;

(b) person is found to be in South Africa; and

(c) person is for one or other reason not extradited by South Africa or if there is no application to extradite that person.

(3) Any offence committed in a country outside the Republic as contemplated in subsection (1) or (2), is, for the purpose of determining the jurisdiction of a court to try the offence, deemed to have been committed—

(a) at the place where the accused is ordinarily resident; or

(b) at the accused person's principal place of business.

(4) Where a person is charged with conspiracy or incitement to commit an offence or as an accessory after the offence, the offence is deemed to have been committed not only at the place where the act was committed, but also at every place where the conspirator, inciter or accessory acted or, in case of an omission, should have acted.

Repeal and amendment of laws and transitional provisions

36. (1) The laws specified in the Schedule are repealed or amended to the extent indicated in that Schedule.

(2) All criminal proceedings which immediately prior to the commencement of this Act were instituted in terms of the provisions of the Corruption Act, 1992 (Act No. 94 of 1992), and which proceedings have not been concluded before the commencement of this Act, shall be continued and concluded, in all respects, as if this Act had not been passed.

(3) An investigation or prosecution or other legal proceedings, in respect of conduct which would have constituted an offence under the Corruption Act, 1992, and which occurred after the commencement of that Act but before the commencement of this Act, may be concluded, instituted and continued as if this Act had not been passed.

(4) Notwithstanding the repeal or amendment of any provision of any law by this Act, such provision shall, for the purpose of the disposal of any investigation, prosecution or any criminal or legal proceedings contemplated in subsection (2) or (3), remain in force as if such provision had not been repealed or amended.

Short title and commencement

37. (1) This Act is called the Prevention and Combating of Corrupt Activities Act, 2004, and shall, subject to subsection (2), come into operation on 27 April 2004 or on such earlier date as the President may determine by proclamation in the *Gazette*.

(2) Section 34(2) shall come into operation on 31 July 2004.

SCHEDULE

LAWS REPEALED OR AMENDED BY SECTION 36

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 38 of 1927	Black Administration Act	The Third Schedule to the Act is hereby amended by the substitution of the offence "bribery" for the following offence: "any offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004.".
Act 59 of 1959	Supreme Court Act	Section 24 is hereby amended by the substitution for paragraph *(b)* of subsection (1) of the following paragraph: "*(b)* interest in the cause, bias, malice or **[corruption]** the commission of an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, on the part of the presiding judicial officer;".
Act 58 of 1962	Income Tax Act	Section 37H is hereby amended by the substitution for paragraph *(a)* of subsection (23) of the following paragraph: "*(a)* interest in the application, bias, malice or **[corruption]** the commission of an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, on the part of any member of the board;".
Act 42 of 1965	Arbitration Act	Section 33 is hereby amended by the substitution for subsection (2) of the following subsection: "(2) An application pursuant to this section shall be made within six weeks after the publication of the award to the parties: Provided that when the setting aside of the award is requested on the grounds of **[or corruption]** the commission of an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, such application shall be made within six weeks after the discovery of the **[corruption]** that offence and in any case not later than three years after the date on which the award was so published.".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 61 of 1973	Companies Act	Section 218 is hereby amended by the substitution for subparagraph (iii) of paragraph *(d)* of subsection (1) of the following subparagraph: "(iii) any person who has at any time been convicted (whether in the Republic or elsewhere) of theft, fraud, forgery or uttering a forged document, perjury, an offence under the Prevention of Corruption Act, 1958 (Act 6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty or in connection with the promotion, formation or management of a company, and has been sentenced therefor to imprisonment without the option of a fine or to a fine exceeding one hundred rand.".
Act 51 of 1977	Criminal Procedure Act	1. Insert the following section after section 269: "**269A.** If evidence on a charge of an offence under Part 1 to 4, or section 17, 20 or 21(in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, does not prove the offence so charged but proves the offence of— *(a)* theft; *(b)* fraud; or *(c)* extortion, the accused may be found guilty of the crime or offence so proved.". 2. Schedule 5 to the Act is hereby amended by the substitution for the words in the 20th line of the following words: "Any offence relating to exchange control, **[corruption,]** extortion, fraud, forgery, uttering, **[or]** theft, or any offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004—".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 91 of 1981	Co-operatives Act	Section 108 is hereby amended by the substitution for subparagraph (iii) of paragraph *(f)* of subsection (1) of the following subparagraph: "(iii) if he or she has at any time been convicted (whether in the Republic or elsewhere) of theft, fraud, forgery or uttering a forged document, perjury, an offence under the Prevention of Corruption Act, 1958 (Act 6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, any offence involving dishonesty or in connection with the formation or management of a co-operative or company and sentenced therefor to imprisonment without the option of a fine or to a fine exceeding two hundred rand:".
Act 19 of 1982	Veterinary and Para-Veterinary Professions Act	Section 24 is hereby amended by the substitution for paragraph *(b)* of subsection (3) of the following paragraph: "*(b)*he or she has at any time been convicted of extortion, bribery, any offence under the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, theft, fraud, forgery or uttering of a forged document or perjury, and was sentenced in respect thereof to imprisonment without the option of a fine;".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 61 of 1984	Small Claims Court Act	Section 46 is hereby amended by the substitution for paragraph *(b)* of the following paragraph: "*(b)* interest in the cause, bias, malice, or **[corruption]** the commission of an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, on the part of the commissioner; and".
Act 69 of 1984	Close Corporations Act	Section 47 is hereby amended by the substitution for subparagraph (iii) of paragraph *(b)* of the following subparagraph: "(iii) any person who has at any time been convicted of theft, fraud, forgery or uttering a forged document, perjury, any offence under the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty or in connection with the formation or management of a company or a corporation, and has been sentenced therefor to imprisonment for at least six months without the option of a fine; and".
Act 97 of 1990	Financial Services Board Act	Section 5 is hereby amended by the substitution for paragraph *(d)* of the following paragraph: "*(d)* if he or she has at any time been convicted (whether in the Republic or elsewhere) of theft, fraud, forgery or uttering a forged document, perjury, **[an]** any offence under the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty, and has been sentenced therefor to imprisonment without the option of a fine or to a fine exceeding R100; or".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 80 of 1991	Public Accountants' and Auditors' Act	1. Section 4 is hereby amended by the substitution for paragraph *(b)* of subsection (2) of the following paragraph: "*(b)* if he or she has at any time been convicted (whether in the Republic or elsewhere) of theft, fraud, forgery or uttering a forged document, perjury, **[an]** any offence under the Prevention of Corruption Act, 1958 (Act No. 6 No. of 1958), the Corruption Act, 1992 (Act No. 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty, and has been sentenced therefor to imprisonment without the option of a fine or to a fine exceeding R300;". 2. Section 15 is hereby amended by the substitution for paragraph *(b)* of subsection (4) of the following paragraph: "*(b)* if he or she has at any time been convicted (whether in the Republic or elsewhere) of theft, fraud, forgery or uttering a forged document, perjury, **[an]** any offence under the Prevention of Corruption Act, 1958 (Act 6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty, and has been sentenced therefor to imprisonment without the option of a fine or to a fine exceeding R300; or".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 103 of 1991	Short Process Courts and Mediation in Certain Civil Cases Act	Section 12 is hereby amended by the substitution for paragraph *(b)* of subsection (1) of the following paragraph: "*(b)* interest in the cause, bias, malice or **[corruption]** the commission of an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, on the part of the mediator or the presiding adjudicator, as the case may be; and".
Act 94 of 1992	Corruption Act	The whole
Act 106 of 1993	Natural Scientific Professions Act	Section 11 is hereby amended by the substitution for paragraph *(b)* of subsection (9) of the following paragraph: "*(b)* has at any time been convicted of extortion, bribery, any offence under the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992), Part 1 to 4, or sections 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, theft, fraud, forgery or uttering a forged document knowing it to be false or perjury and has in respect thereof been sentenced to imprisonment without the option of a fine or to a fine exceeding R1 000;".
Act 148 of 1993	Independent Media Commission Act	Section 6 is hereby amended by the substitution for subparagraph (i) of paragraph *(j)* of subsection (1) of the following subparagraph: "(i) in the Republic, of theft, fraud, forgery and uttering a forged document, perjury or an offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21(in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 209 of 1993	Local Government Transition Act, 1993	1. Section 10G is hereby amended by the substitution for paragraph *(g)* of subsection (2) of the following paragraph: "*(g)* Any loss suffered by a municipality and which the chief executive officer, or if the chief executive officer is responsible, the council, suspects to be due to any fraudulent **[or corrupt]** act or an **[act of bribery]** offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, committed by any person, shall forthwith be reported by the chief executive officer or the council, as the case may be, to the South African Police Service.". 2. Section 10H is hereby amended by the substitution for the words following paragraph *(b)* of subsection (1) of the following words: "is *prima facie* of the opinion that a council member, a chief executive officer or an employee has acted unlawfully or is responsible for any act or omission which has resulted or may result in fraud, **[corruption]** an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or maladministration, or is of the opinion that the allegation is of such a nature that it justifies further action, he or she shall, subject to subsection (5), appoint a commission of inquiry in terms of the respective provincial laws to inquire into the matter: Provided that in the absence of a provincial law relating to a commission of inquiry, the provisions of sections 2, 3, 4, 5 and 6 of the Commissions Act, 1947 (Act 8 of 1947), and the regulations made thereunder, shall with the necessary changes apply to the municipality concerned in so far as they are applicable to the functions of the municipality.".

No. and Year of Law	Short title	Extent of Repeal or Amendment
		3. Section 10H is hereby amended by the substitution for subsection (6) of the following subsection: "(6) If the MEC, after considering a report referred to in subsection (4) or a report of a commission contemplated in subsection (5), is of the opinion that a council, a member or a chief executive officer or employee either intentionally acted unlawfully or is responsible for any act or omission which has resulted or may result in fraud, **[corruption]** an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or maladministration, he or she may take such steps as he or she may deem necessary so as to deal with the matter.".
Act 23 of 1994	Public Protector Act	Section 6 is hereby amended by the substitution for subparagraph (iii) of paragraph *(a)* of subsection (4) of the following subparagraph: "(iii) Improper or dishonest act, or omission or **[corruption]** offences referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, with respect to public money;".
Act 40 of 1994	Intelligence Services Control Act	Section 7 is hereby amended by the substitution for paragraph *(cA)* of subsection (7) of the following paragraph: "*(cA)* to receive and investigate complaints from members of the public and members of the Services on alleged maladministration, abuse of power, transgressions of the Constitution, laws and policies referred to in paragraph *(a)*, **[corruption]** the commission of an offences referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, and improper enrichment of any person through an act or omission of any member;".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 66 of 1995	Labour Relations Act	Section 145 is hereby amended by the substitution for paragraphs *(a)* and *(b)* of subsection (1) of the following paragraphs: "*(a)* within six weeks of the date that the award was *served* on the applicant, unless the alleged defect involves **[corruption]** the commission of an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004; or *(b)* if the alleged defect involves **[corruption]** an offence referred to in paragraph *(a)*, within six weeks of the date that the applicant discovers **[the corruption]** such offence.".
Act 67 of 1995	Development Facilitation Act	1. Section 8 is hereby amended by the substitution for paragraph *(d)* of subsection (2) of the following paragraph: "*(d)* he or she is convicted of an offence involving dishonesty or **[corruption]** an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or sentenced to imprisonment without the option of a fine; or". 2. Section 15 is hereby amended by the substitution for subparagraph (iv) of paragraph *(b)* of subsection (6) of the following subparagraph: "(iv) he or she is convicted of an offence involving dishonesty, or **[corruption]** an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or sentenced to imprisonment without the option of a fine; or".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 33 of 1996	National Gambling Act	Section 3 is hereby amended by the substitution for item *(dd)* of subparagraph (iii) of paragraph *(a)* of subsection (7) of the following item: "*(dd)* has at any time been or is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering a forged document, perjury, **[an]** any offence under the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21(in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty;".
Act 65 of 1996	Films and Publications Act	Section 7 is hereby amended by the substitution for subparagraph (i) of paragraph *(h)* of subsection (1) of the following subparagraph: "(i) in the Republic, of theft, fraud, forgery and uttering a forged document, perjury, or **[an offence in terms of the Corruption Act, 1992 (Act 94 of 1992)]** any offence under the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992), or Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004;".
Act 74 of 1996	Special Investigating Units and Special Tribunals Act	Section 2 is hereby amended by the substitution for paragraph *(f)* of subsection (2) of the following paragraph: "*(f)* **[corruption]** offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, and which offences was committed in connection with the affairs of any State institution; or".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 57 of 1997	Lotteries Act	1. Section 3 is hereby amended by— *(a)* the substitution for paragraph *(b)* of subsection (5) of the following paragraph: "*(b)* shall suspend the membership of any member of the board in the event of the State instituting criminal proceedings in a court of law on a charge of theft, fraud, forgery or uttering a forged document, perjury, an offence in terms of the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty; *(b)* the substitution for subparagraph (i) of paragraph *(c)* of subsection (5) of the following subparagraph: "(i) being found guilty in a court of law of contravening this Act or of theft, fraud, forgery or uttering a forged document, perjury, an offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992, Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty; or:":

No. and Year of Law	Short title	Extent of Repeal or Amendment
		(c) the substitution for item *(dd)* of subparagraph (iii) of paragraph *(a)* of subsection (7) of the following item: "*(dd)* has at any time been, or is, convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering a forged document, perjury, an offence in terms the Prevention of Corruption Act, 1958 (Act No.6 of 1958),the Corruption Act, 1992, Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty.". 2. Section 51 is hereby amended by the substitution for paragraph *(e)* of subsection (1) of the following paragraph: "*(e)* if the certificate holder is convicted on a charge of theft, fraud, forgery or uttering a forged document, perjury, an offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992, Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty.".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 105 of 1997	Criminal Law Amendment Act	1. Section 51 is hereby amended by the addition of the following subsection: "(9) The amounts mentioned in respect of the offences referred to in PART II of Schedule 2 to the Act, may be adjusted by the Minister from time to time by notice in the *Gazette*. 2. **PART II** of Schedule 2 is hereby amended by the substitution of the words preceding paragraph *(a)* in the last offence of PART II, of the following words: "Any offence relating to exchange control, **[corruption]** extortion, fraud, forgery, uttering, **[or]** theft, or an offence in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004—".
Act 40 of 1998	South African Civil Aviation Authority Act	Section 9 is hereby amended by the substitution for subparagraph (ii) of paragraph *(a)* of subsection (3) of the following subparagraph: "(ii) of any offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, the Companies Act, 1973, or of contravening this Act;".
Act 105 of 1998	National Empowerment Fund Act	Section 7 is hereby amended by the substitution for paragraph *(e)* of subsection (1) of the following paragraph: "*(e)* has at any time been convicted, whether in the Republic or elsewhere, of theft, fraud, forgery and uttering, perjury, an offence in terms of the Prevention of Corruption Act, 1958 (Act No.6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any other offence involving dishonesty; or".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 112 of 1998	Witness Protection Act	The Schedule to the Act is hereby amended by the substitution for the words proceeding paragraph *(a)* in item 14 of the following words: "Any offence relating to exchange control, **[corruption]** extortion, fraud, forgery, uttering, **[or]** theft, or an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004,".
Act 121 of 1998	Prevention of Organised Crime Act	Schedule 1 to the Act is hereby amended by the substitution for item 12 of the following item: "12. any offence contemplated in Part 1 to 4, or section 17, 18, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004;".
Act 131 of 1998	Medical Schemes Act	Section 5 is hereby amended by the substitution for paragraph *(d)* of subsection (1) of the following paragraph: "*(d)* has at any time been convicted (whether in the Republic of South Africa or elsewhere) of theft, fraud, forgery or uttering a forged document, perjury, an offence under the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any offence involving dishonesty, and has been sentenced therefor to imprisonment without the option of a fine,".
Act 132 of 1998	South African Medicines and Medical Devices Regulatory Authority Act	Section 8 is hereby amended by the substitution for subparagraph (i) of paragraph *(j)* of subsection (1) of the following subparagraph: "(i) theft, fraud, forgery or uttering a forged document, perjury, an offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958) the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any other offence involving dishonesty;".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 4 of 1999	Broadcasting Act	Section 16 is hereby amended by the substitution for subparagraph (i) of paragraph *(d)* of subsection (1) of the following subparagraph: "(i) in the Republic, of theft, fraud, forgery and uttering a forged document, perjury, or an offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958) the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004,;".
Act 20 of 1999	Road Traffic Management Corporation Act	Section 10 is hereby amended by the substitution for subparagraph (ii) of paragraph *(a)* of subsection (1) of the following subparagraph: "(ii) of any offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, the Companies Act, 1973 (Act 61 of 1973), or this Act;".
Act 13 of 2000	Independent Communications Authority of South Africa Act	Section 6 is hereby amended by the substitution for subparagraph (i) of paragraph *(j)* of subsection (1) of the following subparagraph: "(i) theft, fraud, forgery or uttering a forged document, perjury, an offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any other offence involving dishonesty; or".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 38 of 2000	Construction Industry Development Board Act	Section 7 is hereby amended by the substitution for paragraph *(a)* of subsection (4) of the following paragraph: "*(a)* is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering a forged document, perjury, or any offence involving dishonesty or of any offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or the Companies Act, 1973 (Act 61 of 1973), or of contravening this Act;".
Act 63 of 2000	Home Loan and Mortgage Disclosure Act	Section 8 is hereby amended by the substitution for subparagraph (i) of paragraph *(e)* of subsection (2) of the following subparagraph: "(i) an offence involving dishonesty or **[corruption]** an offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004; or".
Act 56 of 2001	Private Security Industry Regulation Act	The Schedule to the Act is hereby amended by the substitution for the offence mentioned in the 26th line of the following offence: "**[Corruption in terms of statutory law]** An offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004.".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 13 of 2002	Immigration Act	Schedule II to the Act is hereby amended by the substitution for the offence "Corruption" of the following offence: "An offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004".
Act 14 of 2002	Media Development and Diversity Agency Act	Section 5 is hereby amended by the substitution for paragraph *(e)* of the following paragraph: "*(e)* has, notwithstanding paragraph *(f)*, at any time been convicted of theft, fraud, perjury, an offence under the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, or any other offence involving dishonesty;".
Act 15 of 2002	Land and Agricultural Development Bank Act	Section 10 is hereby amended by the substitution for subparagraph (i) of paragraph *(d)* of the following subparagraph: "(i) in the Republic of theft, perjury, or an offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act 94 of 1992), Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004;".

No. and Year of Law	Short title	Extent of Repeal or Amendment
Act 70 of 2002	Regulation of Interception of Communications and Provision of Communi-cation related Information Act, 2002	The Schedule to the Act is hereby amended by the substitution for item 12 of the following item: "12. any offence contemplated in **[section 1(1) of the Corruption Act, 1992 (Act 94 of 1992),]** Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004;".

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FINANCIAL INTELLIGENCE CENTRE ACT, 2001 (Act No. 38 OF 2001)

as amended by:

Protection of Constitutional Democracy against Terrorist and Related Activities, 2004 (Act No. 33 of 2004)
Financial Intelligence Centre Amendment Act, 2008 (Act No. 11 of 2008)
General Intelligence Laws Amendment Act, 2013 (Act No. 11 of 2013)
Financial Intelligence Centre Amendment Act, 2017 (Act No. 1 of 2017)

ACT

To establish a Financial Intelligence Centre in order to combat money laundering activities and the financing of terrorist and related activities; to impose certain duties on institutions and other persons who might be used for money laundering purposes and the financing of terrorist and related activities; to provide for customer due diligence measures including with respect to beneficial ownership and persons in prominent positions; to provide for a risk based approach to client identification and verification; to provide for the implementation of financial sanctions and to administer measures pursuant to resolutions adopted by the Security Council of the United Nations; to clarify the application of the Act in relation to other laws; to provide for the sharing of information by the Centre and supervisory bodies; to provide for risk management and compliance programmes, governance and training relating to anti money laundering and counter terrorist financing; to provide for the issuance of directives by the Centre and supervisory bodies; to provide for the registration of accountable and reporting institutions; to provide for the roles and responsibilities of supervisory bodies; to provide for written arrangements relating to the respective roles and responsibilities of the Centre and supervisory bodies; to provide the Centre and supervisory bodies with powers to conduct inspections; to regulate certain applications to Court; to provide for administrative sanctions that may be imposed by the Centre and supervisory bodies; to establish an appeal board to hear appeals against decisions of the Centre or supervisory bodies; to provide for arrangements on consultation with stakeholders; to amend the Prevention of Organised Crime Act, 1998, and the Promotion of Access to Information Act, 2000; and to provide for matters connected therewith.

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

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Chapter 5
MISCELLANEOUS

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1. Definitions

(1) In this Act, unless the context indicates otherwise—

"accountable institution" means a person referred to in Schedule 1;

"administrative sanction" means an administrative sanction contemplated in section 45C;

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"appeal board" means the appeal hoard established by section 45E;

"authorised officer" means any official of—

(a) an investigating authority authorised by the head of that investigating authority to act under this Act;
(b) the National Prosecuting Authority authorised by the National Director of Public Prosecutions to act under this Act;
(c) an intelligence service authorised by the Director-General of that service to act under this Act;
(d) the South African Revenue Service authorised by the Commissioner for that Service to act under this Act;
(e) the Independent Police Investigative Directorate authorised by the Executive Director of that Directorate to act under this Act;
(f) the intelligence division of the National Defence Force authorised by the Inspector-General of the National Defence Force to act under this Act;
(g) a Special Investigating Unit authorised by the head of that Special Investigating Unit or Special Tribunal to act under this Act;
(h) the office of the Public Protector authorised by the Public Protector to act under this Act; or
(i) an investigative division in an organ of state authorised by the head of the organ of state to act under this Act;

"bearer negotiable instrument" means any instrument that may on demand by the bearer thereof be converted to the currency of the Republic or that of another country, and includes, amongst, others, cheques, promissory notes or money orders;

"beneficial owner" in respect of a legal person, means a natural person who, independently or together with another person, directly or indirectly, —
(a) owns the legal person; or
(b) exercises effective control of the legal person;

"business relationship" means an arrangement between a client and an accountable institution for the purpose of concluding transactions on a regular basis;

"cash" means-
(a) coin and paper money of the Republic or of another country that is designated as legal tender and that circulates as, and is customarily used and accepted as, a medium of exchange in the country of issue;
(b) travellers' cheques;

"Centre" means the Financial Intelligence Centre established by section 2;

"client", in relation to an accountable institution, means a person who has entered into a business relationship or a single transaction with an accountable institution;

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"Council"…….

"Director" means the Director of the Centre appointed in terms of section 6;

"domestic prominent influential person" means a person referred to in Schedule 3A;

"entity" has a corresponding meaning with the definition in section 1 of the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004;

"foreign prominent public official" means a person referred to in Schedule 3B;

"Independent Police Investigative Directorate" means the Independent Police Investigative Directorate established by section 3 of the Independent Police Investigative Directorate Act, 2011 (Act No. 1 of 2011);

"inspector" means a person appointed in terms of section 45A;

"Intelligence Division of the National Defence Force" means the Intelligence Division of the National Defence Force referred to in section 33 of the Defence Act, 2002 (Act No. 42 of 2002);

"intelligence service" means State Security Agency referred to in section 3 of the Intelligence Services Act, 2002 (Act No. 65 of 2002);

"investigating authority" means an authority that in terms of national legislation may investigate unlawful activities;

"investigative division in an organ of state" means an investigative division in an organ of state in the Republic having a function by law to investigate unlawful activity within the organ of state;

"legal person" means any person, other than a natural person, that establishes a business relationship or enters into a single transaction, with an accountable institution and includes a person incorporated as a company, close corporation, foreign company or any other form of corporate arrangement or association, but excludes a trust, partnership or sole proprietor;

"Minister" means the Minister of Finance;

"money laundering" or **"money laundering activity"** means an activity which has or is likely to have the effect of concealing or disguising the nature, source, location, disposition or movement of the proceeds of unlawful activities or any interest which

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anyone has in such proceeds, and includes any activity which constitutes an offence in terms of section 64 of this Act or section 4, 5 or 6 of the Prevention Act;[1]

"National Commissioner" means the National Commissioner of the South African Police Service referred to in section 207 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996);

"National Director of Public Prosecutions" means the National Director of Public Prosecutions referred to in section 179 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996);

"National Prosecuting Authority" means the National Prosecuting Authority referred to in section 179 of the Constitution of the Republic of South Africa, 1996 and established in terms of section 2 of the National Prosecuting Authority Act, 1998 (Act No. 32 of 1998);

"non-compliance" means any act or omission that constitutes a failure to comply with a provision of this Act or any order, determination, or directive made in terms of this Act and which does not constitute an offence in terms of this Act, and 'fails to comply', 'failure to comply', noncompliant and 'not complying' have a corresponding meaning;

"offence relating to the financing of terrorist and related activities" means an offence under section 4 of the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 (Act No. 33 of 2004);

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[1] Sections 4, 5 and 6 of the Prevention Act read as follows:

"**Money laundering**

4. Any person who knows or ought reasonably to have known that property is or forms part of the proceeds of unlawful activities and-

(a) enters into any agreement or engages in any arrangement or transaction with anyone in connection with that property, whether such agreement, arrangement or transaction is legally enforceable or not; or

(b) performs any other act in connection with such property, whether it is performed independently or in concert with any other person,

which has or is likely to have the effect-

(i) of concealing or disguising the nature, source, location, disposition or movement of the said property or its ownership or any interest which anyone may have in respect thereof; or

(ii) of enabling or assisting any person who has committed or commits an offence, whether in the Republic or elsewhere- (aa) to avoid prosecution; or

(bb) to remove or diminish any property acquired directly, or indirectly, as a result of the commission of an offence,

shall be guilty of an offence.

Assisting another to benefit from proceeds of unlawful activities

5. Any person who knows or ought reasonably to have known that another person has obtained the proceeds of unlawful activities, and who enters into any agreement with anyone or engages in any arrangement or transaction whereby-

(a) the retention or the control by or on behalf of the said other person of the proceeds of unlawful activities is facilitated; or

(b) the said proceeds of unlawful activities are used to make funds available to the said other person or to acquire property on his or her behalf or to benefit him or her in any other way,

shall be guilty of an offence.

Acquisition, possession or use of proceeds of unlawful activities

6. Any person who-

(a) acquires;

(b) uses; or

(c) has possession of,

property and who knows or ought reasonably to have known that it is or forms pan of the proceeds of unlawful activities of another person, shall be guilty of an offence.".

"prescribed" means prescribed by the Minister by regulation in terms of section 77;

"Prevention Act" means the Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998);

"proceeds of unlawful activities" has the meaning attributed to that term in section 1 of the Prevention Act;[2]

"property" has the meaning attributed to that term in section 1 of the Prevention Act;[3]

"Public Protector" means the Public Protector referred to in Chapter 9 of the Constitution of the Republic of South Africa, 1996;

"reporting institution" means a person referred to in Schedule 3;

"Risk Management and Compliance Programme" means the programme contemplated in section 42(1);

"single transaction" means a transaction—

(a) other than a transaction concluded in the course of a business relationship; and

(b) where the value of the transaction is not less than the amount prescribed, except in the case of section 20A;

"South African Revenue Service" means the South African Revenue Service established by section 2 of the South African Revenue Service Act, 1997 (Act No. 34 of 1997);

"Special Investigating Unit" means the Special Investigating Unit established under section 2 of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996);

"supervisory body" means a functionary or institution referred to in Schedule 2;

"terrorist and related activities" has the meaning assigned to it in section 1 of the Protection of Constitutional Democracy Against Terrorist and Related Activities Act. 2004 (Act No. 33 of 2004);

"offence relating to the financing of terrorist and related activities"
…….

[2] In terms of section 1 of the Prevention Act, this term means "any property or any service, advantage, benefit or reward which was derived, received or retained, directly or indirectly, in the Republic or elsewhere, at any time before or after the commencement of this Act, in connection with or as a result of any unlawful activity carried on by any person, and includes any property representing property so derived".

[3] In terms of section 1 of the Prevention Act, this term means "money or any other movable, immovable, corporeal or incorporeal thing, and includes any rights, privileges, claims and securities and any interest therein and all proceeds thereof".

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"this Act" includes any regulation made or exemption given under this Act;

"transaction" …….

"trust" means a trust defined in section 1 of the Trust Property Control Act, 1988 (Act No. 57 of 1988), other than a trust established—

(a) by virtue of a testamentary disposition;
(b) by virtue of a court order;
(c) in respect of persons under curatorship; or
(d) by the trustees of a retirement fund in respect of benefits payable to the beneficiaries of that retirement fund,

and includes a similar arrangement established outside the Republic;

"unlawful activity" has the meaning attributed to that term in section 1 of the Prevention Act.[4]

(2) For the purposes of this Act a person has knowledge of a fact if—

(a) the person has actual knowledge of that fact; or
(b) the court is satisfied that—
  (i) the person believes that there is a reasonable possibility of the existence of that fact; and
  (ii) the person fails to obtain information to confirm or refute the existence of that fact.

(3) For the purposes of this Act a person ought reasonably to have known or suspected a fact if the conclusions that he or she ought to have reached, are those which would have been reached by a reasonably diligent and vigilant person having both—

(a) the general knowledge, skill, training and experience that may reasonably be expected of a person in his or her position; and
(b) the general knowledge, skill, training and experience that he or she in fact has.

1A. Application of Act when in conflict with other laws

If any conflict, relating to the matters dealt with in this Act, arises between this Act and the provisions of any other law existing at the commencement of this Act, save the Constitution, the provisions of this Act prevail.

CHAPTER 1

FINANCIAL INTELLIGENCE CENTRE

[4] 4 In terms of section 1 of the Prevention Act, this term means "conduct which constitutes a crime or which contravenes any law, whether such conduct occurred before or after the commencement of this Act and whether such conduct occurred in the Republic or elsewhere".

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2. Establishment

(1) A Financial Intelligence Centre is hereby established as an institution outside the public service but within the public administration as envisaged in section 195 of the Constitution.

(2) The Centre is a juristic person.

3. Objectives

(1) The principal objective of the Centre is to assist in the—

(a) identification of the proceeds of unlawful activities;
(b) combating of money laundering activities and the financing of terrorist and related activities; and
(c) implementation of financial sanctions pursuant to resolutions adopted by the Security Council of the United Nations, under Chapter VII of the Charter of the United Nations.

(2) The other objectives of the Centre are—

(a) to make information collected by it available to—
(i) an investigating authority;
(ii) the National Prosecuting Authority;
(iii) an intelligence service;
(iv) the South African Revenue Service;
(v) the Independent Police Investigative Directorate;
(iv) the Intelligence Division of the National Defence Force;
(vii) a Special Investigating Unit;
(viii) the office of the Public Protector;
(ix) an investigative division in an organ of state; or
(x) a supervisory body, to facilitate the administration and enforcement of the laws of the Republic;

(aA) to administer measures requiring accountable institutions to freeze property and transactions pursuant to financial sanctions that may arise from resolutions adopted by the Security Council of the United Nations referred to in a notice contemplated in section 26A;

(b) to exchange information with bodies with similar objectives in other countries regarding money laundering activities, the financing of terrorist and related activities, and other similar activities;

(c) to supervise and enforce compliance with this Act or any directive made in terms of this Act and to facilitate effective supervision and enforcement by supervisory bodies.

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4. Functions

To achieve its objectives the Centre must—

(a) process, analyse and interpret information disclosed to it, and obtained by it, in terms of this Act;

(aA) where appropriate, initiate analysis based on information in its possession or information received other than by means of reports made to it under Part 3 of Chapter 3;

(b) inform, advise and cooperate with—
  (i) an investigating authority;
  (ii) the National Prosecuting Authority;
  (iii) an intelligence service;
  (iv) the South African Revenue Service;
  (v) the Independent Police Investigative Directorate;
  (vi) the Intelligence Division of the National Defence Force;
  (vii) a Special Investigating Unit;
  (viii) the Public Protector;
  (ix) an investigative division in an organ of state; or
  (x) a supervisory body;

(c) monitor and give guidance to accountable institutions, supervisory bodies and other persons regarding the performance and compliance by them of their duties and obligations in terms of this Act or any directive made in terms of this Act;

(cA) provide information and guidance to accountable institutions that will assist accountable institutions in meeting requirements to freeze property and transactions pursuant to resolutions adopted by the Security Council of the United Nations referred to in a notice contemplated in section 26A;

(d) retain the information referred to in paragraph (a) in the manner and for the period required by this Act.

(e) annually review the implementation of this Act and submit a report thereon to the Minister;

(f) implement a registration system in respect of all accountable institutions and reporting institutions; and

(g) supervise and enforce compliance with this Act or any directive made in terms of this Act by accountable institutions, reporting institutions and other persons to whom the provisions of this Act apply that—
  (i) are not regulated or supervised by a supervisory body in terms of this Act or any other law;
  (ii) are regulated or supervised by a supervisory body in terms of this Act or any other law, if that supervisory body fails to enforce compliance despite any recommendation of the Centre made in terms of section 44(b).

5. General powers

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(1) The Centre may do all that is necessary or expedient to perform its functions effectively, which includes the power to—

(a) determine its own staff establishment and the terms and conditions of employment for its staff within a policy framework determined by the Minister;
(b) appoint employees and seconded personnel to posts on its staff establishment;
(c) obtain the services of any person by agreement, including any state department, functionary or institution, to perform any specific act or function;
(d) acquire or dispose of any right in or to property, but rights in respect of immovable property may be acquired or disposed of only with the consent of the Minister;
(e) open and operate its own bank accounts, subject to the Public Finance Management Act, 1999 (Act No. 1 of 1999);
(f) insure itself against any loss, damage, risk or liability;
(g) perform legal acts or institute or defend any legal action in its own name;
(h) engage in any lawful activity, whether alone or together with any other organisation in the Republic or elsewhere, aimed at promoting its objectives;
(i) do anything that is incidental to the exercise of any of its powers.

6. Appointment of Director

(1) The Minister must appoint a fit and proper person as the Director of the Centre.

(2) A person appointed as the Director holds office—
(a) for a term not exceeding five years, but which is renewable; and
(b) on terms and conditions set out in a written employment contract, which must include terms and conditions setting specific, measurable performance standards.

7. Removal from office

(1) The Minister may remove the Director from office only on the grounds referred to in section 13 or on the grounds of misconduct, incapacity or incompetence.

(2) The Minister may suspend the Director from office, pending—
(a) the determination of any enquiry as to whether grounds of misconduct, incapacity or incompetence exist; or
(b) the outcome of a security screening investigation referred to in section 13(3).

8. Acting Director

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When the Director is absent or otherwise unable to perform the functions of office, or during a vacancy in the office of Director, the Minister may designate another employee of the Centre to act as Director.

9. Proof of appointment

If the Minister has given notice in the *Gazette* of any appointment of a person as the Director or as acting director, this notice may be presented in a Court as proof of the appointment.

10. Responsibilities of Director

(1) The Director—
- (a) is responsible for the performance by the Centre of its functions;
- (b) takes all decisions of the Centre in the exercise of its powers and the performance of its functions, except those decisions taken in consequence of a delegation or instruction in terms of section 16; and
- (c) is the chief executive officer and also the accounting authority of the Centre.

(2) As the chief executive officer, the Director is responsible for—
- (a) the formation and development of an efficient and performance driven administration;
- (b) the management of the administration; and (c) the control, and maintenance of discipline, of staff.

(3) As accounting authority of the Centre the Director must perform the functions assigned to accounting authorities in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

(4) The Director performs the functions of office subject to any policy framework which may be prescribed by the Minister.

11. Staff

(1) The staff of the Centre consists of—
- (a) the Director; and
- (b) persons appointed as employees of the Centre by the Director.

(2) An employee of an organ of state may be seconded to the Centre by agreement between the Centre and such organ of state.

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(3) Staff members referred to in subsection (1)(b) and persons seconded to the Centre in terms of subsection (2) perform their duties subject to the control and directions of the Director.

(4) If an officer or employee in the public service is seconded to the Centre, the period of his or her service with the Centre must be calculated as part of and continuous with his or her employment in the public service, for purposes of leave, pension and any other condition of service.

(5) The provisions of any pension law applicable to an officer or employee referred to in subsection (4) or, in the event of his or her death, to his or her dependants, which are not inconsistent with this section, must, with the necessary changes, continue so to apply.

(6) No person seconded to the Centre or employed by the Centre to perform any of the functions of the Centre may strike or induce or conspire with any other member of the staff of the Centre to strike.

(7) The services of the Centre, for the purposes of the application of Chapter IV of the Labour Relations Act, 1995 (Act No. 66 of 1995), are deemed to have been designated as an essential service in terms of section 71 of that Act.

(8) All other conditions of service of staff of the Centre are as determined in terms of this Act.

12. Security screening of staff of Centre other than Director

(1) No person other than the Director may be appointed or seconded to perform any of the functions of the Centre unless—

(2) (*a*) information with respect to that person has been gathered in a vetting investigation by the State Security Agency referred to in section 3 of the Intelligence Services Act, 2002 (Act No. 65 of 2002); and

(b) the Director, after evaluating the gathered information, is satisfied that such person may be so appointed without the possibility that such person might be a security risk or that he or she might act in any way prejudicial to the objectives or functions of the Centre.

(3) If the Director is so satisfied, the Director must issue a certificate with respect to such person in which it is certified that such person has successfully undergone a security clearance.

(4) Any person referred to in subsection (1) may at any time determined by the Director be subjected to a further security screening investigation as contemplated in subsection (1)(a).

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(5) The Director may withdraw a certificate referred to in subsection (2) if the Director obtains information from an investigation referred to in subsection (3) which, after evaluation by the Director, causes the Director to believe that the person in question could be a security risk or could possibly act in any manner prejudicial to the objectives or functions of the Centre.

(6) If the certificate referred to in subsection (2) is withdrawn, the person concerned may not perform any functions of the Centre and the Director must discharge him or her from the Centre.

13. Security screening of Director of Centre

(1) No person may be appointed as the Director of the Centre unless—

(a) the information with respect to that person that has been gathered in a vetting investigation by the State Security Agency referred to in section 3 of the Intelligence Services Act, 2002 (Act No. 65 of 2002); and

(b) the Minister, after evaluating the gathered information, is satisfied that such person may be so appointed without the possibility that such person might be a security risk or that he or she might act in any manner prejudicial to the objectives or functions of the Centre.

(2) If the Minister is so satisfied, he or she must issue a certificate with respect to such person in which it is certified that such person has successfully undergone a security clearance.

(3) The Director may at any time determined by the Minister be subjected to a further security screening investigation as contemplated in subsection (1)(a).

(4) The Minister may withdraw a certificate referred to in subsection (2) if the Minister obtains information from an investigation referred to in subsection (3) which, after evaluation by the Minister, causes the Minister to believe that the Director could be a security risk or could possibly act in any manner prejudicial to the objectives or functions of the Centre.

(5) If the certificate referred to in subsection (2) is withdrawn, the Director may not perform any functions of the Centre and the Minister must discharge him or her from the Centre.

14. Funds and financial year of Centre

(1) The funds of the Centre consist of—

(a) money appropriated annually by Parliament for the purposes of the Centre;

(b) any government grants made to it; and

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(c) any other money legally acquired by it, provided that the Centre may accept donations only with the prior written approval of the Minister.

(2) The financial year of the Centre ends on 31 March in each year.

15. Audit

The Auditor-General must audit and report on the accounts and financial records of the Centre.

16. Delegation

(1) The Director may—
(a) delegate, in writing, any of the powers entrusted to the Centre in terms of this Act to a member of the staff of the Centre; or
(b) instruct a member of the staff to perform any of the functions assigned to the Centre in terms of this Act.

(2) A delegation or instruction in terms of subsection (1)—
(a) is subject to the limitations or conditions that the Director may impose; and
(b) does not divest the Director of the responsibility concerning the exercise of the delegated power or the performance of the assigned function.

(3) The Director may confirm, vary or revoke any decision taken by a staff member in consequence of a delegation or instruction in terms of subsection (1), as long as no such variation or revocation of a decision detracts from any rights that may have accrued as a result of the decision.

(4) A person seconded to the Centre in terms of section 11(2) is for the purposes of this section regarded as being a staff member.

CHAPTER 2

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17. …….
18. …….
19. …….
20. …….

CHAPTER 3

MONEY LAUNDERING, FINANCING OF TERRORIST AND RELATED ACTIVITIES AND FINANCIAL SANCTIONS CONTROL MEASURES

Part 1 Customer due diligence

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20A. Anonymous clients and clients acting under false or fictitious names

An accountable institution may not establish a business relationship or conclude a single transaction with an anonymous client or a client with an apparent false or fictitious name.

21. Identification of clients and other persons

(1) When an accountable institution engages with a prospective client to enter into a single transaction or to establish a business relationship, the institution must, in the course of concluding that single transaction or establishing that business relationship and in accordance with its Risk Management and Compliance Programme—
   (a) establish and verify the identity of the client;
   (b) if the client is acting on behalf of another person, establish and verify—
      (i) the identity of that other person; and
      (ii) the client's authority to establish the business relationship or to conclude the single transaction on behalf of that other person; and
   (c) if another person is acting on behalf of the client, establish and verify—
      (i) the identity of that other person; and
      (ii) that other person's authority to act on behalf of the client.

(2) If an accountable institution had established a business relationship with a client before this Act took effect, the accountable institution may not conclude a transaction in the course of that business relationship, unless the accountable institution has taken the prescribed steps—
   (a) to establish and verify the identity of the client;
   (b) if another person acted on behalf of the client in establishing the business relationship, to establish and verify— (i) the identity of that other person; and
      (ii) that other person's authority to act on behalf of the client;
   (c) if the client acted on behalf of another person in establishing the business relationship, to establish and verify— (i) the identity of that other person; and
      (ii) the client's authority to act on behalf of that other person; and
   (d) to trace all accounts at that accountable institution that are involved in transactions concluded in the course of that business relationship.

21A. Understanding and obtaining information on business relationship

When an accountable institution engages with a prospective client to establish a business relationship as contemplated in section 21, the institution must, in addition to the steps required under section 21 and in accordance with its Risk Management and Compliance Programme, obtain information to reasonably enable the accountable institution to determine whether future transactions that will be performed in the course of the business relationship concerned are consistent with the institution's knowledge of that prospective client, including information describing—

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(a) the nature of the business relationship concerned;
(b) the intended purpose of the business relationship concerned; and
(c) the source of the funds which that prospective client expects to use in concluding transactions in the course of the business relationship concerned.

21B. Additional due diligence measures relating to legal persons, trusts and partnerships

(1) If a client contemplated in section 21 is a legal person or a natural person acting on behalf of a partnership, trust or similar arrangement between natural persons, an accountable institution must, in addition to the steps required under sections 21 and 21A and in accordance with its Risk Management and Compliance Programme establish—
(a) the nature of the client's business; and
(b) the ownership and control structure of the client.

(2) If a client contemplated in section 21 is a legal person, an accountable institution must, in addition to the steps required under sections 21 and 21A and in accordance with its Risk Management and Compliance Programme— (a) establish the identity of the beneficial owner of the client by—
(i) determining the identity of each natural person who, independently or together with another person, has a controlling ownership interest in the legal person;
(ii) if in doubt whether a natural person contemplated in subparagraph (i) is the beneficial owner of the legal person or no natural person has a controlling ownership interest in the legal person, determining the identity of each natural person who exercises control of that legal person through other means; or
(iii) if a natural person is not identified as contemplated in subparagraph (ii), determining the identity of each natural person who otherwise exercises control over the management of the legal person, including in his or her capacity as executive officer, non-executive director, independent non-executive director, director or manager; and
(b) take reasonable steps to verify the identity of the beneficial owner of the client, so that the accountable institution is satisfied that it knows who the beneficial owner is.

(3) If a natural person, in entering into a single transaction or establishing a business relationship as contemplated in section 21, is acting on behalf of a partnership between natural persons, an accountable institution must, in addition to the steps required under sections 21 and 21A and in accordance with its Risk Management and Compliance Programme—
(a) establish the identifying name of the partnership, if applicable;
(b) establish the identity of every partner, including every member of a partnership *en commandite*, an anonymous partnership or any similar partnership;

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(c) establish the identity of the person who exercises executive control over the partnership;

(d) establish the identity of each natural person who purports to be authorised to enter into a single transaction or establish a business relationship with the accountable institution on behalf of the partnership;

(e) take reasonable steps to verify the particulars obtained in paragraph (a); and

(f) take reasonable steps to verify the identities of the natural persons referred to in paragraphs (b) to (d) so that the accountable institution is satisfied that it knows the identities of the natural persons concerned.

(4) If a natural person, in entering into a single transaction or establishing a business relationship as contemplated in section 21, is acting in pursuance of the provisions of a trust agreement between natural persons, an accountable institution must, in addition to the steps required under sections 21 and 21A and in accordance with its Risk Management and Compliance Programme—

(a) establish the identifying name and number of the trust, if applicable;

(b) establish the address of the Master of the High Court where the trust is registered, if applicable;

(c) establish the identity of the founder;

(d) establish the identity of—

(i) each trustee; and

(ii) each natural person who purports to be authorised to enter into a single transaction or establish a business relationship with the accountable institution on behalf of the trust;

(e) establish—

(i) the identity of each beneficiary referred to by name in the trust deed or other founding instrument in terms of which the trust is created; or

(ii) if beneficiaries are not referred to by name in the trust deed or other founding instrument in terms of which the trust is created, the particulars of how the beneficiaries of the trust are determined;

(f) take reasonable steps to verify the particulars obtained in paragraphs (a), (b) and (e)(ii); and

(g) take reasonable steps to verify the identities of the natural persons referred to in paragraphs (c), (d) and (e)(i) so that the accountable institution is satisfied that it knows the identities of the natural persons concerned.

(5) This section applies in respect of a legal person, partnership, or trust or similar arrangement between natural persons, whether it is incorporated or originated in the Republic or elsewhere.

21C. Ongoing due diligence

An accountable institution must, in accordance with its Risk Management and Compliance Programme, conduct ongoing due diligence in respect of a business relationship which includes—

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(a) monitoring of transactions undertaken throughout the course of the relationship, including, where necessary—

(i) the source of funds, to ensure that the transactions are consistent with the accountable institution's knowledge of the client and the client's business and risk profile; and

(ii) the background and purpose of all complex, unusual large transactions, and all unusual patterns of transactions, which have no apparent business or lawful purpose; and

(b) keeping information obtained for the purpose of establishing and verifying the identities of clients pursuant to sections 21, 21A and 21B of this Act, up-to- date.

21D. Doubts about veracity of previously obtained information

When an accountable institution, subsequent to entering into a single transaction or establishing a business relationship, doubts the veracity or adequacy of previously obtained information which the institution is required to verify as contemplated in sections 21 and 21B, the institution must repeat the steps contemplated in sections 21 and 21B in accordance with its Risk Management and Compliance Programme and to the extent that is necessary to confirm the information in question.

21E. Inability to conduct customer due diligence

If an accountable institution is unable to—

(a) establish and verify the identity of a client or other relevant person in accordance with section 21 or 21B;

(b) obtain the information contemplated in section 21A; or

(c) conduct ongoing due diligence as contemplated in section 21C, the institution—

(i) may not establish a business relationship or conclude a single transaction with a client;

(ii) may not conclude a transaction in the course of a business relationship, or perform any act to give effect to a single transaction; or

(iii) must terminate, in accordance with its Risk Management and Compliance Programme, an existing business relationship with a client,

as the case may be, and consider making a report under section 29 of this Act.

21F. Foreign prominent public official

If an accountable institution determines in accordance with its Risk Management and Compliance Programme that a prospective client with whom it engages to establish a business relationship, or the beneficial owner of that prospective client, is a foreign prominent public official, the institution must—

(a) obtain senior management approval for establishing the business relationship;

(b) take reasonable measures to establish the source of wealth and source of funds of the client; and

(c) conduct enhanced ongoing monitoring of the business relationship.

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21G. Domestic prominent influential person

If an accountable institution determines that a prospective client with whom it engages to establish a business relationship, or the beneficial owner of that prospective client, is a domestic prominent influential person and that, in accordance with its Risk Management and Compliance Programme, the prospective business relationship or single transaction entails higher risk, the institution must—

(a) obtain senior management approval for establishing the business relationship;
(b) take reasonable measures to establish the source of wealth and source of funds of the client; and
(c) conduct enhanced ongoing monitoring of the business relationship.

21H. Family members and known close associates

(1) Sections 21F and 21G apply to immediate family members and known close associates of a person in a foreign or domestic prominent position, as the case may be.

(2) For the purposes of subsection (1), an immediate family member includes— (a) the spouse, civil partner or life partner;
(b) the previous spouse, civil partner or life partner, if applicable;
(c) children and step children and their spouse, civil partner or life partner; (d) parents; and
(e) sibling and step sibling and their spouse, civil partner or life partner.

Part 2 Duty to keep record

22. Obligation to keep customer due diligence records

(1) When an accountable institution is required to obtain information pertaining to a client or prospective client pursuant to sections 21 to 21H the institution must keep a record of that information.

(2) Without limiting subsection (1), the records must—
(a) include copies of, or references to, information provided to or obtained by the accountable institution to verify a person's identity; and
(b) in the case of a business relationship, reflect the information obtained by the accountable institution under section 21A concerning—
(i) the nature of the business relationship;
(ii) the intended purpose of the business relationship; and
(iii) the source of the funds which the prospective client is expected to use in concluding transactions in the course of the business relationship.

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22A. Obligation to keep transaction records

(1) An accountable institution must keep a record of every transaction, whether the transaction is a single transaction or concluded in the course of a business relationship which that accountable institution has with the client, that are reasonably necessary to enable that transaction to be readily reconstructed.

(2) Without limiting subsection (1), records must reflect the following information:
- (a) The amount involved and the currency in which it was denominated;
- (b) the date on which the transaction was concluded;
- (c) the parties to the transaction;
- (d) the nature of the transaction;
- (e) business correspondence; and
- (f) if an accountable institution provides account facilities to its clients, the identifying particulars of all accounts and the account files at the accountable institution that are related to the transaction.

23. Period for which records must be kept

An accountable institution must keep the records which relate to—

(a) the establishment of a business relationship referred to in section 22, for at least five years from the date on which the business relationship is terminated;

(b) a transaction referred to in section 22A which is concluded, for at least five years from the date on which that transaction is concluded; and

(c) a transaction or activity which gave rise to a report contemplated in section 29, for at least five years from the date on which the report was submitted to the Centre.

24. Records may be kept in electronic form and by third parties

(1) The duties imposed by sections 22 and 22A on an accountable institution to keep a record of the matters specified in those sections may be performed by a third party on behalf of the accountable institution as long as the accountable institution has free and easy access to the records and the records are readily available to the Centre and the relevant supervisory body for the purposes of performing its functions in terms of this Act.

(2) If a third party referred to in subsection (1) fails to properly comply with the requirements of sections 22 and 22A on behalf of the accountable institution concerned, the accountable institution is liable for that failure.

(3) If an accountable institution appoints a third party to perform the duties imposed on it by sections 22 and 22A, the accountable institution must forthwith provide the Centre and the supervisory body concerned with the prescribed particulars regarding the third party.

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(4) Records kept in terms of sections 22 and 22A may be kept in electronic form and must be capable of being reproduced in a legible format.

25. Admissibility of records

A record kept in terms of section 22, 22A or 24, or a certified extract of any such record, or a certified printout of any extract of an electronic record, is on its mere production in a matter before a court admissible as evidence of any fact contained in it of which direct oral evidence would be admissible.

26. …….

Part 2A

Financial sanctions

26A. Notification of persons and entities identified by Security Council of the United Nations

(1) Upon the adoption of a resolution by the Security Council of the United Nations under Chapter VII of the Charter of the United Nations, providing for financial sanctions which entail the identification of persons or entities against whom member states of the United Nations must take the actions specified in the resolution, the Minister must announce the adoption of the resolution by notice in the *Gazette* and other appropriate means of publication.

(2) This section does not apply to resolutions of the Security Council of the United Nations contemplated in section 25 of the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 (Act No. 33 of 2004).

(3) Following a notice contemplated in subsection (1) the Director must, from time to time and by appropriate means of publication, give notice of—

(a) persons and entities being identified by the Security Council of the United Nations pursuant to a resolution contemplated in subsection (1); and

(b) a decision of the Security Council of the United Nations to no longer apply a resolution contemplated in subsection (1) to previously identified persons or entities.

(4) The Minister may revoke a notice contemplated in subsection (1) if the Minister is satisfied that the notice is no longer necessary to give effect to financial sanctions in terms of a resolution contemplated in subsection (1).

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26B. Prohibitions relating to persons and entities identified by Security Council of the United Nations

(1) No person may, directly or indirectly, in whole or in part, and by any means or method—

(a) acquire, collect, use, possess or own property;

(b) provide or make available, or invite a person to provide or make available property;

(c) provide or make available, or invite a person to provide or make available any financial or other service;

(d) provide or make available, or invite a person to provide or make available economic support; or

(e) facilitate the acquisition, collection, use or provision of property, or the provision of any financial or other service, or the provision of economic support,

intending that the property, financial or other service or economic support, as the case may be, be used, or while the person knows or ought reasonably to have known or suspected that the property, service or support concerned will be used, directly or indirectly, in whole or in part, for the benefit of, or on behalf of, or at the direction of, or under the control of a person or an entity identified pursuant to a resolution of the Security Council of the United Nations contemplated in a notice referred to in section 26A(1).

(2) No person may, directly or indirectly, in whole or in part, and by any means or method deal with, enter into or facilitate any transaction or perform any other act in connection with property which such person knows or ought reasonably to have known or suspected to have been acquired, collected, used, possessed, owned or provided for the benefit of, or on behalf of, or at the direction of, or under the control of a person or an entity identified pursuant to a resolution of the Security Council of the United Nations contemplated in a notice referred to in section 26A(1).

(3) No person who knows or ought reasonably to have known or suspected that property is property referred to in subsection (1), may enter into, or become concerned in, an arrangement which in any way has or is likely to have the effect of—

(a) making it possible for a person or an entity identified pursuant to a resolution of the Security Council of the United Nations contemplated in a notice referred to in section 26A(1) to retain or control the property;

(b) converting the property;

(c) concealing or disguising the nature, source, location, disposition or movement of the property, the ownership thereof or any interest anyone may have therein;

(d) removing the property from a jurisdiction; or (e) transferring the property to a nominee.

26C. Permitted financial services and dealing with property

(1) The Minister may, in writing and on the conditions as he or she considers appropriate and in accordance with a resolution of the Security Council of the United Nations

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contemplated in a notice referred to in section 26A(1), permit a person to conduct financial services or deal with property referred to in section 26B in the circumstances referred to in subsection (2).

(2) The Minister may permit the provision of financial services or the dealing with property if it is necessary to—

(a) provide for basic expenses, including, at least—

(i) foodstuffs;
(ii) rent or mortgage;
(iii) medicines or medical treatment;
(iv) taxes;
(v) insurance premiums;
(vi) public utility charges;
(vii) maintenance orders;
(viii) reasonable professional fees, and
(ix) reimbursement of expenses associated with the provision of legal services;

(b) satisfy a judgment or arbitral award that was made before the date on which the person or entity was identified by the Security Council of the United Nations;

(c) make a payment to a third party which is due under a contract, agreement or other obligation made before the date on which the person or entity was identified by the Security Council of the United Nations;

(d) accrue interest or other earnings due on accounts holding property affected by a prohibition under section 26B;

(e) make a payment due to a person or entity affected by a prohibition under section 26B by virtue of a contract, agreement or other obligation made before the date on which the person or entity was identified by the Security Council of the United Nations: Provided that the payment is not directly or indirectly being received by that person or entity.

(3) The Minister may permit the provision of financial services or the dealing with property under subsection (1) on his or her own initiative or at the request of a person affected by a prohibition under section 26B.

(4) The Director must, by appropriate means of publication, give notice of the Minister's permission of the provision of financial services or the dealing with property under subsection (1).

(5) (a) The Minister may, in writing, delegate any power conferred in terms of this section, to the Director.

(b) A delegation in terms of paragraph (a)—

(i) is subject to any limitations or conditions that the Minister may impose;
(ii) does not divest the Minister of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

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(c) The Minister may vary or revoke any decision taken by an official as a result of a delegation in terms of paragraph (a), subject to any rights that may have vested as a consequence of the decision.

Part 3
Reporting duties and access to information

27. Accountable institutions, reporting institutions and persons subject to reporting obligations to advise Centre of clients

If an authorised representative of the Centre requests an accountable institution, a reporting institution or a person that is required to make a report in terms of section 29 of this Act to advise —

(a) whether a specified person is or has been a client of the accountable institution, reporting institution or person;

(b) whether a specified person is acting or has acted on behalf of any client of the accountable institution, reporting institution or person;

(c) whether a client of the accountable institution, reporting institution or person is acting or has acted for a specified person;

(d) whether a number specified by the Centre was allocated by the accountable institution, reporting institution or person to a person with whom the accountable institution, reporting institution or person has or has had a business relationship; or

(e) on the type and status of a business relationship with a client of the accountable institution, reporting institution or person,

the accountable institution, reporting institution or person must inform the Centre accordingly.

27A. Powers of access by authorised representative to records in respect of reports required to be submitted to Centre

(1) Subject to subsection (2), an authorised representative of the Centre has access during ordinary working hours to any records kept by or on behalf of an accountable institution in terms of section 22, 22A or 24, and may examine, make extracts from or copies of, any such records for the purposes of obtaining further information in respect of a report made or ought to be made in terms of section 28, 28A, 29, 30 (1) or 31.

(2) The authorised representative of the Centre may, except in the case of records which the public is entitled to have access to, exercise the powers mentioned in subsection (1) only by virtue of a warrant issued in chambers by a magistrate or regional magistrate or judge of an area of jurisdiction within which the records or any of them are kept, or within which the accountable institution conducts business.

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(3) A warrant may only be issued if it appears to the judge, magistrate or regional magistrate from information on oath or affirmation that there are reasonable grounds to believe that the records referred to in subsection (1) may assist the Centre to identify the proceeds of unlawful activities or to combat money laundering activities or the financing of terrorist and related activities.

(4) A warrant issued in terms of this section may contain such conditions regarding access to the relevant records as the judge, magistrate or regional magistrate considers appropriate.

(5) An accountable institution must without delay give to an authorised representative of the Centre all reasonable assistance necessary to enable that representative to exercise the powers mentioned in subsection (1).

28. Cash transactions above prescribed limit

An accountable institution and a reporting institution must, within the prescribed period, report to the Centre the prescribed particulars concerning a transaction concluded with a client if in terms of the transaction an amount of cash in excess of the prescribed amount—

(a) is paid by the accountable institution or reporting institution to the client, or to a person acting on behalf of the client, or to a person on whose behalf the client is acting; or

(b) is received by the accountable institution or reporting institution from the client, or from a person acting on behalf of the client, or from a person on whose behalf the client is acting.

28A. Property associated with terrorist and related activities and financial sanctions pursuant to Resolutions of United Nations Security Council

(1) An accountable institution which has in its possession or under its control property owned or controlled by or on behalf of, or at the direction of—

(a) any entity which has committed, or attempted to commit, or facilitated the commission of a specified offence as defined in the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004;

(b) a specific entity identified in a notice issued by the President, under section 25 of the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004; or

(c) a person or an entity identified pursuant to a resolution of the Security Council of the United Nations contemplated in a notice referred to in section 26A(1),

must within the prescribed period report that fact and the prescribed particulars to the Centre.

(2) The Director may direct an accountable institution which has made a report under subsection (1) to report —

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(a) at such intervals as may be determined in the direction, that it is still in possession or control of the property in respect of which the report under subsection (1) had been made; and

(b) any change in the circumstances concerning the accountable institution's possession or control of that property.

(3) An accountable institution must upon—

(a) publication of a proclamation by the President under section 25 of the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004; or

(b) notice being given by the Director under section 26A(3),

scrutinise its information concerning clients with whom the accountable institution has business relationships in order to determine whether any such client is a person or entity mentioned in the proclamation by the President or the notice by the Director.

29. Suspicious and unusual transactions

(1) A person who carries on a business or is in charge of or manages a business or who is employed by a business and who knows or ought reasonably to have known or suspected that —

(a) the business has received or is about to receive the proceeds of unlawful activities or property which is connected to an offence relating to the financing of terrorist and related activities;

(b) a transaction or series of transactions to which the business is a party —

(i) facilitated or is likely to facilitate the transfer of the proceeds of unlawful activities or property which is connected to an offence relating to the financing of terrorist and related activities;

(ii) has no apparent business or lawful purpose;

(iii) is conducted for the purpose of avoiding giving rise to a reporting duty under this Act;

(iv) may be relevant to the investigation of an evasion or attempted evasion of a duty to pay any tax, duty or levy imposed by legislation administered by the Commissioner for the South African Revenue Service;

(v) relates to an offence relating to the financing of terrorist and related activities; or

(vi) relates to the contravention of a prohibition under section 26B; or

(c) the business has been used or is about to be used in any way for money laundering purposes or to facilitate the commission of an offence relating to the financing of terrorist and related activities,

must, within the prescribed period after the knowledge was acquired or the suspicion arose, report to the Centre the grounds for the knowledge or suspicion and the prescribed particulars concerning the transaction or series of transactions.

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(2) A person who carries on a business or is in charge of or manages a business or who is employed by a business and who knows or suspects that a transaction or a series of transactions about which enquiries are made, may, if that transaction or those transactions had been concluded, have caused any of the consequences referred to in subsection (1)(a), (b) or (c), must, within the prescribed period after the knowledge was acquired or the suspicion arose,
report to the Centre the grounds for the knowledge or suspicion and the prescribed particulars concerning the transaction or series of transactions.

(3) No person who made or must make a report in terms of this section may, subject to subsection 45B(2A), disclose that fact or any information regarding the contents of any such report to any other person, including the person in respect of whom the report is or must be made, otherwise than—

(a) within the scope of the powers and duties of that person in terms of any legislation;
(b) for the purpose of carrying out the provisions of this Act;
(c) for the purpose of legal proceedings, including any proceedings before a judge in chambers; or
(d) in terms of an order of court.

(4) No person who knows or suspects that a report has been or is to be made in terms of this section may disclose that knowledge or suspicion or any information regarding the contents or suspected contents of any such report to any other person, including the person in respect of whom the report is or is to be made, otherwise than—

(a) within the scope of that person's powers and duties in terms of any legislation;
(b) for the purpose of carrying out the provisions of this Act;
(c) for the purpose of legal proceedings, including any proceedings before a judge in chambers; or
(d) in terms of an order of court.

30. Conveyance of cash to or from Republic

(1) A person who intends conveying or who has conveyed or who is conveying an amount of cash or a bearer negotiable instrument in excess of the prescribed amount to or from the Republic must, on demand, report the prescribed particulars concerning that conveyance to a person authorised by the Minister for this purpose.

(2) A person authorised in terms of subsection (1) must without delay send a copy of the report to the Centre.

(Commencement date of section 30: to be proclaimed)

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31. Electronic transfers of money to or from Republic

If an accountable institution through electronic transfer sends money in excess of a prescribed amount out of the Republic or receives money in excess of a prescribed amount from outside the Republic on behalf, or on the instruction, of another person, it must, within the prescribed period after the money was transferred, report the transfer, together with the prescribed particulars concerning the transfer, to the Centre.

(Commencement date of section 31: to be proclaimed)

32. Reporting procedures and furnishing of additional information

(1) A report in terms of section 28, 29 or 31 to the Centre and a report in terms of section 30(1) to a person authorised by the Minister must be made in the prescribed manner

(2) The Centre may request an accountable institution, a reporting institution or any other person that has made a report in terms of section 28, 29 or 31 to furnish the Centre with such additional information, including prescribed information relating to transactional activity and supporting documentation, concerning the report and the grounds for the report as the Centre may reasonably require for the performance by it of its functions.

(3) When an institution or a person referred to in subsection (2) receives a request under that subsection, that institution or person must furnish the Centre in the prescribed manner and within the prescribed period with such additional information concerning the report and the grounds for the report as that institution or person may have available.

33. Continuation of transactions

An accountable institution, reporting institution or person required to make a report to the Centre in terms of section 28 or 29, may continue with and carry out the transaction in respect of which the report is required to be made unless the Centre directs the accountable institution, reporting institution or person in terms of section 34 not to proceed with the transaction.

34. Intervention by Centre

(1) If the Centre, after consulting an accountable institution, a reporting institution or a person required to make a report in terms of section 28, 28A or 29, has reasonable grounds to suspect that a transaction or a proposed transaction may—

(a) involve—

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(i) the proceeds of unlawful activities or property which is connected to an offence relating to the financing of terrorist and related activities; or

(ii) property owned or controlled by or on behalf of, or at the direction of a person or entity identified pursuant to a resolution of the Security Council of the United Nations contemplated in a notice referred to in section 26A(1); or

(b) constitute—

(i) money laundering; or

(ii) a transaction contemplated in section 29(1)(b), it may direct the accountable institution, reporting institution or person in writing not to proceed with the carrying out of that transaction or proposed transaction or any other transaction in respect of the funds affected by that transaction or proposed transaction for a period not longer than 10 days as determined by the Centre, in order to allow the Centre to make the necessary inquiries concerning the transaction and, if the Centre considers it appropriate, to inform and advise an investigating authority or the National Director of Public Prosecutions.

(2) For the purposes of calculating the period of 10 days in subsection (1), Saturdays, Sundays and proclaimed public holidays must not be taken into account.

(3) Subsection (1) does not apply to the carrying out of a transaction to which the rules of an exchange licensed in terms of the Financial Markets Act, 2012 (Act No. 19 of 2012), apply.

35. Monitoring orders

(1) A judge designated by the Minister of Justice for the purposes of the Regulation of Interception of Communications and Provision of Communication related Information Act, 2002 (Act No. 70 of 2002), may, upon written application by the Centre, order an accountable institution to report to the Centre, on such terms and in such confidential manner as may be specified in the order, all transactions concluded by a specified person with the accountable institution or all transactions conducted in respect of a specified account or facility at the accountable institution, if there are reasonable grounds to suspect that—

(a) that person has transferred or may transfer to the accountable institution—

(i) the proceeds of unlawful activities;

(ii) property which is connected to an offence relating to the financing of terrorist and related activities; or

(iii) property owned or controlled by or on behalf of, or at the direction of a person or entity identified pursuant to a resolution of the Security Council of the United Nations contemplated in a notice referred to in section 26A(1);

(b) that account or other facility has received or may receive—

(i) the proceeds of unlawful activities;

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(ii) property which is connected to an offence relating to the financing of terrorist and related activities; or

(iii) property owned or controlled by or on behalf of, or at the direction of a person or entity identified pursuant to a resolution of the Security Council of the United Nations contemplated in a notice referred to in section 26A(1);

(c) that person is using or may use the accountable institution for money laundering purposes or for the financing of terrorist acts or for the purpose of any transaction contemplated in section 29(1)(b); or

(d) that account or other facility is being or may be used for money laundering purposes or for the financing of terrorist or related activities or for the purpose of any transaction contemplated in section 29(1)(b).

(2) An order in terms of subsection (1) lapses after three months unless extended in terms of subsection (3).

(3) A judge referred to in subsection (1) may extend an order issued in terms of subsection (1) for further periods not exceeding three months at a time if—

(a) the reasonable grounds for the suspicion on which the order is based still exist; and

(b) the judge is satisfied that the interest of justice is best served by monitoring the person, account or facility referred to in subsection (1) in the manner provided for in this section.

(4) An application referred to in subsection (1) must be heard and an order must be issued without notice to or hearing the person or persons involved in the suspected money-laundering activities.

36. Information held by supervisory bodies and South African Revenue Service

(1) If a supervisory body or the South African Revenue Service knows or suspects that an accountable institution wittingly or unwittingly has received or is about to receive the proceeds of unlawful activities or has been used or may be used in future for money laundering purposes or for the purpose of any transaction contemplated in section 29(1)(b), it must advise the Centre and any authority, service or body contemplated in section 3 or any other supervisory body that, in the opinion of the supervisory body or the South African Revenue Service, may have an interest therein, of that fact and furnish them with all information and any records regarding that knowledge or suspicion which they may reasonably require to identify the proceeds of unlawful activities or to combat money laundering activities or financing of terrorist and related activities.

(2) If the Centre believes that a supervisory body or the South African Revenue Service may have information indicating that an accountable institution**,** wittingly or unwittingly

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has received or is about to receive the proceeds of unlawful activities or has been used or may be used in future for money laundering purposes or for the purpose of any transaction contemplated in section 29(1)(b), the Centre may request that supervisory body or the South African Revenue Service to confirm or rebut that belief and the supervisory body or South African Revenue Service, as the case may be, must do so and, if that belief is confirmed, must furnish the Centre and any authority, service or body referred to in section 3 or any other supervisory body identified by the Centre that may have an interest in that matter with all information and any records regarding that knowledge or suspicion which the Centre may reasonably require for the achievement of its objectives.

(3) The Commissioner for the South African Revenue Service and the chief executive officer of a supervisory body may make such reasonable procedural arrangements and impose such reasonable safeguards regarding the furnishing of information referred to in subsections (1) and (2) as the Commissioner or such officer considers appropriate to maintain the confidentiality, if any, of that information.

37. Reporting duty and obligations to provide information not affected by confidentiality rules

(1) Subject to subsection (2), no duty of secrecy or confidentiality or any other restriction on the disclosure of information, whether imposed by legislation or arising from the common law or agreement, affects compliance by an accountable institution, supervisory body, reporting institution, the South African Revenue Service or any other person with a provision of this Part, Part 4 and Chapter 4.

(2) Subsection (1) does not apply to the common law right to legal professional privilege as between an attorney and the attorney's client in respect of communications made in confidence between—

(a) the attorney and the attorney's client for the purposes of legal advice or litigation which is pending or contemplated or which has commenced; or

(b) a third party and an attorney for the purposes of litigation which is pending or contemplated or has commenced.

38. Protection of persons making reports

(1) No action, whether criminal or civil, lies against an accountable institution, reporting institution, supervisory body, the South African Revenue Service or any other person complying in good faith with a provision of this Part, Part 4 and Chapter 4, including any director, employee or other person acting on behalf of such accountable institution, reporting institution, supervisory body, the South African Revenue Service or such other person.

(2) A person who has made, initiated or contributed to a report in terms of section 28, 29 or 31 or who has furnished additional information concerning such a report or the

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grounds for such a report in terms of a provision of this Part is competent, but not compellable, to give evidence in criminal proceedings arising from the report.

(3) No evidence concerning the identity of a person who has made, initiated or contributed to a report in terms of section 28, 29 or 31 or who has furnished additional information concerning such a report or the grounds for such a report in terms of a provision of this Part, or the contents or nature of such additional information or grounds, is admissible as evidence in criminal proceedings unless that person testifies at those proceedings.

39. Admissibility as evidence of reports made to Centre

A certificate issued by an official of the Centre that information specified in the certificate was reported or sent to the Centre in terms of section 28, 29, 30(2) or 31 is, subject to section 38(3), on its mere production in a matter before a court admissible as evidence of any fact contained in it of which direct oral evidence would be admissible.

40. Access to information held by Centre

(1) Subject to this section, the Centre must make information reported to it, or obtained by it under this Part and information generated by its analysis of information so reported or obtained, available to—

(a) an investigating authority in the Republic;
(aA) the National Prosecuting Authority;
(aB) the Independent Police Investigative Directorate;
(aC) an intelligence service;
(aD) the Intelligence Division of the National Defence Force;
(aE) a Special Investigating Unit;
(aF) an investigative division in an organ of state;
(aG) the Public Protector; or
(aH) the South African Revenue Service;
(b) an entity outside the Republic performing similar functions to those of the Centre, or an investigating authority outside the Republic;
(c) ……..
(d) a supervisory body;
(e) a person who is entitled to receive such information in terms of an order of a court; or
(f) a person who is entitled to receive such information in terms of other national legislation.

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(1A) Information contemplated in subsection (1) may only be made available to an entity referred to in subsection (1)(a), (aA), (aB), (aC), (aD),(aE), (aF), (aG) or (aH)—

(a) at the initiative of the Centre or at the request of an authorised officer of the entity; and

(b) if the Centre reasonably believes such information is required to investigate suspected unlawful activity.

(1B) Information contemplated in subsection (1) may only be made available to an entity or authority referred to in subsection (1)(b)—

(a) at the initiative of the Centre or at the request of the entity or authority; and

(b) if the Centre reasonably believes such information is relevant to the identification of the proceeds of unlawful activities or the combating of money laundering or financing of terrorist and related activities or similar offences in the country in which the entity or authority is established.

(1C) Information contemplated in subsection (1) may only be made available to a supervisory body referred to in subsection (1)(d)—

(a) at the initiative of the Centre or at the request of the supervisory body; and

(b) if the Centre reasonably believes such information is relevant to the exercise by the supervisory body of its powers or performance by it of its functions under any law.

(2) A request for information contemplated in subsection (1A) or (1C) must be in writing and must specify the required information and the purpose for which the information is required.

(3) The Director may, as a condition to the provision of any information contemplated in subsection (1), make the reasonable procedural arrangements and impose the reasonable safeguards regarding the furnishing of such information that the Director considers appropriate to maintain the confidentiality of that information before the information is provided.

(4) Information contemplated in subsection (1) may only be provided to an entity or authority referred to in subsection (1)(b) pursuant to a written agreement between the Centre and the entity, or the authority which is responsible for that entity or authority, regulating the exchange of information between the Centre and the entity or authority.

(5) An agreement referred to in subsection (4) does not—

(a) take effect until it has been approved in writing by the Minister;

(b) permit the Centre to provide any category of information to the entity or authority in respect of which the agreement is concluded which the entity or authority is not permitted to provide to the Centre.

(6) A person who obtains information from the Centre may use that information only—

(a) within the scope of that person's powers and duties; and

(b) in the case of a request contemplated in subsection (2), for the purpose specified in that request.

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(7) The Centre may make available any information obtained by it during an inspection to an organ of slate, a supervisory body, other regulatory authority, selfregulating association or organisation which the Centre reasonably believes is affected by or has an interest in that information.

(8) The Centre must make information it holds available to the appropriate National Intelligence Structure, as defined in section 1 of the National Strategic Intelligence Act, 1994 (Act No. 39 of 1994), if it reasonably believes that the information relates to any potential threat or threat to the national security, as defined in section 1 of that Act.

(9) The Centre may, at the initiative of the Centre or on written request, disclose information it holds, other than information contemplated in subsections (1), (7) and (8), to an accountable institution or class of accountable institutions or any other person unless the Centre reasonably believes that the disclosure may—

(a) inhibit the achievement of the Centre's objectives or the performance of its functions, or the achievement of the objectives or the performance of the functions of another organ of state; or

(b) prejudice the rights of any person.

41. Protection of confidential information

No person may disclose confidential information held by or obtained from the Centre except—

(a) within the scope of that person's powers and duties in terms of any legislation;

(b) for the purpose of carrying out the provisions of this Act;

(c) with the permission of the Centre;

(d) for the purpose of legal proceedings, including any proceedings before a judge in chambers; or

(e) in terms of an order of court.

41A. Protection of personal information

(1) The Centre must ensure that appropriate measures are taken in respect of personal information in its possession or under its control to prevent—

(a) loss of, damage to or unauthorised destruction of the information;

(b) unlawful access to or processing of personal information, other than in accordance with this Act and the Protection of Personal Information Act, 2013 (Act No. 4 of 2013).

(2) In order to give effect to subsection (1) the Centre must take reasonable measures to—

(a) identify all reasonable and foreseeable internal and external risks to personal information in its possession or under its control;

(b) establish and maintain appropriate safeguards against the risks identified;

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(c) regularly verify that the safeguards are effectively implemented; and
(d) ensure that the safeguards are continually updated in response to new risks or deficiencies in previously implemented safeguards.

Part 4

Measures to promote compliance by accountable institutions

42. Risk Management and Compliance Programme

(1) An accountable institution must develop, document, maintain and implement a programme for anti-money laundering and counter-terrorist financing risk management and compliance.

(2) A Risk Management and Compliance Programme must—

(a) enable the accountable institution to—
(i) identify;
(ii) assess;
(iii) monitor;
(iv) mitigate, and
(v) manage,
the risk that the provision by the accountable institution of products or services may involve or facilitate money laundering activities or the financing of terrorist and related activities;

(b) provide for the manner in which the institution determines if a person is—
(i) a prospective client in the process of establishing a business relationship or entering into a single transaction with the institution; or
(ii) a client who has established a business relationship or entered into a single transaction;

(c) provide for the manner in which the institution complies with section 20A;

(d) provide for the manner in which and the processes by which the establishment and verification of the identity of persons whom the accountable institution must identify in terms of Part 1 of this Chapter is performed in the institution;

(e) provide for the manner in which the institution determines whether future transactions that will be performed in the course of the business relationship are consistent with the institution's knowledge of a prospective client;

(f) provide for the manner in which and the processes by which the institution conducts additional due diligence measures in respect of legal persons, trusts and partnerships;

(g) provide for the manner in which and the processes by which ongoing due diligence and account monitoring in respect of business relationships is conducted by the institution;

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(h) provide for the manner in which the examining of—
(i) complex or unusually large transactions; and
(ii) unusual patterns of transactions which have no apparent business or lawful purpose,
and keeping of written findings relating thereto, is done by the institution;

(i) provide for the manner in which and the processes by which the institution will confirm information relating to a client when the institution has doubts about the veracity of previously obtained information;

(j) provide for the manner in which and the processes by which the institution will perform the customer due diligence requirements in accordance with sections 21, 21A, 21B and 21C when, during the course of a business relationship, the institution suspects that a transaction or activity is suspicious or unusual as contemplated in section 29;

(k) provide for the manner in which the accountable institution will terminate an existing business relationship as contemplated in section 21E;

(l) provide for the manner in which and the processes by which the accountable institution determines whether a prospective client is a foreign prominent public official or a domestic prominent influential person;

(m) provide for the manner in which and the processes by which enhanced due diligence is conducted for higher-risk business relationships and when simplified customer due diligence might be permitted in the institution;

(n) provide for the manner in which and place at which the records are kept in terms of Part 2 of this Chapter;

(o) enable the institution to determine when a transaction or activity is reportable to the Centre under Part 3 of this Chapter;

(p) provide for the processes for reporting information to the Centre under Part 3 of this Chapter;

(q) provide for the manner in which—
(i) the Risk Management and Compliance Programme is implemented in branches, subsidiaries or other operations of the institution in foreign countries so as to enable the institution to comply with its obligations under this Act;
(ii) the institution will determine if the host country of a foreign branch or subsidiary permits the implementation of measures required under this Act; and
(iii) the institution will inform the Centre and supervisory body concerned if the host country contemplated in sub-paragraph (ii) does not permit the implementation of measures required under this Act;

(r) provide for the processes for the institution to implement its Risk Management and Compliance Programme; and (s) provide for any prescribed matter.

(2A) An accountable institution must indicate, in its Risk Management and Compliance Programme, if any paragraph under subsection (2) is not applicable to that accountable institution and the reason why it is not applicable.

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(2B) The board of directors, senior management or other person or group of persons exercising the highest level of authority in an accountable institution must approve the Risk Management and Compliance Programme of the institution.

(2C) An accountable institution must review its Risk Management and Compliance Programme at regular intervals to ensure that the Programme remains relevant to the accountable institution's operations and the achievement of the requirements contemplated in subsection (2).

(3) An accountable institution must make documentation describing its Risk Management and Compliance Programme available to each of its employees involved in transactions to which this Act applies.

(4) An accountable institution must, on request, make a copy of the documentation describing its Risk Management and Compliance Programme available to—

(a) the Centre; or

(b) a supervisory body which performs regulatory or supervisory functions in respect of that accountable institution.

42A. Governance of anti-money laundering and counter terrorist financing compliance

(1) The board of directors of an accountable institution which is a legal person with a board of directors, or the senior management of an accountable institution without a board of directors, must ensure compliance by the accountable institution and its employees with the provisions of this Act and its Risk Management and Compliance Programme.

(2) An accountable institution which is a legal person must—

(a) have a compliance function to assist the board of directors or the senior management, as the case may be, of the institution in discharging their obligation under subsection (1); and

(b) assign a person with sufficient competence and seniority to ensure the effectiveness of the compliance function contemplated in paragraph (a).

(3) The person or persons exercising the highest level of authority in an accountable institution which is not a legal person must ensure compliance by the employees of the institution with the provisions of this Act and its Risk Management and Compliance Programme, in so far as the functions of those employees relate to the obligations of the institution.

(4) An accountable institution which is not a legal person, except for an accountable institution which is a sole practitioner, must appoint a person or persons with sufficient competence to assist the person or persons exercising the highest level of authority in the accountable institution in discharging their obligation under subsection (3).

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42B. Consultation process for issuing guidance

Before issuing guidance to accountable institutions, supervisory bodies and other persons regarding the performance and compliance by them of their duties and obligations in terms of this Act or any directive made in terms of this Act, the Centre must—

(a) publish a draft of the guidance by appropriate means of publication and invite submissions; and

(b) consider submissions received.

43. Training relating to anti-money laundering and counter terrorist financing compliance

An accountable institution must provide ongoing training to its employees to enable them to comply with the provisions of this Act and the Risk Management and Compliance Programme which are applicable to them.

43A. Directives

(1)(a) The Centre may, by notice in the *Gazette*, issue a directive to all institutions to whom the provisions of this Act apply —

(i) regarding the application of this Act; or

(ii) which reasonably may be required to give effect to the Centre's objectives contemplated in section 3.

(b) The Centre may issue a directive in terms of paragraph (a) only after consulting with supervisory bodies on that directive.

(2) The Centre or a supervisory body may, in writing, issue a directive to any category of accountable institutions or category of reporting institutions or other category of persons to whom the provisions of this Act apply —

(a) regarding the application of this Act; or

(b) which reasonably may be required to give effect to the Centre's objectives contemplated in section 3.

(3) The Centre or a supervisory body may in writing, over and above any directive contemplated in subsection (1) or (2), issue a directive to any accountable institution, category of accountable institutions, reporting institution, category of reporting institutions or other person to whom the provisions of this Act apply, to—

(a) provide the Centre or that supervisory body, as the case may be—

(i) with the information, reports or statistical returns specified in the notice, at the time or at the intervals specified in the notice; and

(ii) within the period specified in the notice, with any document in its possession or custody or under its control;

(b) cease or refrain from engaging in any act, omission or conduct in contravention of this Act;

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(c) perform acts necessary to remedy an alleged non-compliance with this Act; or

(d) perform acts necessary to meet any obligation imposed by this Act.

(4) The Centre or supervisory body may examine a document submitted to it in terms of subsection (3)(a) or make a copy thereof or part thereof.

(5) The costs incurred in complying with a directive must be borne by the accountable institution, reporting institution or person concerned.

(6)(a) The Centre, in respect of any accountable institution or category of accountable institutions regulated or supervised by a supervisory body in terms of this Act or any other law. may issue a directive in accordance with subsections (2) and (3) only —

(i) if a supervisory body failed to issue a directive despite any recommendation of the Centre made in terms of section 44(b); or

(ii) after consultation with the relevant supervisory body.

(b) A supervisory body may issue a directive in terms of this section only after consulting the Centre on that directive.

(7) Before the Centre or supervisory body concerned issues a directive, it must, —

(a) in the case of a directive in terms of—

(i) subsection (1), in the Gazette, give notice where a draft of the directive will be available and invite submissions;

(ii) subsection (2), publish a draft of the directive by appropriate means of publication and invite submissions; and

(b) consider submissions received.

43B. Registration by accountable institution and reporting institution

(1) Every accountable institution referred to in Schedule 1 and every reporting institution referred to in Schedule 3 must, within the prescribed period and in the prescribed manner, register with the Centre.

(2) The registration of an accountable institution and a reporting institution contemplated in subsection (1) must be accompanied by such particulars as the Centre may require.

(3) The Centre must keep and maintain a register of every accountable institution and reporting institution registered in terms of subsection (1).

(4) A registered accountable institution or reporting institution must notify the Centre, in writing, of any changes to the particulars furnished in terms of this section within 90 days after such a change.

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Part 5
Referral and supervision

44. Referral of suspected offences to investigating authorities and other public bodies

If the Centre in the performance of its functions has reasonable grounds to suspect that an accountable institution, or any other person other than a supervisory body who is subject to the provisions of this Act, has contravened or failed to comply with any provision of this Act or any rule or guideline applicable to that accountable institution or person which facilitates compliance with this Act, it may, if it considers it appropriate to do so, refer the matter to—

(a) a relevant investigating authority; or

(b) an appropriate supervisory body or other public body or authority affected by it, together with any recommendation the Centre considers appropriate.

45. Responsibility for supervision of accountable institutions

(1) Every supervisory body is responsible for supervising and enforcing compliance with this Act or any order, determination or directive made in terms of this Act by all accountable institutions regulated or supervised by it.

(1A)(a) The obligation referred to in subsection (1) forms part of the legislative mandate of any supervisory body and constitutes a core function of that supervisory body.

(b) Any Act that regulates a supervisory body or authorises that supervisory body to supervise or regulate any accountable institution must be read as including subsection (1), and a supervisory body may utilise any fees or charges it is authorised to impose or collect to defray expenditure incurred in performing its obligations under this Act or any order, determination or directive made in terms of this Act.

(1B) A supervisory body, in meeting its obligation referred to in subsection (1), may—

(a) in addition to any powers it has in terms of another Act, exercise any power afforded to it in this Act;

(b) delegate the exercise of any power contemplated in paragraph (a) to any of its members, employees or any other suitable person;

(c) take any measures it considers necessary or expedient to meet its obligations imposed by this Act or any order, determination or directive made in terms of this Act, or to achieve the objectives of the Centre or this Act;

(d) require an accountable institution supervised or regulated by it to report on that institution's compliance with this Act or any order, determination or directive made in terms of this Act in the form, manner and timeframes determined by the supervisory body;

(e) issue or amend any licence, registration, approval or authorisation that the supervisory body may issue or grant in accordance with any Act, to include the following conditions:

(i) compliance with this Act; and

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(ii) the continued availability of human, financial, technological and other resources to ensure compliance with this Act or any order, determination or directive made in terms of this Act; and

(f) in making a determination in accordance with any Act applicable to it as to whether a person is fit and proper to hold office in an accountable institution, take into account any involvement, whether directly or indirectly, by that person in any non-compliance with this Act or any order, determination or directive made in terms of this act, or, prior to the commencement of this Act or at any time thereafter, any involvement in— (i) any money laundering activity; or (ii) any terrorist or related activity.

(1C) A supervisory body must submit to the Centre, within the prescribed period and in the prescribed manner, a written report on any action taken against any accountable institution in terms of this Act or any order, determination or directive made in terms of this Act.

(1D)(a) The Centre and a supervisory body must co-ordinate their approach to exercising their powers and performing their functions in terms of this Act to ensure the consistent application of the Act, and must enter into a written memorandum of understanding in respect thereof.

(b) The memorandum of understanding must provide for—

(i) the sharing of information between the parties, which must include—

(aa) the types of information to be furnished by each party;

(bb) measures to protect confidentiality of the information, including limiting access to specified persons or incumbents of specified positions, subject to section 40(3) and other provisions of this Act and other applicable legislation;

(ii) cooperation between the parties and assisting each other in the exercise of their respective powers and the performance of their respective duties in terms of this Act;

(iii) a dispute resolution mechanism; and

(iv) such other matters as may be prescribed.

(2) When the Centre refers a matter to a supervisory body or other public body or authority in terms of section 44, that supervisory body or other public body or authority must investigate the matter and may, after consultation with the Centre, take such steps within the scope of its powers as it considers appropriate to remedy the matter.

(3) Should a supervisory body or other public body or authority to which a suspected contravention or failure is referred in terms of section 44 fail to take adequate steps to ensure that the suspected contravention ceases or the suspected failure is rectified, the Centre may, after consultation with the supervisory body or other public body or authority concerned, take such steps within the scope of its powers as the Centre considers appropriate to remedy the matter.

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33

FREE STATE DEVELOPMENT CORPORATION ACT 6 OF 1995

[ASSENTED TO 12 SEPTEMBER l995][DATE OF COMMENCEMENT: 15 SEPTEMBER 1995]

(English text signed by the Premier)

as amended by

Free State Development Corporation Amendment Act 9 of 1999
Free State Development Corporation Amendment Act 4 of 2006
Free State Development Corporation Amendment Act 5 of 2010

ACT

To provide for the establishment of a development corporation for the Province and for matters incidental thereto.

1 Definitions

In this Act, unless the context otherwise indicates-

"board of directors" means the board of directors of the Free State Development Corporation;

[Definition of "board of directors" inserted by sec 1(a) of Act 9 of 1999 wef 3 February 2000.]

"**business"** ……

[Definition of "business" deleted by sec 1 (1) of Act 5 of 2010 wef 8 June 2010.]

"Companies Act" . . .

[Definition of "Companies Act" inserted by sec 1(b) of Act 9 of 1999 wef 3 February 2000 and deleted by sec 1(a) of Act 4 of 2006 wef 25 August 2006.]

"Constitution" means the Constitution of the Republic of South Africa, 1996;

[Definition of "Constitution" substituted by sec 1(c) of Act 9 of 1999 wef 3 February 2000 and by sec 1(b) of Act 4 of 2006 wef 25 August 2006.]

"Corporation" means the Free State Development Corporation established by section 2;

"director" means a director of the Corporation;

"dissolved agency" means an agency established by or under a repealed Act;

[Definition of "dissolved agency" inserted by sec 1(2) of Act 5 of 2010 wef 8 June 2010.]

"dissolved corporation" means a corporation established by or under a repealed Act;

“enterprise” means the enterprise referred to in section 3(a);

[Definition of “enterprise” inserted by sec 1(3) of Act 5 of 2010 wef 8 June 2010.]

"law of the Province" means an Act passed by the Provincial Legislature or a law assigned for administration to a competent authority within the jurisdiction of the government of the Province under section 235 (8) of the Constitution;

"Public Finance Management Act" means the Public Finance Management Act, 1999 (Act 1 of 1999);

[Definition of "Public Finance Management Act" inserted by sec 1(d) of Act 4 of 2006 wef 25 August 2006.]

"managing director" . . .

[Definition of "managing director" deleted by sec 1(c) of Act 4 of 2006 wef 25 August 2006.]

"repealed Act" means an act referred to in the Schedule;

"responsible Member" means the member of the Executive Council of the Province responsible for Economic Affairs;

[Definition of "responsible Member" substituted by sec 1(d) of Act 9 of 1999 wef 3 February 2000 and by sec 1(e) of Act 4 of 2006 wef 25 August 2006.]

"Small, Medium and Micro Enterprises" bears the same meaning assigned to this expression in the National Small Enterprises Act, 1996 (Act 102 of 1996);

[Definition of "Small, Medium and Micro Enterprises" inserted by sec 1(f) of Act 4 of 2006 wef 25 August 2006.]

"to act as broker" means the facilitation or otherwise advancement of development in line with the Corporation's main and ancillary objects for which it was established.

[Definition of "to act as broker" added by sec 1(e) of Act 9 of 1999 wef 3 February 2000.]

1A Public Finance Management Act applicable

This Act is subject to the Public Finance Management Act.

[Sec 1A inserted by sec 2 of Act 4 of 2006 wef 25 August 2006.]

2 Establishment of Free State Development Corporation

(1) A juristic person to be known as the Free State Development Corporation is hereby established.

(2) . . .

[Subsec (2) deleted by sec 3 of Act 4 of 2006 wef 25 August 2006.]
[Sec 2 substituted by sec 2 of Act 9 of 1999 wef 3 February 2000.]

2A . . .

[Sec 2A inserted by sec 3 of Act 9 of 1999 wef 3 February 2000 and deleted by sec 4 of Act 4 of 2006 wef 25 August 2006.]

3 Main objects of the Corporation

The objects of the Corporation shall be –

(a) the promotion and development of small, medium and micro enterprises;

(b) to assist Free State based small, medium and micro enterprises with funding by advancing loans;

(c) to assist Free State based small, medium and micro enterprises in financial distress;

(d) to initiate economic empowerment projects that would benefit the Free State;

(e) to promote investment in and trade with the Province and to identify, analyse, publicize and market investment and trade opportunities in the provincial economy, in such manner and by such means as the board of directors may from time to time deem appropriate; and

(f) to undertake, at the request of the responsible Member or other stakeholders or agencies, activities for which the necessary resources can be raised and which, in the opinion of the board of directors, will contribute to the strengthening of the provincial economy."

[Sec 3 substituted by Sec 2 of Act 5 of 2010 wef 8 June 2010.]

4 Capacity and powers of the Corporation

The Corporation shall have the capacity determined by the main objects stated in section 3.

[Sec 4 substituted by sec 5 of Act 9 of 1999 wef 3 February 2000 and by sec 6 of Act 4 of 2006 wef 25 August 2006.]

4A Powers of board of directors

The board of directors shall have all the powers to achieve all the main objects for which the Corporation is established and without detracting from the generality of this section the powers of the board shall include the following:

(a) to plan, finance, co-ordinate, promote, establish or carry on any business or undertaking in respect of the matters referred to in section 3 or to acquire or dispose of such business or undertaking or any portion thereof;

(c) [sic] to grant or guarantee loans, provide capital or other means to any person, company, close corporation, co-operative society, partnership or other association of persons, whether corporate or not, for the purpose of achieving the Corporation's objects;

(d) to take such securities as it may deem fit;

(e) to raise loans or borrow money with the written consent of the responsible Member after consultation with the Member of the Executive Council responsible for finance;

(f) in the execution of its operations, to acquire, develop, rent, sell, lease, burden, or otherwise alienate or dispose of movable or immovable property, whether corporeal or incorporeal, including rights therein or thereto;

(g) to employ officers and employees under such conditions and to pay them such remuneration and benefits as it may determine;

(h) to enter into and finance joint ventures or act as agent;

(i) to furnish technical and other assistance and expert and specialised advice, information and guidance, in accordance with the approved budget to any person, company, close corporation, co-operative society, partnership or other association of persons, whether corporate or not;

(j) to issue, negotiate, accept, endorse or discount debentures, bills of exchange and other negotiable instruments;

(l) [sic] to control, carry out, guarantee, underwrite, finance or bring about the issue of any loan or of any shares, stock or debentures, or to advance money for that purpose;

(m) to apply the Corporation's funds or moneys to the establishment of a reserve fund, or to invest any funds or moneys not immediately required for its affairs;

(n) to accept unconditional donations and moneys and with the prior written approval of the responsible Member, conditional donations and moneys;

(o) in the execution of the Corporation's operations, to issue guarantees, or provide indemnities, or enter into any suretyship;

(p) to act as director, manager, or agent of any concern, company, close corporation, person or juristic person, and to appoint any person or persons to act on the Corporation's behalf for such purpose;

(q) to institute, conduct or defend any legal matter;

[Para (q) substituted by sec 3(1) of Act 5 of 2010 wef 8 June 2010.]

(r) to act as broker;

(s) to plan, promote, undertake or finance the training of manpower in respect of the matters referred to in section 3;

(t) to pay all expenses in connection with the Corporation's own administration;

(u) to operate on existing banking accounts or accounts with other financial institutions, to open new accounts and operate thereon, and to close any account;

(v) to establish, assist in establishing, acquire an interest in, or finance companies;

(w) to adopt such measures as it may deem necessary or desirable in order to ensure that businesses of which the Corporation is the owner are managed and conducted, and that services are performed at such businesses in a manner which is, in its opinion, orderly, economical and effective.

(x) to exercise any other powers stated in Schedule 2 of the Companies Act, 1973 (Act No. 61 of 1973), which is necessary for the achievement of the Corporation’s objects in consultation with the responsible Member;

(y) to ensure adherence to corporate governance;

(z) to take deposits offered by any person or juristic person for investment and to hold such deposits on such conditions as may be agreed upon, and to arrange and to decide upon the investment and application thereof.”.

[Sec 4A inserted by sec 6 of Act 9 of 1999 wef 3 February 2000 and substituted by sec 7 of Act 4 of 2006 wef 25 August 2006.]

[Para (x) (y) and (z) inserted by sec 3 (2) of Act 5 of 2010 wef 8 June 2010.]

5 Board of directors of Corporation

(1) The affairs of the Corporation shall be managed and controlled by a board of directors which may exercise the powers of the Corporation and the board may delegate these powers and functions to the chairperson of the board or the deputy chairperson of the board, or an official of the Corporation.

(2) The board of directors shall consist of not more than 12 persons appointed by the responsible Member.

[Sec 5 amended by sec 7 of Act 9 of 1999 wef 3 February 2000 and substituted by sec 8 of Act 4 of 2006 wef 25 August 2006.]

5A Procedure for appointment of board of directors

(1) The responsible Member, after consultation with the Executive Council must, subject to section 5, determine and appoint the members of the board of directors.

(2) The responsible Member may appoint two directors as executive directors to the board of directors after fulfilling the requirements of subsection (1).

(3) The responsible Member must invite interested parties by notice in the *Provincial Gazette* and other media to nominate candidates for his or her consideration.

[Sec 5A inserted by sec 4 of Act 5 of 2010 wef 8 June 2010.]

6 Period of office and remuneration of directors

(1) A director shall be appointed for a period not exceeding three years and such term may, on expiry, be extended for a maximum period of two years by the responsible Member, in consultation with the Executive Council.

(2) Any person whose period of office as a director has expired, may, subject to the provisions of section 5, be reappointed.

(3) A director shall hold office upon such conditions (including the payment of remuneration and allowances) as the responsible Member may determine, after consultation with the Member of the Executive Council responsible for Finance in line with the National Treasury Guidelines.

[Sec 6 amended by sec 8 of Act 9 of 1999 wef 3 February 2000 and substituted by sec 9 of Act 4 of 2006 wef 25 August 2006]

[Subsec (1) and (3) substituted by sec 5 of Act 5 of 2010 wef 8 June 2010.]

7 Vacation of office by directors and filling of vacancies

(1) A director shall vacate his or her office-

(a) if his or her estate is sequestrated;

(b) if he or she becomes mentally ill as defined in the Mental Health Care Act, 2002 (Act No.17 of 2002);

(c) if he or she is convicted of an offence and is sentenced to imprisonment without the option of a fine;

(d) if he or she resigns as director;

(e) if he or she is removed from office in terms of subsection (2);

(f) upon his or her election as member of the National Assembly or National Council of Provinces or a Provincial Legislature or a Municipal Council;

(g) upon the attainment of the age of 65 years.

[Para (b) and (f) amended by sec 6 of Act 5 of 2010 wef 8 June 2010.]

(2) A director may be removed from office by the responsible Member on account of misconduct, mismanagement of funds or for any adequate reason.

[Subsec (2) substituted by sec 9 of Act 9 of 1999 wef 3 February 2000 and by sec 10 of Act 4 of 2006 wef 25 August 2006.]

(3) If a director ceases to hold office, the responsible Member shall, subject to the provisions of section 5, appoint a person to fill the vacancy on the board of directors.

8 Chairperson, deputy chairperson and acting chairperson

(1) The responsible Member shall designate one of the directors as chairperson and another as deputy chairperson of the board of directors of the Corporation.

(2) If the chairperson or deputy chairperson of the board of directors ceases to hold office as director or as chairperson of the board of directors, the responsible Member shall, subject to the provisions of subsection (1), designate a new chairperson or deputy chairperson.

(3) Whenever the chairperson is absent or is unable to perform his or her functions as chairperson, the deputy chairperson shall act as chairperson during the absence or incapacity of the chairperson.

(4) The deputy chairperson shall, while acting as chairperson, have all the powers and perform all the functions of the chairperson.

[Sec 8 substituted by sec 11 of Act 4 of 2006 wef 25 August 2006.]

9 Chief Executive Officer

(1) The responsible Member, after consultation with the board, shall appoint a Chief Executive Officer of the Corporation.

(2) The Chief Executive Officer of the Corporation shall occupy himself or herself full-time with the affairs of the Corporation.

(3) The Chief Executive Officer shall hold office on such conditions (including the payment of remuneration and allowance) as the responsible Member may determine.

(4) The Chief Executive Officer shall be an *ex officio* member of the board.

(5) The Chief Executive Officer may be appointed for a period not exceeding five years.

[Sec 9 amended by sec 10 of Act 9 of 1999 wef 3 February 2000 and substituted by sec 12 of Act 4 of 2006 wef 25 August 2006.]

9A Committees of the board of directors

(1) The board of directors may from time to time appoint a committee to exercise the powers and perform the functions delegated or assigned to it by the board of directors.

(2) A committee shall consist of –

(a) such members of the board of directors as the board of directors may designate; or

(b) such members of the board of directors as the board of directors may designate and such other persons as the board of directors may co-opt in terms of section 9B.

(3) The board of directors shall designate the chairperson of the committee.

(4)(a) A committee shall exercise its powers and perform its functions subject to the provisions of this Act and such directives of the board of directors as are not in conflict with such provisions.

(b) Any delegated power or function so exercised or performed shall be deemed to have been exercised or performed by the board of directors.

[Sec 9A inserted by sec 7 of Act 5 of 2010 wef 8 June 2010.]

9B Co-opting of persons

(1) If the board of directors is of the opinion that a particular person is able to assist the board of directors in the consideration of a particular matter by the board of directors, the board of directors may co-opt that person for that purpose.

(2) A person so co-opted shall not be entitled to vote at any meeting of the board of directors or a committee of the board of directors.

(3) A person who is co-opted and not employed by government may, in respect of their services, be paid such remuneration and allowances from

the funds of the board of directors as may be determined by the responsible Member, after consultation with the Member of the Executive Council responsible for Finance.

[Sec 9B inserted by sec 8 of Act 5 of 2010 wef 8 June 2010.]

10 Vacation of office by Chief Executive Officer

(1) The Chief Executive Officer of the Corporation shall vacate his or her office-

(a) if he or she resigns;

(b) if he or she is removed from office due to misconduct, mismanagement of funds or for any adequate reason.

(2) If the Chief Executive Officer ceases to hold office, the responsible Member shall, within a reasonable time and subject to the provisions of section 9(1), appoint a person as the Chief Executive Officer.

[Sec 10 amended by sec 11 of Act 9 of 1999 wef 3 February 2000 and substituted by sec 13 of Act 4 of 2006 wef 25 August 2006.]

10A Appointment of company secretary

(1) The board of directors shall appoint the company secretary.

(2) The company secretary shall hold office on such terms and conditions (including the payment of remuneration and allowances) as determined by the board of directors.

(3) The company secretary shall be responsible for all administrative work in connection with the performance of the duties or the exercise of the powers of the board of directors.

(4) The company secretary has the responsibilities of a company secretary as prescribed by the Companies Act, 1973.

[Sec 10A inserted by sec 9 of Act 5 of 2010 wef 8 June 2010.]

11 Meetings and decisions

(1) A meeting of the board of directors of the Corporation shall be held at a time and place to be determined by the chairperson of the board.

(2) The chairperson of the board of directors, or the deputy chairperson or any director acting as chairperson in their absence, as the case may be, and at least 50 percent of the other directors shall constitute a quorum for any meeting of the board.

(3) The decision of the majority of the directors present at a meeting of the board,

shall constitute a decision of the board of directors, and in the event of an equality of votes relating to any matter the chairperson of the board or the deputy chairperson or any director acting as chairperson in their absence, as the case may be, shall have a casting vote in addition to his or her deliberative vote.

(4) No decision taken by the board of directors or act performed under authority of the board of directors shall be invalid by reason only of a vacancy on the board or by reason of the fact that a person, who is not entitled to sit as a director, sat as a director at the time when the decision was taken or the act was authorised, if the decision was taken or the act was authorised by the requisite majority of the directors who were present at the time and entitled to sit as directors.

[Sec 11 substituted by sec 14 of Act 4 of 2006 wef 25 August 2006.]

11A Disclosure of interest by directors

(1) The provisions of section 234, 235, 237(1), (4) and (5) of the Companies Act, 1973 (Act 61 of 1973), shall *mutatis mutandis* apply in respect of a director, and in such application, unless the context indicates otherwise, any reference therein to a company, a director or an officer of a company shall be construed as a reference to the Corporation, director or an officer of the Corporation, as the case may be.

(2) Any declaration of interest made in terms of subsection (1) shall be recorded in the minutes of the meeting of the board at which the declaration was made.

[Sec 11A inserted by sec 15 of Act 4 of 2006 wef 25 August 2006.]

12 Minutes

(1) The Corporation shall cause minutes of the proceedings at meetings of the board of directors to be entered in a minute-book kept for that purpose at the head office of the Corporation.

(2) The minutes of any meeting of the board of directors purporting to be signed by the chairperson of the board or the person designated under section 8(3) to act as chairperson of the board, as the case may be, shall in any court of law be *prima facie* proof of the taking place of anything which, according to such minutes, took place at such meeting.

(3) The responsible Member may at any time require a minute-book of the Corporation to be submitted to him or her for inspection.

13 Loans to directors

No loans shall be made directly or indirectly out of the funds of the Corporation or any other funds administered by the Corporation to a director, without the prior written consent of the responsible Member.

[Sec 13 substituted by sec 12 of Act 9 of 1999 wef 3 February 2000.]

14 Insurance

The Corporation may provide insurance cover-

(a) for a director in respect of bodily injury, disablement or death, or any other loss or damage, resulting solely and directly from the performance of his or her duties as a director; and

[Para (a) substituted by sec 13 of Act 9 of 1999 wef 3 February 2000.]

(b) for the Corporation against any loss, damage, risk or liability which it may suffer or incur.

15 [sic] The Free State Investment Promotion Agency must be incorporated into the Corporation.

[Sec 15 repealed by sec 14 of Act 9 of 1999 wef 3 February 2000 and inserted by section 11 of Act 5 of 2010 wef 8 June 2010.]

16 …

[Sec 16 deleted by sec 10 of Act 5 of 2010 wef 8 June 2010.]

17 . . .

[Sec 17 deleted by sec 16 of Act 4 of 2006 wef 25 August 2006.]

18 Financial year of Corporation

The financial year of the Corporation shall terminate on 31 March in each year.

19 Audit

The account books, statements of accounts and annual financial statements of the Corporation shall be audited annually by the Auditor-General.

20 . . .

[Sec 20 deleted by sec 17 of Act 4 of 2006 wef 25 August 2006.]

21 . . .

[Sec 21 deleted by sec 18 of Act 4 of 2006 wef 25 August 2006.]

22 Appropriation of income and property of Corporation and profits

Save as expressly otherwise provided in this Act, the Corporation shall apply all its income and property and all its profits exclusively to the promotion and attainment of its objects, and no profits shall be distributed to any person.

23 Repeal of laws and saving

(1) Subject to the provisions of subsections (2) and (3), the laws referred to in the Schedule are hereby repealed.

(2) At the commencement of this Act -

(a) all assets, liabilities, rights and obligations of a dissolved agency shall vest in the Corporation: Provided that the responsible Member may by notice in the *Provincial Gazette* further regulate matters relating to the assets, liabilities, rights and obligations of the Corporation, including the transfer thereof to any entity, person or body: Provided further that such administrative records and other documents of a dissolved agency as may be determined by the responsible Member shall be transferred to the Corporation, or such entity, person or body;

[Para (a) substituted by sec 15 of Act 9 of 1999 wef 3 February 2000 and amended by sec 12 (2) (a) Act 5 of 2010 wef 8 June 2010.]

(b) any person who immediately before such commencement was an employee of a dissolved agency shall become an employee of the Corporation: Provided that the appointment of such an employee to a post within the Corporation and the determination of the location where such an employee will be stationed shall be done by the responsible Member: Provided further that the responsible Member may by notice in the *Provincial Gazette* regulate matters relating to the further transfer of an employee of the Corporation;

[Para (b) amended by sec 12 (2) (b) of Act 5 of 2010 wef 8 June 2010.]

(c) any person who immediately before such commencement was director of a dissolved agency shall retire: Provided that the responsible Member may appoint such person as a director of the Corporation.

[Para (c) amended by sec 12 (2) (c) of Act 5 of 2010 wef 8 June 2010.]

(3) Anything done before the commencement of this Act in terms of the provisions of a repealed Act -

(a) by or on behalf of a dissolved agency and which could have been done by the responsible Member in terms of the provisions of this Act, shall be deemed to have been done by the responsible Member in terms of the latter provisions;

[Para (a) amended by sec 12 (3) (a) of Act 5 of 2010 wef 8 June 2010.]

(b) by or on behalf of the responsible Member and which could have been done by him or her in terms of the provisions of this Act, shall be deemed to have been done by the responsible Member in terms of the latter provisions;

(c) by or on behalf of a dissolved agency and which could have been done by the Corporation in terms of the provisions of this Act shall be deemed to have been done by the Corporation in terms of the latter provisions.

[Para (c) amended by sec 12 (3) (c) of Act 5 of 2010 wef 8 June 2010.]

(4) ……

[Subsec (4) repealed by sec 12 (3) of Act 5 of 2010 wef 8 June 2010]

(4) The Registrar of Deeds concerned shall as soon as may be practicable after the commencement of this Act make such entries or endorsements in or on any relevant register, title deed or other document in his or her office or submitted to him or her, as he a she may deem necessary in order to give effect to the provisions of subsection (2) (a).

[Subsec 5 amended by sec 12 (4) of Act 5 of 2010 wef 8 June 2010]

23A Liquidation

The Corporation shall not be liquidated or placed under judicial management unless the Executive Council of the Province has taken special resolution to that effect.

[Sec 23A inserted by sec 16 of Act 9 of 1999 wef 3 February 2000.]

24 Short title and commencement

This Act shall be called the Free State Development Corporation Act, 1995.

SCHEDULE

Laws repealed [Sec 12(1) of Act 6 of 2010 wef 8 June 2010]

Name and Year of Law		Extent of Repeal
1.	Investment Free State Agency Act, 1998 (Act No. 18 of 1998)	The whole
2.	Investment Free State Agency Amendment Act, 2006 (Act No. 3 of 2006)	The whole

34

FREE STATE PROVINCE

APPROPRIATION BILL

(MEMBER OF THE EXECUTIVE COUNCIL RESPONSIBLE FOR FINANCE)

[B2-2012]

PROVINSIE VRYSTAAT

BEGROTINGSWETSONTWERP

(LID VAN DIE UITVOERENDE RAAD VERANTWOORDELIK VIR FINANSIES)

[W2-2012]

BILL

To provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Free State Province in the 2012/13 financial year and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 226(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by an Act of the Provincial Legislature;

AND WHEREAS section 26 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) provides that the Provincial Legislature must appropriate money for each financial year for the requirements of the Province;

BE IT THEREFORE ENACTED by the Provincial Legislature of the Free State Province, as follows:-

Definitions

1. In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act has the meaning assigned to it in that Act and -

"**Act**" includes the Schedules;

"**conditional grants**" means allocations to provinces, local government or municipalities from the national government's share of revenue raised nationally, provided for in section 214(1)(c) of the Constitution of the Republic of South Africa, 1996;

"**current payments**" means any payments made by a provincial department in respect of the operational requirements of that department, and includes, amongst others, payments for the compensation of employees, goods and services, interest, rental of immovable property and financial transactions relating to assets and liabilities, but exclude transfers and subsidies, payments for capital assets and payments made under section 73 of the Public Finance Management Act;

"**payments for capital assets**" means any payments made by a provincial department classified as or deemed to be payments for capital assets in terms of the Guidelines for Implementing the Economic Reporting Format (September 2009) and the "Asset Management Framework" (April 2004, Version 3.3), issued by the National Treasury under section 76 of the Public Finance Management Act;

"**payments for financial assets**" means any payments made by a department classified as or deemed to be payments for financial assets in terms of the Guidelines for Implementing the Economic Reporting Format (September 2009) issued by the National Treasury under section 76 of the Public Finance Management Act;

"**Public Finance Management Act**" means the Public Finance Management Act, 1999 (Act No. 1 of 1999); and

"**transfers and subsidies**" means any payments made by a provincial department to another organ of state or any other person in respect of which the relevant department does not receive anything of similar value directly in return, and includes the payment of conditional grants.

Appropriation of money for the requirements of the Province

2. (1) Subject to the provisions of the Public Finance Management Act, there are hereby appropriated out of the Provincial Revenue Fund for the requirements of the Province in respect of the financial year 2012/13, the amounts of money contemplated in subsection (2).

(2) Appropriations by the Provincial Legislature of money from the Provincial Revenue Fund for the requirements of the Province in the 2012/13 financial year, to votes and main divisions within a vote, and for the specific listed purposes, are set out in the Schedules.

Short title

3. This Act is called the Appropriation Act, 2012.

APPROPRIATION BILL, 2012

SCHEDULE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Total Vote	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier	253 113	167 990	81 124		812	3 187	
2	Free State Legislature	212 422	69 256	45 963		49 760	47 443	
3	Economic Development, Tourism and Environmental Affairs	436 894	169 884	74 978		120 360	71 672	
4	Free State Provincial Treasury	212 111	150 335	57 931	7	1 002	2 836	
5	Health	7 383 255	4 596 327	1 907 392	654	119 725	759 157	
6	Education	10 044 709	8 054 391	368 812	357	1 195 760	425 389	
7	Social Development	865 450	393 591	75 092		363 843	32 924	
8	Co-operative Governance and Traditional Affairs	323 042	150 498	110 426		59 497	2 621	
9	Public Works	1 269 707	344 135	505 436		234 059	186 077	
10	Police, Roads and Transport	1 755 500	477 303	300 541		231 251	746 405	
11	Agriculture	579 482	271 542	108 313		149 476	50 151	
12	Sport, Arts, Culture and Recreation	435 621	171 959	125 122		32 972	105 568	
13	Human Settlements	1 058 221	64 552	28 864		963 078	1 727	
14	Rural Development	40 600	14 622	25 978				
	Total	24 870 127	15 096 385	3 815 972	1 018	3 521 595	2 435 157	

APPROPRIATION BILL, 2012

SCHEDULE ON PREMIER

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier							
	Aim: To enable the Premier to fulfill constitutional obligations and other related functions through the effective and efficient utilisation of resources of the Free State Provincial Government.	253 113	167 990	81 124		812	3 187	
	1 Administration ..... To provide administrative support to the Premier, Executive Council and the Director General in fulfilling their legislative and oversight function and in promoting good corporate governance.	120 746	82 874	37 348		58	466	
	2 Institutional Development ..... To coordinate and provide strategic leadership to all Provincial departments with regard to transversal corporate issues to enhance transformation of the Public Service.	84 825	48 892	33 393		110	2 430	
	3 Policy and Governance ..... To strategically manage policies and strategies towards the achievement of sustainable provincial growth and development.	47 542	36 224	10 383		644	291	

APPROPRIATION BILL, 2012

SCHEDULE ON FREE STATE LEGISLATURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
2	Free State Legislature							
	Aim: To provide funding for the legislative and institutional support services required by the Legislature to fulfill its constitutional functions.	212 422	69 256	45 963		49 760	47 443	
	1 Administration ……	138 457	51 324	38 372		1 790	46 971	
	To provide administrative and financial management support to the Legislature.							
	of which							
	Statutory Amount		20 340					
	Earmarked funds							
	Infrastructure Enhancement Allocation						*44 500*	
	2 Facilities for Members and Political Parties ……..	51 948		3 978		47 970		
	To facilitate the necessary arrangements for members.							
	3 Parliamentary Services ……	22 017	17 932	3 613			472	
	To provide quality legal and procedural support, house proceedings, committee services, research, translation and interpretation to the Legislature.							

APPROPRIATION BILL, 2012

SCHEDULE ON ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	Economic Development, Tourism and Environmental Affairs							
	Aim: A prosperous Free State through sustainable economic growth and a healthy environment for all.	436 894	169 884	74 978		120 360	71 672	
	1 Administration ……	101 260	68 838	30 989			1 433	
	Provide leadership, strategic management in accordance with the legislation, regulations, policies and ensure appropriate support service to all other programmes.							
	2 Environmental Affairs ……	180 772	83 211	28 889			68 672	
	The implementation of legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control and Waste Management.							
	Of which							
	Conditional grant							
	EPWP Integrated Grant to Provinces for the Infrastructure, Environment & Culture sectors			*1 000*				
	Earmarked funds							
	Infrastructure Enhancement Allocation						*52 247*	
	Revenue Enhancement Allocation						*14 925*	
	3 Economic Development …….	154 862	17 835	15 100		120 360	1 567	
	Ensure transformation in the Tourism industry and enhance the development and growth of businesses in the province through training as well as providing of non financial and financial support.							
	Of which							
	Transfers							
	Free State Gambling and Liquor Authority					*48 251*		
	Free State Development Corporation					*32 245*		
	Free State Tourism Authority					*39 864*		

APPROPRIATION BILL, 2012

SCHEDULE ON FREE STATE PROVINCIAL TREASURY

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	Free State Provincial Treasury							
	Aim: To promote prudent financial management of provincial resources.	212 111	150 335	57 931	7	1 002	2 836	
	1 Administration ……	78 745	54 737	20 900		702	2 406	
	To provide leadership and strategic management in accordance with legislation, regulations, and policies as well as to ensure there is appropriate support service to all other programmes.							
	2 Sustainable Resource Management ……	26 096	22 401	3 688	7			
	To provide professional advice and support to the MEC on provincial economic analysis, fiscal policy, public finance development and management of the annual budget process.							
	3 Asset and Liability Management ……	64 740	34 856	29 835			49	
	To provide policy direction, by facilitating the effective and efficient management of physical and financial assets, PPP's and liabilities.							
	4 Financial Governance ……	42 530	38 341	3 508		300	381	
	To promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards.							

APPROPRIATION BILL, 2012

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	Health							
	Aim: To provide comprehensive health services, which include the prevention of disease, promotion of health, curative and rehabilitation services.	7 383 255	4 596 327	1 907 392	654	119 725	759 157	
	1 Administration …….……	253 676	178 033	72 061	77	385	3 120	
	To render overall management and administrative support to the Department.							
	2 District Health Services …….	2 844 112	1 799 380	898 231	165	81 453	64 883	
	To render and establish District Health Services in the Free State Community.							
	Of which							
	Conditional grant							
	Comprehensive HIV and Aids		*125 173*	*423 484*		*48 850*	*17 653*	
	NHI Grant		*7 500*	*9 000*				
	Social Sector Expanded Public Works Programme incentive grant to Provinces					*7 470*		
	3 Emergency Medical Services …….	427 097	290 655	123 069	350	23	13 000	
	To render an efficient and optimal emergency medical service to all patients in the Province.							
	4 Provincial Hospital Services ……..	1 726 755	1 328 986	365 851	41	4 568	27 309	
	To manage, monitor and render Level II and Psychiatric services in the Free State.							
	4.1 General (Regional) Hospitals		1 118 682	336 292	40	2 862	24 509	
	Of which							
	Conditional grant							
	Hospital Revitalisation		*5 500*	*4 500*				
	National Tertiary services		*103 104*	*67 757*				
	4.2 Public-Private Partnerships			1 500				
	4.3 Psychiatric/Mental Hospitals		210 304	28 059	1	1 706	2 800	
	5 Central Hospital Services ……..	1 207 989	855 415	328 574		3 000	21 000	
	To manage, monitor, organise and render Central Medical Health care tertiary services (Level III and IV) and to provide a platform for the training of health workers.							

APPROPRIATION BILL, 2012

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5.1 Central Hospital Services		855 415	325 074		3 000	21 000	
	Of which							
	Conditional grant							
	Health Professions Training and Development		*91 651*	*39 279*				
	National Tertiary services		*441 927*	*152 936*			*21 000*	
	5.2 Public-Private Partnerships			3 500				
	6 Health Sciences and Training ……	169 951	74 015	54 149	21	28 007	13 759	
	To provide training to emergency medical and nursing personnel and to promote research and development of health systems.							
	6.1 Nurse Training College							
	Of which							
	Conditional grant							
	Nursing College Grant						*9 160*	
	7 Health Care Support Services ……..	104 186	66 155	27 795		2 289	7 947	
	To render support services required by the department.							
	8 Health Facilities Management ……	649 489	3 688	37 662			608 139	
	To provide adequate health facilities and infrastructure.							
	8.1 District Hospital Services							
	Of which							
	Conditional grant							
	Hospital Revitalisation		*3 688*	*1 662*			*457 034*	
	8.2 Provincial Health Services							
	Of which							
	Conditional grant							
	Health Infrastructure Grant			*5 000*			*134 073*	
	EPWP Integrated Grant to Provinces for the Infrastructure, Environment & Culture sectors						*2 032*	
	Earmarked funds							
	Infrastructure Enhancement Allocation						*15 000*	

APPROPRIATION BILL, 2012

SCHEDULE ON HEALTH: PROGRAMMES 4 & 5

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2012/13	2013/14	2014/15
		R'000	R'000	R'000
5	Health	2 934 744	3 106 253	3 290 767
	4 Provincial Hospital Services ……..	1 726 755	1 805 781	1 874 413
	To manage, monitor and render Level II and Psychiatric services in the Free State.			
	4.1 General (Regional) Hospitals	1 482 385	1 536 269	1 604 901
	Of which			
	Conditional grants			
	Hospital Revitalisation	*10 000*	*15 000*	*15 000*
	National Tertiary services	*170 861*	*184 530*	*195 048*
	4.2 Public-Private Partnerships	1 500	1 500	1 500
	4.3 Psychiatric/Mental Hospitals	242 870	268 012	268 012
	of which			
	a. Compensation of employees	1 328 986	1 403 720	1 475 779
	b. Transfers to Hospitals	4 568	7 579	7 563
	4.1 General (Regional) Hospitals	2 862	4 479	4 463
	Pelonomi Hospital	*1 550*	*1 850*	*1 853*
	Dihlabeng Hospital	*200*	*750*	*760*
	Bongani Hospital	*450*	*729*	*720*
	Boitumelo Hospital	*42*	*350*	*340*
	Mofumahadi Manapo Mopeli Hospital	*620*	*800*	*790*
	4.2 Public-Private Partnerships			
	4.3 Psychiatric/Mental Hospitals	1 706	3 100	3 100
	Free State Psychiatric Complex	*1 706*	*3 100*	*3 100*
	c. Goods and services	365 851	381 426	384 984
	Of which			
	Medicine costs	*66 025*	*65 631*	*65 979*
	d. Others	41	40	40
	e. Payments for Capital Assets	27 309	13 016	6 047

APPROPRIATION BILL, 2012

SCHEDULE ON HEALTH: PROGRAMMES 4 & 5

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2012/13	2013/14	2014/15
		R'000	R'000	R'000
	5 Central Hospital Services ……..	1 207 989	1 300 472	1 416 354
	To manage, monitor, organise and render Central Medical Health care tertiary services (Level III and IV) and to provide a platform for the training of health workers.			
	of which			
	a. Compensation of Employees	855 415	907 185	969 580
	b. Transfers to Hospitals	3 000	2 810	2 740
	5.1 Central Hospital Services	3 000	2 810	2 740
	Universitas Hospital	*3 000*	*2 810*	*2 740*
	c. Goods and services	328 574	365 477	419 034
	Of which			
	Medicine costs	*73 774*	*99 900*	*113 330*
	d. Payments for Capital Assets	21 000	25 000	25 000

APPROPRIATION BILL, 2012

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	Education							
	Aim: To be a department that strives to ensure progressive realization of universal schooling, improving quality of education and eliminating disparities amongst Free State citizens.	10 044 709	8 054 391	368 812	357	1 195 760	425 389	
	1 Administration	544 677	369 737	29 127	55	145 415	343	
	To provide overall management of the education system in accordance with the National Education Policy Act, the Public Finance Managent Act and other policies.							
	Of which							
	Capitalised goods and services						343	
	2 Public Ordinary School Education	7 889 681	6 957 761	240 319	120	691 309	172	
	To provide public ordinary education from Grade 1 to 12 in accordance with the South African Schools Act.							
	2.1 Public Primary School		*3 953 163*	*75 985*		*266 696*		
	2.2 Public Secondary School		*2 798 998*	*82 200*		*147 944*		
	2.3 Professional Services		*182 476*	*15 055*	*60*	*2 469*	*172*	
	2.4 Human Resource Development			*46 982*				
	2.5 In-school Sport and Culture		*23 124*					
	2.6 Conditional Grant			*20 097*	*60*	*274 200*		
	Of which							
	Conditional grant							
	National School Nutrition			*6 777*	*60*	*254 530*		
	Dinaledi Schools Grant			*7 179*				
	Technical Secondary Schools Recapitalization Grant			*200*		*19 670*		
	Social Sector Expanded Public Works Programme incentive grant for Provinces			*5 941*				
	3 Independent School Subsidies	54 006				54 006		
	To support independent schools in accordance with the South African Schools Acts.							

APPROPRIATION BILL, 2012

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Public Special School Education ……	332 942	285 824	1 076	24	45 949	69	
	To provide special public education in schools in accordance with the South African Schools Act and White Paper 6 on Inclusive Education.							
	Of which							
	Capitalised goods and services						69	
	5 Further Education and Training ……	318 015	141 279	60		176 676		
	To provide Further Education and Training (FET) at public FET colleges in accordance with FET Act.							
	Of which							
	Conditional grants							
	Further Education and Training grant		*141 279*			*176 676*		
	6 Adult Basic Education and Training ……	133 978	132 207	1 135	122	194	320	
	To provide Adult Basic Education and Training (ABET) in accordance with the Adult Basic Education and Training Act.							
	Of which							
	Capitalised goods and services						296	
	7 Early Childhood Development ……	118 858	112 011	107		6 740		
	To provide Early Childhood Education (ECD) at the Grade R and earlier levels in accordance with White Paper 5.							
	8 Auxiliary and Associated Services ……	652 552	55 572	96 988	36	75 471	424 485	
	To provide the education institutions as a whole with training and support.							
	Of which							
	Conditional grants							
	HIV/AIDS (Life Skills Education)		*830*	*11 661*				
	Education Infrastructure Grant			*10 000*		*38 310*	*411 325*	
	EPWP Integrated Grant to Provinces for the Infrastructure, Environment & Culture sectors						*1 000*	
	Earmarked funds							
	Infrastructure Enhancement Allocation						*12 000*	

APPROPRIATION BILL, 2012

SCHEDULE ON EDUCATION: PROGRAMME 2

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2012/13	2013/14	2014/15
		R'000	R'000	R'000
6	Education	7 889 681	8 334 175	8 831 142
	2 Public Ordinary School Education	7 889 681	8 334 175	8 831 142
	To provide public ordinary education from Grade 1 to 12 in accordance with the South African Schools Act.			
	a. Compensation of employees	6 957 761	7 410 014	7 863 048
	b. Transfers	691 309	725 289	760 805
	Section 21 Schools 806 Schools	386 330	407 942	488 391
	Fezile Dabi District - 132 schools	*71 082*	*75 136*	*75 920*
	Lejweleputswa District - 162 schools	*79 296*	*83 671*	*88 246*
	Motheo District - 205 schools	*91 311*	*96 109*	*101 190*
	Thabo Mofutsanyana District - 255 schools	*128 413*	*135 857*	*143 670*
	Xhariep District - 52 schools	*16 228*	*17 169*	*79 365*
	Other	304 979	317 347	272 414
	c. Non-transfers	240 439	198 705	207 088
	To 557 Non-section 21 Schools	102 351	108 652	115 186
	Fezile Dabi District - 114 schools	*14 212*	*15 086*	*15 981*
	Lejweleputswa District - 103 schools	*28 780*	*30 544*	*32 371*
	Motheo District - 96 schools	*27 912*	*29 623*	*31 415*
	Thabo Mofutsanyana District - 223 schools	*22 872*	*24 304*	*25 782*
	Xhariep District - 21 schools	*8 575*	*9 095*	*9 637*
	Other	138 088	90 053	91 902
	d. Payment for Capital Assets	172	167	201

APPROPRIATION BILL, 2012

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	Social Development							
	Aim: To meet the human and social needs of the poor and vulnerable communities through an inter-sectoral and integrated developmental social service.	865 450	393 591	75 092		363 843	32 924	
	1 Administration ……	179 392	129 935	47 613		250	1 594	
	To provide strategic management and support services to all levels in the Department.							
	2 Social Welfare Services ……	595 589	193 200	23 577		347 584	31 228	
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.							
	Of which							
	Transfers to Households					65		
	Transfers to NPO's					347 519		
	2.1 Substance abuse, Prevention and Rehabilitation					*11 237*		
	2.2 Care and Services to Older Persons					*42 703*		
	2.3 Crime Prevention and Support					*4 009*		
	2.4 Services to Persons with Disabilities					*19 791*		
	2.5 Child Care and Protection					*236 840*		
	2.6 Victim Empowerment					*12 062*		
	2.7 HIV and AIDS					*18 843*		
	2.8 Care and Support Services to Families					*2 034*		
	Of which							
	Conditional grant							
	Social Sector Expanded Public Works Programme incentive grant for Provinces					*10 098*		
	Earmarked funds							
	Infrastructure Enhancement Allocation			*4 000*			*31 000*	

APPROPRIATION BILL, 2012

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	3 Development and Research …… To provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information.	90 469	70 456	3 902		16 009	102	

APPROPRIATION BILL, 2012

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2012/13	2013/14	2014/15
		R'000	R'000	R'000
7	Social Development	595 589	635 270	658 111
	2 Social Welfare Services	595 589	635 270	658 111
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.			
	a. Compensation of employees	193 200	204 655	214 388
	b. Transfers to Non-government Organisations (NGO's)	347 584	377 585	390 937
	Transfers to Households	65	69	72
	Transfers to NGO's	347 519	377 516	390 865
	Transfers per District			
	2.1 Substance abuse, Prevention and Rehabilitation	11 237	6 797	7 097
	Mangaung Metro	*4 128*	*2 513*	*2 624*
	Xhariep District	*1 143*	*680*	*710*
	Lejweleputswa District	*1 584*	*953*	*995*
	Thabo Mofutsanyana District	*2 467*	*1 495*	*1 561*
	Fezile Dabi District	*1 915*	*1 156*	*1 207*
	2.2 Care and Services to Older Persons	42 703	45 107	47 096
	Mangaung Metro	*10 676*	*11 277*	*11 775*
	Xhariep District	*5 125*	*5 414*	*5 652*
	Lejweleputswa District	*8 540*	*9 022*	*9 420*
	Thabo Mofutsanyana District	*9 822*	*10 374*	*10 833*
	Fezile Dabi District	*7 686*	*8 119*	*8 476*
	Provincial Programme	*854*	*901*	*940*
	2.3 Crime Prevention and Support	4 009	4 229	4 415
	Mangaung Metro	*1 442*	*1 522*	*1 589*
	Xhariep District	*362*	*380*	*397*
	Lejweleputswa District	*640*	*676*	*706*
	Thabo Mofutsanyana District	*963*	*1 016*	*1 060*
	Fezile Dabi District	*602*	*635*	*663*
	2.4 Services to Persons with Disabilities	19 791	20 780	21 653
	Mangaung Metro	*9 697*	*10 181*	*10 608*
	Xhariep District	*1 978*	*2 078*	*2 166*
	Lejweleputswa District	*3 166*	*3 325*	*3 464*
	Thabo Mofutsanyana District	*2 179*	*2 287*	*2 384*
	Fezile Dabi District	*2 771*	*2 909*	*3 031*

APPROPRIATION BILL, 2012

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2012/13	2013/14	2014/15
		R'000	R'000	R'000
	2.5 Child Care and Protection	236 840	271 291	280 029
	Mangaung Metro	*47 882*	*54 816*	*56 581*
	Xhariep District	*9 144*	*10 467*	*10 805*
	Lejweleputswa District	*43 674*	*50 115*	*51 729*
	Thabo Mofutsanyana District	*70 044*	*80 187*	*82 770*
	Fezile Dabi District	*29 393*	*33 649*	*34 721*
	Provincial programme	*36 703*	*42 057*	*43 423*
	2.6 Victim Empowerment	12 062	7 291	7 615
	Mangaung Metro	*5 956*	*3 573*	*3 733*
	Xhariep District	*1 191*	*729*	*761*
	Lejweleputswa District	*1 924*	*1 167*	*1 219*
	Thabo Mofutsanyana District	*1 311*	*802*	*837*
	Fezile Dabi District	*1 680*	*1 020*	*1 065*
	2.7 HIV and AIDS	18 843	19 882	20 772
	Mangaung Metro	*4 311*	*4 543*	*4 739*
	Xhariep District	*851*	*893*	*927*
	Lejweleputswa District	*4 415*	*4 652*	*4 856*
	Thabo Mofutsanyana District	*5 314*	*5 601*	*5 846*
	Fezile Dabi District	*1 761*	*1 853*	*1 929*
	Provincial Programme	*2 191*	*2 340*	*2 475*
	2.8 Care and Support Services to Families	2 034	2 139	2 188
	Mangaung Metro	*1 018*	*1 069*	*1 095*
	Xhariep District	*101*	*108*	*109*
	Lejweleputswa District	*915*	*962*	*984*
	c. Goods and Services	23 577	21 149	21 433
	d. Payments for Capital Assets	31 228	31 881	31 353

APPROPRIATION BILL, 2012

SCHEDULE ON CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
8	Co-operative Governance and Traditional Affairs							
	Aim: Developmental local governance and traditional leadership.	323 042	150 498	110 426		59 497	2 621	
	1 Administration …… To provide support on matters related to the effective and efficient functioning of the Department.	112 292	61 582	49 425		160	1 125	
	2 Local Governance …… To establish, monitor, regulate, strengthen, support and capacitate Local Government bodies and to render support services regarding integrated planning and development.	107 004	29 608	33 470		43 345	581	
	3 Development and Planning …….....…….. To facilitate and render support towards integrated planning and development on local government level.	72 028	32 580	23 673		15 130	645	
	4 Traditional Institutional Management ……..... To support the Institution of Traditional Leadership to realise the constitutional mandate to be the custodian of communities that observes customary law.	22 523	19 996	1 705		592	230	
	5 House of Traditional Leaders ……..…….. To exercise oversight and participate in the promulgation of legislation by the provincial legislature and oversee service delivery by government departments and municipalities on economic and developmental welfare of traditional communities.	9 195	6 732	2 153		270	40	

APPROPRIATION BILL, 2012

SCHEDULE ON PUBLIC WORKS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
9	Public Works							
	Aim: To ensure the provision, promotion and sound management of assets and infrastructure systems which are safe, affordable, reliable, accessible and sustainable.	1 269 707	344 135	505 436		234 059	186 077	
	1 Administration ……	84 290	54 039	26 353		760	3 138	
	To conduct the overall management and administrative support of the department.							
	2 Public Works Infrastructure ……	1 022 139	279 825	449 268		233 299	59 747	
	To provide accommodation to all provincial departments, manage the provincial property portfolio and to render professional and technical services to the departments in respect of buildings.							
	Of which							
	Conditional grants							
	Devolution of Property Rate Funds grant to Provinces					*231 399*		
	Earmarked funds							
	Infrastructure Enhancement Allocation						*20 267*	
	Revenue Enhancement Allocation			*13 742*				
	3 Expanded Public Works Programme ……	163 278	10 271	29 815			123 192	
	To ensure delivery of accessible services through integrated, socially just, developmental and empowering processes to improve the quality of life of the communities of the Free State.							
	Of which							
	Conditional grants							
	EPWP Integrated Grant to Provinces for the Infrastructure, Environment & Culture sectors			*4 184*			*2 000*	
	Earmarked funds							
	Infrastructure Enhancement Allocation						*100 000*	

APPROPRIATION BILL, 2012

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
10	Police, Roads and Transport							
	Aim: To contribute towards the creation of a prosperous Free State through the facilitation of the provision of sustainable community safety, mobility and road infrastructure.	1 755 500	477 303	300 541		231 251	746 405	
	1 Administration ……..	158 094	88 621	53 655			15 818	
	To provide administrative support to the Department.							
	2 Civilian Oversight ……..……..……	8 254	6 558	1 696				
	To monitor the police conduct, to oversee the effectiveness and efficiency of the SAPS and to monitor the implementation of visible policing.							
	3 Crime Prevention and Community Police Relation	18 727	12 008	5 719		1 000		
	To promote good working relations between SAPS and communities.							
	4 Transport Operation …….	242 419	23 100	16 647		202 472	200	
	To plan, regulate and facilitate the provision of transport services and infrastructure through provincial resource and co-operation with national and local authorities, as well as the private sector in order to enhance the mobility of all communities.							
	Of which							
	Conditional grants							
	Public Transport Operations Grant					*192 872*		
	Earmarked funds							
	Infrastructure Enhancement Allocation			*3 000*				

APPROPRIATION BILL, 2012

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Transport Regulation	269 111	191 021	71 684		5 990	416	
	To ensure the provision of safe transport environment through the regulation of traffic on public infrastructure, law enforcement, implementation of road safety education and awareness programmes and the registration and licencing of vehicles and drivers.							
	Of which							
	Earmarked funds							
	Revenue Enhancement Allocation			*2 530*				
	6 Transport Infrastructure	1 058 895	155 995	151 140		21 789	729 971	
	To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenace of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.							
	Of which							
	Conditional grants							
	EPWP Integrated Grant to Provinces for the Infrastructure, Environment & Culture sectors						*6 175*	
	Provincial Road Maintenance Grant						*564 930*	
	of which earmarked for repair of flood damage						44 435	
	Earmarked funds							
	Infrastructure Enhancement Allocation		*155 995*	*151 140*		*21 789*	*155 866*	
	Revenue Enhancement Allocation						*3 000*	

APPROPRIATION BILL, 2012

SCHEDULE ON AGRICULTURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
11	Agriculture							
	Aim: To provide agricultural development and support to the people of the Free State.	579 482	271 542	108 313		149 476	50 151	
	1 Administration ……	121 490	94 004	25 200		2 286		
	To manage and formulate agricultural policies in the Province and plan, organise, co-ordinate, finance and control all agricultural functions in the Department.							
	2 Sustainable Resource Management ……	30 359	18 756	3 303			8 300	
	To provide agricultural support service to farmers in order to ensure that there is sustainable management of agricultural resources.							
	Of which							
	Conditional grants							
	LandCare: Poverty Relief Programme			*653*			*8 300*	
	3 Farmer Support and Development ……	286 499	74 669	64 640		147 190		
	To provide extension and training to farmers with special emphasis on developing emerging farmers, implementation of land reform programmes and agricultural-rural development projects.							
	Of which							
	Conditional grants							
	Comprehensive Agricultural Support Programme		*13 849*	*41 190*		*71 790*		
	Ilima/Letsema Projects Grant			*18 200*		*36 400*		
	EPWP Integrated Grant to Provinces for the Infrastructure, Environment & Culture sectors					*4 000*		
	4 Veterinary Services ……	59 842	40 742	7 100			12 000	
	To provide Veterinary Services to clients in order to ensure healthy animals and welfare of people of South Africa.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation						*12 000*	

APPROPRIATION BILL, 2012

SCHEDULE ON AGRICULTURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Technology, Research and Development Services ...	54 926	22 925	2 150			29 851	
	To render agricultural research services and the development of information systems with regard to crop production, animal production and resource utilization technologies.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation						*29 851*	
	6 Agricultural Economics	9 038	7 418	1 620				
	To provide economic support to internal and external clients with regard to marketing, statistical information including financial feasibility and economic viability studies.							
	7 Structured Agricultural Training	17 328	13 028	4 300				
	To facilitate and provide education to all participants in the agricultural sector.							

APPROPRIATION BILL, 2012

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	Sport, Arts, Culture and Recreation							
	Aim: The promotion, development and transformation of Sport, Arts, Culture and Recreation in order to contribute to sustainable economic growth and opportunities, nation building, good governance and social and human capital development.	435 621	171 959	125 122		32 972	105 568	
	1 Administration ……	61 133	48 502	12 341			290	
	To conduct the overall management and administrative support of the Department.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation		*439*	*586*				
	2 Cultural Affairs ……	113 278	46 026	35 948		3 121	28 183	
	To promote culture, conservation and management of cultural, historical assets and resources of the province by rendering various services.							
	Of which							
	Conditional grant							
	EPWP Integrated Grant to Provinces for the Infrastructure, Environment & Culture sectors			*1 000*				
	Earmarked funds							
	Infrastructure Enhancement Allocation			*2 000*			*28 070*	
	3 Library and Archive Services ……	124 427	48 339	30 095		1 730	44 263	
	Assist local library authorities in rendering of public library services and providing of an archive service in the province.							
	Of which							
	Conditional grant							
	Community Library Services		*22 850*	*15 802*		*230*	*11 422*	
	Earmarked funds							
	Infrastructure Enhancement Allocation			*2 000*			*32 750*	

APPROPRIATION BILL, 2012

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Sport and Recreation ……..……	136 783	29 092	46 738		28 121	32 832	
	To provide assistance to provincial sport associations and other relevant bodies to stimulate the development of sport. Formulate inputs regarding sport policy and promote sport programmes. Control, promote and develop the provincial sport academy. Develop and contribute towards sport marketing strategies. Facilitate development of facilities with a view to improving life of the disadvantaged. Promote and develop sport tourism through major events.							
	Of which							
	Conditional grant							
	Mass Sport and Recreation Participation Programme		*3 112*	*28 138*		*3 121*		
	Social Sector EPWP Incentive Grant			*399*				
	Earmarked funds							
	Infrastructure Enhancement Allocation			*1 500*		*10 000*	*24 143*	

APPROPRIATION BILL, 2012

SCHEDULE ON HUMAN SETTLEMENTS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
13	Human Settlements							
	Aim: To manage housing delivery, development of integrated human settlements.	1 058 221	64 552	28 864		963 078	1 727	
	1 Administration ……	20 152	10 216	9 278			658	
	To provide overall management in the department in accordance with all applicable acts and policies.							
	2 Housing Needs, Research and Planning ……	16 805	12 601	3 310		459	435	
	To facilitate housing delivery.							
	3 Housing Development ……	1 019 875	40 745	15 877		962 619	634	
	To promote the effective and efficient delivery of National and Provincial Housing Programme.							
	Of which							
	Conditional grants							
	Human Settlements Development Grant					*961 619*		
	4 Housing Asset Management and Property Management …….	1 389	990	399				
	To regulate rental and provide for the efficient and effective management of housing assets.							

APPROPRIATION BILL, 2012

SCHEDULE ON RURAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
14	Rural Development							
	Aim: A dynamic, prosperous agricultural sector and a better life for rural communities.	40 600	14 622	25 978				
	1 Administration …… To provide effective and efficient administrative service for Head of Department and the Department.	6 749	4 261	2 488				
	2 Development Planning …… To lead and coordinate all provincial government initiatives and projects directed at rural areas.	28 313	5 263	23 050				
	3 Social Facilitation …… To create an enabling institutional environment for sustainable rural development and to provide for social and economic development in rural communities and sustainable livelihoods.	5 538	5 098	440				

APPROPRIATION BILL, 2012

SCHEDULE ON TRANSFERS AND SUBSIDIES

(As a charge to the Provincial Revenue Fund)

Descriptions	Vote and main division	Forward estimates	
	2012/13	2013/14	2014/15
	R'000	R'000	R'000
Transfers to Municipalities:	297 474	308 508	322 210
Cooperative Governance and Traditional Affairs	54 225	61 382	61 278
Unallocated	54 225	61 382	61 278
Public Works	231 399	244 755	258 561
Mangaung	59 391	63 368	63 368
Xhariep	5 445	2 608	2 608
Lejweleputswa	18 865	20 129	20 129
Thabo Mofutsanyana	120 064	129 165	142 971
Fezile Dabi	27 634	29 485	29 485
Sport, Arts, Culture and Recreation	11 850	2 371	2 371
Fezile Dabi	10 000		
Letsemeng	175	185	185
Kopanong	175	186	186
Dihlabeng	500	667	667
Maluti a Phofung	500	667	667
Metsimaholo	500	666	666
Transfers to Public Entities:	120 360	126 463	130 624
Economic Development, Tourism and Environmental Affairs	120 360	126 463	130 624
Free State Development Corporation	32 245	33 403	34 234
Free State Gambling and Liquor Board	48 251	50 660	53 190
Free State Tourism Authority	39 864	42 400	43 200
Other transfers:	3 103 761	3 289 553	3 378 641
Premier	812	852	599
Free State Legislature	49 760	50 864	51 983
Free State Provincial Treasury	1 002	741	778
Health	119 725	115 335	120 210
Education	1 195 760	1 312 731	1 393 779
Social Development	363 843	394 739	408 847
Co-operative Governance and Traditional Affairs	5 272	2 531	2 629
Public Works	2 660	3 052	3 457
Police, Roads and Transport	231 251	232 238	222 908
Agriculture	149 476	118 963	124 176
Sport, Arts, Culture and Recreation	21 122	21 063	21 250
Human Settlements	963 078	1 036 444	1 028 025
Total transfers and subsidies:	3 521 595	3 724 524	3 831 475

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FREE STATE PROVINCE

APPROPRIATION BILL

(MEMBER OF THE EXECUTIVE COUNCIL RESPONSIBLE FOR FINANCE)

[B1-2013]

PROVINSIE VRYSTAAT

BEGROTINGSWETSONTWERP

(LID VAN DIE UITVOERENDE RAAD VERANTWOORDELIK VIR FINANSIES)

[W1-2013]

BILL

To provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Free State Province in the 2013/14 financial year and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 226(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by an Act of the Provincial Legislature;

AND WHEREAS section 26 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) provides that the Provincial Legislature must appropriate money for each financial year for the requirements of the Province;

BE IT THEREFORE ENACTED by the Provincial Legislature of the Free State Province, as follows:-

Definitions

1. In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act has the meaning assigned to it in that Act and -

"**Act**" includes the Schedules;

"**conditional grants**" means allocations to provinces, local government or municipalities from the national government's share of revenue raised nationally, provided for in section 214(1)(c) of the Constitution of the Republic of South Africa, 1996;

"**current payments**" means any payments made by a provincial department in respect of the operational requirements of that department, and includes, amongst others, payments for the compensation of employees, goods and services, interest, rental of immovable property and financial transactions relating to assets and liabilities, but exclude transfers and subsidies, payments for capital assets and payments made under section 73 of the Public Finance Management Act;

WETSONTWERP

Om voorsiening te maak vir die bewilliging van geld uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie Vrystaat in die 2013/14 boekjaar en om voorsiening te maak vir sake wat daarmee gepaard gaan.

AANHEF

AANGESIEN artikel 226(2) van die Grondwet van die Repuliek van Suid-Afrika, 1996, voorsiening daarvoor maak dat geld onttrek kan word uit die Provinsiale Inkomstefonds ingevolge 'n bewilliging deur 'n Wet van die Provinsiale Wetgewer;

EN AANGESIEN artikel 26 van die Wet op Openbare Finansiële Bestuur, 1999 (Wet Nr. 1 van 1999) voorsiening daarvoor maak dat die Provinsiale Wetgewer geld moet bewillig vir elke boekjaar vir die behoeftes van die Provinsie;

WORD DAAR BEPAAL deur die Provinsiale Wetgewer van die Provinsie Vrystaat, soos volg:-

Woordomskrywing

1. In hierdie Wet, tensy uit die samehang anders blyk, het enige woord of uitdrukking waaraan 'n betekenis in die Wet op Openbare Finansiële Bestuur geheg is, die betekenis aldus daaraan geheg in daardie Wet, en beteken -

"betalings van finansiële bates" enige betalings gemaak deur 'n provinsiale departement wat geklassifiseer word as of geag word om 'n betaling vir finansiële bates te wees ingevolge die "*Guidelines for Implementing the Economic Reporting Format* (September 2009)", wat deur die Nasionale Tesourie kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur, uitgereik is;

"betalings van kapitaalbates" enige betalings wat deur 'n provinsiale departement gemaak word wat geklassifiseer moet word as of geag word om betalings te wees ten opsigte van kapitaalbates in ooreenstemming met die "*Reference Guide to the New Economic Reporting Format*" (September 2009) en die "*Asset Management Framework*" (April 2004, Weergawe 3.3), uitgereik deur die Nasionale Tesourie kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur;

"**payments for capital assets**" means any payments made by a provincial department classified as or deemed to be payments for capital assets in terms of the Guidelines for Implementing the Economic Reporting Format (September 2009) and the "Asset Management Framework" (April 2004, Version 3.3), issued by the National Treasury under section 76 of the Public Finance Management Act;

"**payments for financial assets**" means any payments made by a department classified as or deemed to be payments for financial assets in terms of the Guidelines for Implementing the Economic Reporting Format (September 2009) issued by the National Treasury under section 76 of the Public Finance Management Act;

"**Public Finance Management Act**" means the Public Finance Management Act, 1999 (Act No. 1 of 1999); and

"**transfers and subsidies**" means any payments made by a provincial department to another organ of state or any other person in respect of which the relevant department does not receive anything of similar value directly in return, and includes the payment of conditional grants.

Appropriation of money for the requirements of the Province

2. (1) Subject to the provisions of the Public Finance Management Act, there are hereby appropriated out of the Provincial Revenue Fund for the requirements of the Province in respect of the financial year 2013/14, the amounts of money contemplated in subsection (2).

(2) Appropriations by the Provincial Legislature of money from the Provincial Revenue Fund for the requirements of the Province in the 2013/14 financial year, to votes and main divisions within a vote, and for the specific listed purposes, are set out in the Schedules.

Short title

3. This Act is called the Appropriation Act, 2013.

"**lopende betalings**" enige betalings wat deur 'n provinsiale departement gemaak word ten opsigte van die operasionele behoeftes van daardie departement, en sluit in, onder andere, betalings vir die vergoeding van werknemers, goedere en dienste, rente, huur van onroerende eiendom en finansiële transaksies met betrekking tot bates en laste, maar sluit oordragbetalings en subsidies, betalings vir kapitaalbates en betalings gemaak kragtens artikel 73 van die Wet op Openbare Finansiële Bestuur, uit;

"**oordragbetalings en subsidies**" enige betaling wat deur 'n provinsiale departement aan 'n ander staatsorgaan of enige ander persoon ten opsigte waarvan die relevante departement nie enige iets van soortgelyke waarde op direkte wyse in ruil ontvang nie, en sluit die betaling van voorwaardelike toelae in;

"**voorwaardelike toelae**" toekennings aan provinsies, plaaslike regering of munisipaliteite uit die nasionale regering se deel van inkomste wat nasionaal ingesamel is, soos bepaal in artikel 214(1)(c) van die Grondwet van die Republiek van Suid-Afrika, 1996;

"**Wet**" ook die Skedules; en

"**Wet op Openbare Finansiële Bestuur**" die Wet op Openbare Finansiële Bestuur, 1999 (Wet No. 1 van 1999).

Bewilliging van geld vir die benodighede van die Provinsie

2. (1) Behoudens die bepalings van die Wet op Openbare Finansiële Bestuur word daar hierby uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie ten opsigte van die boekjaar 2013/14, die bedrae geld soos beoog in subartikel (2) bewillig.

(2) Bewilliging deur die Provinsiale Wetgewer van geld uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie in die 2013/14 boekjaar, na begrotingsposte en hoofindelings binne 'n begrotingspos, en vir die bepaalde gelyste doeleindes, word in die Skedules uiteengesit.

Korttitel

3. Hierdie Wet heet die Begrotingswet, 2013.

APPROPRIATION BILL, 2013

SCHEDULE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Total Vote	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier	279 956	192 288	84 864		449	2 355	
2	Free State Legislature	173 698	82 307	57 641		31 869	1 881	
3	Economic Development, Tourism and Environmental Affairs	450 195	181 587	95 733		118 587	54 288	
4	Free State Provincial Treasury	216 355	159 537	54 187		336	2 295	
5	Health	7 894 778	5 197 263	1 944 472	712	112 329	640 002	
6	Education	10 456 217	7 971 147	812 461	966	1 197 852	473 791	
7	Social Development	951 229	445 862	88 097		381 627	35 643	
8	Co-operative Governance and Traditional Affairs	348 413	165 704	115 978		63 955	2 776	
9	Public Works	1 418 308	356 823	530 403		285 956	245 126	
10	Police, Roads and Transport	2 260 413	529 911	443 587		232 238	1 054 677	
11	Agriculture	629 627	281 501	108 544		174 192	65 390	
12	Sport, Arts, Culture and Recreation	515 137	199 919	110 777		25 111	179 330	
13	Human Settlements	1 233 625	81 903	27 491		1 122 191	2 040	
14	Rural Development	43 667	16 919	5 252		21 466	30	
	Total	26 871 618	15 862 671	4 479 487	1 678	3 768 158	2 759 624	

BEGROTINGSWETSONTWERP, 2013

SKEDULE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansle bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier	279 956	192 288	84 864		449	2 355	
2	Vrystaatse Wetgewer	173 698	82 307	57 641		31 869	1 881	
3	Ekonomiese Ontwikkeling,Toerisme en Omgewingsake	450 195	181 587	95 733		118 587	54 288	
4	Vrystaatse Provinsiale Tesourie	216 355	159 537	54 187		336	2 295	
5	Gesondheid	7 894 778	5 197 263	1 944 472	712	112 329	640 002	
6	Onderwys	10 456 217	7 971 147	812 461	966	1 197 852	473 791	
7	Maatskaplike Ontwikkeling	951 229	445 862	88 097		381 627	35 643	
8	Samewerkende Regering en Tradisionele Sake	348 413	165 704	115 978		63 955	2 776	
9	Openbare Werke	1 418 308	356 823	530 403		285 956	245 126	
10	Polisie, Paaie en Vervoer	2 260 413	529 911	443 587		232 238	1 054 677	
11	Landbou	629 627	281 501	108 544		174 192	65 390	
12	Sport, Kuns, Kultuur en Ontspanning	515 137	199 919	110 777		25 111	179 330	
13	Menslike Nedersettings	1 233 625	81 903	27 491		1 122 191	2 040	
14	Landelike Ontwikkeling	43 667	16 919	5 252		21 466	30	
	Totaal	**26 871 618**	**15 862 671**	**4 479 487**	**1 678**	**3 768 158**	**2 759 624**	

APPROPRIATION BILL, 2013

SCHEDULE ON PREMIER

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier**							
	*Aim: **To enable the Premier to fulfill constitutional obligations and other related functions through the effective and efficient utilisation of resources of the Free State Provincial Government.***	279 956	192 288	84 864		449	2 355	
	1 Administration ..... To provide administrative support to the Premier, Executive Council and the Director General in fulfilling their legislative and oversight function and in promoting good corporate governance.	123 525	102 342	21 133		26	24	
	2 Institutional Development ..... To coordinate and provide strategic leadership to all Provincial Departments with regard to transversal corporate issues to enhance transformation of the public service.	110 348	55 188	52 916		84	2 160	
	3 Policy and Governance ..... To strategically manage policies and strategies towards the achievement of sustainable provincial growth and development.	46 083	34 758	10 815		339	171	

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN PREMIER

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier**							
	Doel: ***Om die Premier in staat te stel om grondwetlike verpligtinge en ander verwante funksies na te kom deur die doelmatige en doeltreffende aanwending van hulpbronne van die Vrystaatse Provinsiale Regering.***	**279 956**	**192 288**	**84 864**		**449**	**2 355**	
	1 Administrasie ..... Om administratiewe ondersteuning te voorsien aan die Premier, Uitvoerende Raad en die Direkteur-Generaal in die vervulling van hul wetgewende en toesighoudende funksie en hul bevordering van goeie korporatiewe bestuur.	123 525	102 342	21 133		26	24	
	2 Institusionele Ontwikkeling ..... Om strategiese leierskap aan alle Provinsiale Departemente te voorsien en te koördineer met betrekking tot dwarsleggende korporatiewe kwessies om transformasie van die Staatsdiens te versterk.	110 348	55 188	52 916		84	2 160	
	3 Beleid en Regering ..... Om beleide en strategieë wat gemik is op die verwesenliking van volhoubare provinsiale groei en ontwikkeling strategies te bestuur.	46 083	34 758	10 815		339	171	

APPROPRIATION BILL, 2013

SCHEDULE ON FREE STATE LEGISLATURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
2	**Free State Legislature**							
	Aim: ***To provide funding for the legislative and institutional support services required by the Legislature to fulfill its constitutional functions.***	**173 698**	**82 307**	**57 641**		**31 869**	**1 881**	
	1 Administration	112 317	60 524	48 761		1 641	1 391	
	To provide administrative and financial management support to the Legislature.							
	of which							
	Statutory Amount		20 630					
	2 Facilities for Members and Political Parties	33 736		3 508		30 228		
	To facilitate the necessary arrangements for members.							
	3 Parliamentary Services	27 645	21 783	5 372			490	
	To provide quality legal and procedural support, house proceedings, committee services, research, translation and interpretation to the Legislature.							

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN VRYSTAATSE WETGEWER

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal-bates	Betaling van Finansie-bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
2	**Vrystaatse Wetgewer**							
	Doel: ***Om fondse vir wetgewende en institusionele ondersteuningsdienste te voorsien wat deur die Wetgewer vereis word om sy grondwetlike funksies uit te voer.***	**173 698**	**82 307**	**57 641**		**31 869**	**1 881**	
	1 Administrasie	112 317	60 524	48 761		1 641	1 391	
	Om administratiewe en finansiële bestuursondersteuning aan die Wetgewer te voorsien.							
	Waaronder							
	Wetlike Bedrag		20 630					
	2 Fasiliteite vir Lede en Politieke Partye	33 736		3 508		30 228		
	Om die nodige reëlings vir lede te fasiliteer.							
	3 Parlementêre dienste	27 645	21 783	5 372			490	
	Om gehalte regs- en prosedurele ondersteuning, raadsverrigtinge, komiteedienste, navorsing, vertaling en interpretasie aan die Wetgewer te voorsien.							

APPROPRIATION BILL, 2013

SCHEDULE ON ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	**Economic Development, Tourism and Environmental Affairs**							
	*Aim: **A prosperous Free State through sustainable economic growth and a healthy environment for all.***	**450 195**	**181 587**	**95 733**		**118 587**	**54 288**	
	1 Administration	113 990	72 321	40 149		2	1 518	
	Provide leadership, strategic management in accordance with the legislation, regulations, policies and ensure appropriate support service to all other programmes.							
	2 Environmental Affairs	171 458	88 702	29 819		167	52 770	
	The implementation of legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control, Protected Areas and Waste Management.							
	Of which							
	Conditional grant							
	Expanded Public Works Programme Incentive Grant for Provinces			*550*				
	Earmarked funds							
	Infrastructure Enhancement Allocation			*15 058*			*49 512*	
	Revenue Enhancement Allocation			*200*				
	3 Economic Development	118 548	16 229	23 765		78 554		
	Ensure transformation in the Tourism industry and enhance the development and growth of businesses in the province through training as well as providing of non financial and financial support.							
	Of which							
	Transfers							
	Free State Development Corporation					*22 245*		
	Other private enterprises					*5 000*		
	Free State Gambling and Liquor Authority					*51 309*		
	Of which							
	Earmarked funds							
	Revenue Enhancement Allocation					*3 058*		

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN EKONOMIESE ONTWIKKELING, TOERISME EN OMGEWINGSAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	**Ekonomiese Ontwikkeling, Toerisme en Omgewingsake**							
	*Doel: **'n Florerende Vrystaat deur middel van volhoubare ekonomiese groei en 'n gesonde omgewing vir almal.***	**450 195**	**181 587**	**95 733**		**118 587**	**54 288**	
	1 Administrasie	113 990	72 321	40 149		2	1 518	
	Om leiding en strategiese bestuur te gee in ooreenstemming met wetgewing, regulasies, beleide en te sorg vir 'n toepaslike ondersteuningsdiens aan alle programme.							
	2 Omgewingsake	171 458	88 702	29 819		167	52 770	
	Die implementering van wetgewing en beleide op die gebiede van Luggehalte, Biodiversiteit, Klimaatsverandering, Nakomingsmonitering, Omgewingsimpak, Beskermde Gebiede, Besoedelingsbeheer en Afvalbestuur.							
	Waaronder							
	Voorwaardelike Toelae							
	Uitgebreide Omvattende Werke Program Aansporingstoelae aan Provinsies			*550*				
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*15 058*			*49 512*	
	Inkomste verbeteringstoekenning			*200*				
	3 Ekonomiese Ontwikkeling	118 548	16 229	23 765		78 554		
	Sorg vir transformasie in die Toerismebedryf en versterk die ontwikkeling en groei van sake-ondernemings in die Provinsie by wyse van opleiding asook voorsiening van nie-finansiële en finansiële ondersteuning.							
	Waaronder							
	Oordragbetalings							
	Vrystaatse Ontwikkelingskorporasie					*22 245*		
	Ander privaat instellings					*5 000*		
	Vrystaatse Dobbel en Drankowerheid					*51 309*		
	Waaronder							
	Toegewysde fondse							
	Inkomste verbeteringstoekenning					*3 058*		

APPROPRIATION BILL, 2013

SCHEDULE ON ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Tourism	46 199	4 335	2 000		39 864		
	Ensure adequate planning, growth, development and transformation in the Tourism industry.							
	Of which							
	Transfers							
	Free State Tourism Authority					*39 864*		

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN EKONOMIESE ONTWIKKELING, TOERISME EN OMGEWINGSAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Toerisme	46 199	4 335	2 000		39 864		
	Om toereikende beplanning, groei, ontwikkeling en transformasie in die Toerismebedryf te verseker.							
	Waaronder							
	Oordragbetalings							
	Vrystaatse Toerisme Owerheid					*39 864*		

Ekonomiese Ontwikkeling, Toerisme & Omgewingsake

APPROPRIATION BILL, 2013

SCHEDULE ON FREE STATE PROVINCIAL TREASURY

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	**Free State Provincial Treasury**							
	Aim: ***To promote prudent financial management of provincial resources.***	**216 355**	**159 537**	**54 187**		**336**	**2 295**	
	1 Administration	82 111	57 640	22 034		336	2 101	
	To provide leadership and strategic management in accordance with legislation, regulations, and policies as well as to ensure there is appropriate support service to all other programmes.							
	2 Sustainable Resource Management	27 585	24 069	3 516				
	To provide professional advice and support to the MEC on provincial economic analysis, fiscal policy, public finance development and management of the annual budget process.							
	3 Asset and Liability Management	60 857	36 187	24 555			115	
	To provide policy direction, by facilitating the effective and efficient management of physical and financial assets, PPP's and liabilities.							
	4 Financial Governance	45 802	41 641	4 082			79	
	To promote accountability through substantive reflection of financial activities of the Province as well as compliance with financial norms and standards.							

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN VRYSTAATSE PROVINSIALE TESOURIE

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansiële bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	**Vrystaatse Provinsiale Tesourie**							
	*Doel: **Om oordeelkundige finansiële bestuur van provinsiale hulpbronne te bevorder.***	**216 355**	**159 537**	**54 187**		**336**	**2 295**	
	1 Administrasie	82 111	57 640	22 034		336	2 101	
	Om leiding en strategiese bestuur in ooreenstemming met wetgewing, regulasies en beleide te voorsien asook om toepaslike ondersteuningsdienste aan alle programme te verseker.							
	2 Volhoubare bestuur van hulpbronne	27 585	24 069	3 516				
	Om professionele advies en ondersteuning aan die LUR te verskaf oor provinsiale ekonomiese ontleding, fiskale beleid, ontwikkeling van openbare finansies en die bestuur van die jaarlikse begrotingsproses.							
	3 Bate- en Lastebestuur	60 857	36 187	24 555			115	
	Om leiding te gee oor beleid, deur die fasilitering van doelmatige en doeltreffende bestuur van fisiese en finansiële bates, "PPP's" en laste.							
	4 Finansiële Bestuur	45 802	41 641	4 082			79	
	Om aanspreeklikheid te bevorder deur substantiewe weerspieëling van finansiële aktiwiteite van die Provinsie asook nakoming van norme en standaarde.							

APPROPRIATION BILL, 2013

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	**Health**							
	*Aim: **To provide comprehensive health services, which include the prevention of disease, promotion of health, curative and rehabilitation services.***	**7 894 778**	**5 197 263**	**1 944 472**	**712**	**112 329**	**640 002**	
	1 Administration	268 533	205 908	57 712	88	414	4 411	
	To render overall management and administrative support to the Department.							
	Of which							
	Earmarked funds							
	Revenue Enhancement Allocation						*2 200*	
	2 District Health Services	3 191 116	2 153 343	890 631	182	73 212	73 748	
	To render and establish District Health Services in the Free State Community.							
	Of which							
	Conditional grant							
	Comprehensive HIV and Aids Grant		*175 798*	*476 266*	*20*	*50 200*	*40 700*	
	National Health Insurance Grant			*3 850*				
	3 Emergency Medical Services	465 308	343 903	117 923	350	32	3 100	
	To render an efficient and optimal emergency medical service to all patients in the Province.							
	4 Provincial Hospital Services	1 157 767	894 677	245 924	40	7 110	10 016	
	To manage, monitor and render Level II and psychiatric services in the Free State.							
	4.1 General (Regional) Hospitals		665 077	207 339	39	4 010	7 216	
	4.2 Public-Private Partnerships							
	4.3 Psychiatric/Mental Hospitals		229 600	38 585	1	3 100	2 800	
	5 Central Hospital Services	1 968 103	1 403 935	536 148	50	3 969	24 001	
	To manage, monitor, organise and render Central Medical Health care tertiary services (Level III and IV) and to provide a platform for the training of health workers.							
	5.1 Central Hospital Services		891 025	371 752		3 500	21 000	
	Of which							
	Conditional grant							
	Health Professions Training and Development Grant		*96 692*	*41 439*				
	National Tertiary Services Grant		*586 384*	*242 277*			*21 000*	
	National Health Insurance Grant			*1 000*				
	5.2 Public-Private Partnerships			3 456				
	5.3 Provincial Tertiary Hospital Services		512 910	160 940	50	469	3 001	

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN GESONDHEID

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansiële bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	**Gesondheid**							
	*Doel: **Om omvattende gesondheidsdienste te voorsien, wat die voorkoming van siektes, bevordering van gesondheid, genesende en rehabilitasiedienste insluit.***	**7 894 778**	**5 197 263**	**1 944 472**	**712**	**112 329**	**640 002**	
	1 Administrasie	268 533	205 908	57 712	88	414	4 411	
	Om oorhoofse bestuurs- en administratiewe ondersteuning aan die Departement te lewer.							
	Waaronder							
	Toegewysde fondse							
	Inkomste verbeteringstoekenning						*2 200*	
	2 Distriksgesondheidsdienste	3 191 116	2 153 343	890 631	182	73 212	73 748	
	Om distriksgesondheidsdienste aan die Vrystaatse gemeenskap te lewer en te vestig.							
	Waaronder							
	Voorwaardelike Toelae							
	Omvattende MIV en Vigs Toelae		*175 798*	*476 266*	*20*	*50 200*	*40 700*	
	Nasionale Gesondheidsversekeringstoelae			*3 850*				
	3 Mediese Nooddienste	465 308	343 903	117 923	350	32	3 100	
	Om 'n doeltreffende en optimale mediese nooddiens aan alle pasiënte in die Provinsie te lewer.							
	4 Provinsiale Hospitaaldienste	1 157 767	894 677	245 924	40	7 110	10 016	
	Om Vlak II- en psigiatriese hospitaaldienste in die Vrystaat te lewer, te bestuur en te monitor.							
	4.1 Algemene (Streeks) Hospitale		665 077	207 339	39	4 010	7 216	
	4.2 'Public-Private Partnerships'							
	4.3 Psigiatriese/Sielsieke Hospitale		229 600	38 585	1	3 100	2 800	
	5 Sentrale Hospitaaldienste	1 968 103	1 403 935	536 148	50	3 969	24 001	
	Om sentrale tersiêre mediese gesondheidsorgdienste (Vlakke III & IV) te bestuur, te monitor, te organiseer en te lewer en 'n platform vir die opleiding van gesondheidswerkers te voorsien.							
	5.1 Sentrale Hospitaaldienste		891 025	371 752		3 500	21 000	
	Waaronder							
	Voorwaardelike Toelae							
	Gesondheidsberoepe Opleiding en Ontwikkelingstoelae		*96 692*	*41 439*				
	Nasionale Tersiêre Dienste Toelae		*586 384*	*242 277*			*21 000*	
	Nasionale Gesondheidsversekeringstoelae			*1 000*				
	5.2 'Public-Private Partnerships'			3 456				
	5.3 Provinsiale Tersiêre Hospitaaldienste		512 910	160 940	50	469	3 001	

APPROPRIATION BILL, 2013

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	6 Health Sciences and Training	172 869	85 200	57 161		25 290	5 218	
	To provide training to emergency medical and nursing personnel and to promote research and development of health systems.							
	7 Health Care Support Services	109 071	80 297	20 173	2	2 302	6 297	
	To render support services required by the Department.							
	8 Health Facilities Management	562 011	30 000	18 800			513 211	
	To provide adequate health facilities and infrastructure.							
	8.1 Community Health Facility			7 200			39 370	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant							
	Earmarked for							
	- Health Infrastructure						*37 621*	
	Expanded Public Works Programme Incentive Grant for Provinces						*1 749*	
	Earmarked funds							
	Infrastructure Enhancement Allocation			*7 200*				
	8.2 District Hospital Services			8 600			226 542	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant							
	Earmarked for							
	- Hospital Revitalisation						*218 009*	
	- Health Infrastructure						*7 033*	
	Expanded Public Works Programme Incentive Grant for Provinces						*1 500*	
	Earmarked funds							
	Infrastructure Enhancement Allocation			*8 600*				
	8.3 Provincial Health Services		30 000	3 000			247 299	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant							
	Earmarked for							
	- Health Infrastructure		*10 000*				*12 596*	
	- Nursing Colleges and Schools						*2 242*	
	- Hospital Revitalisation		*20 000*	*1 500*			*229 961*	
	Earmarked funds							
	Infrastructure Enhancement Allocation			*1 500*			*2 500*	

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN GESONDHEID

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansiële bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	6 Gesondheidswetenskappe en opleiding	172 869	85 200	57 161		25 290	5 218	
	Om opleiding aan mediese nood- en verpleegpersoneel te voorsien en om navorsing en ontwikkeling van gesondheidstelsels te bevorder.							
	7 Gesondheidsorgondersteuningsdienste	109 071	80 297	20 173	2	2 302	6 297	
	Om steundienste wat deur die Departement benodig word te lewer.							
	8 Bestuur van Gesondheidsgeriewe	562 011	30 000	18 800			513 211	
	Om toereikende gesondheidsgeriewe en infrastruktuur te voorsien.							
	8.1 Gemeenskapsgesondheidsgeriewe			7 200			39 370	
	Waaronder							
	Voorwaardelike Toelae							
	Gesondheidsgeriewe Opknappingstoelae							
	Toegewys vir							
	- *Gesondheidsinfrastruktuur*						*37 621*	
	Uitgebreide Omvattende Werke Program Aansporingstoelae aan Provinsies						*1 749*	
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*7 200*				
	8.2 Distrik Hospitaaldienste			8 600			226 542	
	Waaronder							
	Voorwaardelike Toelae							
	Gesondheidsgeriewe Opknappingstoelae							
	Toegewys vir							
	- *Hospitaal Opknapping*						*218 009*	
	- *Gesondheidsinfrastruktuur*						*7 033*	
	Uitgebreide Omvattende Werke Program Aansporingstoelae aan Provinsies						*1 500*	
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*8 600*				
	8.3 Provinsiale Gesondheidsdienste		30 000	3 000			247 299	
	Waaronder							
	Voorwaardelike Toelae							
	Gesondheidsgeriewe Opknappingstoelae							
	Toegewys vir							
	- *Gesondheidsinfrastruktuur*		*10 000*				*12 596*	
	- *Verplegingkolleges en -Skole*						*2 242*	
	- *Hospitaal Opknapping*		*20 000*	*1 500*			*229 961*	
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*1 500*			*2 500*	

APPROPRIATION BILL, 2013

SCHEDULE ON HEALTH: PROGRAMMES 4 & 5

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2013/14	2014/15	2015/16
		R'000	R'000	R'000
5	**Health**	**3 125 870**	**3 268 351**	**3 485 336**
	4 Provincial Hospital Services	**1 157 767**	**1 202 462**	**1 292 659**
	To manage, monitor and render Level II and psychiatric services in the Free State.			
	4.1 General (Regional) Hospitals	883 681	926 098	1 003 104
	4.2 Public-Private Partnerships			
	4.3 Psychiatric/Mental Hospitals	274 086	276 364	289 555
	of which			
	a. Compensation of employees	894 677	966 134	1 039 834
	b. Transfers to Hospitals	7 110	7 073	4 493
	4.1 General (Regional) Hospitals	4 010	3 973	2 590
	Dihlabeng Hospital	*350*	*350*	*350*
	Bongani Hospital	*900*	*900*	*450*
	Boitumelo Hospital	*740*	*740*	*450*
	Mofumahadi Manapo Mopeli Hospital	*2 020*	*1 983*	*1 340*
	4.3 Psychiatric/Mental Hospitals	3 100	3 100	1 903
	Free State Psychiatric Complex	*3 100*	*3 100*	*1 903*
	c. Goods and services	245 924	226 302	225 785
	Of which			
	Medicine costs	*49 431*	*44 524*	*33 815*
	d. Others	40	40	46
	e. Payments for Capital Assets	10 016	2 913	22 501
	5 Central Hospital Services	**1 968 103**	**2 065 889**	**2 192 677**
	To manage, monitor, organise and render Central Medical Health care tertiary services (Level III and IV) and to provide a platform for the training of health workers.			
	5.1 Central Hospital Services	1 287 277	1 352 026	1 451 087
	5.2 Public-Private Partnerships	3 456	3 556	3 739
	5.3 Provincial Tertiary Hospital Services	677 370	710 307	737 851
	of which			
	a. Compensation of Employees	1 403 935	1 502 486	1 638 371
	b. Transfers to Hospitals	3 969	4 169	4 190
	5.1 Central Hospital Services	3 500	3 679	3 679
	Universitas Hospital	*3 500*	*3 679*	*3 679*
	5.3 Provincial Tertiary Hospital Services	469	490	511
	Pelonomi Hospital	*469*	*490*	*511*
	c. Goods and services	536 148	533 851	524 599
	Of which			
	Medicine costs	*144 399*	*141 615*	*149 360*
	d. Others	50	52	54
	e. Payments for Capital Assets	24 001	25 331	25 463

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN GESONDHEID: PROGRAMME 4 & 5

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2013/14	2014/15	2015/16
		R'000	R'000	R'000
5	**Gesondheid**	**3 125 870**	**3 268 351**	**3 485 336**
	4 Provinsiale Hospitaaldienste	**1 157 767**	**1 202 462**	**1 292 659**
	Om Vlak II- en psigiatriese hospitaaldienste in die Vrystaat te lewer, te bestuur en te monitor.			
	4.1 Algemene (Streeks) Hospitale	883 681	926 098	1 003 104
	4.2 'Public-Private Partnerships'			
	4.3 Psigiatriese/Sielsieke Hospitale	274 086	276 364	289 555
	Waaronder			
	a. Vergoeding van Werknemers	894 677	966 134	1 039 834
	b. Oordragbetalings aan Hospitale	7 110	7 073	4 493
	4.1 Algemene (Streeks) Hospitale	4 010	3 973	2 590
	Dihlabeng Hospitaal	*350*	*350*	*350*
	Bongani Hospitaal	*900*	*900*	*450*
	Boitumelo Hospitaal	*740*	*740*	*450*
	Mofumahadi Manapo Mopeli Hospitaal	*2 020*	*1 983*	*1 340*
	4.3 Psigiatriese/Sielsieke Hospitale	3 100	3 100	1 903
	Vrystaatse Psigiatriese Hospitaal	*3 100*	*3 100*	*1 903*
	c. Goedere en dienste	245 924	226 302	225 785
	Waaronder			
	Koste van medisyne	*49 431*	*44 524*	*33 815*
	d. Ander	40	40	46
	e. Betaling van Kapitaalbates	10 016	2 913	22 501
	5 Sentrale Hospitaaldienste	**1 968 103**	**2 065 889**	**2 192 677**
	Om sentrale tersiêre mediese gesondheidsorgdienste (Vlakke III & IV) te bestuur, te monitor, te organiseer en te lewer en 'n platform vir die opleiding van gesondheidswerkers te voorsien.			
	5.1 Sentrale Hospitaaldienste	1 287 277	1 352 026	1 451 087
	5.2 'Public-Private Partnerships'	3 456	3 556	3 739
	5.3 Provinsiale Tersiêre Hospitaaldienste	677 370	710 307	737 851
	Waaronder			
	a. Vergoeding van Werknemers	1 403 935	1 502 486	1 638 371
	b. Oordragbetalings aan Hospitale	3 969	4 169	4 190
	5.1 Sentrale Hospitaaldienste	3 500	3 679	3 679
	Universitas Hospitaal	*3 500*	*3 679*	*3 679*
	5.3 Provinsiale Tersiêre Hospitaaldienste	469	490	511
	Pelonomi Hospitaal	*469*	*490*	*511*
	c. Goedere en dienste	536 148	533 851	524 599
	Waaronder			
	Koste van medisyne	*144 399*	*141 615*	*149 360*
	d. Ander	50	52	54
	e. Betaling van Kapitaalbates	24 001	25 331	25 463

Gesondheid (slegs prog 4 & 5)

APPROPRIATION BILL, 2013

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Education**							
	*Aim: **To be a Department that strives to ensure progressive realization of universal schooling, improving quallity of education and eliminating disparities amongst Free State citizens.***	10 456 217	7 971 147	812 461	966	1 197 852	473 791	
	1 Administration	846 984	581 723	247 772	671	2 531	14 287	
	To provide overall management of the education system in accordance with the National Education Policy Act, the Public Finance Managent Act and other policies.							
	Of which							
	Conditional grants							
	Education Infrastructure Grant		*8 000*					
	2 Public Ordinary School Education	7 553 334	6 614 655	172 156	42	766 128	353	
	To provide public ordinary education from Grade 1 to 12 in accordance with the South African Schools Act.							
	2.1 Public Primary Schools		*3 880 144*	*80 558*		*301 455*		
	2.2 Public Secondary Schools		*2 711 023*	*27 837*		*166 255*		
	2.3 Human Resource Development			*45 100*		*10 000*		
	2.4 School Sport, Culture and Media Services		*23 488*	*4 012*	*18*	*91*	*265*	
	2.5 Conditional Grants			*14 649*	*24*	*288 327*	*88*	
	Of which							
	National School Nutrition Programme Grant			*7 076*	*24*	*267 364*	*88*	
	Dinaledi Schools Grant			*7 573*				
	Technical Secondary Schools Recapitalisation Grant					*20 963*		
	3 Independent School Subsidies	56 980				56 980		
	To support independent schools in accordance with the South African Schools Acts.							
	4 Public Special School Education	290 460	242 551	140		47 769		
	To provide special public education in schools in accordance with the South African Schools Act and White Paper 6 on Inclusive Education.							

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN ONDERWYS

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansiële bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Onderwys**							
	*Doel: **Om 'n Departement te wees wat daarna streef om progressiewe totstandkoming van universele skoling, die kwaliteit van onderwys te verbeter en ongelykhede tussen Vrystaatse burgers uit die weg te ruim.***	**10 456 217**	**7 971 147**	**812 461**	**966**	**1 197 852**	**473 791**	
	1 Administrasie	846 984	581 723	247 772	671	2 531	14 287	
	Om oorhoofse bestuurdienste van die onderwysstelsel te lewer ooreenkomstig die Wet op die Nasionale Onderwysbeleid, die Wet op Openbare Finansiële Bestuur en ander beleide.							
	Waaronder							
	Voorwaardelike Toelae							
	Onderwys Infrastruktuurtoelae		*8 000*					
	2 Openbare Gewone Skoolonderwys	7 553 334	6 614 655	172 156	42	766 128	353	
	Om openbare gewone onderwys aan Grade 1 tot 12 te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet.							
	2.1 Openbare Primêre Skole		*3 880 144*	*80 558*		*301 455*		
	2.2 Openbare Sekondêre Skole		*2 711 023*	*27 837*		*166 255*		
	2.3 Menslike Hulpbronontwikkeling			*45 100*		*10 000*		
	2.4 Skoolsport, Kultuur en Media Dienste		*23 488*	*4 012*	*18*	*91*	*265*	
	2.5 Voorwaardelike Toekenning			*14 649*	*24*	*288 327*	*88*	
	Waaronder							
	Nasionale Skoolvoedingsprogramtoelae			*7 076*	*24*	*267 364*	*88*	
	Dinaledi Skole Toelae			*7 573*				
	Toelae vir Herkapitalisering van Tegniese Sekondêre Skole					*20 963*		
	3 Subsidies vir Onafhanklike Skole	56 980				56 980		
	Om onafhanklike skole te ondersteun in ooreenstemming met die Suid-Afrikaanse Skolewet.							
	4 Openbare Spesiale skoolonderwys	290 460	242 551	140		47 769		
	Om spesiale openbare onderwys in skole te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet en Witskrif 6 op Inklusiewe Onderwys.							

APPROPRIATION BILL, 2013

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Further Education and Training	172 068	149 700			22 368		
	To provide Further Education and Training (FET) at public FET colleges in accordance with FET Act.							
	Of which							
	Conditional grants							
	Further Education and Training Colleges Grant		*149 700*			*22 368*		
	6 Adult Basic Education and Training	154 620	137 054	14 577	144	940	1 905	
	To provide Adult Basic Education and Training (ABET) in accordance with the Adult Basic Education and Training Act.							
	7 Early Childhood Development	135 031	112 324	14 396		8 311		
	To provide Early Childhood Education (ECD) at the Grade R and earlier levels in accordance with White Paper 5.							
	8 Infrastructure Development	513 096		17 050		40 500	455 546	
	To provide and maintain infrastructure facilities for the administration and schools.							
	Of which							
	Conditional grants							
	Education Infrastructure Grant			*15 000*		*25 650*	*420 281*	
	of which earmarked for repair of flood damage						6 100	
	Expanded Public Works Programme Incentive Grant for Provinces						*3 000*	
	Earmarked funds							
	Infrastructure Enhancement Allocation					*14 850*		
	9 Auxiliary and Associated Services	733 644	133 140	346 370	109	252 325	1 700	
	To provide the education institutions as a whole with training and support.							
	Of which							
	Conditional grants							
	HIV and AIDS (Life Skills Education) Grant		*830*	*11 305*				

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN ONDERWYS

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Verdere Onderwys en Opleiding	172 068	149 700			22 368		
	Om Verdere Onderwys en Opleiding (VOO) by openbare VOO-kolleges te lewer ooreenkomstig die VOO Wet.							
	Waaronder							
	Voorwaardelike Toelae							
	Verdere Onderwys en Opleidingstoelae vir Kolleges		*149 700*			*22 368*		
	6 Basiese Onderwys en Opleiding vir Volwassenes	154 620	137 054	14 577	144	940	1 905	
	Om Basiese Onderwys en Opleiding vir Volwassenes (BOOV) te voorsien in ooreenstemming met die Wet op Basiese Onderwys en Opleiding vir Volwassenes.							
	7 Vroeëkindontwikkeling	135 031	112 324	14 396		8 311		
	Om Vroeëkindontwikkeling (VKO) op Graad R en vroeër vlakke te voorsien in ooreenstemming met Witskrif 5.							
	8 Infrastruktuurontwikkeling	513 096		17 050		40 500	455 546	
	Om infrastruktuurfasiliteite vir die administrasie en skole te voorsien en in stand te hou.							
	Waaronder							
	Voorwaardelike Toelae							
	Onderwys Infrastruktuurtoelae			*15 000*		*25 650*	*420 281*	
	waaronder toegewys vir die herstel van vloedskade						6 100	
	Uitgebreide Omvattende Werke Program Aansporingstoelae aan Provinsies						*3 000*	
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning					*14 850*		
	9 Hulp- en Verwante-dienste	733 644	133 140	346 370	109	252 325	1 700	
	Om onderwysinstellings as geheel met opleiding en ondersteuning te voorsien.							
	Waaronder							
	Voorwaardelike Toelae							
	MIV en Vigs (lewensvaardigheidsopvoeding) Toelae		*830*	*11 305*				

APPROPRIATION BILL, 2013

SCHEDULE ON EDUCATION: PROGRAMME 2

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2013/14	2014/15	2015/16
		R'000	R'000	R'000
6	**Education**	**7 553 334**	**7 893 833**	**8 339 582**
	2 Public Ordinary School Education	**7 553 334**	**7 893 833**	**8 339 582**
	To provide public ordinary education from Grade 1 to 12 in accordance with the South African Schools Act.			
	a. Compensation of employees	6 614 655	6 898 886	7 294 419
	b. Transfers	766 128	808 523	847 884
	To 833 Section 21 Schools	436 027	453 518	473 746
	Fezile Dabi District - 133 schools	*80 747*	*83 986*	*87 732*
	Lejweleputswa District - 175 schools	*91 413*	*95 080*	*99 321*
	Motheo District - 215 schools	*105 809*	*110 053*	*114 961*
	Thabo Mofutsanyana District - 258 schools	*140 167*	*145 790*	*152 293*
	Xhariep District - 52 schools	*17 891*	*18 609*	*19 439*
	Other	330 101	355 005	374 138
	c. Non-transfers	172 198	186 103	197 062
	To 520 Non-section 21 Schools	108 395	118 909	124 646
	Fezile Dabi District - 108 schools	*15 393*	*16 886*	*17 701*
	Lejweleputswa District - 91 schools	*29 493*	*32 354*	*33 915*
	Motheo District - 86 schools	*29 871*	*32 769*	*34 350*
	Thabo Mofutsanyana District - 215 schools	*24 068*	*26 402*	*27 676*
	Xhariep District - 20 schools	*9 570*	*10 498*	*11 004*
	Other	63 803	67 194	72 416
	d. Payment for Capital Assets	353	321	217

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN ONDERWYS: PROGRAM 2

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2013/14	2014/15	2015/16
		R'000	R'000	R'000
6	**Onderwys**	**7 553 334**	**7 893 833**	**8 339 582**
	2 Openbare Gewone Skoolonderwys	**7 553 334**	**7 893 833**	**8 339 582**
	Om openbare gewone onderwys aan Grade 1 tot 12 te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet.			
	a. Vergoeding van Werknemers	6 614 655	6 898 886	7 294 419
	b. Oordragbetalings	766 128	808 523	847 884
	Na 833 Artikel 21 skole	436 027	453 518	473 746
	Fezile Dabi Distrik - 133 skole	*80 747*	*83 986*	*87 732*
	Lejweleputswa Distrik - 175 skole	*91 413*	*95 080*	*99 321*
	Motheo Distrik - 215 skole	*105 809*	*110 053*	*114 961*
	Thabo Mofutsanyana Distrik - 258 skole	*140 167*	*145 790*	*152 293*
	Xhariep Distrik - 52 skole	*17 891*	*18 609*	*19 439*
	Ander	330 101	355 005	374 138
	c. Nie-oordragbetalings	172 198	186 103	197 062
	Na 520 Nie-artikel 21 Skole	108 395	118 909	124 646
	Fezile Dabi Distrik - 108 skole	*15 393*	*16 886*	*17 701*
	Lejweleputswa Distrik - 91 skole	*29 493*	*32 354*	*33 915*
	Motheo Distrik - 86 skole	*29 871*	*32 769*	*34 350*
	Thabo Mofutsanyana Distrik - 215 skole	*24 068*	*26 402*	*27 676*
	Xhariep Distrik - 20 skole	*9 570*	*10 498*	*11 004*
	Ander	63 803	67 194	72 416
	d. Betaling van Kapitaalbates	353	321	217

Onderwys (slegs prog 2)

APPROPRIATION BILL, 2013

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Social Development**							
	Aim: To meet the human and social needs of the poor and vulnerable communities through an inter-sectoral and integrated developmental social service.	951 229	445 862	88 097		381 627	35 643	
	1 Administration	207 721	140 549	63 261		264	3 647	
	To provide strategic management and support services to all levels in the Department.							
	2 Social Welfare Services	636 835	227 313	20 826		356 808	31 888	
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.							
	Of which							
	Transfers to Households					69		
	Transfers to NPO's					356 739		
	2.1 *Substance abuse, Prevention and Rehabilitation*					*9 467*		
	2.2 *Care and Services to Older Persons*					*42 703*		
	2.3 *Crime Prevention and Support*					*4 009*		
	2.4 *Services to Persons with Disabilities*					*19 791*		
	2.5 *Child Care and Protection Services*					*250 280*		
	2.6 *Victim Empowerment*					*9 612*		
	2.7 *HIV and AIDS*					*18 843*		
	2.8 *Social Relief*							
	2.9 *Care and Support Services to Families*					*2 034*		
	Earmarked funds							
	Infrastructure Enhancement Allocation						*31 324*	
	3 Development and Research	106 673	78 000	4 010		24 555	108	
	To provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information.							
	Of which							
	Conditional grant							
	Social Sector Expanded Public Works Programme Incentive Grant for Provinces					*8 545*		

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN MAATSKAPLIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Maatskaplike Ontwikkeling**							
	*Doel: **Om aan die menslike en maatskaplike behoeftes van die behoeftige en kwesbare gemeenskappe te voorsien deur 'n intersektorale en geïntegreerde maatskaplike ontwikkelingsdiens.***	**951 229**	**445 862**	**88 097**		**381 627**	**35 643**	
	1 Administrasie	207 721	140 549	63 261		264	3 647	
	Om strategiese bestuur en ondersteuningsdienste te voorsien aan alle vlakke in die Departement.							
	2 Maatskaplike Welsynsdienste	636 835	227 313	20 826		356 808	31 888	
	Om geïntegreerde maatskaplike ontwikkelingshulp aan behoeftige en kwesbare mense te voorsien in vennootskap met belanghebbendes en burgerlike samelewingsorganisasies.							
	Waaronder							
	Oordragbetalings aan Huishoudings					69		
	Oordragbetalings aan NRO's					356 739		
	2.1 *Dwelmmiddelmisbruik, Voorkoming en Rehabilitasie*					*9 467*		
	2.2 *Sorg en Dienste aan Bejaardes*					*42 703*		
	2.3 *Misdaadvoorkomig en Ondersteuning*					*4 009*		
	2.4 *Dienste aan Persone met Gestremdhede*					*19 791*		
	2.5 *Kindersorg- en Beskermingsdienste*					*250 280*		
	2.6 *Bemagtiging van Slagoffers*					*9 612*		
	2.7 *MIV en Vigs*					*18 843*		
	2.8 *Sosiale Verligting*							
	2.9 *Sorg en Ondersteuningsdienste aan Gesinne*					*2 034*		
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning						*31 324*	
	3 Ontwikkeling en Navorsing	106 673	78 000	4 010		24 555	108	
	Om volhoubare ontwikkelingsprogramme aan te bied wat die bemagtiging van gemeenskappe fasiliteer, gebaseer op empiriese navorsing en demografiese inligting.							
	Waaronder							
	Voorwaardelike Toelae							
	Maatskaplike sektor Uitgebreide Omvattende Werke Program Aansporingstoelae aan Provinsies					*8 545*		

APPROPRIATION BILL, 2013

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2013/14	2014/15	2015/16
		R'000	R'000	R'000
7	**Social Development**	**636 835**	**662 946**	**690 929**
	2 Social Welfare Services	**636 835**	**662 946**	**690 929**
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.			
	a. Compensation of employees	227 313	241 255	259 028
	b. Transfers to Non-government Organisations (NGO's)	356 808	369 527	379 152
	Transfers to Households	*69*	*72*	*75*
	Transfers to NGO's	*356 739*	*369 455*	*379 077*
	Transfers per District			
	Substance abuse, Prevention and Rehabilitation	9 467	11 945	14 488
	Mangaung Metro	*3 503*	*4 420*	*5 360*
	Xhariep District	*947*	*1 195*	*1 449*
	Lejweleputswa District	*1 325*	*1 672*	*2 028*
	Thabo Mofutsanyana District	*2 083*	*2 628*	*3 187*
	Fezile Dabi District	*1 609*	*2 030*	*2 464*
	Care and Services to Older Persons	42 703	42 703	42 703
	Mangaung Metro	*10 676*	*10 676*	*10 676*
	Xhariep District	*5 125*	*5 125*	*5 125*
	Lejweleputswa District	*8 540*	*8 540*	*8 540*
	Thabo Mofutsanyana District	*9 822*	*9 822*	*9 822*
	Fezile Dabi District	*7 686*	*7 686*	*7 686*
	Provincial Programme	*854*	*854*	*854*
	Crime Prevention and Support	4 009	4 009	4 009
	Mangaung Metro	*1 442*	*1 442*	*1 442*
	Xhariep District	*362*	*362*	*362*
	Lejweleputswa District	*640*	*640*	*640*
	Thabo Mofutsanyana District	*963*	*963*	*963*
	Fezile Dabi District	*602*	*602*	*602*
	Services to Persons with Disabilities	19 791	19 791	19 791
	Mangaung Metro	*9 697*	*9 697*	*9 697*
	Xhariep District	*1 978*	*1 978*	*1 978*
	Lejweleputswa District	*3 166*	*3 166*	*3 166*
	Thabo Mofutsanyana District	*2 179*	*2 179*	*2 179*
	Fezile Dabi District	*2 771*	*2 771*	*2 771*

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN MAATSKAPLIKE ONTWIKKELING: PROGRAM 2

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2013/14	2014/15	2015/16
		R'000	R'000	R'000
7	**Maatskaplike Ontwikkeling**	**636 835**	**662 946**	**690 929**
	2 Maatskaplike Welsynsdienste	**636 835**	**662 946**	**690 929**
	Om geïntegreerde maatskaplike ontwikkelingshulp aan behoeftige en kwesbare mense te voorsien in vennootskap met belanghebbendes en burgerlike samelewingsorganisasies.			
	a. Vergoeding van Werknemers	227 313	241 255	259 028
	b. Oordragbetalings aan Nie-regeringsorganisasies (NRO's)	356 808	369 527	379 152
	Oordragbetalings aan Huishoudings	*69*	*72*	*75*
	Oordragbetalings aan NRO's	*356 739*	*369 455*	*379 077*
	Oordragbetalings per Distrik			
	Dwelmmiddelmisbruik, Voorkoming en Rehabilitasie	9 467	11 945	14 488
	Mangaung Metro	*3 503*	*4 420*	*5 360*
	Xhariep Distrik	*947*	*1 195*	*1 449*
	Lejweleputswa Distrik	*1 325*	*1 672*	*2 028*
	Thabo Mofutsanyana Distrik	*2 083*	*2 628*	*3 187*
	Fezile Dabi Distrik	*1 609*	*2 030*	*2 464*
	Sorg en Dienste aan Bejaardes	42 703	42 703	42 703
	Mangaung Metro	*10 676*	*10 676*	*10 676*
	Xhariep Distrik	*5 125*	*5 125*	*5 125*
	Lejweleputswa Distrik	*8 540*	*8 540*	*8 540*
	Thabo Mofutsanyana Distrik	*9 822*	*9 822*	*9 822*
	Fezile Dabi Distrik	*7 686*	*7 686*	*7 686*
	Provinsiale Program	*854*	*854*	*854*
	Misdaadvoorkomig en Ondersteuning	4 009	4 009	4 009
	Mangaung Metro	*1 442*	*1 442*	*1 442*
	Xhariep Distrik	*362*	*362*	*362*
	Lejweleputswa Distrik	*640*	*640*	*640*
	Thabo Mofutsanyana Distrik	*963*	*963*	*963*
	Fezile Dabi Distrik	*602*	*602*	*602*
	Dienste aan Persone met Gestremdhede	19 791	19 791	19 791
	Mangaung Metro	*9 697*	*9 697*	*9 697*
	Xhariep Distrik	*1 978*	*1 978*	*1 978*
	Lejweleputswa Distrik	*3 166*	*3 166*	*3 166*
	Thabo Mofutsanyana Distrik	*2 179*	*2 179*	*2 179*
	Fezile Dabi Distrik	*2 771*	*2 771*	*2 771*

APPROPRIATION BILL, 2013

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2013/14	2014/15	2015/16
		R'000	R'000	R'000
	Child Care and Protection Services	250 280	257 352	261 560
	Mangaung Metro	*50 056*	*51 470*	*52 312*
	Xhariep District	*10 011*	*10 294*	*10 462*
	Lejweleputswa District	*45 051*	*46 323*	*47 081*
	Thabo Mofutsanyana District	*75 084*	*77 206*	*78 468*
	Fezile Dabi District	*32 536*	*33 456*	*34 003*
	Provincial programme	*37 542*	*38 603*	*39 234*
	Victim Empowerment	9 612	12 778	15 649
	Mangaung Metro	*4 710*	*6 261*	*7 668*
	Xhariep District	*961*	*1 278*	*1 565*
	Lejweleputswa District	*1 538*	*2 044*	*2 504*
	Thabo Mofutsanyana District	*1 057*	*1 406*	*1 721*
	Fezile Dabi District	*1 346*	*1 789*	*2 191*
	HIV and AIDS	18 843	18 843	18 843
	Mangaung Metro	*4 311*	*4 311*	*4 311*
	Xhariep District	*851*	*851*	*851*
	Lejweleputswa District	*4 415*	*4 415*	*4 415*
	Thabo Mofutsanyana District	*5 314*	*5 314*	*5 314*
	Fezile Dabi District	*1 761*	*1 761*	*1 761*
	Provincial Programme	*2 191*	*2 191*	*2 191*
	Care and Support Services to Families	2 034	2 034	2 034
	Mangaung Metro	*1 018*	*1 018*	*1 018*
	Xhariep District	*101*	*101*	*101*
	Lejweleputswa District	*915*	*915*	*915*
c.	**Goods and Services**	20 826	21 110	21 997
d.	**Payments for Capital Assets**	31 888	31 054	30 752

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN MAATSKAPLIKE ONTWIKKELING: PROGRAM 2

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2013/14	2014/15	2015/16
		R'000	R'000	R'000
	Kindersorg- en Beskermingsdienste	250 280	257 352	261 560
	Mangaung Metro	*50 056*	*51 470*	*52 312*
	Xhariep Distrik	*10 011*	*10 294*	*10 462*
	Lejweleputswa Distrik	*45 051*	*46 323*	*47 081*
	Thabo Mofutsanyana Distrik	*75 084*	*77 206*	*78 468*
	Fezile Dabi Distrik	*32 536*	*33 456*	*34 003*
	Provinsiale program	*37 542*	*38 603*	*39 234*
	Bemagtiging van Slagoffers	9 612	12 778	15 649
	Mangaung Metro	*4 710*	*6 261*	*7 668*
	Xhariep Distrik	*961*	*1 278*	*1 565*
	Lejweleputswa Distrik	*1 538*	*2 044*	*2 504*
	Thabo Mofutsanyana Distrik	*1 057*	*1 406*	*1 721*
	Fezile Dabi Distrik	*1 346*	*1 789*	*2 191*
	MIV en Vigs	18 843	18 843	18 843
	Mangaung Metro	*4 311*	*4 311*	*4 311*
	Xhariep Distrik	*851*	*851*	*851*
	Lejweleputswa Distrik	*4 415*	*4 415*	*4 415*
	Thabo Mofutsanyana Distrik	*5 314*	*5 314*	*5 314*
	Fezile Dabi Distrik	*1 761*	*1 761*	*1 761*
	Provinsiale program	*2 191*	*2 191*	*2 191*
	Sorg en Ondersteuningsdienste aan Gesinne	2 034	2 034	2 034
	Mangaung Metro	*1 018*	*1 018*	*1 018*
	Xhariep Distrik	*101*	*101*	*101*
	Lejweleputswa Distrik	*915*	*915*	*915*
	c. Goedere en dienste	20 826	21 110	21 997
	d. Betaling van Kapitaalbates	31 888	31 054	30 752

APPROPRIATION BILL, 2013

SCHEDULE ON CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
8	**Co-operative Governance and Traditional Affairs**							
	Aim: ***Developmental local governance and traditional leadership.***	**348 413**	**165 704**	**115 978**		**63 955**	**2 776**	
	1 Administration	132 659	73 337	57 947		169	1 206	
	To provide support on matters related to the effective and efficient functioning of the Department.							
	2 Local Governance	109 000	31 044	35 475		41 872	609	
	To establish, monitor, regulate, strengthen, support and capacitate Local Government bodies and to render support services regarding integrated planning and development.							
	3 Development and Planning	75 151	34 094	19 375		21 005	677	
	To facilitate and render support towards integrated planning and development on local government level.							
	4 Traditional Institutional Management	22 851	20 181	1 803		624	243	
	To support the Institution of Traditional Leadership to realise the constitutional mandate to be the custodian of communities that observes customary law.							
	5 House of Traditional Leaders	8 752	7 048	1 378		285	41	
	To exercise oversight and participate in the promulgation of legislation by the provincial legislature and oversee service delivery by government departments and municipalities on economic and developmental welfare of traditional communities.							

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN SAMEWERKENDE REGERING EN TRADISIONELE SAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
8	**Samewerkende Regering en Tradisionele Sake**							
	*Doel: **Ontwikkelende plaaslike regering en tradisionele sake.***	**348 413**	**165 704**	**115 978**		**63 955**	**2 776**	
	1 Administrasie	132 659	73 337	57 947		169	1 206	
	Om ondersteuning te voorsien met betrekking tot sake wat verband hou met die doelmatige en doeltreffende funksionering van die Departement.							
	2 Plaaslike Regering	109 000	31 044	35 475		41 872	609	
	Om plaaslike regering te vestig, te monitor, te reguleer, te versterk en te ondersteun en Plaaslike Owerheidsliggame te versterk en om ondersteuningsdienste rakende geïntegreerde beplanning en ontwikkeling te lewer.							
	3 Ontwikkeling en Beplanning	75 151	34 094	19 375		21 005	677	
	Om ondersteuning te fasiliteer en te lewer ten opsigte van geïntegreerde beplanning en ontwikkeling op plaaslike regeringsvlak.							
	4 Tradisionele Institusionele Bestuur	22 851	20 181	1 803		624	243	
	Om die Instelling van Tradisionele Leierskap te steun in sy strewe na die verwesenliking van sy grondwetlike mandaat om die bewaarder te wees van gemeenskappe wat gewoontereg nalewe.							
	5 Huis van Tradisionele Leiers	8 752	7 048	1 378		285	41	
	Om oorsig te hê en deel te neem in die uitvaardiging van wetgewing deur die Provinsiale Wetgewer en oorsig te hê oor dienslewering deur regeringsdepartemente en munisipaliteite rakende ekonomiese en ontwikkelingswelvaart van tradisionele gemeenskappe.							

APPROPRIATION BILL, 2013

SCHEDULE ON PUBLIC WORKS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
9	**Public Works**							
	Aim: ***To ensure the provision, promotion and sound management of assets and infrastructure systems which are safe, affordable, reliable, accessible and sustainable.***	**1 418 308**	**356 823**	**530 403**		**285 956**	**245 126**	
	1 Administration	94 503	58 756	31 634		802	3 311	
	To conduct the overall management and administrative support to the Department.							
	2 Public Works Infrastructure	1 143 324	287 982	464 726		285 154	105 462	
	To provide accommodation to all provincial departments, manage the provincial property portfolio and to render professional and technical services to the departments in respect of buildings.							
	Of which							
	Earmarked funds							
	Property Rates Enhancement Allcoation					*282 904*		
	Infrastructure Enhancement Allocation						*57 151*	
	Revenue Enhancement Allocation			*6 607*				
	3 Expanded Public Works Programme	180 481	10 085	34 043			136 353	
	To ensure delivery of accessible services through integrated, socially just, developmental and empowering processes to improve the quality of life of the communities of the Free State.							
	Of which							
	Conditional grants							
	Expanded Public Works Programme Incentive Grant for Provinces			*7 102*				
	Earmarked funds							
	Infrastructure Enhancement Allocation						*130 000*	

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN OPENBARE WERKE

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	**Openbare Werke**							
	*Doel: **Om die voorsiening, bevordering en gesonde bestuur van veilige, bekostigbare, betroubare, toeganklike en volhoubare bates en infrastruktuurstelsels te verseker.***	**1 418 308**	**356 823**	**530 403**		**285 956**	**245 126**	
	1 Administrasie	94 503	58 756	31 634		802	3 311	
	Om die oorhoofse bestuur en administratiewe ondersteuning van die Departement te behartig.							
	2 Openbare Werke Infrastruktuur	1 143 324	287 982	464 726		285 154	105 462	
	Om akkommodasie vir alle provinsiale departemente te verskaf, die provinsiale eiendomsportefeulje te bestuur en om professionele en tegniese dienste aan die departemente te lewer ten opsigte van geboue.							
	Waaronder							
	Toegewysde fondse							
	Eiendomsbelastingverbeterings-toekenning					*282 904*		
	Infrastruktuurverbeterings-toekenning						*57 151*	
	Inkomste verbeteringstoekenning			*6 607*				
	3 Uitgebreide Openbare Werke Program	180 481	10 085	34 043			136 353	
	Om die lewering van toeganklike dienste deur geïntegreerde maatskaplike regverdige ontwikkelings- en bemagtigende prosesse ter verbetering van die lewensgehalte van die Vrystaatse gemeenskappe te verseker.							
	Waaronder							
	Voorwaardelike Toelae							
	Uitgebreide Omvattende Werke Program Aansporingstoelae aan Provinsies			*7 102*				
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning						*130 000*	

APPROPRIATION BILL, 2013

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
10	**Police, Roads and Transport**							
	Aim: ***To contribute towards the creation of a prosperous Free State through the facilitation of the provision of sustainable community safety, mobility and road infrastructure.***	**2 260 413**	**529 911**	**443 587**		**232 238**	**1 054 677**	
	1 Administration	205 262	95 365	101 869			8 028	
	To provide administrative support to the Department.							
	2 Civilian Oversight	7 704	6 773	931				
	To monitor the police conduct, to oversee the effectiveness and efficiency of the SAPS and to monitor the implementation of visible policing.							
	3 Crime Prevention and Community Police Relation	10 472	6 142	3 330		1 000		
	To promote good working relations between SAPS and communities.							
	4 Transport Operation	235 580	21 201	10 997		203 382		
	To plan, regulate and facilitate the provision of transport services and infrastructure through provincial resource and co-operation with national and local authorities, as well as the private sector in order to enhance the mobility of all communities.							
	Of which							
	Conditional grants							
	Public Transport Operations Grant					*203 382*		
	Earmarked funds							
	Infrastructure Enhancement			*4 000*				

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN POLISIE, PAAIE EN VERVOER

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansiële bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
10	**Polisie, Paaie en Vervoer**							
	*Doel: **Om by te dra tot die skep van 'n welvarende Vrystaat deur die fasilitering van die voorsiening van volhoubare gemeenskapsveiligheid, mobiliteit en padinfrastruktuur.***	**2 260 413**	**529 911**	**443 587**		**232 238**	**1 054 677**	
	1 Administrasie	205 262	95 365	101 869			8 028	
	Om administratiewe ondersteuning aan die Departement te voorsien.							
	2 Burgerlike Toesig	7 704	6 773	931				
	Om die polisie se gedrag te monitor, om toesig te hou oor die doelmatigheid en doeltreffendheid van die SAPD en om die implementering van sigbare polisiëring te monitor.							
	3 Misdaadvoorkoming en Gemeenskapskakeling ..	10 472	6 142	3 330		1 000		
	Om 'n goeie werksverhouding tussen die SAPD en die gemeenskap te bevorder.							
	4 Vervoerbedrywighede	235 580	21 201	10 997		203 382		
	Om die voorsiening van vervoerdienste en infrastruktuur te beplan, te reguleer en te fasiliteer deur middel van provinsiale hulpbronne en samewerking met nasionale en plaaslike entiteite, sowel as die privaatsektor ten einde die mobiliteit van alle gemeenskappe te verbeter.							
	Waaronder							
	Voorwaardelike Toelae							
	Openbare Vervoerbedrywigheidstoelae					*203 382*		
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*4 000*				

APPROPRIATION BILL, 2013

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Transport Regulation	288 941	243 860	39 068		6 013		
	To ensure the provision of safe transport environment through the regulation of traffic on public infrastructure, law enforcement, implementation of road safety education and awareness programmes and the registration and licencing of vehicles and drivers.							
	6 Transport Infrastructure	1 512 454	156 570	287 392		21 843	1 046 649	
	To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenace of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.							
	Of which							
	Conditional grants							
	Expanded Public Works Programme Incentive Grant for Provinces			*3 000*				
	Provincial Road Maintenance Grant		*10 000*	*116 432*			*1 004 030*	
	of which earmarked for repair of flood damage						33 361	
	Earmarked funds							
	Infrastructure Enhancement Allocation		*146 570*	*167 960*		*21 843*	*42 619*	

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN POLISIE, PAAIE EN VERVOER

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Vervoerregulering	288 941	243 860	39 068		6 013		
	Om die voorsiening van 'n veilige vervoeromgewing te verseker deur die regulering van verkeer op openbare infrastruktuur, wetstoepassing, implementering van padveiligheidsopleiding en bewusmakingsprogramme en die registrasie en lisensieëring van voertuie en bestuurders.							
	6 Vervoerinfrastruktuur	1 512 454	156 570	287 392		21 843	1 046 649	
	Om die toegangklikheid en die veilige, beskostigbare vervoer van mense, goedere en dienste te bevorder deur die lewering en instandhouding van vervoerinfrastruktuur wat onderhoubaar, geïntegreer en omgewingsensitief is en wat maatskaplike bemagtiging en ekonomiese groei ondersteun en fasiliteer.							
	Waaronder							
	Voorwaardelike Toelae							
	Uitgebreide Omvattende Werke Program Aansporingstoelae aan Provinsies			*3 000*				
	Provinsiale Padinstandhoudingstoelae		*10 000*	*116 432*			*1 004 030*	
	waaronder toegewys vir die herstel van vloedskade						33 361	
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning		*146 570*	*167 960*		*21 843*	*42 619*	

APPROPRIATION BILL, 2013

SCHEDULE ON AGRICULTURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
11	**Agriculture**							
	*Aim: **To provide agricultural development and support to the people of the Free State.***	**629 627**	**281 501**	**108 544**		**174 192**	**65 390**	
	1 Administration	120 477	94 344	23 781		2 352		
	To manage and formulate agricultural policies in the Province and plan, organise, co-ordinate, finance and control all agricultural functions in the department.							
	2 Sustainable Resource Management	34 223	22 901	3 404			7 918	
	To provide agricultural support service to farmers in order to ensure that there is sustainable management of agricultural resources.							
	Of which							
	Conditional grants							
	Land Care Programme Grant: Poverty Relief and Infrastructure Development			*653*			*7 918*	
	3 Farmer Support and Development	326 625	77 051	68 215		171 840	9 519	
	To provide extension and training to farmers with special emphasis on developing emerging farmers, implementation of land reform programmes and agricultural-rural development projects.							
	Of which							
	Conditional grants							
	Comprehensive Agricultural Support Programme Grant		*15 320*	*43 944*		*72 041*	*8 969*	
	of which earmarked for repair of flood damage						8 969	
	Ilima/Letsema Projects Grant			*18 200*		*39 799*		
	Expanded Public Works Programme Incentive Grant for Provinces						*550*	
	Earmarked funds							
	Infrastructure Enhancement Allocation					*60 000*		

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN LANDBOU

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
11	**Landbou**							
	Doel: Om landboukundige ontwikkeling en ondersteuning aan die mense van die Vrystaat te voorsien .	**629 627**	**281 501**	**108 544**		**174 192**	**65 390**	
	1 Administrasie	120 477	94 344	23 781		2 352		
	Om landboubeleide in die Provinsie te bestuur en te formuleer en om alle landboufunksies in die Departement te beplan, te organiseer, te koördineer, te finansier en te beheer.							
	2 Volhoubare Hulpbronnebestuur	34 223	22 901	3 404			7 918	
	Om landboukundige ondersteuningsdienste aan boere te voorsien ten einde te sorg vir die volhoubare bestuur van landbouhulpbronne.							
	Waaronder							
	Voorwaardelike Toelae							
	'Land Care' Programtoelae: Armoedeverligting en Infrastruktuurontwikkeling			*653*			*7 918*	
	3 Boerdery-ondersteuning en -Ontwikkeling	326 625	77 051	68 215		171 840	9 519	
	Om voorligting en opleiding aan boere te voorsien, met spesiale klem op ontwikkelende en opkomende boere en implementering van grondhervormingsprogramme en landbou-landelike ontwikkelingsprojekte.							
	Waaronder							
	Voorwaardelike Toelae							
	Omvattende Landbou Ondersteuningsprogramtoelae		*15 320*	*43 944*		*72 041*	*8 969*	
	waaronder toegewys vir die herstel van vloedskade						8 969	
	Ilima/Letsema Projekte Toelae			*18 200*		*39 799*		
	Uitgebreide Omvattende Werke Program Aansporingstoelae aan Provinsies						*550*	
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning					*60 000*		

APPROPRIATION BILL, 2013

SCHEDULE ON AGRICULTURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Veterinary Services	63 041	44 859	6 182			12 000	
	To provide Veterinary Services to clients in order to ensure healthy animals and welfare of people of South Africa.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation						*12 000*	
	Revenue Enhancement Allocation			*4 775*				
	5 Technology, Research and Development Services	58 998	21 117	1 928			35 953	
	To render agricultural research services and the development of information systems with regard to crop production, animal production and resource utilization technologies.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation						*31 178*	
	6 Agricultural Economics	9 216	7 974	1 242				
	To provide economic support to internal and external clients with regard to marketing, statistical information including financial feasibility and economic viability studies.							
	7 Structured Agricultural Training	17 047	13 255	3 792				
	To facilitate and provide education to all participants in the agricultural sector.							

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN LANDBOU

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Veeartsenydienste	63 041	44 859	6 182			12 000	
	Om veeartsenydienste aan kliënte te voorsien om te sorg vir gesonde diere en die welsyn van die mense van Suid-Afrika.							
	Waaronder							
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning						*12 000*	
	Inkomste verbeteringstoekenning			*4 775*				
	5 Tegnologie, Navorsing en Ontwikkelingsdienste	58 998	21 117	1 928			35 953	
	Om landbounavorsingsdienste te lewer en om inligtingstelsels met betrekking tot gewasproduksie, veeproduksie en hulpbronaanwendingstegnologie te ontwikkel.							
	Waaronder							
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning						*31 178*	
	6 Landbou-ekonomie	9 216	7 974	1 242				
	Om ekonomiese ondersteuning te gee aan interne en eksterne kliënte met betrekking tot bemarking, statistiese inligting met inbegrip van finansiële uitvoerbaarheid en ekonomiese lewensvatbaarheidsondersoeke.							
	7 Gestruktureerde Landbou-Opleiding	17 047	13 255	3 792				
	Om onderrig te fasiliteer en te voorsien aan alle deelnemers in die landbousektor.							

APPROPRIATION BILL, 2013

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Arts, Culture and Recreation**							
	Aim: ***The promotion, development and transformation of Sport, Arts, Culture and Recreation in order to contribute to sustainable economic growth and opportunities, nation building, good governance and social and human capital development.***	515 137	199 919	110 777		25 111	179 330	
	1 Administration	67 834	53 515	14 015			304	
	To conduct the overall management and administrative support of the Department.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation		*473*	*600*				
	2 Cultural Affairs	96 282	49 616	27 720		4 178	14 768	
	To promote culture, conservation and management of cultural, historical assets and resources of the province by rendering various services.							
	Of which							
	Conditional grant							
	Expanded Public Works Programme Incentive Grant for Provinces					*550*		
	Earmarked funds							
	Infrastructure Enhancement Allocation			*2 610*			*14 150*	
	3 Library and Archive Services	138 782	56 607	33 844		2 000	46 331	
	Assist local library authorities in rendering of public library services and providing of an archive service in the province.							
	Of which							
	Conditional grant							
	Community Library Services Grant		*28 693*	*16 650*			*17 575*	
	Earmarked funds							
	Infrastructure Enhancement Allocation			*2 785*			*28 710*	

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN SPORT, KUNS, KULTUUR EN ONTSPANNING

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansiele bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Kuns, Kultuur en Ontspanning**							
	*Doel: **Die bevordering, ontwikkeling en transformasie van Sport, Kuns, Kultuur en Ontspanning ten einde by te dra tot volhoubare ekonomiese groei en geleenthede, nasiebou, goeie bestuur en maatskaplike en menslike kapitaalontwikkeling.***	515 137	199 919	110 777		25 111	179 330	
	1 Administrasie	67 834	53 515	14 015			304	
	Om algehele bestuur- en administratiewe ondersteuning van die Departement te hanteer.							
	Waaronder							
	Toegewysde fondse							
	Infrastruktuurverbeteringstoekenning		*473*	*600*				
	2 Kultuursake	96 282	49 616	27 720		4 178	14 768	
	Om kultuur, bewaring en bestuur van kulturele, historiese bates en hulpbronne van die Provinsie te bevorder deur die lewering van verskeie dienste.							
	Waaronder							
	Voorwaardelike Toelae							
	Uitgebreide Omvattende Werke Program Aansporingstoelae aan Provinsies					*550*		
	Toegewysde fondse							
	Infrastruktuurverbeteringstoekenning			*2 610*			*14 150*	
	3 Biblioteek- en Argriefdienste	138 782	56 607	33 844		2 000	46 331	
	Om plaaslike biblioteekowerhede by te staan in die lewering van openbare biblioteekdienste en om argiefdienste aan die Provinsie te voorsien.							
	Waaronder							
	Voorwaardelike Toelae							
	Gemeenskapsbiblioteekdienste Toelae		*28 693*	*16 650*			*17 575*	
	Toegewysde fondse							
	Infrastruktuurverbeteringstoekenning			*2 785*			*28 710*	

APPROPRIATION BILL, 2013

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Sport and Recreation	212 239	40 181	35 198		18 933	117 927	
	To provide assistance to provincial sport associations and other relevant bodies to stimulate the development of sport. Formulate inputs regarding sport policy and promote sport programmes. Control, promote and develop the provincial sport academy. Develop and contribute towards sport marketing strategies. Facilitate development of facilities with a view to improving life of the disadvantaged. Promote and develop sport tourism through major events.							
	Of which							
	Conditional grant							
	Mass Sport and Recreation Participation Programme Grant		*6 699*	*27 097*		*2 786*	*2 250*	
	Earmarked funds							
	Infrastructure Enhancement Allocation			*500*			*112 459*	

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN SPORT, KUNS, KULTUUR EN ONTSPANNING

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Sport en Ontspanning	212 239	40 181	35 198		18 933	117 927	
	Om hulp te verleen aan provinsiale sportassosiasies en ander relevante liggame om die ontwikkeling van sport te stimuleer. Formuleer insette rakende sportbeleid en bevorder sportprogramme. Beheer, bevorder en ontwikkel die provinsiale sportakademie. Ontwikkel en dra by tot sportbemarking-strategieë. Fasiliteer ontwikkeling van fasiliteite om sodoende die lewens van die benadeeldes te verbeter. Bevorder en ontwikkel sporttoerisme deur groot geleenthede.							
	Waaronder							
	Voorwaardelike Toelae							
	Massa Sport- en Ontspanningsdeelname Programtoelae		*6 699*	*27 097*		*2 786*	*2 250*	
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*500*			*112 459*	

APPROPRIATION BILL, 2013

SCHEDULE ON HUMAN SETTLEMENTS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
13	**Human Settlements**							
	*Aim: **To manage housing delivery, development of integrated human settlements.***	1 233 625	81 903	27 491		1 122 191	2 040	
	1 Administration	34 546	24 170	9 688			688	
	To provide overall management in the Department in accordance with all applicable acts and policies.							
	2 Housing Needs, Research and Planning	10 987	6 415	2 858		1 255	459	
	To facilitate housing delivery.							
	3 Housing Development	1 186 620	50 268	14 523		1 120 936	893	
	To promote the effective and efficient delivery of National and Provincial Housing Programme.							
	Of which							
	Conditional grants							
	Human Settlements Development Grant					*1 120 936*		
	of which earmarked							
	Repair of flood damage					*73 245*		
	Mangaung					*188 022*		
	4 Housing Asset Management and Property Management	1 472	1 050	422				
	To regulate rental and provide for the efficient and effective management of housing assets.							

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN MENSLIKE NEDERSETTINGS

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
13	**Menslike Nedersettings**							
	*Doel: **Om die lewering van behuising en die ontwikkeling van geïntegreerde menslike nedersetting te bestuur.***	**1 233 625**	**81 903**	**27 491**		**1 122 191**	**2 040**	
	1 Administrasie	34 546	24 170	9 688			688	
	Om oorhoofse bestuur in die Departement te voorsien met betrekking tot alle toepaslike wette en beleide.							
	2 Behuisingsbehoeftes, Navorsing en Beplanning	10 987	6 415	2 858		1 255	459	
	Om lewering van behuising te fasiliteer.							
	3 Behuisingsontwikkeling	1 186 620	50 268	14 523		1 120 936	893	
	Om die effektiewe en doeltreffende voorsiening van Nasionale en Provinsiale Behuisingsprogramme te bevorder.							
	Waaronder							
	Voorwaardelike Toelae							
	Menslike Nedersettingontwikkelingstoelae					*1 120 936*		
	waaronder toegewys							
	Herstel van vloedskade					*73 245*		
	Mangaung					*188 022*		
	4 Behuising Bate Bestuur en Eiendomsbestuur	1 472	1 050	422				
	Om verhuring te reguleer en om effektiewe en doeltreffende bestuur van behuisingsbates te voorsien.							

APPROPRIATION BILL, 2013

SCHEDULE ON RURAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
14	**Rural Development**							
	*Aim: **A dynamic, prosperous agricultural sector and a better life for rural communities.***	43 667	16 919	5 252		21 466	30	
	1 Administration	7 637	4 786	2 821			30	
	To provide effective and efficient administrative service for Head of Department and the Department.							
	2 Development Planning	29 886	6 184	2 236		21 466		
	To lead and coordinate all provincial government initiatives and projects directed at rural areas.							
	3 Social Facilitation	6 144	5 949	195				
	To create an enabling institutional environment for sustainable rural development and to provide for social and economic development in rural communities and sustainable livelihoods.							

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN LANDELIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
14	**Landelike Ontwikkeling**							
	*Doel: **n Dinamiese, vooruitstrewende landbou sektor en 'n beter lewe vir landelike gemeenskappe.***	43 667	16 919	5 252		21 466	30	
	1 Administrasie	7 637	4 786	2 821			30	
	Om 'n effektiewe en doeltreffende administratiewe diens vir die Hoof van die Departement en die Departement te lewer.							
	2 Ontwikkelingsbeplanning	29 886	6 184	2 236		21 466		
	Om alle regerings inisiatiewe en projekte gerig op landelike areas te lei en koördineer.							
	3 Maatskaplike fasilitering	6 144	5 949	195				
	Om 'n geleentheid gewende institusionele omgewing vir volhoubare landelike ontwikkeling te skep en om voorsiening te maak vir maatskaplike en ekonomiese ontwikkeling in landelike gemeenskappe en volhoubare lewensbestaan.							

APPROPRIATION BILL, 2013

SCHEDULE ON TRANSFERS AND SUBSIDIES

(As a charge to the Provincial Revenue Fund)

Descriptions	Vote and main division	Forward estimates	
	2013/14	2014/15	2015/16
	R'000	R'000	R'000
Transfers to Municipalities:	**346 328**	**381 486**	**398 033**
Cooperative Governance and Traditional Affairs	**61 424**	**78 625**	**79 424**
Unallocated	61 424	78 625	79 424
Public Works	**282 904**	**298 861**	**312 609**
Mangaung	72 905	73 443	76 881
Xhariep	6 423	6 638	8 012
Lejweleputswa	25 851	26 174	28 236
Thabo Mofutsanyana	140 610	155 061	159 185
Fezile Dabi	37 115	37 545	40 295
Sport, Arts, Culture and Recreation	**2 000**	**4 000**	**6 000**
Mangaung		500	1 000
Dihlabeng	667	1 167	1 667
Maluti a Phofung	667	1 167	1 667
Metsimaholo	666	1 166	1 666
Transfers to Public Entities:	**113 418**	**100 360**	**100 360**
Economic Development, Tourism and Environmental Affairs	**113 418**	**100 360**	**100 360**
Free State Development Corporation	22 245	12 245	12 245
Free State Gambling and Liquor Board	51 309	48 251	48 251
Free State Tourism Authority	39 864	39 864	39 864
Other transfers:	**3 308 412**	**2 830 616**	**2 903 081**
Premier	449	390	395
Free State Legislature	31 869	30 260	28 702
Economic Development, Tourism and Environmental Affairs	5 169	174	177
Free State Provincial Treasury	336	353	369
Health	112 329	119 014	120 303
Education	1 197 852	1 248 870	1 300 628
Social Development	381 627	385 813	395 450
Co-operative Governance and Traditional Affairs	2 531	2 635	2 722
Public Works	3 052	3 457	3 700
Police, Roads and Transport	232 238	222 908	229 691
Agriculture	174 192	194 273	201 894
Sport, Arts, Culture and Recreation	23 111	16 044	16 198
Human Settlements	1 122 191	585 353	581 888
Rural Development	21 466	21 072	20 964
Total transfers and subsidies:	**3 768 158**	**3 312 462**	**3 401 474**

BEGROTINGSWETSONTWERP, 2013

SKEDULE VAN OORDRAGBETALINGS EN SUBSIDIES

(Ten laste van die Provinsiale Inkomstefonds)

Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
	2013/14	2014/15	2015/16
	R'000	R'000	R'000
Oordragbetalings aan Munisipaliteite:	**346 328**	**381 486**	**398 033**
Samewerkende Regering en Tradisionele Sake	**61 424**	**78 625**	**79 424**
Nie Toegewys	61 424	78 625	79 424
Openbare Werke	**282 904**	**298 861**	**312 609**
Mangaung	72 905	73 443	76 881
Xhariep	6 423	6 638	8 012
Lejweleputswa	25 851	26 174	28 236
Thabo Mofutsanyana	140 610	155 061	159 185
Fezile Dabi	37 115	37 545	40 295
Sport, Kuns, Kultuur en Ontspanning	**2 000**	**4 000**	**6 000**
Mangaung		500	1 000
Dihlabeng	667	1 167	1 667
Maluti a Phofung	667	1 167	1 667
Metsimaholo	666	1 166	1 666
Oordragbetalings aan Openbare Entiteite:	**113 418**	**100 360**	**100 360**
Ekonomiese Ontwikkeling, Toerisme en Omgewingsake	**113 418**	**100 360**	**100 360**
Vrystaatse Ontwikkelingskorporasie	22 245	12 245	12 245
Vrystaatse Dobbel en Drankowerheid	51 309	48 251	48 251
Vrystaatse Toerisme Owerheid	39 864	39 864	39 864
Ander oordragbetalings:	**3 308 412**	**2 830 616**	**2 903 081**
Premier	449	390	395
Vrystaatse Wetgewer	31 869	30 260	28 702
Ekonomiese Ontwikkeling,Toerisme en Omgewingsake	5 169	174	177
Vrystaatse Provinsiale Tesourie	336	353	369
Gesondheid	112 329	119 014	120 303
Onderwys	1 197 852	1 248 870	1 300 628
Maatskaplike Ontwikkeling	381 627	385 813	395 450
Samewerkende Regering en Tradisionele Sake	2 531	2 635	2 722
Openbare Werke	3 052	3 457	3 700
Polisie, Paaie en Vervoer	232 238	222 908	229 691
Landbou	174 192	194 273	201 894
Sport, Kuns, Kultuur en Ontspanning	23 111	16 044	16 198
Menslike Nedersettings	1 122 191	585 353	581 888
Landelike Ontwikkeling	21 466	21 072	20 964
Totale oordragbetalings en subsidies:	**3 768 158**	**3 312 462**	**3 401 474**

EXPLANATORY MEMORANDUM

1. PURPOSE

The Appropriation Bill, 2013 regulates the appropriation of amounts of money for the needs of the Province in respect of the financial year 1 April 2013 to 31 March 2014.

The memorandum highlights estimates of revenue expected to be received and raised for each year of the 2013 Medium Term Expenditure Framework ("MTEF") period as well as the expenditures to be incurred by the Province.

2. SUMMARY

The 2013 MTEF budget appropriation includes the amounts that are already in the baseline of the Departments, as well as new allocations. These allocations include national allocations relating to conditional grants, policy adjustments, funding of nationally agreed priorities and funding from the provincially own sourced revenue.

The total estimate of expenditure for the Province for the 2013/14 financial year amounts to **R26.872 billion**. This provides for funding of priorities identified in The New Growth Path policy, the 2009-2014 Medium Term Strategic Framework (MTSF), 2012 Medium Term Budget Policy Statement (MTBPS) and the 2013 MTEF.

The Free State Provincial Government's projected revenue for the 2013/14 financial year is **R26.872 billion**, which consists of equitable share transfers of **R20.017 billion**, conditional grants of **R6.021 billion**, and the Province's projected own revenue amounting to **R834 million**.

TABLE 1: NET PROVINCIAL POSITION

R' 000	2013/14	2014/15	2015/16
Total Revenue	26 871 618	27 680 781	29 550 571
Total Allocated Expenditure	26 871 618	27 673 336	29 496 067
Net Surplus (Incentive funding)	**0**	**7 445**	**54 504**

3. PURPOSE OF ALLOCATIONS

The total provincial budget amounts to **R26.872 billion** for the 2013/14 financial year as indicated in Table 2 below.

The purpose of the allocations, therefore, is to provide for, and enable the implementation of the provincial government's programme of action with specific emphasis on the following:

- ***Enhancement of the quality of education*** through an improving access to educational opportunities;

*figures with the words thousand, million or billion attached to it were rounded off.

VERKLARENDE MEMORANDUM

1. DOEL

Die Begrotingswetsontwerp, 2013 reguleer die bewilliging van geldbedrae vir die behoeftes van die Provinsie ten opsigte van die boekjaar 1 April 2013 to 31 Maart 2014.

Die memorandum vestig die aandag op beraamde inkomste wat na verwagting ontvang en ingesamel sal word vir elke jaar van die 2013 Mediumtermyn Bestedingsraamwerk ("MTBR") asook die uitgawes wat deur die Provinsie aangegaan sal word.

2. OPSOMMING

Die 2013 MTBR begrotingsbewilliging sluit die bedrae in wat alreeds vervat is in die basislyn van die Departemente, asook nuwe toewysings. Hierdie toewysings sluit in nasionale toewysings wat verband hou met voorwaardelike toekennings, beleidsaanpassings, befondsing van nasionaal-ooreengekome prioriteite en befondsing van uit inkomste wat self deur die Provinsie verkry is.

Die totale uitgaweberaming vir die Provinsie vir die 2013/14 boekjaar beloop **R26.872 biljoen**. Dit maak voorsiening vir die befondsing van prioriteite wat geïdentifiseer is in Die Nuwe Groeiplanbeleid, die 2009-2014 Mediumtermyn Strategiese Raamwerk (MTSR), 2012 Mediumtermyn Begrotingsbeleidsverklaring (MTBBV) en die 2013 MTBR.

Die Vrystaat Provinsiale regering se geprojekteerde inkomste vir die 2013/14 boekjaar is **R26.872 biljoen**, wat bestaan uit billike deeloordragte van **R20.017 biljoen**, voorwaardelike toekennings van **R6.021 biljoen**, en die Provinsie se geprojekteerde eie inkomste wat **R834 miljoen** beloop.

TABEL 1: NETTO PROVINSIALE POSISIE

R' 000	2013/14	2014/15	2015/16
Totale Inkomste	26 871 618	27 680 781	29 550 571
Totale Toegewysde Uitgawe	26 871 618	27 673 336	29 496 067
Netto Surplus (Insentiewe befondsing)	**0**	**7 445**	**54 504**

3. DOEL VAN TOEWYSINGS

Die totale provinsiale begroting beloop **R26.872 biljoen** vir die 2013/14 boekjaar soos aangedui in Tabel 2 hieronder.

Die doel van die toewysings is dus om voorsiening te maak vir implementering van die provinsiale regering se aksieprogram met spesifieke beklemtoning van die volgende:

- ***Verbetering van die gehalte van onderwys*** deur die verbetering van toegang tot opvoedkundige geleenthede;

*syfers met die woorde duisend, miljoen of biljoen daaraan gekoppel, is afgerond.

- ***Improving the provision of health care,*** particularly for the poor, to reduce infant, child and maternal mortality rates;

- ***Reducing the levels of crime and enhancing citizen safety*** is one of provincial government priorities through which it intends to increase the number of policing personnel specialising in various key areas of crime prevention;

- ***Creating sustainable growth through maintaining high levels of public investment in infrastructure to intensify and improve*** various infrastructure delivery challenges and imperatives of the provincial government, is also one of the priorities. Among the infrastructure related investment initiatives are the Harrismith Logistics Hub, School Hostel, Roads Construction programme and many others;

- ***Intensifying the Province's public sector employment programmes*** by increasing employment in areas where there is a clear need to do so especially in the police, education and health sectors;

- ***Implementing of the Expanded Public Works Programme*** *("EPWP")* in areas such as health services, construction, maintenance and environmental protection projects;

- ***Scaling up social interventions*** to address the job challenges and ensuring social protection.

TABLE 2: SUMMARY OF PROPOSED ALLOCATION TO DEPARTMENTS

R'000	2013/14
	Budget Allocation
Premier	279 956
Free State Legislature	173 698
Economic Development, Tourism and Environmental Affairs	450 195
Free State Provincial Treasury	216 355
Health	7 894 778
Education	10 456 217
Social Development	951 229
Cooperative Governance and Traditional Affairs	348 413
Public Works	1 418 308
Police, Roads and Transport	2 260 413
Agriculture	629 627
Sport, Arts, Culture and Recreation	515 137
Human Settlements	1 233 625
Rural Development	43 667
Total	**26 871 618**

*figures with the words thousand, million or billion attached to it were rounded off.

- ***Verbetering van gesondheidsorgvoorsiening,*** veral aan behoeftiges, en om die sterftesyfer onder kinders, babas en moeders te verminder;

- ***Vermindering van misdaadvlakke en die veiligheid van landsburgers te versterk*** is een van die provinsiale regering se prioriteite waardeur hy hom voorneem om die getal polisiebeamptes te vermeerder wat in verskeie sleutel misdaadvoorkomingsareas spesialiseer;

- ***Volhoubare groei te weeg te bring deur die handhawing van hoë vlakke van openbare investering in infrastruktuur*** om die onderskeie infrastruktuur uitdagings en opdragte van die provinsiale regering te verdiep en te verbeter, is ook een van die prioriteite. Onder die infrastruktuurverwante investeringsinisiatiewe is die Harrismith Logistieke Spilpunt, Skoolkoshuise, Padkonstruksieprogram en vele ander;

- ***Intensifisering van die Provinsie se openbare sektor indiensnemingsprogramme*** deur indiensneming te verhoog in areas waar daar 'n duidelike behoefte bestaan, veral in die polisie, onderwys en gesondheidsektore;

- ***Implementering van die Uitgebreide Openbare Werke Program (UOWP)*** in areas soos gesondheidsdienste, konstruksie, instandhouding en omgewingsbeskermingsprojekte;

- ***Uitbreiding van maatskaplike ingrypings*** om werkskeppingsuitdagings aan te spreek en maatskaplike beskerming te verseker.

TABEL 2: OPSOMMING VAN VOORGESTELDE TOEWYSING AAN DEPARTEMENTE

R'000	2013/14
	Begrotingstoewysing
Premier	279 956
Vrystaatse Wetgewer	173 698
Ekonomiese Ontwikkeling, Toerisme en Omgewingsake	450 195
Vrystaatse Provinsiale Tesourie	216 355
Gesondheid	7 894 778
Onderwys	10 456 217
Maatskaplike Ontwikkeling	951 229
Samewerkende Regering en Tradisionele Sake	348 413
Openbare Werke	1 418 308
Polisie, Paaie en Vervoer	2 260 413
Landbou	629 627
Sport, Kuns, Kultuur en Ontspanning	515 137
Menslike Nedersettings	1 233 625
Landelike Ontwikkeling	43 667
Total	**26 871 618**

*figures with the words thousand, million or billion attached to it were rounded off.

4. DISCUSSION

4.1. Provincial Fiscal Envelope

A summary of the total provincial revenue envelope is contained in table 3 below and reflects the total revenue of R26.872 billion, R27.681 billion and R29.551 billion for the financial years 2013/14, 2014/15 and 2015/16 respectively.

TABLE 3: PROVINCIAL REVENUE ENVELOPE

R' 000	2013/14	2014/15	2015/16
Equitable Share	20 017 165	20 912 906	21 951 770
Conditional Grants	6 020 730	5 922 695	6 714 563
Total Transfers from National	**26 037 895**	**26 835 601**	**28 666 333**
Own Revenue	833 723	845 180	884 238
Total Revenue	**26 871 618**	**27 680 781**	**29 550 571**

4.2.1 Social Sector allocations

a) Health

The Department of Health is allocated an amount of **R7.895 billion.**

The allocation of this Department, among others, covers the following health care priorities over 2013 MTEF:

- National health laboratories and blood services;
- Expansion of Medical Male Circumcision;
- Public Hospital norms and standards;
- Health infrastructure;
- Piloting of National Health Insurance;
- Reducing infant and child mortality;
- Addressing tuberculoses (Gene X-pert machines);
- General health capacity; and
- Revenue Enhancement strategy

b) Education

In the quest to improve the quality of and access to education, the allocated amount for the Department of Education amounted to **R10.456 billion.**

The funding to the Department also addresses the following sector priorities over the 2013 MTEF:

- Funding of schools including quintile 1, 2 and 3 that has been declared "No Fee" schools;
- Learner Teacher Support Materials;
- Increase number of teachers to reduce the teacher to leaner ratio in quintile 1 schools;

*figures with the words thousand, million or billion attached to it were rounded off.

4. BESPREKING

4.1. Provinsiale Fiskale Koevert

'n Opsomming van die totale provinsiale koevert is vervat in table 3 hieronder en weerspieël die totale inkomste van onderskeidelik R26.872 biljoen, R27.681 biljoen en R29.551 biljoen vir die 2013/14, 2014/15 en 2015/16 boekjare.

TABEL 3: PROVINSIALE INKOMSTE KOEVERT

R' 000	2013/14	2014/15	2015/16
Billike Deel	20 017 165	20 912 906	21 951 770
Voorwaardelike Toelaes	6 020 730	5 922 695	6 714 563
Totale Oordragte vanaf Nasionaal	**26 037 895**	**26 835 601**	**28 666 333**
Ele Inkomste	833 723	845 180	884 238
Totale Inkomste	**26 871 618**	**27 680 781**	**29 550 571**

4.2.1 Maatskaplike Sektor Toewysings

a) Gesondheid

'n Bedrag van **R7.895 biljoen** word aan die Departement van Gesondheid toegewys.

Die toewysing van hierdie Departement dek onder meer die volgende gesondheidsorgprioriteite oor die 2013 MTBR:

- Nasionale gesondheidslaboratoriums en bloeddienste;
- Uitbreiding van Mediese Manlike Besnyding;
- Openbare Hospitaal norme en standaarde;
- Gesondheidsinfrastruktuur;
- Loodsing van Nasionale Gesondheidsversekering;
- Vermindering van baba en kindersterftes;
- Aanspreking van Tuberkuloses (Gene X-pert masjiene);
- Algemene gesondheidskapasiteit; en
- Inkomste verbeteringstoekenning.

b) Onderwys

In die soeke na die verbetering van die gehalte van en toegang tot onderwys, beloop die toegewysde bedrag aan die Departement van Onderwys **R10.456 biljoen**.

Die befondsing aan die departement spreek ook die volgende sektor prioriteite oor die 2013 MTBR aan:

- Befondsing van skole insluitende kwintiele 1, 2 en 3 skole wat as "Geen Skoolgeld" skole verklaar is;
- Leerling-onderwyser Ondersteuningsmateriaal;
- Uitbreiding van onderwysers om die onderwyser-leerder verhouding in kwintiel 1 skole te verlaag;

*figures with the words thousand, million or billion attached to it were rounded off.

- Expansion of Grade R;
- Learner transport;
- Tertiary bursaries; and
- Education Infrastructure

c) Social Development

The Department of Social Development is allocated an amount of **R951.229 million.** The following priorities, amongst others, are funded:

- Sustainable livelihood;
- Absorption of Social Workers;
- Assistance to NGOs;
- Infrastructure Enhancement; and
- Expansion of Early Childhood Development.

4.2.2 Non-Social Sector allocations

Allocated funding to the non-social sector Departments is as follows:

a) Department of the Premier

The allocation to this Department amounts to **R279.956 million.** The funding will provide for the following priorities:

- EXCO activities (community consultations & izimbizo)
- Integrated website;
- Communication strategy;
- Finalization of the FSGDS;
- Special programmes;
- Monitoring and evaluation; and
- Coordination of provincial development and skills

b) Free State Legislature

The allocated budget amounts to **R173.698 million** to the Free State Legislature.

c) Economic Development, Tourism and Environmental Affairs

The Department of the Economic Development, Tourism and Environmental Affairs is allocated an amount of **R450.195 million**. The allocation to this Department will cover the following priorities:

- Economic Development;
- Re-development of resorts;

*figures with the words thousand, million or billion attached to it were rounded off.

- Uitbreiding van Graad R;
- Leerdervervoer;
- Tersiêre beurse; en
- Onderwysinfrastruktuur.

c) Maatskaplike Ontwikkeling

'n Bedrag van **R951.229** miljoen is aan die Departement van Maatskaplike Ontwikkeling toegewys. Die volgende prioriteite word onder meer befonds:

- Volhoubare lewensbestaan;
- Absorbering van Maatskaplike Werkers;
- Ondersteuning aan NRO's;
- Infrastruktuurverbetering; en
- Uitbreiding van Vroeë Kinderontwikkeling.

4.2.2 Nie-Maatskaplike Sektor toewysings

Toegewysde befondsing van die nie-maatskaplike sektor Departemente is soos volg:

a) Departement van die Premier

Die toewysing aan hierdie Departement beloop **R279.956 miljoen.** Die befondsing sal voorsiening maak vir die volgende prioriteite:

- "EXCO" aktiwiteite (gemeenskapskonsultasies & izimbizos);
- Geïntegreerde webwerf;
- Kommunikasiebeleid;
- Finalisering van die "FSGDS";
- Spesiale Programme;
- Monitering en evaluering; en
- Koordinering van provinsiale ontwikkeling en vaardighede.

b) Vrystaatse Wetgewer

Die toegewysde begroting aan die Vrystaatse Wetgewer beloop **R173.698 miljoen.**

c) Ekonomiese Ontwikkeling, Toerisme en Omgewingsake

Die Departement van Ekonomiese Ontwikkeling, Toerisme en Omgewingsake kry 'n toewysing van **R450.195 miljoen**. Die toewysing aan hierdie Departement sal die volgende prioriteite dek:

- Ekonomiese ontwikkeling;
- Hernuwing van oorde;

*figures with the words thousand, million or billion attached to it were rounded off.

- Revenue Enhancement Projects
- Infrastructure Enhancement;
- Transfers to Public Entities mainly for tourism marketing and development of SMMEs.

d) Free State Provincial Treasury

The Department of the Provincial Treasury is allocated an amount of **R216.355 million**. The allocation for the above-mentioned department will cover amongst others the following priorities:

- Current expenditure and
- SITA.

e) Cooperative Governance and Traditional Affairs

The Department of Cooperative Governance and Traditional Affairs is allocated an amount of **R348.413 million**. Amongst other priorities funded are the following:

- Financial management capacity building for municipalities;
- Continuation of Operation Clean Audits; and
- Continuation of revitalization of VIP toilets.

f) Public Works

The Department of Public Works' allocation amounts to **R1.418 billion**. Included in the allocation is earmarked funding of **R282.904 million** for Property rates and taxes and **R29.7 million** for the new Legislature building. The allocated budget will fund the following priorities:

- Municipal services;
- Office leases;
- Revitalisation of government buildings;
- Expanded Public Works Programme (EPWP); and
- Revenue Enhancement Projects.

g) Police, Roads and Transport

The allocation to the Department of Police, Roads and Transport will amount to **R2.260 billion**. The allocation of this department will mainly fund provincial road infrastructure, contractor development, asset management and flood damages.

h) Agriculture

The Department of Agriculture is allocated an amount of **R629.627 million**. The allocated budget will fund the following priorities:

- Mohoma Mobung project;
- Provincial Agricultural Master Plan;

*figures with the words thousand, million or billion attached to it were rounded off.

- Inkomsteverbeteringsprojekte
- Infrastruktuurverbetering; en
- Oordragte na Openbare Entiteite hoofsaaklik vir toerisme bemarking en ontwikkeling van KSOK's.

d) Vrystaatse Provinsiale Tesourie

Die Departement van die Provinsiale Tesourie kry 'n toewysing van **R216.355 miljoen**. Die toewysing vir die bovermelde departement sal onder meer die volgende prioriteite dek:

- Lopende uitgawes en
- SITA.

e) Samewerkende Regering en Tradisionele Sake

Die Departement van Samewerkende Regering en Tradisionele Sake kry 'n toegewysde bedrag van **R348.413 miljoen**. Onder die prioriteite wat befonds word, is die volgende:

- Finansiële bestuurkapasiteitsbou vir munisipaliteite;
- Voortsetting van Operasie Skoon Oudit; en
- Voortsetting van hernuwing van "VIP"-toilette.

f) Openbare Werke

Die toewysing aan die Departement van Openbare Werke belooop **R1.418 biljoen**. Ingesluit in die toewysing is ge-oormerkte befondsing ten bedrae van **R282.904 miljoen** vir Eiendomsbelasting en -verhurings en **R29.7 miljoen** vir die nuwe Wetgewer-gebou. Die toegewysde begroting sal die volgende prioriteite dek:

- Munisipale dienste;
- Kantoorverhurings;
- Hernuwing van regeringsgeboue;
- Uitgebreide Openbare Werke Program (UOWP); en
- Inkomsteverbeteringsprojekte.

g) Polisie, Paaie en Vervoer

Die toewysing aan die Departement van Polisie, Paaie en Vervoer beloop **R2.260 biljoen**. Die toewysing van hierdie Departement sal hoofsaaklik provinsiale padinfrastruktuur, kontrakteurontwikkeling, batebestuur en vloedskade befonds.

h) Landbou

'n Bedrag van **R629.627 miljoen** word aan die Departement van Landbou toegewys. Die toegewysde bedrag sal die volgende prioriteite befonds:

- Mohoma Mobung projek;
- Provinsiale Landbou-meesterplan;

*figures with the words thousand, million or billion attached to it were rounded off.

- Food security;
- Current expenditure;
- Farmer support initiatives;
- Agrarian reform;
- Vet Laboratory refurbishment; and
- Revenue Enhancement projects.

i) Sport, Arts, Culture and Recreation

The Department of Sport, Arts, Culture and Recreation receives an allocation of **R515.137 million** for the funding of provincial priorities. Amongst others, provincial priorities include the following:

- All sports code development;
- Arts and Culture programmes; and
- Infrastructure.

j) Human Settlements

The Department of Human Settlements is allocated an amount of **R1.234 billion** in 2013/14. The allocation for this department is mainly dominated by the Human Settlements Development Grant. The remaining funds mainly provides for operational expenditure.

k) Rural Development

The Department of Rural Development is allocated an amount of **R43.667 million**. Funding makes provisions for coordination of rural community's development projects in the Province.

*figures with the words thousand, million or billion attached to it were rounded off.

- Voedselsekuriteit;
- Lopende uitgawe;
- Boere-ondersteuningsinisiatiewe;
- Landelike hervorming;
- Veearts Laboratorium Opknapping; en
- Inkomsteverbeteringsprojekte.

i) Sport, Kuns, Kultuur en Ontspanning

Die Departement van Sport, Kuns, Kultuur en Ontspanning kry 'n toewysing van **R515.137 miljoen** vir die befondsing van provinsiale prioriteite. Provinsiale prioriteite sluit onder meer die volgende in:

- Ontwikkeling van alle sportkodes;
- Kuns- en Kultuurprogramme; en
- Infrastruktuur.

j) Menslike Nedersettings

'n Bedrag van **R1.234 biljoen** word aan die Departement in 2013/14 toegewys. Die toewysing aan hierdie Departement word oorheers deur die Toelae vir Menslike Nedersettingsontwikkeling. Die oorblywende fondse maak hoofsaaklik voorsiening vir bedryfsuitgawes.

k) Landelike Ontwikkeling

'n Bedrag van **R43.667 miljoen** word aan die Departement van Landelike Ontwikkeling toegewys. Befondsing maak voorsiening vir die koördinering van ontwikkelingsprojekte van plaaslike gemeenskappe in die Provinsie.

*figures with the words thousand, million or billion attached to it were rounded off.

36

FREE STATE PROVINCE

_____

APPROPRIATION BILL

_____

(MEMBER OF THE EXECUTIVE COUNCIL RESPONSIBLE FOR FINANCE)

[B2-2014]

PROVINSIE VRYSTAAT

_____

BEGROTINGSWETSONTWERP

_____

(LID VAN DIE UITVOERENDE RAAD VERANTWOORDELIK VIR FINANSIES)

[W2-2014]

BILL

To provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Free State Province in the 2014/15 financial year and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 226(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by an Act of the Provincial Legislature;

AND WHEREAS section 26 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) provides that the Provincial Legislature must appropriate money for each financial year for the requirements of the Province;

BE IT THEREFORE ENACTED by the Provincial Legislature of the Free State Province, as follows:-

Definitions

1. In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act has the meaning assigned to it in that Act and -

"**Act**" includes the Schedules;

"**conditional grants**" means allocations to provinces, local government or municipalities from the national government's share of revenue raised nationally, provided for in section 214(1)(c) of the Constitution of the Republic of South Africa, 1996;

"**current payments**" means any payments made by a provincial department in respect of the operational requirements of that department, and includes, amongst others, payments for the compensation of employees, goods and services, interest, rental of immovable property and financial transactions relating to assets and liabilities, but exclude transfers and subsidies, payments for capital assets and payments made under section 73 of the Public Finance Management Act;

"**payments for capital assets**" means any payments made by a provincial department classified as or deemed to be payments for capital assets in terms of the Guidelines for Implementing the Economic Reporting Format (September 2009) and the "Asset Management Framework" (April 2004, Version 3.3), issued by the National Treasury under section 76 of the Public Finance Management Act;

"**payments for financial assets**" means any payments made by a department classified as or deemed to be payments for financial assets in terms of the Guidelines for Implementing the Economic Reporting Format (September 2009) issued by the National Treasury under section 76 of the Public Finance Management Act;

"**Public Finance Management Act**" means the Public Finance Management Act, 1999 (Act No. 1 of 1999); and

"**transfers and subsidies**" means any payments made by a provincial department to another organ of state or any other person in respect of which the relevant department does not receive anything of similar value directly in return, and includes the payment of conditional grants.

Appropriation of money for the requirements of the Province

2. (1) Subject to the provisions of the Public Finance Management Act, there are hereby appropriated out of the Provincial Revenue Fund for the requirements of the Province in respect of the financial year 2014/15, the amounts of money contemplated in subsection (2).

(2) Appropriations by the Provincial Legislature of money from the Provincial Revenue Fund for the requirements of the Province in the 2014/15 financial year, to votes and main divisions within a vote, and for the specific listed purposes, are set out in the Schedules.

Short title

3. This Act is called the Appropriation Act, 2014.

WETSONTWERP

Om voorsiening te maak vir die bewilliging van geld uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie Vrystaat in die 2014/15 boekjaar en om voorsiening te maak vir sake wat daarmee gepaard gaan.

AANHEF

AANGESIEN artikel 226(2) van die Grondwet van die Republiek van Suid-Afrika, 1996, voorsiening daarvoor maak dat geld onttrek kan word uit die Provinsiale Inkomstefonds ingevolge ‘n bewilliging deur ‘n Wet van die Provinsiale Wetgewer;

EN AANGESIEN artikel 26 van die Wet op Openbare Finansiële Bestuur, 1999 (Wet Nr. 1 van 1999) voorsiening daarvoor maak dat die Provinsiale Wetgewer geld moet bewillig vir elke boekjaar vir die behoeftes van die Provinsie;

WORD DAAR BEPAAL deur die Provinsiale Wetgewer van die Provinsie Vrystaat, soos volg:-

Woordomskrywing

1. In hierdie Wet, tensy uit die samehang anders blyk, het enige woord of uitdrukking waaraan ‘n betekenis in die Wet op Openbare Finansiële Bestuur geheg is, die betekenis aldus daaraan geheg in daardie Wet, en beteken -

“**betalings van finansiële bates”** enige betalings gemaak deur ‘n provinsiale departement wat geklassifiseer word as of geag word om ‘n betaling vir finansiële bates te wees ingevolge die “*Guidelines for Implementing the Economic Reporting Format* (September 2009)”, wat deur die Nasionale Tesourie kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur, uitgereik is;

“**betalings van kapitaalbates**” enige betalings wat deur ‘n provinsiale departement gemaak word wat geklassifiseer moet word as of geag word om betalings te wees ten opsigte van kapitaalbates in ooreenstemming met die “*Reference Guide to the New Economic Reporting Format*” (September 2009) en die “*Asset Management Framework*” (April 2004, Weergawe 3.3), uitgereik deur die Nasionale Tesourie kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur;

"**lopende betalings**" enige betalings wat deur 'n provinsiale departement gemaak word ten opsigte van die operasionele behoeftes van daardie departement, en sluit in, onder andere, betalings vir die vergoeding van werknemers, goedere en dienste, rente, huur van onroerende eiendom en finansiële transaksies met betrekking tot bates en laste, maar sluit oordragbetalings en subsidies, betalings vir kapitaalbates en betalings gemaak kragtens artikel 73 van die Wet op Openbare Finansiële Bestuur, uit;

"**oordragbetalings en subsidies**" enige betaling wat deur 'n provinsiale departement aan 'n ander staatsorgaan of enige ander persoon ten opsigte waarvan die relevante departement nie enige iets van soortgelyke waarde op direkte wyse in ruil ontvang nie, en sluit die betaling van voorwaardelike toelae in;

"**voorwaardelike toelae**" toekennings aan provinsies, plaaslike regering of munisipaliteite uit die nasionale regering se deel van inkomste wat nasionaal ingesamel is, soos bepaal in artikel 214(1)(c) van die Grondwet van die Republiek van Suid-Afrika, 1996;

"**Wet**" ook die Skedules; en

"**Wet op Openbare Finansiële Bestuur**" die Wet op Openbare Finansiële Bestuur, 1999 (Wet No. 1 van 1999).

Bewilliging van geld vir die benodighede van die Provinsie

2. (1) Behoudens die bepalings van die Wet op Openbare Finansiële Bestuur word daar hierby uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie ten opsigte van die boekjaar 2014/15, die bedrae geld soos beoog in subartikel (2) bewillig.

(2) Bewilliging deur die Provinsiale Wetgewer van geld uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie in die 2014/15 boekjaar, na begrotingsposte en hoofindelings binne 'n begrotingspos, en vir die bepaalde gelyste doeleindes, word in die Skedules uiteengesit.

Korttitel

3. Hierdie Wet heet die Begrotingswet, 2014.

APPROPRIATION BILL, 2014

SCHEDULE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Total Vote	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier	**270 514**	206 264	61 397		390	2 463	
2	Free State Legislature	**176 209**	88 615	55 102		31 041	1 451	
3	Economic Development, Tourism and Environmental Affairs	**444 084**	194 294	91 063		103 085	55 642	
4	Free State Provincial Treasury	**226 740**	167 365	57 027		332	2 016	
5	Health	**8 155 342**	5 762 466	1 781 356	618	42 062	568 840	
6	Education	**11 258 854**	9 442 457	149 771		1 142 263	524 363	
7	Social Development	**973 054**	503 086	80 390		371 379	18 199	
8	Co-operative Governance and Traditional Affairs	**341 625**	174 285	100 706		63 160	3 474	
9	Public Works	**1 414 916**	379 866	532 663		303 416	198 971	
10	Police, Roads and Transport	**2 195 242**	565 212	1 214 563		223 445	192 022	
11	Agriculture and Rural Development	**669 270**	320 916	75 035		232 924	40 395	
12	Sport, Arts, Culture and Recreation	**589 043**	232 801	117 740		39 486	199 016	
13	Human Settlements	**1 210 317**	103 491	38 060		1 066 622	2 144	
	Total	**27 925 210**	**18 141 118**	**4 354 873**	**618**	**3 619 605**	**1 808 996**	

APPROPRIATION BILL, 2014

SCHEDULE ON PREMIER

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier**							
	Aim: ***To enable the Premier to fulfill constitutional obligations and other related functions through the effective and efficient utilisation of resources of the Free State Provincial Government.***	**270 514**	**206 264**	**61 397**		**390**	**2 463**	
	1 Administration ..... To provide executive support to the Premier, Provincial Executive Council and the Director General in respect of strategic and operational management in fulfilling their legislative and oversight functions and in promoting good corporate governance.	130 620	117 498	12 989		25	108	
	2 Institutional Development ..... To guide and coordinate Provincial Departments with regard to transverse corporate support functions and to attend to Departmental-specific matters.	95 698	55 358	38 155			2 185	
	3 Policy and Governance ..... The provision of provincial strategic management services is achieved through integrated planning and research, cluster and provincial government programme coordination and integration as well as the monitoring and evaluation of government performance.	44 196	33 408	10 253		365	170	

APPROPRIATION BILL, 2014

SCHEDULE ON FREE STATE LEGISLATURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
2	**Free State Legislature**							
	Aim: ***To provide funding for the legislative and institutional support services required by the Legislature to fulfill its constitutional functions.***	**176 209**	**88 615**	**55 102**		**31 041**	**1 451**	
	1 Administration	112 108	62 361	46 115		2 199	1 433	
	To provide administrative and financial management support to the Legislature.							
	of which							
	Statutory Amount		21 661					
	2 Facilities for Members and Political Parties	32 530		3 688		28 842		
	To facilitate the necessary arrangements for members.							
	3 Parliamentary Services	31 571	26 254	5 299			18	
	To provide quality legal and procedural support, house proceedings, committee services, research, translation and interpretation to the Legislature.							

APPROPRIATION BILL, 2014

SCHEDULE ON ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	**Economic Development, Tourism and Environmental Affairs**							
	Aim: ***A prosperous Free State through sustainable economic growth and a healthy environment for all.***	**444 084**	**194 294**	**91 063**		**103 085**	**55 642**	
	1 Administration ……	124 155	77 780	44 661		4	1 710	
	To provide leadership, strategic management in accordance with the legislation, regulations, policies and ensure appropriate support service to all other programmes.							
	2 Environmental Affairs ……	174 832	89 414	32 303		170	52 945	
	The implementation of legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control, Protected Areas and Waste Management.							
	Of which							
	Conditional grant							
	Expanded Public Works Programme Incentive Grant for Provinces			*2 102*				
	Earmarked funds							
	Infrastructure Enhancement Allocation			*2 119*			*51 900*	
	Revenue Enhancement Allocation			*200*				
	3 Economic Development ……..……....	96 757	21 000	11 949		63 047	761	
	To enhance the development and growth of businesses in the province through training as well as providing of non-financial and financial support.							
	Of which							
	Transfers							
	Free State Development Corporation					*1 200*		
	Other private enterprises					*13 596*		
	Free State Gambling and Liquor Authority					*48 251*		
	4 Tourism ……..……..……..……	48 340	6 100	2 150		39 864	226	
	To create an enabling Tourism environment through legislation, policy and strategy							
	Of which							
	Transfers							
	Free State Tourism Authority					*39 864*		

APPROPRIATION BILL, 2014

SCHEDULE ON FREE STATE PROVINCIAL TREASURY

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	**Free State Provincial Treasury**							
	Aim: ***To promote prudent financial management of provincial resources.***	**226 740**	**167 365**	**57 027**		**332**	**2 016**	
	1 Administration	87 929	60 363	25 242		332	1 992	
	To provide leadership and strategic management in accordance with legislation, regulations, and policies as well as to ensure there is appropriate support service to all other programmes.							
	Of which							
	Earmarked funds							
	Revenue Enhancement Allocation			*2 000*				
	2 Sustainable Resource Management	29 061	26 075	2 986				
	To provide professional advice and support to the MEC on provincial economic analysis, fiscal policy, public finance development and management of the annual budget process.							
	3 Asset and Liability Management	61 402	37 226	24 176				
	To provide policy direction, by facilitating the effective and efficient management of physical and financial assets, PPP's and liabilities.							
	4 Financial Governance	48 348	43 701	4 623			24	
	To promote accountability through substantive reflection of financial activities of the Province as well as compliance with financial norms and standards.							

APPROPRIATION BILL, 2014

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	**Health**							
	Aim: ***To provide comprehensive health services, which include the prevention of disease, promotion of health, curative and rehabilitation services.***	**8 155 342**	**5 762 466**	**1 781 356**	**618**	**42 062**	**568 840**	
	1 Administration ……	247 189	187 909	47 256	136	3 447	8 441	
	To conduct the strategic management and overall administration of the Department of Health.							
	Of which							
	Earmarked funds							
	Revenue Enhancement Allocation			*3 000*				
	2 District Health Services ……	3 354 835	2 353 178	948 394	106	10 591	42 566	
	To render primary health care services and district hospital services.							
	Of which							
	Conditional grant							
	Comprehensive HIV and Aids Grant		*282 877*	*531 210*	*15*	*6 402*	*22 522*	
	National Health Insurance Grant		*300*	*6 640*		*20*	*40*	
	3 Emergency Medical Services ……..	470 985	365 643	101 860	350	32	3 100	
	The rendering of pre-hospital emergency medical services including inter-hospital transfers and planned patient transport.							
	4 Provincial Hospital Services ……..	1 194 401	966 536	209 868	26	5 182	12 789	
	Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research.							
	4.1 General (Regional) Hospitals		722 012	175 928	25	2 468	10 289	
	4.2 Public-Private Partnerships							
	4.3 Psychiatric/Mental Hospitals		244 524	33 940	1	2 714	2 500	
	5 Central Hospital Services ……	2 079 749	1 650 305	387 093		7 351	35 000	
	To provide tertiary health services and create a platform for the training of health workers.							
	5.1 Central Hospital Services		1 021 719	303 930		5 000	25 000	
	Of which							
	Conditional grant							
	Health Professions Training and Development Grant		*102 493*	*43 926*				
	National Tertiary Services Grant		*545 235*	*317 005*		*4 851*	*31 000*	
	5.2 Public-Private Partnerships			25 229				
	5.3 Provincial Tertiary Hospital Services		628 586	57 934		2 351	10 000	

APPROPRIATION BILL, 2014

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	6 Health Sciences and Training ……..……	159 837	126 566	5 212		13 259	14 800	
	Rendering of training and development opportunities for actual and potential employees of the Department of Health.							
	7 Health Care Support Services ……..……..	138 398	84 403	46 545		2 200	5 250	
	To render support services required by the Department to realise its aims.							
	8 Health Facilities Management ……..……	509 948	27 926	35 128			446 894	
	Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities.							
	8.1 Community Health Facility			33 378			104 401	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant							
	Earmarked for							
	- Hospital Revitalisation						*104 401*	
	Expanded Public Works Programme Incentive Grant for Provinces			*1 358*				
	Social Sector Expanded Public Works Programme Incentive Grant for Provinces			*2 580*				
	Earmarked funds							
	Infrastructure Enhancement Allocation			*24 500*				
	8.2 District Hospital Services						117 491	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant							
	Earmarked for							
	- Hospital Revitalisation						*117 491*	
	8.3 Provincial Health Services		27 926	1 750			225 002	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant							
	Earmarked for							
	- Health Infrastructure						*73 293*	
	- Nursing Colleges and Schools						*4 995*	
	- Hospital Revitalisation		*2 068*				*146 714*	
	Expanded Public Works Programme Incentive Grant for Provinces			*1 750*				

APPROPRIATION BILL, 2014

SCHEDULE ON HEALTH: PROGRAMMES 4 & 5

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2014/15	2015/16	2016/17
		R'000	R'000	R'000
5	**Health**	**3 274 150**	**3 486 439**	**3 664 701**
	4 Provincial Hospital Services ……..	**1 194 401**	**1 309 993**	**1 377 589**
	Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research.			
	4.1 General (Regional) Hospitals	910 722	1 007 774	1 059 775
	4.2 Public-Private Partnerships			
	4.3 Psychiatric/Mental Hospitals	283 679	302 219	317 814
	of which			
	a. Compensation of employees	966 536	1 039 548	1 093 187
	b. Transfers to Hospitals	5 182	6 594	6 935
	4.1 General (Regional) Hospitals	2 468	2 875	3 024
	Dihlabeng Hospital	*217*	*397*	*397*
	Bongani Hospital	*944*	*988*	*1 039*
	Boitumelo Hospital	*576*	*349*	*349*
	Mofumahadi Manapo Mopeli Hospital	*731*	*1 141*	*1 239*
	4.3 Psychiatric/Mental Hospitals	2 714	3 719	3 911
	Free State Psychiatric Complex	*2 714*	*3 719*	*3 911*
	c. Goods and services	209 868	251 466	264 442
	Of which			
	Medicine costs	*50 174*	*52 350*	*49 121*
	d. Others	26	35	37
	e. Payments for Capital Assets	12 789	12 350	12 988
	5 Central Hospital Services ……	**2 079 749**	**2 176 446**	**2 287 112**
	To provide tertiary health services and create a platform for the training of health workers.			
	5.1 Central Hospital Services	1 355 649	1 423 534	1 502 500
	5.2 Public-Private Partnerships	25 229	10 240	12 150
	5.3 Provincial Tertiary Hospital Services	698 871	742 672	772 461
	of which			
	a. Compensation of Employees	1 650 305	1 730 521	1 731 055
	b. Transfers to Hospitals	7 351	8 890	6 030
	5.1 Central Hospital Services	5 000	6 000	3 855
	Universitas Hospital	*5 000*	*6 000*	*3 855*
	5.3 Provincial Tertiary Hospital Services	2 351	2 890	2 175
	Pelonomi Hospital	*2 351*	*2 890*	*2 175*
	c. Goods and services	387 093	405 649	504 771
	Of which			
	Medicine costs	*85 068*	*99 441*	*122 181*
	d. Others			
	e. Payments for Capital Assets	35 000	31 386	45 256

APPROPRIATION BILL, 2014

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Education**							
	Aim: ***To be a Department that strives to ensure progressive realization of universal schooling, improving quallity of education and eliminating disparities amongst Free State citizens.***	**11 258 854**	**9 442 457**	**149 771**		**1 142 263**	**524 363**	
	1 Administration	651 389	642 878	6 603		1 908		
	To provide overall management of the education system in accordance with the National Education Policy Act, the Public Finance Managent Act and other policies.							
	2 Public Ordinary School Education	8 397 218	7 848 328	77 118		471 709	63	
	To provide public ordinary education from Grades 1 to 12 in accordance with the South African Schools Act and White Paper 6 on inclusive education.							
	2.1 Public Primary Schools		*4 633 617*	*21 875*			*15 965*	
	2.2 Public Secondary Schools		*3 185 443*	*6 880*			*5 418*	
	2.3 Human Resource Development			*37 981*	*2 000*			
	2.4 School Sport, Culture and Media Services		*26 422*				*150*	
	2.5 Conditional Grants		*2 846*	*10 382*		*318 985*	*63*	
	Of which							
	National School Nutrition Programme Grant			*8 376*		*290 766*	*63*	
	Social Sector Expanded Public Works Programme Incentive Grant		*2 846*					
	Dinaledi Schools Grant			*2 006*		*6 000*		
	Technical Secondary Schools Recapitalisation Grant					*22 219*		
	3 Independent School Subsidies	14 913				14 913		
	To support independent schools in accordance with the South African Schools Act.							
	4 Public Special School Education	387 871	335 907			51 964		
	To provide special public education in schools in accordance with the South African Schools Act and White Paper 6 on inclusive education.							
	Of which							
	Conditional grants							
	OSD for Therapists		*18 385*					

APPROPRIATION BILL, 2014

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Further Education and Training ……...	185 111	161 535	23 021			555	
	To provide Further Education and Training (FET) at public FET colleges in accordance with FET Act.							
	Of which							
	Conditional grants							
	Further Education and Training Colleges Grant		*161 535*	*23 021*			*555*	
	6 Adult Basic Education and Training ……	193 265	193 265					
	To provide Adult Basic Education and Training (ABET) in accordance with the Adult Basic Education and Training Act.							
	7 Early Childhood Development ……	121 763	111 914	608		9 241		
	To provide Early Childhood Education (ECD) at the Grade R and earlier levels in accordance with White Paper 5.							
	8 Infrastructure Development …….....	573 389	8 000	4 000		37 644	523 745	
	To provide and maintain infrastructure facilities for the administration and schools.							
	Of which							
	Conditional grants							
	Education Infrastructure Grant		*8 000*	*4 000*		*20 984*	*521 329*	
	Expanded Public Works Programme Incentive Grant for Provinces						*2 416*	
	Earmarked funds							
	Infrastructure Enhancement Allocation					*16 660*		
	9 Auxiliary and Associated Services ……	733 935	140 630	38 421		554 884		
	To provide the education institutions as a whole with training and support.							
	Of which							
	Conditional grants							
	HIV and AIDS (Life Skills Education) Grant		*850*	*10 720*				

APPROPRIATION BILL, 2014

SCHEDULE ON EDUCATION: PROGRAMME 2

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2014/15	2015/16	2016/17
		R'000	R'000	R'000
6	**Education**	**8 397 218**	**8 966 369**	**9 416 930**
	2 Public Ordinary School Education	**8 397 218**	**8 966 369**	**9 416 930**
	To provide public ordinary education from Grades 1 to 12 in accordance with the South African Schools Act and White Paper 6 on inclusive education.			
	a. Compensation of employees	7 848 328	8 390 908	8 970 329
	b. Transfers	471 709	493 147	390 105
	To 850 Section 21 Schools	117 071	122 287	
	Fezile Dabi District - 135 schools	*21 564*	*22 530*	
	Lejweleputswa District - 176 schools	*23 909*	*24 958*	
	Motheo District - 224 schools	*30 262*	*31 566*	
	Thabo Mofutsanyana District - 258 schools	*36 326*	*37 992*	
	Xhariep District - 57 schools	*5 010*	*5 241*	
	Other	354 638	370 860	390 105
	c. Non-transfers	77 118	82 222	56 396
	To 469 Non-section 21 Schools	28 756	30 076	
	Fezile Dabi District - 104 schools	*3 982*	*4 159*	
	Lejweleputswa District - 80 schools	*7 750*	*8 108*	
	Motheo District - 74 schools	*7 948*	*8 314*	
	Thabo Mofutsanyana District - 196 schools	*6 712*	*7 022*	
	Xhariep District - 15 schools	*2 364*	*2 473*	
	Other	48 362	52 146	56 396
	d. Payment for Capital Assets	63	92	100

APPROPRIATION BILL, 2014

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Social Development**							
	Aim: ***To meet the human and social needs of the poor and vulnerable communities through an inter-sectoral and integrated developmental social service.***	**973 054**	**503 086**	**80 390**		**371 379**	**18 199**	
	1 Administration ……	218 405	157 173	57 199		276	3 757	
	To provide strategic management and support services to all levels in the Department.							
	Of which							
	Transfers to Households					255		
	2 Social Welfare Services ……..	169 273	81 912	6 118		81 009	234	
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.							
	Of which							
	Transfers to Households					72		
	Transfers to NPO's					80 937		
	2.1 *Care and Services to Older Persons*					*42 703*		
	2.2 *Services to Persons with Disabilities*					*19 791*		
	2.3 *HIV and AIDS*					*18 443*		
	3 Children and Families ……..……	359 034	95 458	7 481		255 973	122	
	To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organizations.							
	Of which							
	Transfers to Households							
	Transfers to NPO's					250 973		
	3.1 *Care and Services to Families*					*1 014*		
	3.2 *Child Care and Protection*					*33 079*		
	3.3 *ECD and Partial Care*					*182 333*		
	3.4 *Child and Youth Care Centres*					*23 027*		
	3.5 *Community-based Services for Children*					*11 520*		
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation					*5 000*		

APPROPRIATION BILL, 2014

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Restorative Services ……..……	114 740	76 467	6 029		20 196	12 048	
	To provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organizations.							
	Of which							
	Transfers to Households							
	Transfers to NPO's					20 196		
	4.1 Crime Prevention and Support					*4 099*		
	4.2 Victim Empowerment Programme					*9 569*		
	4.3 Substance Abuse, Prevention, Treatment and Rehabilitation					*6 528*		
	Of which							
	Conditional grant							
	Substance Abuse Treatment Grant						*2 000*	
	Earmarked funds							
	Infrastructure Enhancement Allocation						*9 828*	
	5 Development and Research …...……	111 602	92 076	3 563		13 925	2 038	
	To provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information at provincial and district level.							
	Of which							
	Transfers to Households					11		
	Transfers to NPO's					1 020		
	5.1 Women Development					*1 020*		
	Of which							
	Conditional grant							
	Social Sector Expanded Public Works Programme Incentive Grant for Provinces					*3 694*		
	EPWP Integrated Grant to Provinces for infrastructure						*2 000*	

APPROPRIATION BILL, 2014

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2, 3 & 4

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2014/15	2015/16	2016/17
		R'000	R'000	R'000
7	**Social Development**	**643 047**	**659 586**	**704 964**
	2 Social Welfare Services ……	**169 273**	**179 320**	**185 947**
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.			
	a. Compensation of employees	81 912	90 164	96 377
	b. Transfers to Non-government Organisations (NGO's)	81 009	81 412	81 416
	Transfers to Households	*72*	*75*	*79*
	Transfers to NGO's	*80 937*	*81 337*	*81 337*
	Transfers per District			
	Care and Services to Older Persons	42 703	42 703	42 703
	Provincial Office	*2 477*	*2 477*	*2 477*
	Mangaung Metro	*9 185*	*9 185*	*9 185*
	Xhariep District	*4 755*	*4 755*	*4 755*
	Lejweleputswa District	*8 208*	*8 208*	*8 208*
	Thabo Mofutsanyana District	*10 084*	*10 084*	*10 084*
	Fezile Dabi District	*7 994*	*7 994*	*7 994*
	Services to Persons with Disabilities	19 791	19 791	19 791
	Provincial Office	*234*	*234*	*234*
	Mangaung Metro	*7 816*	*7 816*	*7 816*
	Xhariep District	*822*	*822*	*822*
	Lejweleputswa District	*3 499*	*3 499*	*3 499*
	Thabo Mofutsanyana District	*3 922*	*3 922*	*3 922*
	Fezile Dabi District	*3 498*	*3 498*	*3 498*
	HIV and AIDS	18 443	18 843	18 843
	Provincial Office			
	Mangaung Metro	4 286	*4 686*	*4 686*
	Xhariep District	*1 090*	*1 090*	*1 090*
	Lejweleputswa District	*4 556*	*4 556*	*4 556*
	Thabo Mofutsanyana District	*6 065*	*6 065*	*6 065*
	Fezile Dabi District	*2 446*	*2 446*	*2 446*
	c. Goods and Services	6 118	7 506	7 904
	d. Payments for Capital Assets	234	238	250
	3 Children and Families …..……...……	**359 034**	**372 364**	**380 150**
	To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organizations.			
	a. Compensation of employees	95 458	99 059	106 066

APPROPRIATION BILL, 2014

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2, 3 & 4

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2014/15	2015/16	2016/17
		R'000	R'000	R'000
	b. Transfers to Non-government Organisations (NGO's)	255 973	253 644	253 936
	Transfers to Households			
	Other Transfers	*5 000*	*5 270*	*5 555*
	Transfers to NGO's	*250 973*	*248 374*	*248 381*
	Transfers per District			
	Care and Services to Families	1 014	1 014	1 014
	Provincial Office	*264*	*264*	*264*
	Mangaung Metro	*290*	*290*	*290*
	Xhariep District	*160*	*160*	*160*
	Lejweleputswa District	*260*	*260*	*260*
	Thabo Mofutsanyana District	*40*	*40*	*40*
	Fezile Dabi District			
	Child Care and Protection	33 079	33 079	33 080
	Provincial Office	*6 059*	*6 059*	*6 060*
	Mangaung Metro	*6 726*	*6 726*	*6 726*
	Xhariep District	*1 393*	*1 393*	*1 393*
	Lejweleputswa District	*8 591*	*8 591*	*8 591*
	Thabo Mofutsanyana District	*5 677*	*5 677*	*5 677*
	Fezile Dabi District	*4 633*	*4 633*	*4 633*
	ECD and Partial Care	182 333	179 734	179 740
	Provincial Office	4 044	4 044	4 044
	Mangaung Metro	39 150	*36 551*	*36 557*
	Xhariep District	*11 745*	*11 745*	*11 745*
	Lejweleputswa District	*35 556*	*35 556*	*35 556*
	Thabo Mofutsanyana District	*60 467*	*60 467*	*60 467*
	Fezile Dabi District	*31 371*	*31 371*	*31 371*
	Child and Youth Care Centres	23 027	23 027	23 027
	Provincial Office	*23 027*	*23 027*	*23 027*
	Mangaung Metro			
	Xhariep District			
	Lejweleputswa District			
	Thabo Mofutsanyana District			
	Fezile Dabi District			
	Community-based Services for Children	11 520	11 520	11 520
	Provincial Office	*11 520*	*11 520*	*11 520*
	Mangaung Metro			
	Xhariep District			
	Lejweleputswa District			
	Thabo Mofutsanyana District			
	Fezile Dabi District			
	c. Goods and Services	7 481	9 062	9 542
	d. Payments for Capital Assets	122	10 599	10 606

APPROPRIATION BILL, 2014

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2, 3 & 4

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2014/15	2015/16	2016/17
		R'000	R'000	R'000
	4 Restorative Services ……..……...……	**114 740**	**107 902**	**138 867**
	To provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organizations.			
	a. Compensation of employees	76 467	75 593	83 260
	b. Transfer Payments	20 196	20 158	20 155
	Transfers to Households			
	Transfers to NGO's:	20 196	20 158	20 155
	Transfers per District			
	Crime Prevention	4 099	4 104	4 101
	Provincial Office	*60*	*65*	*62*
	Mangaung Metro	*1 681*	*1 681*	*1 681*
	Xhariep District	*267*	*267*	*267*
	Lejweleputswa District	*613*	*613*	*613*
	Thabo Mofutsanyana District	*987*	*987*	*987*
	Fezile Dabi District	*491*	*491*	*491*
	Victim Empowerment	9 569	9 526	9 526
	Provincial Office	*460*	*417*	*417*
	Mangaung Metro	*2 271*	*2 271*	*2 271*
	Xhariep District	*1 322*	*1 322*	*1 322*
	Lejweleputswa District	*2 448*	*2 448*	*2 448*
	Thabo Mofutsanyana District	*1 856*	*1 856*	*1 856*
	Fezile Dabi District	*1 212*	*1 212*	*1 212*
	Substance Abuse, Prevention, Treastment and Rehabilitation	6 528	6 528	6 528
	Provincial Office	*1 376*	*1 376*	*1 376*
	Mangaung Metro	*871*	*871*	*871*
	Xhariep District	*731*	*731*	*731*
	Lejweleputswa District	*837*	*837*	*837*
	Thabo Mofutsanyana District	*1 467*	*1 467*	*1 467*
	Fezile Dabi District	*1 246*	*1 246*	*1 246*
	c. Goods and Services	6 029	5 429	5 718
	d. Payments for Capital Assets	12 048	6 722	29 734

APPROPRIATION BILL, 2014

SCHEDULE ON CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
8	**Co-operative Governance and Traditional Affairs**							
	Aim: ***Developmental local governance and traditional leadership.***	**341 625**	**174 285**	**100 706**		**63 160**	**3 474**	
	1 Administration ……	110 123	56 838	51 261		182	1 842	
	To provide overall management in the Department in accordance with all applicable acts and policies.							
	2 Local Governance ……	114 784	45 793	33 351		35 008	632	
	To provide and facilitate viable and sustainable local governance.							
	3 Development and Planning ……	72 892	32 366	12 797		27 026	703	
	Promote Integrated Development Planning(IDP) and facilitate the development of credible and simplified IDP's.							
	4 Traditional Institutional Management ……	34 400	31 630	1 869		648	253	
	To promote and facilitate viable and sustainable traditional institutions.							
	5 House of Traditional Leaders ……	9 426	7 658	1 428		296	44	
	To exercise oversight and participate in the promulgation of legislation by the provincial legislature and oversee service delivery by government departments and municipalities on matters of African culture, customs, traditions and general economic and developmental welfare of traditional communities.							

APPROPRIATION BILL, 2014

SCHEDULE ON PUBLIC WORKS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
9	**Public Works**							
	Aim: ***To ensure the provision, promotion and sound management of assets and infrastructure systems which are safe, affordable, reliable, accessible and sustainable.***	**1 414 916**	**379 866**	**532 663**		**303 416**	**198 971**	
	1 Administration	104 913	67 137	33 166		1 980	2 630	
	To provide the Department with administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.							
	2 Public Works Infrastructure	1 131 102	301 496	465 587		301 436	62 583	
	To provide a balanced and equitable provincial government building infrastructure by promoting accessibility that is sustainable, integrated and environmentally sensitive which supports economic development and social empowerment.							
	Of which							
	Earmarked funds							
	Property Rates Enhancement Allocation					*298 861*		
	Infrastructure Enhancement Allocation						*24 485*	
	Revenue Enhancement Allocation			*1 200*				
	3 Expanded Public Works Programme	178 901	11 233	33 910			133 758	
	To manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme.							
	Of which							
	Conditional grants							
	Expanded Public Works Programme Incentive Grant for Provinces			*5 955*				
	Earmarked funds							
	Infrastructure Enhancement Allocation						*130 000*	

APPROPRIATION BILL, 2014

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
10	**Police, Roads and Transport**							
	Aim: ***To contribute towards the creation of a prosperous Free State through the facilitation of the provision of sustainable community safety, mobility and road infrastructure.***	**2 195 242**	**565 212**	**1 214 563**		**223 445**	**192 022**	
	1 Administration ……..	196 415	100 126	93 009			3 280	
	To provide executive support to the Head of Department and all financial and non-financial systems within the Department.							
	2 Civilian Oversight ……..……..……..….	9 104	7 274	1 830				
	To monitor and oversee police conduct and performance in the delivery of services in the province.							
	3 Crime Prevention and Community Police Relation	16 211	6 596	9 455		160		
	To mobilize and ensure active community and sectoral participation in crime prevention.							
	4 Transport Operation ……..…….……..	253 731	22 975	14 856		215 900		
	To plan, regulate and facilitate the provision of transport services and infrastructure, through own provincial resources and through co-operation with national and local authorities, as well as the private sector in order to enhance the mobility of goods and all communities particularly those currently without or with limited access.							
	Of which							
	Conditional grants							
	Public Transport Operations Grant					*215 900*		
	Earmarked funds							
	Infrastructure Enhancement			*7 000*				

APPROPRIATION BILL, 2014

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Transport Regulation	322 239	252 993	63 851		5 395		
	To establish, manage, and maintain a safe and efficient road traffic system by providing high quality pro active road traffic training, education, and effective road traffic law enforcement and to ensure that all privately and government owned vehicles registered in the province are licensed each year and that all drivers are appropriately authorised to drive their vehicles.							
	Of which							
	Earmarked funds							
	Revenue Enhancement Allocation			*23 734*				
	6 Transport Infrastructure	1 397 542	175 248	1 031 562		1 990	188 742	
	To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.							
	Of which							
	Conditional grants							
	Expanded Public Works Programme Incentive Grant for Provinces						*4 635*	
	Provincial Road Maintenance Grant			*919 012*			*106 670*	
	of which earmarked for repair of flood damage			33 282				
	Earmarked funds							
	Infrastructure Enhancement Allocation		*175 248*	*112 550*		*1 990*	*77 437*	

APPROPRIATION BILL, 2014

SCHEDULE ON AGRICULTURE AND RURAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
11	**Agriculture and Rural Development**							
	Aim: ***To provide agricultural development and support to the people of the Free State and a better life for rural communities.***	**669 270**	**320 916**	**75 035**		**232 924**	**40 395**	
	1 Administration ……	139 414	104 575	30 288		2 631	1 920	
	To manage and formulate policy directives and priorities and, to ensure there is appropriate support service to all other programmes with regard to finance, personnel, information, communication and procurement.							
	2 Sustainable Resource Management ……	28 243	20 145	8 098				
	To provide agricultural support service to farmers in order to ensure that there is sustainable management of agricultural resources.							
	Of which							
	Conditional grants							
	Land Care Programme Grant: Poverty Relief and Infrastructure Development			*5 427*				
	3 Farmer Support and Development ……	322 915	89 485	19 137		214 293		
	To provide support to farmers through agricultural development programmes.							
	Of which							
	Conditional grants							
	Comprehensive Agricultural Support Programme Grant		*16 530*	*11 510*		*118 491*		
	of which earmarked for repair of flood damage					8 947		
	Ilima/Letsema Projects Grant					*60 802*		
	Expanded Public Works Programme Incentive Grant for Provinces			*2 254*				
	Earmarked funds							
	Infrastructure Enhancement Allocation					*35 000*		

APPROPRIATION BILL, 2014

SCHEDULE ON AGRICULTURE AND RURAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Veterinary Services ……..…….……	63 499	45 498	7 389			10 612	
	To provide veterinary services to clients in order to ensure healthy animals and welfare of people of South Africa.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation			*2 000*			*10 612*	
	5 Technology, Research and Development Services ….	58 773	26 729	4 181			27 863	
	To render expert and needs based research, development and technology transfer services impacting on development objectives.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation			*3 000*			*27 863*	
	6 Agricultural Economics Services …..……..……	7 923	7 291	632				
	To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth.							
	7 Structured Agricultural Training ……..……..……	16 913	14 249	2 664				
	To facilitate and provide structured agricultural education and training in line with the Agricultural Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.							
	8 Rural Development ……..……..……	31 590	12 944	2 646		16 000		
	To initiate, plan and monitor development in specific rural areas (Comprehensive Rural Development Programme sites) across the three spheres of government in order to address needs that have been identified.							

APPROPRIATION BILL, 2014

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Arts, Culture and Recreation**							
	Aim: ***The promotion, development and transformation of Sport, Arts, Culture and Recreation in order to contribute to sustainable economic growth and opportunities, nation building, good governance and social and human capital development.***	**589 043**	**232 801**	**117 740**		**39 486**	**199 016**	
	1 Administration ……	71 317	57 829	13 167			321	
	To conduct the overall management and administrative support of the Department.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation		*699*	*409*				
	2 Cultural Affairs ……..……	88 495	51 505	29 972		5 419	1 599	
	To promote culture, conservation and management of cultural, historical assets and resources of the province by rendering various services.							
	Of which							
	Conditional grant							
	Expanded Public Works Programme Incentive Grant for Provinces			*412*		*1 719*		
	Earmarked funds							
	Infrastructure Enhancement Allocation			*2 110*				
	3 Library and Archive Services ……	211 660	87 917	38 717		7 000	78 026	
	Assist local library authorities in rendering of public library services and providing of an archive service in the province.							
	Of which							
	Conditional grant							
	Community Library Services Grant		*56 013*	*23 200*		*5 000*	*34 800*	
	Earmarked funds							
	Infrastructure Enhancement Allocation			*2 784*			*43 177*	

APPROPRIATION BILL, 2014

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Sport and Recreation ……..……	217 571	35 550	35 884		27 067	119 070	
	To provide assistance to provincial sport associations and other relevant bodies to stimulate the development of sport. Formulate inputs regarding sport policy and promote sport programmes. Control, promote and develop the provincial sport academy. Develop and contribute towards sport marketing strategies. Facilitate development of facilities with a view to improving life of the disadvantaged. Promote and develop sport tourism through major events.							
	Of which							
	Conditional grant							
	Mass Sport and Recreation Participation Programme Grant		*2 419*	*31 945*		*3 427*	*2 527*	
	Social Sector Expanded Public Works Programme Incentive Grant for Provinces					*2 580*		
	Earmarked funds							
	Infrastructure Enhancement Allocation			*500*		*3 000*	*111 827*	

APPROPRIATION BILL, 2014

SCHEDULE ON HUMAN SETTLEMENTS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
13	**Human Settlements**							
	Aim: ***To manage housing delivery, development of integrated human settlements.***	**1 210 317**	**103 491**	**38 060**		**1 066 622**	**2 144**	
	1 Administration	79 922	52 792	26 406			724	
	To provide overall management in the Department in accordance with all applicable acts and policies.							
	2 Housing Needs, Research and Planning	18 133	10 488	5 547		1 616	482	
	To facilitate housing delivery.							
	3 Housing Development	1 110 710	39 103	5 663		1 065 006	938	
	To provide individual subsidies and housing opportunities to benefeciaries in accordance with housing policy.							
	Of which							
	Conditional grants							
	Human Settlements Development Grant					*1 061 756*		
	of which earmarked for mining towns							
	Matjhabeng					*26 788*		
	Moqhaka					*5 187*		
	Expanded Public Works Programme Incentive Grant for Provinces					*2 000*		
	4 Housing Asset Management and Property Management	1 552	1 108	444				
	To provide for the effective management of housing.							

APPROPRIATION BILL, 2014

SCHEDULE ON TRANSFERS AND SUBSIDIES

(As a charge to the Provincial Revenue Fund)

Descriptions	Vote and main division	Forward estimates	
	2014/15	2015/16	2016/17
	R'000	R'000	R'000
Transfers to Municipalities:	**366 386**	**386 533**	**400 862**
Cooperative Governance and Traditional Affairs	**60 525**	**65 924**	**62 685**
Xhariep	15 800	16 500	17 000
Unallocated	44 725	49 424	45 685
Public Works	**298 861**	**312 609**	**329 177**
Mangaung	73 443	76 881	84 881
Xhariep	6 638	8 012	8 012
Lejweleputswa	26 174	28 236	28 236
Thabo Mofutsanyana	155 061	159 185	167 753
Fezile Dabi	37 545	40 295	40 295
Sport, Arts, Culture and Recreation	**7 000**	**8 000**	**9 000**
Mangaung	2 000	2 000	2 000
Thabo Mofutsanyana	3 334	4 000	4 667
Fezile Dabi	1 666	2 000	2 333
Transfers to Public Entities:	**89 315**	**89 315**	**93 985**
Economic Development, Tourism and Environmental Affairs	**89 315**	**89 315**	**93 985**
Free State Development Corporation	1 200	1 200	1 200
Free State Gambling and Liquor Board	48 251	48 251	50 808
Free State Tourism Authority	39 864	39 864	41 977
Other transfers:	**3 163 904**	**3 294 216**	**3 263 814**
Premier	390	395	416
Free State Legislature	31 041	34 341	35 415
Economic Development, Tourism and Environmental Affairs	13 770	17 406	18 329
Free State Provincial Treasury	332	347	365
Health	42 062	81 302	84 782
Education	1 142 263	1 147 294	1 004 703
Social Development	371 379	369 097	369 406
Co-operative Governance and Traditional Affairs	2 635	2 722	2 943
Public Works	4 555	4 820	5 107
Police, Roads and Transport	223 445	230 929	243 105
Agriculture and Rural Development	232 924	242 797	215 235
Sport, Arts, Culture and Recreation	32 486	28 751	28 800
Human Settlements	1 066 622	1 134 015	1 255 209
Total transfers and subsidies:	**3 619 605**	**3 770 064**	**3 758 661**

BEGROTINGSWETSONTWERP, 2014

SKEDULE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier	**270 514**	206 264	61 397		390	2 463	
2	Vrystaatse Wetgewer	**176 209**	88 615	55 102		31 041	1 451	
3	Ekonomiese Ontwikkeling,Toerisme en Omgewingsake	**444 084**	194 294	91 063		103 085	55 642	
4	Vrystaatse Provinsiale Tesourie	**226 740**	167 365	57 027		332	2 016	
5	Gesondheid	**8 155 342**	5 762 466	1 781 356	618	42 062	568 840	
6	Onderwys	**11 258 854**	9 442 457	149 771		1 142 263	524 363	
7	Maatskaplike Ontwikkeling	**973 054**	503 086	80 390		371 379	18 199	
8	Samewerkende Regering en Tradisionele Sake	**341 625**	174 285	100 706		63 160	3 474	
9	Openbare Werke	**1 414 916**	379 866	532 663		303 416	198 971	
10	Polisie, Paaie en Vervoer	**2 195 242**	565 212	1 214 563		223 445	192 022	
11	Landbou en Landelike Ontwikkeling	**669 270**	320 916	75 035		232 924	40 395	
12	Sport, Kuns, Kultuur en Ontspanning	**589 043**	232 801	117 740		39 486	199 016	
13	Menslike Nedersettings	**1 210 317**	103 491	38 060		1 066 622	2 144	
	Totaal	**27 925 210**	**18 141 118**	**4 354 873**	**618**	**3 619 605**	**1 808 996**	

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN PREMIER

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier**							
	Doel: ***Om die Premier in staat te stel om grondwetlike verpligtinge en ander verwante funksies na te kom deur die doelmatige en doeltreffende aanwending van hulpbronne van die Vrystaatse Provinsiale Regering.***	**270 514**	**206 264**	**61 397**		**390**	**2 463**	
	1 Administrasie	130 620	117 498	12 989		25	108	
	Om uitvoerende ondersteuning aan die Premier, Provinsiale Uitvoerende Raad en die Direkteur-Generaal te voorsien van strategiese en operasionele bestuur in die vervulling van hul wetgewende en oorsigfunksies en die bevordering van goeie korporatiewe bestuur.							
	2 Institusionele Ontwikkeling	95 698	55 358	38 155			2 185	
	Om Provinsiale Departemente te lei en te koördineer met betrekking tot dwarsleggende korporatiewe ondersteuningsfunksies en om aan Departementspesifieke kwessies aandag te skenk.							
	3 Beleid en Regering	44 196	33 408	10 253		365	170	
	Die voorsiening van provinsiaalspesifieke bestuursdienste word bereik deur geïntegreerde beplanning en navorsing, groeps en provinsiale regeringsprogramkoördinasie en integrasie sowel as die monitering en evaluering van regeringsprestasie.							

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN VRYSTAATSE WETGEWER

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaalbates	Betaling van Finansiebates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
2	**Vrystaatse Wetgewer**							
	Doel: ***Om fondse vir wetgewende en institusionele ondersteuningsdienste te voorsien wat deur die Wetgewer vereis word om sy grondwetlike funksies uit te voer.***	**176 209**	**88 615**	**55 102**		**31 041**	**1 451**	
	1 Administrasie	112 108	62 361	46 115		2 199	1 433	
	Om administratiewe en finansiële bestuursondersteuning aan die Wetgewer te voorsien.							
	Waaronder							
	Wetlike Bedrag		21 661					
	2 Fasiliteite vir Lede en Politieke Partye	32 530		3 688		28 842		
	Om die nodige reëlings vir lede te fasiliteer.							
	3 Parlementêre dienste	31 571	26 254	5 299			18	
	Om gehalte regs- en prosedurele ondersteuning, raadsverrigtinge, komiteedienste, navorsing, vertaling en interpretasie aan die Wetgewer te voorsien.							

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN EKONOMIESE ONTWIKKELING, TOERISME EN OMGEWINGSAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	**Ekonomiese Ontwikkeling, Toerisme en Omgewingsake**							
	Doel: ***'n Florerende Vrystaat deur middel van volhoubare ekonomiese groei en 'n gesonde omgewing vir almal.***	**444 084**	**194 294**	**91 063**		**103 085**	**55 642**	
	1 Administrasie ……	124 155	77 780	44 661		4	1 710	
	Om leiding en strategiese bestuur te gee in ooreenstemming met wetgewing, regulasies, beleide en te sorg vir 'n toepaslike ondersteuningsdiens aan alle programme.							
	2 Omgewingsake ……	174 832	89 414	32 303		170	52 945	
	Die implementering van wetgewing en beleide op die gebiede van Luggehalte, Biodiversiteit, Klimaatsverandering, Nakomingsmonitering, Omgewingsimpak, Beskermde Gebiede, Besoedelingsbeheer en Afvalbestuur.							
	Waaronder							
	Voorwaardelike Toelae							
	Uitgebreide Openbare Werke Program			*2 102*				
	Aansporingstoelae aan Provinsies							
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*2 119*			*51 900*	
	Inkomste verbeteringstoekenning			*200*				
	3 Ekonomiese Ontwikkeling	96 757	21 000	11 949		63 047	761	
	Om die ontwikkeling en groei van besighede in die provinsie te bevorder deur opleiding asook die voorsiening van nie-finansiële en finansiële ondersteuning.							
	Waaronder							
	Oordragbetalings							
	Vrystaatse Ontwikkelingskorporasie					*1 200*		
	Ander privaat instellings					*13 596*		
	Vrystaatse Dobbel en Drankowerheid					*48 251*		
	4 Toerisme	48 340	6 100	2 150		39 864	226	
	Om 'n toereikende Toerisme omgewing te skep deur wetgewing, beleide en strategiese ontwikkeling.							
	Waaronder							
	Oordragbetalings							
	Vrystaatse Toerisme Owerheid					*39 864*		

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN VRYSTAATSE PROVINSIALE TESOURIE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	**Vrystaatse Provinsiale Tesourie**							
	Doel: ***Om oordeelkundige finansiële bestuur van provinsiale hulpbronne te bevorder.***	**226 740**	**167 365**	**57 027**		**332**	**2 016**	
	1 Administrasie ……	87 929	60 363	25 242		332	1 992	
	Om leiding en strategiese bestuur in ooreenstemming met wetgewing, regulasies en beleide te voorsien asook om toepaslike ondersteuningsdienste aan alle programme te verseker.							
	Waaronder							
	Toegewysde fondse							
	Inkomste verbeteringstoekenning			*2 000*				
	2 Volhoubare bestuur van hulpbronne ……..……	29 061	26 075	2 986				
	Om professionele advies en ondersteuning aan die LUR te verskaf oor provinsiale ekonomiese ontleding, fiskale beleid, ontwikkeling van openbare finansies en die bestuur van die jaarlikse begrotingsproses.							
	3 Bate- en Lastebestuur ……...……	61 402	37 226	24 176				
	Om leiding te gee oor beleid, deur die fasilitering van doelmatige en doeltreffende bestuur van fisiese en finansiële bates, "PPP's" en laste.							
	4 Finansiële Bestuur ……..……	48 348	43 701	4 623			24	
	Om aanspreeklikheid te bevorder deur substantiewe weerspieëling van finansiële aktiwiteite van die Provinsie asook nakoming van norme en standaarde.							

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN GESONDHEID

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	**Gesondheid**							
	Doel: ***Om omvattende gesondheidsdienste te voorsien, wat die voorkoming van siektes, bevordering van gesondheid, genesende en rehabilitasiedienste insluit.***	**8 155 342**	**5 762 466**	**1 781 356**	**618**	**42 062**	**568 840**	
	1 Administrasie ……..…….……	247 189	187 909	47 256	136	3 447	8 441	
	Om die strategiese bestuur en oorhoofse administrasie van die Departement van Gesondheid te lewer.							
	Waaronder							
	Toegewysde fondse							
	Inkomste verbeteringstoekenning			*3 000*				
	2 Distriksgesondheidsdienste ……..…….……	3 354 835	2 353 178	948 394	106	10 591	42 566	
	Om primêre gesondheidsdienste en distrikshospitaaldienste te lewer.							
	Waaronder							
	Voorwaardelike Toelae							
	Omvattende MIV en Vigs Toelae		*282 877*	*531 210*	*15*	*6 402*	*22 522*	
	Nasionale Gesondheidsversekeringstoelae		*300*	*6 640*		*20*	*40*	
	3 Mediese Nooddienste ..……..……	470 985	365 643	101 860	350	32	3 100	
	Die lewering van voor-hospitaal mediese nooddienste insluitend interhospitaaloorplasings en beplande vervoer van pasiënte.							
	4 Provinsiale Hospitaaldienste ……..	1 194 401	966 536	209 868	26	5 182	12 789	
	Lewering van hospitaaldienste wat toeganglik, toepaslik en effektief is en wat algemene spesialisdienste voorsien, insluitend 'n gespesialiseerde rehabilitasiediens asook 'n platform vir opleiding van gesondheidsdeskundiges en navorsing.							
	4.1 Algemene (Streeks) Hospitale		722 012	175 928	25	2 468	10 289	
	4.2 'Public-Private Partnerships'							
	4.3 Psigiatriese/Sielsieke Hospitale		244 524	33 940	1	2 714	2 500	
	5 Sentrale Hospitaaldienste ……	2 079 749	1 650 305	387 093		7 351	35 000	
	Om tersiêre gesondheidsdienste te voorsien en 'n platform vir die opleiding van gesondheidswerkers te skep.							
	5.1 Sentrale Hospitaaldienste		1 021 719	303 930		5 000	25 000	
	Waaronder							
	Voorwaardelike Toelae							
	Gesondheidsberoepe Opleiding en Ontwikkelingstoelae		*102 493*	*43 926*				
	Nasionale Tersiêre Dienste Toelae		*545 235*	*317 005*		*4 851*	*31 000*	
	5.2 'Public-Private Partnerships'			25 229				
	5.3 Provinsiale Tersiêre Hospitaaldienste		628 586	57 934		2 351	10 000	

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN GESONDHEID

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	6 Gesondheidswetenskappe en opleiding ……..….	159 837	126 566	5 212		13 259	14 800	
	Om opleiding en ontwikkelingsgeleenthede aan huidige en potensiële personeel van die Departement van Gesondheid te bied.							
	7 Gesondheidsorgondersteuningsdienste ……..……	138 398	84 403	46 545		2 200	5 250	
	Om steundienste wat deur die Departement benodig word om sy doelwitte te bereik, te lewer.							
	8 Bestuur van Gesondheidsgeriewe ……...	509 948	27 926	35 128			446 894	
	Voorsiening van nuwe gesondheidsgeriewe en die opknapping, opgradering en onderhoud van bestaande geriewe.							
	8.1 Gemeenskapsgesondheidsgeriewe			33 378			104 401	
	Waaronder							
	Voorwaardelike Toelae							
	Gesondheidsgeriewe Opknappingstoelae							
	Toegewys vir							
	- Hospitaal Opknapping						*104 401*	
	Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies			*1 358*				
	Maatskaplike sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies			*2 580*				
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*24 500*				
	8.2 Distrik Hospitaaldienste						117 491	
	Waaronder							
	Voorwaardelike Toelae							
	Gesondheidsgeriewe Opknappingstoelae							
	Toegewys vir							
	- Hospitaal Opknapping						*117 491*	
	8.3 Provinsiale Gesondheidsdienste		27 926	1 750			225 002	
	Waaronder							
	Voorwaardelike Toelae							
	Gesondheidsgeriewe Opknappingstoelae							
	Toegewys vir							
	- Gesondheidsinfrastruktuur						*73 293*	
	- Verplegingkolleges en -Skole						*4 995*	
	- Hospitaal Opknapping		*2 068*				*146 714*	
	Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies			*1 750*				

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN GESONDHEID: PROGRAMME 4 & 5

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2014/15	2015/16	2016/17
		R'000	R'000	R'000
5	**Gesondheid**	**3 274 150**	**3 486 439**	**3 664 701**
	4 Provinsiale Hospitaaldienste	**1 194 401**	**1 309 993**	**1 377 589**
	Lewering van hospitaaldienste wat toeganglik, toepaslik en effektief is en wat algemene spesialisdienste voorsien, insluitend 'n gespesialiseerde rehabilitasiediens asook 'n platform vir opleiding van gesondheidsdeskundiges en navorsing.			
	4.1 Algemene (Streeks) Hospitale	910 722	1 007 774	1 059 775
	4.2 'Public-Private Partnerships'			
	4.3 Psigiatriese/Sielsieke Hospitale	283 679	302 219	317 814
	Waaronder			
	a. Vergoeding van Werknemers	966 536	1 039 548	1 093 187
	b. Oordragbetalings aan Hospitale	5 182	6 594	6 935
	4.1 Algemene (Streeks) Hospitale	2 468	2 875	3 024
	Dihlabeng Hospitaal	*217*	*397*	*397*
	Bongani Hospitaal	*944*	*988*	*1 039*
	Boitumelo Hospitaal	*576*	*349*	*349*
	Mofumahadi Manapo Mopeli Hospitaal	*731*	*1 141*	*1 239*
	4.3 Psigiatriese/Sielsieke Hospitale	2 714	3 719	3 911
	Vrystaatse Psigiatriese Hospitaal	*2 714*	*3 719*	*3 911*
	c. Goedere en dienste	209 868	251 466	264 442
	Waaronder			
	Koste van medisyne	*50 174*	*52 350*	*49 121*
	d. Ander	26	35	37
	e. Betaling van Kapitaalbates	12 789	12 350	12 988
	5 Sentrale Hospitaaldienste	**2 079 749**	**2 176 446**	**2 287 112**
	Om tersiêre gesondheidsdienste te voorsien en 'n platform vir die opleiding van gesondheidswerkers te skep.			
	5.1 Sentrale Hospitaaldienste	1 355 649	1 423 534	1 502 500
	5.2 'Public-Private Partnerships'	25 229	10 240	12 150
	5.3 Provinsiale Tersiêre Hospitaaldienste	698 871	742 672	772 461
	Waaronder			
	a. Vergoeding van Werknemers	1 650 305	1 730 521	1 731 055
	b. Oordragbetalings aan Hospitale	7 351	8 890	6 030
	5.1 Sentrale Hospitaaldienste	5 000	6 000	3 855
	Universitas Hospitaal	*5 000*	*6 000*	*3 855*
	5.3 Provinsiale Tersiêre Hospitaaldienste	2 351	2 890	2 175
	Pelonomi Hospitaal	*2 351*	*2 890*	*2 175*
	c. Goedere en dienste	387 093	405 649	504 771
	Waaronder			
	Koste van medisyne	*85 068*	*99 441*	*122 181*
	d. Ander			
	e. Betaling van Kapitaalbates	35 000	31 386	45 256

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN ONDERWYS

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Onderwys**							
	Doel: ***Om 'n Departement te wees wat daarna streef om progressiewe totstandkoming van universele skoling, die kwaliteit van onderwys te verbeter en ongelykhede tussen Vrystaatse burgers uit die weg te ruim.***	**11 258 854**	**9 442 457**	**149 771**		**1 142 263**	**524 363**	
	1 Administrasie	651 389	642 878	6 603		1 908		
	Om oorhoofse bestuurdienste van die onderwysstelsel te lewer ooreenkomstig die Wet op die Nasionale Onderwysbeleid, die Wet op Openbare Finansiële Bestuur en ander beleide.							
	2 Openbare Gewone Skoolonderwys	8 397 218	7 848 328	77 118		471 709	63	
	Om openbare gewone onderwys aan Grade 1 tot 12 te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet en Witskrif 6 op inklusiewe onderwys.							
	2.1 Openbare Primêre Skole		*4 633 617*	*21 875*			*15 965*	
	2.2 Openbare Sekondêre Skole		*3 185 443*	*6 880*			*5 418*	
	2.3 Menslike Hulpbronontwikkeling			*37 981*	*2 000*			
	2.4 Skoolsport, Kultuur en Media Dienste		*26 422*				*150*	
	2.5 Voorwaardelike Toekennings		*2 846*	*10 382*		*318 985*	*63*	
	Waaronder							
	Nasionale Skoolvoedingsprogramtoelae			*8 376*		*290 766*	*63*	
	Maatskaplike sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies		*2 846*					
	Dinaledi Skole Toelae			*2 006*		*6 000*		
	Toelae vir Herkapitalisering van Tegniese Sekondêre Skole					*22 219*		
	3 Subsidies vir Onafhanklike Skole	14 913				14 913		
	Om onafhanklike skole te ondersteun in ooreenstemming met die Suid-Afrikaanse Skolewet.							
	4 Openbare Spesiale skoolonderwys	387 871	335 907			51 964		
	Om spesiale openbare onderwys in skole te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet en Witskrif 6 op inklusiewe onderwys.							
	Waaronder							
	Voorwaardelike Toelae							
	BSD vir Terapeute		*18 385*					

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN ONDERWYS

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Verdere Onderwys en Opleiding	185 111	161 535	23 021			555	
	Om Verdere Onderwys en Opleiding (VOO) by openbare VOO-kolleges te lewer ooreenkomstig die VOO Wet.							
	Waaronder							
	Voorwaardelike Toelae							
	Verdere Onderwys en Opleidingstoelae vir Kolleges		*161 535*	*23 021*			*555*	
	6 Basiese Onderwys en Opleiding vir Volwassenes ...	193 265	193 265					
	Om Basiese Onderwys en Opleiding vir Volwassenes (BOOV) te voorsien in ooreenstemming met die Wet op Basiese Onderwys en Opleiding vir Volwassenes.							
	7 Vroeëkindontwikkeling	121 763	111 914	608		9 241		
	Om Vroeëkindontwikkeling (VKO) op Graad R en vroeër vlakke te voorsien in ooreenstemming met Witskrif 5.							
	8 Infrastruktuurontwikkeling	573 389	8 000	4 000		37 644	523 745	
	Om infrastruktuurfasiliteite vir die administrasie en skole te voorsien en in stand te hou.							
	Waaronder							
	Voorwaardelike Toelae							
	Onderwys Infrastruktuurtoelae		*8 000*	*4 000*		*20 984*	521 329	
	Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies						*2 416*	
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning					*16 660*		
	9 Hulp- en Verwante-dienste	733 935	140 630	38 421		554 884		
	Om onderwysinstellings as geheel met opleiding en ondersteuning te voorsien.							
	Waaronder							
	Voorwaardelike Toelae							
	MIV en Vigs (lewensvaardigheidsopvoeding) Toelae		*850*	*10 720*				

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SKEDULE VAN ONDERWYS: PROGRAM 2

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2014/15	2015/16	2016/17
		R'000	R'000	R'000
6	**Onderwys**	**8 397 218**	**8 966 369**	**9 416 930**
	2 Openbare Gewone Skoolonderwys	**8 397 218**	**8 966 369**	**9 416 930**
	Om openbare gewone onderwys aan Grade 1 tot 12 te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet en Witskrif 6 op inklusiewe onderwys.			
	a. Vergoeding van Werknemers	7 848 328	8 390 908	8 970 329
	b. Oordragbetalings	471 709	493 147	390 105
	Na 850 Artikel 21 skole	117 071	122 287	
	Fezile Dabi Distrik - 135 skole	*21 564*	*22 530*	
	Lejweleputswa Distrik - 176 skole	*23 909*	*24 958*	
	Motheo Distrik - 224 skole	*30 262*	*31 566*	
	Thabo Mofutsanyana Distrik - 258 skole	*36 326*	*37 992*	
	Xhariep Distrik - 57 skole	*5 010*	*5 241*	
	Ander	354 638	370 860	390 105
	c. Nie-oordragbetalings	77 118	82 222	56 396
	Na 469 Nie-artikel 21 Skole	28 756	30 076	
	Fezile Dabi Distrik - 104 skole	*3 982*	*4 159*	
	Lejweleputswa Distrik - 80 skole	*7 750*	*8 108*	
	Motheo Distrik - 74 skole	*7 948*	*8 314*	
	Thabo Mofutsanyana Distrik - 196 skole	*6 712*	*7 022*	
	Xhariep Distrik - 15 skole	*2 364*	*2 473*	
	Ander	48 362	52 146	56 396
	d. Betaling van Kapitaalbates	63	92	100

Onderwys (slegs prog 2)

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SKEDULE VAN MAATSKAPLIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Maatskaplike Ontwikkeling**							
	Doel: ***Om aan die menslike en maatskaplike behoeftes van die behoeftige en kwesbare gemeenskappe te voorsien deur 'n intersektorale en geïntegreerde maatskaplike ontwikkelingsdiens.***	**973 054**	**503 086**	**80 390**		**371 379**	**18 199**	
	1 Administrasie ……	218 405	157 173	57 199		276	3 757	
	Om strategiese bestuur en ondersteuningsdienste te voorsien aan alle vlakke in die Departement.							
	Waaronder							
	Oordragbetalings aan Huishoudings					255		
	2 Maatskaplike Welsynsdienste ……	169 273	81 912	6 118		81 009	234	
	Om geïntegreerde maatskaplike ontwikkelingshulp aan behoeftige en kwesbare mense te voorsien in vennootskap met belanghebbendes en burgerlike samelewingsorganisasies.							
	Waaronder							
	Oordragbetalings aan Huishoudings					72		
	Oordragbetalings aan NRO's					80 937		
	2.1 *Sorg en Dienste aan Bejaardes*					*42 703*		
	2.2 *Dienste aan Persone met Gestremdhede*					*19 791*		
	2.3 *MIV en Vigs*					*18 443*		
	3 Kinders en Families …..……	359 034	95 458	7 481		255 973	122	
	Om omvattende kinder- en gesinsorg en ondersteuningsdienste aan gemeenskappe te voorsien in vennootskap met belanghebbendes en burgerlike gemeenskapsorganisasies.							
	Waaronder							
	Oordragbetalings aan Huishoudings							
	Oordragbetalings aan NRO's					250 973		
	3.1 *Sorg en Ondersteuningsdienste aan Gesinne*					*1 014*		
	3.2 *Kindersorg en -Beskerming*					*33 079*		
	3.3 *Vroeëkindontwikkeling en gedeeltelike versorging*					*182 333*		
	3.4 *Kinder en Jeugsorgsentrums*					*23 027*		
	3.5 *Gemeenskapsdienste aan Kinders*					*11 520*		
	Waaronder							
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning					*5 000*		

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN MAATSKAPLIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Versterkingsdienste	114 740	76 467	6 029		20 196	12 048	
	Om geïntegreerde maatskaplike ontwikkeling in misdaadvoorkoming en teen-dwelm en alkohol afhanklikheidsdienste aan die kwesbaarstes te voorsien in vennootskap met belanghebbendes en burgerlike gemeenskapsorganisasies.							
	Waaronder							
	Oordragbetalings aan Huishoudings							
	Oordragbetalings aan NRO's					20 196		
	4.1 Misdaadvoorkoming en ondersteuning					*4 099*		
	4.2 Program vir Bemagtiging van Slagoffers					*9 569*		
	4.3 Dwelmmiddelmisbruik, Voorkoming en Rehabilitasie					*6 528*		
	Waaronder							
	Voorwaardelike Toelae							
	Dwelmmiddelmisbruikbehandelings-toelae						*2 000*	
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning						*9 828*	
	5 Ontwikkeling en Navorsing	111 602	92 076	3 563		13 925	2 038	
	Om volhoubare ontwikkelingsprogramme te voorsien wat die bemagtiging van gemeenskappe fasiliteer, gebaseer op empiriese navorsing en demografiese inligting op provinsiale en distriksvlak.							
	Waaronder							
	Oordragbetalings aan Huishoudings					11		
	Oordragbetalings aan NRO's					1 020		
	5.1 Ontwikkeling van Vroue					*1 020*		
	Waaronder							
	Voorwaardelike Toelae							
	Maatskaplike sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies					*3 694*		
	Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies						*2 000*	

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SKEDULE VAN MAATSKAPLIKE ONTWIKKELING: PROGRAM 2, 3 & 4

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2014/15	2015/16	2016/17
		R'000	R'000	R'000
7	**Maatskaplike Ontwikkeling**	**643 047**	**659 586**	**704 964**
	2 Maatskaplike Welsynsdienste	**169 273**	**179 320**	**185 947**
	Om geïntegreerde maatskaplike ontwikkelingshulp aan behoeftige en kwesbare mense te voorsien in vennootskap met belanghebbendes en burgerlike samelewingsorganisasies.			
	a. Vergoeding van Werknemers	81 912	90 164	96 377
	b. Oordragbetalings aan Nie-regeringsorganisasies (NRO's)	81 009	81 412	81 416
	Oordragbetalings aan Huishoudings	*72*	*75*	*79*
	Oordragbetalings aan NRO's	*80 937*	*81 337*	*81 337*
	Oordragbetalings per Distrik			
	Sorg en Dienste aan Bejaardes	42 703	42 703	42 703
	Provinsiale Kantoor	*2 477*	*2 477*	*2 477*
	Mangaung Metro	*9 185*	*9 185*	*9 185*
	Xhariep Distrik	*4 755*	*4 755*	*4 755*
	Lejweleputswa Distrik	*8 208*	*8 208*	*8 208*
	Thabo Mofutsanyana Distrik	*10 084*	*10 084*	*10 084*
	Fezile Dabi Distrik	*7 994*	*7 994*	*7 994*
	Dienste aan Persone met Gestremdhede	19 791	19 791	19 791
	Provinsiale Kantoor	*234*	*234*	*234*
	Mangaung Metro	*7 816*	*7 816*	*7 816*
	Xhariep Distrik	*822*	*822*	*822*
	Lejweleputswa Distrik	*3 499*	*3 499*	*3 499*
	Thabo Mofutsanyana Distrik	*3 922*	*3 922*	*3 922*
	Fezile Dabi Distrik	*3 498*	*3 498*	*3 498*
	MIV en Vigs	*18 443*	*18 843*	*18 843*
	Provinsiale Kantoor			
	Mangaung Metro	*4 286*	*4 686*	*4 686*
	Xhariep Distrik	*1 090*	*1 090*	*1 090*
	Lejweleputswa Distrik	*4 556*	*4 556*	*4 556*
	Thabo Mofutsanyana Distrik	*6 065*	*6 065*	*6 065*
	Fezile Dabi Distrik	*2 446*	*2 446*	*2 446*
	c. Goedere en dienste	6 118	7 506	7 904
	d. Betaling van Kapitaalbates	234	238	250
	3 Kinders en Families	**359 034**	**372 364**	**380 150**
	Om omvattende kinder- en gesinsorg en ondersteuningsdienste aan gemeenskappe te voorsien in vennootskap met belanghebbendes en burgerlike gemeenskapsorganisasies.			
	a. Vergoeding van Werknemers	95 458	99 059	106 066

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN MAATSKAPLIKE ONTWIKKELING: PROGRAM 2, 3 & 4

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2014/15	2015/16	2016/17
		R'000	R'000	R'000
	b. Oordragbetalings aan Nie-regeringsorganisasies (NRO's)	255 973	253 644	253 936
	Oordragbetalings aan Huishoudings			
	Ander Oordragbetalings	*5 000*	*5 270*	*5 555*
	Oordragbetalings aan NRO's	*250 973*	*248 374*	*248 381*
	Oordragbetalings per Distrik			
	Sorg en Ondersteuningsdienste aan Gesinne	1 014	1 014	1 014
	Provinsiale Kantoor	*264*	*264*	*264*
	Mangaung Metro	*290*	*290*	*290*
	Xhariep Distrik	*160*	*160*	*160*
	Lejweleputswa Distrik	*260*	*260*	*260*
	Thabo Mofutsanyana Distrik	*40*	*40*	*40*
	Fezile Dabi Distrik			
	Kindersorg en -Beskerming	33 079	33 079	33 080
	Provinsiale Kantoor	*6 059*	*6 059*	*6 060*
	Mangaung Metro	*6 726*	*6 726*	*6 726*
	Xhariep Distrik	*1 393*	*1 393*	*1 393*
	Lejweleputswa Distrik	*8 591*	*8 591*	*8 591*
	Thabo Mofutsanyana Distrik	*5 677*	*5 677*	*5 677*
	Fezile Dabi Distrik	*4 633*	*4 633*	*4 633*
	Vroeëkindontwikkeling en gedeeltelike versorging	182 333	179 734	179 740
	Provinsiale Kantoor	*4 044*	*4 044*	*4 044*
	Mangaung Metro	*39 150*	*36 551*	*36 557*
	Xhariep Distrik	*11 745*	*11 745*	*11 745*
	Lejweleputswa Distrik	*35 556*	*35 556*	*35 556*
	Thabo Mofutsanyana Distrik	*60 467*	*60 467*	*60 467*
	Fezile Dabi Distrik	*31 371*	*31 371*	*31 371*
	Kinder en Jeugsorgsentrums	23 027	23 027	23 027
	Provinsiale Kantoor	*23 027*	*23 027*	*23 027*
	Mangaung Metro			
	Xhariep Distrik			
	Lejweleputswa Distrik			
	Thabo Mofutsanyana Distrik			
	Fezile Dabi Distrik			
	Gemeenskapsdienste aan Kinders	11 520	11 520	11 520
	Provinsiale Kantoor	*11 520*	*11 520*	*11 520*
	Mangaung Metro			
	Xhariep Distrik			
	Lejweleputswa Distrik			
	Thabo Mofutsanyana Distrik			
	Fezile Dabi Distrik			
	c. Goedere en dienste	7 481	9 062	9 542
	d. Betaling van Kapitaalbates	122	10 599	10 606

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN MAATSKAPLIKE ONTWIKKELING: PROGRAM 2, 3 & 4

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2014/15	2015/16	2016/17
		R'000	R'000	R'000
	4 Versterkingsdienste	**114 740**	**107 902**	**138 867**
	Om geïntegreerde maatskaplike ontwikkeling in misdaadvoorkoming en teen-dwelm en alkohol afhanklikheidsdienste aan die kwesbaarstes te voorsien in vennootskap met belanghebbendes en burgerlike gemeenskapsorganisasies.			
	a. Compensation of employees	76 467	75 593	83 260
	b. Transfer Payments	20 196	20 158	20 155
	Oordragbetalings aan Huishoudings			
	Oordragbetalings aan NRO's	20 196	20 158	20 155
	Oordragbetalings per Distrik			
	Misdaadvoorkoming en ondersteuning	4 099	4 104	4 101
	Provinsiale Kantoor	*60*	*65*	*62*
	Mangaung Metro	*1 681*	*1 681*	*1 681*
	Xhariep Distrik	*267*	*267*	*267*
	Lejweleputswa Distrik	*613*	*613*	*613*
	Thabo Mofutsanyana Distrik	*987*	*987*	*987*
	Fezile Dabi Distrik	*491*	*491*	*491*
	Program vir Bemagtiging van Slagoffers	9 569	9 526	9 526
	Provinsiale Kantoor	*460*	*417*	*417*
	Mangaung Metro	*2 271*	*2 271*	*2 271*
	Xhariep Distrik	*1 322*	*1 322*	*1 322*
	Lejweleputswa Distrik	*2 448*	*2 448*	*2 448*
	Thabo Mofutsanyana Distrik	*1 856*	*1 856*	*1 856*
	Fezile Dabi Distrik	*1 212*	*1 212*	*1 212*
	Dwelmmiddelmisbruik, Voorkoming en Rehabilitasie	6 528	6 528	6 528
	Provinsiale Kantoor	*1 376*	*1 376*	*1 376*
	Mangaung Metro	*871*	*871*	*871*
	Xhariep Distrik	*731*	*731*	*731*
	Lejweleputswa Distrik	*837*	*837*	*837*
	Thabo Mofutsanyana Distrik	*1 467*	*1 467*	*1 467*
	Fezile Dabi Distrik	*1 246*	*1 246*	*1 246*
	c. Goods and Services	6 029	5 429	5 718
	d. Payments for Capital Assets	12 048	6 722	29 734

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN SAMEWERKENDE REGERING EN TRADISIONELE SAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
8	**Samewerkende Regering en Tradisionele Sake**							
	Doel: ***Ontwikkelende plaaslike regering en tradisionele sake.***	**341 625**	**174 285**	**100 706**		**63 160**	**3 474**	
	1 Administrasie ……	110 123	56 838	51 261		182	1 842	
	Om algehele bestuur in die Departement te voorsien in ooreenstemming met alle toepaslike wette en beleide.							
	2 Plaaslike Regering ……	114 784	45 793	33 351		35 008	632	
	Om lewensvatbare en volhoubare plaaslike regering te voorsien en fasiliteer.							
	3 Ontwikkeling en Beplanning ……..…..……..	72 892	32 366	12 797		27 026	703	
	Om Geïntegreerde Ontwikkelingsbeplanning (GOB) te bevorder en om the ontwikkeling van geloofwaardige en vereenvoudigde GOB's te fasiliteer.							
	4 Tradisionele Institusionele Bestuur ..…….……	34 400	31 630	1 869		648	253	
	Om lewensvatbare en volhoubare tradisionele instellings te voorsien en fasiliteer.							
	5 Huis van Tradisionele Leiers ……..……..	9 426	7 658	1 428		296	44	
	Om oorsig te hê en deel te neem in die uitvaardiging van wetgewing deur die Provinsiale Wetgewer en oorsig te hê oor dienslewering deur regeringsdepartemente en munisipaliteite rakende sake van Afrika-kultuur, gewoontes, tradisies asook algemene ekonomiese en ontwikkelingswelvaart van tradisionele gemeenskappe.							

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN OPENBARE WERKE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
9	**Openbare Werke**							
	Doel: ***Om die voorsiening, bevordering en gesonde bestuur van veilige, bekostigbare, betroubare, toeganklike en volhoubare bates en infrastruktuurstelsels te verseker.***	**1 414 916**	**379 866**	**532 663**		**303 416**	**198 971**	
	1 Administrasie	104 913	67 137	33 166		1 980	2 630	
	Om die Departement van administratiewe, strategiese, finansiële en korporatiewe ondersteuningsdienste te voorsien ten einde te verseker dat die mandaat op 'n geïntegreerde, doelmatige, doeltreffende en volhoubare manier uitgevoer word.							
	2 Openbare Werke Infrastruktuur	1 131 102	301 496	465 587		301 436	62 583	
	Om gebalanseerde en gelyke provinsiale regeringsgeboue-infrastruktuur te voorsien deur die bevordering van toeganklikheid wat volhoubaar, geïntegreerd en omgewingsensitief is en wat ekonomiese ontwikkeling en maatskaplike bemagtiging ondersteun.							
	Waaronder							
	Toegewysde fondse							
	Eiendomsbelastingverbeterings-toekenning					*298 861*		
	Infrastruktuurverbeterings-toekenning						*24 485*	
	Inkomste verbeteringstoekenning			*1 200*				
	3 Uitgebreide Openbare Werke Program	178 901	11 233	33 910			133 758	
	Om die implementering van programme en strategieë wat lei tot die ontwikkeling en bemagtiging van gemeenskappe en kontrakteurs te bestuur. Dit sluit die provinsiale bestuur en koördinering van die Uitgebreide Openbare Werke Program in.							
	Waaronder							
	Voorwaardelike Toelae							
	Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies			*5 955*				
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning						*130 000*	

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN POLISIE, PAAIE EN VERVOER

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
10	**Polisie, Paaie en Vervoer**							
	Doel: ***Om by te dra tot die skep van 'n welvarende Vrystaat deur die fasilitering van die voorsiening van volhoubare gemeenskapsveiligheid, mobiliteit en padinfrastruktuur.***	**2 195 242**	**565 212**	**1 214 563**		**223 445**	**192 022**	
	1 Administrasie ……..	196 415	100 126	93 009			3 280	
	Om uitvoerende ondersteuning aan die Hoof van die Departement en alle finansiële en nie-finansiële stelsels binne die Departement te voorsien.							
	2 Burgerlike Toesig ……..……..……..….	9 104	7 274	1 830				
	Om die polisie se gedrag en prestasie te monitor en daaroor toesig te hou ten opsigte van dienslewering in die provinsie.							
	3 Misdaadvoorkoming en Gemeenskapskakeling ..	16 211	6 596	9 455		160		
	Om aktiewe gemeenskaps- en sektordeelname in misdaadvoorkoming te mobiliseer en verseker.							
	4 Vervoerbedrywighede ……..……..	253 731	22 975	14 856		215 900		
	Om deur middel van eie provinsiale hulpbronne en deur samewerking met nasionale en plaaslike owerhede asook die privaatsektor, die voorsiening van vervoerdienste en infrastruktuur te beplan, te reguleer en te fasiliteer ten einde die beweeglikheid van goedere en alle gemeenskappe, veral diegene wat tans beperkte of geen toegang het nie, te verbeter.							
	Waaronder							
	Voorwaardelike Toelae							
	Openbare Vervoerbedrywigheidstoelae					*215 900*		
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*7 000*				

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN POLISIE, PAAIE EN VERVOER

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Vervoerregulering	322 239	252 993	63 851		5 395		
	Om 'n veilige en effektiewe padverkeerstelsel op die been te bring, te bestuur en te onderhou deur die voorsiening van pro-aktiewe onderwys en opleiding sowel as effektiewe padverkeerswetstoepassing en om te verseker dat alle privaat- en staatsvoertuie in die provinsie elke jaar geregistreer en gelisensieer is asook dat alle bestuurders behoorlik gemagtig is om hulle voertuie te bestuur.							
	Waaronder							
	Toegewysde fondse							
	Inkomste verbeteringstoekenning			*23 734*				
	6 Vervoerinfrastruktuur	1 397 542	175 248	1 031 562		1 990	188 742	
	Om die toeganklikheid en die veilige, bekostigbare vervoer van mense, goedere en dienste te bevorder deur die lewering en instandhouding van vervoerinfrastruktuur wat onderhoubaar, geïntegreer en omgewingsensitief is en wat maatskaplike bemagtiging en ekonomiese groei ondersteun en fasiliteer.							
	Waaronder							
	Voorwaardelike Toelae							
	Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies						*4 635*	
	Provinsiale Padinstandhoudingstoelae			*919 012*			*106 670*	
	waaronder toegewys vir die herstel van vloedskade			33 282				
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning		*175 248*	*112 550*		*1 990*	*77 437*	

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN LANDBOU EN LANDELIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
11	**Landbou en Landelike Ontwikkeling**							
	Doel: ***Om landboukundige ontwikkeling en ondersteuning aan die mense van die Vrystaat te voorsien en 'n beter lewe vir plaaslike gemeenskappe.***	**669 270**	**320 916**	**75 035**		**232 924**	**40 395**	
	1 Administrasie	139 414	104 575	30 288		2 631	1 920	
	Om landboubeleide en prioriteite in die Provinsie te bestuur en om toepaslike ondersteuningsdienste aan alle programme met betrekking tot finansies, personeel, inligtingsdienste, kommunikasie en aankope te verseker.							
	2 Volhoubare Hulpbronnebestuur	28 243	20 145	8 098				
	Om landboukundige ondersteuningsdienste aan boere te voorsien ten einde te sorg vir die volhoubare bestuur van landbouhulpbronne.							
	Waaronder							
	Voorwaardelike Toelae							
	'Land Care' Programtoelae: Armoedeverligting en Infrastruktuurontwikkeling			*5 427*				
	3 Boerdery-ondersteuning en -Ontwikkeling	322 915	89 485	19 137		214 293		
	Om ondersteuning aan boere te voorsien deur landboukundige ontwikkelingsprogramme.							
	Waaronder							
	Voorwaardelike Toelae							
	Omvattende Landbou Ondersteuningsprogramtoelae		*16 530*	*11 510*		*118 491*		
	waaronder toegewys vir die herstel van vloedskade					8 947		
	Ilima/Letsema Projekte Toelae					*60 802*		
	Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies			*2 254*				
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning					*35 000*		

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN LANDBOU EN LANDELIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Veeartsenydienste ……..…….……	63 499	45 498	7 389			10 612	
	Om veeartsenydienste aan kliënte te voorsien om te sorg vir gesonde diere en die welsyn van die mense van Suid-Afrika.							
	Waaronder							
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*2 000*			*10 612*	
	5 Tegnologie, Navorsing en Ontwikkelingsdienste ……	58 773	26 729	4 181			27 863	
	Om professionele en behoefte gebaseerde navorsing, ontwikkeling en tegnologiese oordragsdienste te voorsien wat 'n impak lewer op ontwikkelingsdoelwitte.							
	Waaronder							
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*3 000*			*27 863*	
	6 Landbou-ekonomiese dienste ……..……	7 923	7 291	632				
	Om tydige en toepaslike landbou ekonomiese dienste aan die sektor te lewer ter ondersteuning van volhoubare landbou en die ontwikkeling van landbou besigheidsdienste ten einde ekonomiese groei te ondersteun.							
	7 Gestruktureerde Landbou-Opleiding ……..….	16 913	14 249	2 664				
	Om gestruktureerde landbou onderwys en opleiding aan alle deelnemers in die landbou sektor te voorsien, wat voldoen aan die Landbou Onderwys en Opleidingstrategie ten einde 'n kundige, vooruitstrewende en kompeterende sektor te vestig.							
	8 Landelike Ontwikkeling ……..…….……	31 590	12 944	2 646		16 000		
	Om ontwikkeling te inisieër, beplan en te monitor in spesifieke landelike gebiede (Omvattende Landelike Ontwikkelingsprogramliggings), in alle vlakke van regering ten einde die behoeftes wat geidentifiseer is aan te spreek.							

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN SPORT, KUNS, KULTUUR EN ONTSPANNING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Kuns, Kultuur en Ontspanning**							
	Doel: ***Die bevordering, ontwikkeling en transformasie van Sport, Kuns, Kultuur en Ontspanning ten einde by te dra tot volhoubare ekonomiese groei en geleenthede, nasiebou, goeie bestuur en maatskaplike en menslike kapitaalontwikkeling.***	**589 043**	**232 801**	**117 740**		**39 486**	**199 016**	
	1 Administrasie ……	71 317	57 829	13 167			321	
	Om algehele bestuur- en administratiewe ondersteuning van die Departement te hanteer.							
	Waaronder							
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning		*699*	*409*				
	2 Kultuursake ……..……	88 495	51 505	29 972		5 419	1 599	
	Om kultuur, bewaring en bestuur van kulturele, historiese bates en hulpbronne van die Provinsie te bevorder deur die lewering van verskeie dienste.							
	Waaronder							
	Voorwaardelike Toelae							
	Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies			*412*		*1 719*		
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*2 110*				
	3 Biblioteek- en Argriefdienste ……	211 660	87 917	38 717		7 000	78 026	
	Om plaaslike biblioteekowerhede by te staan in die lewering van openbare biblioteekdienste en om argiefdienste aan die Provinsie te voorsien.							
	Waaronder							
	Voorwaardelike Toelae							
	Gemeenskapsbiblioteekdienste Toelae		*56 013*	*23 200*		*5 000*	*34 800*	
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*2 784*			*43 177*	

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN SPORT, KUNS, KULTUUR EN ONTSPANNING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Sport en Ontspanning ……..……	217 571	35 550	35 884		27 067	119 070	
	Om hulp te verleen aan provinsiale sportassosiasies en ander relevante liggame om die ontwikkeling van sport te stimuleer. Formuleer insette rakende sportbeleid en bevorder sportprogramme. Beheer, bevorder en ontwikkel die provinsiale sportakademie. Ontwikkel en dra by tot sportbemarking-strategieë. Fasiliteer ontwikkeling van fasiliteite om sodoende die lewens van die benadeeldes te verbeter. Bevorder en ontwikkel sporttoerisme deur groot geleenthede.							
	Waaronder							
	Voorwaardelike Toelae							
	Massa Sport- en Ontspanningsdeelname Programtoelae		*2 419*	*31 945*		*3 427*	*2 527*	
	Maatskaplike Sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies					*2 580*		
	Toegewysde fondse							
	Infrastruktuurverbeterings-toekenning			*500*		*3 000*	*111 827*	

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN MENSLIKE NEDERSETTINGS

(Ten laste van die Provinsiale Inkomstefonds)

Begrotingspos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordragbetalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
13	**Menslike Nedersettings**							
	Doel: ***Om die lewering van behuising en die ontwikkeling van geïntegreerde menslike nedersetting te bestuur.***	**1 210 317**	**103 491**	**38 060**		**1 066 622**	**2 144**	
	1 Administrasie ……	79 922	52 792	26 406			724	
	Om oorhoofse bestuur in die Departement te voorsien met betrekking tot alle toepaslike wette en beleide.							
	2 Behuisingsbehoeftes, Navorsing en Beplanning ……	18 133	10 488	5 547		1 616	482	
	Om lewering van behuising te fasiliteer.							
	3 Behuisingsontwikkeling ……	1 110 710	39 103	5 663		1 065 006	938	
	Om individuele subsidies en behuisingsgeleenthede aan begunstigdes te voorsien in ooreenstemming met behuisingsbeleid.							
	Waaronder							
	Voorwaardelike Toelae							
	Menslike Nedersettingontwikkelingstoelae					*1 061 756*		
	waaronder toegewys vir myndorpe							
	Matjhabeng					*26 788*		
	Moqhaka					*5 187*		
	Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies					*2 000*		
	4 Behuising Bate Bestuur en Eiendomsbestuur	1 552	1 108	444				
	Om vir die effektiewe bestuur van behuising voorsiening te maak.							

BEGROTINGSWETSONTWERP, 2014

SKEDULE VAN OORDRAGBETALINGS EN SUBSIDIES

(Ten laste van die Provinsiale Inkomstefonds)

Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
	2014/15	2015/16	2016/17
	R'000	R'000	R'000
Oordragbetalings aan Munisipaliteite:	**366 386**	**386 533**	**400 862**
Samewerkende Regering en Tradisionele Sake	**60 525**	**65 924**	**62 685**
Xhariep	15 800	16 500	17 000
Nie Toegewys	44 725	49 424	45 685
Openbare Werke	**298 861**	**312 609**	**329 177**
Mangaung	73 443	76 881	84 881
Xhariep	6 638	8 012	8 012
Lejweleputswa	26 174	28 236	28 236
Thabo Mofutsanyana	155 061	159 185	167 753
Fezile Dabi	37 545	40 295	40 295
Sport, Kuns, Kultuur en Ontspanning	**7 000**	**8 000**	**9 000**
Mangaung	2 000	2 000	2 000
Thabo Mofutsanyana	3 334	4 000	4 667
Fezile Dabi	1 666	2 000	2 333
Oordragbetalings aan Openbare Entiteite:	**89 315**	**89 315**	**93 985**
Ekonomiese Ontwikkeling, Toerisme en Omgewingsake	**89 315**	**89 315**	**93 985**
Vrystaatse Ontwikkelingskorporasie	1 200	1 200	1 200
Vrystaatse Dobbel en Drankowerheid	48 251	48 251	50 808
Vrystaatse Toerisme Owerheid	39 864	39 864	41 977
Ander oordragbetalings:	**3 163 904**	**3 294 216**	**3 263 814**
Premier	390	395	416
Vrystaatse Wetgewer	31 041	34 341	35 415
Ekonomiese Ontwikkeling,Toerisme en Omgewingsake	13 770	17 406	18 329
Vrystaatse Provinsiale Tesourie	332	347	365
Gesondheid	42 062	81 302	84 782
Onderwys	1 142 263	1 147 294	1 004 703
Maatskaplike Ontwikkeling	371 379	369 097	369 406
Samewerkende Regering en Tradisionele Sake	2 635	2 722	2 943
Openbare Werke	4 555	4 820	5 107
Polisie, Paaie en Vervoer	223 445	230 929	243 105
Landbou en Landelike Ontwikkeling	232 924	242 797	215 235
Sport, Kuns, Kultuur en Ontspanning	32 486	28 751	28 800
Menslike Nedersettings	1 066 622	1 134 015	1 255 209
Totale oordragbetalings en subsidies:	**3 619 605**	**3 770 064**	**3 758 661**

37

FREE STATE PROVINCE

APPROPRIATION BILL

(MEMBER OF THE EXECUTIVE COUNCIL RESPONSIBLE FOR FINANCE)

[B3-2015]

PROVINSIE VRYSTAAT

BEGROTINGSWETSONTWERP

(LID VAN DIE UITVOERENDE RAAD VERANTWOORDELIK VIR FINANSIES)

[W3-2015]

BILL

To provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Free State Province in the 2015/16 financial year and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 226(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by an Act of the Provincial Legislature;

AND WHEREAS section 26 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) provides that the Provincial Legislature must appropriate money for each financial year for the requirements of the Province;

BE IT THEREFORE ENACTED by the Provincial Legislature of the Free State Province, as follows:-

Definitions

1. In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act has the meaning assigned to it in that Act and -

"**Act**" includes the Schedules;

"**conditional grants**" means allocations to provinces, local government or municipalities from the national government's share of revenue raised nationally, provided for in section 214(1)(c) of the Constitution of the Republic of South Africa, 1996;

"**current payments**" means any payments made by a provincial department in respect of the operational requirements of that department, and includes, amongst others, payments for the compensation of employees, goods and services, interest, rental of immovable property and financial transactions relating to assets and liabilities, but exclude transfers and subsidies, payments for capital assets and payments made under section 73 of the Public Finance Management Act;

"**payments for capital assets**" means any payments made by a provincial department classified as or deemed to be payments for capital assets in terms of the Guidelines for Implementing the Economic Reporting Format (September 2009) and the "Asset Management Framework" (April 2004, Version 3.3), issued by the National Treasury under section 76 of the Public Finance Management Act;

"**payments for financial assets**" means any payments made by a department classified as or deemed to be payments for financial assets in terms of the Guidelines for Implementing the Economic Reporting Format (September 2009) issued by the National Treasury under section 76 of the Public Finance Management Act;

"**Public Finance Management Act**" means the Public Finance Management Act, 1999 (Act No. 1 of 1999); and

"**transfers and subsidies**" means any payments made by a provincial department to another organ of state or any other person in respect of which the relevant department does not receive anything of similar value directly in return, and includes the payment of conditional grants.

Appropriation of money for the requirements of the Province

2. (1) Subject to the provisions of the Public Finance Management Act, there are hereby appropriated out of the Provincial Revenue Fund for the requirements of the Province in respect of the financial year 2015/16, the amounts of money contemplated in subsection (2).

(2) Appropriations by the Provincial Legislature of money from the Provincial Revenue Fund for the requirements of the Province in the 2015/16 financial year, to votes and main divisions within a vote, and for the specific listed purposes, are set out in the Schedules.

Short title

3. This Act is called the Appropriation Act, 2015.

APPROPRIATION BILL, 2015

SCHEDULE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Total Vote	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier	**283 896**	221 570	58 506		798	3 022	
2	Free State Legislature	**181 692**	103 673	48 768		27 254	1 997	
3	Economic and Small Business Development, Tourism and Environmental Affairs	**472 179**	209 579	111 719		117 071	33 810	
4	Free State Provincial Treasury	**295 467**	177 314	117 059		347	747	
5	Health	**8 675 429**	5 662 530	2 370 044	230	77 340	565 285	
6	Education	**11 538 104**	8 681 725	600 669		1 505 504	750 206	
7	Social Development	**1 020 074**	542 216	91 346		375 286	11 226	
8	Co-operative Governance and Traditional Affairs	**376 406**	185 446	105 023		78 646	7 291	
9	Public Works and Infrastructure	**1 491 935**	402 802	547 338		347 229	194 566	
10	Police, Roads and Transport	**2 390 931**	555 778	1 005 671		229 469	600 013	
11	Agriculture and Rural Development	**744 542**	346 580	69 413		289 801	38 748	
12	Sport, Arts, Culture and Recreation	**679 605**	281 334	174 680		42 606	180 985	
13	Human Settlements	**1 224 416**	149 685	35 953		1 035 612	3 166	
Total		**29 374 676**	**17 520 232**	**5 336 189**	**230**	**4 126 963**	**2 391 062**	

APPROPRIATION BILL, 2015

SCHEDULE ON PREMIER

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier**							
	Aim: ***To enable the Premier to fulfill constitutional obligations and other related functions through the effective and efficient utilisation of resources of the Free State Provincial Government.***	**283 896**	**221 570**	**58 506**		**798**	**3 022**	
	1 Administration ..... To provide executive support to the Premier, Provincial Executive Council and the Director General in respect of strategic and operational management in fulfilling their legislative and oversight functions and in promoting good corporate governance.	138 867	125 216	12 665		423	563	
	2 Institutional Development ..... To guide and coordinate Provincial Departments with regard to transverse corporate support functions and to attend to Departmental-specific matters.	101 213	61 629	37 295			2 289	
	3 Policy and Governance ..... The provision of provincial strategic management services is achieved through integrated planning and research, cluster and provincial government programme coordination and integration as well as the monitoring and evaluation of government performance.	43 816	34 725	8 546		375	170	

APPROPRIATION BILL, 2015

SCHEDULE ON FREE STATE LEGISLATURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
2	**Free State Legislature**							
	Aim: ***To provide funding for the legislative and institutional support services required by the Legislature to fulfill its constitutional functions.***	**181 692**	**103 673**	**48 768**		**27 254**	**1 997**	
	1 Administration	121 340	76 395	41 515		1 553	1 877	
	To provide administrative and financial management support to the Legislature.							
	of which							
	Statutory Amount		23 437					
	2 Facilities for Members and Political Parties	28 328		2 627		25 701		
	To facilitate the necessary arrangements for members.							
	3 Parliamentary Services	32 024	27 278	4 626			120	
	To provide quality legal and procedural support, house proceedings, committee services, research, translation and interpretation to the Legislature.							

APPROPRIATION BILL, 2015

SCHEDULE ON ECONOMIC AND SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	**Economic and Small Business Development, Tourism and Environmental Affairs**							
	Aim: ***A prosperous Free State through sustainable economic growth and a healthy environment for all.***	**472 179**	**209 579**	**111 719**		**117 071**	**33 810**	
	1 Administration ……	137 393	83 319	52 295		4	1 775	
	To provide leadership, strategic management in accordance with the legislation, regulations, policies and ensure appropriate support service to all other programmes.							
	2 Environmental Affairs ……	154 403	88 711	35 058		173	30 461	
	The implementation of legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control, Protected Areas and Waste Management.							
	Of which							
	Conditional grant							
	Expanded Public Works Programme Incentive Grant for Provinces			*2 421*				
	Earmarked funds							
	Infrastructure Enhancement Allocation			*1 082*			*30 461*	
	3 Economic and Small Business Development ..……	124 645	30 286	18 018		75 030	1 311	
	To enhance the development and growth of businesses in the province through training as well as providing of non-financial and financial support.							
	Of which							
	Transfers							
	Free State Development Corporation					*3 700*		
	Free State Gambling and Liquor Authority					*50 351*		
	SMME Development					*20 979*		
	4 Tourism ..……	55 738	7 263	6 348		41 864	263	
	To create an enabling Tourism environment through legislation, policy and strategy							
	Of which							
	Transfers							
	Free State Tourism Authority					*41 864*		

APPROPRIATION BILL, 2015

SCHEDULE ON FREE STATE PROVINCIAL TREASURY

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	**Free State Provincial Treasury**							
	Aim: ***To promote prudent financial management of provincial resources.***	**295 467**	**177 314**	**117 059**		**347**	**747**	
	1 Administration	91 499	64 062	26 390		347	700	
	To provide leadership and strategic management in accordance with legislation, regulations and policies as well as to ensure there is appropriate support service to all other programmes.							
	Of which							
	Earmarked funds							
	Revenue Enhancement Allocation			*2 000*				
	2 Sustainable Resource Management	30 355	27 341	3 014				
	To provide professional advice and support to the MEC on provincial economic analysis, fiscal policy, public finance development and management of the annual budget process.							
	3 Asset and Liabilities Management	93 936	40 517	53 419				
	To provide policy direction, by facilitating the effective and efficient management of physical and financial assets, PPP's and liabilities.							
	4 Financial Governance	20 304	19 010	1 247			47	
	To promote accountability through substantive reflection of financial activities of the Province as well as compliance with financial norms and standards.							
	5 Municipal Finance Management	59 373	26 384	32 989				
	To improve the state of financial governance and management at local government level.							

APPROPRIATION BILL, 2015

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	**Health**							
	Aim: ***To provide comprehensive health services, which include the prevention of disease, promotion of health, curative and rehabilitation services.***	**8 675 429**	**5 662 530**	**2 370 044**	**230**	**77 340**	**565 285**	
	1 Administration ……	286 586	202 536	69 179	96	10 452	4 323	
	To conduct the strategic management and overall administration of the Department of Health.							
	Of which							
	Earmarked funds							
	Revenue Enhancement Allocation			*1 200*				
	2 District Health Services ……	3 483 627	2 222 397	1 146 017	94	48 198	66 921	
	To render primary health care services and district hospital services.							
	Of which							
	Conditional grant							
	Comprehensive HIV and Aids Grant		*235 648*	*600 097*		*44 150*	*32 051*	
	National Health Insurance Grant		*691*	*4 300*			*2 213*	
	Social Sector Expanded Public Works Programme Incentive Grant		*8 102*	*4 965*				
	3 Emergency Medical Services ……..	560 308	381 393	162 820		534	15 561	
	The rendering of pre-hospital emergency medical services including inter-hospital transfers and planned patient transport.							
	4 Provincial Hospital Services ……..	1 265 913	1 022 850	224 084	35	6 594	12 350	
	Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research.							
	4.1 General (Regional) Hospitals		777 073	183 151	4	2 875	10 591	
	4.2 Public-Private Partnerships							
	4.3 Psychiatric/Mental Hospitals		245 777	40 933	31	3 719	1 759	
	5 Central Hospital Services ……	2 138 664	1 559 923	538 465		8 890	31 386	
	To provide tertiary health services and create a platform for the training of health workers.							
	5.1 Central Hospital Services		969 080	393 120		6 000	20 920	
	Of which							
	Conditional grant							
	Health Professions Training and Development Grant		*149 756*					
	National Tertiary Services Grant		*243 514*	*319 150*		*3 000*	*20 920*	
	5.2 Public-Private Partnerships			10 240				

APPROPRIATION BILL, 2015

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5.3 Provincial Tertiary Hospital Services		590 843	135 105		2 890	10 466	
	Of which							
	Conditional grant							
	National Tertiary Services Grant		*233 000*	*91 303*		*1 500*	*6 000*	
	6 Health Sciences and Training ……..……	212 521	158 273	47 867	5	340	6 036	
	Rendering of training and development opportunities for actual and potential employees of the Department of Health.							
	6.1 Nurse Training College		92 112	7 900	5	100	2 748	
	7 Health Care Support Services ……..……..	131 672	87 742	34 854		2 332	6 744	
	To render support services required by the Department to realise its aims.							
	8 Health Facilities Management ……..……	596 138	27 416	146 758			421 964	
	Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities.							
	8.1 Community Health Facility			35 069			42 302	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant			*26 312*			*42 302*	
	Expanded Public Works Programme			*2 000*				
	Incentive Grant for Provinces							
	8.2 District Hospital Services			41 300			58 739	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant			*41 300*			*58 739*	
	8.3 Provincial Health Services		27 416	48 067			298 450	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant		*27 416*	*48 067*			*276 019*	
	Earmarked funds							
	Infrastructure Enhancement Allocation						*22 431*	
	8.4 Emergency Medical Rescue Services			4 359			22 151	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant			*4 359*			*22 151*	
	8.5 Central Hospital Services			14 000				
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant			*14 000*				
	8.6 Other Facilities			3 963			322	
	Of which							
	Conditional grant							
	Health Facility Revitalisation Grant			*3 963*			*322*	

APPROPRIATION BILL, 2015

SCHEDULE ON HEALTH: PROGRAMMES 4 & 5

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2015/16	2016/17	2017/18
		R'000	R'000	R'000
5	**Health**	**3 404 577**	**3 580 062**	**3 863 748**
	4 Provincial Hospital Services ……..	**1 265 913**	**1 344 094**	**1 475 165**
	Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research.			
	4.1 General (Regional) Hospitals	973 694	1 026 280	1 133 613
	4.2 Public-Private Partnerships			
	4.3 Psychiatric/Mental Hospitals	292 219	317 814	341 552
	of which			
	a. Compensation of employees	1 022 850	1 105 591	1 194 435
	b. Transfers to Hospitals	6 594	6 935	6 935
	4.1 General (Regional) Hospitals	2 875	3 024	3 024
	Dihlabeng Hospital	*253*	*266*	*266*
	Bongani Hospital	*1 100*	*1 156*	*1 156*
	Boitumelo Hospital	*671*	*706*	*706*
	Mofumahadi Manapo Mopeli Hospital	*851*	*896*	*896*
	4.3 Psychiatric/Mental Hospitals	3 719	3 911	3 911
	Free State Psychiatric Complex	*3 719*	*3 911*	*3 911*
	c. Goods and services	224 084	220 614	260 770
	Of which			
	Medicine costs	*50 595*	*45 651*	*49 121*
	d. Others	35	37	37
	e. Payments for Capital Assets	12 350	10 917	12 988
	5 Central Hospital Services ……	**2 138 664**	**2 235 968**	**2 388 583**
	To provide tertiary health services and create a platform for the training of health workers.			
	5.1 Central Hospital Services	1 389 120	1 456 248	1 582 448
	5.2 Public-Private Partnerships	10 240	12 150	12 150
	5.3 Provincial Tertiary Hospital Services	739 304	767 569	793 984
	of which			
	a. Compensation of Employees	1 559 923	1 627 240	1 709 851
	b. Transfers to Hospitals	8 890	6 030	6 030
	5.1 Central Hospital Services	6 000	3 855	3 855
	Universitas Hospital	*6 000*	*3 855*	*3 855*
	5.3 Provincial Tertiary Hospital Services	2 890	2 175	2 175
	Pelonomi Hospital	*2 890*	*2 175*	*2 175*
	c. Goods and services	538 465	557 442	636 964
	Of which			
	Medicine costs	*113 330*	*125 349*	*151 838*
	d. Others			
	e. Payments for Capital Assets	31 386	45 256	35 738

APPROPRIATION BILL, 2015

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Education**							
	Aim: ***To be a Department that strives to ensure progressive realization of universal schooling, improving quallity of education and eliminating disparities amongst Free State citizens.***	**11 538 104**	**8 681 725**	**600 669**		**1 505 504**	**750 206**	
	1 Administration ……	926 557	733 457	182 387		2 459	8 254	
	To provide overall management of the education system in accordance with the National Education Policy Act, the Public Finance Managent Act and other policies.							
	2 Public Ordinary School Education ……	8 358 192	7 315 248	210 547		831 669	728	
	To provide public ordinary education from Grades 1 to 12 in accordance with the South African Schools Act and White Paper 6 on inclusive education.							
	2.1 Public Primary Level		*4 201 074*	*82 884*		*338 968*	*529*	
	2.2 Public Secondary Level		*3 086 096*	*43 403*		*183 724*		
	2.3 Human Resource Development			*42 453*				
	2.4 School Sport, Culture and Media Services		*28 078*	*1 567*		*7*	*107*	
	2.5 Conditional Grants			*40 240*		*308 970*	*92*	
	Of which							
	National School Nutrition Programme Grant			*8 095*		*308 970*	*92*	
	Maths, Science & Technology Grant			*32 145*				
	3 Independent School Subsidies …..……	66 172				66 172		
	To support independent schools in accordance with the South African Schools Act.							
	4 Public Special School Education ……....	387 827	327 501	100		60 226		
	To provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on inclusive education.							
	Of which							
	Conditional grants							
	OSD for Therapists		*5 775*					

APPROPRIATION BILL, 2015

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Early Childhood Development	128 534	119 414	296		8 824		
	To provide Early Childhood Education (ECD) at the Grade R and pre-grade R in accordance with White Paper 5.							
	Of which							
	Conditional grants							
	Social Sector Expanded Public Works Programme Incentive Grant		*1 000*					
	6 Infrastructure Development	780 329	18 000	21 989			740 340	
	To provide and maintain infrastructure facilities for schools and non-schools.							
	Of which							
	Conditional grants							
	Education Infrastructure Grant		*18 000*	*19 989*			*724 564*	
	Expanded Public Works Programme Incentive Grant for Provinces						*2 523*	
	Earmarked funds							
	Infrastructure Enhancement Allocation			*2 000*			*13 253*	
	7 Examination and Education Related Services	890 493	168 105	185 350		536 154	884	
	To provide the education institutions as a whole with examination and education related services.							
	Of which							
	Conditional grants							
	HIV and AIDS (Life Skills Education) Grant		*1 200*	*9 262*				

APPROPRIATION BILL, 2015

SCHEDULE ON EDUCATION: PROGRAMME 2

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2015/16	2016/17	2017/18
		R'000	R'000	R'000
6	**Education**	**8 358 192**	**8 810 823**	**9 302 847**
	2 Public Ordinary School Education	**8 358 192**	**8 810 823**	**9 302 847**
	To provide public ordinary education from Grades 1 to 12 in accordance with the South African Schools Act and White Paper 6 on inclusive education.			
	a. Compensation of employees	7 315 248	7 712 429	8 172 716
	b. Transfers	831 669	890 834	915 611
	To 880 Section 21 Schools	498 821	524 174	532 687
	Fezile Dabi District - 137 schools	*92 170*	*96 904*	*98 443*
	Lejweleputswa District - 181 schools	*103 526*	*108 721*	*110 354*
	Motheo District - 235 schools	*124 722*	*130 830*	*133 121*
	Thabo Mofutsanyana District - 270 schools	*157 047*	*165 244*	*167 924*
	Xhariep District - 57 schools	*21 356*	*22 475*	*22 845*
	Other	332 848	366 660	382 924
	c. Non-transfers	210 547	206 824	213 784
	To 421 Non-section 21 Schools	111 816	117 807	119 992
	Fezile Dabi District - 99 schools	*16 493*	*17 381*	*17 722*
	Lejweleputswa District - 74 schools	*32 093*	*33 801*	*34 384*
	Motheo District - 62 schools	*29 962*	*31 559*	*32 167*
	Thabo Mofutsanyana District - 172 schools	*23 337*	*24 608*	*25 094*
	Xhariep District - 14 schools	*9 931*	*10 458*	*10 625*
	Other	98 731	89 017	93 792
	d. Payment for Capital Assets	728	736	736

APPROPRIATION BILL, 2015

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Social Development**							
	Aim: ***To meet the human and social needs of the poor and vulnerable communities through an inter-sectoral and integrated developmental social service.***	**1 020 074**	**542 216**	**91 346**		**375 286**	**11 226**	
	1 Administration	240 515	169 463	66 971		287	3 794	
	To provide strategic management and support services to all levels in the Department.							
	Of which							
	Transfers to Households					265		
	2 Social Welfare Services	185 262	95 692	7 920		81 412	238	
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.							
	Of which							
	Transfers to Households					75		
	Transfers to NPO's					81 337		
	2.1 *Care and Services to Older Persons*					*42 471*		
	2.2 *Services to Persons with Disabilities*					*20 023*		
	2.3 *HIV and AIDS*					*18 843*		
	3 Children and Families	367 216	105 831	5 996		255 264	125	
	To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organizations.							
	Of which							
	Transfers to Households							
	Transfers to NPO's					249 994		
	3.1 *Care and Services to Families*					*4 360*		
	3.2 *Child Care and Protection*					*33 073*		
	3.3 *ECD and Partial Care*					*178 014*		
	3.4 *Child and Youth Care Centres*					*23 027*		
	3.5 *Community-based Services for Children*					*11 520*		
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation					*5 270*		

APPROPRIATION BILL, 2015

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Restorative Services	115 265	82 616	7 642		18 035	6 972	
	To provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organizations.							
	Of which							
	Transfers to Households					500		
	Transfers to NPO's					17 535		
	4.1 Crime Prevention and Support					*4 104*		
	4.2 Victim Empowerment Programme					*7 412*		
	4.3 Substance Abuse, Prevention, Treatment and Rehabilitation					*6 019*		
	Of which							
	Conditional grant							
	Substance Abuse Treatment Grant						*6 500*	
	Earmarked funds							
	Infrastructure Enhancement Allocation			*1 455*				
	5 Development and Research	111 816	88 614	2 817		20 288	97	
	To provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information at provincial and district level.							
	Of which							
	Transfers to Households					12		
	Transfers to NPO's					1 400		
	5.1 Women Development					*1 400*		
	Of which							
	Conditional grant							
	Social Sector Expanded Public Works Programme Incentive Grant for Provinces					*6 312*		

APPROPRIATION BILL, 2015

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2, 3 & 4

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2015/16	2016/17	2017/18
		R'000	R'000	R'000
7	**Social Development**	**667 743**	**720 757**	**721 493**
	2 Social Welfare Services	**185 262**	**188 803**	**198 274**
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.			
	a. Compensation of employees	95 692	99 115	108 215
	b. Transfers to Non-government Organisations (NGO's)	81 412	81 416	81 420
	Transfers to Households	*75*	*79*	*83*
	Transfers to NGO's	*81 337*	*81 337*	*81 337*
	Transfers per District			
	Care and Services to Older Persons	42 471	42 471	42 471
	Provincial Office	*3 158*	*3 158*	*3 158*
	Mangaung Metro	*9 185*	*9 185*	*9 185*
	Xhariep District	*4 762*	*4 762*	*4 762*
	Lejweleputswa District	*7 288*	*7 288*	*7 288*
	Thabo Mofutsanyana District	*10 084*	*10 084*	*10 084*
	Fezile Dabi District	*7 994*	*7 994*	*7 994*
	Services to Persons with Disabilities	20 023	20 023	20 023
	Provincial Office	*466*	*466*	*466*
	Mangaung Metro	*7 816*	*7 816*	*7 816*
	Xhariep District	*822*	*822*	*822*
	Lejweleputswa District	*3 499*	*3 499*	*3 499*
	Thabo Mofutsanyana District	*3 922*	*3 922*	*3 922*
	Fezile Dabi District	*3 498*	*3 498*	*3 498*
	HIV and AIDS	18 843	18 843	18 843
	Provincial Office	4 685	4 685	4 685
	Mangaung Metro	1 090	*1 090*	*1 090*
	Xhariep District	*4 556*	*4 556*	*4 556*
	Lejweleputswa District	*6 065*	*6 065*	*6 065*
	Thabo Mofutsanyana District	*2 447*	*2 447*	*2 447*
	Fezile Dabi District			
	c. Goods and Services	7 920	8 022	8 377
	d. Payments for Capital Assets	238	250	262
	3 Children and Families	**367 216**	**388 087**	**403 383**
	To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organizations.			
	a. Compensation of employees	105 831	115 868	129 839

APPROPRIATION BILL, 2015

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2, 3 & 4

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2015/16	2016/17	2017/18
		R'000	R'000	R'000
	b. Transfers to Non-government Organisations (NGO's)	255 264	255 556	255 556
	Transfers to Households			
	Other Transfers	*5 270*	*5 555*	*5 555*
	Transfers to NGO's	*249 994*	*250 001*	*250 001*
	Transfers per District			
	Care and Services to Families	4 360	4 360	4 360
	Provincial Office	*8*	*8*	*8*
	Mangaung Metro	*1 881*	*1 881*	*1 881*
	Xhariep District	*223*	*223*	*223*
	Lejweleputswa District	*1 772*	*1 772*	*1 772*
	Thabo Mofutsanyana District	*476*	*476*	*476*
	Fezile Dabi District			
	Child Care and Protection	33 073	33 080	33 080
	Provincial Office	*8 209*	*8 216*	*8 216*
	Mangaung Metro	*5 748*	*5 748*	*5 748*
	Xhariep District	*1 393*	*1 393*	*1 393*
	Lejweleputswa District	*7 441*	*7 441*	*7 441*
	Thabo Mofutsanyana District	*5 650*	*5 650*	*5 650*
	Fezile Dabi District	*4 632*	*4 632*	*4 632*
	ECD and Partial Care	178 014	178 014	178 014
	Provincial Office	53 520	53 520	53 520
	Mangaung Metro			
	Xhariep District	*35 817*	*35 817*	*35 817*
	Lejweleputswa District			
	Thabo Mofutsanyana District	*60 764*	*60 764*	*60 764*
	Fezile Dabi District	*27 913*	*27 913*	*27 913*
	Child and Youth Care Centres	23 027	23 027	23 027
	Provincial Office	*21 101*	*21 101*	*21 101*
	Mangaung Metro			
	Xhariep District	*1 926*	*1 926*	*1 926*
	Lejweleputswa District			
	Thabo Mofutsanyana District			
	Fezile Dabi District			
	Community-based Services for Children	11 520	11 520	11 520
	Provincial Office	*11 520*	*11 520*	*11 520*
	Mangaung Metro			
	Xhariep District			
	Lejweleputswa District			
	Thabo Mofutsanyana District			
	Fezile Dabi District			
	c. Goods and Services	5 996	7 503	7 375
	d. Payments for Capital Assets	125	9 160	10 613

APPROPRIATION BILL, 2015

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2, 3 & 4

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2015/16	2016/17	2017/18
		R'000	R'000	R'000
	4 Restorative Services	**115 265**	**143 867**	**119 836**
	To provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organizations.			
	a. Compensation of employees	82 616	90 946	96 132
	b. Transfer Payments	18 035	17 535	17 535
	Transfers to Households	500		
	Transfers to NGO's:	17 535	17 535	17 535
	Transfers per District			
	Crime Prevention	4 104	4 104	4 104
	Provincial Office	*65*	*65*	*65*
	Mangaung Metro	*1 681*	*1 681*	*1 681*
	Xhariep District	*267*	*267*	*267*
	Lejweleputswa District	*613*	*613*	*613*
	Thabo Mofutsanyana District	*987*	*987*	*987*
	Fezile Dabi District	*491*	*491*	*491*
	Victim Empowerment	7 412	7 412	7 412
	Provincial Office	*564*	*564*	*564*
	Mangaung Metro	*1 627*	*1 627*	*1 627*
	Xhariep District	*1 587*	*1 587*	*1 587*
	Lejweleputswa District	*1 861*	*1 861*	*1 861*
	Thabo Mofutsanyana District	*1 000*	*1 000*	*1 000*
	Fezile Dabi District	*773*	*773*	*773*
	Substance Abuse, Prevention, Treastment and Rehabilitation	6 019	6 019	6 019
	Provincial Office	*948*	*948*	*948*
	Mangaung Metro	*849*	*849*	*849*
	Xhariep District	*1 134*	*1 134*	*1 134*
	Lejweleputswa District	*1 001*	*1 001*	*1 001*
	Thabo Mofutsanyana District	*845*	*845*	*845*
	Fezile Dabi District	*1 242*	*1 242*	*1 242*
	c. Goods and Services	7 642	5 652	5 923
	d. Payments for Capital Assets	6 972	29 734	246

APPROPRIATION BILL, 2015

SCHEDULE ON CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
8	**Co-operative Governance and Traditional Affairs**							
	Aim: ***Developmental local governance and traditional leadership.***	**376 406**	**185 446**	**105 023**		**78 646**	**7 291**	
	1 Administration …… To provide overall management in the Department in accordance with all applicable acts and policies.	116 513	60 507	54 545		183	1 278	
	2 Local Governance …… To provide and facilitate viable and sustainable local governance.	120 028	48 726	30 523		39 800	979	
	3 Development and Planning …… Promote Integrated Development Planning (IDP) and facilitate the development of credible and simplified IDP's.	93 389	34 438	16 538		37 686	4 727	
	4 Traditional Institutional Management …… To promote and facilitate viable and sustainable traditional institutions.	36 496	33 626	1 937		671	262	
	5 House of Traditional Leaders …… To exercise oversight and participate in the promulgation of legislation by the provincial legislature and oversee service delivery by government departments and municipalities on matters of African culture, customs, traditions and general economic and developmental welfare of traditional communities.	9 980	8 149	1 480		306	45	

APPROPRIATION BILL, 2015

SCHEDULE ON PUBLIC WORKS AND INFRASTRUCTURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
9	**Public Works and Infrastructure**							
	Aim: ***To ensure the provision, promotion and sound management of assets and infrastructure systems which are safe, affordable, reliable, accessible and sustainable.***	**1 491 935**	**402 802**	**547 338**		**347 229**	**194 566**	
	1 Administration	112 979	71 671	36 562		2 090	2 656	
	To provide the Department with administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.							
	2 Public Works Infrastructure	1 207 667	316 787	476 092		345 139	69 649	
	To provide a balanced and equitable provincial government building infrastructure by promoting accessibility that is sustainable, integrated and environmentally sensitive which supports economic development and social empowerment.							
	Of which							
	Earmarked funds							
	Property Rates Enhancement Allocation					*342 409*		
	Infrastructure Enhancement Allocation						*25 888*	
	Revenue Enhancement Allocation			*1 000*				
	3 Expanded Public Works Programme	171 289	14 344	34 684			122 261	
	To manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme.							
	Of which							
	Conditional grants							
	Expanded Public Works Programme Incentive Grant for Provinces			*6 034*				
	Earmarked funds							
	Infrastructure Enhancement Allocation						*118 309*	

APPROPRIATION BILL, 2015

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
10	**Police, Roads and Transport**							
	Aim: ***To contribute towards the creation of a prosperous Free State through the facilitation of the provision of sustainable community safety, mobility and road infrastructure.***	**2 390 931**	**555 778**	**1 005 671**		**229 469**	**600 013**	
	1 Administration ……..	214 456	108 112	98 790		800	6 754	
	To provide executive support to the Head of Department and all financial and non-financial systems within the Department.							
	2 Provincial Secretariat for Police Services ……..	27 806	14 961	12 645		200		
	To monitor and oversee police conduct and performance in the delivery of services in the province.							
	3 Transport Operations …….	291 632	16 241	54 722		220 669		
	To plan, regulate and facilitate the provision of transport services and infrastructure, through own provincial resources and through co-operation with national and local authorities, as well as the private sector in order to enhance the mobility of goods and all communities particularly those currently without or with limited access.							
	Of which							
	Conditional grants							
	Public Transport Operations Grant					*220 669*		
	Earmarked funds							
	Infrastructure Enhancement			*5 350*				

APPROPRIATION BILL, 2015

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Transport Regulations	331 159	264 599	60 760		5 800		
	To establish, manage, and maintain a safe and efficient road traffic system by providing high quality pro active road traffic training, education, and effective road traffic law enforcement and to ensure that all privately and government owned vehicles registered in the province are licensed each year and that all drivers are appropriately authorised to drive their vehicles.							
	5 Transport Infrastructure	1 525 878	151 865	778 754		2 000	593 259	
	To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.							
	Of which							
	Conditional grants							
	Expanded Public Works Programme Incentive Grant for Provinces						*3 130*	
	Provincial Road Maintenance Grant		*7 000*	*547 496*			*588 300*	
	Earmarked funds							
	Infrastructure Enhancement Allocation		*144 865*	*231 258*		*2 000*	*1 829*	

APPROPRIATION BILL, 2015

SCHEDULE ON AGRICULTURE AND RURAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
11	**Agriculture and Rural Development**							
	Aim: ***To provide agricultural development and support to the people of the Free State and a better life for rural communities.***	**744 542**	**346 580**	**69 413**		**289 801**	**38 748**	
	1 Administration	160 635	122 626	34 179		2 330	1 500	
	To manage and formulate policy directives and priorities and, to ensure there is appropriate support service to all other programmes with regard to finance, personnel, information, communication and procurement.							
	2 Sustainable Resource Management	30 210	22 238	2 697		5 275		
	To provide agricultural support service to farmers in order to ensure that there is sustainable management of agricultural resources.							
	Of which							
	Conditional grants							
	Land Care Programme Grant: Poverty Relief and Infrastructure Development					*5 275*		
	3 Farmer Support and Development	387 498	89 999	14 764		272 372	10 363	
	To provide support to farmers through agricultural development programmes.							
	Of which							
	Conditional grants							
	Comprehensive Agricultural Support Programme Grant		*17 671*	*10 123*		*132 855*	*10 363*	
	of which earmarked for repair of flood damage							
	Ilima/Letsema Projects Grant					*60 990*		
	Expanded Public Works Programme Incentive Grant for Provinces					*2 027*		
	Earmarked funds							
	Infrastructure Enhancement Allocation					*55 500*		

APPROPRIATION BILL, 2015

SCHEDULE ON AGRICULTURE AND RURAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Veterinary Services ……..…….……	56 455	46 724	5 731			4 000	
	To provide veterinary services to clients in order to ensure healthy animals and welfare of people of South Africa.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation						*4 000*	
	5 Technology, Research and Development Services ….	54 597	25 162	6 550			22 885	
	To render expert and needs based research, development and technology transfer services impacting on development objectives.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation			*4 000*			*22 885*	
	6 Agricultural Economics Services …..……..……	8 983	8 155	828				
	To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth.							
	7 Structured Agricultural Training ……..……..……	19 898	16 249	3 649				
	To facilitate and provide structured agricultural education and training in line with the Agricultural Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.							
	8 Rural Development ……..……..……	26 266	15 427	1 015		9 824		
	To initiate, plan and monitor development in specific rural areas (Comprehensive Rural Development Programme sites) across the three spheres of government in order to address needs that have been identified.							

APPROPRIATION BILL, 2015

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Arts, Culture and Recreation**							
	Aim: ***The promotion, development and transformation of Sport, Arts, Culture and Recreation in order to contribute to sustainable economic growth and opportunities, nation building, good governance and social and human capital development.***	**679 605**	**281 334**	**174 680**		**42 606**	**180 985**	
	1 Administration	77 041	61 776	13 677		1 250	338	
	To conduct the overall management and administrative support of the Department.							
	Of which							
	Earmarked funds							
	Infrastructure Enhancement Allocation		*744*	*418*				
	2 Cultural Affairs	125 182	59 962	56 397		8 700	123	
	To promote culture, conservation and management of cultural, historical assets and resources of the province by rendering various services.							
	Of which							
	Conditional grant							
	Expanded Public Works Programme Incentive Grant for Provinces		*1 980*	*362*				
	Earmarked funds							
	Infrastructure Enhancement Allocation			*2 500*				
	3 Library and Archives Services	238 138	120 212	43 055		8 000	66 871	
	Assist local library authorities in rendering of public library services and providing of an archive service in the province.							
	Of which							
	Conditional grant							
	Community Library Services Grant		*85 810*	*27 106*		*6 000*	*36 860*	
	Earmarked funds							
	Infrastructure Enhancement Allocation			*3 200*			*29 962*	

APPROPRIATION BILL, 2015

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Sport and Recreation ……..……	239 244	39 384	61 551		24 656	113 653	
	To provide assistance to provincial sport associations and other relevant bodies to stimulate the development of sport. Formulate inputs regarding sport policy and promote sport programmes. Control, promote and develop the provincial sport academy. Develop and contribute towards sport marketing strategies. Facilitate development of facilities with a view to improving life of the disadvantaged. Promote and develop sport tourism through major events.							
	Of which							
	Conditional grant							
	Mass Sport and Recreation Participation Programme Grant		*3 872*	*52 797*		*7 857*		
	Social Sector Expanded Public Works Programme Incentive Grant for Provinces					*1 000*		
	Earmarked funds							
	Infrastructure Enhancement Allocation			*1 000*		*3 000*	*113 645*	

APPROPRIATION BILL, 2015

SCHEDULE ON HUMAN SETTLEMENTS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
13	**Human Settlements**							
	Aim: ***To manage housing delivery, development of integrated human settlements.***	**1 224 416**	**149 685**	**35 953**		**1 035 612**	**3 166**	
	1 Administration	94 000	68 897	24 338			765	
	To provide overall management in the Department in accordance with all applicable acts and policies.							
	2 Housing Needs, Research and Planning	18 232	14 657	2 507		536	532	
	To facilitate housing delivery.							
	3 Housing Development	1 111 319	65 544	8 830		1 035 076	1 869	
	To provide individual subsidies and housing opportunities to benefeciaries in accordance with housing policy.							
	Of which							
	Conditional grants							
	Human Settlements Development Grant		*22 433*	*4 388*		*1 029 171*	*1 292*	
	of which earmarked for mining towns							
	Matjhabeng					*75 337*		
	Expanded Public Works Programme Incentive Grant for Provinces					*2 348*		
	4 Housing Asset Management and Property Management	865	587	278				
	To provide for the effective management of housing.							

APPROPRIATION BILL, 2015

SCHEDULE ON TRANSFERS AND SUBSIDIES

(As a charge to the Provincial Revenue Fund)

Descriptions	Vote and main division	Forward estimates	
	2015/16	2016/17	2017/18
	R'000	R'000	R'000
Transfers to Municipalities:	**416 333**	**400 862**	**401 312**
Cooperative Governance and Traditional Affairs	**65 924**	**62 685**	**62 135**
Xhariep	16 500	17 000	17 850
Unallocated	49 424	45 685	44 285
Public Works and Infrastructure	**342 409**	**329 177**	**329 177**
Mangaung	106 681	84 881	89 125
Xhariep	8 012	8 012	8 413
Lejweleputswa	28 236	28 236	29 648
Thabo Mofutsanyana	159 185	167 753	159 682
Fezile Dabi	40 295	40 295	42 310
Sport, Arts, Culture and Recreation	**8 000**	**9 000**	**10 000**
Mangaung	2 000	2 000	2 000
Thabo Mofutsanyana	4 000	4 667	5 667
Fezile Dabi	2 000	2 333	2 333
Transfers to Public Entities:	**116 894**	**108 042**	**116 135**
Economic and Small Business Development, Tourism and Environmental Affairs	**116 894**	**108 042**	**116 135**
Free State Development Corporation	3 700	1 200	1 260
Free State Gambling and Liquor Board	50 351	50 808	53 349
SMME Development	20 979	14 057	17 451
Free State Tourism Authority	41 864	41 977	44 076
Other transfers:	**3 593 736**	**3 890 662**	**4 015 887**
Premier	798	560	582
Free State Legislature	27 254	26 308	25 303
Economic and Small Business Development, Tourism and Environmental Affairs	177	186	196
Free State Provincial Treasury	347	360	384
Health	77 340	139 542	129 542
Education	1 505 504	1 578 569	1 595 698
Social Development	375 286	368 786	368 806
Co-operative Governance and Traditional Affairs	12 722	17 943	18 039
Public Works and Infrastructure	4 820	5 107	21 821
Police, Roads and Transport	229 469	239 415	254 292
Agriculture and Rural Development	289 801	272 445	286 754
Sport, Arts, Culture and Recreation	34 606	28 425	25 299
Human Settlements	1 035 612	1 213 016	1 289 172
Total transfers and subsidies:	**4 126 963**	**4 399 567**	**4 533 334**

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FREE STATE PROVINCE

APPROPRIATION BILL

(MEMBER OF THE EXECUTIVE COUNCIL RESPONSIBLE FOR FINANCE)

[B1-2016]

PROVINSIE VRYSTAAT

BEGROTINGSWETSONTWERP

(LID VAN DIE UITVOERENDE RAAD VERANTWOORDELIK VIR FINANSIES)

[W1-2016]

BILL

To provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Free State Province in the 2016/17 financial year and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 226(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by an Act of the Provincial Legislature;

AND WHEREAS section 26 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) provides that the Provincial Legislature must appropriate money for each financial year for the requirements of the Province;

BE IT THEREFORE ENACTED by the Provincial Legislature of the Free State Province, as follows:-

Definitions

1. In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act has the meaning assigned to it in that Act and -

"**Act**" includes the Schedules;

"**conditional grants**" means allocations to provinces, local government or municipalities from the national government's share of revenue raised nationally, provided for in section 214(1)(c) of the Constitution of the Republic of South Africa, 1996;

"**current payments**" means any payments made by a provincial department classified as or deemed to be a current payment in terms of the instructions issued in the *Guidelines for Implementing the Economic Reporting Format* (September 2009), in terms of section 76 of the Public Finance Management Act;

"**payments for capital assets**" means any payments made by a provincial department classified as or deemed to be a payment for capital assets in terms of the instructions issued in the *Guidelines for Implementing the Economic Reporting Format* (September 2009) and the *Asset Management Framework* (April 2004, Version 3.3), in terms of section 76 of the Public Finance Management Act;

"**payments for financial assets**" means any payments made by a provincial department classified as or deemed to be a payment for financial assets in terms of the instructions issued in the *Guidelines for Implementing the Economic Reporting Format* (September 2009), in terms of section 76 of the Public Finance Management Act;

"**Public Finance Management Act**" means the Public Finance Management Act, 1999 (Act No. 1 of 1999); and

"**transfers and subsidies**" means any payments made by a provincial department classified as or deemed to be a transfer or subsidy payment in terms of the instructions issued in the *Guidelines for Implementing the Economic Reporting Format* (September 2009), in terms of section 76 of the Public Finance Management Act.

Appropriation of money for the requirements of the Province

2. (1) Subject to the provisions of the Public Finance Management Act, there are hereby appropriated out of the Provincial Revenue Fund for the requirements of the Province in respect of the financial year 2016/17, the amounts of money contemplated in subsection (2).

(2) Appropriations by the Provincial Legislature of money from the Provincial Revenue Fund for the requirements of the Province in the 2016/17 financial year, to votes and main divisions within a vote, and for the specific listed purposes, are set out in the Schedules.

Short title

3. This Act is called the Appropriation Act, 2016.

WETSONTWERP

Om voorsiening te maak vir die bewilliging van geld uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie Vrystaat in die 2016/17 boekjaar en om voorsiening te maak vir sake wat daarmee gepaard gaan.

AANHEF

AANGESIEN artikel 226(2) van die Grondwet van die Republiek van Suid-Afrika, 1996, voorsiening daarvoor maak dat geld onttrek kan word uit die Provinsiale Inkomstefonds ingevolge ‘n bewilliging deur ‘n Wet van die Provinsiale Wetgewer;

EN AANGESIEN artikel 26 van die Wet op Openbare Finansiële Bestuur, 1999 (Wet Nr. 1 van 1999) voorsiening daarvoor maak dat die Provinsiale Wetgewer geld moet bewillig vir elke boekjaar vir die behoeftes van die Provinsie;

WORD DAAR BEPAAL deur die Provinsiale Wetgewer van die Provinsie Vrystaat, soos volg:-

Woordomskrywing

1. In hierdie Wet, tensy uit die samehang anders blyk, het enige woord of uitdrukking waaraan ‘n betekenis in die Wet op Openbare Finansiële Bestuur geheg is, die betekenis aldus daaraan geheg in daardie Wet, en beteken -

“**betalings van finansiële bates”** enige betalings gemaak deur ‘n provinsiale departement wat geklassifiseer word as of geag word om ‘n betaling vir finansiële bates te wees ingevolge die instruksies uitgereik in die “*Guidelines for Implementing the Economic Reporting Format”* (September 2009), kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur;

“**betalings van kapitaalbates**” enige betalings wat deur ‘n provinsiale departement gemaak word wat geklassifiseer moet word as of geag word om ‘n betaling te wees ten opsigte van kapitaalbates in ooreenstemming met die “*Guidelines for Implementing the Economic Reporting Format”* (September 2009) en die “*Asset Management Framework*” (April 2004, Weergawe 3.3), kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur;

“**lopende betalings**” enige betalings wat deur ‘n provinsiale departement gemaak word wat geklassifiseer moet word as of geag word om ‘n lopende betaling te wees ten opsigte van die instruksies uitgereik in die “*Guidelines for Implementing the Economic Reporting Format”* (September 2009) kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur;

"**oordragbetalings en subsidies**" enige betalings gemaak deur 'n provinsiale departement wat geklassifiseer word as of geag word om 'n oordragbetaling of susidie te wees ingevolge die instruksies uitgereik in die "*Guidelines for Implementing the Economic Reporting Format"* (September 2009), kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur;

"**voorwaardelike toelae**" toekennings aan provinsies, plaaslike regering of munisipaliteite uit die nasionale regering se deel van inkomste wat nasionaal ingesamel is, soos bepaal in artikel 214(1)(c) van die Grondwet van die Republiek van Suid-Afrika, 1996;

"Wet" sluit die Skedules in; en

"**Wet op Openbare Finansiële Bestuur**" die Wet op Openbare Finansiële Bestuur, 1999 (Wet No. 1 van 1999).

Bewilliging van geld vir die benodighede van die Provinsie

2. (1) Behoudens die bepalings van die Wet op Openbare Finansiële Bestuur word daar hierby uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie ten opsigte van die boekjaar 2016/17, die bedrae geld soos beoog in subartikel (2) bewillig.

(2) Bewilliging deur die Provinsiale Wetgewer van geld uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie in die 2016/17 boekjaar, na begrotingsposte en hoofindelings binne 'n begrotingspos, en vir die bepaalde gelyste doeleindes, word in die Skedules uiteengesit.

Korttitel

3. Hierdie Wet heet die Begrotingswet, 2016.

APPROPRIATION BILL, 2016

SCHEDULE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Total Vote	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier	**309 644**	239 161	66 611		860	3 012	
2	Free State Legislature	**228 232**	116 809	48 296		61 300	1 827	
3	Economic and Small Business Development, Tourism and Environmental Affairs	**493 548**	222 654	113 367		112 433	45 095	
4	Free State Provincial Treasury	**326 766**	187 040	123 633		13 719	2 374	
5	Health	**9 048 599**	5 879 374	2 493 252	221	128 791	546 961	
6	Education	**12 059 747**	9 393 355	806 901	2 000	1 167 069	690 422	
7	Social Development	**1 145 164**	572 796	82 297		437 604	52 467	
8	Co-operative Governance and Traditional Affairs	**407 596**	199 658	113 184		84 746	10 008	
9	Public Works and Infrastructure	**1 486 417**	402 058	551 759		333 012	199 588	
10	Police, Roads and Transport	**2 586 841**	617 634	1 081 981		250 584	636 642	
11	Agriculture and Rural Development	**745 825**	349 991	75 642		300 248	19 944	
12	Sport, Arts, Culture and Recreation	**655 128**	290 016	159 551		46 813	158 748	
13	Human Settlements	**1 335 504**	162 610	44 747		1 124 982	3 165	
	Total	**30 829 011**	**18 633 155**	**5 761 221**	**2 221**	**4 062 161**	**2 370 253**	

APPROPRIATION BILL, 2016

SCHEDULE ON PREMIER

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier**							
	Aim: ***To enable the Premier to fulfill constitutional obligations and other related functions through the effective and efficient utilisation of resources of the Free State Provincial Government.***	**309 644**	**239 161**	**66 611**		**860**	**3 012**	
	1 Administration	156 560	132 330	23 416		315	499	
	To provide executive support to the Premier, Provincial Executive Council and the Director General in respect of strategic and operational management in fulfilling their legislative and oversight functions and in promoting good corporate governance.							
	2 Institutional Development	103 702	67 092	34 126		150	2 334	
	To guide and coordinate Provincial Departments with regard to transverse corporate support functions and to attend to Departmental-specific matters.							
	3 Policy and Governance	49 382	39 739	9 069		395	179	
	The provision of provincial strategic management services is achieved through integrated planning and research, cluster and provincial government programme coordination and integration as well as the monitoring and evaluation of government performance.							

APPROPRIATION BILL, 2016

SCHEDULE ON FREE STATE LEGISLATURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
2	**Free State Legislature**							
	Aim: ***To provide funding for the legislative and institutional support services required by the Legislature to fulfill its constitutional functions.***	**228 232**	**116 809**	**48 296**		**61 300**	**1 827**	
	1 Administration ……	133 254	86 609	41 244		3 594	1 807	
	To provide administrative and financial management support to the Legislature.							
	of which							
	– Statutory Amount		24 429					
	2 Facilities for Members and Political Parties ……..	60 967		3 261		57 706		
	To facilitate the necessary arrangements for members.							
	3 Parliamentary Services ……	34 011	30 200	3 791			20	
	To provide quality legal and procedural support, house proceedings, committee services, research, translation and interpretation to the Legislature.							

APPROPRIATION BILL, 2016

SCHEDULE ON ECONOMIC AND SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	**Economic and Small Business Development, Tourism and Environmental Affairs**							
	Aim: ***A prosperous Free State through sustainable economic growth and a healthy environment for all.***	**493 548**	**222 654**	**113 367**		**112 433**	**45 095**	
	1 Administration	141 219	88 284	51 261		4	1 670	
	To provide leadership, strategic management in accordance with the legislation, regulations, policies and ensure appropriate support service to all other programmes.							
	2 Environmental Affairs	171 745	93 363	35 904		182	42 296	
	The implementation of legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control, Protected Areas and Waste Management.							
	Of which							
	Conditional grant							
	– Expanded Public Works Programme Integrated Grant for Provinces			2 629				
	Earmarked funds							
	– Infrastructure Enhancement Allocation						41 770	
	– Revenue Enhancement Allocation			500				
	3 Economic and Small Business Development	122 500	32 659	19 901		69 059	881	
	To enhance the development and growth of businesses in the province through training as well as providing of non-financial and financial support.							
	Of which							
	Transfers							
	– Free State Development Corporation					1 200		
	– SMME Development					12 308		
	– Free State Gambling and Liquor Authority					55 551		
	Of which							
	Earmarked funds							
	– Revenue Enhancement Allocation					4 743		

APPROPRIATION BILL, 2016

SCHEDULE ON ECONOMIC AND SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Tourism	58 084	8 348	6 300		43 187	249	
	To create an enabling Tourism environment through legislation, policy and strategy development							
	Of which							
	Earmarked funds							
	– Tourism and Hospitality			4 000				
	Transfers							
	– Free State Tourism Authority					43 187		
	Of which							
	Earmarked funds							
	Tourism Development					1 210		

APPROPRIATION BILL, 2016

SCHEDULE ON FREE STATE PROVINCIAL TREASURY

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	**Free State Provincial Treasury**							
	Aim: ***To promote prudent financial management of provincial resources.***	**326 766**	**187 040**	**123 633**		**13 719**	**2 374**	
	1 Administration ……	94 476	65 728	26 365		369	2 014	
	To provide leadership and strategic management in accordance with legislation, regulations and policies as well as to ensure there is appropriate support service to all other programmes.							
	Of which							
	Earmarked funds							
	– Revenue Enhancement Allocation			2 000				
	2 Sustainable Resource Management ……	38 724	35 468	3 256				
	To provide professional advice and support to the MEC on provincial economic analysis, fiscal policy, public finance development and management of the annual budget process.							
	3 Asset and Liabilities Management ……	104 345	33 758	70 227			360	
	To provide policy direction, by facilitating the effective and efficient management of physical and financial assets, PPP's and liabilities.							
	4 Financial Governance ……..	24 747	20 983	3 764				
	To promote accountability through substantive reflection of financial activities of the Province as well as compliance with financial norms and standards.							
	5 Municipal Finance Management …….	64 474	31 103	20 021		13 350		
	To improve the state of financial governance and management at local government level.							

APPROPRIATION BILL, 2016

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	**Health**							
	Aim: ***To provide comprehensive health services, which include the prevention of disease, promotion of health, curative and rehabilitation services.***	**9 048 599**	**5 879 374**	**2 493 252**	**221**	**128 791**	**546 961**	
	1 Administration ……	268 131	207 179	46 600	101	10 474	3 777	
	To conduct the strategic management and overall administration of the Department of Health.							
	2 District Health Services ……	3 740 286	2 378 569	1 241 670	108	63 840	56 099	
	To render primary health care services and district hospital services.							
	Of which							
	Conditional grant							
	– Comprehensive HIV, Aids and TB Grant		286 298	654 664	15	56 402	17 682	
	– National Health Insurance Grant		873	5 905			765	
	– Social Sector Expanded Public Works Programme Incentive Grant			92		2 908		
	3 Emergency Medical Services ……..	562 587	385 700	159 182		534	17 171	
	The rendering of pre-hospital emergency medical services including inter-hospital transfers and planned patient transport.							
	4 Provincial Hospital Services ……..	1 351 461	1 087 897	246 354	5	6 103	11 102	
	Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research.							
	4.1 General (Regional) Hospitals		820 683	198 858	4	3 025	9 066	
	4.2 Public-Private Partnerships							
	4.3 Psychiatric/Mental Hospitals		267 214	47 496	1	3 078	2 036	
	5 Central Hospital Services ……	2 236 597	1 559 429	568 825		7 154	101 189	
	To provide tertiary health services and create a platform for the training of health workers.							
	5.1 Central Hospital Services		1 005 329	366 546		4 500	60 400	
	Of which							
	Conditional grant							
	– Health Professions Training and Development Grant		156 189					
	– National Tertiary Services Grant		301 776	237 377		4 000	60 400	
	5.2 Public-Private Partnerships			11 959				
	5.3 Provincial Tertiary Hospital Services		554 100	190 320		2 654	40 789	
	Of which							
	Conditional grants							
	– National Tertiary Services Grant		211 553	105 968		1 500	35 447	

APPROPRIATION BILL, 2016

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	6 Health Sciences and Training ……..……	195 927	133 851	58 345	6	336	3 389	
	Rendering of training and development opportunities for actual and potential employees of the Department of Health.							
	6.1 Nurse Training College		87 541	3 259	6		2 889	
	7 Health Care Support Services ……..……..	176 916	93 692	35 699	1	40 351	7 173	
	To render support services required by the Department to realise its aims.							
	8 Health Facilities Management ……..……	516 695	33 057	136 577			347 061	
	Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities.							
	8.1 Community Health Facility			47 654			54 210	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant			30 000			54 210	
	8.2 District Hospital Services			36 000			115 918	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant			36 000			115 918	
	8.3 Provincial Health Services			27 000			125 572	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant			27 000			103 223	
	Earmarked funds							
	– Infrastructure Enhancement Allocation						22 349	
	8.4 Emergency Medical Rescue Services			4 000			6 000	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant			4 000			6 000	
	8.5 Central Hospital Services			10 000			29 000	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant			10 000			29 000	
	8.6 Other Facilities		33 057	11 923			16 361	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant		31 377	11 603			16 361	
	– Expanded Public Works Programme Integrated Grant for Provinces		1 680	320				

APPROPRIATION BILL, 2016

SCHEDULE ON HEALTH: PROGRAMMES 4 & 5

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2016/17	2017/18	2018/19
		R'000	R'000	R'000
5	**Health**	**3 588 057**	**3 936 928**	**4 230 220**
	4 Provincial Hospital Services ……..	**1 351 461**	**1 506 464**	**1 621 958**
	Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research.			
	4.1 General (Regional) Hospitals	1 031 636	1 157 076	1 245 777
	4.2 Public-Private Partnerships			
	4.3 Psychiatric/Mental Hospitals	319 825	349 388	376 182
	of which			
	a. Compensation of employees	1 087 897	1 204 039	1 299 533
	b. Transfers to Hospitals	6 103	6 302	6 636
	4.1 General (Regional) Hospitals	3 025	3 024	3 185
	Dihlabeng Hospital	*303*	*327*	*315*
	Bongani Hospital	*1 125*	*1 124*	*1 183*
	Boitumelo Hospital	*710*	*689*	*746*
	Mofumahadi Manapo Mopeli Hospital	*887*	*884*	*941*
	4.2 Public-Private Partnerships			
	4.3 Psychiatric/Mental Hospitals	3 078	3 278	3 452
	Free State Psychiatric Complex	*3 078*	*3 278*	*3 452*
	c. Goods and services	246 354	282 888	301 853
	Of which			
	Medicine costs	*44 340*	*68 729*	*71 311*
	d. Others	5	5	5
	e. Payments for Capital Assets	11 102	13 229	13 931
	5 Central Hospital Services ……	**2 236 597**	**2 430 464**	**2 608 262**
	To provide tertiary health services and create a platform for the training of health workers.			
	5.1 Central Hospital Services	1 436 775	1 546 745	1 675 770
	5.2 Public-Private Partnerships	11 959	11 900	12 117
	5.3 Provincial Tertiary Hospital Services	787 863	871 819	920 375
	of which			
	a. Compensation of Employees	1 559 429	1 669 748	1 781 171
	b. Transfers to Hospitals	7 154	8 224	8 313
	5.1 Central Hospital Services	4 500	5 500	5 500
	Universitas Hospital	*4 500*	*5 500*	*5 500*
	5.3 Provincial Tertiary Hospital Services	2 654	2 724	2 813
	Pelonomi Hospital	*2 654*	*2 724*	*2 813*
	c. Goods and services	568 825	644 802	705 903
	Of which			
	Medicine costs	*105 000*	*112 642*	*119 425*
	d. Others			
	e. Payments for Capital Assets	101 189	107 690	112 875

APPROPRIATION BILL, 2016

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Education**							
	Aim: ***To be a Department that strives for quality, universal education that is internationally competitive.***	**12 059 747**	**9 393 355**	**806 901**	**2 000**	**1 167 069**	**690 422**	
	1 Administration ……	931 718	766 638	146 185	2 000	2 759	14 136	
	To provide overall management of the education system in accordance with the National Education Policy Act, the Public Finance Managent Act and other policies.							
	2 Public Ordinary School Education ……..……	9 078 437	7 932 062	240 591		905 198	586	
	To provide public ordinary education from Grades 1 to 12 in accordance with the South African Schools Act and White Paper 6 on inclusive education.							
	2.1 Public Primary Level		4 658 922	92 422		361 314	275	
	2.2 Public Secondary Level		3 244 792	79 177		203 429		
	2.3 Human Resource Development			36 135		3 200		
	2.4 School Sport, Culture and Media Services		28 348	1 605		200	181	
	2.5 Conditional Grants			31 252		337 055	130	
	Of which							
	Conditional grant							
	– National School Nutrition Programme Grant			6 986		327 855	130	
	– Maths, Science & Technology Grant			24 266		9 200		
	3 Independent School Subsidies …..……....	70 074				70 074		
	To support independent schools in accordance with the South African Schools Act.							
	4 Public Special School Education ……..……	426 878	360 090	1 518		65 270		
	To provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on inclusive education.							

APPROPRIATION BILL, 2016

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Early Childhood Development ……..……	151 586	127 756	2 883		20 947		
	To provide Early Childhood Education (ECD) at the Grade R and pre-grade R in accordance with White Paper 5.							
	Of which							
	Conditional grants							
	– Social Sector Expanded Public Works Programme Incentive Grant for Provinces		3 000					
	6 Infrastructure Development ……..……..	712 886	20 000	20 000			672 886	
	To provide and maintain infrastructure facilities for schools and non-schools.							
	Of which							
	Conditional grants							
	– Education Infrastructure Grant		20 000	18 000			657 122	
	– Expanded Public Works Programme Integrated Grant for Provinces						2 567	
	Earmarked funds							
	– Infrastructure Enhancement Allocation			2 000			13 197	
	7 Examination and Education Related Services ……	688 168	186 809	395 724		102 821	2 814	
	To provide the education institutions as a whole with examination and education related services.							
	Of which							
	Conditional grants							
	– HIV and AIDS (Life Skills Education) Grant		1 400	11 027			540	

APPROPRIATION BILL, 2016

SCHEDULE ON EDUCATION: PROGRAMME 2

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2016/17	2017/18	2018/19
		R'000	R'000	R'000
6	**Education**	**9 078 437**	**9 733 329**	**10 368 820**
	2 Public Ordinary School Education ……..…..……	**9 078 437**	**9 733 329**	**10 368 820**
	To provide public ordinary education from Grades 1 to 12 in accordance with the South African Schools Act and White Paper 6 on inclusive education.			
	a. Compensation of employees	7 932 062	8 532 589	9 141 622
	b. Transfers	905 198	940 978	956 295
	To 877 Section 21 Schools	539 231	568 050	568 050
	Fezile Dabi District - 136 schools	*97 989*	*103 271*	*103 271*
	Lejweleputswa District - 181 schools	*110 746*	*116 581*	*116 581*
	Mangaung District - 198 schools	*122 444*	*128 752*	*128 752*
	Thabo Mofutsanyana District - 292 schools	*179 992*	*189 845*	*189 845*
	Xhariep District - 70 schools	*28 060*	*29 601*	*29 601*
	Other	365 967	372 928	388 245
	c. Non-transfers	240 591	259 123	270 490
	To 368 Non-section 21 Schools	124 581	131 574	131 574
	Fezile Dabi District - 84 schools	*18 802*	*19 863*	*19 863*
	Lejweleputswa District - 65 schools	*35 055*	*37 014*	*37 014*
	Mangaung District - 40 schools	*31 133*	*32 871*	*32 871*
	Thabo Mofutsanyana District - 162 schools	*26 537*	*28 042*	*28 042*
	Xhariep District - 17 schools	*13 054*	*13 784*	*13 784*
	Other	116 010	127 549	138 916
	d. Payment for Capital Assets	586	639	413

APPROPRIATION BILL, 2016

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Social Development**							
	Aim: ***To meet the human and social needs of the poor and vulnerable communities through an inter-sectoral and integrated developmental social service.***	**1 145 164**	**572 796**	**82 297**		**437 604**	**52 467**	
	1 Administration	239 484	171 495	57 458		1 302	9 229	
	To provide strategic management and support services to all levels in the Department.							
	Of which							
	– Transfers to Households					1 279		
	2 Social Welfare Services	188 899	97 806	7 867		82 976	250	
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.							
	Of which							
	– Transfers to Households					79		
	– Transfers to NPO's					82 897		
	2.1 Services to Older Persons					*43 959*		
	2.2 Services to Persons with Disabilities					*21 595*		
	2.3 HIV and AIDS					*17 343*		
	3 Children and Families	428 762	117 244	7 591		303 795	132	
	To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organizations.							
	Of which							
	– Transfers to Households							
	– Transfers to NPO's					303 795		
	3.1 Care and Services to Families					*4 360*		
	3.2 Child Care and Protection					*33 080*		
	3.3 ECD and Partial Care					*231 808*		
	3.4 Child and Youth Care Centres					*27 424*		
	3.5 Community-based Care Services for Children					*7 123*		

APPROPRIATION BILL, 2016

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Restorative Services ……	155 307	90 946	5 652		15 975	42 734	
	To provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organizations.							
	Of which							
	– Transfers to Households							
	– Transfers to NPO's					15 975		
	4.1 Crime Prevention and Support					*2 687*		
	4.2 Victim Empowerment					*7 412*		
	4.3 Substance Abuse, Prevention and Rehabilitation					*5 876*		
	Of which							
	Conditional grant							
	– Substance Abuse Treatment Grant						42 500	
	5 Development and Research ….……	132 712	95 305	3 729		33 556	122	
	To provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information at provincial and district level.							
	Of which							
	– Transfers to Households					13		
	– Transfers to NPO's					33 543		
	5.1 Women Development					*1 400*		
	Of which							
	Conditional grant							
	– Social Sector Expanded Public Works Programme Incentive Grant for Provinces					14 179		

APPROPRIATION BILL, 2016

SCHEDULE ON SOCIAL DEVELOPMENT: PROGRAMME 2, 3 & 4

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward Estimates	
		2016/17	2017/18	2018/19
		R'000	R'000	R'000
7	**Social Development**	**772 968**	**787 873**	**835 549**
	2 Social Welfare Services	**188 899**	**197 517**	**204 924**
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.			
	a. Compensation of employees	97 806	106 842	113 805
	b. Transfers to Non-government Organisations (NGO's)	82 976	82 980	82 984
	Transfers to Households	*79*	*83*	*87*
	Transfers to NGO's	*82 897*	*82 897*	*82 897*
	Services to Older Persons	43 959	43 959	43 959
	Services to Persons with Disabilities	21 595	21 595	21 595
	HIV and AIDS	17 343	17 343	17 343
	c. Goods and Services	7 867	7 433	7 858
	d. Payments for Capital Assets	250	262	277
	3 Children and Families	**428 762**	**458 463**	**480 491**
	To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organizations.			
	a. Compensation of employees	117 244	128 289	138 633
	b. Transfers to Non-government Organisations (NGO's)	303 795	323 598	334 379
	Transfers to Households			
	Other Transfers			
	Transfers to NGO's	*303 795*	*323 598*	*334 379*
	Care and Services to Families	4 360	4 360	4 360
	Child Care and Protection	33 080	33 080	33 080
	ECD and Partial Care	231 808	251 611	262 392
	Child and Youth Care Centres	27 424	27 424	27 424
	Community-based Care Services for Children	7 123	7 123	7 123
	c. Goods and Services	7 591	6 437	7 332
	d. Payments for Capital Assets	132	139	147
	4 Restorative Services	**155 307**	**131 893**	**150 134**
	To provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organizations.			
	a. Compensation of employees	90 946	96 132	109 316
	b. Transfer Payments	15 975	15 975	15 975
	Transfers to Households			
	Transfers to NGO's:	*15 975*	*15 975*	*15 975*
	Crime Prevention and Support	2 687	2 687	2 687
	Victim Empowerment	7 412	7 412	7 412
	Substance Abuse, Prevention and Rehabilitation	5 876	5 876	5 876
	c. Goods and Services	5 652	5 302	6 266
	d. Payments for Capital Assets	42 734	14 484	18 577

APPROPRIATION BILL, 2016

SCHEDULE ON CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
8	**Co-operative Governance and Traditional Affairs**							
	Aim: ***Developmental local governance and traditional leadership.***	**407 596**	**199 658**	**113 184**		**84 746**	**10 008**	
	1 Administration ……	133 006	72 829	57 377		193	2 607	
	To provide overall management in the Department in accordance with all applicable acts and policies.							
	2 Local Governance ……	123 111	41 663	33 689		46 447	1 312	
	To provide and facilitate viable and sustainable local governance.							
	3 Development and Planning ……..…..……..	101 696	40 333	18 520		37 077	5 766	
	Promote Integrated Development Planning (IDP) and facilitate the development of credible and simplified IDP's.							
	4 Traditional Institutional Management ……..…	40 115	37 093	2 040		706	276	
	To promote and facilitate viable and sustainable traditional institutions.							
	5 House of Traditional Leaders ……...……..	9 668	7 740	1 558		323	47	
	To exercise oversight and participate in the promulgation of legislation by the provincial legislature and oversee service delivery by government departments and municipalities on matters of African culture, customs, traditions and general economic and developmental welfare of traditional communities.							

APPROPRIATION BILL, 2016

SCHEDULE ON PUBLIC WORKS AND INFRASTRUCTURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
9	**Public Works and Infrastructure**							
	Aim: ***To ensure the provision, promotion and sound management of assets and infrastructure systems which are safe, affordable, reliable, accessible and sustainable.***	**1 486 417**	**402 058**	**551 759**		**333 012**	**199 588**	
	1 Administration ……	119 658	75 889	40 042		937	2 790	
	To provide the Department with administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.							
	2 Public Works Infrastructure ……..……	1 193 580	311 123	475 569		332 075	74 813	
	To provide a balanced and equitable provincial government building infrastructure by promoting accessibility that is sustainable, integrated and environmentally sensitive which supports economic development and social empowerment.							
	Of which							
	Earmarked funds							
	– Property Rates Enhancement Allocation					329 177		
	– Infrastructure Enhancement Allocation						26 623	
	3 Expanded Public Works Programme ……..……	173 179	15 046	36 148			121 985	
	To manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme.							
	Of which							
	Conditional grants							
	– Expanded Public Works Programme Integrated Grant for Provinces			6 530				
	Earmarked funds							
	– Infrastructure Enhancement Allocation						117 723	

APPROPRIATION BILL, 2016

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
10	**Police, Roads and Transport**							
	Aim: ***To contribute towards the creation of a prosperous Free State through the facilitation of the provision of sustainable community safety, mobility and road infrastructure.***	**2 586 841**	**617 634**	**1 081 981**		**250 584**	**636 642**	
	1 Administration ……..	258 852	144 256	96 299		844	17 453	
	To provide executive support to the Head of Department and all financial and non-financial systems within the Department.							
	Of which							
	Earmarked funds							
	– Biometric & CCTV cameras						15 000	
	– Cash in Transit			12 000				
	2 Provincial Secretariat for Police Services ……..	23 674	15 014	8 396		264		
	To monitor and oversee police conduct and performance in the delivery of services in the province.							
	3 Transport Operations …..…….……	320 631	26 730	52 644		241 257		
	To plan, regulate and facilitate the provision of transport services and infrastructure, through own provincial resources and through co-operation with national and local authorities, as well as the private sector in order to enhance the mobility of goods and all communities particularly those currently without or with limited access.							
	Of which							
	Conditional grants							
	– Public Transport Operations Grant					241 257		
	Earmarked funds							
	– Learner Transport			40 000				
	– Infrastructure Enhancement Allocation			5 000				

APPROPRIATION BILL, 2016

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Transport Regulation	332 634	267 247	59 278		6 109		
	To establish, manage, and maintain a safe and efficient road traffic system by providing high quality pro active road traffic training, education, and effective road traffic law enforcement and to ensure that all privately and government owned vehicles registered in the province are licensed each year and that all drivers are appropriately authorised to drive their vehicles.							
	5 Transport Infrastructure	1 651 050	164 387	865 364		2 110	619 189	
	To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.							
	Of which							
	Conditional grants							
	– Expanded Public Works Programme Integrated Grant for Provinces						5 366	
	– Provincial Roads Maintenance Grant		5 639	707 291			545 100	
	Earmarked funds							
	– Infrastructure Enhancement Allocation		158 748	158 073		2 110	68 723	

APPROPRIATION BILL, 2016

SCHEDULE ON AGRICULTURE AND RURAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
11	**Agriculture and Rural Development**							
	Aim: ***To provide agricultural development and support to the people of the Free State and a better life for rural communities.***	**745 825**	**349 991**	**75 642**		**300 248**	**19 944**	
	1 Administration ……	155 462	114 478	37 309		2 474	1 200	
	To manage and formulate policy directives and priorities and, to ensure there is appropriate support service to all other programmes with regard to finance, personnel, information, communication and procurement.							
	2 Sustainable Resource Management ……	32 635	24 175	3 110		5 350		
	To provide agricultural support service to farmers in order to ensure that there is sustainable management of agricultural resources.							
	Of which							
	Conditional grants							
	– Land Care Programme Grant: Poverty Relief and Infrastructure Development			156		5 350		
	3 Farmer Support and Development ……	395 790	89 135	16 052		290 602		
	To provide support to farmers through agricultural development programmes.							
	Of which							
	Conditional grants							
	– Comprehensive Agricultural Support Programme Grant		15 158	10 123		149 008		
	– Ilima/Letsema Projects Grant					59 447		
	– Expanded Public Works Programme Integrated Grant for Provinces					2 145		
	Earmarked funds							
	– Infrastructure Enhancement Allocation					80 000		

APPROPRIATION BILL, 2016

SCHEDULE ON AGRICULTURE AND RURAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Veterinary Services ……..…..……	57 175	51 089	6 086				
	To provide veterinary services to clients in order to ensure healthy animals and welfare of people of South Africa.							
	Of which							
	Earmarked funds							
	– Infrastructure Enhancement Allocation							
	5 Technology, Research and Development Services ……..	53 811	28 111	6 956			18 744	
	To render expert and needs based research, development and technology transfer services impacting on development objectives.							
	Of which							
	Earmarked funds							
	– Infrastructure Enhancement Allocation			4 000			18 744	
	6 Agricultural Economics Services …..……...……	10 262	9 383	879				
	To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth.							
	7 Structured Agricultural Training ……..…..……	21 458	17 582	3 876				
	To facilitate and provide structured agricultural education and training in line with the Agricultural Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.							
	8 Rural Development ……..…..……	19 233	16 038	1 374		1 821		
	To initiate, plan and monitor development in specific rural areas (Comprehensive Rural Development Programme sites) across the three spheres of government in order to address needs that have been identified.							

APPROPRIATION BILL, 2016

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Arts, Culture and Recreation**							
	Aim: ***The promotion, development and transformation of Sport, Arts, Culture and Recreation in order to contribute to sustainable economic growth and opportunities, nation building, good governance and social and human capital development.***	**655 128**	**290 016**	**159 551**		**46 813**	**158 748**	
	1 Administration ……	86 806	69 295	16 173		1 000	338	
	To conduct the overall management and administrative support of the Department.							
	Of which							
	Earmarked funds							
	– Infrastructure Enhancement Allocation			1 232				
	2 Cultural Affairs ……..……	151 117	62 660	68 272		5 850	14 335	
	To promote culture, conservation and management of cultural, historical assets and resources of the province by rendering various services.							
	Of which							
	Conditional grant							
	– Expanded Public Works Programme Integrated Grant for Provinces		2 043	361				
	Earmarked funds							
	– Infrastructure Enhancement Allocation			2 500			14 212	
	3 Library and Archives Services ……..…	235 597	118 238	41 446		9 000	66 913	
	Assist local library authorities in rendering of public library services and providing of an archive service in the province.							
	Of which							
	Conditional grant							
	– Community Library Services Grant		85 580	25 789		7 000	39 389	
	Earmarked funds							
	– Infrastructure Enhancement Allocation			5 300			27 475	

APPROPRIATION BILL, 2016

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Sport and Recreation ……..……..	181 608	39 823	33 660		30 963	77 162	
	To provide assistance to provincial sport associations and other relevant bodies to stimulate the development of sport. Formulate inputs regarding sport policy and promote sport programmes. Control, promote and develop the provincial sport academy. Develop and contribute towards sport marketing strategies. Facilitate development of facilities with a view to improving life of the disadvantaged. Promote and develop sport tourism through major events.							
	Of which							
	Conditional grant							
	– Mass Participation and Sport Development Grant		2 387	31 982		8 650		
	– Social Sector Expanded Public Works Programme Incentive Grant for Provinces					1 800		
	Earmarked funds							
	– Infrastructure Enhancement Allocation			1 000		3 000	77 154	

APPROPRIATION BILL, 2016

SCHEDULE ON HUMAN SETTLEMENTS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
13	**Human Settlements**							
	Aim: ***To manage housing delivery, development of integrated human settlements.***	**1 335 504**	**162 610**	**44 747**		**1 124 982**	**3 165**	
	1 Administration	98 423	70 472	27 136			815	
	To provide overall management in the Department in accordance with all applicable acts and policies.							
	2 Housing Needs, Research and Planning	23 514	15 129	4 261		2 951	1 173	
	To facilitate housing delivery.							
	3 Housing Development	1 212 157	76 000	12 949		1 122 031	1 177	
	To provide individual subsidies and housing opportunities to benefeciaries in accordance with housing policy.							
	Of which							
	Conditional grants							
	– Human Settlements Development Grant		24 634	4 281		1 069 396	100	
	of which earmarked for mining towns							
	Matjhabeng					101 129		
	– Expanded Public Works Programme Integrated Grant for Provinces					2 000		
	4 Housing Asset Management and Property Management	1 410	1 009	401				
	To provide for the effective management of housing.							

APPROPRIATION BILL, 2016

SCHEDULE ON TRANSFERS AND SUBSIDIES

(As a charge to the Provincial Revenue Fund)

Descriptions	Vote and main division	Forward estimates	
	2016/17	2017/18	2018/19
	R'000	R'000	R'000
Transfers to Municipalities:	**419 980**	**422 243**	**445 518**
Cooperative Governance and Traditional Affairs	**81 803**	**66 607**	**69 872**
Xhariep	17 000	17 850	19 000
Unallocated	64 803	48 757	50 872
Public Works and Infrastructure	**329 177**	**345 636**	**364 646**
Mangaung	84 881	105 584	110 672
Xhariep	7 181	7 055	7 464
Lejweleputswa	64 376	63 258	66 927
Thabo Mofutsanyana	137 955	135 558	143 420
Fezile Dabi	34 784	34 181	36 163
Sport, Arts, Culture and Recreation	**9 000**	**10 000**	**11 000**
Mangaung	2 000	2 000	2 000
Thabo Mofutsanyana	4 667	5 667	6 334
Fezile Dabi	2 333	2 333	2 666
Transfers to Public Entities:	**99 938**	**98 684**	**104 408**
Economic and Small Business Development, Tourism and Environmental Affairs	**99 938**	**98 684**	**104 408**
Free State Development Corporation	1 200	1 260	1 333
Free State Gambling and Liquor Board	55 551	53 349	56 443
Free State Tourism Authority	43 187	44 076	46 632
Other transfers:	**3 542 242**	**3 684 610**	**3 837 640**
Premier	860	582	616
Free State Legislature	61 300	58 148	60 046
Economic and Small Business Development, Tourism and Environmental Affairs	12 495	16 245	11 415
Free State Provincial Treasury	13 719	391	414
Health	128 791	73 611	74 869
Education	1 167 069	1 245 681	1 278 565
Social Development	437 604	442 248	453 052
Co-operative Governance and Traditional Affairs	2 943	3 039	3 215
Public Works and Infrastructure	3 835	4 019	4 242
Police, Roads and Transport	250 584	265 462	277 849
Agriculture and Rural Development	300 248	297 153	320 702
Sport, Arts, Culture and Recreation	37 813	32 720	34 408
Human Settlements	1 124 982	1 245 312	1 318 248
Total transfers and subsidies:	**4 062 161**	**4 205 538**	**4 387 566**

BEGROTINGSWETSONTWERP, 2016

SKEDULE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier	**309 644**	239 161	66 611		860	3 012	
2	Vrystaatse Wetgewer	**228 232**	116 809	48 296		61 300	1 827	
3	Ekonomiese en Klein Sake Ontwikkeling, Toerisme en Omgewingsake	**493 548**	222 654	113 367		112 433	45 095	
4	Vrystaatse Provinsiale Tesourie	**326 766**	187 040	123 633		13 719	2 374	
5	Gesondheid	**9 048 599**	5 879 374	2 493 252	221	128 791	546 961	
6	Onderwys	**12 059 747**	9 393 355	806 901	2 000	1 167 069	690 422	
7	Maatskaplike Ontwikkeling	**1 145 164**	572 796	82 297		437 604	52 467	
8	Samewerkende Regering en Tradisionele Sake	**407 596**	199 658	113 184		84 746	10 008	
9	Openbare Werke en Infrastruktuur	**1 486 417**	402 058	551 759		333 012	199 588	
10	Polisie, Paaie en Vervoer	**2 586 841**	617 634	1 081 981		250 584	636 642	
11	Landbou en Landelike Ontwikkeling	**745 825**	349 991	75 642		300 248	19 944	
12	Sport, Kuns, Kultuur en Ontspanning	**655 128**	290 016	159 551		46 813	158 748	
13	Menslike Nedersettings	**1 335 504**	162 610	44 747		1 124 982	3 165	
	Totaal	**30 829 011**	**18 633 155**	**5 761 221**	**2 221**	**4 062 161**	**2 370 253**	

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN PREMIER

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier**							
	Doel: ***Om die Premier in staat te stel om grondwetlike verpligtinge en ander verwante funksies na te kom deur die doelmatige en doeltreffende aanwending van hulpbronne van die Vrystaatse Provinsiale Regering.***	**309 644**	**239 161**	**66 611**		**860**	**3 012**	
	1 Administrasie	156 560	132 330	23 416		315	499	
	Om uitvoerende ondersteuning aan die Premier, Provinsiale Uitvoerende Raad en die Direkteur-Generaal te voorsien van strategiese en operasionele bestuur in die vervulling van hul wetgewende en oorsigfunksies en die bevordering van goeie korporatiewe bestuur.							
	2 Institusionele Ontwikkeling	103 702	67 092	34 126		150	2 334	
	Om Provinsiale Departemente te lei en te koördineer met betrekking tot dwarsleggende korporatiewe ondersteuningsfunksies en om aan Departementspesifieke kwessies aandag te skenk.							
	3 Beleid en Regering	49 382	39 739	9 069		395	179	
	Die voorsiening van provinsiaal strategiese bestuursdienste word bereik deur geïntegreerde beplanning en navorsing, groeps en provinsiale regeringsprogramkoördinasie en integrasie sowel as die monitering en evaluering van regeringsprestasie.							

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN VRYSTAATSE WETGEWER

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal-bates	Betaling van Finansie-bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
2	**Vrystaatse Wetgewer**							
	Doel: ***Om fondse vir wetgewende en institusionele ondersteuningsdienste te voorsien wat deur die Wetgewer vereis word om sy grondwetlike funksies uit te voer.***	**228 232**	**116 809**	**48 296**		**61 300**	**1 827**	
	1 Administrasie ……	133 254	86 609	41 244		3 594	1 807	
	Om administratiewe en finansiële bestuursondersteuning aan die Wetgewer te voorsien.							
	Waaronder							
	– Wetlike Bedrag		24 429					
	2 Fasiliteite vir Lede en Politieke Partye ……...	60 967		3 261		57 706		
	Om die nodige reëlings vir lede te fasiliteer.							
	3 Parlementêre dienste ..……	34 011	30 200	3 791			20	
	Om gehalte regs- en prosedurele ondersteuning, raadsverrigtinge, komiteedienste, navorsing, vertaling en interpretasie aan die Wetgewer te voorsien.							

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN EKONOMIESE EN KLEIN SAKE ONTWIKKELING, TOERISME EN OMGEWINGSAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	**Ekonomiese en Klein Sake Ontwikkeling, Toerisme en Omgewingsake**							
	Doel: ***'n Florerende Vrystaat deur middel van volhoubare ekonomiese groei en 'n gesonde omgewing vir almal.***	**493 548**	**222 654**	**113 367**		**112 433**	**45 095**	
	1 Administrasie	141 219	88 284	51 261		4	1 670	
	Om leiding en strategiese bestuur te gee in ooreenstemming met wetgewing, regulasies, beleide en te sorg vir 'n toepaslike ondersteuningsdiens aan alle programme.							
	2 Omgewingsake	171 745	93 363	35 904		182	42 296	
	Die implementering van wetgewing en beleide op die gebiede van Luggehalte, Biodiversiteit, Klimaatsverandering, Nakomingsmonitering, Omgewingsimpak, Beskermde Gebiede, Besoedelingsbeheer en Afvalbestuur.							
	Waaronder							
	Voorwaardelike Toelae							
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies			2 629				
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning						41 770	
	– Inkomste verbeteringstoekenning			500				
	3 Ekonomiese en Klein Sake Ontwikkeling	122 500	32 659	19 901		69 059	881	
	Om die ontwikkeling en groei van besighede in die provinsie te bevorder deur opleiding asook die voorsiening van nie-finansiële en finansiële ondersteuning.							
	Waaronder							
	Oordragbetalings							
	– Vrystaatse Ontwikkelingskorporasie					1 200		
	– KMMO Ontwikkeling					12 308		
	– Vrystaatse Dobbel en Drankowerheid					55 551		
	Waaronder							
	Toegewysde fondse							
	– Inkomste verbeteringstoekenning					4 743		

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN EKONOMIESE EN KLEIN SAKE ONTWIKKELING, TOERISME EN OMGEWINGSAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Toerisme	58 084	8 348	6 300		43 187	249	
	Om 'n toereikende Toerisme omgewing te skep deur wetgewing, beleide en strategiese ontwikkeling.							
	Waaronder							
	Toegewysde fondse							
	– Toerisme en Gasvryheid			4 000				
	Oordragbetalings							
	– Vrystaatse Toerisme Owerheid					43 187		
	Waaronder							
	Toegewysde fondse							
	Toerisme Ontwikkeling					1 210		

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN VRYSTAATSE PROVINSIALE TESOURIE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	**Vrystaatse Provinsiale Tesourie**							
	Doel: ***Om oordeelkundige finansiële bestuur van provinsiale hulpbronne te bevorder.***	**326 766**	**187 040**	**123 633**		**13 719**	**2 374**	
	1 Administrasie ……	94 476	65 728	26 365		369	2 014	
	Om leiding en strategiese bestuur in ooreenstemming met wetgewing, regulasies en beleide te voorsien asook om toepaslike ondersteuningsdienste aan alle programme te verseker.							
	Waaronder							
	Toegewysde fondse							
	– Inkomste verbeteringstoekenning			2 000				
	2 Volhoubare bestuur van hulpbronne …….…….	38 724	35 468	3 256				
	Om professionele advies en ondersteuning aan die LUR te verskaf oor provinsiale ekonomiese ontleding, fiskale beleid, ontwikkeling van openbare finansies en die bestuur van die jaarlikse begrotingsproses.							
	3 Bate- en Lastebestuur ……..……	104 345	33 758	70 227			360	
	Om leiding te gee oor beleid, deur die fasilitering van doelmatige en doeltreffende bestuur van fisiese en finansiële bates, "PPP's" en laste.							
	4 Finansiële Bestuur ……..……..….	24 747	20 983	3 764				
	Om aanspreeklikheid te bevorder deur substantiewe weerspieëling van finansiële aktiwiteite van die Provinsie asook nakoming van norme en standaarde.							
	5 Munisipale Finansiële Bestuur ……..……	64 474	31 103	20 021		13 350		
	Om die stand van finansiële bestuur en beheer op plaaslike regeringsvlak te verbeter.							

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN GESONDHEID

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	**Gesondheid**							
	Doel: ***Om omvattende gesondheidsdienste te voorsien, wat die voorkoming van siektes, bevordering van gesondheid, genesende en rehabilitasiedienste insluit.***	**9 048 599**	**5 879 374**	**2 493 252**	**221**	**128 791**	**546 961**	
	1 Administrasie ……..……..	268 131	207 179	46 600	101	10 474	3 777	
	Om die strategiese bestuur en oorhoofse administrasie van die Departement van Gesondheid te lewer.							
	2 Distriksgesondheidsdienste ……..……..	3 740 286	2 378 569	1 241 670	108	63 840	56 099	
	Om primêre gesondheidsdienste en distrikshospitaaldienste te lewer.							
	Waaronder							
	Voorwaardelike Toelae							
	– Omvattende MIV en Vigs Toelae		286 298	654 664	15	56 402	17 682	
	– Nasionale Gesondheidsversekeringstoelae		873	5 905			765	
	– Maatskaplike sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies			92		2 908		
	3 Mediese Nooddienste ..……..	562 587	385 700	159 182		534	17 171	
	Die lewering van voor-hospitaal mediese nooddienste insluitend interhospitaaloorplasings en beplande vervoer van pasiënte.							
	4 Provinsiale Hospitaaldienste ……	1 351 461	1 087 897	246 354	5	6 103	11 102	
	Lewering van hospitaaldienste wat toeganglik, toepaslik en effektief is en wat algemene spesialisdienste voorsien, insluitend 'n gespesialiseerde rehabilitasiediens asook 'n platform vir opleiding van gesondheidsdeskundiges en navorsing.							
	4.1 Algemene (Streeks) Hospitale		820 683	198 858	4	3 025	9 066	
	4.2 'Public-Private Partnerships'							
	4.3 Psigiatriese/Sielsieke Hospitale		267 214	47 496	1	3 078	2 036	
	5 Sentrale Hospitaaldienste ……	2 236 597	1 559 429	568 825		7 154	101 189	
	Om tersiêre gesondheidsdienste te voorsien en 'n platform vir die opleiding van gesondheidswerkers te skep.							
	5.1 Sentrale Hospitaaldienste		1 005 329	366 546		4 500	60 400	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsberoepe Opleiding en Ontwikkelingstoelae		156 189					
	– Nasionale Tersiêre Dienste Toelae		301 776	237 377		4 000	60 400	
	5.2 'Public-Private Partnerships'			11 959				
	5.3 Provinsiale Tersiêre Hospitaaldienste		554 100	190 320		2 654	40 789	
	Waaronder							
	Voorwaardelike Toelae							
	– Nasionale Tersiêre Dienste Toelae		211 553	105 968		1 500	35 447	

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN GESONDHEID

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	6 Gesondheidswetenskappe en opleiding ……..…	195 927	133 851	58 345	6	336	3 389	
	Om opleiding en ontwikkelingsgeleenthede aan huidige en potensiële personeel van die Departement van Gesondheid te bied.							
	6.1 Verpleegsopleidingsentrum		87 541	3 259	6		2 889	
	7 Gesondheidsorgondersteuningsdienste ……..……	176 916	93 692	35 699	1	40 351	7 173	
	Om steundienste wat deur die Departement benodig word om sy doelwitte te bereik, te lewer.							
	8 Bestuur van Gesondheidsgeriewe ……..……..	516 695	33 057	136 577			347 061	
	Voorsiening van nuwe gesondheidsgeriewe en die opknapping, opgradering en onderhoud van bestaande geriewe.							
	8.1 Gemeenskapsgesondheidsgeriewe			47 654			54 210	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae			30 000			54 210	
	8.2 Distrik Hospitaaldienste			36 000			115 918	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae			36 000			115 918	
	8.3 Provinsiale Gesondheidsdienste			27 000			125 572	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae			27 000			103 223	
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning						22 349	
	8.4 Nood Mediese Reddingsdienste			4 000			6 000	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae			4 000			6 000	
	8.5 Sentrale Hospitaaldienste			10 000			29 000	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae			10 000			29000	
	8.6 Ander Geriewe		33 057	11 923			16 361	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae		31 377	11 603			16 361	
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies		1 680	320				

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SKEDULE VAN GESONDHEID: PROGRAMME 4 & 5

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2016/17	2017/18	2018/19
		R'000	R'000	R'000
5	**Gesondheid**	**3 588 057**	**3 936 928**	**4 230 220**
	4 Provinsiale Hospitaaldienste	**1 351 461**	**1 506 464**	**1 621 958**
	Lewering van hospitaaldienste wat toeganglik, toepaslik en effektief is en wat algemene spesialisdienste voorsien, insluitend 'n gespesialiseerde rehabilitasiediens asook 'n platform vir opleiding van gesondheidsdeskundiges en navorsing.			
	4.1 Algemene (Streeks) Hospitale	1 031 636	1 157 076	1 245 777
	4.2 'Public-Private Partnerships'			
	4.3 Psigiatriese/Sielsieke Hospitale	319 825	349 388	376 182
	Waaronder			
	a. Vergoeding van Werknemers	1 087 897	1 204 039	1 299 533
	b. Oordragbetalings aan Hospitale	6 103	6 302	6 636
	4.1 Algemene (Streeks) Hospitale	3 025	3 024	3 185
	Dihlabeng Hospitaal	*303*	*327*	*315*
	Bongani Hospitaal	*1 125*	*1 124*	*1 183*
	Boitumelo Hospitaal	*710*	*689*	*746*
	Mofumahadi Manapo Mopeli Hospitaal	*887*	*884*	*941*
	4.2 'Public-Private Partnerships'			
	4.3 Psigiatriese/Sielsieke Hospitale	3 078	3 278	3 452
	Vrystaatse Psigiatriese Hospitaal	*3 078*	*3 278*	*3 452*
	c. Goedere en dienste	246 354	282 888	301 853
	Waaronder			
	Koste van medisyne	*44 340*	*68 729*	*71 311*
	d. Ander	5	5	5
	e. Betaling van Kapitaalbates	11 102	13 229	13 931
	5 Sentrale Hospitaaldienste	**2 236 597**	**2 430 464**	**2 608 262**
	Om tersiêre gesondheidsdienste te voorsien en 'n platform vir die opleiding van gesondheidswerkers te skep.			
	5.1 Sentrale Hospitaaldienste	1 436 775	1 546 745	1 675 770
	5.2 'Public-Private Partnerships'	11 959	11 900	12 117
	5.3 Provinsiale Tersiêre Hospitaaldienste	787 863	871 819	920 375
	Waaronder			
	a. Vergoeding van Werknemers	1 559 429	1 669 748	1 781 171
	b. Oordragbetalings aan Hospitale	7 154	8 224	8 313
	5.1 Sentrale Hospitaaldienste	4 500	5 500	5 500
	Universitas Hospitaal	*4 500*	*5 500*	*5 500*
	5.3 Provinsiale Tersiêre Hospitaaldienste	2 654	2 724	2 813
	Pelonomi Hospitaal	*2 654*	*2 724*	*2 813*
	c. Goedere en dienste	568 825	644 802	705 903
	Waaronder			
	Koste van medisyne	*105 000*	*112 642*	*119 425*
	d. Ander			
	e. Betaling van Kapitaalbates	101 189	107 690	112 875

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SKEDULE VAN ONDERWYS

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Onderwys**							
	Doel: ***Om 'n Departement te wees wat daarna streef om kwaliteit , universele skoling te bied wat internasionaal kompeterend is.***	**12 059 747**	**9 393 355**	**806 901**	**2 000**	**1 167 069**	**690 422**	
	1 Administrasie	931 718	766 638	146 185	2 000	2 759	14 136	
	Om oorhoofse bestuurdienste van die onderwysstelsel te lewer ooreenkomstig die Wet op die Nasionale Onderwysbeleid, die Wet op Openbare Finansiële Bestuur en ander beleide.							
	2 Openbare Gewone Skoolonderwys	9 078 437	7 932 062	240 591		905 198	586	
	Om openbare gewone onderwys aan Grade 1 tot 12 te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet en Witskrif 6 op inklusiewe onderwys.							
	2.1 Openbare Primêre Vlak		*4 658 922*	*92 422*		*361 314*	*275*	
	2.2 Openbare Sekondêre Vlak		*3 244 792*	*79 177*		*203 429*		
	2.3 Menslike Hulpbronontwikkeling			*36 135*		*3 200*		
	2.4 Skoolsport, Kultuur en Media Dienste		*28 348*	*1 605*		*200*	*181*	
	2.5 Voorwaardelike Toekennings			*31 252*		*337 055*	*130*	
	Waaronder							
	Voorwaardelike Toelae							
	– Nasionale Skoolvoedingsprogramtoelae			6 986		327 855	130	
	– Wiskunde, wetenskap en tegnologie toelae			24 266		9 200		
	3 Subsidies vir Onafhanklike Skole	70 074				70 074		
	Om onafhanklike skole te ondersteun in ooreenstemming met die Suid-Afrikaanse Skolewet.							
	4 Openbare Spesiale skoolonderwys	426 878	360 090	1 518		65 270		
	Om spesiale openbare onderwys in skole te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet en Witskrif 6 op inklusiewe onderwys.							

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN ONDERWYS

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Vroeëkindontwikkeling ……..….	151 586	127 756	2 883		20 947		
	Om Vroeëkindontwikkeling (VKO) op Graad R en vroeër vlakke te voorsien in ooreenstemming met Witskrif 5.							
	Waaronder							
	Voorwaardelike Toelae							
	– Maatskaplike sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies		3 000					
	6 Infrastruktuurontwikkeling ……...	712 886	20 000	20 000			672 886	
	Om infrastruktuurfasiliteite vir die administrasie en skole te voorsien en in stand te hou.							
	Waaronder							
	Voorwaardelike Toelae							
	– Onderwys Infrastruktuurtoelae		20 000	18 000			657 122	
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies						2 567	
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			2 000			13 197	
	7 Eksamen- en Onderwysverwante-dienste ……	688 168	186 809	395 724		102 821	2 814	
	Om onderwysinstellings as geheel met eksamen en onderwys ondersteuning te voorsien.							
	Waaronder							
	Voorwaardelike Toelae							
	– MIV en Vigs (lewensvaardigheidsopvoeding) Toelae		1 400	11 027			540	

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SKEDULE VAN ONDERWYS: PROGRAM 2

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2016/17	2017/18	2018/19
		R'000	R'000	R'000
6	**Onderwys**	**9 078 437**	**9 733 329**	**10 368 820**
	2 Openbare Gewone Skoolonderwys	**9 078 437**	**9 733 329**	**10 368 820**
	Om openbare gewone onderwys aan Grade 1 tot 12 te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet en Witskrif 6 op inklusiewe onderwys.			
	a. Vergoeding van Werknemers	7 932 062	8 532 589	9 141 622
	b. Oordragbetalings	905 198	940 978	956 295
	Na 877 Artikel 21 skole	539 231	568 050	568 050
	Fezile Dabi Distrik - 136 skole	*97 989*	*103 271*	*103 271*
	Lejweleputswa Distrik - 181 skole	*110 746*	*116 581*	*116 581*
	Mangaung Distrik - 198 skole	*122 444*	*128 752*	*128 752*
	Thabo Mofutsanyana Distrik - 292 skole	*179 992*	*189 845*	*189 845*
	Xhariep Distrik - 70 skole	*28 060*	*29 601*	*29 601*
	Ander	365 967	372 928	388 245
	c. Nie-oordragbetalings	240 591	259 123	270 490
	Na 368 Nie-artikel 21 Skole	124 581	131 574	131 574
	Fezile Dabi Distrikt - 84 skole	*18 802*	*19 863*	*19 863*
	Lejweleputswa Distrik - 65 skole	*35 055*	*37 014*	*37 014*
	Motheo Distrikt - 40 skole	*31 133*	*32 871*	*32 871*
	Thabo Mofutsanyana Distrik - 162 skole	*26 537*	*28 042*	*28 042*
	Xhariep Distrik - 17 skole	*13 054*	*13 784*	*13 784*
	Ander	116 010	127 549	138 916
	d. Betaling van Kapitaalbates	586	639	413

Onderwys (slegs prog 2)

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN MAATSKAPLIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Maatskaplike Ontwikkeling**							
	Doel: ***Om aan die menslike en maatskaplike behoeftes van die behoeftige en kwesbare gemeenskappe te voorsien deur 'n intersektorale en geïntegreerde maatskaplike ontwikkelingsdiens.***	**1 145 164**	**572 796**	**82 297**		**437 604**	**52 467**	
	1 Administrasie ……	239 484	171 495	57 458		1 302	9 229	
	Om strategiese bestuur en ondersteuningsdienste te voorsien aan alle vlakke in die Departement.							
	Waaronder							
	– Oordragbetalings aan Huishoudings					1 279		
	2 Maatskaplike Welsynsdienste ……	188 899	97 806	7 867		82 976	250	
	Om geïntegreerde maatskaplike ontwikkelingshulp aan behoeftige en kwesbare mense te voorsien in vennootskap met belanghebbendes en burgerlike samelewingsorganisasies.							
	Waaronder							
	– Oordragbetalings aan Huishoudings					79		
	– Oordragbetalings aan NRO's					82 897		
	2.1 *Dienste aan Bejaardes*					*43 959*		
	2.2 *Dienste aan Persone met Gestremdhede*					*21 595*		
	2.3 *MIV en Vigs*					*17 343*		
	3 Kinders en Families …….	428 762	117 244	7 591		303 795	132	
	Om omvattende kinder- en gesinsorg en ondersteuningsdienste aan gemeenskappe te voorsien in vennootskap met belanghebbendes en burgerlike gemeenskapsorganisasies.							
	Waaronder							
	– Oordragbetalings aan Huishoudings							
	– Oordragbetalings aan NRO's					303 795		
	3.1 *Sorg en Ondersteuningsdienste aan Gesinne*					*4 360*		
	3.2 *Kindersorg en -Beskerming*					*33 080*		
	3.3 *Vroeëkindontwikkeling en gedeeltelike versorging*					*231 808*		
	3.4 *Kinder en Jeugsorgsentrums*					*27 424*		
	3.5 *Gemeenskapsdienste aan Kinders*					*7 123*		

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SKEDULE VAN MAATSKAPLIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Versterkingsdienste …..……	155 307	90 946	5 652		15 975	42 734	
	Om geïntegreerde maatskaplike ontwikkeling in misdaadvoorkoming en teen-dwelm en alkohol afhanklikheidsdienste aan die kwesbaarstes te voorsien in vennootskap met belanghebbendes en burgerlike gemeenskapsorganisasies.							
	Waaronder							
	– Oordragbetalings aan Huishoudings							
	– Oordragbetalings aan NRO's					15 975		
	4.1 Misdaadvoorkoming en ondersteuning					*2 687*		
	4.2 Program vir Bemagtiging van Slagoffers					*7 412*		
	4.3 Dwelmmiddelmisbruik, Voorkoming en Rehabilitasie					*5 876*		
	Waaronder							
	Voorwaardelike Toelae							
	– Dwelmmiddelmisbruikbehandelings-toelae						42 500	
	5 Ontwikkeling en Navorsing …..……	132 712	95 305	3 729		33 556	122	
	Om volhoubare ontwikkelingsprogramme te voorsien wat die bemagtiging van gemeenskappe fasiliteer, gebaseer op empiriese navorsing en demografiese inligting op provinsiale en distriksvlak.							
	Waaronder							
	– Oordragbetalings aan Huishoudings					13		
	– Oordragbetalings aan NRO's					33 543		
	5.1 Ontwikkeling van Vroue					*1 400*		
	Waaronder							
	Voorwaardelike Toelae							
	– Maatskaplike sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies					14 179		

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SKEDULE VAN MAATSKAPLIKE ONTWIKKELING: PROGRAM 2, 3 & 4

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
		2016/17	2017/18	2018/19
		R'000	R'000	R'000
7	**Maatskaplike Ontwikkeling**	**772 968**	**787 873**	**835 549**
	2 Maatskaplike Welsynsdienste ……..	**188 899**	**197 517**	**204 924**
	Om geïntegreerde maatskaplike ontwikkelingshulp aan behoeftige en kwesbare mense te voorsien in vennootskap met belanghebbendes en burgerlike samelewingsorganisasies.			
	a. Vergoeding van Werknemers	97 806	106 842	113 805
	b. Oordragbetalings aan Nie-regeringsorganisasies (NRO's)	82 976	82 980	82 984
	Oordragbetalings aan Huishoudings	*79*	*83*	*87*
	Oordragbetalings aan NRO's	*82 897*	*82 897*	*82 897*
	Dienste aan Bejaardes	43 959	43 959	43 959
	Dienste aan Persone met Gestremdhede	21 595	21 595	21 595
	MIV en Vigs	17 343	17 343	17 343
	c. Goedere en dienste	7 867	7 433	7 858
	d. Betaling van Kapitaalbates	250	262	277
	3 Kinders en Families ….……	**428 762**	**458 463**	**480 491**
	Om omvattende kinder- en gesinsorg en ondersteuningsdienste aan gemeenskappe te voorsien in vennootskap met belanghebbendes en burgerlike gemeenskapsorganisasies.			
	a. Vergoeding van Werknemers	117 244	128 289	138 633
	b. Oordragbetalings aan Nie-regeringsorganisasies (NRO's)	303 795	323 598	334 379
	Oordragbetalings aan Huishoudings			
	Ander Oordragbetalings			
	Oordragbetalings aan NRO's	*303 795*	*323 598*	*334 379*
	Sorg en Ondersteuningsdienste aan Gesinne	4 360	4 360	4 360
	Kindersorg en -Beskerming	33 080	33 080	33 080
	Vroeëkindontwikkeling en gedeeltelike versorging	231 808	251 611	262 392
	Kinder en Jeugsorgsentrums	27 424	27 424	27 424
	Gemeenskapsdienste aan Kinders	7 123	7 123	7 123
	c. Goedere en dienste	7 591	6 437	7 332
	d. Betaling van Kapitaalbates	132	139	147
	4 Versterkingsdienste ….……	**155 307**	**131 893**	**150 134**
	Om geïntegreerde maatskaplike ontwikkeling in misdaadvoorkoming en teen-dwelm en alkohol afhanklikheidsdienste aan die kwesbaarstes te voorsien in vennootskap met belanghebbendes en burgerlike gemeenskapsorganisasies.			
	a. Compensation of employees	90 946	96 132	109 316
	b. Transfer Payments	15 975	15 975	15 975
	Oordragbetalings aan Huishoudings			
	Oordragbetalings aan NRO's	*15 975*	*15 975*	*15 975*
	Misdaadvoorkoming en ondersteuning	2 687	2 687	2 687
	Program vir Bemagtiging van Slagoffers	7 412	7 412	7 412
	Dwelmmiddelmisbruik, Voorkoming en Rehabilitasie	5 876	5 876	5 876
	c. Goods and Services	5 652	5 302	6 266
	d. Payments for Capital Assets	42 734	14 484	18 577

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN SAMEWERKENDE REGERING EN TRADISIONELE SAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
8	**Samewerkende Regering en Tradisionele Sake**							
	Doel: ***Ontwikkelende plaaslike regering en tradisionele sake.***	**407 596**	**199 658**	**113 184**		**84 746**	**10 008**	
	1 Administrasie ……	133 006	72 829	57 377		193	2 607	
	Om algehele bestuur in die Departement te voorsien in ooreenstemming met alle toepaslike wette en beleide.							
	2 Plaaslike Regering ……	123 111	41 663	33 689		46 447	1 312	
	Om lewensvatbare en volhoubare plaaslike regering te voorsien en fasiliteer.							
	3 Ontwikkeling en Beplanning ……..…..……..	101 696	40 333	18 520		37 077	5 766	
	Om Geïntegreerde Ontwikkelingsbeplanning (GOB) te bevorder en om the ontwikkeling van geloofwaardige en vereenvoudigde GOB's te fasiliteer.							
	4 Tradisionele Institusionele Bestuur ..…….…..……	40 115	37 093	2 040		706	276	
	Om lewensvatbare en volhoubare tradisionele instellings te voorsien en fasiliteer.							
	5 Huis van Tradisionele Leiers ……..…….	9 668	7 740	1 558		323	47	
	Om oorsig te hê en deel te neem in die uitvaardiging van wetgewing deur die Provinsiale Wetgewer en oorsig te hê oor dienslewering deur regeringsdepartemente en munisipaliteite rakende sake van Afrika-kultuur, gewoontes, tradisies asook algemene ekonomiese en ontwikkelingswelvaart van tradisionele gemeenskappe.							

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN OPENBARE WERKE EN INFRASTRUKTUUR

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
9	**Openbare Werke en Infrastruktuur**							
	Doel: ***Om die voorsiening, bevordering en gesonde bestuur van veilige, bekostigbare, betroubare, toeganklike en volhoubare bates en infrastruktuurstelsels te verseker.***	**1 486 417**	**402 058**	**551 759**		**333 012**	**199 588**	
	1 Administrasie ……	119 658	75 889	40 042		937	2 790	
	Om die Departement van administratiewe, strategiese, finansiële en korporatiewe ondersteuningsdienste te voorsien ten einde te verseker dat die mandaat op 'n geïntegreerde, doelmatige, doeltreffende en volhoubare manier uitgevoer word.							
	2 Openbare Werke Infrastruktuur ……..	1 193 580	311 123	475 569		332 075	74 813	
	Om gebalanseerde en gelyke provinsiale regeringsgeboue-infrastruktuur te voorsien deur die bevordering van toeganklikheid wat volhoubaar, geïntegreerd en omgewingsensitief is en wat ekonomiese ontwikkeling en maatskaplike bemagtiging ondersteun.							
	Waaronder							
	Toegewysde fondse							
	– Eiendomsbelastingverbeterings-toekenning					329 177		
	– Infrastruktuurverbeterings-toekenning						26 623	
	3 Uitgebreide Openbare Werke Program ……..	173 179	15 046	36 148			121 985	
	Om die implementering van programme en strategieë wat lei tot die ontwikkeling en bemagtiging van gemeenskappe en kontrakteurs te bestuur. Dit sluit die provinsiale bestuur en koördinering van die Uitgebreide Openbare Werke Program in.							
	Waaronder							
	Voorwaardelike Toelae							
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies			6 530				
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning						117 723	

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN POLISIE, PAAIE EN VERVOER

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
10	**Polisie, Paaie en Vervoer**							
	Doel: ***Om by te dra tot die skep van 'n welvarende Vrystaat deur die fasilitering van die voorsiening van volhoubare gemeenskapsveiligheid, mobiliteit en padinfrastruktuur.***	**2 586 841**	**617 634**	**1 081 981**		**250 584**	**636 642**	
	1 Administrasie ……..	258 852	144 256	96 299		844	17 453	
	Om uitvoerende ondersteuning aan die Hoof van die Departement en alle finansiële en nie-finansiële stelsels binne die Departement te voorsien.							
	Waaronder							
	Toegewysde fondse							
	– Biometriese & Kringtelevisie Kameras						15 000	
	– Kontant in Transito			12 000				
	2 Provinsiale Sekretariaat vir Polisiedienste …….	23 674	15 014	8 396		264		
	Om die polisie se gedrag en prestasie te monitor en daaroor toesig te hou ten opsigte van dienslewering in die provinsie.							
	3 Vervoerbedrywighede …..……..	320 631	26 730	52 644		241 257		
	Om deur middel van eie provinsiale hulpbronne en deur samewerking met nasionale en plaaslike owerhede asook die privaatsektor, die voorsiening van vervoerdienste en infrastruktuur te beplan, te reguleer en te fasiliteer ten einde die beweeglikheid van goedere en alle gemeenskappe, veral diegene wat tans beperkte of geen toegang het nie, te verbeter.							
	Waaronder							
	Voorwaardelike Toelae							
	– Openbare Vervoerbedrywigheidstoelae					241 257		
	Toegewysde fondse							
	– Leerdervervoer			40 000				
	– Infrastruktuurverbeterings-toekenning			5 000				

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN POLISIE, PAAIE EN VERVOER

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Vervoerregulering ..... Om 'n veilige en effektiewe padverkeerstelsel op die been te bring, te bestuur en te onderhou deur die voorsiening van pro-aktiewe onderwys en opleiding sowel as effektiewe padverkeerswetstoepassing en om te verseker dat alle privaat- en staatsvoertuie in die provinsie elke jaar geregistreer en gelisensieer is asook dat alle bestuurders behoorlik gemagtig is om hulle voertuie te bestuur.	332 634	267 247	59 278		6 109		
	5 Vervoerinfrastruktuur ..... Om die toeganklikheid en die veilige, bekostigbare vervoer van mense, goedere en dienste te bevorder deur die lewering en instandhouding van vervoerinfrastruktuur wat onderhoubaar, geïntegreer en omgewingsensitief is en wat maatskaplike bemagtiging en ekonomiese groei ondersteun en fasiliteer.	1 651 050	164 387	865 364		2 110	619 189	
	Waaronder							
	Voorwaardelike Toelae							
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies						5 366	
	– Provinsiale Padinstandhoudingstoelae		5 639	707 291			545 100	
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning		158 748	158 073		2 110	68 723	

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN LANDBOU EN LANDELIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
11	**Landbou en Landelike Ontwikkeling**							
	Doel: ***Om landboukundige ontwikkeling en ondersteuning aan die mense van die Vrystaat te voorsien en 'n beter lewe vir plaaslike gemeenskappe.***	**745 825**	**349 991**	**75 642**		**300 248**	**19 944**	
	1 Administrasie ……	155 462	114 478	37 309		2 474	1 200	
	Om landboubeleide en prioriteite in die Provinsie te bestuur en om toepaslike ondersteuningsdienste aan alle programme met betrekking tot finansies, personeel, inligtingsdienste, kommunikasie en aankope te verseker.							
	2 Volhoubare Hulpbronnebestuur ……..……..	32 635	24 175	3 110		5 350		
	Om landboukundige ondersteuningsdienste aan boere te voorsien ten einde te sorg vir die volhoubare bestuur van landbouhulpbronne.							
	Waaronder							
	Voorwaardelike Toelae							
	– 'Land Care' Programtoelae: Armoedeverligting en Infrastruktuurontwikkeling			156		5 350		
	3 Boerdery-ondersteuning en -Ontwikkeling ……....	395 790	89 135	16 052		290 602		
	Om ondersteuning aan boere te voorsien deur landboukundige ontwikkelingsprogramme.							
	Waaronder							
	Voorwaardelike Toelae							
	– Omvattende Landbou Ondersteuningsprogramtoelae		15 158	10 123		149 008		
	– Ilima/Letsema Projekte Toelae					59 447		
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies					2 145		
	Voorwaardelike Toelae							
	– Infrastruktuurverbeterings-toekenning					80 000		

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN LANDBOU EN LANDELIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Veeartsenydienste ……..…..……	57 175	51 089	6 086				
	Om veeartsenydienste aan kliënte te voorsien om te sorg vir gesonde diere en die welsyn van die mense van Suid-Afrika.							
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning							
	5 Tegnologie, Navorsing en Ontwikkelingsdienste ……..……	53 811	28 111	6 956			18 744	
	Om professionele en behoefte gebaseerde navorsing, ontwikkeling en tegnologiese oordragsdienste te voorsien wat 'n impak lewer op ontwikkelingsdoelwitte.							
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			4 000			18 744	
	6 Landbou-ekonomiese dienste …..……..…..……	10 262	9 383	879				
	Om tydige en toepaslike landbou ekonomiese dienste aan die sektor te lewer ter ondersteuning van volhoubare landbou en die ontwikkeling van landbou besigheidsdienste ten einde ekonomiese groei te ondersteun.							
	7 Gestruktureerde Landbou-Opleiding ……..…..……	21 458	17 582	3 876				
	Om gestruktureerde landbou onderwys en opleiding aan alle deelnemers in die landbou sektor te voorsien, wat voldoen aan die Landbou Onderwys en Opleidingstrategie ten einde 'n kundige, vooruitstrewende en kompeterende sektor te vestig.							
	8 Landelike Ontwikkeling ……..…..……	19 233	16 038	1 374		1 821		
	Om ontwikkeling te inisieër, beplan en te monitor in spesifieke landelike gebiede (Omvattende Landelike Ontwikkelingsprogramliggings), in alle vlakke van regering ten einde die behoeftes wat geidentifiseer is aan te spreek.							

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN SPORT, KUNS, KULTUUR EN ONTSPANNING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Kuns, Kultuur en Ontspanning**							
	Doel: ***Die bevordering, ontwikkeling en transformasie van Sport, Kuns, Kultuur en Ontspanning ten einde by te dra tot volhoubare ekonomiese groei en geleenthede, nasiebou, goeie bestuur en maatskaplike en menslike kapitaalontwikkeling.***	**655 128**	**290 016**	**159 551**		**46 813**	**158 748**	
	1 Administrasie ……	86 806	69 295	16 173		1 000	338	
	Om algehele bestuur- en administratiewe ondersteuning van die Departement te hanteer.							
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			1 232				
	2 Kultuursake ……..……	151 117	62 660	68 272		5 850	14 335	
	Om kultuur, bewaring en bestuur van kulturele, historiese bates en hulpbronne van die Provinsie te bevorder deur die lewering van verskeie dienste.							
	Waaronder							
	Voorwaardelike Toelae							
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies		2 043	361				
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			2 500			14 212	
	3 Biblioteek- en Argriefdienste ……..……..	235 597	118 238	41 446		9 000	66 913	
	Om plaaslike biblioteekowerhede by te staan in die lewering van openbare biblioteekdienste en om argiefdienste aan die Provinsie te voorsien.							
	Waaronder							
	Voorwaardelike Toelae							
	– Gemeenskapsbiblioteekdienste Toelae		85 580	25 789		7 000	39 389	
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			5 300			27 475	

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN SPORT, KUNS, KULTUUR EN ONTSPANNING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Sport en Ontspanning ……..……..….	181 608	39 823	33 660		30 963	77 162	
	Om hulp te verleen aan provinsiale sportassosiasies en ander relevante liggame om die ontwikkeling van sport te stimuleer. Formuleer insette rakende sportbeleid en bevorder sportprogramme. Beheer, bevorder en ontwikkel die provinsiale sportakademie. Ontwikkel en dra by tot sportbemarking-strategieë. Fasiliteer ontwikkeling van fasiliteite om sodoende die lewens van die benadeeldes te verbeter. Bevorder en ontwikkel sporttoerisme deur groot geleenthede.							
	Waaronder							
	Voorwaardelike Toelae							
	– Massa Deelname en Sportontwikkelingstoelae		2 387	31 982		8 650		
	– Maatskaplike Sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies					1 800		
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			1 000		3 000	77 154	

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN MENSLIKE NEDERSETTINGS

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
13	**Menslike Nedersettings**							
	Doel: ***Om die lewering van behuising en die ontwikkeling van geïntegreerde menslike nedersetting te bestuur.***	**1 335 504**	**162 610**	**44 747**		**1 124 982**	**3 165**	
	1 Administrasie	98 423	70 472	27 136			815	
	Om oorhoofse bestuur in die Departement te voorsien met betrekking tot alle toepaslike wette en beleide.							
	2 Behuisingsbehoeftes, Navorsing en Beplanning	23 514	15 129	4 261		2 951	1 173	
	Om lewering van behuising te fasiliteer.							
	3 Behuisingsontwikkeling	1 212 157	76 000	12 949		1 122 031	1 177	
	Om individuele subsidies en behuisingsgeleenthede aan begunstigdes te voorsien in ooreenstemming met behuisingsbeleid.							
	Waaronder							
	Voorwaardelike Toelae							
	– Menslike Nedersettingontwikkelingstoelae		24 634	4 281		1 069 396	100	
	waaronder toegewys vir myndorpe							
	Matjhabeng					101 129		
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies					2 000		
	4 Behuising Bate Bestuur en Eiendomsbestuur	1 410	1 009	401				
	Om vir die effektiewe bestuur van behuising voorsiening te maak.							

BEGROTINGSWETSONTWERP, 2016

SKEDULE VAN OORDRAGBETALINGS EN SUBSIDIES

(Ten laste van die Provinsiale Inkomstefonds)

Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
	2016/17	2017/18	2018/19
	R'000	R'000	R'000
Oordragbetalings aan Munisipaliteite:	**419 980**	**422 243**	**445 518**
Samewerkende Regering en Tradisionele Sake	**81 803**	**66 607**	**69 872**
Xhariep	17 000	17 850	19 000
Nie Toegewys	64 803	48 757	50 872
Openbare Werke en Infrastruktuur	**329 177**	**345 636**	**364 646**
Mangaung	84 881	105 584	110 672
Xhariep	7 181	7 055	7 464
Lejweleputswa	64 376	63 258	66 927
Thabo Mofutsanyana	137 955	135 558	143 420
Fezile Dabi	34 784	34 181	36 163
Sport, Kuns, Kultuur en Ontspanning	**9 000**	**10 000**	**11 000**
Mangaung	2 000	2 000	2 000
Thabo Mofutsanyana	4 667	5 667	6 334
Fezile Dabi	2 333	2 333	2 666
Oordragbetalings aan Openbare Entiteite:	**99 938**	**98 684**	**104 408**
Ekonomiese en Klein Sake Ontwikkeling, Toerisme en Omgewingsake	**99 938**	**98 684**	**104 408**
Vrystaatse Ontwikkelingskorporasie	1 200	1 260	1 333
Vrystaatse Dobbel en Drankowerheid	55 551	53 349	56 443
Vrystaatse Toerisme Owerheid	43 187	44 076	46 632
Ander oordragbetalings:	**3 542 242**	**3 684 610**	**3 837 640**
Premier	860	582	616
Vrystaatse Wetgewer	61 300	58 148	60 046
Ekonomiese en Klein Sake Ontwikkeling, Toerisme en Omgewingsake	12 495	16 245	11 415
Vrystaatse Provinsiale Tesourie	13 719	391	414
Gesondheid	128 791	73 611	74 869
Onderwys	1 167 069	1 245 681	1 278 565
Maatskaplike Ontwikkeling	437 604	442 248	453 052
Samewerkende Regering en Tradisionele Sake	2 943	3 039	3 215
Openbare Werke en Infrastruktuur	3 835	4 019	4 242
Polisie, Paaie en Vervoer	250 584	265 462	277 849
Landbou en Landelike Ontwikkeling	300 248	297 153	320 702
Sport, Kuns, Kultuur en Ontspanning	37 813	32 720	34 408
Menslike Nedersettings	1 124 982	1 245 312	1 318 248
Totale oordragbetalings en subsidies:	**4 062 161**	**4 205 538**	**4 387 566**

EXPLANATORY MEMORANDUM

1. PURPOSE

The Appropriation Bill, 2016 regulates the appropriation of amounts of money for the needs of the Province in respect of the financial year 1 April 2016 to 31 March 2017.

The memorandum highlights estimates of revenue expected to be received and raised for each year of the 2016 Medium Term Expenditure Framework ("MTEF") period as well as the expenditures to be incurred by the Province.

2. SUMMARY

The 2016 MTEF budget appropriation includes the amounts that are already in the baseline of the Departments, as well as new allocations and reprioritization of funds. These allocations include national allocations relating to conditional grants, policy adjustments, funding of nationally agreed priorities and funding from the provincially own sourced revenue.

The total estimate of expenditure for the Province for the 2016/17 financial year amounts to **R30.829 billion**. This provides for funding of priorities identified in The National Development Plan, the 2014-2019 Medium Term Strategic Framework (MTSF), Medium Term Budget Policy Statement (MTBPS) and the 2016 MTEF.

The Free State Provincial Government's projected revenue for the 2016/17 financial year is **R30.829 billion**, which consists of equitable share transfers of **R22.995 billion**, conditional grants of **R6.816 billion** and the Province's projected own revenue amounting to **R1.030 billion**.

TABLE 1: NET PROVINCIAL POSITION

R' 000	2016/17	2017/18	2018/19
Total Revenue	30 840 342	32 871 719	34 946 671
Total Allocated Expenditure	30 829 012	32 831 246	34 793 711
Net Surplus (Incentive funding)	**11 330**	**40 473**	**152 960**

3. PURPOSE OF ALLOCATIONS

The total provincial budget amounts to **R30.829 billion** for the 2016/17 financial year as indicated in Table 2 below.

The purpose of the allocations is to provide for and enable the implementation of the provincial government's programme of action with specific emphasis on the following:

- *Enhancement of the quality of education* through an improving access to educational opportunities;

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

- *Improving the provision of health care,* particularly for the poor, to reduce infant, child and maternal mortality rates;
- *Reducing the levels of crime and enhancing citizen safety* is one of provincial government priorities through which it intends to increase the number of policing personnel specializing in various key areas of crime prevention;
- *Creating sustainable growth through maintaining high levels of public investment in infrastructure to intensify and improve* various infrastructure delivery and imperatives of the provincial government is also one of the priorities. Among the infrastructure related investment initiatives are School Hostels, Roads Construction programme and many others;
- *Intensifying the Province's public sector employment programmes* by increasing employment in areas where there is a clear need to do so especially in the police, education and health sectors;
- *Implementing of the Expanded Public Works Programme ("EPWP")* in areas such as health services, construction, maintenance and environmental protection projects;
- *Scaling up social interventions* to address the job challenges and ensuring social protection.

TABLE 2: SUMMARY OF PROPOSED ALLOCATION TO DEPARTMENTS

R'000	2016/17
	Budget Allocation
Premier	309 644
Free State Legislature	228 232
Economic and Small Business Development, Tourism and Environmental Affairs	493 548
Free State Provincial Treasury	326 766
Health	9 048 599
Education	12 059 747
Social Development	1 145 164
Cooperative Governance and Traditional Affairs	407 596
Public Works and Infrastructure	1 486 417
Police, Roads and Transport	2 586 841
Agriculture and Rural Development	745 825
Sport, Arts, Culture and Recreation	655 128
Human Settlements	1 335 504
Total	**30 829 011**

4. DISCUSSION

4.1 Provincial Fiscal Envelope

A summary of the total provincial revenue envelope is contained in Table 3 below and reflects the total revenue of **R30.840 billion**, **R32.872 billion** and **R34.947 billion** for the financial years 2016/17, 2017/18 and 2018/19 respectively.

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

TABLE 3: PROVINCIAL REVENUE ENVELOPE

R'000	2016/17	2017/18	2018/19
Equitable Share	22 994 762	24 590 994	26 134 741
Conditional Grants	6 815 869	7 218 205	7 718 736
Total Transfers from National	**29 810 631**	**31 809 199**	**33 853 477**
Own Revenue	1 029 711	1 062 520	1 093 194
Total Revenue	**30 840 342**	**32 871 719**	**34 946 671**

4.2.1 Social Sector allocations

(a) Health

Department of Health is allocated an amount of **R9.049 billion** in 2016/17, **R9.688 billion** in 2017/18 and **R10.430 billion** in 2018/19. The allocation of the Department covers, amongst others, the following health care priorities over the 2016 MTEF:

- Infection Control and Cleaning;
- Medical Supplies including Dry Dispensary;
- Medicines;
- Medical Waste;
- Laboratory Services: National Health Laboratory Services (NHLS);
- Blood Supply and Services;
- Medical Gas;
- Food Services and Relevant Supplies;
- Security Services;
- Laundry Services;
- Essential Equipment and Maintenance of Equipment;
- Infrastructure and Non-Infrastructure Maintenance;
- Children's Vaccines;
- ARV'S; and
- Mobile Clinic Programme.

(b) Education

The Department of Education is allocated an amount of **R12.060 billion** in 2016/17, **R13.023 billion** in 2017/18 and **R13.713 billion** in 2018/19. The funding to this Department addresses the following, amongst other sector priorities over the 2016 MTEF:

- Norms and Standards for school funding;
- Teacher Development;
- Learner and Teaching Support Material (LTSM) Enhancement;
- EMIS;
- Literacy and Numeracy;
- Expansion of Grade R;

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

- Provincial Bursaries;
- Hostel Support;
- Kagisho & Kutlwanong Trust;
- Matric support programme;
- Revitalisation of Agricultural schools;
- Pre-Grade R training;
- Exemption of school fees; and
- School Connectivity.

(c) Social Development

The Department of Social Development is allocated an amount of **R1.145 billion** in 2016/17, **R1.163 billion** in 2017/18 and **R1.233 billion** in 2018/19. The following priorities, amongst others, are funded:

- Support of NPOs;
- Early Childhood Development (ECD) and Partial Care (TF);
- Construction of ECD's;
- Office on the Rights of Children;
- Victim Empowerment (TF);
- Substance Abuse Treatment Grant;
- Supplementary ECD subsidy (261 vs 264 days); and
- Sanitary towels initiatives.

4.2.2 Non-Social Sector allocations

Allocated funding to the non-social sector Departments is as follows:

(a) Department of the Premier

The Department of the Premier receives **R309.644 million** in 2016/17, **R307.031 million** in 2017/18 and **R322.481 million** in 2018/19. The funding will cater for the following priorities:

- Community Development Workers;
- Provincial Communication Strategy;
- Free State Training and Development Institute (FSTDI);
- Non-financial Function/ Human Resource Capacity (Transfer from Provincial Treasury);
- Transport Economist Function;
- HIV Function; and
- Information Communication Technology (ICT) Training Centre.

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

(b) Free State Legislature

The Free State Legislature is allocated an amount of **R228.232 million** in 2016/17; **R233.855 million** in 2017/18 and **R244.731 million** in 2018/19. These allocations will cater for the filling of posts (FMPPLA) and a portion of political party funding.

(c) Economic and Small Business Development, Tourism and Environmental Affairs

An amount of **R493.548 million** is allocated for 2016/17, **R511.786 million** for 2017/18 and **R537.550 million** for 2018/19. The allocation caters for the following priorities, amongst others:

- Waste Management;
- Management of Protected Areas;
- Cleaning of rivers;
- Cleaning and Greening of Various Towns;
- Transformation of Game Industry (Training of game farmers);
- Climate change programmes (Implementation of Cop 21 resolutions);
- Eco Schools;
- Support waste pickers programme;
- Revitalisation of Resorts;
- Economic Development;
- Foreign Investment;
- Support of SMME's and Corporatives;
- Bakery in Cornelia;
- Mayonnaise Factory;
- Creation and Support of Black Industrialists; and
- Revitalisation of Textile Industry.

(d) Free State Provincial Treasury

Provincial Treasury is allocated **R326.766 million** in 2016/17; **R303.057 million** in 2017/18 and **R316.468 million** in 2018/19. The allocation for this department will cover the following priorities, amongst others:

- State Information Technology Agency (SITA);
- Municipal Support Programme;
- Supplier's Database; and
- Revenue enhancement.

(e) Cooperative Governance and Traditional Affairs

The allocation to this department amounts to **R407.596 million** in 2016/17, **R411.525 million** in 2017/18 and **R430.835 million** in 2018/19:

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

- Operational Clean Audit;
- Municipal Financial Intervention Xhariep;
- Municipal Financial Intervention Compensation;
- Bulk Infrastructure and Basic Services;
- P/P: Sewerage;
- Water Laboratory Municipal support;
- Water Sanitation Intervention; and
- Fire Fighting Equipment.

(f) Public Works and Infrastructure

The Department of Public Works and Infrastructure is allocated an amount of **R1.486 billion** in 2016/17, **R1.547 billion** in 2017/18 and **R1.622 billion** in 2018/19. The allocation of this department would fund the following priorities, amongst others:

- Operating leases;
- Property payments;
- Rates & Taxes;
- EPWP; and
- Infrastructure Enhancement projects.

(g) Police, Roads and Transport

The allocation to the Department of Police, Roads and Transport amounts to **R2.587 billion** in 2016/17, **R2.733 billion** in 2017/18 and **R2.869 billion** in 2018/19. The allocation of this department will mainly fund priorities, among others:

- Cash in Transit;
- Biometrics & CCTV cameras;
- Learner transport;
- Public Transport Operations;
- Provincial Roads Management Infrastructure;
- EPWP; and
- Infrastructure Enhancement.

(h) Agriculture and Rural Development

Department of Agriculture and Rural Development receives **R745.825 million** in 2016/17, **R778.286 million** in 2017/18 and **R815.866 million** in 2018/19. The following priorities are funded from the abovementioned allocation:

- LandCare Programme;
- Disaster Management;

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

- Training of community and farmers;
- Agricultural projects (CASP);
- Capacitation of the Extension Officers;
- Veterinary Clinics;
- Agricultural projects (Ilima);
- EPWP;
- Mohoma Mobung;
- Animal Vaccination; and
- Water purification Glen Farm.

(i) Sport, Arts, Culture and Recreation

The department receives a total allocation of **R655.128 million** in 2016/17, **R641.030 million** in 2017/18 and **R672.645 million** in 2018/19. The following priorities are funded, amongst others:

- EPWP;
- Community Library Services programme;
- Mass Participation and Sport Development;
- Social EPWP projects;
- Macufe;
- Other Arts and Culture programmes;
- Dr Petrus Molemela stadium; and
- Infrastructure Enhancement.

(j) Human Settlements

The Department of Human Settlements receives an allocation of **R1.335 billion** in 2016/17, **R1.491 billion** in 2017/18 and **R1.586 billion** in 2018/19. The allocations for this department fund the following priorities amongst others:

- Financial Interventions;
- Incremental Interventions;
- Social and Rental Interventions;
- Rural Interventions;
- Provincial Specific Programme; and
- Demolition and construction of 2 roomed houses.

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

VERDUIDELIKENDE MEMORANDUM

1. DOEL

Die Begrotingswetsontwerp, 2016 reguleer die bewilliging van bedrae van geld vir die behoeftes van die Provinsie ten opsigte van die finansiële jaar 1 April 2016 tot 31 Maart 2017.

Die memorandum beklemtoon begrotingsinkomste wat na verwagting ontvang sal word en wat vir elke jaar van die 2016 Mediumtermyn-bestedingsraamwerk ("MTBR") tydperk asook die uitgawes wat deur die Provinsie aangegaan word.

2. OPSOMMING

Die 2016 MTBR-begroting sluit in die bedrae reeds in die basislyn van die Departemente, asook nuwe toekennings en geherprioritiseerde fondse. Hierdie toekennings sluit in nasionale toekennings in verband met die voorwaardelike toelae, beleid aanpassings, befondsing van nasionaal ooreengekome prioriteite en befondsing van die provinsiale eie bron van inkomste.

Die totale begroting van uitgawes vir die Provinsie vir die 2016/17 finansiële jaar beloop **R30.829 miljard**. Dit maak voorsiening vir die befondsing geïdentifiseerd in die Nasionale Ontwikkelingsplan, die 2014-2019 Mediumtermyn Strategiese Raamwerk (MTSR), Mediumtermyn-begrotingsbeleidsverklaring (MTBBV) en die 2016 MTBR.

Die Vrystaatse Provinsiale Regering se geprojekteerde inkomste vir die 2016/17 finansiële jaar is **R30.829 miljard**, wat bestaan uit billike deel oordragte van **R22.995 miljard**, voorwaardelike toelaes van **R6.816 miljard** en die provinsie se eie inkomste geprojekteer ten bedrae van **R R1.030 miljard**.

TABEL 1: NETTO PROVINSIALE POSISIE

R' 000	2016/17	2017/18	2018/19
Totale Inkomste	30 840 342	32 871 719	34 946 671
Totale Toegewysde Uitgawe	30 829 012	32 831 246	34 793 711
Netto Surplus (Aansporing befondsing)	**11 330**	**40 473**	**152 960**

3. DOEL VAN TOEKENNINGS

Die totale provinsiale begroting beloop **R30.829 miljard** vir die 2016/17 finansiële jaar, soos aangedui in Tabel 2 hieronder.

Die doel van die toekennings, is om voorsiening te maak vir en om die implementering van die provinsiale regering se program van aksie in staat te stel met spesifieke klem op die volgende:

- *Die gehalte van onderwys te versterk* deur toegang tot opvoedkundige geleenthede te verbeter;

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R' 000 asook met die woorde duisend, miljoen of miljard is afgerond.

- *Die voorsiening vir gesondheidsorg te verbeter*, veral vir armes, en om baba, kind en moeder sterfte syfers te verlaag;
- *Die vlakke van misdaad te verminder en burgerveiligheid te versterk* is een van die provinsiale regering se prioriteite waardeur dit van voorneme is om die getal van polisiëringspersoneel te verhoog wat spesialiseer in verskeie belangrike gebiede van misdaadvoorkoming;
- *Om volhoubare groei te skep deur die handhawing van hoë vlakke van openbare belegging in infrastruktuur te versterk en verskeie* infrastrukture en vereistes van die provinsiale regering te verbeter is ook een van die prioriteite. Die infrastrukture wat verband hou met belegging inisiatiewe is die Skoolkoshuise, Paaie Konstruksie Programme en meer;
- *Die Provinsie se openbare sektor werksgeleentheid programme versterk* deur werksgeleenthede te verhoog in areas waar daar ‘n duidelike behoefte is, veral in die polisie, onderwys en gesondheidsektore;
- *Implementering van die Uitgebreide Openbare Werke-program* ("UOWP") in gebiede soos gesondheidsdienste, konstruksie, instandhouding en beskerming van die omgewingprojekte;
- *Sosiale ingrypings op te gradeer* om werkuitdagings aan te spreek en sosiale beskerming te verseker.

TABEL 2: OPSOMMING VAN VOORGESTELDE TOEWYSING AAN DEPARTEMENTE

R'000	2016/17
	Begrotingstoewysing
Premier	309 644
Vrystaat Wetgewer	228 232
Ekonomiese en Klein Sake Ontwikkeling, Toerisme en Omgewingsake	493 548
Vrystaat Provinsiale Tesourie	326 766
Gesondheid	9 048 599
Onderwys	12 059 747
Maatskaplike Ontwikkeling	1 145 164
Samewerkende Regering en Tradisionele Sake	407 596
Openbare Werke en Infrastruktuur	1 486 417
Polisie, Paaie en Vervoer	2 586 841
Landbou en Landelike Ontwikkeling	745 825
Sport, Kuns, Kultuur en Ontspanning	655 128
Menslike Nedersettings	1 335 504
Total	**30 829 011**

4. BESPREKING

4.1 Provinsiale Fiskale Koevert

'n Opsomming van die totale provinsiale inkomste koevert is in Tabel 3 hieronder vervat en weerspieël die totale inkomste van **R30.840 miljard**, **R32.872 miljard** en **R34.947 miljard** vir die finansiële jare 2016/17, 2017/18 en 2018/19, onderskeidelik.

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R’ 000 asook met die woorde duisend, miljoen of miljard is afgerond.

TABEL 3: PROVINSIALE INKOMSTE KOEVERT

R'000	2016/17	2017/18	2018/19
Billike Deel	22 994 762	24 590 994	26 134 741
Voorwaardelike Toelaes	6 815 869	7 218 205	7 718 736
Totale Oordrag van Nasionaal	**29 810 631**	**31 809 199**	**33 853 477**
Eie Inkomste	1 029 711	1 062 520	1 093 194
Totale Inkomste	**30 840 342**	**32 871 719**	**34 946 671**

4.2.1 Maatskaplike Sektore Toekeninngs

(a) Gesondheid

Die Departement van Gesondheid is 'n bedrag van **R9.049 miljard** in 2016/17, **R9.688 miljard** in 2017/18 en **R10.430 miljard** in 2018/19 toegeken. Die toekenning van die Departement dek, onder andere, die volgende gesondheidsorgprioriteite oor die 2016 MTBR:

- Infeksiebeheer en Skoonmaak;
- Mediese Voorraad insluitende Droë Apteek;
- Medisyne;
- Mediese Afval;
- Laboratoriumdienste: Nasionale Gesondheidslaboratoriumdienste (NHLS);
- Bloedvoorraad en -Dienste;
- Mediese Gas;
- Voedseldienste en Relevante Voorraad;
- Sekuriteitsdienste;
- Wasserydienste;
- Noodsaaklike Toerusting en Instandhoudingstoerusting;
- Infrastruktuur en Nie-Infrastruktuurinstandhouding;
- Kinderentstowwe;
- ARVs; en
- Mobiele Kliniekprogram.

(b) Onderwys

Die Departement van Onderwys is 'n bedrag van **R12.060 miljard** in 2016/17, **R13.023 miljard** in 2017/18 en **R13.713 miljard** in 2018/19 toegeken. Die befondsing aan hierdie Departement spreek, onder andere, die volgende sektor prioriteite oor die 2016 MTBR aan:

- Norme en standaarde vir skoolbefondsing;
- Onderwyserontwikkeling;
- Leerder- en onderrigondersteuningsmateriaal (LOOM) Verbetering;
- EMIS;
- Geletterdheid en Gesyferdheid;
- Uitbreiding van Graad R;

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R' 000 asook met die woorde duisend, miljoen of miljard is afgerond.

- Provinsiale beurse;
- Koshuisondersteuning;
- Kagisho en Kutlwanong Trust;
- Matriekondersteuningsprogram;
- Vernuwing van Landbouskole;
- Pre-Graad R opleiding;
- Kwytskelding van skoolgelde; en
- Skoolkonnektiwiteit.

(c) Maatskaplike Ontwikkeling

Die Departement van Maatskaplike Ontwikkeling is ‘n bedrag van **R1.145 miljard** in 2016/17, **R1.163 miljard** in 2017/18 en **R1.233 miljard** in 2018/19 toegeken. Die volgende prioriteite, onder andere, is befonds:

- Bystand van NROs;
- Vroeë Kinderontwikkeling (VKO) en Gedeeltelike Sorg;
- Konstruksie van VKOs;
- Kantoor van die Regte van Kinders;
- Slagofferbemagtiging (TF);
- Dwelmmisbruikbehandlingstoelae;
- Bykomende VKO subsidie (261 vs 264 dae); en
- Sanitêre doekies inisiatief.

4.2.2 Nie-Maatskaplike Sektor toekennings

Toegekende befondsing vir die nie-maatskaplike sektor Departemente is as volg:

(a) Departement van die Premier

Die Departement van die Premier ontvang **R309.644 miljoen** in 2016/17, **R307.031 miljoen** in 2017/18 en **R322.481 miljoen** in 2018/19. Die befondsing sal voorsiening maak vir die volgende prioriteite:

- Gemeenskapsontwikkelingswerkers;
- Provinsiale Kommunikasie Strategie;
- Vrystaat Opleidings- en Ontwikkelingsinstituut;
- Nie-finansiële Funksie/Menslike Hulpbronnekapasiteit (Oordrag van Provinsiale Tesourie);
- Vervoerekonoomfunksie;
- MIV-funksie; en
- Inligtingskommunikasietegnologie (IKT) Opleidingsentrum.

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R’ 000 asook met die woorde duisend, miljoen of miljard is afgerond.

(b) Vrystaat Wetgewer

Die Vrystaatse Wetgewer is 'n bedrag van **R228.232 miljoen** in 2016/17; **R233.855 miljoen** in 2017/18 en **R244.731 miljoen** in 2018/19 toegeken. Hierdie toekennings sal voorsiening maak vir vul van poste (FMPPLA) en ‘n gedeelte van politieke befondsing.

(c) Ekonomiese en Klein Sake Ontwikkeling, Toerisme en Omgewingsake

‘n Bedrag van **R493.548 miljoen** is toegeken vir 2016/17, **R511.786 miljoen** vir 2017/18 en **R537.550 miljoen** vir 2018/19. Die toekenning maak, onder andere, voorsiening vir die volgende:

- Afvalbestuur;
- Bestuur van Beskermde Gebiede;
- Skoonmaak van riviere;
- Skoonmaak en Vergroening van Verskeie Dorpe;
- Transformasie van Wildindustrie (Opleiding van wildboere);
- Klimaatsveranderingsprogramme (implementering van Cop 21 resolusies;
- Ekoskole;
- Bystand van afvalplukkerprogram;
- Vernuwing van Oorde;
- Ekonomiese Ontwikkeling;
- Buitelandse Investering;
- Bystand van KMMOs en Korporatiewe;
- Bakkery in Cornelia;
- Mayonnaisefabriek;
- Skepping en Bystand van Swartindustrialiste; en
- Vernuwing van Tekstielindustrie.

(d) Vrystaat Provinsiale Tesourie

Provinsiale Tesourie is **R326.766 miljoen** in 2016/17; **R303.057 miljoen** in 2017/18 en **R316.468 miljoen** in 2018/19 toegeken. Die toekenning aan hierdie Departement sal die volgende prioriteite, onder andere, dek:

- Staat Inligtingstegnologie-agentskap (SITA);
- Munisipale Ondersteuningsprogram;
- Verskaffersdatabasis; en
- Inkomste verbetering.

(e) Samewerkende Regering en Tradisionele Sake

Die toekenning vir hierdie Departement beloop **R407.596 miljoen** in 2016/17, **R411.525 miljoen** in 2017/18 en **R430.835 miljoen** in 2018/19:

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R’ 000 asook met die woorde duisend, miljoen of miljard is afgerond.

- Operasie Skoonoudit;
- Munisipale Finansiële Intervensie Xhariep;
- Munisipale Finansiële Intervensievergoeding;
- Grootmaat Infrastruktuur en Basiese Dienste;
- P/P: Riool;
- Waterlaboratorium Munisipale bystand;
- Watersanitasie Ingryping; en
- Brandbestrydingstoerusting.

(f) Openbare Werke en Infrastruktuur

Die Departement van Openbare Werke en Infrastruktuur is ‘n bedrag van **R1.486 miljard** in 2016/17, **R1.547 miljard** in 2017/18 en **R1.622 miljard** in 2018/19 toegeken. Die toekenning van hierdie departement sal die volgende prioriteite, onder andere, befonds:

- Kantoor huurkontrakte;
- Eiendomsbetalings;
- Eiendomsheffing en- belasting;
- UOWP; en
- Infrastruktuur Verbeteringsprojekte.

(g) Polisie, Paaie en Vervoer

Die toekenning vir die Departement van Polisie, Paaie en Vervoer beloop **R2.587 miljard** in 2016/17, **R2.733 miljard** in 2017/18 en **R2.869 miljard** in 2018/19. Die toekenning van hierdie departement sal hoofsaaklik prioriteite befonds, onder andere:

- Kontant in Transito;
- Biometriese en Kringtelevisie kameras;
- Leerdervervoer;
- Openbare Vervoeroperasies;
- Provinsiale Paaie Bestuursinfrastruktuur;
- UOWP; en
- Infrastruktuurverbetering.

(h) Landbou en Landelike Ontwikkeling

Departement van Landbou en Landelike Ontwikkeling ontvang **R745.825 miljoen** in 2016/17, **R778.286 miljoen** in 2017/18 en **R815.866 miljoen** in 2018/19. Die volgende prioriteite is befonds uit die bogenoemde toekenning:

- LandCare Program;
- Rampbestuur;

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R’ 000 asook met die woorde duisend, miljoen of miljard is afgerond.

- Opleiding van gemeenskap en boere;
- Landbouprojekte (CASP);
- Kapasitasie van die Voorligtingsbeamptes;
- Veeartseny Klinieke;
- Landbouprojekte (Ilima);
- UOWP;
- Mohoma Mobung;
- Inenting van Diere; en
- Watersuiwering Glenplaas.

(i) Sport, Kuns, Kultuur en Ontspanning

Die Department ontvang ‘n totale toekenning van **R655.128 miljoen** in 2016/17, **R641.030 miljoen** in 2017/18 en **R672.645 miljoen** in 2018/19. Die volgende prioriteite is, onder andere, befonds:

- UOWP;
- Gemeenskapsbiblioteekdienste programme;
- Massadeelname en Sportontwikkeling;
- Maatskaplike UOWP projekte;
- Macufe;
- Ander Kuns- en Kultuurprogramme;
- Dr Petrus Molemela Stadion; en
- Infrastruktuurverbetering.

(j) Menslike Nedersettings

Die Departement van Menslike Nedersettings ontvang ‘n toekenning van **R1.335 miljard** in 2016/17, **R1.491 miljard** in 2017/18 en **R1.586 miljard** in 2018/19. Die toekenning vir hierdie Departement befonds onder andere die volgende prioriteite:

- Finansiële Ingrypings;
- Gelydelike Ingrypings;
- Maatskaplike- en Huuringrypings;
- Landelike Ingrypings;
- Provinsiale Spesifieke Programme; en
- Sloping en konstruksie van 2 kamerhuise.

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R’ 000 asook met die woorde duisend, miljoen of miljard is afgerond.

39

FREE STATE PROVINCE

APPROPRIATION BILL

(MEMBER OF THE EXECUTIVE COUNCIL RESPONSIBLE FOR FINANCE)

[B2-2017]

PROVINSIE VRYSTAAT

BEGROTINGSWETSONTWERP

(LID VAN DIE UITVOERENDE RAAD VERANTWOORDELIK VIR FINANSIES)

[W2-2017]

BILL

To provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Free State Province in the 2017/18 financial year and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 226(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by an Act of the Provincial Legislature;

AND WHEREAS section 26 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) provides that the Provincial Legislature must appropriate money for each financial year for the requirements of the Province;

BE IT THEREFORE ENACTED by the Provincial Legislature of the Free State Province, as follows:-

Definitions

1. In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act has the meaning assigned to it in that Act and -

"**Act**" includes the Schedules;

"**conditional grants**" means allocations to provinces, local government or municipalities from the national government's share of revenue raised nationally, provided for in section 214(1)(c) of the Constitution of the Republic of South Africa, 1996;

"**current payments**" means any payments made by a provincial department classified as or deemed to be a current payment in terms of the instructions issued in the *Guidelines for Implementing the Economic Reporting Format* (September 2009), in terms of section 76 of the Public Finance Management Act;

"**earmarked funds**" means allocations to provincial departments for a specific purpose, subject to section 7A of the Free State Finance Management Act, 2003 (Act No. 1 of 2003);

"**payments for capital assets**" means any payments made by a provincial department classified as or deemed to be a payment for capital assets in terms of the instructions issued in the *Guidelines for Implementing the Economic Reporting Format* (September 2009) and the *Asset Management Framework* (April 2004, Version 3.3), in terms of section 76 of the Public Finance Management Act;

"**payments for financial assets**" means any payments made by a provincial department classified as or deemed to be a payment for financial assets in terms of the instructions issued in the *Guidelines for Implementing the Economic Reporting Format* (September 2009), in terms of section 76 of the Public Finance Management Act;

"**Public Finance Management Act**" means the Public Finance Management Act, 1999 (Act No. 1 of 1999); and

"**transfers and subsidies**" means any payments made by a provincial department classified as or deemed to be a transfer or subsidy payment in terms of the instructions issued in the *Guidelines for Implementing the Economic Reporting Format* (September 2009), in terms of section 76 of the Public Finance Management Act.

Appropriation of money for the requirements of the Province

2. (1) Subject to the provisions of the Public Finance Management Act, there are hereby appropriated out of the Provincial Revenue Fund for the requirements of the Province in respect of the financial year 2017/18, the amounts of money contemplated in subsection (2).

(2) Appropriations by the Provincial Legislature of money from the Provincial Revenue Fund for the requirements of the Province in the 2017/18 financial year, to votes and main divisions within a vote, and for the specific listed purposes, are set out in the Schedules.

Short title

3. This Act is called the Appropriation Act, 2017.

WETSONTWERP

Om voorsiening te maak vir die bewilliging van geld uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie Vrystaat in die 2017/18 boekjaar en om voorsiening te maak vir sake wat daarmee gepaard gaan.

AANHEF

AANGESIEN artikel 226(2) van die Grondwet van die Republiek van Suid-Afrika, 1996, voorsiening daarvoor maak dat geld onttrek kan word uit die Provinsiale Inkomstefonds ingevolge ‘n bewilliging deur ‘n Wet van die Provinsiale Wetgewer;

EN AANGESIEN artikel 26 van die Wet op Openbare Finansiële Bestuur, 1999 (Wet Nr. 1 van 1999) voorsiening daarvoor maak dat die Provinsiale Wetgewer geld moet bewillig vir elke boekjaar vir die behoeftes van die Provinsie;

WORD DAAR BEPAAL deur die Provinsiale Wetgewer van die Provinsie Vrystaat, soos volg:-

Woordomskrywing

1. In hierdie Wet, tensy uit die samehang anders blyk, het enige woord of uitdrukking waaraan ‘n betekenis in die Wet op Openbare Finansiële Bestuur geheg is, die betekenis aldus daaraan geheg in daardie Wet, en beteken -

“**betalings van finansiële bates”** enige betalings gemaak deur ‘n provinsiale departement wat geklassifiseer word as of geag word om ‘n betaling vir finansiële bates te wees ingevolge die instruksies uitgereik in die “*Guidelines for Implementing the Economic Reporting Format”* (September 2009), kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur;

“**betalings van kapitaalbates**” enige betalings wat deur ‘n provinsiale departement gemaak word wat geklassifiseer moet word as of geag word om ‘n betaling te wees ten opsigte van kapitaalbates in ooreenstemming met die “*Guidelines for Implementing the Economic Reporting Format”* (September 2009) en die “*Asset Management Framework*” (April 2004, Weergawe 3.3), kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur;

“**lopende betalings**” enige betalings wat deur ‘n provinsiale departement gemaak word wat geklassifiseer moet word as of geag word om ‘n lopende betaling te wees ten opsigte van die instruksies uitgereik in die “*Guidelines for Implementing the Economic Reporting Format”* (September 2009) kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur;

"**oordragbetalings en subsidies**" enige betalings gemaak deur 'n provinsiale departement wat geklassifiseer word as of geag word om 'n oordragbetaling of susidie te wees ingevolge die instruksies uitgereik in die "*Guidelines for Implementing the Economic Reporting Format"* (September 2009), kragtens artikel 76 van die Wet op Openbare Finansiële Bestuur;

"**toegewysde fondse**" toekennings aan provinsiale departemente vir 'n spesifieke doel, onderhewig aan artikel 7A van die Vrystaatse Wet op Finansiële Bestuur, 2003 (Wet No. 1 van 2003);

"**voorwaardelike toelae**" toekennings aan provinsies, plaaslike regering of munisipaliteite uit die nasionale regering se deel van inkomste wat nasionaal ingesamel is, soos bepaal in artikel 214(1)(c) van die Grondwet van die Republiek van Suid-Afrika, 1996;

"Wet" sluit die Skedules in; en

"**Wet op Openbare Finansiële Bestuur**" die Wet op Openbare Finansiële Bestuur, 1999 (Wet No. 1 van 1999).

Bewilliging van geld vir die benodighede van die Provinsie

2. (1) Behoudens die bepalings van die Wet op Openbare Finansiële Bestuur word daar hierby uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie ten opsigte van die boekjaar 2017/18, die bedrae geld soos beoog in subartikel (2) bewillig.

(2) Bewilliging deur die Provinsiale Wetgewer van geld uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie in die 2017/18 boekjaar, na begrotingsposte en hoofindelings binne 'n begrotingspos, en vir die bepaalde gelyste doeleindes, word in die Skedules uiteengesit.

Korttitel

3. Hierdie Wet heet die Begrotingswet, 2017.

APPROPRIATION BILL, 2017

SCHEDULE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Total Vote	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier	**564 980**	259 385	52 234		249 922	3 439	
2	Free State Legislature	**234 044**	129 819	49 310		52 705	2 210	
3	Economic, Small Business Development, Tourism and Environmental Affairs	**558 780**	237 891	147 451		138 965	34 473	
4	Free State Provincial Treasury	**315 314**	205 484	101 405		6 369	2 056	
5	Health	**9 774 916**	6 381 379	2 434 165	221	247 195	711 956	
6	Education	**12 739 378**	10 061 109	878 751	50	1 237 274	562 194	
7	Social Development	**1 172 295**	631 264	95 188		425 248	20 595	
8	Co-operative Governance and Traditional Affairs	**407 187**	213 234	129 150		54 646	10 157	
9	Public Works and Infrastructure	**1 522 356**	401 423	557 008		349 655	214 270	
10	Police, Roads and Transport	**2 720 070**	692 934	1 269 762		265 485	491 889	
11	Agriculture and Rural Development	**758 809**	365 437	71 382		289 964	32 026	
12	Sport, Arts, Culture and Recreation	**687 295**	315 390	152 775		96 319	122 811	
13	Human Settlements	**1 442 894**	169 501	59 447		1 207 815	6 131	
	Total	**32 898 318**	**20 064 251**	**5 998 027**	**271**	**4 621 562**	**2 214 207**	

APPROPRIATION BILL, 2017

SCHEDULE ON PREMIER

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier**							
	Aim: ***To enable the Premier to fulfill constitutional obligations and other related functions through the effective and efficient utilisation of resources of the Free State Provincial Government.***	**564 980**	**259 385**	**52 234**		**249 922**	**3 439**	
	1 Administration	65 086	46 740	17 416		22	908	
	To provide executive support to the Premier, Provincial Executive Council and the Director General in respect of strategic and operational management in fulfilling their legislative and oversight functions and in promoting good corporate governance.							
	2 Institutional Development	336 747	64 449	21 615		248 340	2 343	
	To guide and coordinate Provincial Departments with regard to transverse corporate support functions and to attend to Departmental-specific matters.							
	Of which							
	Earmarked funds							
	– Provincial Bursaries					248 340		
	3 Policy and Governance	45 606	34 023	9 980		1 415	188	
	The provision of provincial strategic management services is achieved through integrated planning and research, cluster and provincial government programme coordination and integration as well as the monitoring and evaluation of government performance.							
	Of which							
	Earmarked funding							
	– Economist Function		4 580					
	– HIV and Aids Function		1 114					
	– Harrismith Logistic Hub		3 000					
	– NGO adoption					1 000		

APPROPRIATION BILL, 2017

SCHEDULE ON PREMIER

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Provincial Monitoring and Evaluation Branch ……	117 541	114 173	3 223		145		
	To give effect to the vision of the Department to lead the Free State Province towards Service Excellence and the mission of the Department to provide strategic direction and coordinate integrated service delivery within government in the Free State.To drive Free State government performance through M&E and manage and coordinate the Free State Integrated Service Delivery through Operation Hlasela.							
	Of which							
	Earmarked funding							
	– Community Development Workers		75 926					
	– Human Resource Capacity		2 400					

APPROPRIATION BILL, 2017

SCHEDULE ON FREE STATE LEGISLATURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
2	**Free State Legislature**							
	Aim: ***To provide funding for the legislative and institutional support services required by the Legislature to fulfill its constitutional functions.***	**234 044**	**129 819**	**49 310**		**52 705**	**2 210**	
	1 Administration ……	140 174	96 001	41 634		454	2 085	
	To provide administrative and financial management support to the Legislature.							
	of which							
	– Statutory Amount		25 650					
	2 Facilities for Members and Political Parties ……..	55 663		3 412		52 251		
	To facilitate the necessary arrangements for members.							
	3 Parliamentary Services ……	38 207	33 818	4 264			125	
	To provide quality legal and procedural support, house proceedings, committee services, research, translation and interpretation to the Legislature.							

APPROPRIATION BILL, 2017

SCHEDULE ON ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	**Economic, Small Business Development, Tourism and Environmental Affairs**							
	Aim: ***A prosperous Free State through sustainable economic growth and a healthy environment for all.***	**558 780**	**237 891**	**147 451**		**138 965**	**34 473**	
	1 Administration ……	144 194	91 911	51 631		4	648	
	To provide leadership, strategic management in accordance with the legislation, regulations, policies and ensure appropriate support service to all other programmes.							
	Of which							
	Earmarked funds							
	– NGO adoption			1 000				
	2 Environmental Affairs ……	174 338	93 952	48 376		276	31 734	
	The implementation of legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control, Protected Areas and Waste Management.							
	Of which							
	Conditional grant							
	– Expanded Public Works Programme Integrated Grant for Provinces			2 000				
	Earmarked funds							
	– Infrastructure Enhancement Allocation			14 777			30 895	
	– Waste Management			2 000				
	3 Economic and Small Business Development ..……	221 972	44 050	37 237		138 685	2 000	
	To enhance the development and growth of businesses in the province through training as well as providing of non-financial and financial support.							

APPROPRIATION BILL, 2017

SCHEDULE ON ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Of which							
	Transfers							
	– Free State Development Corporation					1 260		
	– Free State Gambling, Liquor and Tourism Authority (FSGLTA)					93 425		
	Earmarked funds							
	– Appointments of Small Business Development			10 451		7 000		
	– Radical Economic Transformation (FDC)			10 000		20 000		
	– Maluti SEZ (FDC)					4 000		
	– Flee Market Development and Support			10 000				
	– Global Trade (round table)			2 000				
	– Flower Festival (FSGLTA)					12 000		
	4 Tourism	18 276	7 978	10 207			91	
	To create an enabling Tourism environment through legislation, policy and strategy development							
	Of which							
	Earmarked funds							
	– Tourism Promotion			4 000				

APPROPRIATION BILL, 2017

SCHEDULE ON FREE STATE PROVINCIAL TREASURY

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	**Free State Provincial Treasury**							
	Aim: ***To promote prudent financial management of provincial resources.***	**315 314**	**205 484**	**101 405**		**6 369**	**2 056**	
	1 Administration ……	103 840	76 263	24 325		1 369	1 883	
	To provide leadership and strategic management in accordance with legislation, regulations and policies as well as to ensure there is appropriate support service to all other programmes.							
	Of which							
	Earmarked funds							
	– NGO adoption					1 000		
	2 Sustainable Resource Management ……	41 896	38 473	3 274			149	
	To provide professional advice and support to the MEC on provincial economic analysis, fiscal policy, public finance development and management of the annual budget process.							
	3 Asset and Liabilities Management ……	76 814	36 933	39 881				
	To provide policy direction, by facilitating the effective and efficient management of physical and financial assets, PPP's and liabilities.							
	Of which							
	Earmarked funds							
	– Transversal Commitments			16 596				
	4 Financial Governance ……	29 054	21 779	7 251			24	
	To promote accountability through substantive reflection of financial activities of the Province as well as compliance with financial norms and standards.							
	Of which							
	Earmarked funds							
	– Software for Internal Auditors (Team Mate)			1 000				
	– Financial Intervention measures			5 000				

APPROPRIATION BILL, 2017

SCHEDULE ON FREE STATE PROVINCIAL TREASURY

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Municipal Finance Management ……	63 710	32 036	26 674		5 000		
	To improve the state of financial governance and management at local government level.							
	Of which							
	Earmarked funds							
	– Municipal Support Programme			25 000		5 000		

Free State Provincial Treasury

APPROPRIATION BILL, 2017

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	**Health**							
	Aim: ***To provide comprehensive health services, which include the prevention of disease, promotion of health, curative and rehabilitation services.***	**9 774 916**	**6 381 379**	**2 434 165**	**221**	**247 195**	**711 956**	
	1 Administration ……	279 061	231 598	42 011	101	2 474	2 877	
	To conduct the strategic management and overall administration of the Department of Health.							
	2 District Health Services ……	3 953 592	2 573 897	1 205 022	109	120 556	54 008	
	To render primary health care services and district hospital services.							
	Of which							
	Conditional grant							
	– Comprehensive HIV, Aids and TB Grant		364 212	660 245	26	112 249	11 676	
	– Social Sector Expanded Public Works Programme Incentive Grant			254		4 199		
	Earmarked funds							
	– Mobile Clinics Programme			53 400				
	3 Emergency Medical Services ……..	590 777	407 104	159 524		534	23 615	
	The rendering of pre-hospital emergency medical services including inter-hospital transfers and planned patient transport.							
	4 Provincial Hospital Services ……..	1 493 220	1 200 611	274 148	4	5 158	13 299	
	Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research.							
	4.1 General (Regional) Hospitals		906 102	224 389	3	2 131	11 207	
	4.2 Public-Private Partnerships							
	4.3 Psychiatric/Mental Hospitals		294 509	49 759	1	3 027	2 092	
	5 Central Hospital Services ……	2 430 466	1 683 039	612 584		8 153	126 690	
	To provide tertiary health services and create a platform for the training of health workers.							
	5.1 Central Hospital Services		1 072 571	385 676		5 500	83 000	
	Of which							
	Conditional grant							
	– Health Professions Training and Development Grant		124 773	22 200			19 000	
	– National Tertiary Services Grant		320 921	252 435		4 000	64 000	
	5.2 Public-Private Partnerships			11 900				
	5.3 Provincial Tertiary Hospital Services		610 468	215 008		2 653	43 690	
	Of which							
	Conditional grants							
	– National Tertiary Services Grant		188 879	149 355		1 313	37 122	

APPROPRIATION BILL, 2017

SCHEDULE ON HEALTH

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	6 Health Sciences and Training	245 775	157 307	16 162	6	69 950	2 350	
	Rendering of training and development opportunities for actual and potential employees of the Department of Health.							
	Of which							
	Earmarked funds							
	– Bursaries of cuban doctors					50 268		
	7 Health Care Support Services	186 315	108 143	32 497	1	40 370	5 304	
	To render support services required by the Department to realise its aims.							
	Of which							
	Earmarked funds							
	– Medical Depot					40 000		
	8 Health Facilities Management	595 710	19 680	92 217			483 813	
	Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities.							
	8.1 Community Health Facility			11 973			99 473	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant			3 035			99 473	
	Earmarked funds							
	– Infrastructure Enhancement Allocation			8 938				
	8.2 District Hospital Services		18 000	33 557			196 602	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant		18 000	33 557			196 602	
	8.3 Provincial Health Services			8 000			119 130	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant			8 000			119 130	
	8.4 Emergency Medical Rescue Services			4 000			13 822	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant			4 000			13 822	
	8.5 Central Hospital Services						38 500	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant						38 500	
	8.6 Other Facilities		1 680	34 687			16 286	
	Of which							
	Conditional grant							
	– Health Facility Revitalisation Grant			13 752			4 286	
	– Expanded Public Works Programme Integrated Grant for Provinces		1 680	320				
	Earmarked funds							
	– Infrastructure Enhancement Allocation			3 000			12 000	
	– Repair and Maintenance of Medical Gas Equipment			10 000				

APPROPRIATION BILL, 2017

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Education**							
	Aim: ***To be a Department that strives for quality, universal education that is internationally competitive.***	**12 739 378**	**10 061 109**	**878 751**	**50**	**1 237 274**	**562 194**	
	1 Administration ……	1 026 807	775 448	214 220	50	3 992	33 097	
	To provide overall management of the education system in accordance with the National Education Policy Act, the Public Finance Managent Act and other policies.							
	Of which							
	Earmarked funds							
	– NGO adoption					1 000		
	2 Public Ordinary School Education ……	9 764 255	8 549 982	251 503		952 951	9 819	
	To provide public ordinary education from Grades 1 to 12 in accordance with the South African Schools Act and White Paper 6 on inclusive education (E-learning is also included).							
	2.1 Public Primary Level		5 028 514	96 694		387 587	920	
	Of which							
	Earmarked funds							
	– School Transfers					9 000		
	2.2 Public Secondary Level		3 488 956	70 819		219 038	8 390	
	Of which							
	Earmarked funds							
	– School Connectivity			17 000				
	2.3 Human Resource Development			38 487			60	
	2.4 School Sport, Culture and Media Services		32 512	2 076			249	
	2.5 Conditional Grants			43 427		346 326	200	
	Of which							
	– National School Nutrition Programme Grant			9 686		346 326	200	
	– Maths, Science & Technology Grant			33 741				
	3 Independent School Subsidies ……	77 752				77 752		
	To support independent schools in accordance with the South African Schools Act.							
	4 Public Special School Education ……	474 283	395 749	7 528		70 144	862	
	To provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on inclusive education. (Including E-Learning)							
	Of which							
	Conditional grants							
	– National School Nutrition Programme Grant					2 200		
	– Learners with Profound Intellectual Disabilities Grant		6 253	4 253			862	

APPROPRIATION BILL, 2017

SCHEDULE ON EDUCATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Early Childhood Development ……..……	158 207	129 236	9 904		19 067		
	To provide Early Childhood Education (ECD) at the Grade R and Pre-Grade R in accordance with White Paper 5. (E-learning is also included)							
	Of which							
	Conditional grants							
	– Social Sector Expanded Public Works Programme Incentive Grant for Provinces		1 343	336				
	6 Infrastructure Development ……..……..	679 913	21 000	143 332			515 581	
	To provide and maintain infrastructure facilities for schools and non-schools.							
	Of which							
	Conditional grants							
	– Education Infrastructure Grant		21 000	138 332			502 303	
	– Expanded Public Works Programme Integrated Grant for Provinces						2 000	
	Earmarked funds							
	– Infrastructure Enhancement Allocation			5 000			11 278	
	7 Examination and Education Related Services ……	558 161	189 694	252 264		113 368	2 835	
	To provide the education institutions as a whole with examination and education related services.							
	Of which							
	Conditional grants							
	– HIV and AIDS (Life Skills Education) Grant		1 400	12 004			576	
	Earmarked funds							
	– Intervention Matric Support Programme					10 000		
	– Learning and Teaching Support Material			24 000				
	– Hymaths			19 000				

APPROPRIATION BILL, 2017

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Social Development**							
	Aim: ***To meet the human and social needs of the poor and vulnerable communities through an inter-sectoral and integrated developmental social service.***	**1 172 295**	**631 264**	**95 188**		**425 248**	**20 595**	
	1 Administration	250 997	184 169	54 905		2 158	9 765	
	To provide strategic management and support services at all levels in the Department.							
	Of which							
	– Transfers to Households					293		
	– Transfers to Departmental Agencies and Accounts					1 865		
	2 Social Welfare Services	201 333	108 137	9 433		83 501	262	
	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations.							
	Of which							
	– Transfers to Households					83		
	– Transfers to NPO's					83 418		
	2.1 Services to Older Persons					*42 057*		
	2.2 Services to Persons with Disabilities					*22 066*		
	2.3 HIV/AIDS					*19 295*		
	Conditional grant							
	– Social Worker Employment Grant		1 495					
	3 Children and Families	447 079	130 639	15 933		290 313	10 194	
	To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organizations.							
	Of which							
	– Transfers to Households							
	– Transfers to NPO's					290 313		
	3.1 Care and Services to Families					*4 360*		
	3.2 Child Care and Protection					*31 765*		
	3.3 ECD and Partial Care					*220 947*		
	3.4 Child and Youth Care Centres					*25 206*		
	3.5 Community Based Care Services to Children					*8 035*		

APPROPRIATION BILL, 2017

SCHEDULE ON SOCIAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Of which							
	Conditional grant							
	– Early Childhood Development Gant		1 612	8 477		8 309		
	– Social Worker Empoyment Grant		1 757					
	Earmarked funds							
	– Early Childhood Development					212 638	4 500	
	– Office on the Rights of Children		431	1 112				
	4 Restorative Services	131 992	104 670	11 001		16 075	246	
	To provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organizations.							
	Of which							
	– Transfers to Households							
	– Transfers to NPO's					16 075		
	4.1 Crime Prevention and Support					*2 687*		
	4.2 Victim Empowerment					*7 412*		
	4.3 Substance Abuse, Prevention and Rehabilitation					*5 976*		
	Of which							
	Conditional grant							
	– Substance Abuse Treatment Grant		8 538	5 699				
	5 Development and Research	140 894	103 649	3 916		33 201	128	
	To provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information at provincial and district level.							
	Of which							
	– Transfers to Households					14		
	– Transfers to NPO's					33 187		
	5.1 Poverty Alleviation and Sustainable Livelihood					*22 187*		
	5.2 Youth Development					*9 600*		
	5.3 Women Development					*1 400*		
	Of which							
	Conditional grant							
	– Social Sector Expanded Public Works Programme Incentive Grant for Provinces					13 823		
	Earmarked funds							
	– Sanitary Towels					6 000		

APPROPRIATION BILL, 2017

SCHEDULE ON CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
8	**Co-operative Governance and Traditional Affairs**							
	Aim: ***Integrated, responsive and developmental local governance.***	**407 187**	**213 234**	**129 150**		**54 646**	**10 157**	
	1 Administration ……	139 703	77 757	58 030		1 203	2 713	
	To provide leadership and support to the Department in accordance with all applicable Acts and policies.							
	2 Local Governance ……	122 653	44 477	33 105		43 780	1 291	
	To facilitate the creation of accountable and sustainable local governance through effective collaboration with all stakeholders.							
	Of which							
	Earmarked funds							
	– Operation Clean Audit			20 381				
	– Municipal Support Programme					9 000		
	– NGO adoption					1 000		
	3 Development and Planning …….....……..	91 706	43 072	34 237		8 583	5 814	
	To promote and facilitate integrated development and planning on local government level.							
	Of which							
	Earmarked funds							
	– Water laboratory municipal support			5 000				
	– Fire fighting equipment						5 000	
	4 Traditional Institutional Management ……..…	42 818	39 645	2 142		741	290	
	To promote and facilitate viable and sustainable traditional institutions.							
	5 House of Traditional Leaders ……..……..	10 307	8 283	1 636		339	49	
	To promote and enhance the effective and efficient functioning of the FS House of Traditional Leaders.							

APPROPRIATION BILL, 2017

SCHEDULE ON PUBLIC WORKS AND INFRASTRUCTURE

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
9	**Public Works and Infrastructure**							
	Aim: ***To ensure the provision, promotion and sound management of assets and infrastructure systems which are safe, affordable, reliable, accessible and sustainable.***	**1 522 356**	**401 423**	**557 008**		**349 655**	**214 270**	
	1 Administration	126 869	81 027	41 978		976	2 888	
	To provide the Department with administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.							
	Of which							
	Earmarked funds							
	– NGO adoption			1 000				
	2 Public Works Infrastructure	1 213 334	304 544	472 694		348 679	87 417	
	To provide a balanced and equitable provincial government building infrastructure by promoting accessibility that is sustainable, integrated and environmentally sensitive which supports economic development and social empowerment.							
	Of which							
	Earmarked funds							
	– Property Rates Enhancement Allocation					345 636		
	– Infrastructure Enhancement Allocation						38 559	
	3 Expanded Public Works Programme	182 153	15 852	42 336			123 965	
	To manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme.							
	Of which							
	Conditional grants							
	– Expanded Public Works Programme Integrated Grant for Provinces			10 900				
	Earmarked funds							
	– Infrastructure Enhancement Allocation						123 728	

APPROPRIATION BILL, 2017

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
10	**Police, Roads and Transport**							
	Aim: ***To contribute towards the creation of a prosperous Free State through the facilitation of the provision of sustainable community safety, mobility and road infrastructure.***	**2 720 070**	**692 934**	**1 269 762**		**265 485**	**491 889**	
	1 Administration ……..	302 252	196 906	82 366		886	22 094	
	To provide executive support to the Head of Department and all financial and non-financial systems within the Department.							
	Of which							
	Conditional grants							
	– Social Sector Expanded Public Works Programme Incentive Grant for		1 693					
	Earmarked funds							
	– Biometric & CCTV cameras		15 000					
	– Cash in Transit		20 530					
	– NGO adoption			1 000				
	2 Provincial Secretariat for Police Services ……..	25 081	16 645	8 160		276		
	To monitor and oversee police conduct and performance in the delivery of services in the province.							
	3 Transport Operation …..…….……	329 414	19 365	49 380		260 669		
	To plan, regulate and facilitate the provision of transport services and infrastructure, through own provincial resources and through co-operation with national and local authorities, as well as the private sector in order to enhance the mobility of goods and all communities particularly those currently without or with limited access.							
	Of which							
	Conditional grants							
	– Public Transport Operations Grant					255 669		
	Earmarked funds							
	– Learner Transport			40 000				

APPROPRIATION BILL, 2017

SCHEDULE ON POLICE, ROADS AND TRANSPORT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Transport Regulation	343 766	277 084	65 795		887		
	To establish, manage, and maintain a safe and efficient road traffic system by providing high quality pro active road traffic training, education, and effective road traffic law enforcement and to ensure that all privately and government owned vehicles registered in the province are licensed each year and that all drivers are appropriately authorised to drive their vehicles.							
	Of which							
	Earmarked funds							
	– Post Office (SAPO)			1 700				
	5 Transport Infrastructure	1 719 557	182 934	1 064 061		2 767	469 795	
	To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.							
	Of which							
	Conditional grants							
	– Expanded Public Works Programme Integrated Grant for Provinces						5 666	
	– Provincial Roads Maintenance Grant			891 731			383 000	
	Earmarked funds							
	– Infrastructure Enhancement Allocation		182 934	172 330		2 767	81 129	

APPROPRIATION BILL, 2017

SCHEDULE ON AGRICULTURE AND RURAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
11	**Agriculture and Rural Development**							
	Aim: ***To ensure a dynamic and prosperous agricultural sector and a better life for rural communities.***	**758 809**	**365 437**	**71 382**		**289 964**	**32 026**	
	1 Administration ……	155 423	115 040	36 496		2 617	1 270	
	To provide strategic direction and leadership within the Department of Agriculture and Rural Development .							
	Of which							
	Earmarked funds							
	– Infrastructure Enhancement Allocation			5 000				
	– NGO Adoption			1 000				
	2 Sustainable Resource Management …….……	48 129	26 180	3 134		18 815		
	To ensure implementation of Sustainable Resource Management by providing Engineering Services, Land Care, Land Use Management Services and Disaster Risk Management Support.							
	Of which							
	Conditional grants							
	– Land Care Programme Grant: Poverty Relief and Infrastructure Development			50		5 815		
	Earmarked funds							
	– Disaster Management (Boreholes & Army worms)					13 000		
	3 Farmer Support and Development ……..……	380 013	97 905	14 503		267 605		
	To provide support to all farmers through agricultural development programmes.							
	Of which							
	Conditional grants							
	– Comprehensive Agricultural Support Programme Grant		17 025	9 647		141 920		
	– Ilima/Letsema Projects Grant					63 178		
	– Expanded Public Works Programme Integrated Grant for Provinces					2 000		
	Earmarked funds							
	– Infrastructure Enhancement Allocation (Mohoma Mobung)					60 000		

APPROPRIATION BILL, 2017

SCHEDULE ON AGRICULTURE AND RURAL DEVELOPMENT

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Veterinary Services ……..…..……	69 450	54 624	8 326			6 500	
	To provide veterinary services.							
	Of which							
	Earmarked funds							
	– Infrastructure Enhancement Allocation (Vet lab)			3 500			6 500	
	5 Research and Technology Development Services ……...	55 744	29 140	2 348			24 256	
	To render needs based research, development and technology transfer services .							
	Of which							
	Earmarked funds							
	– Infrastructure Enhancement Allocation						23 256	
	– Water purification						1 000	
	6 Agricultural Economics Services …..……..……	10 435	9 561	874				
	To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth.							
	7 Structured Agricultural Education and Training ……	22 110	17 323	4 787				
	To facilitate and provide structured agricultural education and training in line with the Agricultural Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.							
	Of which							
	Earmarked funds							
	– Infrastructure Enhancement Allocation			1 000				
	8 Rural Development ……..…..……	17 505	15 664	914		927		
	To plan, facilitate development and social cohesion through participatory approaches in partnership with all stakeholders.							

APPROPRIATION BILL, 2017

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Arts, Culture and Recreation**							
	Aim: ***The promotion, development and transformation of Sport, Arts, Culture and Recreation in order to contribute to sustainable economic growth and opportunities, nation building, good governance and social and human capital development.***	**687 295**	**315 390**	**152 775**		**96 319**	**122 811**	
	1 Administration ……	88 441	74 226	13 877			338	
	To conduct the overall management and administrative support of the Department.							
	Of which							
	Earmarked funds							
	– Infrastructure Enhancement Allocation		839	393				
	2 Cultural Affairs ……..……	151 901	66 568	65 735		7 250	12 348	
	To promote culture, conservation and management of cultural, historical assets and resources of the province by rendering various services.							
	Of which							
	Conditional grant							
	– Expanded Public Works Programme Integrated Grant for Provinces		1 700	300				
	Earmarked funds							
	– Infrastructure Enhancement Allocation			2 500			12 186	
	– Arts and Culture (MACUFE)			36 000				
	– Artists			4 000				
	– Photographers			4 000				
	– Community Radio Stations			3 220				
	– Arts and Culture Programmes			5 000				
	– Interdepartmental Choir competition			780				
	– NGO Adoption					1 000		
	3 Library and Archives Services ……..…	247 226	129 981	39 306		7 500	70 439	
	Assist local library authorities in rendering of public library services and providing of an archive service in the province.							
	Of which							
	Conditional grant							
	– Community Library Services Grant		95 000	26 517		5 500	32 000	
	Earmarked funds							
	– Infrastructure Enhancement Allocation			5 300			38 390	

APPROPRIATION BILL, 2017

SCHEDULE ON SPORT, ARTS, CULTURE AND RECREATION

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Sport and Recreation ……..……..	199 727	44 615	33 857		81 569	39 686	
	To provide assistance to provincial sport associations and other relevant bodies to stimulate the development of sport. Formulate inputs regarding sport policy and promote sport programmes. Control, promote and develop the provincial sport academy. Develop and contribute towards sport marketing strategies. Facilitate development of facilities with a view to improving life of the disadvantaged. Promote and develop sport tourism through major events.							
	Of which							
	Conditional grant							
	– Mass Participation and Sport Development Grant		2 849	27 386		65 520		
	– Social Sector Expanded Public Works Programme Incentive Grant for Provinces					1 519		
	Earmarked funds							
	– Infrastructure Enhancement Allocation			2 000			39 678	
	– OR Tambo Marathon			3 000				
	– Support to sport codes: Free State Stars					2 000		
	– Support to sport codes: Bloemfontein Celtics					2 000		

APPROPRIATION BILL, 2017

SCHEDULE ON HUMAN SETTLEMENTS

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
13	**Human Settlements**							
	Aim: ***To manage housing delivery, development of integrated human settlements.***	**1 442 894**	**169 501**	**59 447**		**1 207 815**	**6 131**	
	1 Administration	124 301	89 372	33 929			1 000	
	To provide overall management in the Department in accordance with all applicable acts and policies.							
	Of which							
	Earmarked funds							
	– NGO adoption			1 000				
	2 Housing Needs, Research and Planning	22 385	16 521	2 579		2 635	650	
	To facilitate housing delivery.							
	3 Housing Development	1 294 887	62 542	22 684		1 205 180	4 481	
	To provide individual subsidies and housing opportunities to benefeciaries in accordance with housing policy.							
	Of which							
	Conditional grants							
	– Human Settlements Development Grant			20 858		1 168 180	4 000	
	of which earmarked for mining towns							
	Matjhabeng					*83 135*		
	– Expanded Public Works Programme Integrated Grant for Provinces					2 000		
	Earmarked funds							
	– Demolition and Construction of 2 roomed houses					31 000		
	– Top up of military veterans					4 000		
	4 Housing Asset Management and Property Management	1 321	1 066	255				
	To provide for the effective management of housing.							

APPROPRIATION BILL, 2017

SCHEDULE ON TRANSFERS AND SUBSIDIES

(As a charge to the Provincial Revenue Fund)

Descriptions	Vote and main division	Forward estimates	
	2017/18	2018/19	2019/20
	R'000	R'000	R'000
Transfers to Municipalities:	**408 743**	**456 718**	**479 933**
Provincial Treasury	**5 000**	**13 000**	**13 000**
Maluti a Phofung	2 500	2 000	2 000
Mantsopa	2 500	11 000	11 000
Cooperative Governance and Traditional Affairs	**50 607**	**69 872**	**72 235**
Xhariep District	17 850	19 000	20 000
Unallocated	32 757	50 872	52 235
Public Works and Infrastructure	**345 636**	**364 646**	**385 066**
Mangaung	106 265	111 392	131 812
Letsemeng	2 069	2 189	2 189
Kopanong	4 117	4 356	4 356
Mohokare	188	199	199
Masilonyana	3 672	3 885	3 885
Tokologo	306	324	324
Tswelopele	1 648	1 744	1 744
Matjabeng	55 284	58 490	58 490
Nala	2 348	2 484	2 484
Setsoto	17 644	18 667	18 667
Dihlabeng	9 774	10 341	10 341
Nketoana	6 729	7 119	7 119
Maluti a Phofung	99 588	105 364	105 364
Phumelela	1 294	1 369	1 369
Mantsopa	529	560	560
Moqhaka	7 840	8 295	8 295
Nqwathe	8 507	9 000	9 000
Metsimaholo	8 247	8 725	8 725
Mafube	9 587	10 143	10 143
Sport, Arts, Culture and Recreation	**7 500**	**9 200**	**9 632**
Mangaung	2 000	2 000	2 000
Nketoana	2 750	3 600	3 816
Phumelela	2 750	3 600	3 816
Transfers to Public Entities:	**132 685**	**137 660**	**144 899**
Economic, Small Business Development, Tourism and Environmental Affairs	**132 685**	**137 660**	**144 899**
Free State Development Corporation	27 260	25 833	27 124
Free State Gambling, Liquor and Tourism Authority	105 425	111 827	117 775

APPROPRIATION BILL, 2017

SCHEDULE ON TRANSFERS AND SUBSIDIES

(As a charge to the Provincial Revenue Fund)

Descriptions	Vote and main division	Forward estimates	
	2017/18	2018/19	2019/20
	R'000	R'000	R'000
Transfers to other Departmental Agencies and Accounts:	**148 913**	**140 698**	**148 801**
Free State Legislature	52 251	58 341	63 706
Economic, Small Business Development, Tourism and Environmental Affairs	200	206	217
Health	59 087	42 000	42 000
Education	30 124	32 739	35 343
Social Development	1 865	2 001	2 101
Public Works and Infrastructure	11	14	14
Police, Roads and Transport	5 000	5 000	5 000
Agriculture and Rural Development	375	397	420
Transfers to Non-Profit Institutions:	**1 821 993**	**1 799 659**	**1 859 246**
Premier	1 000		
Free State Legislature	160	190	201
Free State Provincial Treasury	1 000		
Health	118 046	125 102	134 072
Education	1 187 150	1 219 970	1 269 135
Social Development	422 993	420 732	421 492
Co-operative Governance and Traditional Affairs	2 825	1 931	1 964
Sport, Arts, Culture and Recreation	88 819	31 734	32 382
Other transfers:	**2 109 228**	**2 239 825**	**2 378 524**
Premier	248 922	265 478	291 863
Free State Legislature	294	325	356
Economic, Small Business Development, Tourism and Environmental Affairs	6 080	5 000	5 000
Free State Provincial Treasury	369	392	414
Health	70 062	72 908	76 873
Education	20 000	20 000	20 000
Social Development	390	412	435
Co-operative Governance and Traditional Affairs	1 214	1 284	1 385
Public Works and Infrastructure	4 008	4 228	4 427
Police, Roads and Transport	260 485	272 001	287 232
Agriculture and Rural Development	289 589	294 548	320 781
Sport, Arts, Culture and Recreation			2 000
Human Settlements	1 207 815	1 303 249	1 367 758
Total transfers and subsidies:	**4 621 562**	**2 834 203**	**3 003 356**

BEGROTINGSWETSONTWERP, 2017

SKEDULE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Premier	**564 980**	259 385	52 234		249 922	3 439	
2	Vrystaat Provinsiale Wetgewer	**234 044**	129 819	49 310		52 705	2 210	
3	Ekonomiese, Klein Sake Ontwikkeling, Toerisme en Omgewingsake	**558 780**	237 891	147 451		138 965	34 473	
4	Vrystaatse Provinsiale Tesourie	**315 314**	205 484	101 405		6 369	2 056	
5	Gesondheid	**9 774 916**	6 381 379	2 434 165	221	247 195	711 956	
6	Onderwys	**12 739 378**	10 061 109	878 751	50	1 237 274	562 194	
7	Maatskaplike Ontwikkeling	**1 172 295**	631 264	95 188		425 248	20 595	
8	Samewerkende Regering en Tradisionele Sake	**407 187**	213 234	129 150		54 646	10 157	
9	Openbare Werke en Infrastruktuur	**1 522 356**	401 423	557 008		349 655	214 270	
10	Polisie, Paaie en Vervoer	**2 720 070**	692 934	1 269 762		265 485	491 889	
11	Landbou en Landelike Ontwikkeling	**758 809**	365 437	71 382		289 964	32 026	
12	Sport, Kuns, Kultuur en Ontspanning	**687 295**	315 390	152 775		96 319	122 811	
13	Menslike Nedersettings	**1 442 894**	169 501	59 447		1 207 815	6 131	
	Totaal	**32 898 318**	**20 064 251**	**5 998 027**	**271**	**4 621 562**	**2 214 207**	

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN PREMIER

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier**							
	Doel: ***Om die Premier in staat te stel om grondwetlike verpligtinge en ander verwante funksies na te kom deur die doelmatige en doeltreffende aanwending van hulpbronne van die Vrystaatse Provinsiale Regering.***	**564 980**	**259 385**	**52 234**		**249 922**	**3 439**	
	1 Administrasie	65 086	46 740	17 416		22	908	
	Om uitvoerende ondersteuning aan die Premier, Provinsiale Uitvoerende Raad en die Direkteur-Generaal te voorsien van strategiese en operasionele bestuur in die vervulling van hul wetgewende en oorsigfunksies en die bevordering van goeie korporatiewe bestuur.							
	2 Institusionele Ontwikkeling	336 747	64 449	21 615		248 340	2 343	
	Om Provinsiale Departemente te lei en te koördineer met betrekking tot dwarsleggende korporatiewe ondersteuningsfunksies en om aan Departementspesifieke kwessies aandag te skenk.							
	Waaronder							
	Toegewysde fondse							
	– Provinsiale Beurse					248 340		
	3 Beleid en Regering	45 606	34 023	9 980		1 415	188	
	Die voorsiening van provinsiale strategiese bestuursdienste word bereik deur geïntegreerde beplanning en navorsing, groeps- en provinsiale regeringsprogramkoördinasie en integrasie sowel as die monitering en evaluering van regeringsprestasie.							
	Waaronder							
	Toegewysde fondse							
	– Ekonoomfunksie		4 580					
	– MIV en Vigsfunksie		1 114					
	– Harrismith Logistieke		3 000					
	– NRO aanneming					1 000		

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN PREMIER

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Provinsiale Monitering en Evalueringstak ……	117 541	114 173	3 223		145		
	Om uitvoering te gee aan die visie van die Departement om die Vrystaat Provinsie na Uitnemende Diens te lei en die missie van die Departement om strategiese rigting en koördinasie van geïntegreerde dienslewering binne die regering in die Vrystaat te lewer. Om die Vrystaat regering se werkverrigtnig deur M&E te dryf en om die Vrystaat Geïntegreerde Dienslewering deur Operasie Hlasela te bestuur en koördineer.							
	Waaronder							
	Toegewysde fondse							
	– Gemeenskapsontwikkelingswerkers		75 926					
	– Menslike Hulpbronkapasiteit		2 400					

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN VRYSTAAT PROVINSIALE WETGEWER

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal-bates	Betaling van Finansie-bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
2	**Vrystaat Provinsiale Wetgewer**							
	Doel: ***Om fondse vir wetgewende en institusionele ondersteuningsdienste te voorsien wat deur die Wetgewer vereis word om sy grondwetlike funksies uit te voer.***	**234 044**	**129 819**	**49 310**		**52 705**	**2 210**	
	1 Administrasie ……	140 174	96 001	41 634		454	2 085	
	Om administratiewe en finansiële bestuursondersteuning aan die Wetgewer te voorsien.							
	Waaronder							
	– Wetlike Bedrag		25 650					
	2 Fasiliteite vir Lede en Politieke Partye …….....	55 663		3 412		52 251		
	Om die nodige reëlings vir lede te fasiliteer.							
	3 Parlementêre dienste ..……	38 207	33 818	4 264			125	
	Om gehalte regs- en prosedurele ondersteuning, raadsverrigtinge, komiteedienste, navorsing, vertaling en interpretasie aan die Wetgewer te voorsien.							

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN EKONOMIESE, KLEIN SAKE ONTWIKKELING, TOERISME EN OMGEWINGSAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	**Ekonomiese, Klein Sake Ontwikkeling, Toerisme en Omgewingsake**							
	Doel: ***'n Florerende Vrystaat deur middel van volhoubare ekonomiese groei en 'n gesonde omgewing vir almal.***	**558 780**	**237 891**	**147 451**		**138 965**	**34 473**	
	1 Administrasie	144 194	91 911	51 631		4	648	
	Om leiding en strategiese bestuur te gee in ooreenstemming met wetgewing, regulasies, beleide en te sorg vir 'n toepaslike ondersteuningsdiens aan alle programme.							
	Waaronder							
	Toegewysde fondse							
	– NRO aanneming			1 000				
	2 Omgewingsake	174 338	93 952	48 376		276	31 734	
	Die implementering van wetgewing en beleide op die gebiede van Luggehalte, Biodiversiteit, Klimaatsverandering, Nakomingsmonitering, Omgewingsimpak, Beskermde Gebiede, Besoedelingsbeheer en Afvalbestuur.							
	Waaronder							
	Voorwaardelike Toelae							
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies			2 000				
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			14 777			30 895	
	– Afvalbestuur			2 000				
	3 Ekonomiese en Klein Sake Ontwikkeling	221 972	44 050	37 237		138 685	2 000	
	Om die ontwikkeling en groei van besighede in die provinsie te bevorder deur opleiding asook die voorsiening van nie-finansiële en finansiële ondersteuning.							

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN EKONOMIESE, KLEIN SAKE ONTWIKKELING, TOERISME EN OMGEWINGSAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Waaronder							
	Oordragbetalings							
	– Vrystaatse Ontwikkelingskorporasie					1 260		
	– Vrystaatse Dobbel, Drank en Toerisme Owerheid (VDDTO)					93 425		
	Toegewysde fondse							
	– Aanstelling van Kleinsake Ontwikkeling			10 451		7 000		
	– Radikale Ekonomiese Transformasie (VOK)			10 000		20 000		
	– Maluti SEZ (VOK)					4 000		
	– Vlooimarkontwikkeling en -Ondersteuning			10 000				
	– Wêreldhandel (rondetafel)			2 000				
	– Blommefees (VDDTO)					12 000		
4	Toerisme	18 276	7 978	10 207			91	
	Om 'n toereikende Toerisme omgewing te skep deur wetgewing, beleide en strategiese ontwikkeling.							
	Waaronder							
	Toegewysde fondse							
	– Toerismebevordering			4 000				

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN VRYSTAATSE PROVINSIALE TESOURIE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	**Vrystaatse Provinsiale Tesourie**							
	Doel: ***Om oordeelkundige finansiële bestuur van provinsiale hulpbronne te bevorder.***	**315 314**	**205 484**	**101 405**		**6 369**	**2 056**	
	1 Administrasie ……	103 840	76 263	24 325		1 369	1 883	
	Om leiding en strategiese bestuur in ooreenstemming met wetgewing, regulasies en beleide te voorsien asook om toepaslike ondersteuningsdienste aan alle programme te verseker.							
	Waaronder							
	Toegewysde fondse							
	– NRO aanneming					1 000		
	2 Volhoubare bestuur van hulpbronne ……	41 896	38 473	3 274			149	
	Om professionele advies en ondersteuning aan die LUR te verskaf oor provinsiale ekonomiese ontleding, fiskale beleid, ontwikkeling van openbare finansies en die bestuur van die jaarlikse begrotingsproses.							
	3 Bate- en Lastebestuur ……	76 814	36 933	39 881				
	Om leiding te gee oor beleid, deur die fasilitering van doelmatige en doeltreffende bestuur van fisiese en finansiële bates, "PPP's" en laste.							
	Waaronder							
	Toegewysde fondse							
	– Transversale Verbintenisse			16 596				
	4 Finansiële Bestuur ……	29 054	21 779	7 251			24	
	Om aanspreeklikheid te bevorder deur substantiewe weerspieëling van finansiële aktiwiteite van die Provinsie asook nakoming van norme en standaarde.							
	Waaronder							
	Toegewysde fondse							
	– Sagteware vir Interne Ouditeure (Team Mate)			1 000				
	– Finansiële ingryping			5 000				

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN VRYSTAATSE PROVINSIALE TESOURIE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Munisipale Finansiële Bestuur …….……	63 710	32 036	26 674		5 000		
	Om die stand van finansiële bestuur en beheer op plaaslike regeringsvlak te verbeter.							
	Waaronder							
	Toegewysde fondse							
	– Munisipale Ondersteuningsprogram			25 000		5 000		

Vrystaatse Provinsiale Tesourie

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN GESONDHEID

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	**Gesondheid**							
	Doel: ***Om omvattende gesondheidsdienste te voorsien, wat die voorkoming van siektes, bevordering van gesondheid, genesende en rehabilitasiedienste insluit.***	**9 774 916**	**6 381 379**	**2 434 165**	**221**	**247 195**	**711 956**	
	1 Administrasie	279 061	231 598	42 011	101	2 474	2 877	
	Om die strategiese bestuur en oorhoofse administrasie van die Departement van Gesondheid te lewer.							
	2 Distriksgesondheidsdienste	3 953 592	2 573 897	1 205 022	109	120 556	54 008	
	Om primêre gesondheidsdienste en distrikshospitaaldienste te lewer.							
	Waaronder							
	Voorwaardelike Toelae							
	– Omvattende MIV en Vigs Toelae		364 212	660 245	26	112 249	11 676	
	– Maatskaplike sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies			254		4 199		
	Toegewysde fondse							
	– Mobiele kliniekprogram			53 400				
	3 Mediese Nooddienste	590 777	407 104	159 524		534	23 615	
	Die lewering van voor-hospitaal mediese nooddienste insluitend interhospitaaloorplasings en beplande vervoer van pasiënte.							
	4 Provinsiale Hospitaaldienste	1 493 220	1 200 611	274 148	4	5 158	13 299	
	Lewering van hospitaaldienste wat toeganglik, toepaslik en effektief is en wat algemene spesialisdienste voorsien, insluitend 'n gespesialiseerde rehabilitasiediens asook 'n platform vir opleiding van gesondheidsdeskundiges en navorsing.							
	4.1 Algemene (Streeks) Hospitale		906 102	224 389	3	2 131	11 207	
	4.2 'Public-Private Partnerships'							
	4.3 Psigiatriese/Sielsieke Hospitale		294 509	49 759	1	3 027	2 092	
	5 Sentrale Hospitaaldienste	2 430 466	1 683 039	612 584		8 153	126 690	
	Om tersiêre gesondheidsdienste te voorsien en 'n platform vir die opleiding van gesondheidswerkers te skep.							
	5.1 Sentrale Hospitaaldienste		1 072 571	385 676		5 500	83 000	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsberoepe Opleiding en Ontwikkelingstoelae		124 773	22 200			19 000	
	– Nasionale Tersiêre Dienste Toelae		320 921	252 435		4 000	64 000	
	5.2 'Public-Private Partnerships'			11 900				
	5.3 Provinsiale Tersiêre Hospitaaldienste		610 468	215 008		2 653	43 690	
	Waaronder							
	Voorwaardelike Toelae							
	– Nasionale Tersiêre Dienste Toelae		188 879	149 355		1 313	37 122	

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN GESONDHEID

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	6 Gesondheidswetenskappe en opleiding ……..	245 775	157 307	16 162	6	69 950	2 350	
	Om opleiding en ontwikkelingsgeleenthede aan huidige en potensiële personeel van die Departement van Gesondheid te bied.							
	Waaronder							
	Toegewysde fondse							
	– *Beurse aan kubaanse dokters*					50 268		
	7 Gesondheidsorgondersteuningsdienste …….	186 315	108 143	32 497	1	40 370	5 304	
	Om steundienste wat deur die Departement benodig word om sy doelwitte te bereik, te lewer.							
	Waaronder							
	Toegewysde fondse							
	– Mediese Depot					40 000		
	8 Bestuur van Gesondheidsgeriewe ……..	595 710	19 680	92 217			483 813	
	Voorsiening van nuwe gesondheidsgeriewe en die opknapping, opgradering en onderhoud van bestaande geriewe.							
	8.1 Gemeenskapsgesondheidsgeriewe			11 973			99 473	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae			3 035			99 473	
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			8 938				
	8.2 Distrik Hospitaaldienste		18 000	33 557			196 602	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae		18 000	33 557			196 602	
	8.3 Provinsiale Gesondheidsdienste			8 000			119 130	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae			8 000			119 130	
	8.4 Nood Mediese Reddingsdienste			4 000			13 822	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae			4 000			13 822	
	8.5 Sentrale Hospitaaldienste						38 500	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae						38 500	
	8.6 Ander Geriewe		1 680	34 687			16 286	
	Waaronder							
	Voorwaardelike Toelae							
	– Gesondheidsgeriewe Opknappingstoelae			13 752			4 286	
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies		1 680	320				
	Toegewysde fondse							
	– Infrastruktuursverbeteringstoekenning			3 000			12 000	
	– Herstel en Onderhoud van Mediese Gastoerusting			10 000				

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN ONDERWYS

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Onderwys**							
	Doel: ***Om 'n Departement te wees wat daarna streef om kwaliteit , universele skoling te bied wat internasionaal kompeterend is.***	**12 739 378**	**10 061 109**	**878 751**	**50**	**1 237 274**	**562 194**	
	1 Administrasie	1 026 807	775 448	214 220	50	3 992	33 097	
	Om oorhoofse bestuurdienste van die onderwysstelsel te lewer ooreenkomstig die Wet op die Nasionale Onderwysbeleid, die Wet op Openbare Finansiële Bestuur en ander beleide.							
	Waaronder							
	Voorwaardelike Toelae							
	– NRO aanneming					1 000		
	2 Openbare Gewone Skoolonderwys	9 764 255	8 549 982	251 503		952 951	9 819	
	Om openbare gewone onderwys aan Grade 1 tot 12 te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet en Witskrif 6 op inklusiewe onderwys (insluitend E-onderrig).							
	2.1 Openbare Primêre Vlak		5 028 514	96 694		387 587	920	
	Waaronder							
	Voorwaardelike Toelae							
	– Oordrag aan skole					9 000		
	2.2 Openbare Sekondêre Vlak		3 488 956	70 819		219 038	8 390	
	Waaronder							
	Voorwaardelike Toelae							
	– Skoolverbinding			17 000				
	2.3 Menslike Hulpbronontwikkeling			38 487			60	
	2.4 Skoolsport, Kultuur en Media Dienste		32 512	2 076			249	
	2.5 Voorwaardelike Toekennings			43 427		346 326	200	
	Waaronder							
	– Nasionale Skoolvoedingsprogramtoelae			9 686		346 326	200	
	– Wiskunde, Wetenskap en Tegnologie			33 741				
	3 Subsidies vir Onafhanklike Skole	77 752				77 752		
	Om onafhanklike skole te ondersteun in ooreenstemming met die Suid-Afrikaanse Skolewet.							
	4 Openbare Spesiale skoolonderwys	474 283	395 749	7 528		70 144	862	
	Om spesiale openbare onderwys in skole te voorsien in ooreenstemming met die Suid-Afrikaanse Skolewet en Witskrif 6 op inklusiewe onderwys (insluitend E-onderrig).							
	Waaronder							
	Voorwaardelike Toelae							
	– Nasionale Skoolvoedingsprogramtoelae					2 200		
	– Toelae vir Leerders met groot intellektuele gestremdhede		6 253	4 253			862	

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN ONDERWYS

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	5 Vroeëkindontwikkeling	158 207	129 236	9 904		19 067		
	Om Vroeëkindontwikkeling (VKO) op Graad R en voor Graad R te voorsien in ooreenstemming met Witskrif 5 (insluitend E-onderrig).							
	Waaronder							
	Voorwaardelike Toelae							
	– Maatskaplike sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies		1 343	336				
	6 Infrastruktuurontwikkeling	679 913	21 000	143 332			515 581	
	Om infrastruktuurfasiliteite vir die administrasie en skole te voorsien en in stand te hou.							
	Waaronder							
	Voorwaardelike Toelae							
	– Onderwys Infrastruktuurtoelae		21 000	138 332			502 303	
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies						2 000	
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			5 000			11 278	
	7 Eksamen- en Onderwysverwante-dienste	558 161	189 694	252 264		113 368	2 835	
	Om onderwysinstellings as geheel met eksamen en onderwys ondersteuning te voorsien.							
	Waaronder							
	Voorwaardelike Toelae							
	– MIV en Vigs (lewensvaardigheidsopvoeding) Toelae		1 400	12 004			576	
	Toegewysde fondse							
	– Matriek Ondersteunings Programme Intervensie					10 000		
	– Leer en onderrig ondersteuningsmateriaal			24 000				
	– Hymaths			19 000				

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN MAATSKAPLIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Maatskaplike Ontwikkeling**							
	Doel: ***Om aan die menslike en maatskaplike behoeftes van die behoeftige en kwesbare gemeenskappe te voorsien deur 'n intersektorale en geïntegreerde maatskaplike ontwikkelingsdiens.***	**1 172 295**	**631 264**	**95 188**		**425 248**	**20 595**	
	1 Administrasie ……	250 997	184 169	54 905		2 158	9 765	
	Om strategiese bestuur en ondersteuningsdienste te voorsien aan alle vlakke in die Departement.							
	Waaronder							
	– Oordragbetalings aan Huishoudings					293		
	– Oordragbetalings aan Departementele Agente en Rekeninge					1 865		
	2 Maatskaplike Welsynsdienste ……	201 333	108 137	9 433		83 501	262	
	Om geïntegreerde maatskaplike ontwikkelingshulp aan behoeftige en kwesbare mense te voorsien in vennootskap met belanghebbendes en burgerlike samelewingsorganisasies.							
	Waaronder							
	– Oordragbetalings aan Huishoudings					83		
	– Oordragbetalings aan NRO's					83 418		
	2.1 *Dienste aan Bejaardes*					*42 057*		
	2.2 *Dienste aan Persone met Gestremdhede*					*22 066*		
	2.3 *MIV/Vigs*					*19 295*		
	Voorwaardelike Toelae							
	– Sosiale Werker Indiensnemingstoelae		1 495					
	3 Kinders en Families …….	447 079	130 639	15 933		290 313	10 194	
	Om omvattende kinder- en gesinsorg en ondersteuningsdienste aan gemeenskappe te voorsien in vennootskap met belanghebbendes en burgerlike gemeenskapsorganisasies.							
	Waaronder							
	– Oordragbetalings aan Huishoudings							
	– Oordragbetalings aan NRO's					290 313		
	3.1 Sorg en Ondersteuningsdienste aan Gesinne					*4 360*		
	3.2 Kindersorg en -Beskerming					*31 765*		
	3.3 Vroeëkindontwikkeling en gedeeltelike versorging					*220 947*		
	3.4 Kinder en Jeugsorgsentrums					*25 206*		
	3.5 Gemeenskapsdienste aan Kinders					*8 035*		

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN MAATSKAPLIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Waaronder							
	Voorwaardelike Toelae							
	– Vroeëkindontwikkelingstoelae		1 612	8 477		8 309		
	– Sosiale Werker Indiensnemingstoelae		1 757					
	Toegewysde fondse							
	– Vroeëkindontwikkeling					212 638	4 500	
	– Kantoor van die Regte van Kinders		431	1 112				
	4 Versterkingsdienste	131 992	104 670	11 001		16 075	246	
	Om geïntegreerde maatskaplike ontwikkeling in misdaadvoorkoming en teen-dwelm en alkohol afhanklikheidsdienste aan die kwesbaarstes te voorsien in vennootskap met belanghebbendes en burgerlike gemeenskapsorganisasies.							
	Waaronder							
	– Oordragbetalings aan Huishoudings							
	– Oordragbetalings aan NRO's					16 075		
	4.1 Misdaadvoorkoming en Ondersteuning					*2 687*		
	4.2 Bemagtiging van Slagoffers					*7 412*		
	4.3 Dwelmmiddelmisbruik, Voorkoming en Rehabilitasie					*5 976*		
	Waaronder							
	Voorwaardelike Toelae							
	– Dwelmmiddelmisbruikbehandelings-toelae		8 538	5 699				
	5 Ontwikkeling en Navorsing	140 894	103 649	3 916		33 201	128	
	Om volhoubare ontwikkelingsprogramme te voorsien wat die bemagtiging van gemeenskappe fasiliteer, gebaseer op empiriese navorsing en demografiese inligting op provinsiale en distriksvlak.							
	Waaronder							
	– *Oordragbetalings aan Huishoudings*					14		
	– *Oordragbetalings aan NRO's*					33 187		
	5.1 Armoedeverligting en Volhoubare bestaan					*22 187*		
	5.2 Jeugontwikkeling					*9 600*		
	5.3 Ontwikkeling van Vroue					*1 400*		
	Waaronder							
	Voorwaardelike Toelae							
	– Maatskaplike sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies					13 823		
	Toegewysde fondse							
	– Sanitêre Doekies					6 000		

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN SAMEWERKENDE REGERING EN TRADISIONELE SAKE

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
8	**Samewerkende Regering en Tradisionele Sake**							
	Doel: ***Geïntegreerde, verantwoorbare and ontwikkelende plaaslike regering.***	**407 187**	**213 234**	**129 150**		**54 646**	**10 157**	
	1 Administrasie ……	139 703	77 757	58 030		1 203	2 713	
	Om leierskap and ondersteuning te voorsien in ooreenstemming met alle toepaslike wette and beleide.							
	2 Plaaslike Regering ……	122 653	44 477	33 105		43 780	1 291	
	Om die totstandkoming van verantwoordbare en volhoubare plaaslike regering te fasiliteer in samewerking met alle belanghebbendes.							
	Waaronder							
	Toegewysde fondse							
	– Operasie Skoonoudit			20 381				
	– Munisipale Ondersteuningsprogram					9 000		
	– NRO aanneming					1 000		
	3 Ontwikkeling en Beplanning ……..…..……..	91 706	43 072	34 237		8 583	5 814	
	Om geïntegreerde ontwikkeling en beplanning op plaaslike regeringsvlak te fasiliteer en te bevorder.							
	Waaronder							
	Toegewysde fondse							
	– Munisipale Waterlaboratoriumondersteuning			5 000				
	– Vuurbestrydingstoerusting						5 000	
	4 Tradisionele Institusionele Bestuur ..……..……	42 818	39 645	2 142		741	290	
	Om lewensvatbare en volhoubare tradisionele instellings te bevorder en te fasiliteer.							
	5 Huis van Tradisionele Leiers ……..……..	10 307	8 283	1 636		339	49	
	Om die effektiewe en doeltreffende funksionering van die Huis van Tradisionele Sake in die Vrystaat te bevorder en te verbeter.							

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN OPENBARE WERKE EN INFRASTRUKTUUR

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
9	**Openbare Werke en Infrastruktuur**							
	Doel: ***Om die voorsiening, bevordering en gesonde bestuur van veilige, bekostigbare, betroubare, toeganklike en volhoubare bates en infrastruktuurstelsels te verseker.***	**1 522 356**	**401 423**	**557 008**		**349 655**	**214 270**	
	1 Administrasie	126 869	81 027	41 978		976	2 888	
	Om die Departement van administratiewe, strategiese, finansiële en korporatiewe ondersteuningsdienste te voorsien ten einde te verseker dat die mandaat op 'n geïntegreerde, doelmatige, doeltreffende en volhoubare manier uitgevoer word.							
	Waaronder							
	Toegewysde fondse							
	– NRO aanneming			1 000				
	2 Openbare Werke Infrastruktuur	1 213 334	304 544	472 694		348 679	87 417	
	Om gebalanseerde en gelyke provinsiale regeringsgeboue-infrastruktuur te voorsien deur die bevordering van toeganklikheid wat volhoubaar, geïntegreerd en omgewingsensitief is en wat ekonomiese ontwikkeling en maatskaplike bemagtiging ondersteun.							
	Waaronder							
	Toegewysde fondse							
	– Eiendomsbelastingverbeterings-toekenning					345 636		
	– Infrastruktuurverbeterings-toekenning						38 559	
	3 Uitgebreide Openbare Werke Program	182 153	15 852	42 336			123 965	
	Om die implementering van programme en strategieë wat lei tot die ontwikkeling en bemagtiging van gemeenskappe en kontrakteurs te bestuur. Dit sluit die provinsiale bestuur en koördinering van die Uitgebreide Openbare Werke Program in.							
	Waaronder							
	Voorwaardelike Toelae							
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies			10 900				
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning						123 728	

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN POLISIE, PAAIE EN VERVOER

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
10	**Polisie, Paaie en Vervoer**							
	Doel: ***Om by te dra tot die skep van 'n welvarende Vrystaat deur die fasilitering van die voorsiening van volhoubare gemeenskapsveiligheid, mobiliteit en padinfrastruktuur.***	**2 720 070**	**692 934**	**1 269 762**		**265 485**	**491 889**	
	1 Administrasie ……..	302 252	196 906	82 366		886	22 094	
	Om uitvoerende ondersteuning aan die Hoof van die Departement en alle finansiële en nie-finansiële stelsels binne die Departement te voorsien.							
	Waaronder							
	Voorwaardelike Toelae							
	– Maatskaplike sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan		1 693					
	Toegewysde fondse							
	– Biometriese & Kringtelevisie Kameras		15 000					
	– Kontant in Transito		20 530					
	– NRO aanneming			1 000				
	2 Provinsiale Sekretariaat vir Polisiedienste …….	25 081	16 645	8 160		276		
	Om die polisie se gedrag en prestasie te monitor en daaroor toesig te hou ten opsigte van dienslewering in die provinsie.							
	3 Vervoerbedrywighede …..……..	329 414	19 365	49 380		260 669		
	Om deur middel van eie provinsiale hulpbronne en deur samewerking met nasionale en plaaslike owerhede asook die privaatsektor, die voorsiening van vervoerdienste en infrastruktuur te beplan, te reguleer en te fasiliteer ten einde die beweeglikheid van goedere en alle gemeenskappe, veral diegene wat tans beperkte of geen toegang het nie, te verbeter.							
	Waaronder							
	Voorwaardelike Toelae							
	– Openbare Vervoerbedrywigheidstoelae					255 669		
	Toegewysde fondse							
	– Leerdervervoer			40 000				

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN POLISIE, PAAIE EN VERVOER

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Vervoerregulering ..... Om 'n veilige en effektiewe padverkeerstelsel op die been te bring, te bestuur en te onderhou deur die voorsiening van pro-aktiewe pad opleiding, onderwys en effektiewe padverkeerswetstoepassing en om te verseker dat alle privaat- en staatsvoertuie in die provinsie elke jaar geregistreer en gelisensieer is asook dat alle bestuurders behoorlik gemagtig is om hulle voertuie te bestuur.	343 766	277 084	65 795		887		
	Waaronder							
	Voorwaardelike Toelae							
	– Poskantoor (SAPO)			1 700				
	5 Vervoerinfrastruktuur ..... Om die toeganklikheid en die veilige, bekostigbare vervoer van mense, goedere en dienste te bevorder deur die lewering en instandhouding van vervoerinfrastruktuur wat onderhoubaar, geïntegreer en omgewingsensitief is en wat maatskaplike bemagtiging en ekonomiese groei ondersteun en fasiliteer.	1 719 557	182 934	1 064 061		2 767	469 795	
	Waaronder							
	Voorwaardelike Toelae							
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies						5 666	
	– Provinsiale Padinstandhoudingstoelae			891 731			383 000	
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning		182 934	172 330		2 767	81 129	

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN LANDBOU EN LANDELIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
11	**Landbou en Landelike Ontwikkeling**							
	Doel: ***Om 'n dinamiese en vooruitstrewende landbousektor en 'n beter lewe vir landelike gemeenskappe te verseker.***	**758 809**	**365 437**	**71 382**		**289 964**	**32 026**	
	1 Administrasie ……	155 423	115 040	36 496		2 617	1 270	
	Om strategiese leierskap binne die Departement van Landbou en Landelike Ontwikkeling te voorsien.							
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuursverbeteringstoekenning			5 000				
	– NRO aanneming			1 000				
	2 Volhoubare Hulpbronnebestuur ……..……....	48 129	26 180	3 134		18 815		
	Om implementering van Volhoubare Bestuur van Hulpbronne te verseker deur Ingenieursdienste, Grondversorging, Grondgebruiksbestuurdienste en Ramprisiko bestuursondersteuning te voorsien.							
	Waaronder							
	Voorwaardelike Toelae							
	– 'Land Care' Programtoelae: Armoedeverligting en Infrastruktuurontwikkeling			50		5 815		
	Toegewysde fondse							
	– Rampbestuur (Boorgate en Kommandowurms)					13 000		
	3 Boerdery-ondersteuning en -Ontwikkeling ……..….	380 013	97 905	14 503		267 605		
	Om ondersteuning aan boere te voorsien deur landboukundige ontwikkelingsprogramme.							
	Waaronder							
	Voorwaardelike Toelae							
	– Omvattende Landbou Ondersteuningsprogramtoelae		17 025	9 647		141 920		
	– Ilima/Letsema Projekte Toelae					63 178		
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies					2 000		
	Voorwaardelike Toelae							
	– Infrastruktuurverbeterings-toekenning (Mohoma Mobung)					60 000		

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN LANDBOU EN LANDELIKE ONTWIKKELING

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Veeartsenydienste	69 450	54 624	8 326			6 500	
	Om veeartsenydienste te voorsien.							
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning (veearts-laboratorium)			3 500			6 500	
	5 Navorsing en Tegnologie Ontwikkelingsdienste	55 744	29 140	2 348			24 256	
	Om behoefte gebaseerde navorsing, ontwikkeling en tegnologiese oordragsdienste te voorsien.							
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning						23 256	
	– Watersuiwering						1 000	
	6 Landbou-ekonomiese dienste	10 435	9 561	874				
	Om tydige en toepaslike landbou ekonomiese dienste aan die sektor te lewer ter ondersteuning van volhoubare landbou en die ontwikkeling van landbou besigheidsdienste ten einde ekonomiese groei te ondersteun.							
	7 Gestruktureerde Landbou-Onderrig en Opleiding	22 110	17 323	4 787				
	Om gestruktureerde landbou onderwys en opleiding aan alle deelnemers in die landbou sektor te voorsien, wat voldoen aan die Landbou Opleiding- en Onderwysstrategie ten einde 'n kundige, vooruitstrewende en kompeterende sektor te vestig.							
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuursverbeteringstoekenning			1 000				
	8 Landelike Ontwikkeling	17 505	15 664	914		927		
	Om te beplan, ontwikkeling en maatskaplike samehorigheid te fasiliteer deur middel van deelnemende meganismes in vennootskap met belanghebbendes.							

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN SPORT, KUNS, KULTUUR EN ONTSPANNING

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Kuns, Kultuur en Ontspanning**							
	Doel: ***Die bevordering, ontwikkeling en transformasie van Sport, Kuns, Kultuur en Ontspanning ten einde by te dra tot volhoubare ekonomiese groei en geleenthede, nasiebou, goeie bestuur en maatskaplike en menslike kapitaalontwikkeling.***	**687 295**	**315 390**	**152 775**		**96 319**	**122 811**	
	1 Administrasie	88 441	74 226	13 877			338	
	Om algehele bestuur- en administratiewe ondersteuning van die Departement te hanteer.							
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning		839	393				
	2 Kultuursake	151 901	66 568	65 735		7 250	12 348	
	Om kultuur, bewaring en bestuur van kulturele, historiese bates en hulpbronne van die Provinsie te bevorder deur die lewering van verskeie dienste.							
	Waaronder							
	Voorwaardelike Toelae							
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies		1 700	300				
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			2 500			12 186	
	– Kuns en Kultuur (MACUFE)			36 000				
	– Kunstenaars			4 000				
	– Fotograwe			4 000				
	– Gemeenskapsradiostasies			3 220				
	– Kuns en Kultuurprogramme			5 000				
	– Interdepartementele Koorkompetisie			780				
	– NRO aanneming					1 000		
	3 Biblioteek- en Argriefdienste	247 226	129 981	39 306		7 500	70 439	
	Om plaaslike biblioteekowerhede by te staan in die lewering van openbare biblioteekdienste en om argiefdienste aan die Provinsie te voorsien.							
	Waaronder							
	Voorwaardelike Toelae							
	– Gemeenskapsbiblioteekdienste Toelae		95 000	26 517		5 500	32 000	
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			5 300			38 390	

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN SPORT, KUNS, KULTUUR EN ONTSPANNING

(Ten laste van die Provinsiale Inkomstefonds)

Begrotings-pos	Beskrywing	Totale Begrotingspos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	4 Sport en Ontspanning …….……..……	199 727	44 615	33 857		81 569	39 686	
	Om hulp te verleen aan provinsiale sportassosiasies en ander relevante liggame om die ontwikkeling van sport te stimuleer. Formuleer insette rakende sportbeleid en bevorder sportprogramme. Beheer, bevorder en ontwikkel die provinsiale sportakademie. Ontwikkel en dra by tot sportbemarking-strategieë. Fasiliteer ontwikkeling van fasiliteite om sodoende die lewens van die benadeeldes te verbeter. Bevorder en ontwikkel sporttoerisme deur groot geleenthede.							
	Waaronder							
	Voorwaardelike Toelae							
	– Massa Deelname en Sportontwikkelingstoelae		2 849	27 386		65 520		
	– Maatskaplike Sektor Uitgebreide Openbare Werke Program Aansporingstoelae aan Provinsies					1 519		
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			2 000			39 678	
	– OR Tambo Marathon			3 000				
	– Ondersteuning aan sportkodes: Free State Stars					2 000		
	– Ondersteuning aan sportkodes: Bloemfontein Celtics					2 000		

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN MENSLIKE NEDERSETTINGS

(Ten laste van die Provinsiale Inkomstefonds)

Begro-tings-pos	Beskrywing	Totale Begrotings pos	Lopende betalings			Oordrag-betalings en subsidies	Betaling van Kapitaal bates	Betaling van Finansie bates
			Vergoeding van Werknemers	Goedere & Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
13	**Menslike Nedersettings**							
	Doel: ***Om die lewering van behuising en die ontwikkeling van geïntegreerde menslike nedersetting te bestuur.***	**1 442 894**	**169 501**	**59 447**		**1 207 815**	**6 131**	
	1 Administrasie	124 301	89 372	33 929			1 000	
	Om oorhoofse bestuur in die Departement te voorsien met betrekking tot alle toepaslike wette en beleide.							
	Waaronder							
	Toegewysde fondse							
	– NRO aanneming			1 000				
	2 Behuisingsbehoeftes, Navorsing en Beplanning	22 385	16 521	2 579		2 635	650	
	Om lewering van behuising te fasiliteer.							
	3 Behuisingsontwikkeling	1 294 887	62 542	22 684		1 205 180	4 481	
	Om individuele subsidies en behuisingsgeleenthede aan begunstigdes te voorsien in ooreenstemming met behuisingsbeleid.							
	Waaronder							
	Voorwaardelike Toelae							
	– Menslike Nedersettingontwikkelingstoelae			20 858		1 168 180	4 000	
	waaronder toegewys vir myndorpe							
	Matjhabeng					83 135		
	– Uitgebreide Openbare Werke Program Geïntegreerde Toelae aan Provinsies					2 000		
	Toegewysde fondse							
	– Sloping en Konstruksie van tweevertrekhuise					31 000		
	– Militêre Veterane					4 000		
	4 Behuising Bate Bestuur en Eiendomsbestuur	1 321	1 066	255				
	Om vir die effektiewe bestuur van behuising voorsiening te maak.							

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN OORDRAGBETALINGS EN SUBSIDIES

(Ten laste van die Provinsiale Inkomstefonds)

Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
	2017/18	2018/19	2019/20
	R'000	R'000	R'000
Oordragbetalings aan Munisipaliteite:	**408 743**	**456 718**	**479 933**
Provinsiale Tesourie	**5 000**	**13 000**	**13 000**
Maluti a Phofung	2 500	2 000	2 000
Mantsopa	2 500	11 000	11 000
Samewerkende Regering en Tradisionele Sake	**50 607**	**69 872**	**72 235**
Xhariep Distrik	17 850	19 000	20 000
Nie Toegewys	32 757	50 872	52 235
Openbare Werke en Infrastruktuur	**345 636**	**364 646**	**385 066**
Mangaung	106 265	111 392	131 812
Letsemeng	2 069	2 189	2 189
Kopanong	4 117	4 356	4 356
Mohokare	188	199	199
Masilonyana	3 672	3 885	3 885
Tokologo	306	324	324
Tswelopele	1 648	1 744	1 744
Matjabeng	55 284	58 490	58 490
Nala	2 348	2 484	2 484
Setsoto	17 644	18 667	18 667
Dihlabeng	9 774	10 341	10 341
Nketoana	6 729	7 119	7 119
Maluti a Phofung	99 588	105 364	105 364
Phumelela	1 294	1 369	1 369
Mantsopa	529	560	560
Moqhaka	7 840	8 295	8 295
Nqwathe	8 507	9 000	9 000
Metsimaholo	8 247	8 725	8 725
Mafube	9 587	10 143	10 143
Sport, Kuns, Kultuur en Ontspanning	**7 500**	**9 200**	**9 632**
Mangaung	2 000	2 000	2 000
Nketoana	2 750	3 600	3 816
Phumelela	2 750	3 600	3 816
Oordragbetalings aan Openbare Entiteite:	**132 685**	**137 660**	**144 899**
Ekonomiese, Klein Sake Ontwikkeling, Toerisme en Omgewingsake	**132 685**	**137 660**	**144 899**
Vrystaatse Ontwikkelingskorporasie	27 260	25 833	27 124
Vrystaatse Dobbel, Drank en Toerisme Owerheid	105 425	111 827	117 775

BEGROTINGSWETSONTWERP, 2017

SKEDULE VAN OORDRAGBETALINGS EN SUBSIDIES

(Ten laste van die Provinsiale Inkomstefonds)

Beskrywing	Begrotingspos en hoofindelings	Toekomstige Beramings	
	2017/18	2018/19	2019/20
	R'000	R'000	R'000
Oordragbetalings aan ander Departementele Entiteite en Rekeninge:	**148 913**	**140 698**	**148 801**
Vrystaat Provinsiale Wetgewer	52 251	58 341	63 706
Ekonomiese, Klein Sake Ontwikkeling, Toerisme en Omgewingsake	200	206	217
Gesondheid	59 087	42 000	42 000
Onderwys	30 124	32 739	35 343
Maatskaplike Ontwikkeling	1 865	2 001	2 101
Openbare Werke en Infrastruktuur	11	14	14
Polisie, Paaie en Vervoer	5 000	5 000	5 000
Landbou en Landelike Ontwikkeling	375	397	420
Oordragbetalings aan Nie-Winsgewende Instansies:	**1 821 993**	**1 799 659**	**1 859 246**
Premier	1 000		
Vrystaat Provinsiale Wetgewer	160	190	201
Vrystaatse Provinsiale Tesourie	1 000		
Gesondheid	118 046	125 102	134 072
Onderwys	1 187 150	1 219 970	1 269 135
Maatskaplike Ontwikkeling	422 993	420 732	421 492
Samewerkende Regering en Tradisionele Sake	2 825	1 931	1 964
Sport, Kuns, Kultuur en Ontspanning	88 819	31 734	32 382
Ander oordragbetalings:	**2 109 228**	**2 239 825**	**2 378 524**
Premier	248 922	265 478	291 863
Vrystaat Provinsiale Wetgewer	294	325	356
Ekonomiese, Klein Sake Ontwikkeling, Toerisme en Omgewingsake	6 080	5 000	5 000
Vrystaatse Provinsiale Tesourie	369	392	414
Gesondheid	70 062	72 908	76 873
Onderwys	20 000	20 000	20 000
Maatskaplike Ontwikkeling	390	412	435
Samewerkende Regering en Tradisionele Sake	1 214	1 284	1 385
Openbare Werke en Infrastruktuur	4 008	4 228	4 427
Polisie, Paaie en Vervoer	260 485	272 001	287 232
Landbou en Landelike Ontwikkeling	289 589	294 548	320 781
Sport, Kuns, Kultuur en Ontspanning			2 000
Menslike Nedersettings	1 207 815	1 303 249	1 367 758
Totale oordragbetalings en subsidies:	**4 621 562**	**2 834 203**	**3 003 356**

EXPLANATORY MEMORANDUM

1. PURPOSE

The Appropriation Bill, 2017 regulates the appropriation of amounts of money for the needs of the Province in respect of the financial year 1 April 2017 to 31 March 2018.

The memorandum highlights estimates of revenue expected to be received and raised for each year of the 2017 Medium Term Expenditure Framework ("MTEF") period as well as the expenditures to be incurred by the Province.

2. SUMMARY

The 2017 MTEF budget appropriation includes the amounts that are already in the baseline of the Departments, as well as new allocations and reprioritization of funds. These allocations include national allocations relating to conditional grants, policy adjustments, funding of nationally agreed priorities and funding from the provincially own sourced revenue.

The total estimate of expenditure for the Province for the 2017/18 financial year amounts to **R32.898 billion**. This provides for funding of priorities identified in The National Development Plan, the 2014-2019 Medium Term Strategic Framework (MTSF), Medium Term Budget Policy Statement (MTBPS) and the 2017 MTEF.

The Free State Provincial Government's projected revenue for the 2017/18 financial year is **R32.901 billion**, which consists of equitable share transfers of **R24.522 billion**, conditional grants of **R7.267 billion** and the Province's projected own revenue amounting to **R1.112 billion**.

TABLE 1: NET PROVINCIAL POSITION

R' 000	2017/18	2018/19	2019/20
Total Revenue	32 901 050	35 103 895	37 614 679
Total Allocated Expenditure	32 898 318	35 067 635	37 526 946
Net Surplus (Incentive funding)	**2 732**	**36 260**	**87 733**

3. PURPOSE OF ALLOCATIONS

The total provincial budget amounts to **R32.901 billion** for the 2017/18 financial year as indicated in Table 2 below.

The purpose of the allocations is to provide for and enable the implementation of the provincial government's programme of action with specific emphasis on the following:

- *Enhancement of the quality of education* through an improving access to educational opportunities;

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

- *Improving the provision of health care,* particularly for the poor, to reduce infant, child and maternal mortality rates;
- *Reducing the levels of crime and enhancing citizen safety* is one of provincial government priorities through which it intends to increase the number of policing personnel specializing in various key areas of crime prevention;
- *Creating sustainable growth through maintaining high levels of public investment in infrastructure to intensify and improve* various infrastructure delivery and imperatives of the provincial government, is also one of the priorities. Among the infrastructure related investment initiatives are School Hostels, Roads Construction programme and many others;
- *Intensifying the Province's public sector employment programmes* by increasing employment in areas where there is a clear need to do so especially in the police, education and health sectors;
- *Implementing of the Expanded Public Works Programme ("EPWP")* in areas such as health services, construction, maintenance and environmental protection projects;
- *Scaling up social interventions* to address the job challenges and ensuring social protection.

TABLE 2: SUMMARY OF PROPOSED ALLOCATION TO DEPARTMENTS

R'000	2017/18
	Budget Allocation
Premier	564 980
Free State Legislature	234 044
Economic, Small Business Development, Tourism and Environmental Affairs	558 780
Free State Provincial Treasury	315 314
Health	9 774 916
Education	12 739 378
Social Development	1 172 295
Cooperative Governance and Traditional Affairs	407 187
Public Works and Infrastructure	1 522 356
Police, Roads and Transport	2 720 070
Agriculture and Rural Development	758 809
Sport, Arts, Culture and Recreation	687 295
Human Settlements	1 442 894
Total	**32 898 318**

4. DISCUSSION

4.1 Provincial Fiscal Envelope

A summary of the total provincial revenue envelope is contained in Table 3 below and reflects the total revenue of **R32.901 billion**, **R35.104 billion** and **R37.615 billion** for the financial years 2017/18, 2018/19 and 2019/20 respectively.

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

TABLE 3: PROVINCIAL REVENUE ENVELOPE

R'000	2017/18	2018/19	2019/20
Equitable Share	24 521 941	26 284 534	28 165 434
Conditional Grants	7 267 164	7 646 758	8 211 904
Total Transfers from National	**31 789 105**	**33 931 292**	**36 377 338**
Own Revenue	1 111 945	1 172 603	1 237 341
Total Revenue	**32 901 050**	**35 103 895**	**37 614 679**

4.2.1 Social Sector allocations

(a) Health

Department of Health is allocated an amount of **R9.775 billion** in 2017/18, **R10.487 billion** in 2018/19 and **R11.268 billion** in 2019/20. The allocation of the Department covers, amongst others, the following health care priorities over the 2017 MTEF:

- Infection Control and Cleaning;
- Medical Supplies including Dry Dispensary;
- Medicines;
- Medical Waste;
- Laboratory Services: National Health Laboratory Services (NHLS);
- Blood Supply and Services;
- Repair and maintenance of medical gas equipment;
- Food Services and Relevant Supplies;
- Security Services;
- Laundry Services;
- Essential Equipment and Maintenance of Equipment;
- Infrastructure and Non-Infrastructure Maintenance;
- Children's Vaccines;
- ARV'S,
- Mobile Clinic Programme; and
- Bursaries for medical students.

(b) Education

The Department of Education is allocated an amount of **R12.739 billion** in 2017/18, **R13.614 billion** in 2018/19 and **R14.587 billion** in 2019/20. The funding to this Department addresses the following, amongst other, sector priorities over the 2017 MTEF:

- Norms and Standards for school funding;
- Teacher Development;
- LTSM Supplement;
- EMIS;
- Literacy and Numeracy;
- Expansion of Grade R;

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

- Hostel Support;
- Kagisho & Kutlwanong Trust;
- Matric support programme;
- Revitalisation of Agricultural schools;
- Pre-Grade R training;
- Exemption of school fees; and
- School Connectivity.

(c) Social Development

The Department of Social Development is allocated an amount of **R1.172 billion** in 2017/18, **R1.230 billion** in 2018/19 and **R1.298 billion** in 2019/20. The following priorities, amongst others, are funded:

- Support of NPOs;
- Early Childhood Development (ECD) and Partial Care (TF);
- Construction of ECD's;
- Office on the Rights of Children;
- Victim Empowerment (TF);
- Substance Abuse Treatment Grant; and
- Sanitary towels initiatives.

4.2.2 Non-Social Sector allocations

Allocated funding to the non-social sector Departments is as follows:

(a) Department of the Premier

The Department of the Premier receives **R564.980 million** in 2017/18, **R606.258 million** in 2018/19 and **R645.447 million** in 2019/20. The funding will cater for the following priorities:

- Community Development Workers;
- Provincial Communication Strategy;
- Non-financial Function/ Human Resource Capacity (Transfer from Provincial Treasury);
- Transport Economist Function;
- HIV Function,
- Harrismith Logistic Hub,
- Transversal commitments; and
- Provincial Bursaries.

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

(b) Free State Provincial Legislature

The Free State Legislature is allocated an amount of **R234.044 million** in 2017/18; **R247.483 million** in 2018/19 and **R262.643 million** in 2019/20. These allocations will cater for the filling of posts (FMPPLA) and a portion of political party funding.

(c) Economic, Small Business Development, Tourism and Environmental Affairs

An amount of **R558.780 million** is allocated for 2017/18, **R602.361 million** for 2018/19 and **R621.180 million** for 2019/20. The allocation caters for, amongst others, the following priorities:

- Waste Management;
- Management of Protected Areas;
- Cleaning of rivers;
- Cleaning and Greening of Various Towns;
- Climate change programmes (Implementation of Cop 21 resolutions);
- Revitalisation of Resorts;
- Economic Development;
- Creation and Support of Black Industrialists;
- Revitalisation of Textile Industry;
- Flee Market;
- Global Trade Round table; and
- SMMEs – Radical Economic Transformation.

(d) Free State Provincial Treasury

Provincial Treasury is allocated **R315.314 million** in 2017/18; **R326.414 million** in 2018/19 and **R327.124 million** in 2019/20. The allocation for this department will cover, amongst others, the following priorities:

- State Information Technology Agency (SITA);
- Municipal Support Programme; and
- Supplier's Database.

(e) Cooperative Governance and Traditional Affairs

The allocation to this department amounts to **R407.187 million** in 2017/18, **R444.331 million** in 2018/19 and **R473.897 million** in 2019/20:

- Operational Clean Audit;
- Municipal Financial Intervention Xhariep;
- Bulk Infrastructure and Basic Services;
- P/P: Sewerage;
- Water Laboratory Municipal support;

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

- Water Sanitation Intervention; and
- Fire Fighting Equipment.

(f) Public Works and Infrastructure

The Department of Public Works and Infrastructure is allocated an amount of **R1.522 billion** in 2017/18, **R1.628 billion** in 2018/19 and **R1.771 billion** in 2019/20. The allocation of this Department will fund, amongst others, the following priorities:

- Operating leases;
- Property payments;
- Rates & Taxes; and
- Infrastructure (including Trompsburg hospital).

(g) Police, Roads and Transport

The allocation to the Department of Police, Roads and Transport amounts to **R2.720 billion** in 2017/18, **R2.878 billion** in 2018/19 and **R3.117 billion** in 2019/20. The allocation of this Department will mainly fund priorities, such as:

- Cash in Transit;
- Outsourced agency and support (SAPO);
- Biometrics & CCTV cameras;
- Learner transport;
- Public Transport Operations;
- Provincial Roads Management Infrastructure;
- EPWP; and
- Infrastructure Enhancement.

(h) Agriculture and Rural Development

Department of Agriculture and Rural Development receives **R758.809 million** in 2017/18, **R808.457 million** in 2018/19 and **R864.185 million** in 2019/20. The following priorities are funded from the abovementioned allocation:

- LandCare Programme;
- Disaster Management (Army worm);
- Training of community and farmers;
- Agricultural projects (CASP);
- Capacitation of the Extension Officers;
- Veterinary Clinics;
- Agricultural projects (Ilima);
- Mohoma Mobung;
- Animal Vaccination; and
- Water purification Glen Farm.

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

(i) Sport, Arts, Culture and Recreation

The department receives a total allocation of **R687.295 million** in 2017/18, **R660.435 million** in 2018/19 and **R667.107 million** in 2019/20. The following priorities are, amongst others, funded:

- Integrated EPWP projects;
- Community Library Services programme;
- Mass Participation and Sport Development;
- Social EPWP projects;
- Macufe;
- Other Arts and Culture programmes;
- Dr Petrus Molemela stadium; and
- Infrastructure Enhancement.

(j) Human Settlements

The Department of Human Settlements receives an allocation of **R1.443 billion** in 2017/18, **R1.535 billion** in 2018/19 and **R1.624 billion** in 2019/20. The allocations for this Department fund, amongst others, the following priorities:

- Financial Interventions;
- Incremental Interventions;
- Social and Rental Interventions;
- Rural Interventions;
- Provincial Specific Programme; and
- Demolition and construction of 2 roomed houses.

*figures in the Bill and Memorandum identified with R' 000 as well as the words thousand, million or billion were rounded off.

VERDUIDELIKENDE MEMORANDUM

1. DOEL

Die Begrotingswetsontwerp, 2017 reguleer die bewilliging van bedrae van geld vir die behoeftes van die Provinsie ten opsigte van die finansiële jaar 1 April 2017 tot 31 Maart 2018.

Die memorandum beklemtoon begrotingsinkomste wat na verwagting ontvang sal word en wat vir elke jaar van die 2017 Mediumtermyn-bestedingsraamwerk ("MTBR") tydperk asook die uitgawes wat deur die Provinsie aangegaan word.

2. OPSOMMING

Die 2017 MTBR-begroting sluit in die bedrae reeds in die basislyn van die Departemente, asook nuwe toekennings en geherprioritiseerde fondse. Hierdie toekennings sluit in nasionale toekennings in verband met die voorwaardelike toelae, beleidaanpassings, befondsing van nasionaal ooreengekome prioriteite en befondsing van die provinsiale eie bron van inkomste.

Die totale begroting van uitgawes vir die Provinsie vir die 2016/17 finansiële jaar beloop **R32.898 miljard**. Dit maak voorsiening vir die befondsing wat geïdentifiseer is in die Nasionale Ontwikkelingsplan, die 2014-2019 Mediumtermyn Strategiese Raamwerk (MTSR), Mediumtermyn-begrotingsbeleidsverklaring (MTBBV) en die 2017 MTBR.

Die Vrystaatse Provinsiale Regering se geprojekteerde inkomste vir die 2017/18 finansiële jaar is **R32.901 miljard**, wat bestaan uit billike deel oordragte van **R24.522 miljard**, voorwaardelike toelaes van **R7.267 miljard** en die provinsie se eie inkomste geprojekteer ten bedrae van **R1.112 miljard**.

TABEL 1: NETTO PROVINSIALE POSISIE

R' 000	2017/18	2018/19	2019/20
Totale Inkomste	32 901 050	35 103 895	37 614 679
Totale Toegewysde Uitgawe	32 898 318	35 067 635	37 526 946
Netto Surplus (Aansporing befondsing)	**2 732**	**36 260**	**87 733**

3. DOEL VAN TOEKENNINGS

Die totale provinsiale begroting beloop **R32.901 miljard** vir die 2017/18 finansiële jaar, soos aangedui in Tabel 2 hieronder.

Die doel van die toekennings, is om voorsiening te maak vir en om die implementering van die provinsiale regering se program van aksie in staat te stel met spesifieke klem op die volgende:

- *Die gehalte van onderwys te versterk* deur toegang tot opvoedkundige geleenthede te verbeter;

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R' 000 asook met die woorde duisend, miljoen of miljard is afgerond.

- *Die voorsiening vir gesondheidsorg te verbeter*, veral vir armes, en om baba, kind en moeder sterfte syfers te verlaag;
- *Die vlakke van misdaad te verminder en burgerveiligheid te versterk* is een van die provinsiale regering se prioriteite waardeur dit van voorneme is om die getal van polisiëringspersoneel te verhoog wat spesialiseer in verskeie belangrike gebiede van misdaadvoorkoming;
- *Om volhoubare groei te skep deur die handhawing van hoë vlakke van openbare belegging in infrastruktuur te versterk en verskeie* infrastrukture en vereistes van die provinsiale regering te verbeter, is ook een van die prioriteite. Die infrastrukture wat verband hou met belegging inisiatiewe is die Skoolkoshuise, Paaie Konstruksie Programme en meer;
- *Die Provinsie se openbare sektor werksgeleentheid programme versterk* deur werksgeleenthede te verhoog in areas waar daar ‘n duidelike behoefte is, veral in die polisie, onderwys en gesondheidsektore;
- *Implementering van die Uitgebreide Openbare Werke-program* ("UOWP") in gebiede soos gesondheidsdienste, konstruksie, instandhouding en omgewingsbeskermingsprojekte;
- *Sosiale ingrypings op te gradeer* om werkuitdagings aan te spreek en sosiale beskerming te verseker.

TABEL 2: OPSOMMING VAN VOORGESTELDE TOEWYSING AAN DEPARTEMENTE

R'000	2017/18
	Begrotingstoewysing
Premier	564 980
Vrystaat Wetgewer	234 044
Ekonomiese, Klein Sake Ontwikkeling, Toerisme en Omgewingsake	558 780
Vrystaat Provinsiale Tesourie	315 314
Gesondheid	9 774 916
Onderwys	12 739 378
Maatskaplike Ontwikkeling	1 172 295
Samewerkende Regering en Tradisionele Sake	407 187
Openbare Werke en Infrastruktuur	1 522 356
Polisie, Paaie en Vervoer	2 720 070
Landbou en Landelike Ontwikkeling	758 809
Sport, Kuns, Kultuur en Ontspanning	687 295
Menslike Nedersettings	1 442 894
Totaal	**32 898 318**

4. BESPREKING

4.1 Provinsiale Fiskale Koevert

'n Opsomming van die totale provinsiale inkomste koevert is in Tabel 3 hieronder vervat en weerspieël die totale inkomste van **R32.901 miljard**, **R35.104 miljard** en **R37.615 miljard** vir die finansiële jare 2017/18, 2018/19 en 2019/20 onderskeidelik.

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R’ 000 asook met die woorde duisend, miljoen of miljard is afgerond.

TABEL 3: PROVINSIALE INKOMSTE KOEVERT

R'000	2017/18	2018/19	2019/20
Billike Deel	24 521 941	26 284 534	28 165 434
Voorwaardelike Toelaes	7 267 164	7 646 758	8 211 904
Totale Oordrag van Nasionaal	**31 789 105**	**33 931 292**	**36 377 338**
Eie Inkomste	1 111 945	1 172 603	1 237 341
Totale Inkomste	**32 901 050**	**35 103 895**	**37 614 679**

4.2.1 Maatskaplike Sektor Toekeninngs

(a) Gesondheid

Die Departement van Gesondheid is 'n bedrag van **R9.775 miljard** in 2017/18, **R10.487 miljard** in 2018/19 en **R11.268 miljard** in 2019/20 toegeken. Die toekenning van die Departement dek, onder andere, die volgende gesondheidsorgprioriteite oor die 2017 MTBR:

- Infeksiebeheer en Skoonmaak;
- Mediese Voorraad insluitende Droë Apteek;
- Medisyne;
- Mediese Afval;
- Laboratoriumdienste: Nasionale Gesondheidslaboratoriumdienste (NHLS);
- Bloedvoorraad en -Dienste;
- Herstel en onderhoud van mediese gastoerusting;
- Voedseldienste en Relevante Voorraad;
- Sekuriteitsdienste;
- Wasserydienste;
- Noodsaaklike Toerusting en Instandhoudingstoerusting;
- Infrastruktuur en Nie-Infrastruktuurinstandhouding;
- Kinderentstowwe;
- ARVs;
- Mobiele Kliniekprogram; en
- Beurse vir mediese studente.

(b) Onderwys

Die Departement van Onderwys is 'n bedrag van **R12.739 miljard** in 2017/18, **R13.614 miljard** in 2018/19 en **R14.587 miljard** in 2019/20 toegeken. Die befondsing aan hierdie Departement spreek, onder andere, die volgende sektor prioriteite oor die 2017 MTBR aan:

- Norme en standaarde vir skoolbefondsing;
- Onderwyserontwikkeling;
- Leerder- en onderrigondersteuningsmateriaal (LOOM) Verbetering;
- EMIS;
- Geletterdheid en Gesyferdheid;
- Uitbreiding van Graad R;

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R' 000 asook met die woorde duisend, miljoen of miljard is afgerond.

- Koshuisondersteuning;
- Kagisho en Kutlwanong Trust;
- Matriekondersteuningsprogram;
- Vernuwing van Landbouskole;
- Pre-Graad R opleiding;
- Kwytskelding van skoolgelde; en
- Skoolverbinding.

(c) Maatskaplike Ontwikkeling

Die Departement van Maatskaplike Ontwikkeling is ‘n bedrag van **R1.172 miljard** in 2017/18, **R1.230 miljard** in 2018/19 en **R1.298 miljard** in 2019/20 toegeken. Die volgende prioriteite, onder andere, is befonds:

- Bystand van NROs;
- Vroeë Kinderontwikkeling (VKO) en Gedeeltelike Sorg;
- Konstruksie van VKOs;
- Kantoor van die Regte van Kinders;
- Slagofferbemagtiging (TF);
- Dwelmmisbruikbehandelingstoelae; en
- Sanitêre doekies inisiatief.

4.2.2 Nie-Maatskaplike Sektor Toekennings

Toegekende befondsing vir die nie-maatskaplike sektor Departemente is soos volg:

(a) Departement van die Premier

Die Departement van die Premier ontvang **R564.980 miljoen** in 2017/18, **R606.258 miljoen** in 2018/19 en **R645.447 miljoen** in 2019/20. Die befondsing sal voorsiening maak vir die volgende prioriteite:

- Gemeenskapsontwikkelingswerkers;
- Provinsiale Kommunikasie Strategie;
- Nie-finansiële Funksie/ Menslike Hulpbronnekapasiteit (Oordrag van Provinsiale Tesourie);
- Vervoerekonoomfunksie;
- MIV-funksie;
- Harrismith Logistieke hub;
- Transversele ooreenkomste; en
- Provinsiale Beurse.

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R’ 000 asook met die woorde duisend, miljoen of miljard is afgerond.

(b) Vrystaatse Provinsiale Wetgewer

Die Vrystaatse Wetgewer is 'n bedrag van **R234.044 miljoen** in 2017/18; **R247.483 miljoen** in 2018/19 en **R262.643 miljoen** in 2019/20 toegeken. Hierdie toekennings sal voorsiening maak vir vul van poste (FMPPLA) en ‘n gedeelte van politieke befondsing.

(c) Ekonomiese, Klein Sake Ontwikkeling, Toerisme en Omgewingsake

‘n Bedrag van **R558.780 miljoen** is toegeken for 2017/18, **R602.361 miljoen** for 2018/19 en **R621.180 miljoen** for 2019/20. Die toekenning maak voorsiening, onder andere, vir die volgende:

- Afvalbestuur;
- Bestuur van Beskermde Gebiede;
- Skoonmaak van riviere;
- Skoonmaak en Vergroening van Verskeie Dorpe;
- Klimaatsveranderingsprogramme (implementering van Cop 21 resolusies);
- Vernuwing van Oorde;
- Ekonomiese Ontwikkeling;
- Skep en Ondersteuning van Swart Industrialiste;
- Vernuwing van die Tekstielindustrie;
- Vlooimark;
- Wêreldhandel Rondetafel; en
- KMMOs – Radikale Ekonomiese Transformasie.

(d) Vrystaat Provinsiale Tesourie

Provinsiale Tesourie is **R315.314 miljoen** in 2017/18; **R326.414 miljoen** in 2018/19 en **R327.124 miljoen** in 2019/20 toegeken. Die toekenning aan hierdie Departement sal die volgende prioriteite, onder andere, dek:

- Staat Inligtingstegnologie-agentskap (SITA);
- Munisipale Ondersteuningsprogram; en
- Verskaffersdatabasis.

(e) Samewerkende Regering en Tradisionele Sake

Die toekenning vir hierdie Departement beloop **R407.187 miljoen** in 2017/18, **R444.331 miljoen** in 2018/19 en **R473.897 miljoen** in 2019/20:

- Operasie Skoonoudit;
- Munisipale Finansiële Intervensie Xhariep;
- Grootskaalse Infrastruktuur en Basiese Dienste;
- P/P: Riool;
- Waterlaboratorium Munisipale bystand;

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R’ 000 asook met die woorde duisend, miljoen of miljard is afgerond.

- Watersanitasie Ingryping; en
- Brandbestrydingstoerusting.

(f) Openbare Werke en Infrastruktuur

Die Departement van Openbare Werke en Infrastruktuur is ‘n bedrag van **R1.522 miljard** in 2017/18, **R1.628 miljard** in 2018/19 en **R1.771 miljard** in 2019/20 toegeken. Die toekenning van hierdie Departement sal die volgende prioriteite, onder andere, befonds:

- Bedryfshure;
- Eiendomsbetalings;
- Eiendomsheffing en- belasting; en
- Infrastruktuur (insluitend Trompsburg hospitaal).

(g) Polisie, Paaie en Vervoer

Die toekenning vir die Departement van Polisie, Paaie en Vervoer beloop **R2.720 miljard** in 2017/18, **R2.878 miljard** in 2018/19 en **R3.117 miljard** in 2019/20. Die toekenning van hierdie Departement sal hoofsaaklik prioriteite befonds, soos:

- Kontant in Transito;
- Uitgekontrakteerde agentskap en ondersteuning (SAPO);
- Biometriese en Kringtelevisie kameras;
- Leerdervervoer;
- Openbare Vervoeroperasies;
- Provinsiale Paaie Bestuursinfrastruktuur;
- UOWP; en
- Infrastruktuurverbetering.

(h) Landbou en Landelike Ontwikkeling

Departement van Landbou en Landelike Ontwikkeling ontvang **R758.809 miljoen** in 2017/18, **R808.457 miljoen** in 2018/19 en **R864.185 miljoen** in 2019/20. Die volgende prioriteite is befonds uit die bogenoemde toekenning:

- LandCare Program;
- Rampbestuur (Kommandowurm);
- Opleiding van gemeenskap en boere;
- Landbouprojekte (CASP);
- Bevoegmaking van die Voorligtingsbeamptes;
- Veeartseny Klinieke;
- Landbouprojekte (Ilima);
- Mohoma Mobung;
- Inenting van Diere; en
- Watersuiwering Glenplaas.

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R’ 000 asook met die woorde duisend, miljoen of miljard is afgerond.

(i) Sport, Kuns, Kultuur en Ontspanning

Die Department ontvang ‘n totale toekenning van **R687.295 miljoen** in 2017/18, **R660.435 miljoen** in 2018/19 en **R667.107 miljoen** in 2019/20. Die volgende prioriteite is, onder andere, befonds:

- Geïntegreerde UOWP projekte;
- Gemeenskapsbiblioteekdienste programme;
- Massadeelname en Sportontwikkeling;
- Maatskaplike UOWP projekte;
- Macufe;
- Ander Kuns- en Kultuurprogramme;
- Dr Petrus Molemela Stadion; en
- Infrastruktuurverbetering.

(j) Menslike Nedersettings

Die Departement van Menslike Nedersettings ontvang ‘n toekenning van **R1.443 miljard** in 2017/18, **R1.535 miljard** in 2018/19 en **R1.624 miljard** in 2019/20. Die toekenning vir hierdie Departement befonds, onder andere, die volgende prioriteite:

- Finansiële Ingrypings;
- Gelydelike Ingrypings;
- Maatskaplike- en Huuringrypings;
- Landelike Ingrypings;
- Provinsiale Spesifieke Programme; en
- Sloping en konstruksie van 2 kamerhuise.

*getalle in die Wetsontwerp en Memorandum geïdentifiseer met R’ 000 asook met die woorde duisend, miljoen of miljard is afgerond.

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National Treasury
REPUBLIC OF SOUTH AFRICA

Chief Financial Officers Handbook for Departments

National Treasury

(1st Edition)

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1. Overview

The Public Finance Management Act, Act 1 of 1999 (PFMA) provides a framework for the functions, roles and responsibilities of the Accounting Officer (AO) however there appears to be a gap between what the Act prescribes for AOs and the actual implementation thereof. This limits the effectiveness of the Act in bringing about improvements in public finance management.

1.1 Purpose of the CFO Handbook

The CFO Handbook has been developed to provide a comprehensive outline of the roles and responsibilities of the CFO with the aim of further advancing implementation of the PFMA in departments.

The Handbook serves to guide CFOs by interpreting the legislative requirements and explaining what the CFO is required to deliver, the relevance of the outputs and the timing thereof. The execution or "how to" compile the outputs is at the discretion of the CFO and his/her team of finance professionals.

It must be noted that the content of the CFO Handbook is characteristic of an ideal departmental environment where the department is operating optimally. Given that departments, depending on capacity and other constraints, may be at varying levels of performance or competence, the CFO Handbook serves to guide CFOs on what they should aspire to achieve within their departments.

Furthermore, the CFO Handbook should be regarded as a "living" document that will evolve over time to accommodate changes that may arise in the national and provincial spheres of government.

1.2 Design Principles

The CFO Handbook is divided into three parts comprising the functional areas of the CFO's financial management responsibilities. The functional areas are derived from the CFO's job description which is in accordance with the role and responsibilities of the AO as prescribed by the PFMA.

It is noted that CFOs may be operating at different levels of competency and capacity however the CFO Handbook serves to remind CFOs of the legislative requirements applicable to all government departments regardless of constraints that prevail.

2. Legislative Framework

The legislation relevant to budgeting, accounting, financial reporting and governance are the Constitution of South Africa, PFMA, Treasury Regulations, the Division of Revenue Act and subsequent legislation or regulations issued in terms thereof.

The implementation of the PFMA, was to modernise financial management, enhance accountability and thereby reduce fraud, corruption and waste among government departments.

A basic principle of the PFMA was to give managers the flexibility to manage within a framework that satisfies the constitutional requirements of transparency and accountability. The purpose was to provide a framework of best practices to assist managers to achieve efficient and effective service delivery.

The PFMA gives effect to the following sections of the Constitution of the Republic of South Africa, Act No. 108 of 1996:

Chapter 13: Finance, Section 216 (1): requires national legislation to *establish a national treasury and prescribes measures to ensure transparency and expenditure control in each sphere of government, by introducing:*

a. generally recognised accounting practice;

b. uniform expenditure classifications; and

c. uniform treasury norms and standards.

Section 213 limits exclusions and withdrawals from the National Revenue Fund through an Act of Parliament;

Section 215 which notes that budgets and the budgetary process *"must promote transparency, accountability and the effective financial management of the economy, debt and the public sector"* and for national legislation to *"prescribe"* budget formats for all the spheres of government;

Section 217 on procurement to be *"in accordance with a system which is fair, equitable, transparent, competitive and cost-effective"*

Section 218 on the conditions for the issue of guarantees by a government in any sphere; and

Section 226 limits an exclusion from a provincial revenue fund through an Act of Parliament.

Also relevant are ***Chapter 5, Section 100 and Chapter 13, section 216*** on intervention by the national government when an organ of state fails to perform an executive function related to financial management, and circumstances under which funds may be withheld.

The Division of Revenue Act, *(DoRA)* sets out the disclosure requirements for transfers made; allocations received as well as reporting requirements for conditional grants.

The PFMA, at the time of its adoption, aspired to build a public sector with the following characteristics:

- sound financial management systems and processes, capable of generating the necessary information to managers;
- transparent multi-year budgeting processes;
- effective management of revenue, expenditure, assets and liabilities; and
- unqualified consolidated financial statements, prepared on the accrual basis of accounting.

The PFMA is supported by the Treasury Regulations, issued in terms of the PFMA and applicable to departments, constitutional institutions and public entities.

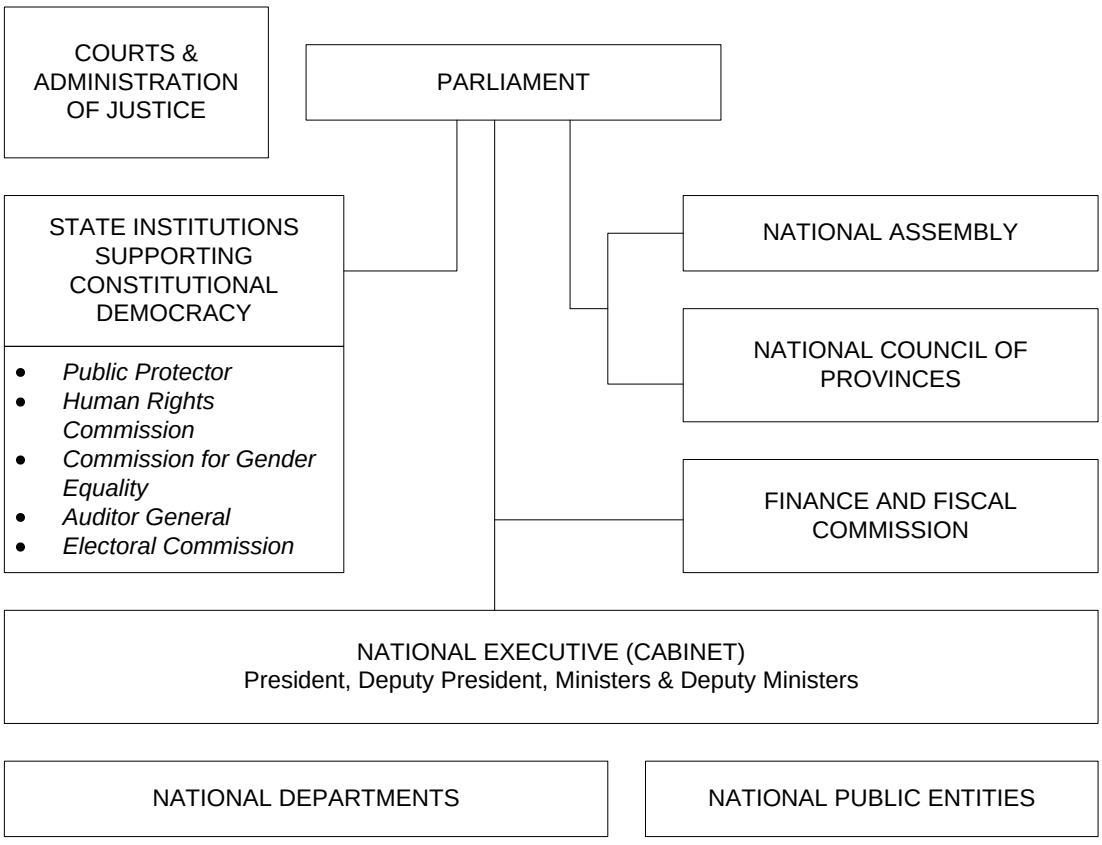
3. National and Provincial Government Structures

The underlying principles of sound governance are accountability and responsibility. Accountability is about allowing managers to make their own decisions within the prescribed financial management framework and holding them accountable for those decisions; and responsibility is about managers leading the department with sound financial management practices and taking corrective action when required.

The PFMA and Treasury Regulations provides for governance and controls as part of an integrated framework for financial planning, management and reporting.

The diagrams below illustrate national and provincial government structures in terms of the Constitution:

National Government



The Constitution sets a single, sovereign democratic state where governance is effected through Parliament, the Executive and the Judiciary. In the Republic the legislative authority is vested in Parliament, the executive authority is vested in the President, and the judicial authority is vested in the Courts.

Parliament

The legislature in the national sphere of government is referred to as Parliament, and it consists of two "houses", namely the National Assembly and the National Council of Provinces (NCOP).

Parliament's role and ultimate outcome is to represent the people and ensure government by the people under the Constitution, as well as represent the provinces in the national sphere of government.

In terms of the provisions of the Constitution and the Joint Rules, Parliament has the power to conduct oversight of all organs of state, including those at provincial and local government level.

Parliament oversees the effective management of government resources in pursuit of consistently improved service delivery to achieve a better quality for life for all citizens. The oversight function is conducted through parliamentary committees who consider annual reports of organs of state and the Auditor-General's reports. Another role of Parliament is to approve the government's budget for providing services to the people of South Africa.

National Assembly

The National Assembly comprises a minimum of 350 delegates and a maximum of 400 representing the political parties. The National Assembly is responsible for passing laws, ensuring that the members of the executive perform their work properly and providing a forum where the representatives of the people can publicly debate issues.

The functions of the National Assembly is usually performed by smaller groups or committees however, final decisions are taken by the House which has the final authority.

The National Assembly is the primary legislative chamber.

National Council of Provinces (NCOP)

The Constitution introduced the concept of *"cooperative government"* whereby consultation, coordination and communication between the different levels of government and all organs of state is prioritised.

The National Council of Provinces provides provinces with a forum whereby they can engage the national government on matters concerning areas of shared national and provincial legislative powers thereby facilitating cooperative government.

The National Council of Provinces comprises a single delegation from each of the provinces; each delegation consists of ten provincial delegates of which six are permanent.

National Executive and Cabinet

The National Executive is the chief executive organ of South Africa's ruling party. It comprises the president and cabinet. The Cabinet consists of the President as head of Cabinet, a Deputy President and Ministers. The President selects his/her Deputy and other Ministers from members of the National Assembly

Courts and administration of justice

The judiciary is an independent branch of government subject to the Constitution and the laws of the country. The structure of South Africa's judicial system is defined in Chapter 8 of the Constitution. Courts are required to act independently, impartially, with dignity and to be accessible and effective.

Constitutional Bodies

To ensure that the Constitutional principles are acknowledged in actions performed by political office bearers, public officials and private citizens, a number of Constitutional Institutions have been established. These institutions play an oversight role with respect to the functioning of government institutions and are thus directly accountable to Parliament. The composition, functions and powers of these institutions are briefly described below:

Public Protector

The Public Protector's main responsibility is to ensure that public institutions serve private citizens and institutions in a fair and equitable manner. The Public Protector has to ensure that private citizens have an avenue to raise concerns regarding the state and its machinery. Some of the responsibilities of this office are to investigate any improper conduct by public officials or public institutions, to take appropriate action to rectify actions or decisions that were found to be unacceptable and to report its investigations to Parliament.

Human Rights Commission

The Human Rights Commission was formed with an aim to promote a culture of human rights characterised by the respect, protection, of such rights as enshrined in the Bill of Rights. The Commission monitors and from time to time assesses the extent to which human rights are observed in South Africa. To do that the Commission has to obtain information from government departments and other public institutions on the measures they have taken in respect of human rights in areas such as housing, health care, food, water, social security, education and the environment. In cases the rights of individuals and communities have been violated, the Commission has the power to secure appropriate corrective measures.

Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

Government established the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities. Its functions include among others to promote respect by individuals and communities of the rights of other cultural, religious and linguistic communities; and to promote and develop peace, friendship, humanity, tolerance and national unity amongst the different cultural, religious and linguistic communities.

Commission on Gender Equality

The Commission was established to promote respect for gender equality and the protection, development and attainment of gender equality. To achieve this, the Commission has to constantly monitor, investigate, research, educate, lobby, advise and report on issues concerning gender equality.

Auditor-General

The Auditor-General's role is to audit the accounts and financial statements of national and provincial departments as well as municipalities and any other institution or accounting entity. In addition, the Auditor-General may report on the accounts, financial statements and financial management of any institution funded from the National Revenue Fund, a provincial revenue fund or by a municipality. The Auditor-General is also authorized to audit the financial affairs of any institution that may, in terms of law, receive money for public purposes.

Electoral Commission

The Electoral Commission was established in South Africa to manage and report on national, provincial and municipal elections and ensure that they are free and fair.

Independent Communications Authority of South Africa

Independent Communications Authority was established to regulate broadcasting. The Independent Authority has to ensure fairness and diversity of views broadly representing South African society.

Financial and Fiscal Commission

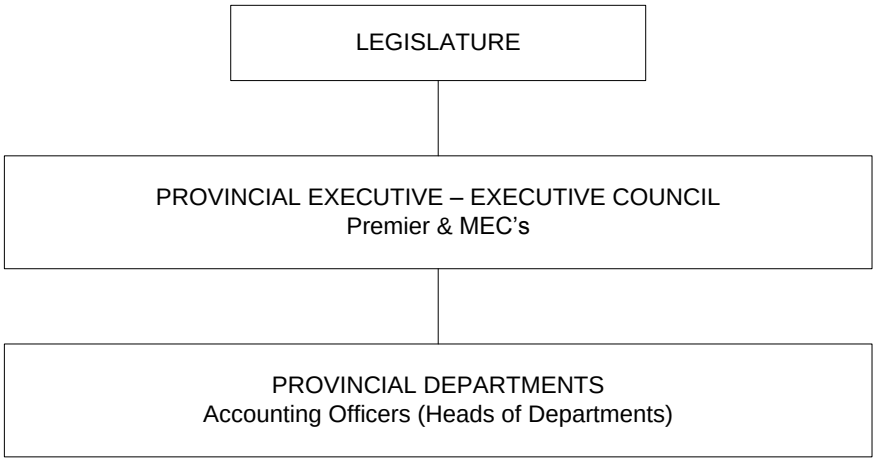
The Financial and Fiscal Commission has been created to make recommendations regarding matters as prescribed in the Constitution relating to the three spheres of government.

Of particular relevance to this Handbook are the annual recommendations that the FFC makes on the DoRA and other legislation in terms of section 220 of the Constitution; it is a key institution in relation to the development of the national budget.

South African Reserve Bank

The primary objective of the South African Reserve Bank is to protect the value of the currency in the interest of balanced and economic growth in South Africa. The Bank is required to perform its functions independently and without fear, favour or prejudice. Regular consultation has to take place between the Bank and the Minister of Finance.

Provincial Government



Legislature

The Legislature is the legislative branch of the government of the province. In terms of the Constitution the Legislature has the power to pass legislation on matters pertaining to health, education *(excluding universities)*, agriculture, housing, environmental protection, and development planning.

The provincial legislature may recommend legislation to the National Assembly if the matter is outside its legislative power.

Provincial executive

The provincial executive functions in a manner analogous to the *cabinet* however, at a provincial level. It comprises the premier and the MECs of the provincial departments. The members of the provincial executive are accountable to the Legislature.

4. Roles and Responsibilities

The PFMA clarifies the division of responsibilities between the head of department, the *"accounting officer"* and the political head referred to as the *"executive authority".*

The executive authority is responsible for policy choices and outcomes, while the accounting officer implements the policy and achieves the outcomes by taking responsibility for delivering the outputs defined in the departmental budget. In this way, the Act empowers accounting officers by unambiguously conferring on them a clear set of responsibilities.

The roles and responsibilities are discussed in greater detail below.

4.1 Executive authority

The PFMA defines the executive authority in relation to a national department as the cabinet member accountable to Parliament for that department i.e. the minister; in relation to a provincial department the executive authority is the member of the executive council (MEC) of the province who is accountable to the Legislature.

In the case of a national public entity the executive authority is the cabinet member in whose portfolio the entity is included and similarly in the case of a provincial public entity it is the provincial MEC.

Note that this handbook is applicable to both national and provincial departments hence reference is made to the "executive authority" and applies to both.

The PFMA, section 64 requires that *any directive by an executive authority of a department to the accounting officer of the department having financial implications for the department must be in writing.*

4.2 Accounting officer

In the case of provincial and national departments the PFMA prescribes that the Head of Department must be the accounting officer.

The accounting officer is broadly responsible for effective, efficient, economical and transparent use of departmental resources i.e. the accounting officer must ensure that effective, efficient and transparent systems of financial and risk management and internal controls are in place.

The accounting officer is responsible for:

- exercising effective budgetary control; this requires monitoring systems that warn of impending overspending of a vote or main division and of any impending under collection of revenue or shortfall in budgeted revenue *(which is to be reported to the executive authority);* and
- submission of all reports, returns, notices and other information as required by the executive authority, Legislature, the relevant treasury or the Auditor-General.

The Treasury Regulations specifies the minimum requirements and best practices to guide accounting officers to manage their budgets and achieve the predetermined outputs of the vote.

The accounting officer's performance contract should be consistent with the outputs defined in the strategic plan. The employment contract must be in writing and inclusive of performance standards of what the department is required to deliver. These performance standards must be aligned to, and consistent with the measurable objectives in the budget and related operational plan. The accounting officer's performance contract must specify the responsibilities for budgetary control, reporting and the general responsibilities.

The PFMA, Chapter 5, Part 2, discusses the *"Responsibilities of Accounting Officers";* the following sections of the Act apply:

Section 38: General responsibilities of accounting officers;

Section 39: Accounting officers' responsibilities relating to budgetary control;

Section 40: Accounting officers' reporting responsibilities;

Section 41: Information to be submitted by accounting officers;

Section 42: Accounting officers' responsibilities when assets and liabilities are transferred; and

Section 43: Virements between main divisions within votes.

Delegation by accounting officers

While the PFMA assigns these responsibilities to accounting officers, the accounting officer may delegate to a suitably competent CFO*; "assignment of powers and duties by accounting officers"* is explained in Part 3 of Chapter 5 of the PFMA.

The delegation of power or duty does not divest the accounting officer of the responsibility for exercising the delegated power or duty – the *"delegator"* must ensure that systems and processes are adequate to document, monitor and review the exercising of those powers or assigned duties.

In addition to the duties delegated by the accounting officer to the CFO and/or line manages in the department, section 45 of the PFMA lists the responsibilities of *"other"* departmental officials.

The accounting officer should appoint, at a senior management level and on a performance-based contract, a CFO with relevant experience and a demonstrated capacity to interpret, analyse and present complex information. While the size and nature of the department will determine the specific qualities required, it is likely that the CFO is a high-calibre individual with:

- credibility with all the senior managers in the department;
- the capacity to bring independent and impartial advice into departmental decision-making;
- membership of a professional body; and
- direct access to the accounting officer.

Staffing

The accounting officer should, at the highest level, manage the change process/es, establish appropriate objectives for senior staff, key milestones, timeframes and responsibilities whilst managing those outputs effectively and regularly reporting back to the executive authority on progress.

It is recommended that a skilled and well-rounded senior management team, complemented with general financial management knowledge, is appointed. The senior management team's roles and responsibilities, depending on the extent of delegations by the accounting officer, will greatly support the expeditious implementation of good financial management practices and governance.

It is also appropriate to have the chief financial officer regularly update senior management on finance-related policies and areas of relevance.

4.3 Chief financial officer

The Treasury Regulations issued in terms of the PFMA makes provision for departments to appoint a suitably qualified CFO to serve on the department's senior management team. The CFO is directly accountable to the accounting officer and the Treasury Regulations further specifies that the role of the CFO is to *"assist the accounting officer in discharging the duties prescribed in Part 2 of Chapter 5 of the Act and the annual Division of Revenue Act"*

The CFO has an essential function in assisting the accounting officer to carry out his or her financial management responsibilities *(see delegations above)*, in areas ranging from budget preparation to financial reporting and the development and maintenance of internal control policies and procedures.

The CFO plays an integral role in implementing the financial reforms at the direction of the accounting officer with the assistance of appropriately skilled finance staff.

4.3.1 The role of the CFO

The CFO is an important member of the department's leadership team because he/she participates in the development and implementation of the department's strategy and the resourcing of the strategic objectives in a sustainable manner.

The CFO must be actively involved in all material business decisions to ensure that the immediate and longer term implications, opportunities and risks are fully considered. Lastly, the CFO must develop and promote a system of good financial management so that public money is safeguarded at all times and is used appropriately, economically, efficiently and effectively.

The CFO is required to do the following, as a minimum, so that the above requirements in terms of the PFMA are achieved:

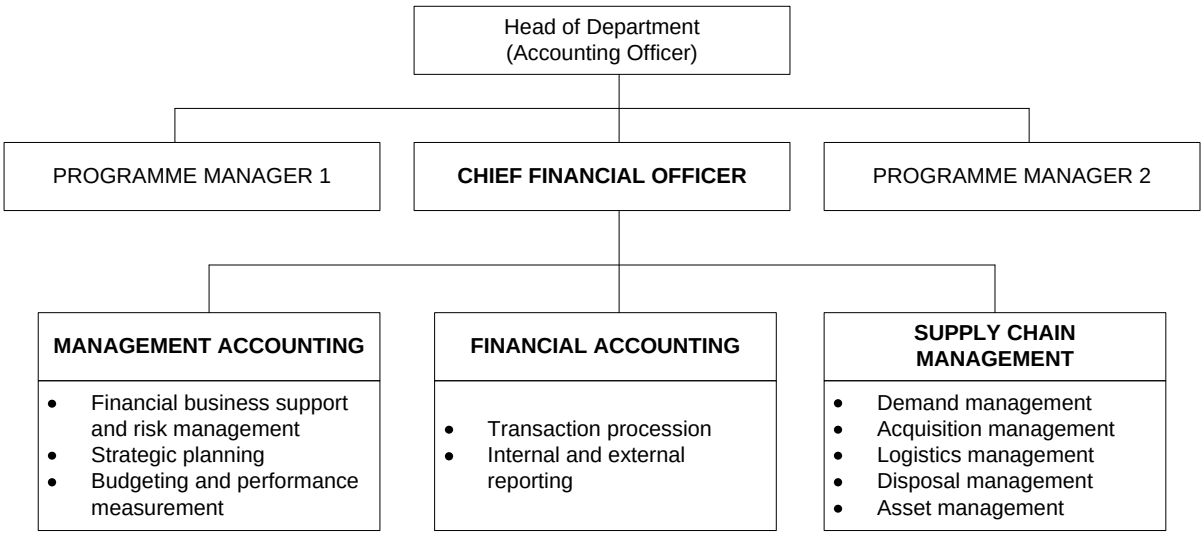
- maintain a close liaison with the accounting officer and the management team

- respond to changing needs for financial information and advice
- make a contribution to the financial aspects of the strategic planning process
- ensure that internal financial targets and budgets are fully consistent with the strategic plan and relevant agreements with government
- manage working capital, assets and liabilities
- manage the accounting and finance staff
- expenditure management
- revenue management *(where applicable)*
- meet reporting requirements as required in terms of financial management legislation such as PFMA, Treasury Regulations and DoRA
- maintain systems of internal control, which comply with internal audit requirements
- undertake product and service costing tasks

4.3.2 Recommended structure of the office of the CFO

The recommended structure for the office of the CFO and related duties serves as a guideline; it is merely a recommendation of how the office can be organised so that all the relevant functions assigned to the CFO can be accommodated in the structure. Organograms for the office of the CFO will differ across departments and provinces depending on their capacity and funds available.

The recommended organogram is for the document, Normative Measures for Financial Management (Phase 1: Perfecting the Basics), issued by the National Treasury and available at www.treasury.gov.za.



4.3.3 The relationship between the CFO and clients

The CFO does not work in isolation or function independently from the department's management team. Effective financial management is achieved by a collective and conscientious effort from departmental staff as guided by a technically trained and proficient CFO who performs the required duties diligently and objectively. The CFO offers financial management advice and guides officials; the CFO acts with integrity, objectivity, reliability, relevance and professionalism. The CFO must have effective working relationships with the following clients:

- Accounting officer;
- Programme managers;
- Internal audit and the audit committee;
- Budget committee;
- The relevant Treasury;
- Auditor-General;
- Portfolio Committee; and
- Standing Committee on Public Accounts (SCOPA)

4.3.4 Profile of the CFO

The CFO must be a professional with strong management and leadership skills; the CFO must provide leadership for the department's strategic planning and budget process; this requires skills in addition to accounting.

Competencies of the CFO: Given the scope of financial management in the public sector it is recognised that the CFO must be technically trained and proficient in at least the following subject areas listed below[1].
• Strategic management • Business planning and design • Performance measurement • Financial accounting (including principles of GAAP /GRAP) • Management accounting • Internal control • Internal and external audit • Information systems • Economy • Negotiation skills • Communication skills • Analytical skills

[1] Normative Measures for Financial Management (Phase 1: Perfecting the Basics), *National Treasury*

Key Focus Performance Areas	**Performance Indicator**
• Financial management system	Implement and effective financial management system inclusive of, but not limited to: • Implementation of financial management policies and procedures; • Implementation of an effective Supply Chain Management System; • Implementation of internal control mechanisms and anti-corruption measures; • Implementation of approved and signed delegations of authority; and • Ensure compliance to the financial management legislative framework (Constitution, PFMA, Treasury Regulations , DoRA)
• Financial management support	• Provide timely and relevant financial management reports to all stakeholders; and • Provide sound financial management advice to the accounting officer and senior line managers in terms of their financial management responsibility and delegated authority.
• Medium Term Expenditure Framework (MTEF)	Implementation of effective processes, support and co-ordination for the compilation of the MTEF.
• Finance & performance monitoring & reporting	Compilation and timely submission of accurate information in accordance with prescribed standards and formats.
• Manage resources	• Effective, efficient and economical use of financial and other resources; • Prevention of unauthorised, irregular and fruitless and wasteful expenditure; • Internal controls and processes to manage transfer of funds, conditional grants • Safeguarding assets; and • Effective management of liabilities.
• Performance Management	• Manage staff and administer the performance management system for all direct reports to the CFO; and • Responsibility for the execution and timely delivery for outputs in the CFO's signed performance contract; accountability to the accounting officer.
• Risk management	• Undertake a risk assessment and implement and maintain an effective risk management strategy; and • Strategically engage with auditors and provide appropriate and timely responses to audit queries.
Additional requirements: • The CFO as a member of the department's senior management team may be assigned additional responsibilities over and above the core requirements of the CFO's job description. • The CFO may, from time to time, be requested to ***"act"*** on behalf of the accounting officer or other senior manager when they are unable to fulfil their responsibilities due to absence as a result of illness, suspension, termination or resignation. Such "acting" responsibilities should not be for unreasonable time periods and should not interfere with the CFO's financial management responsibilities. Similarly, when the CFO is unable to fulfil his/her responsibilities the accounting officer may designate another senior manager to temporarily ***"act"*** as CFO. • The CFO should ensure adequate leave planning so that neither, the CFO or key finance staff from the finance team are on annual leave at critical times during the budget cycle.	

The CFO profile described above is the minimum requirements for the role and this may differ nationally across departments.

5. Oversight and Governance

The CFO is required to provide good governance, effective oversight and to address operational matters that constitute sound financial management.

The King report identifies the following primary characteristics of good governance:

• Discipline	Management commitment to accepting standards of correct proper behaviour.
• Transparency	The ease with which outsiders can meaningfully analyse the organisation's actions and performance.
• Independence	The extent to which conflicts of interest are avoided, such that the organisation's best interests prevail at all times.
• Accountability	Addressing the shareholders' rights to receive information relating to the organisation's performance.
• Responsibility	Acceptance of all the consequences of the organisation's behaviour and actions including commitment to improvement
• Fairness	Acknowledgement of, respect for and balance between the rights and interests of the various stakeholders.
• Social responsibility	The organisation's demonstrable commitment to ethical standards and its appreciation of the social, economical and environmental impact of its activities on the communities in which it operates.

Oversight and governance necessary for sound financial management is further discussed in Part 2: CFO Core Responsibilities.

4.1 Professional ethics and organisational standards

The CFO's role is inclusive of creating and sustaining integrity and honesty in their profession. The legislative framework includes guidance on how to achieve professional ethics and organisational standards. These are summarised below:

Ethics

The ethics applicable to departmental officials is no different from the ethics that we apply in our daily lives as regular persons living in a moral society. It is however common practice for certain professions to have a specific code of ethics applicable to the profession.

In the public service issues of transparency, equity, anti-corruption and the like are often referred to and while these may be addressed in the relevant Code of Conduct the issue of ethics may not be referred to.

It should go without saying that professional ethics is a given in the role of a departmental official however there are those who do not act ethically when executing their official roles and responsibilities.

The English dictionary definition of ethics is *" ...dealing with values relating to human conduct, with respect to the rightness and wrongness of certain actions and to the goodness and badness of the motives and ends of such actions..."*

The definition assumes that everyone as a sense of right and wrong and that regular persons living in a moral society are automatically guided by right and wrong and therefore will act accordingly. Unfortunately, the world we live in is not an ideal place and it is a known fact that crime, corruption and similar wrong doings are rife in all walks of life and several regions in the world today.

Departmental officials are reminded to act ethically when they conduct themselves in the workplace in executing their duties and making decisions. The PFMA refers to committing wrongful acts *"...wilfully or negligently..."* The consequences are facing disciplinary action, suspension, dismissal, having to pay back monies in the event of an official misappropriating departmental funds and criminal proceedings.

Departmental officials are required to act responsibly and to exercise good judgement when executing their duties.

Chapter 10 of The Constitution, section 195, describes the democratic values and principles applicable to all spheres of government, organs of state and public enterprises. These are:

1. A high standard of professional ethics must be promoted and maintained.
2. Efficient, economic and effective use of resources must be promoted.
3. Public administration must be development-oriented.
4. Services must be provided impartially, fairly, equitably and without bias.
5. People's needs must be responded to, and the public must be encouraged to participate in policy-making.
6. Public administration must be accountable.
7. Transparency must be fostered by providing the public with timely, accessible and accurate information.
8. Good human-resource management and career-development practices, to maximise human potential, must be cultivated.
9. Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

The CFO must uphold the principles of the Constitution when performing the required financial management responsibilities within the span of his/her control.

Chapter 4: Senior Management Service (SMS), Part VII of the Public Service Regulations, speaks of *Ethics and Conduct;* it states that:

Members of the SMS shall,

a) display the highest possible standards of ethical conduct;

b) set an example to their subordinates and maintain high levels of professionalism and integrity in their interaction with political office-bearers and the public; and

c) ensure that they minimise conflicts of interest and that they put the public interest first in the performance of their functions.

Code of conduct

The Public Service Regulations, Chapter 2: Code of Conduct for the Public Service, acts as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others; it is applicable to all employees. Compliance with the code of conduct is necessary to enhance professionalism thereby ensuring confidence in the public service.

The Code of Conduct specifically deals with the following:

a) An employee's relationship with the legislature and the executive;

b) An employee's relationship with the public;

c) Relationships among employees;

d) Performance of duties; and

e) Personal conduct and private interests

Items (d) and (e) above are of relevance for the purpose of this discussion about the role of the CFO.

Performance of duties

The following is specified in the code of conduct, the CFO must:

- strive to achieve the departmental objectives cost-effectively and in the public's interest;
- think creatively in the execution of duties and seek innovative ways to solve problems and enhances effectiveness and efficiency within the context of the law;
- execute his/her duties in a professional and competent manner;
- not engage in any transaction or action that is in conflict with or infringes on the execution of his/her official duties;

- recuse himself/herself from any official action or decision-making process which may result in improper personal gain, and this should be properly declared by the CFO;
- accept responsibility to avail himself/herself of ongoing training and self development throughout her or his career;
- be honest and accountable in dealing with public funds and uses the public service's property and other resources effectively, efficiently, and only for authorised official purposes;
- promote sound, efficient, effective, transparent and accountable administration in the course of his/her official duties, shall report to the appropriate authorities, fraud, corruption, nepotism, maladministration and any other act which constitutes an offence, or which is prejudicial to the public interest;
- give honest and impartial advice, based on all available relevant information, to higher authority when asked for assistance of this kind; and
- honour the confidentiality of matters, documents and discussions, classified or implied as being confidential or secret.

Professional conduct and private interests

In addition to other issues addressed in terms of *professional conduct and private interest* the issues below are relevant to the CFO in terms of the financial management functions.

- The *CFO must NOT* use his/her official position to obtain private gifts or benefits for himself/herself during the performance of his/her official duties nor does he/she accept any gifts or benefits when offered as these may be construed as bribes;
- The *CFO must NOT* use or disclose any official information for personal gain or the gain of others; and
- The CFO *must NOT* misuse the privileges of the position in the department i.e. the CFO must act in a manner in which he/she or his/her partner or other departmental officials or their partners may improperly benefit from decisions taken in respect of the department's business.

In terms of the aforementioned rules, reward, gifts and favours are not permitted i.e. the CFO may not request, solicit or accept gifts or favours in return for breaching his/her duties and responsibilities to the department.

Where the CFO is approached or the CFO is aware that other departmental officials have been approached in terms of rewards, gifts and favours, such incidents must immediately be reported to the accounting officer; if it is the accounting officer that has been approached it must be reported to the executive authority.

In relation to rewards, gifts and favours circumstances may arise, when the department employs the services of an external service provider, senior officials may be tempted to make requests for

"*favours"* or *"special consideration"* because such service provider has been awarded a contract of considerable monetary value; such requests may be for the service provider to *"sponsor"* a golf day for departmental officials or to provide tickets to major sports events or to finance new uniforms for the staff soccer team. Government officials are expected to act with integrity.

The CFO must uphold the principles of Batho Pele and outside vendors must not be made to feel that they have an advantage if they should voluntarily offer sponsorships to the department.

Inherent in the CFO's role in financial management and as a member of the senior management team is the need for confidentiality and discretion. The CFO may not disclose departmental information to any unauthorised parties.

Batho Pele

All public service officials are required to uphold the principles of Batho Pele when executing their responsibilities in the workplace. The CFO is required to uphold these principles by applying them when executing financial management responsibilities. The Batho Pele principles are aligned with the ideals expressed in the Constitution; the principles, with reference to the CFO, are explained below.

- The CFO must promot and maintain high standards of professional ethics when executing his/her duties;
- The CFO must providing services impartially, fairly, equitably and without bias;
- The CFO must utilise *ALL* resources, not just money, efficiently and effectively;
- The CFO must respond to people's needs, externally and in the workplace, i.e. to recipients of the financial management and other services provided by the CFO; and
- The CFO must provide an accountable, transparent, and development-oriented administration of financial management services to all relevant stakeholders.

The eight Batho Pele principles[2] are summarised below:

1. Consultation

There are many ways to consult users of services including conducting customer surveys, interviews with individual users, consultation with groups, and holding meetings with consumer representative bodies, NGOs and CBOs. Often, more than one method of consultation will be necessary to ensure comprehensiveness and representativeness. Consultation is a powerful tool that enriches and shapes government policies.

[2] www.dpsa.gov.za

2. Setting service standards

This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. Required are standards that are precise and measurable so that users can judge for themselves whether or not they are receiving what was promised. Some standards will cover processes, such as the length of time taken to authorise a housing claim, to issue a passport or identity document, or even to respond to letters.

To achieve the goal of making South Africa globally competitive, standards should be benchmarked (where applicable) against those used internationally, taking into account South Africa's current level of development.

3. Increasing access

Increasing access is about delivering public services to the many South Africans who do not have access to them. This principle aims to address past inequalities in the distribution of basic services.

Access to information and services empowers citizens and creates value for money, quality services. It reduces unnecessary expenditure for the citizens.

4. Ensuring courtesy

Ensuring courtesy requires service providers to empathise with the citizens and treat them with as much consideration and respect, as they would like to be treated with; this goes beyond a polite smile, *"please"* and *"thank you".*

The public service is committed to continuous, honest and transparent communication with citizens. Ensuring courtesy by adequately communicating relevant information about products and services, if correctly applied, should help to demystify the general negative perceptions that the citizens have about the *attitude* of the public servants.

5. Providing information

Providing information is about making information about services available at the point of delivery. It is also necessary for managers and employees to make information about the organisation, and all other service delivery related matters available to public service officials.

6. Openness and transparency

Openness and transparency means that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources they consume, and who is in charge. It is anticipated that the public will engage with government if they are better informed.

7. Redress

Redress is about acting quickly and efficiently to rectify shortcomings in meeting service delivery promises when identified. This should be done at the individual transactional level with the public, as well as at the organisational level, in relation to the entire service delivery programme. Public service officials are encouraged to welcome complaints as an opportunity to improve service delivery.

8. Value for money

Value for money can be explained in more than one way but the end result is the same i.e. saving money. Examples: Doing the job correctly the first time as having to repeat the task takes time and costs money; failure to give a member of the public a simple, satisfactory explanation to an enquiry may for example, may result in an incorrectly completed application form, which will cost time to rectify and assessing quotations to decide on the best price to pay.

4.2 Financial misconduct

Government officials are expected to operate in an accountable and transparent manner. Chapter 10 of the PFMA, *Part 1: Disciplinary Proceedings* distinguishes between financial misconduct in the case of the accounting officer, an official and treasury officials. The words, *"wilfully or negligently"* are used when describing the financial misconduct.

In terms of the PFMA, section 85(1), the accounting officer must initiate the investigation into the alleged financial misconduct and take the appropriate action if necessary. When the accounting officer is guilty of financial misconduct it is the executive authority that leads the investigation and disciplinary action. The Treasury Regulations, section 4.1 provides further guidance on investigating alleged financial misconduct.

It is considered financial misconduct when the relevant official fails to comply with the specified legislative requirements. The procedures for reporting and investigating alleged financial misconduct is prescribed in section 85 of the PFMA.

Chapter 10, *Part 2: Criminal Proceedings* offers guidance on criminal proceedings when financial misconduct has been wilfully or negligently committed. The outcome of such criminal proceedings can be either a fine or imprisonment for a maximum period of five years.

Mismanagement of resources

Further to financial misconduct there is ***mismanagement of resources***, financial and other.

Mismanagement of financial resources

Departmental officials must be mindful of mismanagement when exercising their duties. Financial mismanagement is what happens when officials use departmental funds inefficiently, carelessly, badly

whether or not such actions are committed *wilfully or negligently*. When departmental funds are misdirected it negatively impacts service delivery as the funds do not reach the intended recipients.

Mismanagement of other resources

Other resources for the purpose of this discussion, refers to assets, inventory or people. When officials use departmental assets or inventory, *wilfully or negligently*, for purposes other than departmental business or services they are impeding service delivery as the intended recipients will not get the benefit thereof.

When the department employs inappropriate or unsuitable candidates who are not competent to perform the functional responsibilities of the post it equates to inefficiency in respect of human resource management and poor service delivery; when the official's behaviour is deemed incompetent it reflects negatively upon the reputation of the department.

Fraud and corruption

In the context of public service corruption includes embezzlement of public funds, theft, bribery or any attempt to steal or unlawfully obtain or misuse any asset or power. Corruption is what happens when the right or correct manner of doing things is forsaken for the improper manner and this negative choice is usually motivated by internal or external influences that involve a third party and bribery.

While the concepts of *"fraud"* and *"corruption"* are often used interchangeably, they must be distinguished and understood. Simply explained, corruption is mainly associated with the public service; it arises when public service officials misuse their positions.[3]

Fraud is committed by employees or by persons external to the public service environment; it lacks third party involvement and it is harder to detect than corruption. In the case of fraud the public service official or external person acts of their own accord.

When departmental resources are misdirected or not appropriately allocated because of mismanagement due to incompetence amongst other reasons, the consequences are that service delivery is impeded and the department is labelled as being inefficient.

The Public Service Regulations and the Batho Pele principles are rules that guide government officials to act appropriately and appeals to their moral and social conscience so that they do not abuse their positions in the public service or misuse public resources, financial and other, when executing their duties.

[3] Combating Corruption in Africa: The Role of Whistle Blowers, *Karibu Dandago Isa, Associate Professor: Department of Accounting, University Kano-Nigeria*

6. Reference Material

Applicable legislation

1. The Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999)
2. Treasury Regulations Treasury Regulations issued in terms of the Public Finance Management Act, 1999 *(April 2001)*
3. Public Service Regulations, *January 2001*

Other

4. Guide for Accounting Officers, Public Finance Management Act, *October 2000*
5. Oversight and Accountability Model, *Parliament*
6. Guideline for Municipal Competency Levels, Chief Financial Officers issued in terms of the Local Government MFMA, 2003 *(1 July 2007)*
7. Normative Measures for Financial Management (Phase 1: Perfecting the Basics), *National Treasury*
8. *The Machinery of Government, May 2003, DPSA*
9. Combating Corruption in Africa: The Role of Whistle Blowers, *Kabiru Dandago Isa, Associate Professor: Department of Accounting, University Kano-Nigeria*
10. www.treasury.gov.za
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Part II:
The Role of the CFO

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1 Overview

In Part One of the CFO Handbook the national and provincial structure, roles and responsibilities and oversight and governance were addressed. The role of the CFO was described in terms of the job profile and attributes of a CFO.

Part Two further examines the role of the CFO with reference to the CFO's core responsibilities described in the Public Finance Management Act, Act 1 of 1999 as amended (PFMA) and Treasury Regulations, and functional responsibility inherent in the role.

Certain sections of Part Two include a *"checklist"* that serves as a tool to guide the CFO with achieving the minimum requirements of the relevant functions.

It must be noted that the content of the CFO Handbook is characteristic of an ideal working environment where the department is operating optimally. Given that departments do experience capacity and other constraints from time to time, it is recognised that a department's financial management function may not be operating optimally at all times.

The CFO Handbook should be considered a *"living"* document that will evolve over time to accommodate changes that may arise in the financial management environment.

2 CFO Core Responsibilities

The Treasury Regulations issued in terms of the PFMA, section 2.1.3, describes the CFO's general responsibility as *"to assist the accounting officer in discharging the duties prescribed in Part 2 of Chapter 5 of the Act and the annual Division of Revenue Act".* It goes on to say that such duties relate to *"effective financial management of the institution including sound budgeting and budgetary control practices; the operation of internal controls and timely production of financial reports".*

The CFO's core responsibilities are derived from the following sections of the PFMA that relates to the responsibilities of the accounting officer:

Section 38: General responsibilities of accounting officers
Section 39: Accounting officers' responsibilities relating to budgetary control
Section 40: Accounting officers' reporting responsibilities
Section 41: Information to be submitted by the accounting officer
Section 42: Accounting officer's responsibilities when assets and liabilities are transferred
Section 43: Virement between main divisions within votes

The applicable sections of the PFMA and the Treasury Regulations that comprise the core areas of the CFO's responsibilities are categorised and explained below.

Note that the accountability cycle and related responsibilities of the CFO are discussed in Part 3 of the CFO Handbook.

2.1 Budget planning

The budget planning process is described in detail in Part Three of the CFO Handbook. The role of the CFO is to assist the accounting officer with budget preparation and budget implementation amongst other financial management duties in terms of PFMA and Treasury Regulations.

The CFO, in terms of the written delegations from the accounting officer, is accountable to the accounting officer for ensuring that the department complies with the budget preparation, budget compilation, including the required consultation processes and budget implementation requirements of the PFMA.

The CFO must ensure that the timelines and deliverables in respect of the annual budget schedule as noted in the most recent guidelines published by the National/Provincial Treasury. The CFO will have to ensure that the necessary systems, processes and policies are in place to assist senior managers with their contributions to the budget compilation process.

The CFO must ensure that he/she has complete knowledge of the legislative requirements and supporting regulations, guidelines and budget formats so that he/she can compile an accurate and credible budget within the legislative timeframes.

Checklist: Budgeting

	Description	YES	NO	Action Required
1.	Has the budget process been formalised in your department?			
2.	Is the budget preparation in alignment with the schedule published by the National/Provincial Treasury?			
3.	Does a formal budgeting template exist?			
4.	Are all budgets linked to activities?			
5.	Are budgets linked to strategic plans?			
6.	Is the Early Warning System (EWS) report completed and submitted to National/Provincial Treasury on a monthly basis?			
7.	Is the budget monitoring function in place?			
8.	Do you adhere to the interim budget review system through the adjustment estimates process?			
9.	Are budget shifts and virements captured on a timely basis?			
10.	Does your department approve changes (IT10) (additions, terminations and transfers) to user access rights on the system and do the process owners scan the user access listings to identify excessive and unauthorised access rights?			
11.	Is there a clear audit trail of changes to plans and budgets?			

2.2 Expenditure management

Treasury Regulation 8.1.1 states that the accounting officer must ensure that the necessary internal controls are in place to provide reasonable assurance that departmental expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported.

The following general principles apply to expenditure management practices in departments:

- staff responsible for financial management duties must be technically competent and proficient;
- when decisions are made to spend public funds the financial impact must be carefully and objectively considered and every effort must be made to achieve value for money;
- financial resources must be optimally planned and allocated between required outputs;
- the optimal investment in total assets required to support specified departmental outputs must be quantified and economically funded;
- the use of financial resources to achieve specified outputs must be monitored and controlled against the strategic and operational plans of the department by means of quantitative and qualitative data;
- internal controls for expenditure management must be designed, implemented and maintained to ensure that:
    - transactions are executed in accordance with management's general or specific authorisation;
    - all transactions are promptly recorded at the correct amount, in the appropriate account, in the correct accounting period to which it relates and in accordance with the department's accounting policies and procedures;
    - commitment registers are maintained and updated on a regular basis;
    - access to assets is permitted only in accordance with management's authorisation;
    - asset registers are updated timeously and reconciled to physical asset counts at regular intervals; and
    - programme managers must be held accountable to expenditure management in their areas of responsibility.

The PFMA [section 38(1)(g)] specifically requires the CFO, in terms of the accounting officer's delegation of authority, to exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure. He/she must implement effective, efficient and transparent processes of financial and risk management, and track expenditure and expenditure commitments against the vote. In addition, monthly and annual reporting requirements are stipulated, and disciplinary sanctions prescribed should these provisions not be satisfied.

Unauthorised expenditure

The PFMA defines unauthorized expenditure as either overspending of a vote or a main division within a vote, or expenditure that is not in accordance with the purpose of a vote or main division.

Checklist: Unauthorised expenditure

	Description	YES	NO	Action Required
1.	Are IYM reports monitored to detect and prevent unauthorised expenditure?			
2.	Does the department have an unauthorised expenditure register?			
3.	Is all alleged and valid unauthorised expenditure recorded in the register?			
4.	Is there an established process for the investigation of alleged unauthorised expenditure?			
5.	Is the unauthorised expenditure register updated throughout the investigation?			
6.	Does the department timeously report its unauthorised expenditure to the accounting officer and the relevant treasury?			
7.	Is all valid unauthorised expenditure reported in the annual financial statements of the department?			
8.	Are any losses suffered by the department recovered from the responsible official?			
9.	Are the Legislatures recommendations implemented as directed (i.e. written off with our without funding)?			

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure made in vain, which could have been avoided had reasonable care been exercised. This, for example, may relate to the printing of excessive numbers of annual reports.

Checklist: fruitless and wasteful expenditure

	Description	YES	NO	Action Required
1.	Is there a process to prevent and detect fruitless and wasteful expenditure?			
2.	Does the department have an fruitless and wasteful expenditure register?			
3.	Is all alleged and valid fruitless and wasteful expenditure recorded in the register?			
4.	Is there an established process for the investigation of alleged fruitless and wasteful expenditure?			
5.	Is the fruitless and wasteful expenditure register updated throughout the investigation?			
6.	Does the department timeously report its fruitless and wasteful expenditure to the accounting officer?			

	Description	YES	NO	Action Required
7.	Is all valid fruitless and wasteful expenditure reported in the annual financial statements of the department?			
8.	Are any losses suffered by the department recovered from the responsible official?			

Irregular expenditure

Irregular expenditure refers to expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a legislative requirement, including the PFMA, or legislation relating to supply chain management practices.

Checklist: irregular expenditure

	Description	YES	NO	Action Required
9.	Is there a process to prevent and detect irregular expenditure?			
10.	Does the department have a irregular expenditure register?			
11.	Is all alleged and valid irregular expenditure recorded in the register?			
12.	Is there an established process for the investigation of alleged irregular expenditure?			
13.	Is the irregular expenditure register updated throughout the investigation?			
14.	Does the department timeously report its irregular expenditure to the accounting officer?			
15.	Is all valid irregular expenditure reported in the annual financial statements of the department?			
16.	Are any losses suffered by the department recovered from the responsible official?			

Checklist: Expenditure management

Purpose: To ensure that programme managers are accountable for managing their spending against budget estimates

	Description	YES	NO	Action Required
1.	Are programme managers aware of their expenditure management responsibilities in terms of the PFMA?			
2.	Are expenditure management responsibilities in accordance with the annual performance plan aligned and linked to performance contracts of the programme managers?			
3.	Are delegations in respect of expenditure management responsibilities signed and in place?			
4.	Are programme managers notified of their approved budgets estimates prior to the start of the financial year?			
5.	Do programme managers comply with Treasury Regulations			

	Description	YES	NO	Action Required
	when excising their authority to spend budgeted funds?			
6.	Do programme managers analyse their monthly expenditure reports and update expenditure projections for the months ahead?			
7.	Are programme managers held accountable for variances and deviations between actual and budgeted expenditure?			
8.	Does the department have a process in place to ensure that suppliers are paid on time i.e. within thirty days from receipt of an invoice?			
9.	Does the department submit financial reports to the relevant treasury on time?			
10.	Does the department have a process in place to pay transfers and subsidies due to entities where applicable?			
11.	Does the department have a process in place to manage Suspense accounts?			

2.3 Revenue management

Departments receive money from the relevant revenue fund and this often makes revenue management a low priority within departments, even in the case departments such as Health and Transport that levy substantial amounts of user charges each year.

Departments must be aware of the PFMA's stipulation whereby under collection of expected income may result in a reduction in the department's approved budget.

Sources of revenue

Accounting officers must continuously examine their department's operations to identify potential or actual sources of revenue. The minimum requirement is to conduct a review during the budget preparation process and this forms part of the initial submission to the relevant treasury.

Accounting officers should identify limits to the revenue base of their departments, such as policies affecting particular sections of the community, the need for government services to reflect value for money, community expectations and the rate of inflation.

The tariff policy must be included in the annual report and should include details of any free services rendered but not taken into account in the budget, which could have yielded significant revenue.

The CFO is required to collect the relevant data necessary to identify potential sources of revenue as well as to analyse revenue collection trends that will inform recommendations for increases in tariffs and fee structures where relevant.

Revenue management processes

Adequate separation of duties is an integral part of departmental revenue management's internal control processes. Effective separation of duties will ensure that activities relating to the collection, recoding and banking of revenue are undertaken by different individuals.

The cash collection environment must ensure that the authorisation of exceptions, end-of-day cash collection procedures are documented, understood and complied with by the various officials performing the activities.

The reconciliation of revenue information must be done daily to determine if cash collected reconciles to the receipts issued and the cash banked; reconciliation of the cash banked to the bank statement and the department's financial management system to determine if cash collected and processed on the department's financial system reconciles to the cash processed in the bank account; the department may put reconciling processes in place and assign responsibility to for them as may be required.

Checklist: Revenue management

Purpose: To ensure that programme managers are accountable for managing their revenue management responsibilities where applicable

	Description	YES	NO	Action Required
1.	Does the department have a process in place to annually review tariffs and fee structures where applicable?			
2.	Are internal controls in the revenue collection processes complied with?			
3.	Does the department have segregation of duties in place that are reviewed at regular intervals?			
4.	Does the department have reconciliation processes in place to ensure that revenue collected is banked?			

2.4 In-year monitoring and reporting

In-year monitoring and reporting is described in detail in Part Three of the CFO Handbook. The CFO must ensure that financial reporting is done as legislatively required. The CFO is accountable to the accounting officer for ensuring that the department complies with the in-year monitoring and reporting requirements of the PFMA.

The CFO must therefore put the necessary systems, processes and policies in place to ensure that senior managers are adequately equipped to execute their delegated duties and financial management responsibilities so that in-year financial management can be undertaken in an informed and systematic manner.

Furthermore, a robust reporting system will also ensure that the accounting officer of the department is in a position to compile and submit monthly expenditure reports as contemplated in sections 32 and 40 of the PFMA.

The CFO is responsible for consolidating the relevant financial and performance information required by the PFMA and ensuring the accuracy and correctness thereof before presenting it to the Accounting Officer.

It must be noted that the line managers are accountable for the achievement of KPIs and they are required to submit the necessary progress reports. The CFO's responsibility is to consolidate the reports received from the line managers for presentation to the accounting officer.

The CFO's responsibility is to ensure that in-year monitoring and reporting is of a high quality and submitted to the executive authority and National Treasury on a timely basis.

Checklist: In-Year monitoring and reporting

Purpose: To ensure that budget spending and spending projections provide an "early warning" and inform sound budget management practices

	Description	**YES**	**NO**	**Action Required**
1.	Do line managers monitor their budgets regularly i.e. at least monthly?			
2.	Does expenditure monitoring and forecasting take into account commitments?			
3.	Are budget monitoring and forecasting reports accurate and reliable?			
4.	Are budget monitoring and forecasting in respect of capital projects capital accurate and reliable?			
5.	Is the department complying with the prescribed formats and legislative reporting requirements?			
6.	Are the deparmtent's in-year monitoring reports accurate, timely, consistent, understandable and submitted to the relevant parties as required?			
7.	Is the monitoring: a) predictive rather than backward looking? b) focused on large, high risk or volatile budgets? c) related to operational activity indicators that are lead indicators of spend? d) informed by a risk assessment?			
8.	Are reported variances analysed and used as a basis for taking corrective action?			
9.	Are action plans implemented effectively and monitored and reported?			
10.	Do reports link financial and non-financial performance information to give an overall picture of the department's performance?			

2.5 Risk management

Risk management acknowledges that all the activities of an organisation involve some element of risk. Management must decide on an acceptable level of risk *(given the cost and other social factors)* by objectively assessing the risk factors that may prevent a particular activity from meeting its objective; e.g. the risk of delay the construction of a new clinic may be offset or managed by ensuring that the stock level of building material is adequately monitored; or, the risk of an asset such as a photocopier breaking down will be reduced by ensuring that it not misused.

The elements of risk management include:

- assessing the nature and extent of the risks associated with the department's operations;
- deciding on an acceptable level of loss or degree of failure;
- deciding how to manage or minimise the risk; and
- monitoring, reporting and, from time to time, reassessing the level and implications of the risk exposure

National Treasury's Public Sector Risk Management Framework serves to guide the public sector on risk management practices. The objective of the Framework is to ensure that public sector institutions share a common approach to risk management whilst providing sufficient scope for institutions to adapt certain aspects to suit their unique institutional requirements.

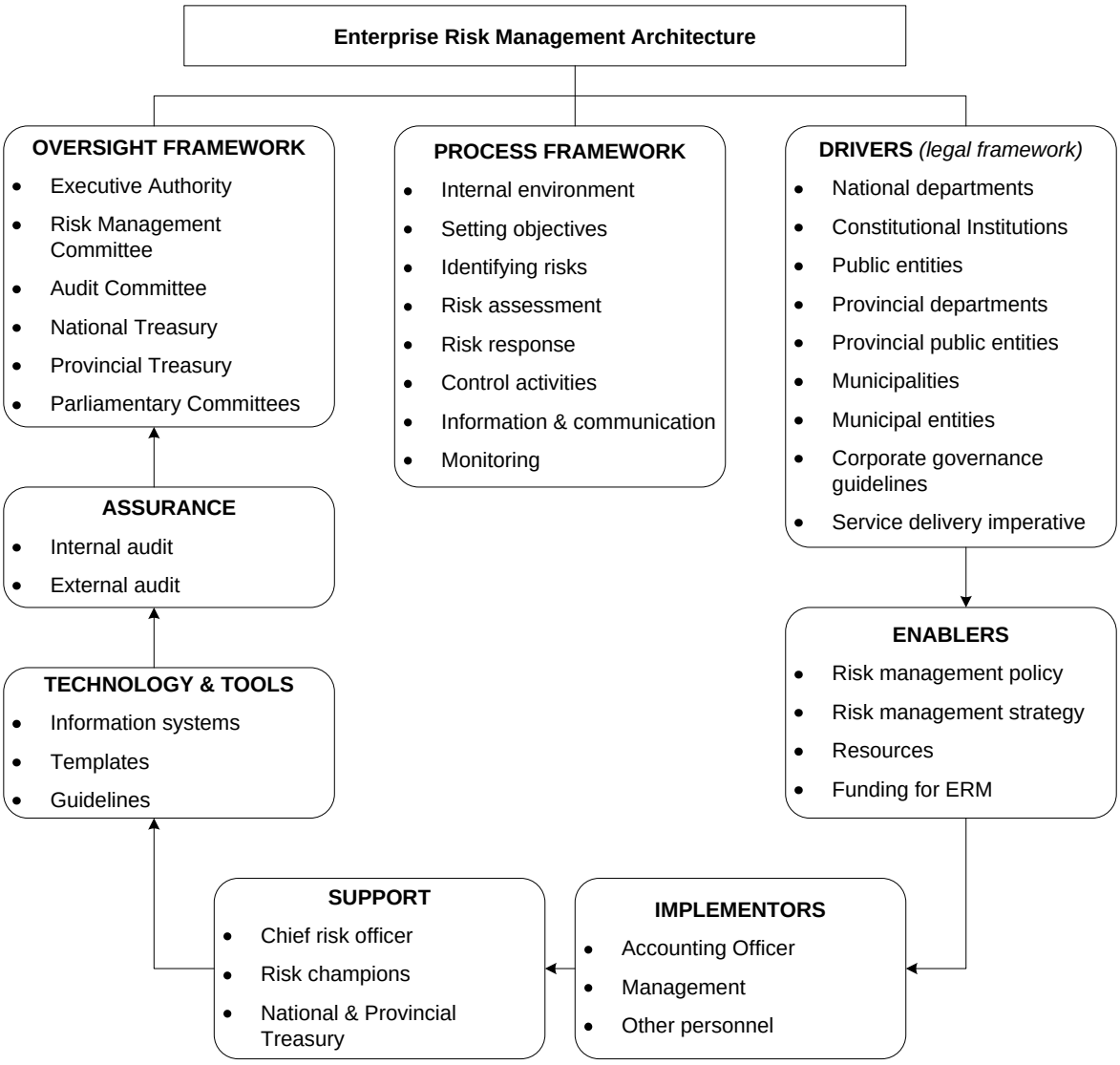
The Risk Management Framework adopts the following definitions:

***"a risk** is any threat or event that is currently occurring, or that has a reasonable chance of occurring in the future, which could undermine the institution's pursuit of its goals and objectives";*

***"risk management** is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the institution's service delivery capacity"*

***"Enterprise Risk Management** (ERM) is the application of risk management throughout the institution rather than only in selected business areas or disciplines. ERM recognises that risks (including opportunities) are dynamic, often highly interdependent and ought not to be considered and managed in isolation. ERM responds to this challenge by providing a methodology for managing institution-wide risks in a comprehensive and integrated way"*

The Enterprise Risk Management Architecture is depicted below:



The process framework with reference to the departmental environment is as follows:

Internal environment: Establishing a conducive environment in which ERM can function

Setting objectives: Establishing objectives that are aligned to the department's mission; this becomes the reference point for identifying and assessing risks

Identifying risks: Determining the risks that threaten the achievement of departmental objectives.

Risk assessment: Determining the magnitude of the risk exposure by assessing the likelihood of the risk materialising and the impact thereof.

Risk response: Determining how the department will mitigate the risks it is confronted with, through consideration of alternatives such as risk avoidance, reduction, risk sharing or acceptance.

Control activities: Establishing policies and appropriate procedures such as approvals, authorisations, segregation of duties, reconciliations and physical safeguards to ensure that the agreed risk responses are implemented.

Information & communication: Identifying, capturing and communicating information to enable departmental officials to carry out their responsibilities.

Monitoring: Monitoring and assessing the presence and functioning of the various components over time.

The Accounting Officer must develop and publish a risk management policy that explains the organisation's commitment to risk management. This should ensure that the department cultivates a conducive control environment where officials adopt an overall attitude, awareness and behaviour that is in line with the department's vision towards internal controls and their importance.

The high level risk management responsibilities of the CFO should include:

- identifying and managing the organisation's financial risks to protect its fiscal well-being;
- proactively participate in identifying the organisation's key risks, including regular monitoring and updating of the profile;
- quantifying trades-off between different policy options in order to ensure that financial and risk implications related to each policy initiative are fully assessed and addressed adequately and that resources are allocated to options that provide the greatest benefit at the least cost;
- empowering senior management team by providing detailed information on the true lifetime costs attached to particular decisions such that future obligations are fully understood and programme funding is prioritised accordingly;
- instilling financial mind-set among officials in the institution in order to root out financial management inefficiencies;
- proactively seeking out areas within the organisation in which financial insight among managers can benefit the organisation's mission;
- assessing the financial risk management skills required of the senior managers in the institution and enhance those skills to enable the managers to discharge their roles and responsibilities effectively;
- providing guidance to senior management regarding threshold of operating losses that the organisation has the capacity to bear;
- driving organisational behaviour by using his or her position of influence as a catalyst for change i.e. assist to embed a culture of risk management in the organisation;
- support the development and implementation of a risk management policy and strategy meant to ensure effective governance of risk in organisation.

Risk Management Maturity

The CFO together with the senior management team should regularly monitor and assess the risk management practices in the organisation in order ensure continuous improvement thereof. The Financial Management Capability Maturity Model (FMCM) developed by National Treasury should be used to assess the institution's risk management maturity at least once annually. The risk management sub-set (questionnaire) of the FMCMM with all recommended practices is available on the following website: http://rm.treasury.gov.za/fmcmm/ng/default.asp

Checklist: Risk management

Purpose: To ensure that proper arrangements are in place to identify and manage key business risks.

	Description	YES	NO	Action Required
1.	Are the senior management team and the accounting officer involved in determining key risks and responses?			
2.	Does the department have a risk register that is linked to departmental objectives?			
3.	Is department's risk register updated regularly?			
4.	Does the department have an updated risk management strategy or policy document in place?			
5.	Has the department identified and designated a risk manager?			
6.	Does the department's risk management arrangements include the following: a) formal identification and assessment of risks? b) action plans to mitigate and manage risks? c) changing resource allocation in response to managing risks? d) monitoring the effectiveness of risk management through indicators and early warning signs? e) assigned managers with responsibility for identified risks? f) benchmarking with similar organisations?			
7.	Does the department provide for risk management awareness training for all staff?			
8.	Does the department effectively manage key business risks identified by the risk assessment?			
9.	Does the department's senior management team regularly review the risk management system?			
10.	Does the department have adequate risk financing (external and self-insurance) based on records of incidents/claims and a value for money assessment?			
11.	Does the department have a process in place to effectively manage insurance claims?			

3 Supply Chain Management

The PFMA, section 38(1)(iii) stipulates that the accounting officer must ensure that the department has *"an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective".*

The Treasury Regulations, 16A, Supply Chain Management, provides further guidance to give effect to section 38(1)(iii) of the PFMA. In addition, National Treasury's *Supply Chain Management Guide for Accounting Officers/Authorities, February 2004* provides guidance to effectively implement supply chain management.

It is recommended that the supply chain management team report to the CFO in terms of the reporting structure. In departments where the supply chain management function is not

accommodated in the office of the CFO, the responsibilities of the CFO in respect of supply chain management may be less intensive.

Legislative framework

In addition to the Constitution and other national and provincial government legislation mentioned previously, the following have a direct or indirect impact on supply chain administration:

- *Intergovernmental Fiscal Relations Act* establishes the process of consultation for budget allocations, including the role of the budget forum; it is during this planning process that the objectives of supply chain should be formulated.
- *Division of Revenue Act* provides three-year financial allocations for departments and provinces; the allocation of funds is indicative of implementation feasibility of the departments' supply chain strategies.
- *Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA)*
- *Preferential Procurement Policy Framework Act, No. 5 of 2000:* The Act incorporates an 80/20 *(for the procurement, sale and letting up to a Rand value of R500 000)* and 90/10 *(for the procurement, sale and letting with a Rand value of above R500 000)* preference systems. All organs of the state should apply the prescribed preference points system and refrain from using set-aside practices.
- *Broad-based Black Economic Empowerment Act (BBBEEA), Act 53 of 2003:* The Act provides for the Minister of Trade and Industry to develop broad-based charters to promote BEE, and issue codes of practice which may include qualification criteria for preferential procurement and other economic activities.
- *Preferential Procurement Regulations of August 2001*, issued in terms of the PPPFA and published in the Government Gazette (10 August 2001). The following are important aspects of the Regulations:
    - organs of state must ensure that proper planning and calculations of the estimated costs are done prior to prescribing the appropriate preference system in the bid invitation;
    - penalties or other remedial actions may be applied for furnishing false information or not achieving the goals for which an undertaking was given;
    - no contracts will be awarded to bidders who do not present a tax clearance certificate;
    - the preference points system which will be applied as well as the goals to be achieved, must be clearly explained in the bidding documents;
    - bids must be awarded to the bidder scoring the highest number of points. In the event that two or more bidders have scored equal total points, the successful bidder must be the one scoring the highest number of points for specified goals. Should there be equal bidders in all respects, the award shall be decided by the drawing of lots;

- a contract may on reasonable and justifiable grounds be awarded to a bidder that does not score the highest number of points. The reasons must, however, be defendable in a court of law.
- preference points stipulated in respect of a bid must at all times include points for equity ownership by a HDI as contemplated in paragraph 1(h)(1) of the Preferential Procurement Regulations

Other policy issues relating to Supply Chain Management

In addition to the legislative framework applicable to supply chain management there is a broad range of other policies and regulations that also influence procurement decisions and practices. This necessitates alignment between supply chain management and the broader Government policies that impact supply chain management activities. The accounting officer and the CFO should be aware of the following:

- *Competition Law*

  The Competition Act (89 of 1998), regulates business practices with the purpose of outlawing anti-competitive business practices *(such as price-fixing and collusive bidding)* between businesses, their supplier(s) and customers.

- *The National Small Business Act, Act No. 102 of 1996*

  The National Small Business Act establishes the National Small Business Council (NSBC) and the Ntsika Enterprise Promotion Agency (Ntsika) whose main function is to enable small businesses to compete successfully in the economy.

- *Anti-corruption Measures and Practices*

  The Constitution and related financial management legislation emphasises high standards of ethics within public administration, transparency and anti-corruption measures that strengthen the public sector's ability to combat corruption serves to protect employees from making disclosures against their employers.

- *State Information Technology Agency (SITA) Act, (Act No. 88 of 1998, as amended by Act No. 38 of 2002)*

  This Act makes provision for SITA to assist departments and other organs of state with the acquisition of all IT related goods and services. This arrangement requires a Service Level Agreement between SITA and the department or relevant organ of state that incorporates the payment to SITA for services rendered to that department or organ of state; the accounting officer is accountable.

- *Trade Policy*

  Government's commitment to trade liberalisation should be evident in its supply chain practices; foreign companies should not be excluded from bidding for government contracts;

- *Labour Issues*

  Accounting officers should ensure that suppliers/contractors comply with the prevailing provisions of Labour Law as government subscribes to international best practice principles of equitable and fair labour practices. Suppliers, service suppliers or contractors that do not comply with the country's labour standards should be designated as *"non-preferred"* service providers.

- *Safety, Health & Environment*

  A policy of zero tolerance should be adopted in terms of occupational health and safety standards. Occupational health and safety issues should be considered for employees and employees of contractors who are performing work on site at any department or entity.

- *Public-Private Partnerships*

  The applicable Treasury Regulations should be complied with goods, works and/or services are procured by means of public private partnerships.

- *New Partnership for Africa's Development (NEPAD)*

  Supply Chain Management practices should strive to support NEPAD objective of recognising global interdependence in respect of production and demand, the protection of the environmental base that sustains the planet, reversal of the skills-loss from the continent and a global financial architecture that rewards good socio-economic management and global governance.

- *Proudly South African*

  The Department of Trade and Industry is a key sponsor and strategic partner of the *"Proudly South African"* campaign that encourages South African companies to promote locally produced products. The government's supply chain management should support this campaign if and when appropriate opportunities arise.

Supply Chain Management framework

Managing the supply chain is an integral part of financial management hence it is recommended that the supply chain management unit operates under the supervision of the CFO.

The four key objectives of the supply chain management policy are to:

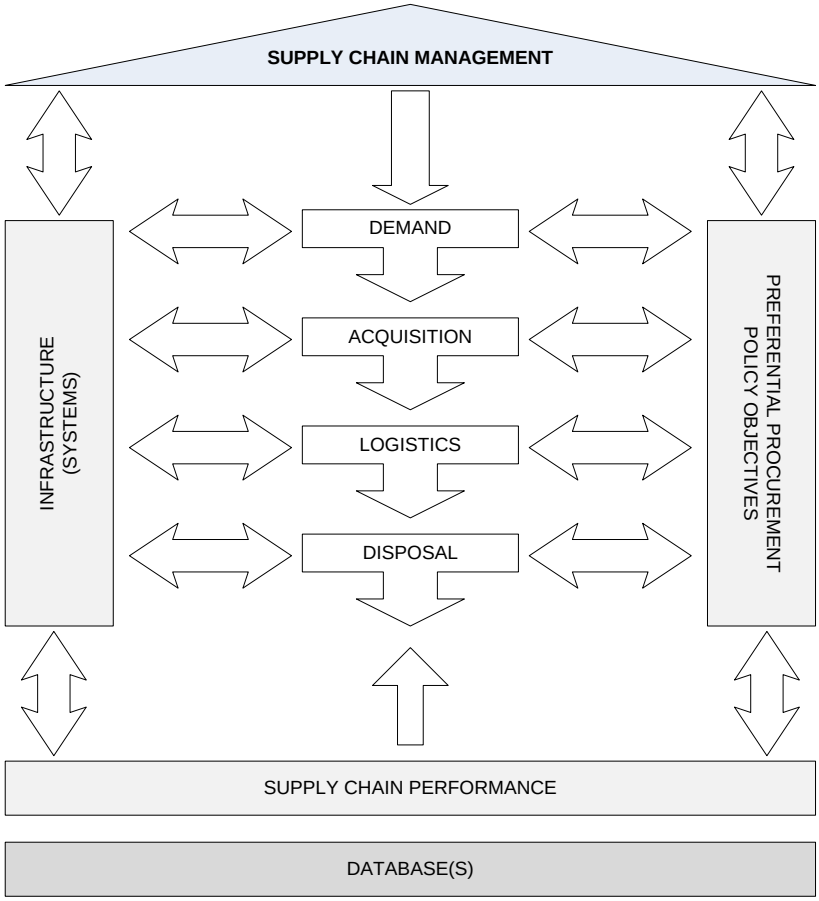
i) transform government procurement and provisioning practices into an integrated SCM function;

ii) introduce a systematic approach for the appointment of consultants;

iii) create a common understanding and interpretation of the preferential procurement policy; and

iv) promote the consistent application of 'best practices' throughout government's supply chain.

An integrated supply chain management (SCM) function addresses the inefficiencies in government's current method of procurement, contract management, inventory/asset control and obsolescence planning. The integrated SCM function is depicted in the diagram below.



Note that the diagram above depicts a functional structure and is not indicative of a staffing structure for supply chain management; staffing the function is at the discretion of the department

The elements of SCM depicted in the diagram are summarised below:

Demand Management

Demand management is at the start of the supply chain; the following takes place:

- a needs assessment of the required goods, works and/or services is done;
- specifications are determined;
- the industry is analysed; and
- requirements are linked to the budget.

This phase brings the supply chain practitioner closer to the end user, to ensure that value for money is achieved.

Note that this phase assumes that the department's requirements in respect of goods and services have been determined during the strategic planning and budget processes.

Acquisitioning Management

This phase has traditionally been the main focus of supply chain management. The management considerations are as follows:

- the manner in which the market will be approached is decided;
- the total cost of ownership of a particular type of asset is established;
- the completeness of bidding documentation and evaluation criteria is ensured;
- bids are evaluated in accordance with published criteria; and
- the signing of legitimate contract documents is ensured.

Logistics Management

Logistics management addresses the following:

- determining the levels of inventory;
- receiving and distributing material;
- stores, warehouse and transport management; and
- reviewing the vendor's performance

The financial system should be activated to generate payments stemming from these processes.

Disposal Management

This is the final phase in the supply chain process when consideration is given to the following:

- obsolescence planning;
- maintaining a database of redundant material;
- inspecting material for potential re-use;
- determining a disposal strategy; and
- executing the physical disposal process.

Supply Chain Performance

This is the monitoring process whereby a retrospective analysis is done to determine whether the supply chain processes have been complied with and whether the desired objectives have been achieved. The following issues are generally reviewed:

- compliance to norms and standards;
- cost efficiency of SCM process (i.e. the cost of the process itself); and
- whether supply chain practices are consistent with Government's broader policy focus.

The SCM policy applies to the acquisition and disposal of all goods, services, construction and road works and movable property of all departments.

The National Treasury has published a regulatory framework in terms of the PFMA to prescribe minimum norms and standards for SCM practices in Government. This will establish minimum reporting requirements for accounting officers/authorities that will enable the National Treasury to report progress to Cabinet on compliance as well as policy outcomes.

National Treasury's Supply Change Management Office issued Practice Note Number SCM 3 of 2004, Checklist for the Implementation of Supply Chain Management and Monthly Reporting of Supply Chain Management Information to assist departments.

Fraud and Corruption

The definitions of fraud and corruption for the purpose of supply chain management are as follows:

"corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and

"fraudulent practice" means a misrepresentation of facts in collusive practices among bidders/contractors *(prior to or after submission of proposals)* designed to establish prices at artificial, non-competitive levels and to deprive the accounting officer of the benefits of free and open competition.

In terms of government policy bidders and/or contractors, including consultants, must observe the highest standard of ethics during the selection and execution of contracts.

Checklist: The procurement process and "value for money"

Purpose: To determine whether the procurement process delivers value for money environment and professional standards

	Description	YES	NO	Action Required
1.	Does the department have a published procurement policy?			
2.	Is there a guide available to suppliers on how to apply for contracts?			
3.	Does the department have a forward plan of contract renewals?			
4.	Are there strong contract management processes in place?			
5.	Is e-procurement used as a means of reducing transaction costs?			
6.	Are opportunities taken to aggregate purchases to access better terms?			
7.	Does the department have sufficient expertise in purchasing and negotiating contracts to secure value for money?			
8.	Are back-office processes for ordering, receipting and generating payment designed to minimise manual handling of invoices through effective IT systems?			

4 Contract Management

Once the contract has been awarded through the procurement process there are activities carried out to determine whether the service provider and the department are performing adequately to meet the contract requirements; this is called contract management.

Contract management is designed to ensure that the department gets what it paid for; to this end all dealings between the department and the service provider, from beginning to end are managed in terms of the contract.

Contract management focuses on the timely delivery of the required goods or services of quality and within the available budget. The legal aspects of the contract guide government officials to the proper course of action should the service provider fail to deliver.

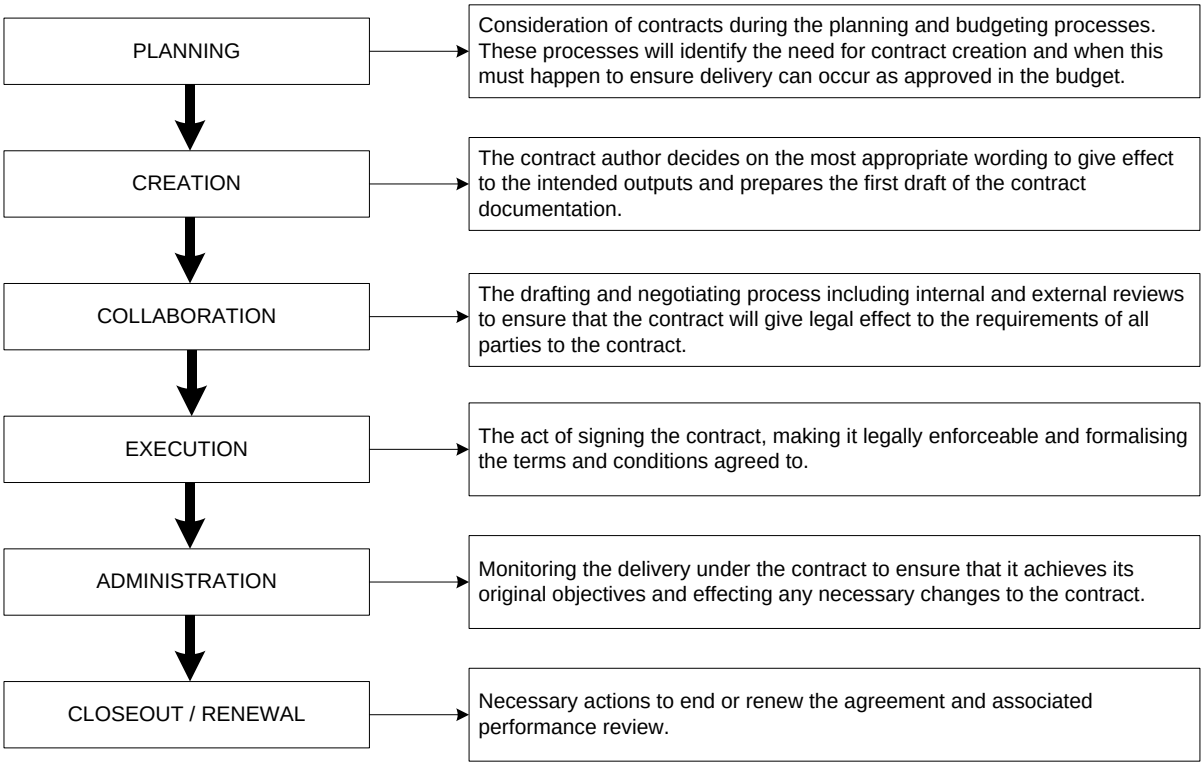
The activities necessary to manage the contract will depend on the nature of the work required, the type of contract and the experience of the relevant parties to the contract and those responsible for delivery.

Contracts should be managed throughout the Contract Life Cycle so as to maximise value for money through:

- identifying and maximising opportunities;
- maximising revenue and minimising costs through efficient operations;
- minimising risk;
- ensuring compliance with policies, procedures, regulations as well as terms and conditions; and

- monitoring and evaluating performance of the parties to the contract.

The Contract Life Cycle is illustrated in the diagram below:



Example of steps to follow in the contract management process:

Step One: Make a list of all the key delivery dates, deliverables and associated payment terms stipulated in the contract. Important timeframes include dates for authorisation of claims, expected payment dates and sign-off required; failure to comply with these contract stipulations may result in sanctions such as penalties or termination of the contract.

Step Two: Assign responsibility for overseeing the contract to a departmental official who understands the contract specifications, the deliverables agreed and who can manage the day-to-day performance in terms of the contract delivery. The departmental official should be responsible for overseeing the basic activities such as tracking compliance and information dissemination.

Step Three: Compliance and oversight is necessary to ensure that work done in accordance with the agreed deliverables for which the service provider is contracted to deliver; this must be managed so that deviations or non delivery can be detected and necessary options for recourse can be assessed.

Regular progress reports should be compiled by the service provider and this should specify the progress with achieving the deliverables; whether the timeframes for such delivery is being met and in the case of delays, the steps taken to bring the delivery timeframes back on track must be explained; risks and mitigating factors and responsibility for the various items should be stipulated. These are the minimum reporting requirements and additional specifications for reporting may be itemised in the contract between the department and the service provider; such requirements must be complied with.

The department must take action when service providers fall short of delivery in term of their contractual obligation; the department must ensure that they get value for money and comply with the expenditure management stipulations of the PFMA and supply chain management regulations hence the accounting officer must ensure that contracts are properly managed.

Checklist: Contract management

Purpose: To determine whether there is an effective contract management system in place

	Description	**YES**	**NO**	**Action Required**
1.	Are the contracts signed; have any amendments been agreed by the parties to the contract?			
2.	Have amendments to the contract been considered and authorised on the grounds of value for money?			
3.	Are the relevant delegations of authority in place for the purpose of contract management and related authorisation of expenditure?			
4.	Is there a process in place to periodically review long term contracts?			
5.	Are payments linked to delivery of outputs committed to in the signed contract?			
6.	Is there a process in place to review delivery of the contracted outputs; is corrective action taken if the contractual commitments have not been met?			
7.	Is there adequate record keeping of the issues relating to managing the contract?			
8.	Are stakeholders involved in feedback with regard to the contract implementation and management?			
9.	Does the department have a process in place whereby contracts are reviewed in terms of extensions and re-tender processes where required?			
10.	Is there a process in place to ensure regular meetings with the contracted parties to monitor progress on delivery?			

5 Asset Management

The purpose of asset management is to manage the life cycle of an asset so that the department derives the maximum benefit from the asset in the most cost effective manner.

Principles of effective asset management

- the departmental objectives and service delivery imperatives should serve as a guide for asset management practices and decision-making;
- asset management plans should be incorporated in the department's strategic planning process;
- the decision-making to acquire assets must be informed by an evaluation of alternative options, demand management and non-asset solutions *(activities in the supply chain process);*
- proposals for acquiring assets must include a complete business case that factors in the costs, benefits and risks for the life cycle of the asset;
- responsibility and accountability for performance, safekeeping and utilisation of the asset must be defined upfront;
- decision-making for the disposal of the asset at the end of its useful life must ensure that the department gets the best return in terms of the provisions of the PFMA; and
- effective internal controls to mitigate risks.

Checklist: Asset management

Purpose: To determine whether there is an effective asset management system in place

	Description	YES	NO	Action Required
1.	Does the department have an asset management plan?			
2.	Does the department's supply chain process evaluate alternative options when acquisition decisions are made?			
3.	Does the asset disposal process ensure that the department gets the best return?			
4.	Does the department have a process in place to tag or code all assets timely?			
5.	Does the department maintain an updated asset register that fairly represents all departmental assets?			
6.	Does the department comply with statutory requirements for safekeeping and storage of supplies that are hazardous?			
7.	Is there a policy in place for managing, safeguarding and maintaining assigned departmental assets?			
8.	Has the discrepancies identified by the annual stock take been finalised and authorised on the asset register?			
9.	Is there a process in place to "spot check" stock takes art regular intervals?			

	Description	YES	NO	Action Required
10.	Is there a process in place to track movement of assets; is the process complied with?			
11.	Is the asset register updated with information in respect of movement of assets?			
12.	Are there delegations in place whereby the asset manager assigns asset management responsibilities to the line manager who is custodian of the asset?			
13.	Is there a process in place whereby orders are placed so that adequate stock levels are maintained at all times?			

6 Internal Control

The purpose of internal controls is to provide reasonable assurances that the organisation's objectives are achieved effectively and efficiently, in compliance with applicable laws and regulations and to ensure reliable financial reporting.

Internal controls are the systems *(manual or electronic)*, procedures and processes that are designed and implemented to minimise the risk *(and any financial consequences)* to which the department might otherwise be exposed as a result of fraud, negligence, error, incapacity or other cause.

Legislative requirements

The PFMA, section 38(1)(a)(i) stipulates that the accounting officer must ensure that the department has and maintains *"effective, efficient and transparent systems of financial risk and **internal control**";*

Section 38(1)(a)(ii) stipulates that the accounting officer must ensure that the department has and maintains *"a system of **internal audit** under the control and direction of an **audit committee** ..."*

These legislative requirements in terms of internal control will are discussed below.

Establishing effective internal controls

The Treasury Regulations, 2.1.3, describes the CFO's role as assisting the accounting officer to discharge his/her duties a prescribed in the PFMA, Part 2, Chapter 5; these duties include the operation of internal controls.

The CFO must evaluate whether existing controls are appropriate, assess the risks facing the department, and introduce the necessary changes to the system of internal control. Internal controls must be evaluated to ensure that they are appropriate for the specific circumstances and, most importantly, are operating as intended.

When designing internal controls they should provide reasonable assurance that:

- goals are met with economical and efficient use of resources
- financial and operational information is reliable and useful

- assets are accounted for and protected from losses

The CFO, in terms of the accounting officer's delegated responsibility, should review the operation of the internal controls within the department, in accordance with the following basic principles:

- high quality internal control systems at a reasonable cost;
- adequate controls over the operations and resources entrusted to managers and continuous review of the effectiveness of such controls; and
- benefits must outweigh the cost of operating internal controls.

Audit committee

An audit committee comprising appropriate individuals will provide oversight and add value to departmental performance and efficiency. The TR 3.1 explains the role of the audit committee with reference to section 76(4)(d) and section 77 of the PFMA. The audit committee is required to review the following:

- effectiveness of the department's internal control system and internal audit function;
- areas of risk in the operations of the department;
- quality of the financial information;
- accounting and auditing issue raised by the internal and external audits;
- legislative compliance; and
- activities of the internal audit function, annual work programme, co-ordination with external audit and outcomes of investigations and management response.

Furthermore the audit committee must make comment in the department's annual report on matters pertaining to the

- effectiveness of the department's internal controls;
- quality of the reports in terms of legislated reporting requirements s and the DoRA; and
- evaluation of the annual financial statements.

The CFO must make all necessary information available to the audit committee so that they can adequately perform their functions in respect of internal controls.

The CFO must communicate the reports of the audit committee to the management team so that shortcomings highlighted in the audit reports can be addressed.

Checklist: Audit committee

Purpose: To ensure that proper arrangements are in place to ensure the effectiveness of the audit committee.

	Description	YES	NO	Action Required
1.	Does the department advise the Audit Committee advised in a timely manner of all significant issues that may have impacted the financial statements?			
2.	Does the audit committee charter articulate the committee's roles and responsibilities; and provide the committee with the necessary authority to fulfil them?			
3.	Does the committee have access to appropriate internal and/or external resources to assist it in understanding and dealing with complex and difficult matters on a timely basis?			
4.	Does the committee receive agenda items and supporting papers in sufficient time prior to meetings?			
5.	Are the committee agenda and supporting papers of sufficient clarity and quality to make informed decisions?			
6.	Have all recommendations by the audit committee, made within the past 12 months, been implemented?			
7.	Did the committee review the internal audit charter to ensure that appropriate structures, authority, access and reporting arrangements are in place?			
8.	Did the committee review external audit reports and management letters and consider management responses to findings and recommendations?			

Internal audit

The purpose of the department's internal audit function evaluates and develops recommendations to bring about improvements in departmental processes so that service deliver objectives can be achieved.

The TR 3.2 explains the role of internal audit with reference to section 38(1)(a)(i) and section 76(4)(e) of the PFMA . Internal audit assess the department's rick management strategy and fraud prevention plan in addition to evaluating the department's internal controls.

Checklist: Internal audit

Purpose: To ensure that proper arrangements are in place to provide for an effective internal audit function

	Description	YES	NO	Action Required
1.	Does the department have an updated internal audit plan?			
2.	Is the internal audit plan linked to the department's risk management processes?			
3.	Are the internal audit staff appropriately qualified and trained to perform an effective internal audit function?			
4.	Does the internal audit function comply with the regulatory framework for internal audit?			
5.	Does internal audit have unlimited access to records or scope of activities?			
6.	Does the department's internal audit unit perform an annual assessment of the need to review key financial systems? (i.e. a key financial system is one which is significant for the compilation of the annual financial statements.)			
7.	Is the independence of internal audit safeguarded?			
8.	Is the internal audit plan monitored so that the key activities are prioritised?			
9.	Does the department's internal audit team effectively complete the audit plan?			
10.	Is external audit able to reduce the work required to complete the audit by using the work of internal audit?			
11.	Does the department have a formal process whereby the recommendations of internal audit are accepted for implementation?			
12.	Does the department have a process whereby directorates can request the services of the internal audit team?			
13.	Does internal audit have a role in, and provide advice about risk management?			

Responsibilities for internal control

The responsibilities of the various stakeholders for internal control can be summarised as follows:

- Management is ultimately responsible for the implementation, compliance and ownership of the system of internal control.
- The members of legislative bodies, in their capacity as representatives of taxpayers, are exercise governance, guidance and oversight.
- The Auditor-General has a role in making recommendations when any weaknesses in internal control are identified.

- The audit committee should be able to identify and act on instances where management may override internal control or otherwise seek to misrepresent reported financial results.
- Hence, the independence of the audit committee from management, the extent of the committee's involvement with and scrutiny of activities, and the appropriateness of its actions will strongly influence the control environment in the department.

Checklist: Internal control

Purpose: To ensure that proper arrangements are in place for effective internal controls

	Description	**YES**	**NO**	**Action Required**
1.	Are there adequate job descriptions for all accounting or finance positions?			
2.	Are the level of competence and the requisite knowledge and skills carefully defined for each job in the finance department?			
3.	Does the department have a written Accounting / Financial Policies and Procedures Manual; Is the manual up to date? Do all employees have a copy and are they compliant?			
4.	Has the finance staff been appropriately trained in the use of the accounting system, including the chart of accounts and other system controls?			
5.	When employees assigned to financial duties are on leave, does another employee assume their responsibilities?			
6.	Is there a written policy whereby employees are required to report suspicious activities, conflicts of interest, or unethical behaviour to the appropriate level of management?			
7.	Does the department have a whistleblower protection policy prohibiting retaliation against whistleblowers?			
8.	Are delegations of authority and responsibility to individuals properly signed and approved? Are the delegations complied with?			
9.	Are ongoing reviews of the internal controls for key processes and activities being performed and are suggestions for improvement acted on promptly?			
10.	Do the entity's internal controls adequately protect the entity's assets from fraudulent and/or inappropriate use?			
11.	Do the entity's financial controls incorporate, where relevant, the following: • approval and authorisation of transactions; • timely reconciliation of balances; • review of reconciliations; • production and review of exception reports; • segregation of duties; and • restricted access to financial management systems and data.			

	Description	YES	NO	Action Required
12.	Are computers, and electronic data adequately protected from improper use, loss or destruction?			
13.	Have all recommendations by internal and external audit, made within the past twelve months, to address identified weaknesses in internal controls and systems been implemented?			
14.	Does the department have an action plan to address shortcomings of the annual audit opinion?			

7 Policies and Procedures

Policies and procedures are applicable to all departmental employees; these are the guidelines that govern the day to day operational requirements of the department. Policies and procedures are necessary to establish internal controls thereby mitigating risks.

The legislative framework provides guidance or parameters for consistency and, in most cases, allows the department to exercise discretion when formulating policies and procedures. Departments are most likely to follow best practice when compiling these policies and procedures.

Compiling policies and procedures

When compiling internal policies and procedures the CFO should ensure that:

- It is written in simple English that everyone can understand;
- It provides specific and relevant information; that it is not *"open to interpretation";*
- It is available/accessible to all departmental officials;
- It is subject to periodic review;
- It is applicable and aligned to the legislative framework and related policies and procedures i.e. it must not contradict;
- It can be implemented as required and complied with;
- Any negative consequences of implementing such policies and procedures have been considered; and
- There is a system in place to monitor implementation and the effectiveness thereof.

Policies and procedures are also guided by the National Treasury and the Department of Public Service and Administration.

8 Reference Material

Applicable legislation

1. The Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999)
2. Treasury Regulations Treasury Regulations issued in terms of the Public Finance Management Act, 1999 *(April 2001)*
3. Public Service Regulations, *January 2001*

Other

4. Guide for Accounting Officers, Public Finance Management Act, *October 2000*
5. Supply Chain Management Guide for Accounting Officers/Authorities, National Treasury *(February 2004)*
6. Risk Management Framework, National Treasury
7. A Guide to Best Practice for Contract Administration, Office of Federal Procurement Policy *(October 1994)*
8. Financial Management Capability Maturity Model, 2009, Office of the Accountant-General, National Treasury
9. www.treasury.gov.za
10. www.dpsa.gov.za

Part III:
The Accountability Cycle

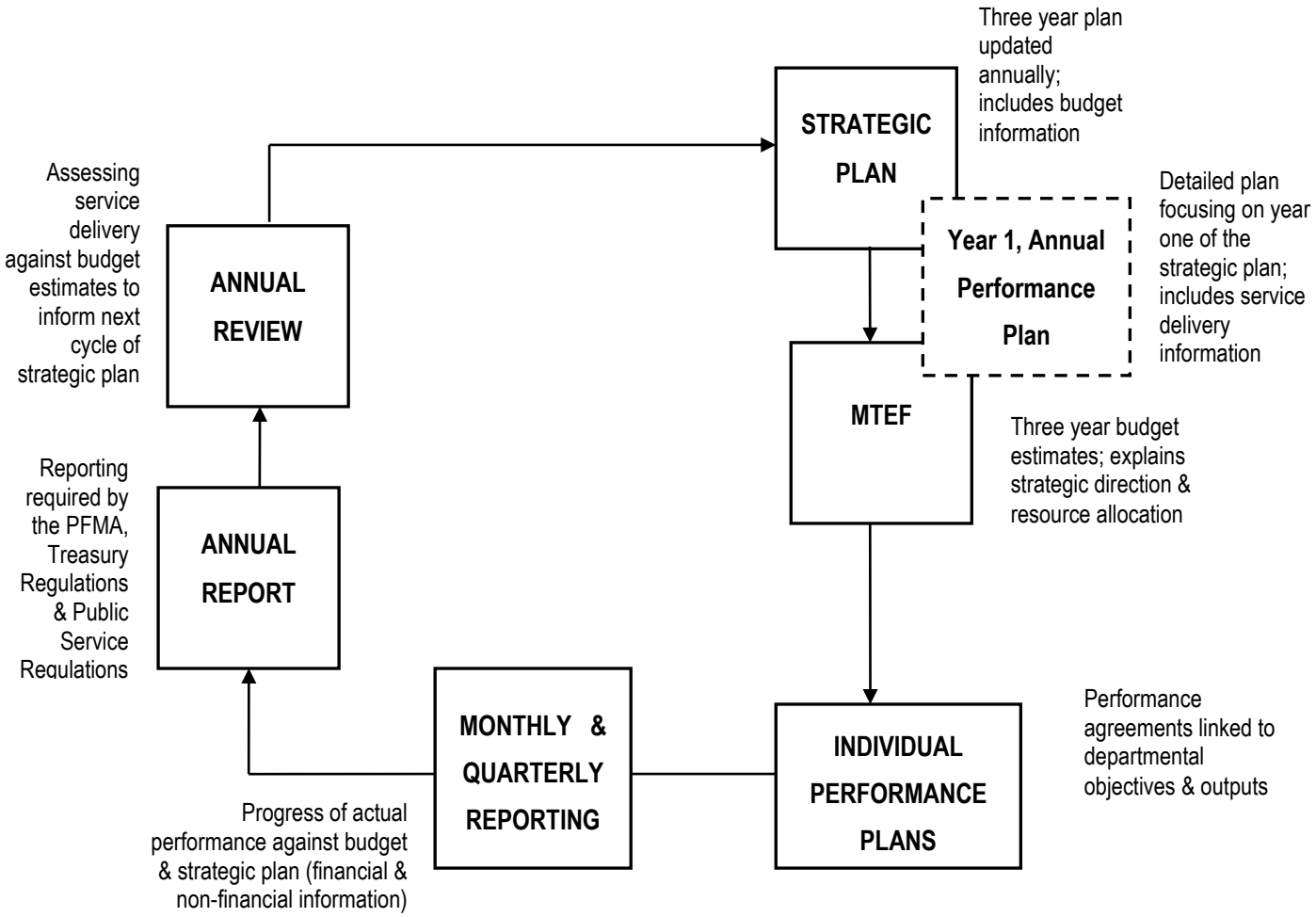
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1. Overview

The Public Finance Management Act, (PFMA, Act 1 of 1999, as amended) aims *to regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected...*

The various financial management reports each have a purpose, specific timeframes for processes and submission of reports, prescribed formats and guidelines as issued in the form of instruction notes or circulars by the National Treasury.

ACCOUNTABILITY CYCLE



2. Strategic Plan

The strategic plan sets out the department's service delivery objectives over a three year period, as derived from national and provincial policy priorities. The strategic plan presents the strategic goals of the department and the strategic objectives per programme for the following three year period.

The strategic planning process provides information about policy intention, formulation and implementation. It translates political imperatives into achievable objectives, supported by key performance indicators (KPIs).

2.1 Legislative Framework

In terms of the *Treasury Regulations Chapter 5, regulation 5.1* requires the preparation of a strategic plan *"that is consistent with the period covered by the Medium Term Expenditure Framework"*.

Treasury Regulation 5.2.1 requires the department to provide the medium term strategic plan, and where applicable, the annual performance plan, to Parliament or the relevant legislature.

The content of the strategic plan is prescribed by ***Treasury Regulation 5.2.3*** which specifies that the strategic plan must:

- cover a minimum period of three years and be consistent with the departments medium term expenditure estimates;
- include measurable objectives, expected outcomes, programme outputs, KPIs and targets per programme;
- include details of proposed acquisitions of capital assets and capital maintenance information;
- include details of proposed acquisitions of financial assets or capital transfers;
- include plans for the management of assets and liabilities;
- include details of proposed acquisitions and expansion of information technology.
- include information about the planned Service Delivery Improvement Programme; and requirements of the Public Service Regulations.

The National Treasury provides further guidance on an annual basis, detailing how the strategic plan should be presented and additional content as may be required.

2.2 Compiling the strategic plan

The minimum content of the strategic plan is as follows:

a) An overview that includes

- vision, mission and values of the department;
- mandated service delivery objectives;
- governing legislative mandates and relevant policies; and
- summary of the macro-economic environment and the influence it has on determining national and provincial priorities

b) Programme information that includes

- a list of the departmental programmes and their service delivery objectives;
- explanatory information of government priorities that may have guided the decision-making for setting programme objectives;
- measurable KPIs derived from objectives per programme; and
- information of joint initiatives, with other departments or organs of state, and details of funding should where applicable

c) A detailed analysis of planned capital, maintenance and infrastructure spending for each programme within the vote should be compiled and consolidated separately for inclusion in the strategic plan publication.

2.3 The role of the CFO in the strategic planning process

The CFO is required to put a process in place for compiling the strategic plan. This process should specify the activities, information requirements, assign responsibility to line managers and provide timeframes for the compilation and submission of what is required and by whom.

The strategic planning schedule should be communicated to all role-players who are required to participate in the process.

The involvement of programme managers in the strategic planning process is critical as they are responsible for implementation i.e. for achieving programme objectives and related KPIs and targets.

The CFO will contribute to the strategic planning discussion but it is the programme managers who must take ownership of formulating the strategic plan as they are responsible for implementation. Programme managers must contribute to determining programme objectives and related KPIs. The CFO also plays an instrumental role in ensuring that internal budget allocations are appropriate in relation to the total budget of the department, i.e. that competing priorities within a departments are well considered in terms of budget allocations and delivery timelines. In other words, the CFO should

ensure that programme managers offer plans that are realistic, achievable and appropriate in the face of other priorities and delivery imperatives within the department.

The objectives and KPIs for each programme are linked to the individual performance plans of programme managers.

3. Planning and Budgeting

3.1 Overview

The budget preparation process is guided by the relevant treasury. The budget planning schedule, templates, submission requirements and timelines for budget submissions i.e. the budget preparation process is co-ordinated by the relevant treasury in accordance with the relevant legislative requirements and National Treasury's budget formats.

At provincial level the provincial treasury co-ordinates departmental budget submissions, consolidates departmental budget inputs and tables the provincial budget at the provincial legislature in accordance with the nationally prescribed timeframes.

The budget process involves debate and decision-making about how to achieve the agreed policy priorities and service delivery objectives. Budgeting is about considering choices and trade-offs as resources are limited making it impossible to fund every priority being considered; this is the budget reality and prioritisation is required to maximise what can be achieved in the medium term given the available resource envelope.

The process is guided by political oversight, transparency and good governance arrangements.

At the national level of government Cabinet plays a guiding role in aligning the limited resources with national priorities while at a provincial level it is the responsibility of the Executive Council.

The budget process usually includes a step referred to as *"budget hearings"* or *"budget benchmarking"* which is conducted by the relevant treasury and involves interrogation of departmental budgets. During this process the CFO is required to present the departmental budget for scrutiny by the relevant treasury; the department has an opportunity to make their case for additional funding should the need arise.

The national and provincial budget processes are similar and run parallel; these processes are discussed in great detail in the Induction Manual: Accounting Officers, Chapter 4. The Division of Revenue and Budget Process, published by National Treasury and available at www.treasury.gov.za.

A process perspective of the national budget process is shown in the table below:

Event	Indicative Month During Year
Departments receive Medium Term Expenditure Committee (MTEC) guidelines and database templates	June - July
Information sessions on expenditure estimate guidelines	
Departments submit revised drawings after rollovers	
Submission of capital/infrastructure funding requests	
Cabinet Lekgotla to discuss policy priorities and Medium Term Strategic Framework	
Departments submit expenditure estimates and database	
MTEC begins	August
Departments' final date for distribution of Treasury Committee memoranda for unforeseeable and unavoidable expenditure	
Departments submit Adjusted Estimate chapters, database and Adjustments Appropriation Bill	September
MTEC ends	
Treasury Committee	
Departments submit final adjustments estimate inputs (database and chapter including expenditure until end of September and additional funds allocated, as well as Adjustments Appropriation Bill)	October
Adjusted Estimate tabled in Parliament	
ENE guidelines to departments and entities	November
ENE database to departments and entities	
Inputs from departments for revised drawings after Adjusted Estimate	
Allocation letter to departments	
Departments submit first draft of ENE chapter, database and Appropriation Bill	December
Departments submit estimated under/overspending for 2009/10 financial year	
Departments submit revised (2nd draft) ENE chapters, databases and Appropriation Bill	January
Budget Day – Budget tabled in Parliament	February

3.2 Medium Term Expenditure Framework (MTEF)

The MTEF is an annual budget that includes a spending plan spanning three years; referred to as multi-year budgeting. Although only the single upcoming fiscal year is voted on by the Legislature each year, the government presents numbers for the following two years as well.

The MTEF is a tool to encourage cooperation across ministries and planning over a longer horizon than the immediately upcoming fiscal year. It also assists government with making informed choices

about trade-offs between national, provincial and local policy priorities that compete for the limited available fiscal resources. The framework enables government to make informed choices that are affordable in the medium-term, and to reprioritise expenditure as required.

The MTEF is a holistic approach to medium term budget planning that:

- enhances stability by making known to departments the revenue envelope for the three year period thereby facilitating effective planning;
- encourages investment by introducing an element of predictability to taxation, interest rates and government spending;
- improves transparency by publicising government's priorities and long-term policy objectives; and
- facilitates programme evaluation by providing a baseline for assessment of the previous year's programmes.

The MTEF is differentiated from the Medium Term Budget Policy Statement (MTBPS) which is the written document that is the policy base underlying the MTEF.

The MTBPS is published by National Treasury and includes key priorities, the size of the revenue envelope, division of revenue between the three spheres of government and allocations to the major conditional grants.

3.3 Legislative Framework

Section 215 of The Constitution states that national, provincial and municipal budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector.

The PFMA, Chapter 4: National and Provincial Budgets, section 28, requires departments to prepare multi-year budget projections. The Act specifies that this multi-year budget projection must provide details of estimated revenue, capital and operating expenditure for the period and key macro-economic projections.

The compilation of the MTEF is guided by National Treasury's annual budget circulars that prescribe the process, formats and specific content required. Where provincial treasuries issue annual budget circulars these must be consistent with that issued by the National Treasury.

The ***Treasury Regulations Part 3, section 6,*** addresses budget and related matters.

3.4 Compiling the MTEF

The CFO is required to formulate the budget within the context of the MTEF which details three-year rolling expenditure and revenue plan for the department.

Annual budget preparation is informed by government's development priorities and these are subject to annual review.

The departmental budget process is guided by the following:

Annual Budget Circular

The accounting officer must comply with all relevant annual budget circulars issued by National Treasury; any budget circulars issued by the provincial treasury must be consistent with the budget circulars issued by the National Treasury.

Annual Budget Formats

The accounting officer must ensure that the budget submission for the vote includes relevant supporting information in respect of constitutional institutions and public entities that may receive transfer payments from the vote.

The annual budget documentation, as presented to Parliament or the provincial legislature, must conform to the formats as determined by the National Treasury.

Approach to budget formulation

The budget is an estimate of how the department will perform financially; accurate budget estimates will ensure that departmental resources such as money, people and assets are effectively utilised to achieve service delivery objectives.

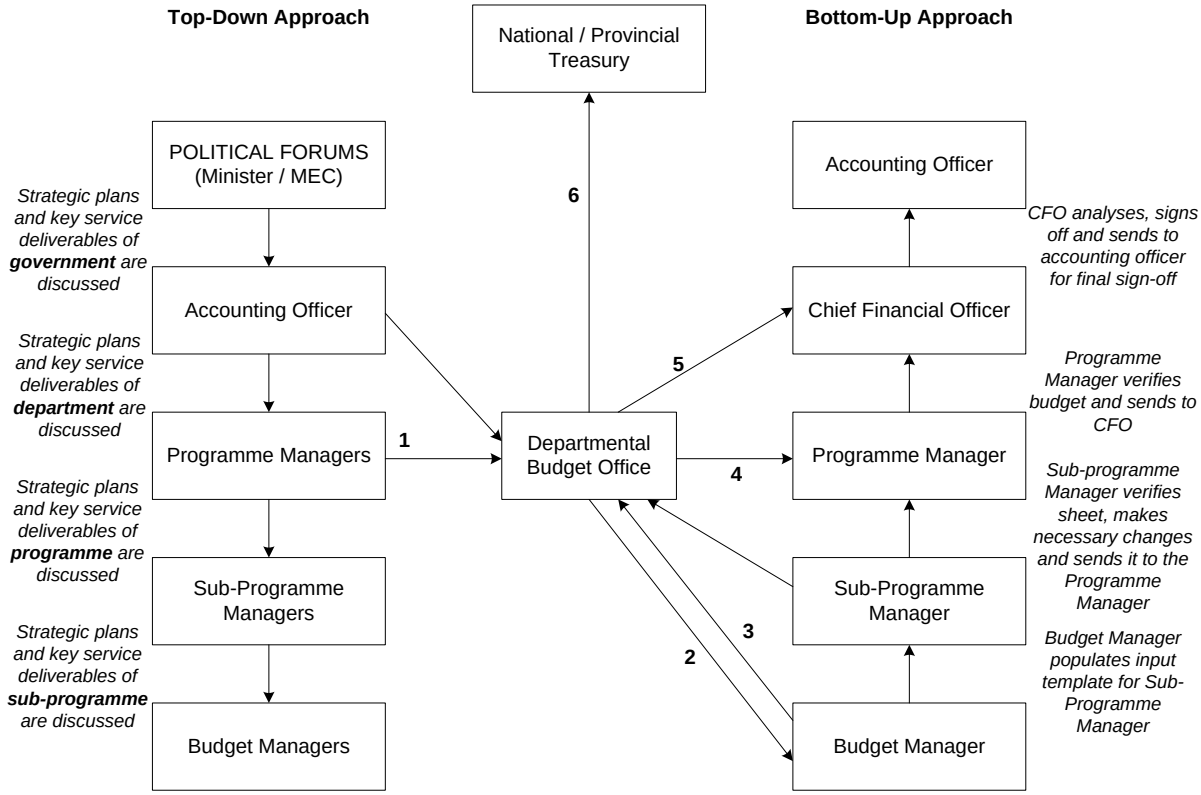
- ***Zero-based budgeting:***
  This approach assumes that the budget is being compiled for the first time, i.e. budget compilation starts from a zero baseline. Managers must plan their expenditure and present it to senior management for review, approval and consolidation.
- ***Incremental budgeting:***
  Incremental budgeting uses the previous financial year's actual expenditure to inform the following year's budget. Usually a percentage increase on the previous year's actual performance is added to arrive at the budget. This approach does not take cognisance of the changing environment and it does not allow for cost reduction initiatives.

The recommended approach to departmental budgeting is the bottom up approach whereby line managers *"own"* their budgets; key performance indicators are linked to performance contracts and line managers are committed and motivated to achieve the department's service delivery objectives.

3.5 Compiling a departmental budget

Departments employ different methodologies to complie their annual and medium-term budgets. Various factors guide their operational approach. For example, a national department that has a relatively small staff complement, is centrally domiciled and makes relatively large transfers to other government entities, could employ a much simpler process than a department that employs several thousand people across the country, and has to manage relatively large-scale annual purchases of goods and services. Departments fitting these profiles could be the Departments of Sport and Defence, respectively. With the existence of this diversity, we have recognised the potential perspectives of the approach departments may take in completing their budgets however; have elected not to discuss them in any operational detail.

The principles of the approaches that departments would employ in arriving at a budget are illustrated below:



1. The AO and PM inform the Departmental Budget Office about the departments' strategic plans, key service deliverables etc.
2. The Departmental Budget Office will send an input sheet with previous years MTEF numbers and a memo detailing the variables for future years including personnel projections.
3. BM populates input sheet for SPM and sends to both the Departmental Budget Office and SPM.
4. There is a communication loop between the SPM, PM and Departmental Budget Office.
5. The Departmental Budget Office will act as the interface between the CFO and Program Managers.
6. The Departmental Budget Office will consolidate the budgets for the Department, and send the consolidated budget to NT (National-Budgets).

***** P*olitical Forums: MTEC Hearings; MinMecs; MinComBud Meetings etc.*

3.6 The role of the CFO in the budget compilation process

The CFO is more than an administrator; the CFO's role is to guide the programme managers with their MTEF submissions; more importantly, the CFO must interrogate the submissions prepared by programme managers to ensure linkages to the departmental strategic plan and related KPIs.

The CFO must ensure that the limited resource envelope is fairly allocated to meet the departmental priorities identified during the strategic planning process and that a credible budget is presented to the relevant Treasury.

When preparing the MTEF submission the CFO must involve line managers responsible for delivering outputs in respect of departmental programmes to do the "number crunching"; programme managers must take ownership of their budgets to ensure that they have adequate funding to deliver programme objectives.

The CFO must ensure that *(assuming that the department adopts the bottom up approach to zero-based budgeting):*

- Line managers understand the budget process and know what is required of them; including submission due dates
- Templates, formats and directives are made available to all line manages who are involved in the budget process
- Budget trade-offs are discussed with line managers; they must be involved in deciding departmental priorities
- Progress and decision-making is communicated to relevant line managers
- The CFO is expected to effectively manage any *"budget games"* among line managers; the CFO must interrogate requests for funding from line managers to ensure that the limited available resources are efficiently, fairly and transparently allocated across the departmental priorities
- The CFO provides relevant information to the accounting officer who will brief the executive authority on matters pertaining to budget discussions that they will be required to participate in at the national or provincial budget forums.
- The CFO must ensure that a credible budget is presented for approval; the following are characteristic of a credible budget:
    - Realistic, reasonable and achievable;
    - Takes cognisance of the economic climate
    - Resource allocation aligned to service delivery objectives

3.6.1 Budget related matters

There are certain decisions with regard to budgeting that the department may want to take, but in terms of the PFMA, the approval of the relevant treasury is required. The process whereby the department makes an application to the relevant treasury for approval is guided by the Treasury Regulations.

The programme manager may approach the CFO for advice or with a request for such budget related matters; the CFO will prepare the necessary submission for presentation to the relevant treasury to request approval. These budgetary matters are briefly explained below:

Virement

A virement is when a saving from in the amount appropriated under a main division within a vote is utilised to defray over spending in another main division of the same vote; the relevant treasury's approval is required.

TR 6.3 further explains the conditions that apply in the case of virements.

The CFO is required to assess the merits of the case for a virement within the parameters of the PFMA and the Treasury Regulations. Where the CFO deems that a virement is justified and that all the relevant legislative requirements are satisfied, the CFO will make a submission for a virement to the relevant Treasury.

The CFO should monitor spending patterns of the relevant programmes to ensure that the request for virements do not recur annually as this may be indicative of ineffective budget planning.

Roll-overs

A roll-over is when funds not spent in a particular financial year are made available for spending in a subsequent financial year; the relevant treasury's approval is required.

TR 6.4 further explains the conditions that apply in the case of roll-overs.

The CFO should determine the merits of the case for roll-overs requested by the programme manager; this involves investigating the reasons for unspent funds during the applicable financial year. Unspent funds are most likely indicative of failure to achieve service delivery objectives within the financial year.

The CFO should strictly apply the criteria for conditions to be satisfied when considering roll-overs; TR 6.4.1 (a)(b) & (c).

The CFO should monitor spending patterns of the relevant programmes to ensure that annual requests for roll-overs are the exception rather than the norm as the latter would most likely be indicative of ineffective budget and project planning in the case of capital expenditure.

Failure to complete capital projects within the applicable financial year may be as a result of longer than anticipated tender processes which have a knock-on effect that delays project completion hence the request for roll-over.

The CFO should advise programme managers to factor in such dependencies when they compile their budget and related project planning.

Transfer of functions

The Act provides for the transfer of functions between departments or votes and the transfer of the voted funds for that function; the relevant treasury's approval is required and the treasury may determine the value of funds transferred if the departments have not agreed.

Where functions are transferred to provinces or municipalities it is dealt with in the terms of the Division of Revenue Act and the Municipal Finance Management Act, Act 56 of 2003.

TR 6.5 further explains the conditions that apply in the case of transfer of functions.

Adjustment Budget

Section 30 of the PFMA provides for the tabling of a national adjustments budget as and when necessary. The conditions applicable are listed in section 30(2) of the Act.

Section 31 of the PFMA provides for the tabling of a provincial adjustments budget and the applicable provisions are listed in section 31(2) of the Act.

The decision to table a national adjustments budget is that of the Minister of Finance and at provincial level it is that of the MEC for finance. The role of the department's CFO is to prepare the necessary submissions for inclusion in the adjustments budget and present it to the relevant treasury. Where the treasury approves submissions in respect of virements, roll-overs or the transfer of functions between votes these decisions will be incorporated in the adjustments budget.

Timeframes and adjustment budget formats are guided by the relevant treasury.

An Adjustments Budget accommodates unforeseeable and unavoidable expenditure such as utilisation of funds in the case of emergency situations as stipulated in section 16 of the PFMA applicable to National departments and section 25 of the PFMA applicable to provincial departments.

Virements, roll-overs and the transfer of funds that accompany the transfer of functions are accommodated within the Adjustments Budget.

4. Annual performance Plan

The purpose of the annual performance plan is to present the department's objectives for the following financial year which is planned achievements of the department's for the first year of their strategic plan. It is the informed by the budget and the MTEF.

4.1 Legislative framework

The annual performance plan, in terms of ***Treasury Regulation 5.2.1***, requires the department to provide the medium term strategic plan, and where applicable, the annual performance plan to Parliament or the relevant legislature.

4.2 Compiling the annual performance plan

The annual performance plan specifies the department's measurable objectives and performance targets which will ensure that the department achieves its strategic objectives presented in the strategic plan. The annual performance plan comprises the following:

At programme level

Consolidation of the sub-programmes per programme, objectives and key performance indicators accompanied by resource allocation plans that include the programme managers' responsibilities linked to service delivery objectives of the programmes as provided for in their performance contract.

At sub-programme level

Consolidation of the activities per sub-programme and key performance indicators accompanied by resource allocation plans and timelines for delivery

Support services

Consolidated plans of the following support services that demonstrate how internal service delivery objectives will be achieved in support of the department's annual performance plan; human resource planning; asset planning, information technology and internal communication amongst others. In addition the annual performance plan provides annual updates to any changes made to the strategic planning framework set out in the strategic plan; example: changes resulting from new policy developments or changes in environmental circumstances.

The annual performance plans are monitored through the *Quarterly Performance Reports,* and year-end reporting is done in the departmental performance section of the annual report.

5. In-Year Monitoring and Reporting

In-year monitoring and the annual report is the basis for evaluating departmental performance against clearly specified outputs. The Auditor-General will focus on performance as well as compliance auditing. In addition to examining the post-audit review, Parliament and Legislatures will play a greater role in monitoring the performance of accounting officers during the financial year.

The annual report and the annual financial statements are discussed in the section on annual reporting below.

5.1 Legislative framework

Section 40: Accounting officers' reporting responsibilities, prescribes the monthly, quarterly and annual reporting requirements.

5.2 In-year monitoring and reporting

The purpose of in-year management, monitoring and reporting is to ensure that departmental resources are used efficiently, economically and effectively i.e. that departments are getting value for money when voted funds are spent. The in-year monitoring and reporting system is intended to act as an *"early warning system"* for budget spending and to guide corrective action or control measures necessary to ensure that budget spending is effectively managed.

Over spending on budget allocations is evidence of ineffective budget management however under spending is not necessarily desirable as it can represent ineffective use of resources and shortcomings in service delivery due to objectives not being met or poor budgeting, for example.

Budget monitoring is at the heart of effective financial management and the budget and performance monitoring report is an integral part of the department's ongoing performance management and cost effectiveness. Officials entrusted with budgets are required to exercise effective financial control within their areas of responsibility and this demands careful monitoring of the financial position and accountability.

In-year management, monitoring and reporting therefore measures progress on the department's operational plan and related budget allocation which facilitates analysis of performance and allows for corrective action to ensure that the department performs adequately.

Managers should interpret and analyse reports to:

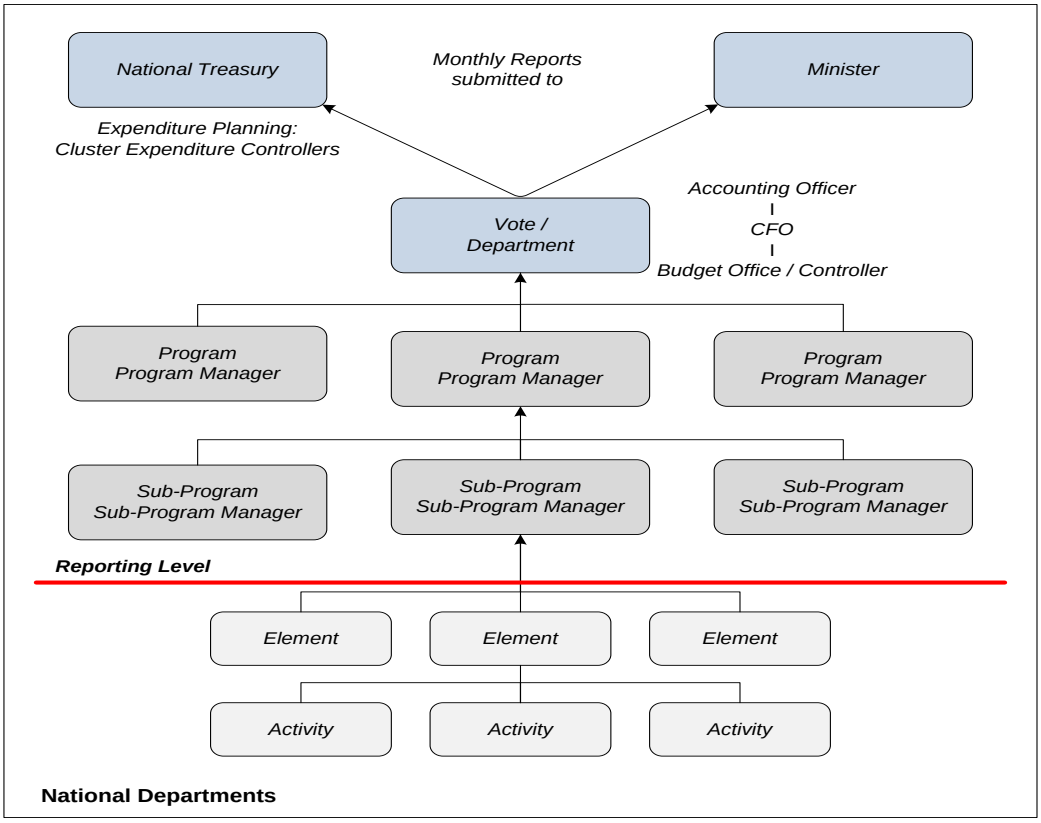
- control the activities of the department;
- plan the department's future strategies and operations;
- improve the objectivity in the departmental decision-making process;
- optimise the use of departmental resources;

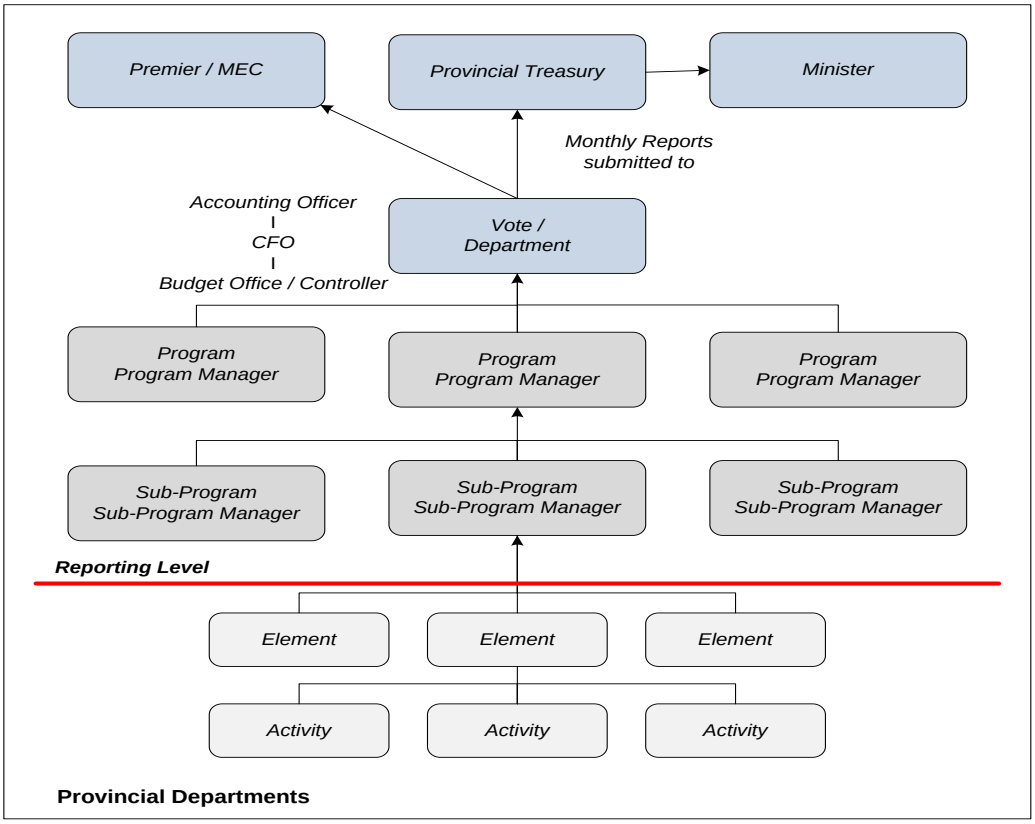
- measure and evaluate departmental performance; and
- improve internal and external communication.

Monthly and quarterly reports are submitted to the executive authority and the relevant treasury.

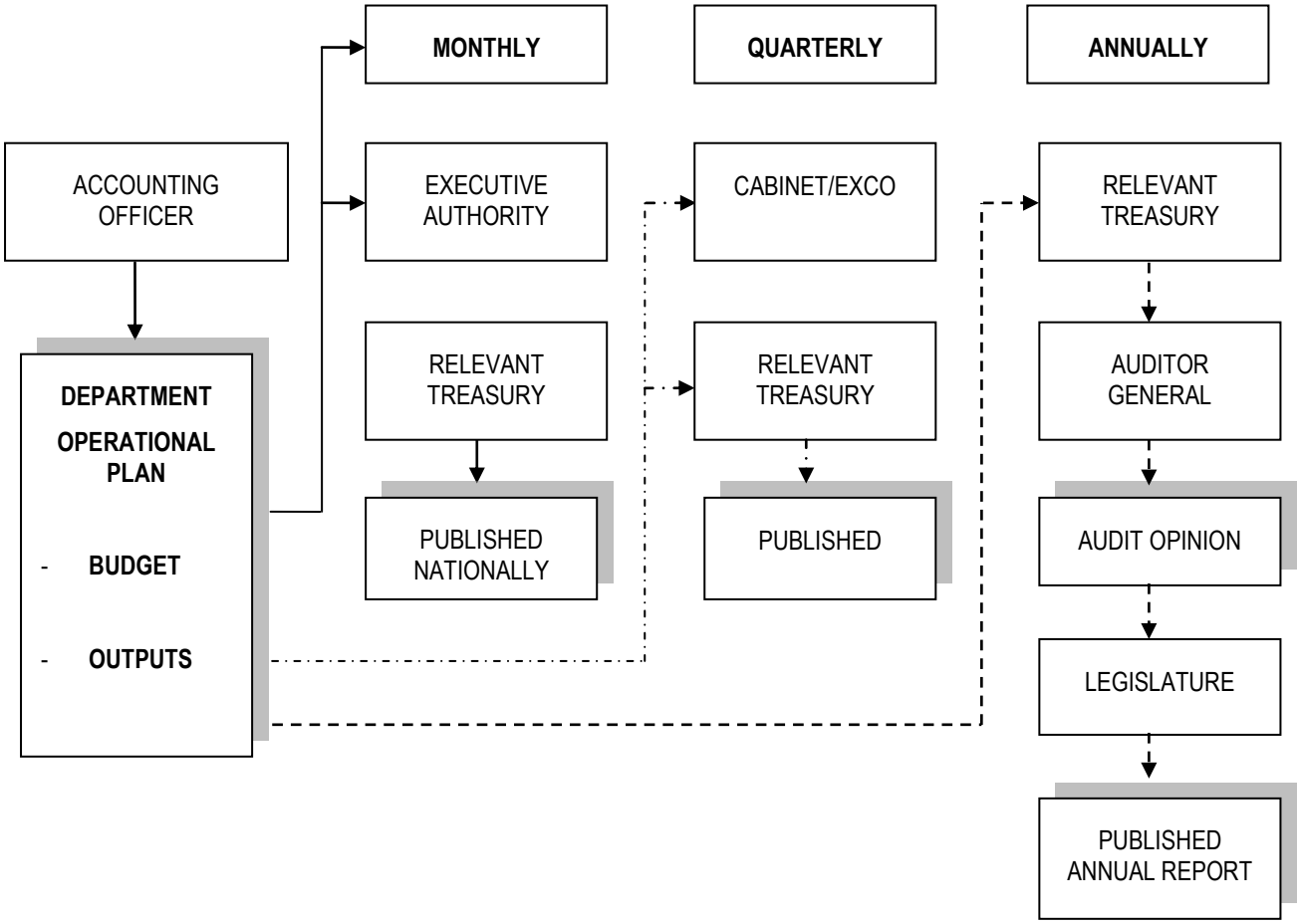
SUMMARY OF REPORTING STRUCTURES: IN-YEAR MONITORING AND REPORTING

The diagrams below depict the role players in the compilation and publication of monthly in-year reports for national and provincial departments.





SUMMARY OF IN-YEAR MONITORING AND REPORTING REQUIREMENTS



Monthly reports

The purpose of monthly financial reports is to serve as a management tool i.e. managers must analyse the reported information and use it to assess performance against plans, to evaluate alternative courses of action and, where necessary, take corrective action to ensure that service delivery objectives are achieved.

Monthly reports are only beneficial if the information is analysed by managers and used to inform management decisions. Sound financial reports are necessary for budget management and it will provide an *"early warning"* of possible virements or roll-overs if used to monitor spending patterns.

The reports required in terms of in-year monitoring and reporting will facilitate the compilation of the annual financial statements and annual reports compiled at year-end. The monthly reports will also allow the executive authority to monitor performance of the accounting officer and assist Cabinet/Exco to monitor performance.

Reports are useful if sound financial information is presented i.e. accurate, relevant, comparable and of good quality.

Monthly reporting requirements

Within fifteen days of the month-end, the accounting officer must submit to the relevant treasury and executive authority, information on:

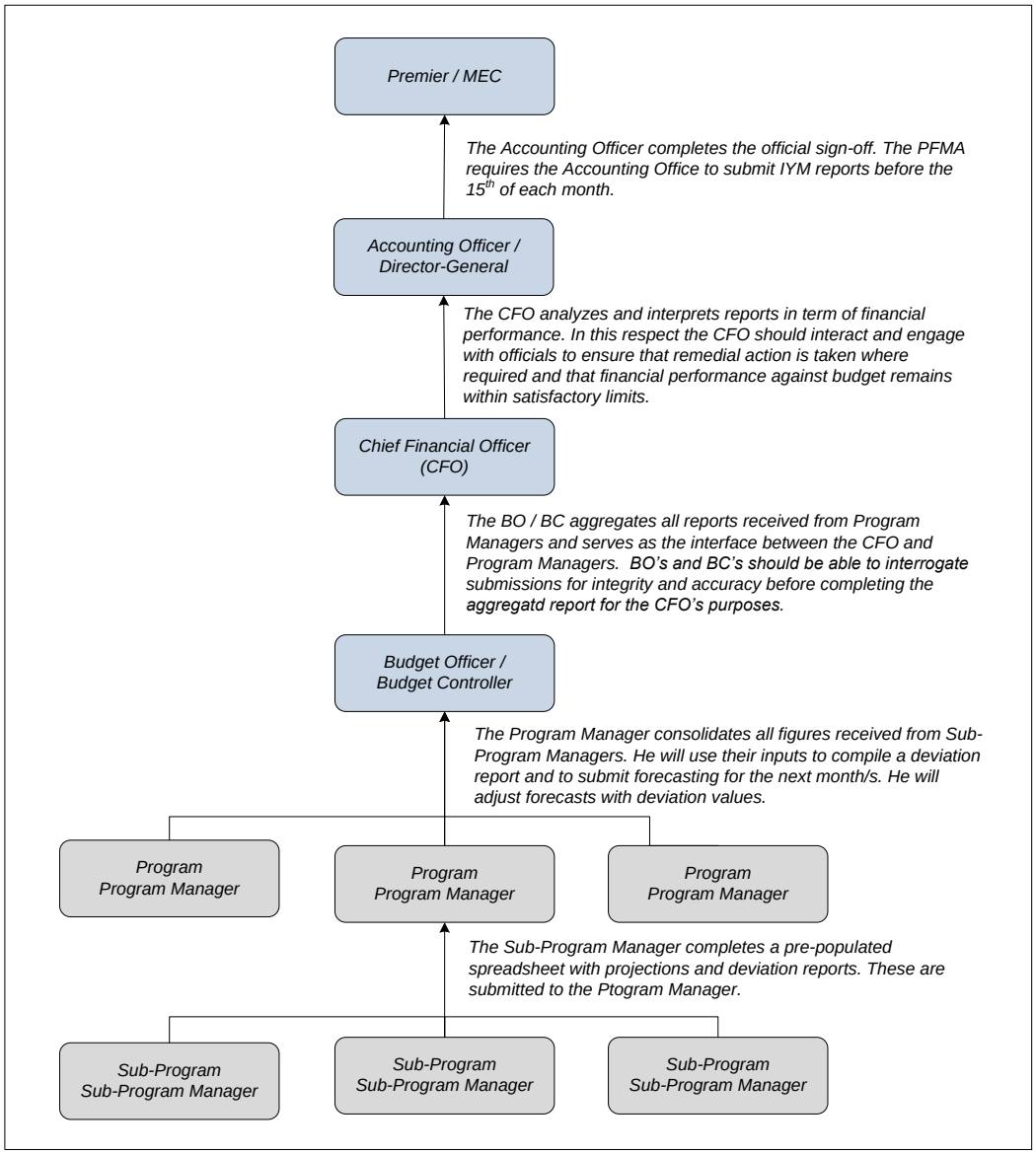
- actual revenue, expenditure and transfers for that month, in the format determined by the national Treasury
- actual expenditure on any conditional grants under the DORA
- projections of anticipated expenditure and revenue for the remainder of the current financial year, in the format determined by the National Treasury
- any material variances and a summary of actions to ensure that the projected expenditure and revenue remain within the budget

The provincial treasury must also submit a statement of transactions affecting its revenue fund (in the prescribed format) to the national Treasury before the twenty-second day of each month. The head of the provincial treasury must certify that the information has been verified. Monthly reports to the executive authority should at least contain the information provided to the treasury, and be complemented by quarterly reports on:

- more detailed information on the state of finances
- detailed information on corrective measures taken *(disciplinary action, etc.)*
- progress on implementing the PFMA *(internal controls, audit committee, clearing of audit queries)*
- non-financial information to enable measurement of progress against KPIs

Departmental Reporting Roles

The diagram below illustrates the monthly flow of financial information and briefly describes the role of each functionary in the process. It becomes clear that, although the Accounting Officer is responsible for complying with section 32 of the PFMA, that the CFO plays an instrumental role in producing these reports and advising the Accounting Officer of the necessary management steps to be taken.



Quarterly reports

Every quarter, the National Treasury will publish a statement in the *Government Gazette* detailing the revenue and expenditure of each of the ten revenue funds, with actual performance against the budget for each vote. Accounting officers should expect the press, parliamentary committees, non-governmental organisations (NGOs) and the public to monitor their department's progress through these reports. Information on grants made under the DORA must be reported in terms of that Act. The accounting officer effecting the payment must report to the relevant treasury on the funds transferred to each government entity within fifteen days of the end of every quarter.

Quarterly performance reports

In addition to expenditure and revenue reporting trends performance reporting requirements must be complied with. Performance reporting forms part of the budget reform agenda as introduced by the PFMA.

The refinement of performance reporting will assist with further development of government's performance management system. The accountability cycle at the beginning of Part Three illustrates the linkages between the department's strategic plan, medium term budget, management's performance agreements, in-year monitoring and reporting, the annual report and annual review; meaningful financial and non-financial information is necessary to assess departmental performance.

National Treasury's Guide for the Implementation of Provincial Quarterly Performance Reports, *April 2009,* available at www.treasury.gov.za, provides further information on meeting performance reporting requirements. The guideline identifies five distinct reporting themes, namely,

- programme performance management;
- the necessary building blocks that facilitate departmental reporting on service delivery performance by way of predefined outputs presented in the strategic plan and annual performance plan;
- steps in the implementation of the quarterly performance reporting process;
- quarterly reporting formats; and
- reporting dates.

5.3 The role of the CFO in in-year monitoring and reporting

The CFO must ensure that systems and processes are in place to facilitate the compilation of the relevant financial reports. The accounting officer is responsible for the scrutiny and sign-off of financial reports, including data on conditional grants and transfers.

The accounting officer relies on the CFO to compile accurate, timely and reliable financial and non-financial reports; the CFO is expected to analyse the reports and to advise the accounting officer accordingly.

While financial reports must be submitted on a monthly basis to the executive authority and the relevant treasury, they should be complemented by non-financial indicators at least on a quarterly basis.

The PFMA specifies a variety of reports, monthly, quarterly and at year-end, with different responsibilities for executive authorities and accounting officers. The requirements are illustrated in the diagram below.

5.3.1 Meeting user reporting requirements

Reporting requirements have been discussed with reference to what must be compiled, when it is due and to whom it must be submitted. It has also been said that compiling reports is only the first step to achieving sound financial management as analysing and interpreting the financial information is what informs decision-making.

It is inevitable that not everyone will derive the same value from the reports or in fact draw the same conclusions from the information provided.

The CFO and the financial management team compiles the reports required and present it for sign-off to the accounting officer or relevant authority before distribution.

A summary of the stakeholders or users of financial reports is presented below.

- **Programme managers** – analyse reports to determine if they are spending within their budget allocation; explain variances of when actual expenditure is over or under the budget allocation and plan corrective action where necessary.

  Programme managers are responsible for implementation plans to achieve service delivery objectives; they are not necessarily financial experts hence they may require guidance when working through financial reports; they are most likely to have a better grasp of the progress against KPIs and the challenges with regard to implementation.

  A brief analysis of what the numbers are saying in respect of each cost centre is useful to assist the programme manager with budget management responsibilities.

- **Head of Department *(accounting officer)*** – interrogates the financial management reports to assess the overall performance of the department and pays attention to directorates that are over or under spending and posing a threat to achieving the KPIs presented in the MTEF.

  The CFO should ideally present and discuss the financial management reports with the accounting officer before sign-off and distribution to all stakeholders.

  The accounting officer may use the financial management reports as a basis for discussion when meeting with programme managers on issues of performance management.

  The accounting officer will have to present the financial management reports to the executive authority with sound recommendations of corrective action to address under performance in the case of under spending and inadequate service delivery.

5.3.2 Quality of financial reports

The legislative reporting requirements have been explained above. This section is about ensuring data integrity of financial reports when meeting the legislative reporting requirements.

When reports are analysed for decision-making it is generally assumed that the financial information presented is accurate and therefore reliable. This means that the source of information must be

trustworthy. Financial systems are generally relied upon to process financial data correctly and we assume that financial information will be correctly captured by the relevant data capturer however this is not always the case.

Financial systems do have mechanisms to check the validity of data entries but *"human error"* may go by undetected, for example, when the incorrect account is debited because the data capturer transposes the account number or uses the incorrect account when classifying the expenditure. There is a need for *"human"* checks and balances to ensure data integrity and this may be in the form of programme managers checking their monthly expenditure reports to verify expenditure against the relevant items and alerting the CFO when expenditure has been incorrectly captured.

Errors must be corrected timeously and the necessary checks and balances must be implemented to minimise the risk of compromising data integrity in the future.

The CFO is expected to analyse financial reports and make recommendations to the accounting officer. The compilation of financial reports and getting it done on time is important however, the purpose of financial reports must not be overlooked. Financial reports provide an assessment of the financial well-being of the department at a point in time or, in the case of the annual a financial statements and annual report it is indicative of the department's financial performance over the twelve month period. Furthermore, financial reports are intended to inform decision-making by the relevant parties and this requires analysis and interpretation to explain *"what the numbers are saying";* this is the value-add of financial reporting.

Financial reporting is also of importance for the department's performance management system which considers all aspects of programme delivery in terms of achieving KPI's within budget allocations, together with quality and timeliness thereof.

Guidelines for the various reporting requirements and relevant templates in terms of the financial management reporting requirements are available at the National Treasury website, www.treasury.gov.za.

6. Annual Reports

The accountability cycle is completed with the production and publication of an annual report, which reviews performance and achievement against the plan and budget approved by Parliament or the provincial legislature at the beginning of the financial year.

The PFMA requires each department to publish an annual report that *'fairly presents'* the state of its affairs, its financial results and position at the end of the financial year, and its performance against predetermined objectives.

6.1 Legislative requirements

In terms of ***Section 40 of the PFMA***: Accounting officers' reporting responsibilities, the accounting officer's annual reporting responsibilities are as follows:

Section 40(1)(d): must submit within five months of the end of a financial year ...

Section 40(1)(d)(i): an annual report on the activities of the department ...

Section 40(1)(d)(ii): the financial statements for that financial year after those statements have been audited ...

Treasury Regulation 18.3 specifies inclusions that the accounting officer must ensure when preparing the department's annual report.

- Provide an account of the department's achievement of efficiency, economy and effectiveness in the delivery of programmes and objectives in terms thereof; and outcomes against the key performance indicators presented in the department's strategic plan
- Include details of transfers and subsidies in terms of section 38(1)(j) of the PFMA
- Include information pertaining to foreign assistance received or pending, the nature thereof and achievements or performance in respect thereof
- Provide information on the management of Public Private Partnership agreements where applicable

In terms of Treasury Regulation 18.3.1(a) the accounting officer must comply with the provisions of Chapter 1, Part III J of the Public Service Regulations, 2001

The department must comply with the annual reporting requirements in terms of the annual DORA.

6.2 Compiling the annual report

The accounting officer must ensure that the annual report complies with the relevant legislative requirements and minimum content in accordance with the annual reporting guidelines published by the National Treasury's Office of the Accountant-General.

The annual report must provide the following minimum information:

- details of any material losses through criminal conduct
- details of any unauthorised, irregular, fruitless and wasteful expenditure, together with any criminal or disciplinary steps taken as a result of such losses
- information of the department's efficiency, economy and effectiveness in delivering the outputs specified in the annual performance plan
- additional information that may be required by Parliament or the provincial legislature
- audit report, including comment on the department's internal controls
- annual financial statements prepared in accordance with prescribed reporting framework

In terms of the PFMA the accounting officer has two months within which to submit appropriation accounts and delays in submission are deemed financial misconduct with applicable sanctions.

The accounting officer must ensure that the systems and financial staff within the department are capable of preparing high-quality financial statements within two months of the year-end.

The Auditor-General will report to Parliament, the provincial legislatures and the treasuries on the date of submission, and be asked to comment on the quality of the data; should this prove to be poor, a charge of financial misconduct may result.

The accounting officer must also, within five months of the year-end, submit the department's annual report containing the audited financial statements and the Auditor-General's report, to the relevant treasury and the executive authority.

Departments and the Auditor-General must cooperate to ensure that annual reports are finalised within five months of the year-end. This will include coordinating interim audits and ensuring that financial and other records are readily available for auditing at year-end. The reduced timescale will enhance accountability and will result in actual figures being available in time to influence submissions to the next budget cycle.

Annual Financial Statements

The purpose of the annual financial statements is to present a true and fair view of an entity's financial performance, financial position, changes in net assets and cash flows that is useful to a wide range of users. Financial statements also show the results of the stewardship of management and the accountability of management for the resources entrusted to them.

National Treasury's Office of the Accountant General annual issues a Financial Reporting Framework which guides the preparation of the annual financial statements; available at www.treasury.gov.za.

The annual financial statements comprise the following:

Report of the Audit Committee

The audit committee has a role in ensuring that an entity functions according to good governance, accounting and audit standards. The audit committee's report includes comment on risk management arrangements; accountability responsibilities to safeguard assets and operational systems and controls.

The audit committee must maintain objectivity hence their role is advisory and not executive; the audit committee does not perform any management functions or assume any managerial responsibilities.

Report of the Auditor-General

The report of the auditor general expresses an opinion on the department's performance and financial management as presented by the annual financial statements. The report of the Auditor-General is submitted to Parliament or the provincial legislature and made public.

Report of the Accounting-Officer

The purpose of the report of the accounting officer is to provide explanatory information of specific financial matters for the period under review. Examples of matters should be included in the report:

- Important policy decisions and strategic issues facing the department;
- Comment on significant events that have taken place during the year;
- Comment on major projects undertaken or completed during the year;
- Spending trends; and
- Virements

6.3 Role of the CFO in compiling the annual report

The CFO is intensively involved in the completion of the annual report.

The notes of auditors that are published along with the annual report broadly reflect whether the will of the department, and systems operated by the CFO, are in line with the interests of government; from a resource management perspective. The CFO is the custodian of financial management systems, including supply chain management, asset and inventory management, in-year reporting, maintaining proper records and procedures and the like.

It is important therefore, to recognise that, even though the annual report represents a single event the life cycle of the department, it broadly reflects the quality of the underlying information systems and processes that were in place during the year.

In order to ensure that the annual financial statements do in fact have integrity, the CFO is held to account through interaction with the accounting officer, audit committee, internal audit and risk management committees that should exist in the department. Each of these approaches resource management with a specific lens and together they will offer the department the prospect of publishing annual financial statements that are of high quality and with integrity. At the end of the financial year these systems are formally held to external scrutiny by the Auditor-General.

In addition to attending various committee meetings and centrally regulating the use of financial resources in the department, the CFO must assume responsibility for compiling the annual financial statements. Moreover, the CFO must address queries and questions from the auditors comprehensively in order that they are not constrained in their ability to arrive at opinions substantively in all cases. This will inevitably entail liaison with various line functions in the department and submissions from line functions would have to be screened internally to ensure that responses are constructed logically and adequately address audit queries. Finally, once the necessary changes have been agreed between auditors and the CFO, it is the responsibility of the CFO to ensure that internal journal adjustments and other related tasks are completed.

7. Annual review

The annual review is an assessment of the department's performance against the annual budget; service delivery objectives and KPIs. The outcome of the annual review will inform the next three year budget cycle comprising revision to the departmental strategic plan and MTEF.

The annual report forms the basis of the annual review. Any shortcomings in the annual performance assessment will inform interventions or corrective action required to improve service delivery.

Where strategic priorities have changed to the extent that it necessitates a structural change in the department proposals for such change should be considered during the annual review process to ensure that the revised priorities and the proposed new programme structures are linked to the MTEF.

When determining new departmental priorities measurable objectives for the programmes and key performance indicators (KPI's) must be determined as KPI's are important tools in monitoring and evaluation of programme spending.

Individual performance plans should be revised to ensure that they are consistent with the revised programme objectives where applicable.

Summary of the CFO's core responsibilities:

Notes:

- Executive Authority: the Minister at National Departments; the MEC at Provincial Departments
- The accounting officer may delegate responsibilities to the CFO

	LEGISLATION	**FUNCTIONAL AREA**	**ACCOUNTABLE PARTY**	**ROLE OF THE CFO**
1.	PFMA: S40(1)(d) & (e) TR Chapter 5 Public Service Regulations, Chapter 1, Part III B	**STRATEGIC PLAN:** - sets out government and the executive authority's strategic policy priorities and plans for the five-year period	Accounting Officer	The CFO must ensure that the departmental strategic plan is compiled in accordance with the National Treasury's prescribed guidelines, formats, templates & timelines; to achieve this the CFO must implement a strategic planning process whereby programme managers are informed of what is required; the CFO consolidates and interrogates the inputs for presentation to the accounting officer and executive authority.
2.	PFMA: S27(3) TR Chapter 6	**MEDIUM TERM STRATEGIC FRAMEWORK (MTEF):** - presents the *"resource envelope"* for the year ahead; and presents the indicative future budgets for the MTEF	Executive Authority	When the department receives the resource envelope from the relevant treasury the CFO must allocate the available revenue to the programmes and ensure that funding is adequate to achieve service delivery objectives presented per programme in the strategic plan. Budget trade-offs are considered when allocating the limited funds; this is done within department's budget process. The Executive Authority tables the annual budget but it is the CFO who supports the accounting officer in compiling the budget. Budget formats must comply with National Treasury's annual budget circulars.

	LEGISLATION	**FUNCTIONAL AREA**	**ACCOUNTABLE PARTY**	**ROLE OF THE CFO**
3.	TR: Chapter 5, Regulation 5.2.1	**ANNUAL PERFORMANCE PLAN** - sets out what the entity plans to achieve in the upcoming financial year; where appropriate, a quarterly breakdown of performance targets is included as this will facilitate the *Quarterly Performance Reporting* required.	Accounting Officer	The CFO co-ordinates the process whereby programme managers compile annual performance plans for year one of the MTEF.
4.	TR: Chapter 18 PFMA: S32(2) & S40(4)(b) TR: Chapter 5, 5.3 PFMA: S27(4) & S36(5)	**REPORTING REQUIREMENTS** - **Monthly Financial Reports** provide the executive authority and the relevant treasury with information on the department's performance against plans; and provides the accounting officer with an opportunity to indicate measures that will be taken to ensure that implementation of the plans are on track. - **Quarterly Performance *Reports*** provide progress on the implementation of the *Performance Plan* with particular reference to monitoring delivery against the predetermined quarterly performance targets	Accounting Officer	The CFO consolidates monthly financial reports per programme so that an overview of the department's financial performance against budget estimates is provided; the CFO must ensure that a process is in place to facilitate monthly financial reporting and compliance to National Treasury's guidelines and reporting. The CFO must guide programme managers to interpret financial information and to explain any variances that may arise. Financial reporting includes specific reporting requirements in respect of conditional grants and transfers as specified in the DoRA. The CFO consolidates quarterly performance reports per programme so that an overview of the department's performance against predetermined performance *(in the annual performance plan)* targets is provided; the CFO must ensure that a process is in place to facilitate quarterly performance reporting and compliance to National Treasury's guidelines and reporting formats.

	LEGISLATION	FUNCTIONAL AREA	ACCOUNTABLE PARTY	ROLE OF THE CFO
6.	PFMA: S40(1)(d) TR: Chapter 18, 18.3 Public Service Regulations: Chapter 1, Part III J	**ANNUAL REPORT** - provides information on the performance of the entity in the preceding financial year for the purpose of oversight; reviews the entity's performance relative to the targets presented in the annual performance plan and budget; & shows how the budget was implemented and the state of the department's financial management systems.	Accounting Officer	The CFO must implement a process whereby the accounts of the department are closed at year-end and the annual financial statements are compiled; compliance to National Treasury's annual reporting framework is required. The CFO must co-ordinate inputs to the annual report from programme managers. When the audit opinion on the annual financial statements is made available the CFO must compile an action plan to address shortcomings highlighted by the auditor-general.
7.	PFMA S44, S45	**MANAGEMENT RESPONSIBILITIES** - are the duties inherent in holding a position of senior management i.e. the generic responsibilities in addition to the specific duties of the CFO; the CFO is expected to exercise sound management practices when managing the CFO's portfolio; management responsibilities relate to staffing, performance management and decision-making associated with persons in management positions	Officials	The CFO must monitor financial management practices by officials to ensure compliance and sound financial management practices. The CFO must ensure that delegations of functions to officials are in writing and signed by both parties. The CFO must liaise with internal audit to investigate any alleged financial misconduct and disciplinary action must be initiated if necessary.

	LEGISLATION	**FUNCTIONAL AREA**	**ACCOUNTABLE PARTY**	**ROLE OF THE CFO**
8.	PFMA: S38(1)(a)(i) & S76(4)(e) TR: 2 & 3.2	**INTERNAL CONTROL** - provide a framework for financial management functions that includes internal controls, policies and procedures to ensure sound financial management; and serves to guide officials on how to perform their financial management responsibilities efficiently, effectively, economically and consistently.	Accounting Officer	The CFO must ensure that policies and procedures relevant to financial management practices are in place and complied with by officials in the department. Such policies and procedures may be guided by National Treasury, Department of Public Service and Administration, Provincial Treasury or, depending on the mandate of the department, a policy or procedure may be specific to the department. The auditor-general will express an opinion on whether the department's internal controls are adequate; shortcomings should be addressed by the CFO in the audit action plan.

8. Reference Material

Applicable legislation

1. The Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999)
2. Treasury Regulations issued in terms of the Public Finance Management Act, 1999 *(April 2001)*
3. Public Service Regulations, *January 2001*

Other

4. Guide for Accounting Officers, Public Finance Management Act, *October 2000*
5. Oversight and Accountability Model, *Parliament*
6. Departmental Financial Reporting Framework, *National Treasury, Office of the Accountant – General, published annually*
7. Induction Manual: Accounting Officers, Chapter 4: The Division of Revenue and Budget Process, published by National Treasury, *July 2009*
8. Guide for the Implementation of Provincial Quarterly Performance Reports, National Treasury, *1 April 2009*
9. What is the Medium Term Expenditure Framework? *Idasa*
10. www.treasury.gov.za
11. www.dpsa.gov.za