



Government Gazette

REPUBLIC OF SOUTH AFRICA
REPHABLIKI YA AFRIKA BORWA

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No. 37913

THE PRESIDENCY

No. 627 14 August 2014

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

Act No. 33 of 2014: Appropriation Act, 2014

MO-PRESIDENTE

No. 627 14 August 2014

Mo go tsebiswa gore Mo-Presidente o dumetse molao o latelago, wona o tla gatiswa e le tsebiso ya kakaretso.

Nmr 33 ya 2014: Molao wa Tekanyetšo, 2014



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(English text signed by the President)
(Assented to 13 August 2014)

ACT

To appropriate money from the National Revenue Fund for the requirements of the State for the 2014/15 financial year; to prescribe conditions for the spending of funds withdrawn for the 2015/16 financial year before the commencement of the Appropriation Act for the 2015/16 financial year; and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 213(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the National Revenue Fund only in terms of an appropriation by an Act of Parliament;

WHEREAS section 26 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), provides that Parliament must appropriate money for each financial year for the requirements of the State;

AND WHEREAS section 7(1) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), provides that the Minister of Finance must table the national annual budget, as set out in section 27 of the Public Finance Management Act, 1999, in the National Assembly at the same time as the Appropriation Bill,

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

Definitions

1. In this Act, unless the context indicates otherwise, any meaning ascribed to a word or expression in section 1 of the Public Finance Management Act, must bear the meaning so ascribed, and—

“**conditional grants**” means conditional allocations to provinces, local government or municipalities from the national government’s share of revenue raised nationally, which are provided for and whose purpose is specified in the Division of Revenue Act for the 2014/15 financial year envisaged in section 214(1)(c) of the Constitution of the Republic of South Africa, 1996;

“**current payments**” means any payment made by a 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;

“**indirect grant**” means a conditional grant that is listed as an allocation-in-kind in the Division of Revenue Act for the 2014/15 financial year for spending by a national department on behalf of a province, local government or a municipality;

“**payments for capital assets**” means any payment made by a 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 payment made by a 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);

“relevant Parliamentary Committees” means the Standing Committee on Appropriations of the National Assembly and the Select Committee on Appropriations of the National Council of Provinces; and

“transfers and subsidies” means any payment made by a 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 requirements of State

2. (1) Appropriations by Parliament of money from the National Revenue Fund for the requirements of the State in the 2014/15 financial year to votes and the main divisions within a vote, and for the purposes that are specified, are set out in the Schedule to this Act.

(2) The spending of appropriations envisaged in subsection (1) is subject to the provisions of this Act, the Public Finance Management Act and the Division of Revenue Act for the 2014/15 financial year.

(3) The spending of funds withdrawn from the National Revenue Fund before this Act takes effect, as envisaged in section 29(1) of the Public Finance Management Act, is subject to section 7 of the Appropriation Act, 2013 (Act No. 9 of 2013), and the applicable provisions of the Division of Revenue Act, 2013 (Act No. 2 of 2013), as if the funds were allocated for the 2013/14 financial year or, if the Division of Revenue Act for the 2014/15 financial year is in force, the applicable provision of that Act.

Amounts listed as specifically and exclusively appropriated

3. An amount within a vote or main division within a vote that is listed as specifically and exclusively appropriated in the Schedule to this Act, may be utilised only for the purpose indicated, unless the amount or purpose for which it was allocated, is amended—

(a) by an Act of Parliament; or

(b) in terms of the Division of Revenue Act for the 2014/15 financial year.

Conditional allocations

4. (1) The Minister may, in writing—

(a) impose conditions on an allocation in an appropriation listed in the Schedule to this Act, in order to promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, public entities and constitutional institutions as required by section 6(1)(g) of the Public Finance Management Act; and

(b) stop the use of an allocation in respect of which conditions have been imposed, until such conditions are met.

(2) The stoppage of an allocation in terms of subsection (1)(b) must be disclosed in the National Treasury’s next quarterly report to the relevant Parliamentary Committees.

Utilisation of unspent funds

5. (1) Despite section 43(4)(b) and (c) of the Public Finance Management Act, and in order to expedite service delivery, the Minister may approve the utilisation of unspent funds in an amount appropriated in the Schedule to this Act for—

- (a) transfer to another organ of state or to an organisation or body outside of government, provided that the expenditure is to be utilised for the same purpose as that of the main division within the vote in which it was originally appropriated; or
 - (b) payments for capital assets, within the same vote for other categories of expenditure, other than for the compensation of employees. 5
- (2) The approval of the utilisation of unspent funds in terms of subsection (1) must be disclosed in the National Treasury's next quarterly report to the relevant Parliamentary Committees.

Authorisation of expenditure 10

6. (1) Despite anything to the contrary in any other legislation and before an Adjustments Appropriation Bill is passed, the Minister may approve expenditure, if it cannot reasonably be delayed without negatively affecting service delivery and—
- (a) is unforeseeable and unavoidable;
 - (b) was announced during the tabling of the 2014/15 annual budget for a project 15 and the disbursement of funds is required for the implementation of the project; or
 - (c) was approved in the appropriation for the 2013/14 financial year and will be proposed to be rolled over to the 2014/15 financial year to finalise expenditure that could not take place in the 2013/14 financial year as originally planned. 20
- (2) Expenditure approved in terms of—
- (a) subsection (1)(a), (b) and (c) may not exceed the total amount set aside as a contingency reserve for the financial year in the national annual budget; and
 - (b) subsection (1)(b) may not exceed the relevant amount announced by the Minister during the tabling of the annual budget. 25
- (3) Expenditure approved in terms of subsection (1)—
- (a) is a direct charge against the National Revenue Fund;
 - (b) may be made subject to conditions imposed by the Minister;
 - (c) must be disclosed in the National Treasury's next quarterly report to the relevant Parliamentary Committees; and 30
 - (d) must, despite section 30(2) of the Public Finance Management Act, be included in the Adjustments Appropriation Bill or another appropriation Bill for the 2014/15 financial year.

Spending before commencement of Appropriation Act for 2015/16 financial year

7. The spending of funds withdrawn in terms of section 29 of the Public Finance Management Act for the 2015/16 financial year before the commencement of the Appropriation Act for the 2015/16 financial year is, with necessary changes, subject to any applicable conditions imposed in terms of section 4 of this Act, the provisions of the Division of Revenue Act for the 2014/15 financial year and the provisions of the Adjustments Appropriation Act for the 2014/15 financial year, as if the funds were allocated for the 2014/15 financial year. 35 40

Delegations and authorisations

8. (1) The Minister may—
- (a) delegate to an employee of the National Treasury any power conferred on the Minister in terms of this Act, except section 9; and 45
 - (b) authorise an employee of the National Treasury to perform any duty imposed on the Minister in terms of this Act.
- (2) A delegation or authorisation in terms of subsection (1)—
- (a) must be in writing;
 - (b) is subject to any limitations or conditions that the Minister may impose; 50
 - (c) may authorise that employee to subdelegate, in writing, the delegated power or authorised duty to another employee of the National Treasury;

- (d) does not divest the Minister of the responsibility concerning the exercise of the delegated power or the performance of the authorised duty; and
- (e) may be withdrawn in writing.

(3) The Minister may vary or revoke any decision taken by an employee as a result of a delegation or authorisation in terms of subsection (1), subject to any rights that may have vested as a result of the decision. 5

Regulations

9. The Minister may, by notice in the *Gazette*, make regulations regarding any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act. 10

Short title

10. This Act is called the Appropriation Act, 2014.