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## THE PRESIDENCY

No. 582

14 July 2011

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

**No. 11 of 2011: Appropriation Act, 2011.**



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(English text signed by the President)  
(Assented to 13 July 2011)

# ACT

**To appropriate money from the National Revenue Fund for the requirements of the State for the 2011/12 financial year; and to provide for subordinate 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**WHEREAS** section 213(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the National Revenue Fund only in terms of an appropriation by an Act of Parliament;

**AND 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,

**B**E 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 annual Division of Revenue Act referred to 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 *Guidelines for Implementing the Economic Reporting Format* (September 2009), issued by the National Treasury under section 76 of the Public Finance Management Act;

“**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 *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 payment made by a department classified as or deemed to be a payment 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);

“**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 *Guidelines for Implementing the Economic Reporting Format* (September 2009), issued by the National Treasury under 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 2011/12 financial year to votes and main divisions within a vote and for the specific listed purposes, are set out in Schedule 2.

(2) The spending of appropriations contemplated in subsection (1) is subject to the provisions of this Act and the Public Finance Management Act. 5

(3) The spending of funds withdrawn from the National Revenue Fund before this Act has been passed by Parliament, as contemplated in section 29 of the Public Finance Management Act—

(a) must be done in accordance with the requirements of section 29(2) of the Public Finance Management Act; and 10

(b) must be recorded and accounted for in accordance with the votes and main divisions within a vote set out in Schedule 2; and

(c) are subject to regulations made or instructions issued by the National Treasury in terms of section 76 of the Public Finance Management Act. 15

### Appropriation listed as specifically and exclusively appropriated

3. An appropriation to a vote or main division within a vote that is listed as specifically and exclusively appropriated in Schedule 2 may only be utilised for the purpose indicated, unless an Act of Parliament amends or changes the purpose for which it was allocated. 20

### Conditional expenditure

4. (1) The Minister may—

(a) impose conditions in respect of an appropriation listed as specifically and exclusively appropriated in Schedule 2 or in respect of transfers and subsidies, 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 in terms of section 6(1)(g) of the Public Finance Management Act; and 25

(b) stop any allocation in terms of such appropriation until any condition imposed by the Minister is met. 30

(2) An amount stopped in terms of subsection (1)(b) must be included in the National Treasury's next report in terms of section 32(1) of the Public Finance Management Act, and must be reported to both the Standing and Select Committees on Appropriations.

### Utilisation of saving

5. (1) Notwithstanding section 43(4)(b) and (c) of the Public Finance Management Act, the National Treasury may, in order to expedite service delivery, approve the utilisation of a saving in— 35

(a) an amount appropriated for transfer to another organ of state or to an organisation or body outside of government, provided that the expenditure will be utilised for the same purpose as that of the main division within the vote in which it was originally appropriated; 40

(b) an amount appropriated for payments for capital assets, if the saving is to be utilised in the same vote for other categories of expenditure, other than for the compensation of employees.

(2) The approval of the utilisation of savings in terms of subsection (1) must be reported in the next quarterly expenditure report to both the Standing and Select Committees on Appropriations. 45

### Authorisation of expenditure

6. (1) Despite any contrary provision contained in any other law, the Minister may approve, before an Adjustments Appropriation Bill is passed, expenditure which cannot reasonably be delayed without negatively affecting service delivery, provided that such expenditure qualifies for inclusion in an Adjustments Appropriation Bill in terms of section 30(2) of the Public Finance Management Act, and provided further that the expenditure— 5
- (a) is unforeseeable and unavoidable, and delaying the disbursement of funds would negatively impact service delivery;
  - (b) was announced by the Minister during the tabling of the annual budget, and the disbursement of funds is required for the implementation of projects announced; or 10
  - (c) was approved in the previous year's appropriation and is to be rolled over to the 2011/12 financial year to finalise expenditure which could not take place in the 2010/11 financial year as originally planned. 15
- (2) Expenditure approved in terms of—
- (a) subsection (1)(a) 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. 20
- (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 set by the Minister;
  - (c) must be reported in the next quarterly expenditure report to both the Standing and Select Committees on Appropriations; 25
  - (d) must be appropriated in the Adjustments Appropriation Bill or other appropriation legislation for the 2011/12 financial year.

### Allocations for and expenditure by departments whose allocations are included in same budget vote

7. (1) The votes listed in column 1 of Schedule 1 contain the allocations for the departments listed in column 2. 30
- (2) The accounting officers of the departments listed in column 2 of Schedule 1 whose allocations are included within the same budget vote listed in column 1, must enter into an agreement to the satisfaction of the National Treasury with regard to the accountability for expenditure, approval of expenditure and the allocation of responsibilities in terms of the Public Finance Management Act. 35
- (3) An agreement from the previous financial year that complies with subsection (2) shall continue in force, and the accounting officers of the departments must continue to abide by that agreement, and need not enter into a new agreement.
- (4) Should an agreement referred to in subsection (2) not be entered into by 31 July 2011, the accounting officer of the department listed first in column 2 of Schedule 1 in relation to that particular budget vote, must be the accounting officer in respect of all expenditure in relation to that budget vote. 40

### Regulations

8. The Minister may, by notice in the *Gazette*, make regulations regarding— 45
- (a) anything which 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.

### Short title

9. This Act is called the Appropriation Act, 2011. 50

**Schedule 1**

<b>Column 1: Budget Vote</b>	<b>Column 2: Department</b>
Vote 3: Cooperative Governance and Traditional Affairs	Department of Cooperative Governance
	Department of Traditional Affairs
Vote 12: Public Service and Administration	Department of Public Service and Administration
	Public Administration Leadership and Management Academy
Vote 22: Defence and Military Veterans	Department of Defence
	Department of Military Veterans