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STATE PRESIDENT'S OFFICE

No. 549

17 June 2010

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

No. 3 of 2010: Appropriation Act, 2010.



AIDS HELPLINE: 0800-123-22 Prevention is the cure

(English text signed by the President.)
(Assented to 15 June 2010.)

ACT

To appropriate money from the National Revenue Fund for the requirements of the State for the 2010/11 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WHEREAS section 213(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the National Revenue Fund only in terms of an appropriation by an Act of Parliament;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,

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 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 2010/11 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 is contemplated in section 29 of the Public Finance Management Act, must be recorded and accounted for in accordance with the votes and main divisions within a vote, and for the specific listed purposes set out in Schedule 2, and is subject to conditions imposed by the National Treasury in terms of the Public Finance Management Act. 10

Appropriation listed as specifically and exclusively

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. 15

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 20
- (b) stop any allocation in terms of such appropriation until any condition imposed by the Minister is met. 25

(2) An amount stopped in terms of subsection (1)(b) must be included in the next report of the National Treasury published in terms of section 32(1) of the Public Finance Management Act. 30

Utilisation of saving

5. Notwithstanding section 43(4)(b) and (c) of the Public Finance Management Act, the National Treasury may approve the utilisation of a saving in—

- (a) an amount appropriated for transfer to another organ of state or to an organisation or body outside of government; or 35
- (b) an amount appropriated for payments for capital assets, if the saving is to be utilised for other categories of expenditure.

Authorisation of expenditure

6. (1) In addition to the authorisation to use funds from the National Revenue Fund to defray expenditure of an exceptional nature contemplated in section 16 of the Public Finance Management Act, and notwithstanding anything to the contrary in any other law, the Minister may approve expenditure qualifying for inclusion in an adjustments budget in terms of section 30(2) of the Public Finance Management Act before such an adjustments budget is passed. 40

(2) Expenditure approved in terms of subsection (1)— 45

- (a) may not exceed the total amount set aside as a contingency reserve for the financial year in the national annual budget;
- (b) is a direct charge against the National Revenue Fund; and
- (c) must be included either in the next national adjustments budget or in other appropriation legislation tabled in the National Assembly for the financial year in which the expenditure is authorised. 50

(3) An approval granted by the Minister in respect of money to be appropriated for expenditure already announced by the Minister during the tabling of the annual budget—

- (a) is subject to the requirements of subsection (2); and
- (b) may be made subject to conditions.

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. 5

(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 that is satisfactory to the National Treasury regarding the accountability for expenditure, approval of expenditure and the allocation of responsibilities in terms of the Public Finance Management Act. 10

(3) Should an agreement referred to in subsection (2) not be entered into by 31 July 2010, 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. 15

Regulations

8. The Minister may, by notice in the *Gazette*, make regulations regarding—

- (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. 20

Short title

9. This Act is called the Appropriation Act, 2010.



Schedule 1*(Section 7)*

Column 1: Budget Vote	Column 2: Department
Vote 3: Cooperative Governance and Traditional Affairs	Department of Cooperative Governance
	Department of Traditional Affairs
Vote 11: Public Service and Administration	Department of Public Service and Administration
	Office of the Public Service Commission
	Public Administration Leadership and Management Academy
Vote 21: Defence and Military Veterans	Department of Defence
	Department of Military Veterans