

REPUBLIC OF SOUTH AFRICA

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# FINANCE BILL

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*(As introduced)*

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(MINISTER OF FINANCE)

**[B 102—96]**

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REPUBLIEK VAN SUID-AFRIKA

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# FINANSIEWETSONTWERP

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*(Soos ingedien)*

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(MINISTER VAN FINANSIES)

**[W 102—96]**

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**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.
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# **BILL**

**To charge the State Revenue Account with certain unauthorised expenditure and to authorise other expenditure; to authorise the conversion of certain loans into share capital of the South African Housing Trust, Limited; to amend the Reconstruction and Development Programme Fund Act, 1994, so as to provide for the payment of certain unspent money into the National Revenue Fund or to the relevant Provincial Revenue Fund; and to provide for matters connected therewith.**

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**B**E IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

**Defraying of unauthorised expenditure from State Revenue Account for 1987-88 financial year**

**1.** (1) The State Revenue Account is hereby charged with the amount of R27 633,33 5 to defray certain expenditure over and above the amounts appropriated for the service of the Republic for the financial year which ended on 31 March 1988.

(2) The expenditure referred to in subsection (1) is set forth in Schedule 1 and is more fully described on page 45 of the Report of the Auditor-General on the Appropriation Accounts in respect of General Affairs for 1993-94 [RP 181-94], which has been 10 submitted to Parliament, and in the Third Report of the Joint Standing Committee on Public Accounts, 1995.

**Defraying of unauthorised expenditure from State Revenue Account for 1988-89 financial year**

**2.** (1) The State Revenue Account is hereby charged with the amount of R216 469,49 15 to defray certain expenditure over and above the amounts appropriated for the service of the Republic for the financial year which ended on 31 March 1989.

(2) The expenditure referred to in subsection (1) is set forth in Schedule 1 and is more fully described on pages 45 and 46 of the Report of the Auditor-General on the Appropriation Accounts in respect of General Affairs for 1993-94 [RP 181-94], which 20 has been submitted to Parliament, and in the Third Report of the Joint Standing Committee on Public Accounts, 1995.

**Defraying of unauthorised expenditure from State Revenue Account for 1989-90 financial year**

3. (1) The State Revenue Account is hereby charged with the amount of R22 489,02 to defray certain expenditure over and above the amounts appropriated for the service of the Republic for the financial year which ended on 31 March 1990. 5

(2) The expenditure referred to in subsection (1) is set forth in Schedule 1 and is more fully described on page 45 of the Report of the Auditor-General on the Appropriation Accounts in respect of General Affairs for 1993-94 [RP 181-94], which has been submitted to Parliament, and in the Third Report of the Joint Standing Committee on Public Accounts, 1995. 10

**Defraying of unauthorised expenditure from State Revenue Account for 1990-91 financial year**

4. (1) The State Revenue Account is hereby charged with the amount of R103 063,98 to defray certain expenditure over and above the amounts appropriated for the service of the Republic for the financial year which ended on 31 March 1991. 15

(2) The expenditure referred to in subsection (1) is set forth in Schedule 1 and is more fully described on page 45 of the Report of the Auditor-General on the Appropriation Accounts in respect of General Affairs for 1993-94 [RP 181-94], which has been submitted to Parliament, and in the Third Report of the Joint Standing Committee on Public Accounts, 1995. 20

**Defraying of unauthorised expenditure from State Revenue Account for 1991-92 financial year**

5. (1) The State Revenue Account is hereby charged with the amount of R73 210,04 to defray certain expenditure over and above the amounts appropriated for the service of the Republic for the financial year which ended on 31 March 1992. 25

(2) The expenditure referred to in subsection (1) is set forth in Schedule 1 and is more fully described on page 45 of the Report of the Auditor-General on the Appropriation Accounts in respect of General Affairs for 1993-94 [RP 181-94], which has been submitted to Parliament, and in the Third Report of the Joint Standing Committee on Public Accounts, 1995. 30

**Defraying of unauthorised expenditure from State Revenue Account for 1992-93 financial year**

6. (1) The State Revenue Account is hereby charged with the amount of R70 307,68 to defray certain expenditure over and above the amounts appropriated for the service of the Republic for the financial year which ended on 31 March 1993. 35

(2) The expenditure referred to in subsection (1) is set forth in Schedule 1 and is more fully described on page 45 of the Report of the Auditor-General on the Appropriation Accounts in respect of General Affairs for 1993-94 [RP 181-94], which has been submitted to Parliament, and in the Third Report of the Joint Standing Committee on Public Accounts, 1995. 40

**Defraying of unauthorised expenditure from State Revenue Account for 1993-94 financial year**

7. (1) The State Revenue Account is hereby charged with the amount of R750 977,30 to defray certain expenditure over and above the amounts appropriated for the service of the Republic for the financial year which ended on 31 March 1994. 45

(2) The expenditure referred to in subsection (1) is set forth in Schedule 1 and is more fully described on pages 45 to 47 of the Report of the Auditor-General on the Appropriation Accounts in respect of General Affairs for 1993-94 [RP 181-94], which has been submitted to Parliament, and in the First, Third and Fifth Reports of the Joint Standing Committee on Public Accounts, 1995. 50

**Defraying of unauthorised expenditure from State Revenue Account for 1988-89 financial year**

8. (1) The State Revenue Account is hereby charged with the amount of R13 636,50 to defray certain expenditure over and above the amounts appropriated for the service of the former Administration: House of Assembly for the financial year which ended on 31 March 1989. 5

(2) The expenditure referred to in subsection (1) is set forth in Schedule 2 and is more fully described in paragraph 1(3) on page 4 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts in respect of the Administration: House of Assembly for 1992-93 [RP 159-94], which has been submitted to Parliament, and in the Seventh Report of the Joint Standing Committee on Public Accounts, 1995. 10

**Defraying of unauthorised expenditure from State Revenue Account for 1989-90 financial year**

9. (1) The State Revenue Account is hereby charged with the amount of R360 424,13 to defray certain expenditure over and above the amounts appropriated for the service of the former Administration: House of Assembly for the financial year which ended on 31 March 1990. 15

(2) The expenditure referred to in subsection (1) is set forth in Schedule 2 and is more fully described in paragraph 1(2) on page 4 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts in respect of the Administration: House of Assembly for 1992-93 [RP 159-94] and in paragraph 1(1) on page 7 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts in respect of the Administration: House of Assembly for 1993-94 [RP 132-95], which have been submitted to Parliament, and in the Seventh Report of the Joint Standing Committee on Public Accounts, 1995. 20 25

**Defraying of unauthorised expenditure from State Revenue Account for 1990-91 financial year**

10. (1) The State Revenue Account is hereby charged with the amount of R2 458,09 to defray certain expenditure over and above the amounts appropriated for the service of the former Administration: House of Assembly for the financial year which ended on 31 March 1991. 30

(2) The expenditure referred to in subsection (1) is set forth in Schedule 2 and is more fully described in paragraph 1(1) on page 7 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts in respect of the Administration: House of Assembly for 1993-94 [RP 132-95], which has been submitted to Parliament, and in the Seventh Report of the Joint Standing Committee on Public Accounts, 1995. 35

**Defraying of unauthorised expenditure from State Revenue Account for 1992-93 financial year**

11. (1) The State Revenue Account is hereby charged with the amount of R638 344,48 to defray certain expenditure over and above the amounts appropriated for the service of the former Administration: House of Assembly for the financial year which ended on 31 March 1993. 40

(2) The expenditure referred to in subsection (1) is set forth in Schedule 2 and is more fully described in paragraph 1(1) on page 4 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts in respect of the Administration: House of Assembly for 1992-93 [RP 159-94] and in paragraph 1(3) on page 8 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts in respect of the Administration: House of Assembly for 1993-94 [RP 132-95], which have been submitted to Parliament, and in the Seventh Report of the Joint Standing Committee on Public Accounts, 1995. 45 50

**Defraying of unauthorised expenditure from State Revenue Account for 1991-92 financial year**

12. (1) The State Revenue Account is hereby charged with the amount of R53 480,08 to defray certain expenditure over and above the amounts appropriated for the service of

the former Administration: House of Representatives for the financial year which ended on 31 March 1992.

(2) The expenditure referred to in subsection (1) is set forth in Schedule 3 and is more fully described in paragraph 4 on pages 5 and 6 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts in respect of the Administration: House of Representatives for 1992-93 [RP 150-94], which has been submitted to Parliament, and in the Seventh Report of the Joint Standing Committee on Public Accounts, 1995. 5

### **Defraying of unauthorised expenditure from State Revenue Account for 1993-94 financial year**

**13.** (1) The State Revenue Account is hereby charged with the amount of R747 520,00 to defray certain expenditure over and above the amounts appropriated for the service of the former Administration: House of Representatives for the financial year which ended on 31 March 1994. 10

(2) The expenditure referred to in subsection (1) is set forth in Schedule 3 and is more fully described in paragraph 4 on pages 5 and 6 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts in respect of the Administration: House of Representatives for 1993-94 [RP 117-95], which has been submitted to Parliament, and in the Seventh Report of the Joint Standing Committee on Public Accounts, 1995. 15

### **Authorising of expenditure**

**14.** (1) The expenditure of R662 705,00 incurred by the Department of Manpower, and more fully described in paragraph 16(8) on page 48 of the Report of the Auditor-General on the Appropriation Accounts in respect of General Affairs for 1993-94 [RP 181-94], which has been submitted to Parliament, and in the Third Report of the Joint Standing Committee on Public Accounts, 1995, is hereby authorised. 20

(2) The expenditure of R4 397 921,82 incurred by the former Administration: House of Delegates, and more fully described in paragraph 7 on page 5 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts of the Administration: House of Delegates for 1993-94 [RP 151-95], which has been submitted to Parliament, and in the Seventh Report of the Joint Standing Committee on Public Accounts, 1995, is hereby authorised. 25 30

(3) The expenditure of R279 653,14 incurred by the former Administration: House of Assembly, and more fully described in paragraph 1(1) on page 7 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts of the Administration: House of Assembly for 1993-94 [RP 132-95], which has been submitted to Parliament, and in the Seventh Report of the Joint Standing Committee on Public Accounts, 1995, is hereby authorised. 35

(4) The expenditure of R4 978 233,19 incurred by the former Administration: House of Representatives, and more fully described in paragraph 4 on pages 5 and 6 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts of the Administration: House of Representatives for 1992-93 [RP 150-94], which has been submitted to Parliament, and in the Seventh Report of the Joint Standing Committee on Public Accounts, 1995, is hereby authorised. 40

(5) The expenditure of R66 688,72 incurred by the former Administration: House of Representatives, and more fully described in paragraph 4 on pages 5 and 6 of the Report of the Auditor-General on the Appropriation and Miscellaneous Accounts of the Administration: House of Representatives for 1993-94 [RP 117-95], which has been submitted to Parliament, and in the Seventh Report of the Joint Standing Committee on Public Accounts, 1995, is hereby authorised. 45

### **Appropriation of authorised amounts of money for service of State**

**15.** (1) The amount of R15 million which was authorised in terms of section 7 of the Exchequer Act, 1975 (Act No. 66 of 1975), as a charge against the State Revenue Account during the financial year which ended on 31 March 1996, is hereby appropriated. 50

(2) Details of the expenditure referred to in subsection (1) are set forth in Schedule 4.

**Authorisation of conversion of certain loans into share capital of the South African Housing Trust, Limited**

**16.** (1) The conversion of the R445 000 000 State loan to the South African Housing Trust, Limited, into share capital of the said company, by the issue to the State of one special class A ordinary share in the said company at a par value of one Rand and a premium of R444 999 999, is hereby authorised. 5

(2) In subsection (1) the expression “the R445 000 000 State loan” means—

- (a) the amount of R400 000 000 appropriated out of the State Revenue Fund in respect of the financial year which ended on 31 March 1987; and
- (b) the amount of R45 000 000 appropriated out of the State Revenue Fund in respect of the financial year which ended on 31 March 1989, 10

made available to the South African Housing Trust, Limited, as unsecured, long term, interest-free loans by the State, as more fully appears from the loan agreements entered into between the Government of the Republic of South Africa and the South African Housing Trust, Limited, on 10 February 1988 and 9 October 1991. 15

**Substitution of section 5 of Act 7 of 1994**

**17.** The following section is hereby substituted for section 5 of the Reconstruction and Development Programme Fund Act, 1994:

**“Unspent money**

**5.** The executive authorities at national and provincial level that had been allocated money from the fund, shall at the end of each financial year [surrender] pay unexpended money [to] into the [fund] National Revenue Fund or the relevant Provincial Revenue Fund, as the case may be.” 20

**Short title**

**18.** This Act shall be called the Finance Act, 1996. 25

**Schedule 1**  
**(State Revenue Account)**  
**(Sections 1 to 7)**

<b>Vote number</b>	<b>Title of Vote and financial year</b>	<b>Amount</b>
		R
Vote 12	Defence, 1987-88.....	27 633,33
Vote 12	Defence, 1988-89.....	116 469,49
Vote 14	Public Works, 1988-89 .....	100 000,00
Vote 9	Defence, 1989-90.....	22 489,02
Vote 7	Defence, 1990-91.....	103 063,98
Vote 6	Defence, 1991-92.....	73 210,04
Vote 27	Defence, 1992-93.....	70 307,68
Vote 13	Defence, 1993-94.....	98 809,25
Vote 18	Agriculture, 1993-94.....	126 250,99
Vote 19	National Health and Population Development, 1993-94 .....	48 758,66
Vote 23	Environmental Affairs, 1993-94 .....	477 158,40
		<u>1 264 150,84</u>

**Schedule 2**  
**(Revenue Account: House of Assembly)**  
**(Sections 8 to 11)**

<b>Vote number</b>	<b>Title of Vote and financial year</b>	<b>Amount</b>
		R
Vote 8	Health Services, 1988-89.....	13 636,50
Vote 3	Education and Culture, 1989-90.....	163 468,13
Vote 7	Welfare, 1989-90 .....	196 956,00
Vote 3	Education and Culture, 1990-91 .....	2 458,09
Vote 4	Local Government, Housing and Works, 1992-93.....	604 544,92
Vote 8	Health Services, 1992-93.....	33 799,56
		<u>1 014 863,20</u>

**Schedule 3**  
**(Revenue Account: House of Representatives)**  
**(Sections 12 and 13)**

<b>Vote number</b>	<b>Title of Vote and financial year</b>	<b>Amount</b>
		R
Vote 1	Education and Culture, 1991-92.....	53 480,08
Vote 3	Health Services and Welfare, 1993-94 .....	<u>747 520,00</u>
		<u>801 000,08</u>

**Schedule 4****(State Revenue Account)****(Section 15)**

<b>Vote number</b>	<b>Title of Vote and financial year</b>	<b>Amount</b>
		R
Vote 25	Public Enterprises, 1995-96.....	15 000 000,00



## **MEMORANDUM ON THE OBJECTS OF THE FINANCE BILL, 1996**

The object of clauses 1 to 14 is to give effect to certain resolutions of the Joint Standing Committee on Public Accounts, namely that certain unauthorised expenditure be authorised. Unauthorised expenditure of different financial years or which has a bearing on different accounts of the National Revenue Fund, is dealt with separately.

Section 7 of the Exchequer Act, 1975 (Act No. 66 of 1975), authorises the Minister of Finance to grant authority for money in the National Revenue Fund to be utilised under certain circumstances. This money, although authorised, has not been appropriated by Parliament and the said Act provides that such expenditure shall be appropriated during the next ensuing session of Parliament. The object of clause 15 is to request Parliament to appropriate money which was authorised in terms of section 7 of the Exchequer Act, 1975, for the 1995-96 financial year after the Adjustments Appropriation Act for that financial year had already been adopted.

The South African Housing Trust, Limited (hereinafter referred to as the "SA Housing Trust"), was established during 1986 to carry out a joint Government and private sector initiative to promote the creation of employment opportunities and the provision of housing for persons in the lower income groups. The SA Housing Trust's operations were financed out of long-term Government loans amounting to R445 million, and money raised in the private sector against security of Government guarantees.

Boycotts of the repayment of long-term home loans granted by the SA Housing Trust's subsidiary, Khayaletu Home Loans (Pty) Ltd, adversely affected the SA Housing Trust's financial position. The Cabinet thereupon approved on 26 May 1993 that the aforementioned State loans amounting to R445 million be converted into share capital of the SA Housing Trust. This resolution was carried out by the issue by the SA Housing Trust to the State of one special class A ordinary share at a par value of one Rand and a premium of R444 999 999.

The money for the loans was appropriated out of the State Revenue Fund in respect of the 1986-87 and 1988-89 financial years. Clause 16 seeks to provide Parliamentary authorisation for the capitalisation of the said loans.

Clause 17 provides for the substitution of section 5 of the Reconstruction and Development Programme Fund Act, 1994 (Act No. 7 of 1994). The substituting section will provide that the unexpended money at the end of a financial year shall be paid into either the National Revenue Fund or the relevant Provincial Revenue Fund.