



**MINISTRY: FINANCE
REPUBLIC OF SOUTH AFRICA**

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SPECIAL ADJUSTMENTS APPROPRIATION BILL

MINISTER OF FINANCE,

TREVOR A MANUEL, MP

11 SEPTEMBER 2007

Madam Speaker

In terms of section 213 of the Constitution of the Republic of South Africa, 1996, the withdrawal of money from the National Revenue Fund as a direct charge, must be provided for in an Act of Parliament. In terms of section 77 read with section 73 of the Constitution, a Bill that authorises a direct charge is a money Bill that must be introduced by the Minister of Finance.

The Special Adjustments Appropriation Bill appropriates additional amounts of money for the requirements of the Departments of Public Enterprises, Communications, Agriculture, and Sport and Recreation South Africa in respect of the 2007/08 financial year.

Department of Public Enterprises

The additional appropriation to Public Enterprises will enable the department to make transfers to certain State Owned Enterprises to address urgent cash requirements. The proposed adjustment of R2 090 million to the budget of the Department of Public Enterprises will be recorded as transfers to Alexkor (R44,7 million), Denel (R222,0 million), and PBMR (R1 823,6 million).

Department of Communications

The additional appropriation of R500 million will be transferred from the Department to Sentech. The funding will contribute to the capital requirements associated with establishing a broadband wireless telecommunications network.

Department of Agriculture

The additional appropriation of R700 million will be transferred from the Department to the Land Bank. The proposed adjustment is necessary to address the liquidity shortages and cash adequacy ratio of the bank.

Department of Sport and Recreation South Africa

The additional appropriation of R1 905 million will be allocated to the Department of Sport and Recreation South Africa and recorded as 2010 FIFA World Cup Stadiums Development Conditional Grants. The proposed adjustment is necessary to ensure that stadium construction programmes are not constrained by cash flow shortages.

I hereby table the Special Adjustments Appropriation Bill [B - 2007].