

IN THE HIGH COURT OF SOUTH AFRICA
WESTERN CAPE DIVISION, CAPE TOWN

CASE NO:

In the matter between:

MY VOTE COUNTS NPC	Applicant
and	
PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA	First Respondent
MINISTER OF JUSTICE AND CORRECTIONAL SERVICES	Second Respondent
MINISTER OF HOME AFFAIRS	Third Respondent
INDEPENDENT ELECTORAL COMMISSION	Fourth Respondent
AFRICAN NATIONAL CONGRESS	Fifth Respondent
DEMOCRATIC ALLIANCE	Sixth Respondent
ECONOMIC FREEDOM FIGHTERS	Seventh Respondent
INKATHA FREEDOM PARTY	Eighth Respondent
NATIONAL FREEDOM PARTY	Ninth Respondent
UNITED DEMOCRATIC MOVEMENT	Tenth Respondent
FREEDOM FRONT PLUS	Eleventh Respondent
CONGRESS OF THE PEOPLE	Twelfth Respondent
AFRICAN CHRISTIAN DEMOCRATIC PARTY	Thirteenth Respondent
AFRICAN INDEPENDENT CONGRESS	Fourteenth Respondent

PAN AFRICANIST CONGRESS

Fifteenth Respondent

AFRICAN TRANSFORMATION MOVEMENT

Sixteenth Respondent

GOOD PARTY

Seventeenth Respondent

AL JAMA-AH

Eighteenth Respondent

FOUNDING AFFIDAVIT

I, the undersigned

MINHAJ JEENAH

do hereby state under oath:

1. I am the Executive Director of the applicant and I am duly authorised to depose to this affidavit on its behalf.
2. The content of this affidavit falls within my personal knowledge, unless the contrary is stated or appears from the context, and it is, to the best of my knowledge and belief, true and correct.
3. As this application concerns principally questions of law, this affidavit includes the necessary legal grounds to establish the case for the relief that is sought by the applicant. In setting out such grounds, I rely on the advice of the applicant's legal representatives, which I believe to be correct. The balance of the legal submissions will be dealt with in argument at the hearing of this matter.

THE PARTIES

4. The applicant is **MY VOTE COUNTS NPC**, a non-profit company (reg. no. 2014/046956/08) with its registered address at Community House, 41 Salt River Road, Salt River, Cape Town, 7925.
5. The applicant's forerunner, My Vote Counts, was founded as a non-profit voluntary association on 28 July 2012 with the aim of campaigning for a more inclusive, transparent and accountable political and electoral system in South Africa. The applicant was incorporated on 5 March 2014.
6. According to its memorandum of incorporation, the applicant's purpose is to improve the accountability, transparency and inclusiveness of elections and politics in the Republic of South Africa generally, including by:
 - 6.1 campaigning for reform of the political party funding system in South Africa, through the introduction of legislation and other measures;
 - 6.2 campaigning for reform of the electoral system in South Africa, so as to allow voters to elect individual Members of Parliament from their constituencies; and
 - 6.3 creating platforms to unite South African citizens and organisations in finding democratic solutions to the challenges of our time, with a particular focus on civic, legal and political education.
7. The applicant approaches this Honourable Court in terms of:

- 7.1 section 38(a) of the Constitution of the Republic of South Africa, 1996 ("**the Constitution**"), acting in its own interest, in accordance with its purpose and objects, as set out in the memorandum of incorporation; and
- 7.2 section 38(d) of the Constitution, acting in the public interest, which I respectfully submit is manifest from the facts and grounds set forth in this affidavit.
8. The first respondent is **THE PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA ("the President")**, elected in terms of section 86 of the Constitution, cited in his capacity as the head of the National Executive and the head of State.
9. The second respondent is the **MINISTER OF JUSTICE AND CORRECTIONAL SERVICES**, appointed by the President in terms of section 91 of the Constitution as the member of the Cabinet responsible for law reform and constitutional development.
10. The third respondent is the **MINISTER OF HOME AFFAIRS**, appointed by the President in terms of section 91 of the Constitution as the member of the Cabinet responsible for electoral matters.
11. Pursuant to the Uniform Rules of Court, the first to third respondents will be served care of the **STATE ATTORNEY**, with its offices situated at 4th Floor, 22 Long Street, Cape Town City Centre Cape Town, South Africa.
12. The fourth respondent is the **INDEPENDENT ELECTORAL COMMISSION ("IEC")** established in terms of Chapter 9 of the Constitution and the Electoral Commission Act 51 of 1996, and cited by virtue of the interest it may have in the

subject matter of these proceedings. The IEC's offices are at Election House, Riverside Office Park, 1303 Heuwel Avenue, Centurion, Pretoria.

13. The fifth to eighteenth respondents are the political parties currently occupying seats in the National Assembly. They are cited by virtue of the interest they may have in the subject matter of these proceedings. No relief is sought against them. Their addresses appear from the notice of motion to which this affidavit is attached.

NATURE AND PURPOSE OF THIS APPLICATION

14. This is an application for an order in terms of section 172(1) of the Constitution declaring that the Political Party Funding Act 6 of 2018 ("**the PPFA**"), including the Regulations thereto as contained in Schedule 2 to the PPFA ("**the Regulations**"), invalid and unconstitutional insofar as and to the extent that it (i) fails to require a political party to disclose all private donations received by and made to it; and (ii) fails adequately to impose controls on the private funding of political parties.
15. At its core, this application is concerned with strengthening democracy by giving meaningful effect to the constitutional imperatives of transparency, openness and accountability. To this end, this application seeks affirmation and meaningful realisation of fundamental constitutional imperatives: (i) that citizens be able to access information required for the effective and informed exercise of their right to vote as enshrined in terms of sections 19(1) and (3) of the Constitution; (ii) that elections are free and fair in accordance with section 19(2) of the Constitution; and (iii) to ensure that the state carries out its duties to promote, respect and fulfil the Bill of Rights, including the right to vote, an integral part of

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which is the provision of information and proactive measures to mitigate against the undue influence exercised by private interests over elected representatives and political parties, the right to free and fair elections, and the right of access to information.

16. The applicant submits that although the PPFA and the Regulations ostensibly attempt to give expression to the aforesaid constitutional imperatives, they fall short of the constitutional standard on account of the fact that they (i) limit the disclosure of any single or a combination of donation by the same donor to amounts over a particular threshold, and set that threshold at R100,000.00; (ii) do not, in any event, regulate cumulative donations by donors which are related to one another; (iii) entitle political parties to accept private direct donations up to an excessive limit of R15 million; and (iv) only require juristic persons, to the exclusion of natural persons, to disclose donations made in excess of the "*prescribed threshold*". Moreover, the current reporting obligations require political parties only to account for how they have utilised the public funding received from the Represented Political Party Fund ("**RPPF**") and the Multi-Party Democracy Fund ("**MPDF**") but not front private sources. The only legitimate basis on which political parties may be allowed to solicit donations from the public is if they put those donations to legitimate political uses. In any event, both the public and the IEC are entitled to disclosure in this regard. The applicant submits that the dictates of the constitutional imperatives, as supported by the Constitutional Court, render such provisions of the PPFA and associated regulations unconstitutional.

17. The PPFA was assented to by the President on 22 January 2019, promulgated in February 2021, and came into effect on 1 April 2021. It will be demonstrated that the PPFA is woefully inadequate in respect of providing access to and the proper disclosure of all private funding information, and further fails to safeguard against the threat of corruption and ultimately state capture, and in fact leaves the door open for such corruption. Accordingly, the PPFA and the Regulations are unconstitutional.

RELEVANT JURISPRUDENTIAL HISTORY AND LEGISLATIVE FRAMEWORK

18. The applicant has previously, on two separate occasions, made applications in furtherance of the constitutional imperative that citizens be afforded access to information concerning the private funding of political parties.
19. The first was a 2015 application made directly to the Constitutional Court seeking an order compelling Parliament to enact legislation in terms of a constitutional obligation to give effect to the right of access to information to regulate the disclosure of private funding information. The applicant argued that such legislation was required *in addition to* the Promotion of Access to Information Act ("PAIA").
20. The majority of the Constitutional Court in the resultant judgment, *My Vote Counts v Speaker of the National Assembly* [2015] ZACC 31 at 147-148 ("**My Vote Counts 1**"), held that PAIA is the legislation envisaged in terms of section 32(2) of the Constitution and was intended fully to give effect to the right of access to information. Accordingly, the Constitutional Court held that the principle of subsidiarity dictated that the applicant's arguments should have taken the form of a "frontal challenge" to the constitutional validity of PAIA in an

application before the High Court of South Africa under section 172(1) of the Constitution, particularly because the applicant had relied on apparent shortcomings with PAIA to justify the relief sought. Pursuant to this determination, the merits of the applicant's arguments were not considered by the majority of the Constitutional Court.

21. In 2017, the applicant, in accordance with the Constitutional Court's decision in *My Vote Counts 1*, made application to the High Court (Western Cape Division) for the following: (i) a declaration that information about the private funding of political parties is reasonably required for the effective exercise of the right to vote in Section 19(3)(a) of the Constitution; and (ii) a declaration that PAIA is unconstitutional insofar as it does not allow for the recordal and disclosure of private funding information of political parties. The High Court, in *My Vote Counts NPC v President of the Republic of South Africa and Others 2018 (2) SACR 644 (WCC)* ("**the High Court decision**"), granted the relief sought by the applicant, and referred its decision to the Constitutional Court for confirmation, in accordance with section 172(2) of the Constitution.

22. On 21 June 2018, the Constitutional Court unanimously confirmed the High Court decision in *My Vote Counts NPC v Minister of Justice and Correctional Services and Another 2018 (5) SA 380 (CC)* ("**My Vote Counts 2**"). The relevant part of the Order handed down by Mogeong CJ in *My Vote Counts 2* provided as follows:

"The order of constitutional invalidity made by the Western Cape Division of the High Court, Cape Town is confirmed, in these terms:

1.1 *It is declared that information on the private funding of political parties and independent candidates is essential for the effective exercise of the right to make political choices and to participate in the elections.*

1.2 *It is declared that information on private funding of political parties and independent candidates must be recorded, preserved and made reasonably accessible.*

1.3 *It is also declared that the Promotion of Access to Information Act 2 of 2000 (PAIA) is invalid to the extent of its inconsistency with the Constitution by failing to provide for the recordal, preservation and reasonable disclosure of information on the private funding of political parties and independent candidates.*

1.4 *Parliament must amend PAIA and take any other measure it deems appropriate to provide for the recordal, preservation and facilitation of reasonable access to information on the private funding of political parties and independent candidates within a period of 18 months."*

23. Ultimately, following *My Vote Counts 2*, two legislative changes were effected to provide for the regulation of access to information concerning the private funding of political parties. The primary legislation enacted was the PPFA, with effect from April 2021, although the bill giving rise to the PPFA, the Political Party Funding Bill ("**the Bill**"), was first tabled to Parliament on 29 November 2017 - after the second application was instituted by the applicant, but before the High Court decision and *My Vote Counts 2* were delivered. In addition, and as a direct result of *My Vote Counts 2*, the PAIA Amendment Act 31 of 2019 was enacted, also with effect from April 2021.

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24. The Constitutional Court in *My Vote Counts 2* took into account the potential interplay between an amendment to PAIA arising out of the judgment and the PPFA (or rather, at that stage, the Bill), noting the following:

"[15] In any event, the content of the Bill and its possible impact on the issues before us was not part of the case that culminated in the High Court order. The case that was presented to the High Court, that we are grappling with in these confirmatory proceedings, has to do with a frontal attack that was launched on the constitutional validity of PAIA. That is so because, in a previous case, this Court correctly ruled that PAIA is the legislation envisaged by section 32(2) of the Constitution to regulate access to information. And the long title of PAIA makes this abundantly clear. It refers to the right of access to information and that PAIA is the national legislation "enacted to give effect to this right". It was for that reason, that this Court held that PAIA's constitutional validity had to be attacked frontally. And this is what My Vote Counts did successfully in the High Court. The case was about the need to regulate the recordal and disclosure of information on the private funding of political parties and independent candidates and was specifically grounded on section 32 read with sections 7(2) and 19 of the Constitution as well as PAIA.

[16] The ongoing law-making process may comfortably run parallel to this judgment without the one being undermined by the other in any way. This is so because the Bill is intended to provide exclusively and uniquely for the recordal and disclosure of information on the private funding of political

parties – not to give effect to the High Court order sought to be confirmed here.

[17] Parliament enjoys functional independence in the discharge of its law-making obligations even in relation to the regulation of private funding. Whether it does so through one, two or more pieces of legislation falls squarely within its discretionary powers. It may for example meet that obligation through an appropriately recalibrated PAIA alone, PAIA and another legislation or a different mechanism altogether."

25. As it turned out, the PPFA was enacted as the primary mechanism by which political parties and donors to political parties would be required to record and disclose private donations and funding information. The objectives of the PPFA extend beyond regulation of private funding and its disclosure, however, and are described as follows in the Preamble:

"PREAMBLE

WHEREAS *the Constitution establishes the foundational values of accountability and openness in a multi-party democracy*;

AND WHEREAS *it is important to deepen democracy, promote the national interest and to protect the sovereignty of the Republic;*

AND WHEREAS *the Republic's public international law obligations require it to incorporate the principle of transparency in the funding of political parties*;

AND WHEREAS *Section 236 of the Constitution, in promoting that principle, requires national legislation to provide for the funding of political parties participating in national and provincial legislatures on an equitable and proportional basis to enhance multi-party democracy;*

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AND WHEREAS effect is given to this Section through money made available to those political parties from a fund created by law for that purpose;

AND WHEREAS Section 44 of the Constitution affords Parliament legislative authority to pass legislation with regard to any matter, which would include to regulate private funding of political parties;

AND WHEREAS effect is given to this by-

- *establishing an additional fund to receive funding from private sources subject to certain restrictions;*
- *prohibiting certain donations being made directly to political parties;*
and
- *providing for the disclosure of donations,*

BE IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows:-" (own emphasis added).

26. As I have mentioned above, PAIA was also amended to give effect to *My Vote Counts 2*. To this end, the PAIA amendment resulted in PAIA being extended to political parties (as "private bodies") and requiring that political parties keep records of both donations exceeding the prescribed threshold (as defined in the PPFA) and the identities of donors. Such information, pursuant to the amendment, is required to be made available on a "*quarterly basis as prescribed*" (by the PPFA).
27. PAIA, as amended, is however reliant on the PPFA. The recordal and disclosure of donation information mandated by PAIA depends on the provisions of the PPFA. If those provisions of the PPFA, specifically the provision concerning a

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"prescribed threshold" for disclosure, are declared unconstitutional, that would have a knock-on effect on the operation of the correlating PAIA provisions. The legislature has chosen to give effect to the right of access to information to and limits on private funding of political parties primarily through the PPFA as read with PAIA and thus the frontal challenge is brought against PPFA as the relevant legislation intended to cover the subject-matter of this application. Once the defects in PPFA are addressed, PAIA can operate in a constitutionally compliant fashion.

THE IMPUGNED PROVISIONS: SECTIONS 8(2) AND 9(1)(a) OF THE PPFA, AND REGULATIONS 7 AND 9 OF THE REGULATIONS

28. It is apparent from the Preamble to the PPFA that Parliament acknowledges (i) the vitality to democracy of ensuring transparency in the funding of political parties; (ii) the fact that certain direct and private donations must be prohibited altogether; and (iii) that the disclosure of donations is beneficial and in fact essential. These considerations, as set forth in the Preamble, are premised on the foundational constitutional values of transparency and openness in a multi-party democracy and are, in fact, critical to facilitating the ability of citizens to cast an informed vote, and to ensure our political system is not subject to undue or clandestine influence.
29. When I refer to the PPFA, this must be taken to be a reference to the PPFA and the regulations purporting to set the thresholds contemplated in sections 8(2) and 9(1)(a) of the PPFA (ie, regulations 7 and 9 of the Regulations).

30. The PPFA nevertheless fails to give effect to its very Preamble, let alone the constitutional imperatives and rights that underlie it, for reasons I traverse later. For present purposes, it suffices to note that the failure of the PPFA is manifold.

30.1 First, it places a threshold on the disclosure of private donations accepted by political parties in circumstances where the constitutional imperatives dictate that all donations must be disclosed. Such a threshold is not constitutionally permissible and defeats the purpose of the disclosure.

30.2 Second, even if any threshold were permissible (which is denied), the threshold chosen is too high, is legislated to be per donation(s) from precisely the same donor and is set by the head of the national executive (ie the President); Moreover, there is no provision in the legislation to deal with cumulative sums of donations from donors who are related to one another (ie effectively the same person is able to make separate donations personally and also through one or more legal entities, thereby circumventing the threshold provisions). Further, there is no evidence that the legislature has done any analysis on the propriety and reasonableness of the R 100,000 limit and whether only donations above this limit would be necessary to exercise the right to vote in an informed fashion and would have a material influence on political discourse or the policies of a political parties. The R 100,000 limit is thus arbitrary. But in any event, in the socio-economic context of South Africa, where the average monthly salary of those in employment is R 26,032 (according to Stats South Africa), with a large number of people (around 32.7% according to Stats South Africa) unemployed, is threshold is unduly high and without any justification. I

attach extracts from relevant Stats SA publications, marked "FA1" and "FA2". There would be no administrative burden to a publication of all the donations, as these in any event have to be recorded by the political party in question and will (or may be required to) be transmitted electronically to the IEC. All of this renders the primary and delegated legislation unconstitutional; and

30.3 Third, it leaves the door open for political parties to be beholden to the interests of single large donors to the detriment of voters by facilitating the nefarious objectives of corruption and capture, by allowing the head of the national executive to set the overall limit on donations from a single source and by the regulations setting that limit at an unreasonably high R 15 million per annum;

30.4 Fourth, it excludes natural persons from reporting obligations in respect of donations made in excess of the prescribed threshold, without any basis

31. The aforesaid failures of the PPFA largely stem from the following provisions.

31.1 Section 8(2) of the PPFA provides that "*a political party may not accept a donation from a person or entity in excess of the prescribed amount within a financial year.*" The "prescribed amount" is stipulated in regulation 7 of the Regulations, as follows:

"7. Upper limit of donations

The amount contemplated in section 8(2) of the Act is fifteen million rand within a financial year."

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31.2 Section 9(1)(a) of the PPFA provides that a political party must disclose every donation received "*above the prescribed threshold.*" Regulation 2 of the Regulations defines the "*prescribed threshold*" as:

"9. Disclosure limit

The threshold referred to in section 9(1)(a) of the Act is R100 000,00 within a financial year."

31.3 Section 9(2) of the PPFA excludes natural persons from the obligation to disclose donations made above the prescribed threshold in subsection(1)(a). To this end, section 9(2) reads as follows:

"A juristic person or entity that makes a donation above the threshold prescribed in terms of subsection (1)(a) must disclose that donation to the Commission in the prescribed form and manner."

32. Section 12(2)(d)(i) provides for political parties to produce financial statements, books and records to account both for the income and expenditure of party funding received from public sources (ie, the RPPF and MPDF), but the comparable section 12(2)(d)(ii) relating to private funding only requires an accounting for income, not expenditure. The IEC's report delivered under section 22 thus also does not contain the detail relating to party expenditure of private funding.

33. The applicant challenges the above provisions of the PPFA as follows:

33.1 First, in respect of section 9(1)(a), the applicant's primary submission is that there ought not to be *any* threshold limiting the disclosure of donations,

irrespective of the amount of a donation, and that any threshold is therefore unconstitutional. As I shall traverse later in this affidavit, the constitutional imperatives underlying the right to vote in South Africa, as informed by the right of access to information bearing on the right to vote, requires that private donations in any amount must be disclosed. As such, there is no basis for any prescribed limit. In any event, the failure to disclose the total amount of donations means that people are in the dark as to how many donations are made to a political party and how solvent and liquid it is. Thus, indicators of the basis and extent of its support are missing, as is information which would indicate to what extent donations are likely to influence the party's platform. For instance, we simply do not know if the African National Congress ("**ANC**") or Democratic Alliance ("**DA**") obtains the majority of its funds from smaller donors or the big corporates, and thus it is not possible reasonably to gauge the influence that large individual donors may wield. To the extent that the PPFA does not require the disclosure of *all* private donations, it is unconstitutional;

33.2 Second, even if a minimum limit may be constitutional, the framework in the PPFA and the determination of the current limit of R 100,000 per donation is unlawful and unconstitutional. This is because:

33.2.1 the limit is too high and donations far below this limit may have a material impact on political decision making. This is borne out by the fact that only 12 out of the 1540 registered political parties disclosed any donations since the inception of the PPFA in 2021. Those parties must thus be receiving no donations or donations below the limit. A

donation below R 100,000 will thus clearly be material to their operations. Without full transparency, however, which is to be achieved by full disclosure of all donations, voters are unable to evaluate what is and is not material insofar as private funding is concerned;

33.2.2 apart from the ANC, the DA and ActionSA, who have consistently received donations totalling millions, it is noteworthy that the Economic Freedom Fighters ("EFF"), a political party with 53 of the 400 members of the National Assembly only received two donations above R 100,000 in the 2022/3 year, totalling R 352,600. Donations below R 100,000 are plainly material in this context. Even the other smaller political parties which have received some donations above R 100,000 have not received much more than one or a few hundred thousand Rand in total in donations above R 100,000. Thus, donations below that amount would clearly be very material to such parties and potentially their policies. They can also be influenced in an outsized manner by even relatively small donations. But, the applicant submits that donations below R 100,000 would be material to all parties, including ANC, DA and ActionSA, and should be disclosed in terms of the PPFA (read with PAIA) especially in light of what I set forth below;

33.2.3 over the financial year 2021/2022, certain political parties received large portions of their private funding from donations below the prescribed threshold. For instance:

33.2.3.1 the African Democratic Party received R255,817.00 in donations above the threshold, but R550,991.00 in donations below the threshold;

33.2.3.2 the Democratic Alliance received R47,895,770 in donations above the threshold, and a substantial amount of R17,350,810 in donations below the threshold; and

33.2.3.3 the Inkatha Freedom Party received R787,588 in donations above the threshold, but R1,600,054 in donations below the threshold.

(A copy of the *Political Party Funding Annual Report (2022)* ("**the IEC Report**") published by the IEC, which sets forth the above information, is annexed marked "**FA3**")

33.2.4 there is no evidence that the R 100,000 limit was determined with regard to any studies, data or analysis as to the appropriateness of that limit. The limit is unlawful, arbitrary and irrational;

33.2.5 the PPFA allows the creation of a disclosure limit per donation. Thus, multiple donations in a year may be made below the R 100,000 without detection or disclosure;

33.2.6 the PPFA does not provide any mechanism to track and require disclosure of donations from related persons/entities which may cumulatively exceed any threshold set;

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- 33.2.7 the PPFA gives the head of the national executive, being the President, the discretion to change the limit, once there is a majority resolution to this effect in the National Assembly, which can be carried on a party-political basis by the ruling party, as it sees fit, and without the involvement of any independent body such as the IEC, opening up the process to political abuse. Indeed, the ANC has indicated its intention in January 2022 to increase the limit to R 500,000 per donation. This would effectively mean that the vast majority of all donations will not be disclosed;
- 33.2.8 the PPFA, impermissibly, provides no guidelines or guardrails for the setting of the limit.
- 33.3 Third, in relation to section 8(2), the applicant submits that whilst a prescribed upper limit on donations from a single person or entity is necessary, the current limit of R15 million is excessively and unjustifiably high, which fails to mitigate the risk of rendering political parties bonded to the dictates of private interests. There are a few reasons for this, and this limit is exacerbated by an absence of other safeguards in the PPFA:
- 33.3.1 the limit is high in its own right, and effectively means that a single donor can have an outsized influence on a party over and above the ballot box. This materially diminishes the value and significance of the vote, as decisions of political parties, as representatives in the legislatures and executive organs, are liable to be influenced materially by factors other than accountability to the electorate;

33.3.2 the limit is imposed on a donor, per annum. There is no restriction on or upper limits to donations by related persons or entities. There is not even full disclosure in this regard. Thus, political parties can receive a multitude of donations from entities related to the same persons, as long as any one natural person or legal entity, in its own right, does not donate in excess of R 15 million. This effectively renders the limit meaningless, as business persons and others can and often do operate through, and can set up, a number of companies (even shelf companies). There is no control and no restriction in this regard. This can lead effectively to the same person donating far in excess of any prescribed limit.

33.3.3 evidence of this lack of control may be seen from the declarations made thus far for the year ending March 2022 and the year ending March 2023:

33.3.3.1 For the 2021/2022 financial year, entities with Patrice Motsepe in directorial/management roles (ie African Rainbow Minerals and Harmony Gold) donated approximately R 11,707,938.00 to the ANC (out of a total of R 66 million of donations above R 100,000 for the year). This means that Mr Motsepe contributed (through entities controlled or managed by him) approximately 17.7% of the ANC's total private funding for the year 2021/2022.

33.3.3.2 In addition, Mr Motsepe was a prolific donor (through African Rainbow Minerals and Harmony Gold), making donations to 5 of the 11 parties (including the ANC) who declared funding



information to the IEC for the year ending March 2022. Mr Motsepe's overall donations to political parties (excluding the ANC) totalled R7,600,240 for the year 2021/2022. Including his donations to the ANC, Mr Motsepe donated a total amount of R19,308,178 across all political parties. This means that of the total of all private funding received by political parties (ie R168,100 816), donations from entities related to Mr Motsepe accounted for approximately 6.9% for the year ending March 2022.

33.3.3.3

For the year ending March 2023, Mr Motsepe donated R10 million to the ANC through another one of his companies, Botho Botho Commercial Enterprise ("**Botho Botho**"). While this is the only donation declared for Mr Motsepe for the year 2022/2023, it still a cause of concern because through three different companies thus far (African Rainbow Minerals, Harmony Gold and Botho Botho), Mr Motsepe has been able to donate millions to the ANC and is thereby able to circumvent the R15 million upper limit because each of these three entities can donate up to that threshold amount. Thus, the upper limit for entities and individuals with great wealth and influence, such as Mr Motsepe, is only limited to the number of entities or companies they are in control of.

33.3.3.4

Moreover, also for the year ending March 2022, two entities connected with Michiel le Roux donated a total of R 30 million to

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the DA (out of R 54 million of donations above R 100,000 for the year). This again demonstrates that the upper limit of R15 million can be and is circumvented by way of persons effecting donations through separate but related entities.

33.3.4 this is particularly problematic in the context of the PPFA and its establishment of two public funds (ie the RPPF and MPDF) to facilitate and provide public and private financial support of political parties, thereby limiting reliance on direct private funding. The large single donor limit and lack of restriction on related party transactions discourage private persons with substantial means from donating to the MPDF, which is intended to dilute the influence of rent-seeking in respect of specific parties.

33.3.5 there is no evidence that the R 15 million limit was determined with regard to any studies, data or analysis as to the appropriateness of that limit. The limit is unlawful, arbitrary and irrational;

33.3.6 The current prescribed upper limit for direct donations from individual donors (ie R15 million) gives wealthy private donors the undue ability to influence political parties in a manner that undermines the right to vote, insofar as it leaves the door wide open for the private interests to direct the course of politics, when the purpose of donations is simply to ensure that South Africa has vibrant political discourse and platform for expressing a variety of views, representative, and for the benefit, of all its people. Insidious influence of large corporations and well-to-do individuals is a threat to democracy and creates the space for

corruption to proliferate. The threat of corruption is not novel in the South African public sphere, and the ill-effects of corruption continue to be felt across state institutions, public bodies and in the public administration.

33.3.7 The decision as to the upper limit is, much like the disclosure threshold, left to the political actors. The President may (ie, has the discretion to) change the limit acting upon a simple majority vote in the National Assembly, which may be implemented with the support of only ruling party members of the National Assembly and without involvement of the National Council of Provinces. The majority party and the national executive can thus regulate the upper limit as it suits their finances from time to time.

33.3.8 In fact, as has been widely reported, the ANC wishes to increase drastically the upper limit to R50 million or even R100 million., or even scrap the limit entirely. In this regard, I annex marked "FA4" an article published by Times Live on 20 January 2022, titled "*ANC tables plans to change political party funding law*", and annex marked "FA5" an article published by News24 on 21 January 2022 titled "*Cash-strapped ANC proposes amendments to Political Party Funding Act*".

34. Fourth, and as I have alluded to above, section 24 of the PPFA leaves the decision as to the prescribed upper limit and the disclosure threshold to political actors. The President may (ie has the discretion to) change the limit acting upon a simple majority vote in the National Assembly, which may be implemented with the support of only ruling party members of the National Assembly and without

involvement of the National Council of Provinces. The majority party and the national executive can thus regulate the upper limit as it suits their finances from time to time, subjecting the process to potential abuse. For this reason, and those set forth earlier in this affidavit, section 24 is unconstitutional.

35. Fifth, in relation to sections 12(2)(d) and 22 of the PPFA, I submit that an accounting about the expenditure of private funding of political parties is part of the information which is essential to a voter's right to vote and related rights, and is part of the "*recordal, preservation and reasonable disclosure of information on the private funding of political parties and independent candidates*" which the Constitutional Court ruled was peremptorily to be provided in terms of national legislation. An integral part of the information about funding are the purposes to which those funds are put, and voters are entitled to what ultimate ends the donations are being put. This is not only important to ensure that the funds are put to legitimate political ends, but where the funds applied may speak to the influence that those funds exert on the political party in question and the hierarchy of priorities of that party. These are all essential issues for an informed vote. It is an essential part of the transparency which motivated the Constitutional Court's findings in *My Vote Counts 2*.

36. In the paragraphs to follow, I adumbrate some of the above themes, and link them to constitutional prescripts.

THE CONSTITUTIONAL IMPERATIVES UNDERLYING THIS APPLICATION

37. As I explain further below, the need for comprehensive disclosure and regulation of private funding is rooted directly in the provisions of the Constitution. It is sourced in section 32(1) and section 19 of the Constitution: access to accurate

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information about the private funding of political parties is reasonably required for the effective exercise of the right to vote and to make political choices, and the right to vote and make political choices must not be diluted by outsized influence of commercial actors. These provisions are underpinned by section 1(d), which founds our state on fundamental democratic values that are imperilled by the absence of a proper disclosure and regulation mechanism.

38. It is further sourced in section 7(2) of the Constitution, as transparency in the funding of political parties is required for the effective prevention and detection of corruption, which erodes the state's capacity to respect, protect, promote and fulfil the rights in the Bill of Rights. To this end, the obligation is strengthened by South Africa's international obligations, as well as by sections 195, 215 and 217 of the Constitution, which require the promotion of transparency in public administration, public finance and public procurement, respectively. These obligations are, in fact, recognised in the Preamble to the PPFA.
39. In addition, the constitutional imperative to detect and guard against corruption, as a means of preserving the state's capacity to fulfil its obligations vis-à-vis the Bill of Rights in terms of section 7(2) also requires that private funding of political parties is not utilised as a means to achieve the nefarious aims of corruption and state capture. It is thus necessary not only to ensure full disclosure of private donations to facilitate proper expression of section 32(1), but also greatly to reduce the upper limit on private donations, and thereby limit the reliance of political parties on private funding altogether and the resultant influence exercised by private interests. The facilitation of excessive private funding by large donors gives undue power to private interests in the public domain, which

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in turn undermines the value of the right to vote, insofar as constituents and political parties may become beholden to the dictates of private funders rather than the will of the people voting for them.

40. In the following paragraphs:

40.1 first, I set forth the constitutional imperatives that require disclosure of all private donations, and not merely donations over a certain "prescribed threshold";

40.2 second, I establish the constitutional basis on which reliance on private funding must be restricted, and the imperatives which necessitate a significantly more restrictive cap on the upper limit of private donations from individual donors.

The constitutional imperatives requiring disclosure of all private funding

41. The Constitutional Court's decision in *My Vote Counts 2* confirms in the clearest terms the interrelationship between the effective right to vote and access to proper information concerning the private funding of political parties. This dependency, which stems directly out of the constitutional values of transparency and openness, is alluded to in the Preamble to the PPFA. Thus, before examining the shortcomings of the PPFA insofar as access to information is concerned, it is important to trace and outline the constitutional imperatives which necessitate disclosure in the first instance.

The constitutional basis for disclosure generally

42. Although the Constitutional Court in *My Vote Counts 2* comprehensively set out the constitutional considerations underlying the intrinsic relationship between the effective right to vote and access to information, the seeds were already planted by the minority judgment in *My Vote Counts 1*, where the Constitutional Court observed that:

"In a democratic society such as our own, the effective exercise of the right to vote also depends on the right of access to information. For without access to information, the ability of citizens to make responsible political decisions and participate meaningfully in public life is undermined."

43. In *My Vote Counts 2* this dependency on the proper exercise of the right to vote, as enshrined in section 19 of the Constitution, and access to information, was fleshed out further. The Constitutional Court found that any information that "*completes the picture of a political party*" in relation to (i) who a political party could be influenced by; (ii) in what way could such influence be exerted; and (iii) to what extent, is essential for voters to exercise their will in an informed and effective manner. In other words, for section 19 to be given meaningful expression and realisation, access to any information, as espoused by section 32(1), concerning the source of private funding and the resultant influence exerted upon political parties, is central.
44. The interrelatedness of sections 32(1), read with section 19, and section 7(2), as foundational sources necessitating the disclosure of private funding information was confirmed in *My Vote Counts 2* as follows:

"[73] More importantly, it remains the primary duty of the State to ensure that it facilitates access to information that would enhance the enjoyment of fundamental rights. For this reason, the nature of the information on private funding is such that Parliament might, if so advised, impose on the State or any of its organs the duty to hold, preserve and disclose that information, so that voters may have ready or reasonable access, as envisaged by section 32(1)(a) of the Constitution. Be that as it may, whatever Parliament might decide to do, the State is obligated by a proper reading of section 32 with sections 19 and 7(2) to make this information reasonably accessible to the public.

[74] The consequence of all this is that political parties and independent candidates are constitutionally obliged to record, preserve and disclose information on private funding. But, because section 7(2) imposes the obligation on the State to facilitate the enjoyment of rights in the Bill of Rights, and section 32(2) requires the enactment of national legislation to essentially provide for the recordal or "holding" and disclosure of required or needed information, it thus falls on the shoulders of the State to honour its section 7(2) obligations." (own emphasis)

45. Importantly, the Court's rationale for requiring the disclosure of and access to funding information as a means to facilitate the proper exercise of the right to vote was informed by deep concerns over the threat posed by secrecy in the form of corruption and undue influence over elected representatives. According to the Court, the *"lack of transparency on private funding provides fertile and well-watered ground for corruption or the deception of voters."*

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"[51] Transparency in the area of the private funding of political parties and independent candidates helps in the detection or discouragement of improper influence and the fight against corruption. Both the African Union and the United Nations have come to this realisation and have taken appropriate steps to help inject transparency and root out corruption in relation to private funding. Politicians who use public office in the furtherance of the agendas of benefactors, at the expense of the best interests of all, are very likely to be found out where there is transparency. The recordal, preservation and disclosure of information on the private funding of political players will thus keep voters better-equipped to make out the real interests these politicians are likely to serve."

46. Thus, at the core of the constitutional justification for disclosure is the prevention or diminishing the risk of corruption or other rent-seeking caused or encouraged by private funding.
47. While the PPFA purports to give effect to the aforesaid constitutional imperatives, it fundamentally fails to do so.
48. Moreover, section 9(2) excludes natural persons from the requirement to disclose donations in excess of the prescribed threshold. According to section 9(2), only juristic persons are required to disclose to the IEC such donations made to political parties. Within the context of the PPFA, this distinction appears to be entirely arbitrary, particularly because section 9(1) requires political parties to disclose all donations in excess of the prescribed threshold, without distinguishing between those made by juristic or natural persons. In addition, it is self-evident that considerations of secrecy, transparency and openness weigh

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the same in relation to natural persons. Thus, section 9(2) is unconstitutional for this additional reason (ie over and above the fact that subjecting disclosure to a prescribed threshold is unconstitutional for reasons set forth above).

No constitutional justification to limit disclosure

49. In *My Vote Counts 2*, the Constitutional Court elected to defer to Parliament in relation to how the disclosure obligation should be fulfilled, noting that it is for Parliament to reflect and decide on whether political parties should be required to disclose "*any and every help*". Importantly, however, the Court held that "*no information on the private funding of political parties...may be 'unheld' or 'unrecorded' or destroyed at the discretion of the holder and therefore undisclosable*". Thus, all information concerning private funding must be recorded, held and reasonably disclosed.
50. The Constitutional Court's approach to disclosure required complete recordal and disclosure of private funding information. This is evidenced by the following paragraphs in *My Vote Counts 2*:

"[39] This then means that political parties and independent candidates should not be left to pick and choose what information would be "held", preserved and disclosed to those who depend on information to determine to whom to entrust their future, that of the nation and posterity. All information necessary to enlighten the electorate about the capabilities and dependability or otherwise of those seeking public office must not only be compulsorily captured and preserved but also made reasonably accessible.

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[54] *Access to public office is a highly contested terrain. Contestants ought therefore to have virtually unrestrained access to information on the private funding of one another. This way they would be able to use it to expose and eliminate corruption or the appearance of corruption tied up to funding."*

(emphases added)

51. Moreover, and as I have set forth above, the Court emphasised the fact that voters should have access to *any* information which assists them in understanding and appreciating (i) who a political party could be influenced by; (ii) in what way could such influence be exerted; and (iii) to what extent.
52. It is noteworthy that the Parliamentary Ad Hoc Committee meetings to debate the matter and extent of and threshold for disclosure for purposes of the Bill were held in August to November 2017: before *My Vote Counts 2* was handed down (ie in June 2018). Thus, the considerations delineated by the Court, in support of exhaustive disclosure of all private funding, were not and could not have been taken into account by Parliament in determining whether a threshold on disclosure is in line with the requisite constitutional imperatives. Indeed, the Bill which became the PPFA was adopted by the Committee on 28 November 2017, passed by the National Assembly on 27 March 2018 and by the National Council of Provinces, without any amendments, on 28 June 2018. The PPFA was thus formulated and finalised without any regard to *My Vote Counts 2*.
53. Although the Committee imposed a limit of R 100,000, this appears to have been motivated by concerns over privacy and administrative burden. Quite apart from the irrelevance of those considerations in the constitutional context, it is unclear how the specific limit of R 100,000 was arrived at and on what basis any limit

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was justified, especially as the Committee agreed (as reflected in the meeting minutes of 22 August 2017) that "*there had to be full public disclosure to be transparent.*"

54. The relevant extracts from the minutes of the Parliamentary Ad Hoc Committee meeting of 22 August 2017 are annexed marked "**FA6**".
55. Importantly, however, the Constitutional Court in *My Vote Counts 2* did not give any credence to considerations of privacy: in fact, the Court correctly highlighted the negative implications of *secrecy* on the constitutional imperatives of transparency and openness, with proper disclosure as the antidote. Thus, the right to privacy or secrecy of a donor does not and cannot trump the proper exercise of the right to vote, which is facilitated through disclosure.
56. Insofar as administrative burden is concerned, the Constitutional Court in *My Vote Counts 2* acknowledged that it may be a "*tedious exercise*" for political parties to have to record and disclose every "*quantifiable assistance*" received and accepted. The reality, however, is that the PPFA already imposes strict administrative obligations on political parties in relation to accounting for income and record keeping, in terms of section 12. To this end, section 12 provides as follows:

"12. Political party to account for income

(1) A political party must-

(a) deposit all donations received by that political party, membership fees and levies imposed by the political party on its representatives into

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an account with a bank registered as a bank in terms of the Banks Act, 1990 (Act No. 94 of 1990), in that political party's name;

(b) keep a separate account with a bank registered as a bank in terms of the Banks Act, 1990 (Act No. 94 of 1990), into which all money allocated to it from the Funds must be deposited;

(c) appoint an office-bearer or official of that political party as its accounting officer; and

(d) appoint an auditor registered and practising as such in terms of the Auditing Professions Act, 2005 (Act No. 26 of 2005), to audit its books and financial statements.

(2) The accounting officer contemplated in subsection (1)(c) must-

(a) account for all income received by the political party;

(b) ensure that-

(i) any money allocated from the Funds is not paid out for a purpose not authorised by this Act; and

(ii) the political party complies with this Act keep separate books and records of account, in the prescribed manner, in respect of money allocated from the Funds and all transactions involving that money; and

(d) within the prescribed period-

(i) prepare a statement showing all money received by the represented political party from the Funds during the previous financial year, the application of that money and the purposes for which the money has been applied;

(ii) prepare a statement showing all donations and membership fees, and any levy imposed by the political party on its elected representatives during that financial year; and

(iii) submit those statements and the books and records of account to an auditor appointed in terms of subsection (1)(d).

(3) On receipt of the statements, books and records contemplated in subsection (2)(d)(iii), the auditor must perform an audit of the financial statements and express an opinion on those statements-

(a) indicating whether the donations received by the political party comply with Section 8(1);

(b) listing the donations required to be disclosed in terms of Section 9(1);

(c) listing the donations under the threshold prescribed in Section 9(1);

(d) indicating whether any income was received by the political party other than provided for in terms of this Act;

(e) indicating whether the transactions in the financial statements related to the money allocated from the Funds are in accordance with this Act; and

(f) indicating whether any money lent to a political party is on commercial terms.

(4) The accounting officer must submit the auditor's opinion and audited financial statements to the Commission within the prescribed period."

57. Should the disclosure threshold be set aside, this would simply mean that political parties would need to disclose all donations which they are already required to record and subject to an audit. This accords with good governance associated with receipt of funds in general and the need to ensure that no money laundering or the like takes place, or that the funds are not otherwise proceeds of criminal activity. In the context of the above record keeping and accounting regime, full disclosure can hardly be said to be burdensome, particularly when measured against the objectives served by such full disclosure, including the

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facilitation of the proper exercise of the right to vote and mitigation against corruption and the bondage of political parties and elected representatives to private interests and persons. It would effectively be disclosure of information which should already be readily available to the political party in question. Reasonable access to funding information, in the context of the constitutional imperatives set forth in *My Vote Counts 2*, necessitates the disclosure of all private funding information and donations.

Even if any threshold limits on disclosure are sustainable, the scheme under the PPFA is unconstitutional

58. As set forth above, the failure to deal with donations by related persons, the fact that the limit is set per donation and does not take account of any cumulative donations by related donors, the lack of justification for the R 100,000 threshold, and the importance of donations under R 100,000 to political parties in South Africa and the ability of such smaller donations unduly to influence the political discourse and direction of a political party all underscore the unlawfulness, irrationality, unjustifiability and unconstitutionality of any threshold being imposed under the PPFA and the R 100,000 chosen by the legislature in this case.

The constitutional imperatives necessitating limits on private funding

59. Private funding is a gateway and means for corruption and influence-peddling. The fact that donors have not contributed into the general MPDF underscores this fact. Indeed, corruption manifests when the interests of certain, mostly private, enterprises and individuals are prioritised over the fulfilment of civic and public duty. In *My Vote Counts 2*, the Constitutional Court made the following relevant remarks:

[40] The reality is that private funders do not just thoughtlessly throw their resources around. They do so for a reason and quite strategically. Some pour in their resources because the policies of a particular party or independent candidate resonate with their world-outlook or ideology. Others do so hoping to influence the policy-direction of those they support to advance personal or sectional interests. Money is the tool they use to secure special favours or selfishly manipulate those who are required to serve and treat all citizens equally. (own emphasis added)

60. Importantly, *My Vote Counts 2* recognised the constitutional requirement that elected representatives must prioritise their constitutional mandate over all else and must be unencumbered so as effectively to discharge their democratic mandate. To this end, the Court made the following pertinent remarks:

"[41] Our freely elected representatives must thus be so free that they would be able to focus on their core constitutional mandate. They cannot help build a free society if they are not themselves free of hidden potential bondage or captivity."

61. Thus, the facilitation of private funding of political parties must also guard against the inherent risk of "buying out" politicians and ultimately democracy. *My Vote Counts 2* succinctly links the risks of funding with corruption and the need to mitigate such occurrence as follows:

"[48] The foundational values of our constitutional democracy like openness, responsiveness, accountability and the realisation of the constitutional vision of building a united nation and improving the quality of life of all, could thus be at the mercy of unknown and even unscrupulous

fundes. For, there is indeed no free lunch. This is not to say that all fundes are, without more, intent on furthering selfish or sectional interests at the expense of national interests. But some big political campaign fundes even in old democracies have been exposed as being inclined "to use money for improper purposes". They reportedly tend to determine or influence in a meaningful way, the policy-direction to be pursued by those in whose political life or fortunes they "invested" their resources. And when elected public office-bearers are illegitimately dictated to, that is likely to poison the broader political landscape and governance, thus weakening or throttling our shared values and constitutional vision."

62. From the foregoing, it is indisputable that private funding poses a threat to democracy itself. It has the potential to place the governance and policymaking decisions in the hands of private interests. This must be mitigated against and a comprehensive regulatory scheme which limits the influence of private funding must be adopted. The PPFA purports to achieve this constitutional imperative, but fails to do so.

Failure to limit excessive private donations

63. As observed by the Constitutional Court in *My Vote Counts 2*, the dependency of political parties on private funding threatens the capacity of elected representatives to fulfil their constitutional mandate unencumbered, and more fundamentally, threatens democracy in South Africa. Unchecked funding has the propensity to *"undermine the fulfilment of constitutional obligations by political parties, and by extension our nation's strategic objectives, sovereignty and ability to secure a 'rightful place' in the family of nations."* Thus, the potential

of elected representatives and political parties to bow to the dictates of funders, particularly where such funding is in the millions of Rands, and compromise their constitutional mandate, is real.

64. The fact that undue influence exercised by large private donors via political party financing is not a far-off threat but rather a reality was laid bare in the *State Capture Report* prepared by the Commission of Inquiry led by Judge Raymond Zondo ("**the State Capture Report**"). In this regard, the Commission made the following pertinent remarks in the Report:

"544. It is a matter of extreme concern that the evidence given at the Commission establishes a link between the corrupt grant of tenders and political party financing. Such a link can represent an existential threat to our democracy. It is inconceivable that political parties should finance themselves from the proceeds of crime, and yet there is alarming evidence to that effect.

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546. The examples of corruption manifesting in high value contracts which have been described earlier in this Chapter indicate the likelihood that in at least two instances the proceeds of corruption were diverted to a political party, in both instances the ANC.

547. The one example involves the then Johannesburg, Mayor Mr Geoff Makhubo, in dealings with EOH. In that case it appears that a front company was used as a vehicle to channel money to the benefit of the ANC.

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548. According to the evidence Mr Makhubo had solicited a donation to the ANC from EOH and had repeated that request a week after the contract had been awarded to EOH. According to the evidence of Mr Van Coller some R50 million was donated to the ANC by EOH for the 2016 local government elections.

549. Another example involves the Free State Provincial Government in its dealing with Blackhead Consulting. Blackhead Consulting received a number of lucrative contracts including a 2014 asbestos audit tender valued at R255 million from the Free State Government and between 2013 – 2018 Blackhead Consulting made payments amounting to millions of Rands to the ANC."

65. I annexed marked "FA7" the relevant pages from the State Capture Report.
66. Thus, the private funding of political parties can and has been used to advance corruption and subjugate elected representatives to the dictates of the wealthy, contrary to their constitutional mandate. Disclosure of contributions in and of itself, while vital to the right to vote as I have traversed above, cannot adequately remediate the risk and reality of such undue influence exercised over political parties and elected representatives, leading to the hollowing out of democracy.
67. As noted in the State Capture Report, whilst the PPFA is an important step in facilitating proper exercise of the right to vote and creating transparency in funding, "it does not go as far as it should." To this end, the Report recommends that provision in the PPFA should be made to prohibit donations linked to the grant of tenders. At present, the PPFA requires that all private donations must only be made "for political purposes", which is a very general and broad term.

But the reality is that large contributions are never made with the disclosure of their intent; thus, a narrow provision precluding donations linked to grant of tenders would have little impact.

68. Instead, what is required to safeguard the constitutional mandate of elected representatives and political parties, as vehicles to express the will of the people, is greater restriction on the very ability of private actors to exert influence. In the context of the PPFA, this would entail imposing greater restriction on the amount that private donors and related persons can contribute to political parties. At present, the upper limit on donations from individual donors is R15 million (in accordance with section 8(2)), which is plainly excessive and falls short of warding off and addressing the fundamental issues of corruption and undue influence, and the perception thereof by the public. As set forth above, the limit also does not apply to related parties, and the legislation altogether fails to deal with the issue of related corporate entities and individuals making multiple donations cumulatively above any threshold.
69. According to the declarations reports published by the IEC in terms of section 9(3) of the PPFA, private donations declared by political parties made over a nine-month period ending December 2022 amounted to a staggering grand total of R 117 million. The ruling party, the ANC, received R 39.5 million of that sum. Copies of the relevant disclosure reports are annexed marked "**FA8**".
70. While disclosure is important insofar as it apprises the public and voters of the sources of funding of political parties, it cannot itself mitigate against the risk of private donors using financial support for favourable undue outcomes. Importantly, disclosure does not reveal the complexities in the character of

private funding. For example, for the period 1 December 2022 to 28 February 2023, the ANC declared a donation by the Batho Batho Trust in the amount of R15 million. What that disclosure failed to inform the public is that the Batho Batho Trust is a 46.79% shareholder in Thebe Investment Corporation ("**Thebe**"), and that Thebe has a 28% shareholding in Shell. In 2022, Shell obtained governmental approvals to conduct exploration involving seismic blasting.

71. The applicant is not suggesting that the donation from the Batho Batho Trust was linked to the governmental approval, as indeed there is no such evidence in support thereof, but rather that private funding, in the millions of Rand, are not advanced in a vacuum, and the public is not only entitled to know about the donation, but also to have safeguard put in place to ensure that the risk of undue influence is mitigated.
72. To put matters into perspective, it is relevant to take into account the funds distributed to political parties with representation in Parliament, in terms of the RPPF. For the financial year 2020 - 2021, which is the latest data made available by the Independent Electoral Committee ("**the IEC**"), the major represented political parties (ie the ANC, the Democratic Alliance ("**the DA**"), and the Economic Freedom Fighters ("**the EFF**"), received the following funding from the IEC through the RPPF:
 - 72.1 ANC: R89,890,487.00. Factoring all disclosed expenses and operational costs, including salaries, the ANC was left with a surplus of R7,141.00 for the year ended March 2021;

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- 72.2 DA: R34,079,560.00. Factoring all disclosed expenses and operational costs, including salaries, the DA was left with a surplus of R2,747,709.00 for the year ended March 2021;
- 72.3 EFF: R19,947,947.00. Factoring all disclosed expenses and operational costs, the EFF was left with a surplus of R804,417.00 for the year ended March 2021.
73. I annex marked "**FA9**" the relevant pages from the *Represented Political Parties' Fund: Annual Report 2021*, published by the IEC, disclosing the above information.
74. From the foregoing, it is evident that none of the major represented political parties exhausted their funding allocation from the RFPP. In fact, even the smaller represented parties, for the most part, did not deplete their allocation from the RFFP, and for the few that did, the deficit did not exceed R100,000.00. Thus, if there is sufficient public funding made available for represented political parties, which according to the IEC appears to be the case, then there can be no legitimate justification for direct private funding up to R15 million per donor per party per financial year. It is also important to note that accounting for the use of the public funding is well regulated with an audit done by the IEC, whereas this is not the case for private funding.
75. To be clear, the applicant is not suggesting that direct private funding ought to be scrapped in its totality or that it is innately problematic. The applicant simply submits that there is no constitutional justification for an upper limit of R15 million in private donations, and such an excessive limit falls short of the constitutional imperatives concerning the obligation on elected representatives to fulfil their

constitutional mandate unencumbered by the dictates of private interests. The limit is not justified in any way by Parliament and is, for all of the reasons set forth above, unconstitutional. Private funding in the millions of Rand has the propensity, and has previously led, as evidenced by the State Capture Report, to elected representatives forsaking their constitutional mandate in order to deliver on the demands of private persons and enterprises.

76. The necessity of excessive private funding is also questionable, given the extent of public funding allocated to political parties. For example, for the year 2020/2021, the total amount of public funding received by all represented political parties was in excess of R1.5 billion. While it is true that public funding comes with limitations insofar as what political parties are entitled do with such funds, it is unclear that those limitations are of such a nature so as to preclude political parties from effectively participating as such and operating (as this would defeat the very purpose of public funding). Indeed, the opposite, and political parties (which operate in the public sphere) should generally be held to account for the purposes to which the funding they receive is put. Also, an additional R300 million has been set aside for the public funding of political parties, as recorded in the report of the Parliamentary Standing Committee on Appropriations, dated 17 March 2023 (a copy of which is annexed marked "**FA10**").
77. In any event, it is important to reiterate that the applicant is not calling for the total stop to private funding of political parties, but rather a greater degree of transparency in such funding (by requiring the disclosure of all private donations) and lesser influence by private actors on political parties (by lowering the upper

limit on private donations), and proper justification for the upper limit (and any threshold).

The need to disclose the purposes to which private funding has been put

78. As set forth above, section 12 of the PPFA presently requires a full accounting on income and expenditure of public funding, but only income of private funding. The distinction is not justifiable and for all the reasons set forth above in relation to the unlawfulness of the threshold limit for disclosure and the need to curtail the maximum size of donations, disclosure of the purposes to which private funding has been applied is equally important to assess whether and, if so, what influence the private funding has had on a political party, which is essential to exercising the right to vote in an informed fashion.
79. It is also part of the information on the private funding of political parties which the Constitution requires to be recorded, kept and made reasonably and timeously available to the public. The political parties should also account to the IEC and the public for how private donations have been utilised, much like they do with public donations. The stark difference in terms of disclosure and accountability is evident from the IEC report, where there is a detailed exposition of parties' public funding spend, but nothing in respect of private funding. In those circumstances, section 12(2)(d)(ii) is unconstitutional insofar as it does not require accounting for the expenditure of the private funding and section 22 is, concomitantly, unconstitutional to the extent that it does not require the IEC presently to report on such expenditure to Parliament and the public. Political parties' financial management plays a critical role in ensuring the integrity of the electoral process. If political parties are spending their money on unscrupulous

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activities, such as bribery or corruption, this information needs to be made available to the public for the public to make an informed voting decision. But even where political parties are not spending funds on nefarious activities, the public has the right to know where funds are being applied by the entities which were set up for the purposes of governing. This is not only critical for public accountability, but also for members of the public to make an informed decision about whether a political party may be entrusted with their votes, and with government responsibility.

80. Moreover, understanding how political parties manage their finances is also crucial for voters. Voters can use this information to assess whether political parties are financially responsible and whether their spending aligns with the values and principles of the party. In this way, financial information plays an integral role in helping voters decide for whom to vote.
81. Disclosure of how political donations are being used would provide civil society groups and the media with valuable information to monitor the financial activities of political parties. This would enable them to investigate potential wrongdoing, such as the misappropriation of funds, and hold political parties accountable for their actions.
82. Aside from the above, disclosure of how private party donations are used would promote transparency and accountability in the political process. It would allow for greater scrutiny and oversight of political parties' activities and ensure that they are not using their funds for illicit purposes or to unduly influence public officials.

83. In addition, disclosure in this regard would promote trust in the political process, which is a critical component of ensuring free and fair elections and ensuring that members of the public can and will exercise their vote, and do so in an informed fashion. This, in turn, can foster greater trust in the political process, which is essential for a healthy democracy. Accountability of this nature is thus critical in promoting and fulfilling the right to vote under the Bill of Rights, as required under section 7(2) of the Constitution.
84. It is thus apparent that the current provisions of section 12(2)(d)(ii) and section 22 of the PPFA are unconstitutional (and in breach of sections 7(2), 19(1), 19(2), 19(3) and 32(1) of the Constitution), as they do not require political parties to account for the expenditure of private funding and do not mandate the IEC to report on such expenditure to Parliament and the public. It is imperative that all political parties are required to account for both public and private donations and provide a full accounting of their expenditure to ensure transparency and accountability.

JURISDICTION OVER THIS APPLICATION

85. The High Court is approached in terms of its constitutional jurisdiction under section 172(2)(a) of the Constitution to "*make an order concerning the constitutional validity of an Act of Parliament, a provincial Act or any conduct of the President*". The applicant also seeks the setting aside of the relevant parts of the regulations.

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86. For all the reasons set forth above, sections 8(2), 9(1)(a), 9(2), 12(2)(d)(ii), 12(3)(c), 22 and 24(1) of the PPFA, together with regulations 7 and 9 of Schedule 2 to the PPFA, are unconstitutional and thereby invalid.
87. So as to give the legislature the opportunity to remedy the defects in respect of which there is potentially more than one option, the applicant has, in the notice of motion, sought the suspension of the declarations of invalidity (save for the invalidity of sections 9(1)(a), 9(2) and regulation 9, for reasons I explain below) for a period of 12 months ("**the suspension period**"), within which period Parliament must take the necessary steps and measures to remedy the constitutional defects.
88. Given, however, that certain of the impugned provisions (ie sections 9(1)(a), 9(2) and regulation 9) are at core unconstitutional and, the applicant submits, fall to be set aside altogether, the declarations of invalidity of these provisions ought to operate during the suspension period. This is because the dictates of the constitutional imperatives demand that (i) there be no prescribed threshold to limit disclosure; and (ii) all persons making donations, whether natural or juristic, must be required to disclose such donations. Given that in terms of sections 12(1), (2) and (3) of PPFA, all donations received by political parties had to be accounted for and audited (including those below the threshold under regulation 9), there is no reason why the disclosure of all donations should not be made retrospectively effective from the date of the commencement of PPFA, as is in any event the default position in respect of declarations of constitutional invalidity.

89. To this end, the applicant seeks, in accordance with the notice of motion, that as from the date of the Honourable Court's order, and for the duration of the suspension period:

89.1 the declaration of invalidity of section 9(1)(a) and regulation 9 should not be suspended (ie the PPFA must be read and implemented without section 9(1)(a) and regulation 9);

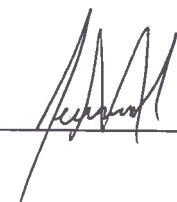
89.2 section 9(2) in its current form must be declared invalid and should be deemed to read as follows: "*A person or entity that makes a donation must disclose that donation to the Commission in the prescribed form and manner.*"

90. To the extent that Parliament, despite the suspension period, fails to remedy the constitutional defects, then the "interim" operation of the declarations of invalidity as set forth in paragraph 89 above must continue to apply.

CONCLUSION

91. In the circumstances, the applicant submits that a proper case has been made out for the relief sought in the notice of motion.

WHEREFORE the applicant seeks the relief set forth in the notice of motion.



DEPONENT

The Deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn to before me at Cape Town on this the 11th day of **May 2023**, the regulations contained in Government Notice No. R1258

NA @

of 21 July 1972, as amended, and Government Notice No. R1648 of 19 August 1977, as amended, having been complied with.



COMMISSIONER OF OATHS

Full Names:

Capacity:

Designation:

Address:

Micaela Cloete
Commissioner of Oaths
Practising Attorney
Diale Mogashoa Attorneys
8th Floor, Convention Tower
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REPUBLIC OF SOUTH AFRICA

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www.statssa.gov.za, info@statssa.gov.za, Tel +27 12 310 8911

STATISTICAL RELEASE

P0277

Quarterly employment statistics (QES)

December 2022

Embargoed until:
28 March 2023
11:30

ENQUIRIES:
User information Services
012 310 8600

FORTHCOMING ISSUE:
March 2023

EXPECTED RELEASE DATE:
27 June 2023



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Average monthly earnings

Table H – Average monthly earnings paid to employees in the formal non-agricultural sector

Average monthly earnings (including bonuses and overtime payments)	Nov 2021	Aug* 2022	Nov 2022	Q/Q Change	Y/Y Change
	Rands			%	
	23 828	24 916	26 032	4,5	9,2

*Revised estimates.

Table H shows a quarter-on-quarter increase of 4,5% in average monthly earnings paid to employees in the formal non-agricultural sector from R24 916 in August 2022 to R26 032 in November 2022.

The year-on-year average monthly earnings paid to employees in the formal non-agricultural sector increased by 9,2%.

Key differences between the Quarterly labour force survey (QLFS) and the Quarterly employment statistics survey (QES)

There are two official sources of employment statistics, the QES which is establishment-based and the QLFS which is household-based. Each survey has its strengths and limitations. For example, the QES cannot provide information on the following:

- description of the employed e.g. their demographic profile, education level, hours of work etc.; and
- unemployment and descriptors of the unemployed.

The *Quarterly labour force survey* (QLFS) is a survey of households which collects information from approximately 30 000 dwelling units and collects data on the labour market activities of individuals; whereas *Quarterly employment statistics* (QES) is an enterprise based survey that collects information from non-agricultural businesses and organisations from approximately 20 000 units. The numerous conceptual and methodological differences between the household and enterprise based surveys result in an important distinction in the employment estimates derived from the surveys. Among these are:

- The household survey includes agricultural workers, self-employed workers whose businesses are unincorporated, unpaid family workers and private household workers among the employed. These groups are excluded from the enterprise based survey.
- The household survey is limited to workers who are 15 years' age and older. The enterprise based survey is not limited by age.
- The household survey has no duplication of individuals because individuals are counted only once, even if they hold more than one job. In the enterprise based survey, employees working at more than one job and thus appearing on more than one payroll are counted separately for each appearance.
- QLFS includes income tax, Value added tax (VAT) and number of employees in determining the formal sector while QES use only VAT with annual turnover greater than 300 000.
- QLFS allows proxy respondents, this can introduce misclassification of items e.g. formal/informal classification.



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Department:
Statistics South Africa
REPUBLIC OF SOUTH AFRICA

"FA

Quarterly Labour Force Survey (QLFS) Q4:202

Risenga Malulek
Statistician-Gener

statsa.gov.za



twitter.com/StatsSA



facebook.com/StatsSA

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There were about **169 thousand** more people employed in Q4:2022 than in Q3:2022

40,5 million

People of working age in South Africa (15 – 64-year-old)

Labour force

Not Economically Active

23,7 million

16,8 million



SA's official unemployment rate stands at

32,7%

Decreased by 0,2 of a percentage point between Q3:2022 and Q4:2022

ILO hierarchy – Employed first then unemployed a remainder is NEA (including discouraged job-seekers mutually exclusive groups. Cannot be in two groups at the same time.

Fig numbers may not add up

YES THROUGH DATA ECOSYSTEMS

Quarterly Labour Force S



"FA3"



POLITICAL PARTY FUNDING
ANNUAL REPORT



2022 *WA*

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SOUTH AFRICA

Report regarding the performance of the functions granted to and the duties imposed on the Electoral Commission in terms of the Political Party Funding Act, 2018, during the financial year 1 April 2021 to 31 March 2022

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ELECTION HOUSE





01

GENERAL
INFORMATION

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FOREWORD BY THE **CHAIRPERSON**



Chairperson Mosotho Moepya

It is my singular honour to present the inaugural Annual Report on Political Party Funding to the people of South Africa, through Parliament. This Annual Report is an account of how the public and private funding of political parties was administered and regulated by the Electoral Commission.

The publication of this report is a major milestone for our electoral democracy. It represents our country's commitment to transparency and accountability – values that we hold close to our hearts.

This report is also a culmination of the many important steps that we have taken since 1 April 2021 when the Political Party Funding Act, 6 of 2018 came into effect following its signing into law by His Excellency Cyril Ramaphosa, the President of the Republic of South Africa, on 21 January 2019.

As the Commission, we have been successful in creating the operating systems, procedures and structures to enable the initiation and to lay the basis for the successful implementation of this Act. It is through these systems and structures that registered political parties are able to declare their direct donations to the Electoral Commission for the purposes of disclosure and publication as required by the legislation.

The Electoral Commission also dedicated the necessary resources to provide training and handle queries that relate to the implementation of the Act, thus ensuring that political parties and all other stakeholders are always provided with the necessary support and information whenever the Electoral Commission is called upon to provide such. The Online Party Funding System (OPFS) was designed and developed internally by Electoral Commission staff to facilitate paperless information exchange between registered political parties and the Commission. This system has proven to be one of the many innovative tools introduced by the Electoral Commission in recent history.

The Political Funding Act gives effect to Section 236 of the Constitution, which requires national legislation to enhance multi-party democracy by funding political parties participating in national and provincial legislatures on an equitable and proportional basis. To facilitate the realisation of this important constitutional mandate, the Act establishes two Funds to provide political parties represented in the national Parliament and provincial legislatures with funding to undertake their work. The two funds are:

1. The Represented Political Party Fund (RPPF) which is funded from public money.
2. The Multi-Party Democracy Fund (MPDF) which is funded from private sources.

Through the systems, procedures and structures it has established, the Electoral Commission was successful in the management of these Funds, including the disbursement of funds to qualifying political parties.

The Act requires that donations be disclosed by parties and donors to the Commission. It also prohibits donations to parties by foreign governments or agencies, foreign persons or entities, organs of state or state-owned enterprises. Political parties may, however, receive funding from foreign entities for training, skills development or policy development. No member of a political party may receive a donation other than for political party purposes.

Furthermore, the Act requires the disclosure of all donations above a prescribed threshold of R100 000 to the Electoral Commission by both the political parties and the donor. The Electoral Commission must publish the donations disclosed to it on a quarterly basis. The Act gives the Electoral

Commission some powers to sanction parties that fail to comply with these obligations. Such powers are subject to a final ruling by the Electoral Court, which has the power to review the decisions of the Electoral Commission and to impose administrative fines.

Within the limitations of these powers, the Electoral Commission has been able to impose certain sanctions, which included the withholding of funds from certain political parties as part of its enforcement obligations.

This Annual Report incorporates information from the Financial Statements of registered political parties. The Act requires all registered political parties, regardless of their financial position, to appoint independent external auditors for the purposes of auditing their books. These independent auditors must express an opinion on matters related to compliance with the provisions of the Party Funding Act. Parties have to submit financial statements and the audit opinion to the Electoral Commission three months before the end of the financial year.

This Act marks a change in political party practice after more than 25 years of our democracy. From the time the Act was promulgated, the Electoral Commission has been mindful of the need to prioritise an enabling environment to ensure that this transition by political parties is smooth and rapidly normalised. Compliance of political parties with these requirements is covered in this report. However, there is evidence to suggest that some of the requirements and obligations placed, especially on unrepresented parties, are onerous and, thus, difficult to comply with. This is but one of the few areas that the inevitable and important process of legislative review should consider in order to look into possible amendments to the party funding legislation that strengthen its objective.

The report also reflects on the slow uptake in relation to the MPDF. It will be important for all to reflect on how this innovation can achieve its intended purposes. Last, but by no means least, this Annual Report contains the opinion of the Auditor-General of South Africa (AGSA) on how the Electoral Commission has performed its duties with regards to the management of the Funds and the presentation of annual financial statement. It pleases me to report that the AGSA has expressed a clean audit opinion in this regard. The professional conduct and efficiency with which the Electoral Commission staff have handled this is a remarkable achievement and something in which we take much pride.

Our report to the nation is that we have been successful in this first year of implementation, and that we have learnt valuable lessons which will be used in strengthening this very important exercise of our democracy.

The Electoral Commission appeals to South African citizens – individuals and corporates – to support and participate in our electoral democracy by contributing to the MPDF. It is crucial that all political parties are sufficiently funded to cultivate a culture of financial accountability and transparency within our political system.

The Electoral Commission extends its gratitude to the political parties for their cooperation and for walking this important journey with us. In particular, the Commission welcomes cooperation from political parties who sent their representatives for training in relation to the political party funding legislation and systems that was provided by the Commission in preparation for the implementation of this important regulatory instrument. The Electoral Commission further extends its gratitude to those who made financial contributions to the MPDF.

We have embarked on a journey towards good governance and ethical political activity. Lessons we have learnt in the first year of implementation will be used to strengthen the system in a way that will build citizens' confidence in the democratic political processes.



Mosotho Moepya
Chairperson
Electoral Commission
30 November 2022



CHIEF ELECTORAL OFFICER'S OVERVIEW



Chief Electoral Officer Simon Mamabolo

We are honoured to present the Electoral Commission's inaugural Party Funding Annual Report.

The Political Party Funding Act, 6 of 2018, came into effect on 1 April 2021. This report covers activities mandated in terms of the provisions of the Act from effective date until 31 March 2022. This legislation is the result of the need for transparency in the funding of political parties. Prior enactment, political parties had no obligation to disclose their sources of funding to the public.

We are immensely proud of this report and hope that it will contribute to the discourse about refinements that we may be apposite to strengthen our party funding disclosure regime. While debate may abound about the efficacy of the provisions of the Act, it is our assertion that the first year has been a success. Needless to say, this successful implementation is in spite of intractable challenges characteristic of any new system.

The successful implantation of the Act is predicated on the institutionalisation of a bespoke business application, a regulatory framework, procedures

and structures that facilitate the declaration direct donations by political parties for purposes of publication. A solid infrastructural foundation now exists to facilitate the disclosure of direct party donations.

Implementation and Distribution of Funds

As is now common knowledge, the Act established two funds for the purpose of funding political parties represented in the national and provincial legislature. The funds are the Represented Political Party Fund (RPPF) and the Multi-Party Democracy Fund (MPDF).

The Commission successfully distributed funds to represented political parties from both the RPPF and MPDF in terms of the relevant prescripts. Pertinently, during the reporting period a total amount of R160 504 855 was distributed from the RPPF. Essentially these are funds exclusively appropriated by Parliament for distribution to represented political parties.

On the other hand, the MPDF also distributed funds to represented political parties. The source of funding to the MPDF is largely corporates and private citizens who wish to make a contribution for the sustenance of multi-party democracy in the country. Distribution to parties in this fund is triggered when the balance reaches the R1 000 000 threshold. A total of R 4 926 840 was distributed from the MPDF. Contributors to the fund were from corporates in the telecommunication sector and private citizens.

Quarterly Disclosures

It is a statutory requirement that political parties must on a quarterly basis disclose all the direct donations received from private sources above a R100 000 threshold. On receipt of these disclosures, the Electoral Commission must then publish the same for the benefit of citizenry of the country. Through the publication of quarterly reports, the Commission was able to fulfil this requirement and within the prescribed timelines. The total amount of direct donations disclosed by political parties for the year is R145 451 464.

Quarterly disclosures have become a subject of significant media and public interest. As such these publications were followed up with in-depth interviews with the various media houses in the country. There can be no doubt that these quarterly

disclosures have placed South Africa's party funding regime on a transparency course hitherto unseen since advent of our constitutional order.

Disbursements by Legislatures

The Constitution further entreats legislatures to make funding available to represented parties on proportional and equity basis. Accounting officers of the ten legislatures in the country are reporting a cumulative disbursement of R1 309 283 061 to political parties participating in the various legislative assemblies.

Enforcement Partnerships

As part of the enforcement mandate, the Electoral Commission entered into Memoranda of Understanding (MOUs) with the Financial Intelligence Centre to assist and enhance its enforcement role. The Electoral Commission has also entered into an in-principle agreement with the South African Reserve Bank, which will provide the necessary support in cases of cross-border financial transactions.

Furthermore, the Electoral Commission is now in the final stages of appointing a panel of investigators that will assist with investigations when certain jurisdictional requirements are fulfilled to warrant investigations.

Implementation Challenges

In the first year of implementation, challenges that were encountered such as legislative ambiguity. Where this implicated the regulatory framework, such textual ambiguity was addressed by revising those regulations within the purview of the Commission.

Another challenge experienced relates to onerous requirements placed by the legislation on registered but unrepresented political parties, among them, the requirement to generate financial statements and submit the same for audit. As the majority of unrepresented parties do not receive public funding, some do not have bank accounts. Furthermore, it appears that a majority of these parties could not afford the cost of the required auditing services.

The Electoral Commission also identified several cases of non-compliance with the legislation. However, the majority of these were attributable to inadequate understanding of the legislation by officials of certain political parties. In such instances, through

the invocation of the appropriate provisions of the Act, the Electoral Commission was able to enforce compliance, often without resistance from political parties involved.

Next Steps

It is worth noting that the amendment of the Electoral Act, which is currently under way, will have direct implications for the Party Funding Act.

Furthermore, the Electoral Commission has appointed the Human Sciences Research Council (HSRC) to undertake a research study to assess the level of public awareness of and understanding of the Political Party Funding Act. The study will further document different stakeholder experiences of the Act's first year of implementation.

Acknowledgements

Last, but not least, I wish to express a special note of appreciation to the Chairperson and members of the Commission for their strategic leadership in realising the Party Funding mandate, as well as the staff of the new Party Funding unit, more than ably led by Chief Executive George Mahlangu, who worked tirelessly to deliver on this mandate under challenging circumstances during a pandemic and election period.



Simon Mamabolo
Chief Electoral Officer
Electoral Commission
30 November 2022

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in this annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa (AGSA).
- The annual report is complete, accurate and free from any omissions.
- The annual report has been prepared in accordance with the guidelines on annual reports as issued by National Treasury.
- The Annual Financial Statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practice (GRAP) applicable to party funding.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgments made in this information.

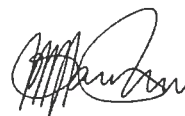


Chairperson
Mosotho Moepya
30 November 2022

The Accounting Officer is responsible for establishing and implementing a system of internal control that is designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors (AGSA) are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, performance information and financial affairs of party funding for the financial year ended 31 March 2022.



Chief Electoral Officer
Simon Mamabolo
30 November 2022

LEGISLATIVE MANDATE

Section 236 of the Constitution provides that: “to enhance multi-party democracy, national legislation must provide for the funding of political parties participating in national and provincial legislatures on an equitable and proportional basis”.

The Political Party Funding Act, 6 of 2018, was developed and came into effect on 1 April 2021. The Act establishes the Represented Political Party Fund to replace the Represented Political Parties' Fund, which was established by the Public Funding of Represented Political Parties Act, 103 of 1997. The Act also establishes the Multi-Party Democracy Fund for the purpose of funding represented political parties from private sources.

The Act requires the Commission to prepare for each year, financial statements relating to the Funds and submit to the AGSA for auditing. The Commission

must submit its report and the AGSA's report to the National Assembly.

The Act also requires all political parties and donors to disclose to the Electoral Commission all donations received above the prescribed threshold of hundred thousand rand, and for the Commission to publish the donations disclosed.

The Act provides the Electoral Commission with certain enforcement powers such as; monitoring and inspection; issuing of directions; suspending payment of money; recovering money irregularly accepted or spent; and instituting proceedings to request the imposition of administrative fines by the Electoral Court.

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 X VOTE DA
 Randall Williams for Mayor
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 United we Win
 X VOTE DA

The DA gets things done
 X VOTE DA

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ACTIONS
 ABEL TAU FOR MAYOR

VOTE EFF
 1 NOV 2021

VOTE ANC
 BUILDING A BETTER ISHWANE TOGETHER

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 Local Government Elections

Die DA kry dinge gedoen
 Randall Williams for Mayor
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ABEL TAU FOR MAYOR

VOTE EFF
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FUNDING OF
POLITICAL PARTIES

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REPRESENTED POLITICAL PARTY FUND

The Political Party Funding Act, 6 of 2018, repeals the Public Funding of Represented Political Parties Act, 103 of 1997, and establishes the Represented Political Party Fund (RPPF) to replace the Represented Political Parties' Fund originally established in 1997.

The aim of the Fund is to provide funding for political parties represented in the national and provincial legislatures. The RPPF receives funding annually from the National Treasury via the vote of the Department of Home Affairs. Funds are received on a quarterly basis and distributed, in accordance with a formula prescribed by the Political Party Funding Act, to political parties that are represented in the National Assembly and provincial legislatures.

MULTI-PARTY DEMOCRACY FUND

The Political Party Funding Act, 2018, establishes the Multi-Party Democracy Fund (MPDF) to raise and distribute donated funds from the private sources to represented political parties.

The Electoral Commission is mandated to administer the Funds including to raise funds for the MPDF from corporate and private donors and to distribute these funds to parties represented in the national and provincial legislatures in much the same way that it does with the RPPF.

The Electoral Commission is entitled to charge the MPDF an administration fee, which may not exceed 5% of the money credited to the Fund in the previous financial year. For the year under review, the Electoral Commission waived this fee in favour of the deserving political parties.

ALLOCATIONS FROM THE REPRESENTED POLITICAL PARTY FUND

The RPPF had an amount of R162 921 437 available for distribution to represented political parties.

The funds from the RPPF were allocated to political parties based on their representation in the National Assembly and provincial legislatures in accordance with the prescribed formula of 67% proportional and 33% equitable.

During the financial year 2021/2022, four disbursements totalling R160 331 872 were made to represented political parties, every single quarter.

The following tables illustrate details of political parties' representation in all the legislatures, and the allocation to represented political parties from the RPPF.



TABLE 1: TOTAL NUMBER OF MEMBERS – REPRESENTATION

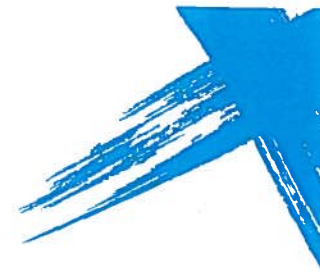
Represented Political Parties	National Assembly	Western Cape	Limpopo	Eastern Cape	Gauteng	KwaZulu-Natal	Northern Cape	North West	Mpumalanga	Free State	Total
African Christian Democratic Party	4	1	0	0	1	1	0	0	0	0	7
African Independent Congress	2	0	0	0	0	0	0	0	0	0	2
African National Congress	230	12	38	44	37	44	18	21	22	19	485
African Transformation Movement	2	0	0	1	0	1	0	0	0	0	4
Al Jama-Ah	1	1	0	0	0	0	0	0	0	0	2
Congress of the People	2	0	0	0	0	0	0	0	0	0	2
Democratic Alliance	84	24	3	10	20	11	8	4	3	6	173
Economic Freedom Fighters	44	2	7	5	11	8	3	6	4	4	94
Freedom Front Plus	10	1	1	1	3	0	1	2	1	1	21
Good	2	1	0	0	0	0	0	0	0	0	3
Inkatha Freedom Party	14	0	0	0	1	13	0	0	0	0	28
Minority Front	0	0	0	0	0	1	0	0	0	0	1
National Freedom Party	2	0	0	0	0	1	0	0	0	0	3
Pan Africanist Congress of Azania	1	0	0	0	0	0	0	0	0	0	1
United Democratic Movement	2	0	0	2	0	0	0	0	0	0	4
Total	400	42	49	63	73	80	30	33	30	30	830
Number of parties	14	7	4	6	6	8	4	4	4	4	

TABLE 2: ALLOCATION TO REPRESENTED POLITICAL PARTIES FROM THE REPRESENTED POLITICAL PARTY FUND

Represented Political Parties	Proportional Allocation	Equitable Allocation	Total	April 2021	July 2021	October 2021	January 2022	Total
	R	R	R	R	R	R	R	R
African Christian Democratic Party	916 482	3 708 678	4 625 160	1 156 290	1 156 290	1 156 290	1 156 290	4 625 160
African Independent Congress	261 852	1 867 568	2 129 420	532 355	532 355	532 355	532 355	2 129 420
African National Congress	63 499 121	7 205 698	70 704 819	17 676 205	17 676 205	17 676 205	17 676 205	70 704 819
African Transformation Movement	523 704	3 207 547	3 731 251	932 813	932 813	932 813	932 813	3 731 251
Al Jama-Ah	261 852	2 259 757	2 521 609	630 402	630 402	630 402	630 402	2 521 609
Congress of the People	261 852	1 867 568	2 129 420	532 355	532 355	532 355	532 355	2 129 420
Democratic Alliance	22 650 202	7 205 698	29 855 900	7 463 975	7 463 975	7 463 975	7 463 975	29 855 900
Economic Freedom Fighters	12 307 046	7 205 698	19 512 744	4 878 186	4 878 186	4 878 186	4 878 186	19 512 744
Freedom Front Plus	2 749 446	6 552 050	9 301 496	2 325 374	2 325 374	2 325 374	2 325 374	9 301 496
Good	392 778	2 259 757	2 652 535	663 134	663 134	663 134	663 134	2 652 535
Inkatha Freedom Party	3 665 929	3 316 489	6 982 417	1 745 604	1 745 604	1 745 604	1 745 604	6 982 417
Minority Front	130 926	653 649	784 575	196 144	196 144	196 144	196 144	784 575
National Freedom Party	392 778	2 521 216	2 913 994	728 499	728 499	728 499	728 499	2 913 994
Pan Africanist Congress	130 926	1 867 568	1 998 494	499 623	499 623	499 623	499 623	1 998 494
United Democratic Movement	523 704	2 553 899	3 077 603	769 401	769 401	769 401	769 401	3 077 603
Totals	108 668 598	54 252 839	162 921 437	40 730 359	40 730 359	40 730 359	40 730 359	162 921 437



ALLOCATIONS FROM THE MULTI-PARTY DEMOCRACY FUND



The MPDF received contributions amounting to R5 007 000 from private sources during the financial year. The amount in the MPDF reached a total of R1 million in the last quarter of the financial year, which resulted in the allocation from the Fund being effected.

During the financial year 2021/2022, an amount of R4 992 086 of funds generated through the MPDF was available for allocation to represented political parties. A total of R4 926 840 was disbursed in one instalment during the fourth quarter.

The funds from the MPDF were allocated to political parties based on their representation in the National Assembly and provincial legislatures in accordance with the prescribed formula of 67% proportional and 33% equitable.

The table below illustrates details of the allocation to represented political parties from the MPDF.

TABLE 3: ALLOCATION TO REPRESENTED POLITICAL PARTIES FROM THE MULTI-PARTY DEMOCRACY FUND

Represented Political Parties	Proportional Allocation	Equitable Allocation	Total
	R	R	R
African Christian Democratic Party	28 082	113 638	141 720
African Independent Congress	8 023	57 224	65 248
African National Congress	1 945 681	220 790	2 166 471
African Transformation Movement	16 047	98 283	114 330
Al Jama-Ah	8 023	69 241	77 265
Congress of the People	8 023	57 224	65 248
Democratic Alliance	694 026	220 790	914 817
Economic Freedom Fighters	377 101	220 790	597 891
Freedom Front Plus	84 246	200 762	285 008
Good	12 035	69 241	81 276
Inkatha Freedom Party	112 328	101 621	213 949
Minority Front	4 012	20 028	24 040
National Freedom Party	12 035	77 253	89 288
Pan Africanist Congress	4 012	57 224	61 236
United Democratic Movement	16 047	78 254	94 301
Totals	3 329 721	1 662 365	4 992 086

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DIRECT FUNDING AND DISCLOSURES

1. Declaration and publication of donations above the threshold

Political parties are required to make quarterly disclosures of all direct donations received above the threshold of one hundred thousand rand (R100 000) whether monetary, in-kind or both, to the Electoral Commission. Donors must also make disclosure of all donations made above the threshold to the Electoral Commission within 30 days of making the donation, whether monetary, in-kind or both. The Electoral Commission is required to monitor and publish all the donations disclosed to it quarterly on its website.

During the financial year ended 31 March 2022, the Electoral Commission published three disclosure reports, and the fourth has been published in May 2022. This is because declarations are, in terms of the Regulations, published two months after the end of the quarter.

The table below illustrates the dates on which the declaration reports were published.

TABLE 4: DATES OF DECLARATIONS PUBLICATION

Declarations report	Publication date	Number of declarations	Amount R
Quarter 1	9 September 2021	17	30 008 842
Quarter 2	18 November 2021	29	56 880 644
Quarter 3	2 March 2022	39	46 036 590
Quarter 4	30 May 2022	10	12 525 388

In the year under review, a total number of 12 political parties made declarations for donations above the prescribed threshold. Three political parties made declarations for donations received in the first quarter, six in the second quarter, 11 in the third quarter and two in the fourth quarter.

The following tables illustrate the details of disclosure reports published for all the quarters.

TABLE 5: DONATIONS FOR QUARTER 1



LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 1					
DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(1) (In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))					
Party Name	Date(S) Of Receipt(S) Of Donation	Donor Name	Donation Type	Amount(S) Of Donation For This Quarter	Accumulative Donations Amount
ActionSA	26/04/2021	Brahman Hills Proprietary Limited	Monetary	R 350 000.00	-
	03/05/2021	Black Like Me (Pty) Ltd	In-Kind	R 121 490.26	-
	11/05/2021	Style Eyes Of California (Pty) Ltd	In-Kind	R 333 600.00	-
	09/06/2021	Martin Moshal	Monetary	R 2 500 000.00	-
Total amount declared by ActionSA				R 3 305 090.26	
African National Congress	08/04/2021	Nonkwelo Investment Holdings	Monetary	R 1 000 000.00	-
	09/04/2021	Mr Cedric M Ntombela	Monetary	R 500 000,00	-
	09/04/2021	Nonkwelo Investment Holdings	Monetary	R 1 000 000.00	-
	12/04/2021	Tyekes Security	Monetary	R 100 000.00	-
	29/04/2021	Mr L Sibiya	Monetary	R 620 000.00	-
	18/05/2021	United Manganese Of Kalahari	Monetary	R 5 000 000.00	-
	24/05/2021	Majestic Silver Trading 40 (Pty) Ltd	Monetary	R 2 500 000.00	-
Total amount declared by the African National Congress				R 10 720 000.00	
Democratic Alliance	03/05/2021	Longlands Village (Pty) Ltd	Monetary	R 200 000.00	-
	14/05/2021	Ms Mary Slack	Monetary	R 15 000 000.00	-
	17/05/2021	Friedrich Naumann Foundation	In-Kind	R 200 177.05	-
	20/05/2021	Danish Liberal Democracy Programme	Monetary	R 184 156.33	-
	24/05/2021	Jacques Plaut	Monetary	R 100 000.00	-
	28/06/2021	Friedrich Naumann Foundation	In-Kind	R 299 418.10	-
Total amount declared by the Democratic Alliance				R 15 983 751.48	
Total funds declared for this quarter				R30 008 841.74	
Late submissions from previous quarter(s) and accumulative contributions below the threshold					
Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
Grand Total For This Quarter:				R 30 008 841.74	

TABLE 6: DONATIONS FOR QUARTER 2

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 2					
DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(1) (In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))					
Party Name	Date(S) Of Receipt(S) Of Donation	Donor Name	Donation Type	Amount(S) Of Donation For This Quarter	Accumulative Donations Amount
Abantu Integrity Movement	30/09/2021	Mkhusele Jack Investment Trust	In-Kind	R 112 386.04	-
Total amount declared by the Abantu Integrity Movement				R 112 386.04	R 112 386.04
ActionSA	02/07/2021	Konrad-Adenauer-Stiftung E.v.	In-Kind	R 120 000.00	-
	07/07/2021	Moxitone Investments Pty Ltd	Monetary	R 500 000.00	-
	20/07/2021	Style Eyes Of California (Pty) Ltd	Monetary	R 200 000.00	-
	23/07/2021	Firestation Asset Management (Pty) Ltd	Monetary	R 125 000.00	-
	09/09/2021	African Equity Corporation Pty Ltd	Monetary	R 500 000.00	-
	11/09/2021	Firestation Asset Management (Pty) Ltd	Monetary	R 100 000.00	-
	16/09/2021	Rebecca Oppenheimer	Monetary	R 3 333 333.00	-
	17/09/2021	Victoria Freudenheim	Monetary	R 3 333 334.00	-
	17/09/2021	Jessica Slack-Jell	Monetary	R 3 333 333.00	-
	17/09/2021	Martin Moshal	Monetary	R 5 000 000.00	-
	27/09/2021	The Shave And Gibson Foundation	In-Kind	R 124 462.00	-
	27/09/2021	Kaggen Investments	In-Kind	R 230 000.00	-
Total amount declared by ActionSA				R 16 899 462.00	R 20 204 552.26
African Christian Democratic Party	20/09/2021	Firestation Asset Management (Pty) Ltd	Monetary	R 235 000.00	-
Total amount declared by the African Christian Democratic Party				R 235 000,00	R 235 000,00
African National Congress	18/08/2021	Cedric Muziwakhile Ntombela	Monetary	R 400 000.00	-
	30/08/2021	Matamela Ramaphosa Cyril	Monetary	R 200 000.00	-
	30/08/2021	Matamela Ramaphosa Cyril	Monetary	R 166 000.00	-
	31/08/2021	Chancellor House Trust	Monetary	R 15 000 000.00	-
	03/09/2021	Nep Consulting Engineers Pty Ltd	Monetary	R 1 000 000.00	-
	09/09/2021	African Rainbow Minerals Ltd	Monetary	R 5 853 969.00	-
Total amount declared by the African National Congress				R 22 619 969.00	R 33 339 969.00

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LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 2

DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(1)
(In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))

Party Name	Date(S) Of Receipt(S) Of Donation	Donor Name	Donation Type	Amount(S) Of Donation For This Quarter	Accumulative Donations Amount
Democratic Alliance	16/07/2021	Discovery Central Services	Monetary	R 150 000.00	-
	10/09/2021	Naspers Ltd	Monetary	R 1 000 000.00	-
	14/09/2021	B & J Steenberg Engineering	Monetary	R 170 000.00	-
	22/09/2021	Martin Moshal	Monetary	R 15 000 000.00	-
	27/09/2021	Sandy Van Hoogstraten	Monetary	R 200 000.00	-
	29/09/2021	Sir Michael Lawrence Davis	Monetary	R 300 000.00	-
Total amount declared by the Democratic Alliance				R 16 820 000.00	R 32 803 751.48
Good	19/07/2021	Si Africa Solutions	In-Kind	R 122 900.00	-
Total amount declared by Good				R 122 900.00	R 122 900.00

Total Funds Declared For This Quarter

R 56 809 717.04

Total Accumulative Funds Declared For This Quarter

R 86 818 558.78

Late submissions from previous quarter(s) and accumulative contributions below the threshold

Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
Actionsa	20/07/2021	Style Eyes Of California (Pty) Ltd	In-Kind	R 23 920.00	-
Total amount declared by ActionSA				R 23 920.00	R 23 920.00
Democratic Alliance	20/08/2021	Friedrich Neumann Foundation	Monetary	R 47 007.43	-
Total amount declared by Democratic Alliance				R 47 007.43	R 47 007.43
Sub-Total:				R 70 927.43	
Accumulative Total:					R 70 927.43

Grand Total For This Quarter:

R 56 880 644.47 R 86 889 486.21

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TABLE 7: DONATIONS FOR QUARTER 3

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 3					
DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(1) (In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))					
Party Name	Date(S) Of Receipt(S) Of Donation	Donor Name	Donation Type	Amount(S) Of Donation For This Quarter	Accumulative Donations Amount
Abantu Integrity Movement	19/10/2021	Sakumzi Justice Macozoma	Monetary	R 100 000.00	-
Total amount declared by Abantu Integrity Movement				R 100 000,00	R 212 386.04
Actionsa	01/10/2021	Black Like Me (Pty) Ltd	In-Kind	R 179 998.00	-
	13/10/2021	Shave & Gibson Foundation	Monetary	R 150 000.00	-
	02/12/2021	Pty Props 274 (Pty) Ltd	In-Kind	R 4 212 350.50	-
	15/12/2021	Konrad Adenauer Stiftung Npc	In-Kind	R 530 000.00	-
Total amount declared by ActionSA				R 5 072 348.50	R 25 276 900.76
African National Congress	12/10/2021	3sixty Health Solutions	Monetary	R 800 000.00	-
	19/10/2021	Harmony Gold Mining Company Limited	Monetary	R 5 853 969.00	-
	04/11/2021	Discovery Central Services	Monetary	R 150 000.00	-
	19/11/2021	Naspers Ltd	Monetary	R 1 000 000.00	-
	21/12/2021	Batho Batho	Monetary	R 15 000 000.00	-
Total amount declared by the African National Congress				R 22 803 969.00	R 56 143 938.00
African Transformation Movement	11/10/2021	3sixty Health (Pty) Ltd	Monetary	R 200 000.00	-
Total amount declared by the African Transformation Movement				R 200 000.00	R 200 000.00
Democratic Alliance	01/10/2021	Mr Jody Scheckter	Monetary	R 200 394.00	-
	05/10/2021	African Rainbow Minerals	Monetary	R 2 115 019.00	-
	06/10/2021	Charles Liasides	Monetary	R 300 000.00	-
	06/10/2021	Karl Leinberger	Monetary	R 250 000.00	-
	08/10/2021	Friedrich Naumann Foundation	In-Kind	R 102 267.11	-
	08/10/2021	Nicholas Frank Oppenheimer	Monetary	R 500 000.00	-
	12/10/2021	The Chandos Trust	Monetary	R 1 000 000.00	-
	19/10/2021	Harmony Gold Mining Company Limited	Monetary	R 2 115 019.00	-
	21/10/2021	Fynbos Ekwiteit (Pty) Ltd	Monetary	R 5 099 000.00	-

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Party Name	Date(S) Of Receipt(S) Of Donation	Donor Name	Donation Type	Amount(S) Of Donation For This Quarter	Accumulative Donations Amount
Democratic Alliance	27/10/2021	The South African Breweries Pty Ltd	Monetary	R 100 000.00	-
	29/10/2021	Friedrich Naumann Foundation	Monetary	R 329 400.00	-
	08/12/2021	Friedrich Naumann Foundation	In-Kind	R 408 524.36	-
Total amount declared by the Democratic Alliance				R 12 519 623.47	R 45 323 374.95
Economic Freedom Fighters	05/10/2021	African Rainbow Minerals Limited	Monetary	R 1 099 088.00	-
	06/10/2021	3sixty Health (Pty) Ltd	In-Kind	R 150 000.00	-
	07/10/2021	3sixty Health (Pty) Ltd	Monetary	R 600 000.00	-
	19/10/2021	Harmony Gold Mining	Monetary	R 1 099 088.00	-
	27/10/2021	The South African Breweries Pty Ltd	Monetary	R 100 000.00	-
	29/10/2021	Mr Sn Maseko	Monetary	R 100 000.00	-
Total amount declared by the Economic Freedom Fighters				R 3 148 176.00	R 3 148 176.00
Good	11/10/2021	3sixty Health Solutions	Monetary	R 200 000.00	-
	03/11/2021	South African Law School	In-Kind	R 140 447.00	-
Total amount declared by Good				R 340 447.00	R 463 347.00
Inkatha Freedom Party	05/10/2021	African Rainbow Minerals Limited	Monetary	R 343 794.00	-
	08/10/2021	Counterpoint Trading 156	Monetary	R 100 000.00	-
	19/10/2021	Harmony Gold Mining	Monetary	R 343 794.00	-
Total amount declared by the Inkatha Freedom Party				R 787 588.00	R 787 588.00
Patriotic Alliance	01/10/2021	Gayton Mckenzie	Monetary	R 230 000.00	-
	07/10/2021	3sixty Health Solutions	Monetary	R 200 000.00	-
Total amount declared by the Patriotic Alliance				R 430 000.00	R 430 000.00
Shosholozza Progressive Party	04/10/2021	Institute Of Commerce And Management Sa	In-Kind	R 150 000.00	-
Total amount declared by the Shosholozza Progressive Party				R 150 000.00	R 150 000.00
Vryheidsfront Plus	05/10/2021	African Rainbow Minerals Limited	Monetary	R 242 219.00	-
	19/10/2021	Harmony Gold Mining Company Limited	Monetary	R 242 219.00	-
Total amount declared by Vryheidsfront Plus				R 484 438.00	R 484 438.00
African Christian Democratic Party					R 235 000.00
Total Funds Declared For This Quarter				R 46 036 589.97	
Total Accumulative Funds Declared For This Quarter					R 132 855 148.75

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Late submissions from previous quarter(s) and accumulative contributions below the threshold					
Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
ActionSA					R 23 920.00
Democratic Alliance					R 47 007.43
Sub-Total:				R 0,00	
Accumulative Total:					R 70 927,43
Grand Total For This Quarter:				R 46 036 589.97	R 132 926 076.18

TABLE 8: DONATIONS FOR QUARTER 4

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 3					
DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(1) (In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))					
Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
African National Congress	01/03/2022	United Manganese Of Kalahari	Monetary	R 10 000 000.00	-
Total amount declared by the African National Congress				R 10 000 000.00	R 66 143 938.00
Democratic Alliance	26/01/2022	Friedrich Naumann Foundation	Monetary	R 771 097.99	-
	01/03/2022	Polyoak Packaging (Pty) Ltd	Monetary	R 120 000.00	-
	01/03/2022	Danish Liberal Democracy Programme	Monetary	R 692 136.92	-
	31/03/2022	Friedrich Naumann Foundation	In-Kind	R 112 491.24	-
Total amount declared by the Democratic Alliance				R 1 695 726.15	R 47 019 101.10
Abantu Integrity Movement					R 212 386.04
Actionsa					R 25 276 900.76
African Christian Democratic Party					R 235 000.00
African Transformation Movement					R 200 000.00
Economic Freedom Fighters					R 3 148 176.00
Good					R 463 347.00
Inkatha Freedom Party					R 787 588.00
Patriotic Alliance					R 430 000.00

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Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
Shosholozza Progressive Party					R 150 000,00
Vryheidsfront Plus					R 484 438,00

Total Funds Declared For This Quarter					
Total Accumulative Funds Declared For This Quarter				R 11 695 726,15	R 144 550 874,90

Late submissions from previous quarter(s) and accumulative contributions below the threshold

Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
Democratic Alliance	26/01/2022	Friedrich Naumann Foundation	Monetary	R 78 000,00	-
	14/02/2022	Friedrich Naumann Foundation	In-Kind	R 150 000,00	-
	14/02/2022	Friedrich Naumann Foundation	In-Kind	R 448 661,57	-
	01/03/2022	Friedrich Naumann Foundation	Monetary	R 78 000,00	-
	31/03/2022	Friedrich Naumann Foundation	In-Kind	R 75 000,00	-
Total amount declared by the DEMOCRATIC ALLIANCE				R 829 661,57	R 876 669,00
ActionSA					R 23 920,00
Sub-Total:				R 829 661,57	
Accumulative Total:					R 900 589,00

Grand Total For This Quarter:				R 12 525 387,72	R 145 451 463,90
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2. Donations below the threshold, membership fees, levies, loans and other income

All registered political parties are required by the Political Party Funding Act to account for all income received during a financial year. In this regard, political parties are required to prepare financial statements showing all donations, membership fees and levies and submit audited financial statements to the Electoral Commission within the prescribed period.

The Electoral Commission has developed an Online Party Funding System where political parties are required to submit audited financial statements and for their independent auditors to record the opinion expressed on the statements.

During the financial year 2021/2022, a total of 515 political parties were registered with the Electoral Commission. Of the 515 registered political parties,

only 41 submitted financial statements to the Electoral Commission as provided in the Political Party Funding Act. Some political parties submitted their statements after the prescribed deadline of 30 September 2022.

Most of the unrepresented political parties' financial statements are not audited, and some are audited by auditors or independent reviewers who are not registered with the Independent Regulatory Board for Auditors (IRBA) as required by the Act.

Tables 10 and 11 below illustrate a summary of income from the financial statements of political parties who made submissions to the Electoral Commission.

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TABLE 9: SUMMARY OF INCOME AND LOANS OF REPRESENTED POLITICAL PARTIES AS PER FINANCIAL STATEMENTS FILED WITH THE ELECTORAL COMMISSION

Political party	Donations above the threshold	Donations below the threshold	Other income (outside the ambit of the Act)	Membership fees and levies	Total income	Loans	Total income and loans	Audit opinion
	R	R	R	R	R	R	R	
African Christian Democratic Party	255 817	550 991	40 781	1 285 581	2 133 170	-	2 133 170	Qualified
African Independent Congress								
Al Jama-Ah	-	297 890	15 975	-	313 865	150 328	464 193	Unqualified
African National Congress	-	15 000 000	-	-	15 000 000	-	15 000 000	Disclaimer
African Transformation Movement	200 000	44 857	44 857	-	289 714	-	289 714	Unqualified
Congress of the People								
Democratic Alliance	47 895 770	17 350 810	29 251 940	49 776 362	144 264 882	-	144 264 882	Unqualified
Economic Freedom Fighters	3 148 176	780	1 232 665	65 501 337	72 882 958	74 911 198	147 794 156	Unqualified
Freedom Front Plus	-	1 089 537	288 681	2 598 004	3 976 222	-	3 976 222	Unqualified
GOOD	463 347	108 920	998 496	1 017 395	2 688 158	-	2 688 158	Qualified
Inkatha Freedom Party	787 588	1 600 054	8 578 782	18 152 192	29 118 617	-	29 118 617	Unqualified
Minority Front	-	-	-	101 378	101 378	-	101 378	Unqualified
National Freedom Party								
Pan Africanist Congress of Azania								
United Democratic Movement	-	91 116	-	835 875	926 991	1 000 000	1 926 991	Unqualified



TABLE 10: SUMMARY OF INCOME AND LOANS OF UNREPRESENTED POLITICAL PARTIES AS PER FINANCIAL STATEMENTS FILED WITH THE ELECTORAL COMMISSION

Political party	Donations above the threshold		Donations below the threshold		Other income (outside the ambit of the Act)		Membership fees and levies		Total income		Loans		Total income and loans		Audit opinion
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	
Abahlali Base Mkhanyakude Movement	-	-	-	-	2 800	-	-	-	2 800	-	-	-	2 800	-	No opinion
Abantu Integrity Movement	246 140	-	263 900	-	3 755	-	-	-	513 795	-	-	-	513 795	-	Unqualified
Able leadership Association	-	-	-	-	240 310	-	-	-	240 310	-	-	-	240 310	-	Not audited
Action SA	25 300 821	-	4 427 024	-	138 763	-	7 607 080	-	37 473 688	1 375 701	-	38 849 389	38 849 389	-	Unqualified
African Restoration Alliance	-	-	167 281	-	-	-	30 941	-	198 222	-	-	-	198 222	-	Not audited
Afrikaner Selfbeskikking Party	-	-	-	-	-	-	4 130	-	4 130	-	-	-	4 130	-	Unqualified
Batho Pele Movement	-	-	1 000	-	-	-	118 541	-	119 541	-	-	-	119 541	-	Not audited
Cape Independence Party	-	-	48 205	-	132 081	-	57 820	-	237 908	60 389	-	298 276	298 276	-	Qualified
Cape Muslim Congress	189 611	-	-	-	3	-	-	-	189 614	-	-	-	189 614	-	Unqualified
Christian Democratic Party	-	-	7 700	-	-	-	10 500	-	18 200	-	-	-	18 200	-	Unqualified
Civic Independent	-	-	40 651	-	-	-	-	-	40 651	89 650	-	130 301	130 301	-	Not audited
Civic Warriors	-	-	-	-	97 458	-	114 176	-	211 634	-	-	-	211 634	-	Unqualified
Democratic Liberal Congress	-	-	2 500	-	3	-	-	-	2 503	997 265	-	999 768	999 768	-	Not audited
Democratic People's Movement	-	-	22 280	-	-	-	-	-	22 280	70 000	-	92 280	92 280	-	Not audited
Devoted Citizens of Msunduzi	-	-	-	-	48 635	-	-	-	48 635	-	-	-	48 635	-	Not audited
Dienslowerings Party	-	-	53 950	-	184 902	-	-	-	238 852	-	-	-	238 852	-	Qualified
Green Future	-	-	-	-	-	-	120	-	120	-	-	-	120	-	Not audited
Independent Citizens Movement	-	-	418 610	-	-	-	-	-	418 610	-	-	-	418 610	-	Not audited
Independent Ratepayers Association of South Africa	-	-	8 500	-	-	-	-	-	8 500	-	-	-	8 500	-	Not audited
International Revelation Congress	-	-	6 250	-	1 630	-	100	-	7 980	-	-	-	7 980	-	Not audited
Limpopo Residents Association	-	-	5 400	-	-	-	-	-	5 400	-	-	-	5 400	-	Not audited
New Dawn Democratic Party	-	-	-	-	-	-	-	-	-	5 675	-	-	5 675	-	Unqualified
Patriotic Alliance	740 000	-	783 500	-	-	-	-	-	1 523 500	-	-	-	1 523 500	-	Unqualified
Plaaslike Besorgde Inwoners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	No opinion
Setso Service Delivery Forum	-	-	64 500	-	198	-	124 444	-	189 142	-	-	-	189 142	-	Unqualified
Socialist Agenda of dispossessed	-	-	-	-	-	-	98 852	-	98 852	-	-	-	98 852	-	Not audited
Saamstaan Suid-Afrika	-	-	23 000	-	28	-	-	-	23 028	-	-	-	23 028	-	Not audited
The Organic Humanity Movement	-	-	116 856	-	21 220	-	10 800	-	148 876	-	-	-	148 876	-	Unqualified
United Progressive Party South Africa	-	-	14 130	-	-	-	-	-	14 130	-	-	-	14 130	-	Not audited
Witzenberg Party	-	-	200	-	400	-	23 564	-	24 164	-	-	-	24 164	-	Not audited

3. Disclosures of funding of represented political parties by Legislatures

The accounting officer of a legislature, whether national and provincial, is required to disclose annually any funding of represented political parties under sections 57(2) and 116(2) of the Constitution respectively, to the Electoral Commission.

The Electoral Commission has received disclosure reports from Parliament and all nine provincial legislatures in respect of the funding of political parties represented in those legislatures.

A total amount of R1 309 283 061 from Parliament and nine provincial legislatures was allocated to 15 political parties represented in respective legislatures.

The table below illustrates the details of funding as per disclosure reports from national and provincial legislatures filed with the Electoral Commission.

TABLE 11: NATIONAL AND PROVINCIAL LEGISLATURES DISCLOSURES (UNAUDITED)

Represented Political Parties	DISBURSEMENTS TO REPRESENTED POLITICAL PARTIES FROM LEGISLATURES										Total	
	Parliament	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	North West	Northern Cape	Western Cape		
	R	R	R	R	R	R	R	R	R	R	R	
African Christian Democratic Party	5 139 997		4 732 902	2 582 794						1 524 964		13 980 667
African Independent Congress	2 841 789											2 841 789
African National Congress	283 738 550	83 859 809	40 138 014	75 137 709	62 261 189	79 575 209	37 925 066	42 765 204	33 136 994	13 695 157		752 232 898
African Transformation Movement	2 841 789	2 183 391			2 582 794							7 607 974
Al Jama-Ah	1 664 316											1 664 316
Congress of the People	473 631									1 522 816		3 187 132
Democratic Alliance	114 394 530	19 059 047	13 563 706	42 161 463	15 565 296	6 884 455	6 406 600	8 159 886	13 903 486	26 824 656		473 631
Economic Freedom Party	59 565 406	9 529 523	7 820 189	24 390 117	12 098 727	16 658 754	8 065 467	12 275 981	3 843 000	2 605 116		266 923 125
Freedom Front Plus	13 634 890	2 183 391	3 983 219	8 689 274		3 276 241		4 732 853	1 843 531	1 525 714		156 851 980
Good	2 483 362											42 957 980
Inkatha Freedom Party	17 223 142			4 809 800	19 303 613					1 525 714		4 009 076
Minority Front					2 582 794							41 336 555
National Freedom Party	2 841 789				2 582 794							2 582 794
Pan Africanist Congress of Azania	1 664 316											6 424 583
United Democratic Movement	2 841 789	4 366 781										1 664 316
Total	511 348 996	121 181 942	65 505 128	159 921 265	119 559 998	106 394 658	55 486 000	67 933 924	52 727 011	49 224 137	1 309 283 981	

In terms of section 23(2) of the Political Party Funding Act the accounting officer of a legislature as defined in section 1 of the Financial Management of Parliament and Provincial Legislature Act, 2009 (Act 10 of 2009), must annually in the prescribed form and manner, disclose any funding of represented political parties under sections 57(2) and 116(2) of the Constitution respectively, to the Electoral Commission.

The figures contained in this table were supplied by secretaries of each of the 10 legislative houses to the Electoral Commission in terms of the specific section. At the time of submission, the figures were yet to be audited.



ENFORCEMENT

The Political Party Funding Act provides the Electoral Commission with certain enforcement powers in order to ensure that political parties comply with the Act.

1. Commission's power to issue directions

The Act provides the Electoral Commission with the power to issue directions to political parties in order to enforce compliance before effecting sanctions.

During the 2021/2022 financial year, the Commission has issued directions to three political parties who have transgressed, for them to make representation to the Electoral Commission.

The table below shows details of directions issued to political parties.

TABLE 12: DIRECTIONS ISSUED TO POLITICAL PARTIES

Political Party	Reason for issuing a direction
Cape Coloured Congress	A complaint was lodged with the Commission against the party for alleged breach of section 12(1)(a) of the Act.
African National Congress	Failure by donors to make donation declarations in breach of section 9(2) of the Act.
Abantu Integrity Movement	Late submission of donation declaration in breach of section 9(1) and Regulation 7 of the Electoral Commissions' Regulations.

2. Power to suspend payment of money

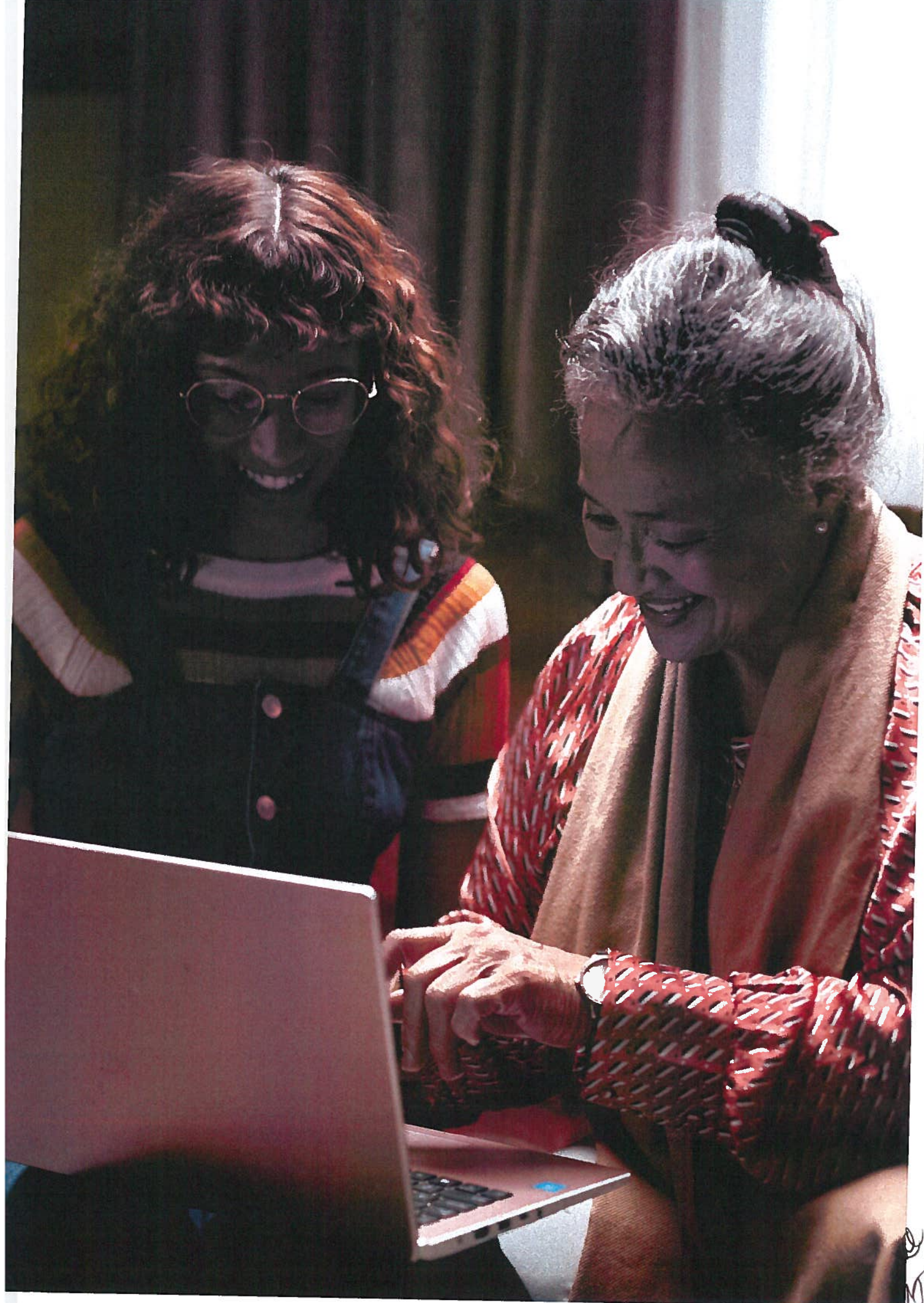
The Act provides the Electoral Commission with the power to suspend payment of money to a political party if it fails to comply with the Act.

During the 2021/2022 financial year, the Commission suspended payment of one political party due to failure to comply with the requirements of the Act.

3. Power to recover the money irregularly spent

The Act provides the Electoral Commission with the power to recover money irregularly spent, by instituting a civil claim or by setting off the liability against any amount to be allocated to a represented political party from the funds.

During the 2021/2022 financial year, the Electoral Commission has recovered money from two political parties who have contravened the Act, by setting off the liability against their future allocations.





03

POLITICAL PARTIES
COMPLIANCE INFORMATION

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SUBMISSION OF FINANCIAL STATEMENTS

According to the Electoral Commission's official database, there were an estimated 515 registered political parties (15 of which are represented parties) during the financial year 2021/2022. Out of these, 41 parties submitted their financial statements.

A total of 24 parties submitted on or before the deadline and 17 parties submitted after the deadline. Eleven (11) of the 15 represented political parties have submitted audited financial statements as required by the Act. Of these, two did not submit financial statements relating to direct funding.

Nine (9) of the 11 parties met the submission deadline of 30 September 2022, and two did not. The parties in question are the Economic Freedom Fighters (EFF) and the Minority Front (MF).

The African Independent Congress (AIC), Congress of the People (COPE), National Freedom Party (NFP) and Pan Africanist Congress (PAC) are four of the 15 represented parties that have not submitted any financial statements.

The AIC did not receive any financial allocation for the financial year 2021/2022 as the party's disbursements were suspended due to the ongoing leadership disputes. Consequently, financial statements relating to the Funds did not have to be submitted. However, the party was still required to submit a statement relating to direct funding.

Only 30 unrepresented political parties submitted their statements. This means that a total of 474 registered political parties did not submit audited financial statements as required by the Political Party Funding Act.

The Electoral Commission will be invoking the applicable provisions of the Act against defaulting parties.

COMPLETENESS OF FINANCIAL STATEMENTS

Financial statements received from political parties were reviewed for completeness, i.e. checking if all the documents were submitted as required by the Act.

Two represented political parties, the African National Congress (ANC) and the African Transformation Movement (ATM) made incomplete submissions, i.e., they submitted only one set of financial statements relating to the funds.

Most unrepresented parties submitted manually by email, and therefore only four of the 30 unrepresented parties' submissions were complete with the auditor's opinion form (PPR12) and annexures/spreadsheets.

Fifteen unrepresented parties' statements were audited and 15 were unaudited.

Political parties who failed to submit by the deadline were issued with letters of direction in terms of section 15 of the Act.


COMPLIANCE WITH THE REQUIREMENTS OF ANNUAL FINANCIAL STATEMENTS

Political parties' annual financial statements were further reviewed for compliance with the Political Party Funding Act and applicable accounting standards.

Financial statements relating to the RPPF and the MPDF were compliant with the Act and regulations for most represented political parties.

Statements of four represented political parties were not prepared in accordance with the GRAP as required by the Act.

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The independent auditors of almost all represented political parties issued unqualified audit opinion on financial statements relating to the funds, with the exception of the ANC where a disclaimer was issued. The basis for disclaimer was, however, with regard to statements relating to direct funding. The auditors stated that they were unable to obtain financial information to enable them to express an opinion on donations.

The independent auditors of two represented political parties, i.e., the ACDP and GOOD, issued a qualified audit opinion on statements relating to direct funding.

More than fifty percent (50%) of the submitted unrepresented parties' statements were not audited, and some of the firms/individuals who audited the statements are not registered in accordance with the Auditing Professions Act as required by the Political Party Funding Act.

Most of the unrepresented parties' statements were submitted via email and therefore the auditor's opinion form (PPR12) was in most cases not completed. As a result, an audit opinion was not expressed as required by the Act.

Where independent auditors expressed audit opinion on financial statements, 10 unrepresented political parties received an unqualified opinion and two unrepresented political parties (the Cape Independence Party and Dienslewerings Party) received a qualified opinion.





04
**EXTRACTS OF REPRESENTED
POLITICAL PARTIES' STATEMENTS**
AS FILED WITH THE ELECTORAL
COMMISSION

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AFRICAN CHRISTIAN DEMOCRATIC PARTY (ACDP)

Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	<u>71 582</u>	<u>19 998</u>
Current Assets			
Trade and other receivables	3	21 834	24 850
Cash and cash equivalents	4	<u>754 202</u>	<u>1 232 940</u>
Total Assets		<u>776 036</u>	<u>1 257 790</u>
		<u>847 618</u>	<u>1 277 788</u>
Equity and Liabilities			
Capital and reserves			
Reserves		<u>722 570</u>	<u>1 264 221</u>
Liabilities			
Current Liabilities			
Trade and other payables	5	125 048	13 567
Total Equity and Liabilities		<u>847 618</u>	<u>1 277 788</u>

Accounting Officer
Auditors
Audit Opinion

S N Swart
PKF Cape Town
Unqualified

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MB



AFRICAN CHRISTIAN DEMOCRATIC PARTY (ACDP)

Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash (used in) generated from operations	11	(451 785)	184 215
Interest income		<u>40 497</u>	<u>44 302</u>
Net cash from operating activities		<u>(411 288)</u>	<u>228 517</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	<u>(67 450)</u>	<u>(9 458)</u>
Total cash movement for the year		<u>(478 738)</u>	<u>219 059</u>
Cash at the beginning of the year		1 232 940	1 013 881
Total cash at end of the year	4	<u>754 202</u>	<u>1 232 940</u>

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AFRICAN CHRISTIAN DEMOCRATIC PARTY (ACDP)

Detailed Income Statement for the year ended 31 March 2022

	Notes	2022 R	2021 R
Income			
Allocation from fund	6	4 766 880	2 332 774
Other Income			
Interest received	8	40 497	44 302
Expenses		5 349 028	2 153 713
Other operating expenses			
Accommodation		124 938	17 265
Arrangement of meetings and rallies		272 401	37 827
Meals and refreshments		258 756	8 628
Rent - conference venues		13 645	29 199
Secretarial services		-	-
Administration		2 244 073	1 129 413
Advertising	10	18 832	-
Audit fees		43 000	40 250
Bank charges		27 133	18 495
Cleaning		469	2 580
Depreciation		11 350	4 594
Legal fees		1 543 502	621 465
Licences		42 777	23 056
Rental		181 997	133 725
- Head office		136 267	126 173
- Office equipment		45 730	7 552
Repairs and maintenance		6 275	795
Security		11 446	10 374
Small assets		9 583	-
Stationery		16 150	5 531
Subscription fees		4 796	1 875
Telephone and postage		155 443	99 972
Water and electricity, rates and taxes		76 824	75 501
Website		94 495	91 199

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AFRICAN CHRISTIAN DEMOCRATIC PARTY (ACDP)

Detailed Income Statement for the year ended 31 March 2022

	Notes	2022 R	2021 R
Promotions and publications		1 518 935	483 172
Entertainment		14 072	1 247
Promotions		1 504 863	481 924
Personnel expenditure		544 637	409 544
Salaries		532 245	406 476
Casual wages		600	-
Skills Development Levy		8 577	-
Unemployment Insurance fund		3 214	3 069
Travel		644 045	76 491
Expenses		5 349 028	2 153 713
Surplus for the period		(541 651)	223 363

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AFRICAN NATIONAL CONGRESS (ANC)



Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
ASSETS			
Current assets			
Cash and cash equivalents	3	21 900	101 500
TOTAL ASSETS		<u>21 900</u>	<u>101 500</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated loss		(478 100)	(153 500)
Current liabilities			
Trade and other payables	4	500 000	255 000
TOTAL EQUITY AND LIABILITIES		<u>21 900</u>	<u>101 500</u>

Accounting Officer	N Mabaso
Auditors	Ramuedzisi Incorporated
Audit Opinion	Disclaimer

Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 R	2021 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from the Independent Electoral Commission		72 871 290	89 890 487
Cash paid to suppliers and employees		(72 951 089)	(89 878 543)
Cash (utilised) / generated from operations	5	(79 799)	11 944
Finance income	2	199	197
Net cash (utilised) / generated from operating activities		<u>(79 600)</u>	<u>12 141</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(79 600)	12 141
Cash and cash equivalents at beginning of the year		101 500	89 359
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	3	<u>21 900</u>	<u>101 500</u>

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AFRICAN NATIONAL CONGRESS (ANC)



Supplementary Information for the year ended 31 March 2022

	2022 R	2021 R
INCOME	72 871 489	89 890 684
Grant received	72 871 290	89 890 487
Interest Income	199	197
EXPENDITURE		
Personnel expenditure	73 196 089	89 883 543
Salaries	70 386 116	85 769 693
Administrative – general	2 307 904	3 864 048
Cleaning and sanitation	239 693	434 821
Communication expenses - telephone fax modem	547 499	736 776
Rental - office equipment	-	262 022
Rental - parking	450 698	655 776
Maintenance and repairs - buildings	55 981	135 988
Photocopy consumables	-	69 726
Internet maintenance	983 042	1 398 487
Server expenses	30 991	170 452
Administrative – other	502 069	249 802
Audit costs – Independent Electoral Commission	501 002	248 812
Bank charges	1 067	990
(Loss) / Surplus for the year	(324 600)	7 141

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AFRICAN TRANSFORMATION MOVEMENT (ATM)

Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Non-Current Assets			
Property, Plant and Equipment	2	<u>38 755</u>	<u>48 556</u>
Current Assets			
Cash and Cash Equivalents	3	<u>80 135</u>	<u>41 966</u>
Trade and other Receivables	4	135	16 966
		80 000	25 000
Total Assets		<u>118 891</u>	<u>90 522</u>
Equity and Liabilities			
Equity			
Accumulated Funds	6	<u>118 891</u>	<u>(15 879)</u>
		118 891	(15 879)
Current Liabilities			
Trade and other Payables	5	<u>-</u>	<u>106 401</u>
		-	106 401
Total Equity and Liabilities		<u>118 891</u>	<u>90 522</u>

Accounting Officer
Auditors
Audit Opinion

M M Qotoyi
MBS Audit Inc.
Unqualified



Statement of Cash Flow for the period ended 31 March 2022

	Notes	2022 R	2021 R
Cash Flows from Operating Activities			
Cash receipts from funding and Deposits	8	3 847 381	1 502 001
Interest Received		3 609	909
Adjusted for cash and non-cash items:			
Cash payments - Employees	9	(3 208 968)	(1 323 983)
Cash payments - Suppliers	10 & 11	(613 652)	(280 248)
Interest Expense		-	15 462
Interest Income		(3 609)	(909)
Depreciation	2	10 700	10 575
Net increase/(decrease) in working capital changes		35 461	(76 193)
Working capital changes			
Decrease/(increase) in Receivables	4	(55 000)	106 401
Increase/(decrease) in Payables	5	(106 401)	-
Net Assets		106 401	106 401
Net cash flow available from operating activities		(19 539)	30 208
Cash Flows from Investing Activities			
Purchase of office furniture		(899)	-
Net Cash Flows from investing Activities		(899)	-
Cash Flows from Financing Activities			
Interest Received		3 609	909
Interest Expense		-	(15 462)
Net Cash Flows from Financing Activities		3 609	(14 554)
Net increase in cash and cash equivalent		(16 830)	15 654
Cash and cash equivalent at beginning of the year		16 966	1 311
Cash and cash equivalent at end of the year	3	135	16 966

AFRICAN TRANSFORMATION MOVEMENT (ATM)



Detailed Statement of Comprehensive Income for the period ended 31 March 2022

	Notes	2022 R	2021 R
Income	7	3 850 989	1 502 910
Funds Received		3 845 581	1 502 001
Cash Deposits		1 800	
Interest Received		3 609	909
Personnel Expenditure	8	3 208 968	1 323 983
Employee Costs		3 208 968	1 323 983
Administration Expenditure	10	391 073	200 585
Accounting and Audit Fees		-	6 728
Advertising and Promotions		37 100	8 578
Bank Fees		52 905	51 210
Cleaning, Health and Safety		1 171	1 205
Consulting Fees		134 000	10 000
Depreciation	2	10 700	10 575
Donations – Community Support		28 000	-
Electricity, Gas and Water		10 623	1 600
Interest Expense		-	15 462
Office Rental		102 500	90 860
Repairs and Maintenance		897	-
Security Fees		420	-
Subscriptions and Registrations		-	1 000
Staff Training and Education		7 810	
Stationery and Printing		4 600	2 116
Telephone, Fax and Internet		348	1 250
Arrangement of Meetings and Rallies	11	222 579	79 664
Accommodation		100 902	-
Conference		6 700	-
Meals		32 480	32 192
Travel and Transport Fees		82 498	47 472
Surplus/ (Deficit) for the period		28 369	(101 321)

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Statement of Financial Position as at 31 March 2022

Assets	Notes	2022 R	2021 R
Non-current assets			
Property, plant and equipment	2	53,426	-
Total non-current assets		<u>53 426</u>	<u>-</u>
Current assets			
Related party loans receivable	3	25 500	2 400
Cash and cash equivalents	4	2 245	38 753
Total current assets		<u>27 745</u>	<u>41 153</u>
Total assets		<u>81 171</u>	<u>41 153</u>
Net assets and liabilities			
Net assets			
(Accumulated deficit) / accumulated surplus		(174 443)	11 828
Liabilities			
Current liabilities			
Audit fee accrual	5	46 575	29 325
Related party loans payable	6	209 039	-
Total current liabilities		<u>255 614</u>	<u>29 325</u>
Total liabilities		<u>255 614</u>	<u>29 325</u>
Total net assets and liabilities		<u>81 171</u>	<u>41 153</u>

Accounting Officer
Auditors
Audit Opinion

M G E Hendricks
Nexia SAB&T
Unqualified

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Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 R	2021 R
Cash flows (used in) / from operations			
Cash receipts from customers		2 575 774	618 428
Cash paid to suppliers and employees		(2 548 152)	(629 291)
Payments to suppliers for goods and services		(2 081 946)	(390 501)
Payments to and on behalf of employees		(466 206)	(238 790)
Net cash flows from / (used in) operating activities		27 622	(10 863)
Cash flows used in investing activities			
Purchase of property, plant and equipment		(64 130)	-
Cash flows used in investing activities		(64 130)	-
Net decrease in cash and cash equivalents		(36 508)	(10 863)
Cash and cash equivalents at beginning of the year		38 753	49 616
Cash and cash equivalents at end of the year	4	2 245	38 753

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Detailed Income Statement for the year ended 31 March 2022

	Notes	2022 R	2021 R
Income	7		
Government grant		2 598 874	587 951
Total income		<u>2 598 874</u>	<u>587 951</u>
Administrative expenses	8		
Administration costs		(198 470)	(122 479)
Auditors remuneration - fees		(46 575)	
Bank charges		(7 044)	(2 106)
Total administrative expenses		<u>(252 089)</u>	<u>(124 585)</u>
Other expenses	9		
Accommodation		(40 200)	-
Arrangement of meetings and rallies		(751 772)	(156 568)
Depreciation – property, plant and equipment		(10 704)	-
Election registration		(49 000)	-
Personnel expenditure		(466 206)	(238 790)
Promotion and publications		(1 096 063)	(102 352)
Travelling expenses		(119 111)	(12 920)
Total other expenses		<u>(2 533 056)</u>	<u>(510 630)</u>
Deficit from operating activities		<u>(186 271)</u>	<u>(47 264)</u>
Deficit for the year		<u>(186 271)</u>	<u>(47 264)</u>



Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Current Assets			
Accounts receivable	2	133 986	79 807
Cash and cash equivalents	3	12 428 451	2 782 511
		<u>12 562 437</u>	<u>2 862 318</u>
Total Assets		<u>12 562 437</u>	<u>2 862 318</u>
Surplus and Liabilities			
Retained surplus			
Retained surplus		9 928 487	2 582 966
Liabilities			
Current Liabilities			
Accounts payable	4	2 633 950	279 352
Total Surplus and Liabilities		<u>12 562 437</u>	<u>2 862 318</u>

Accounting Officer

Auditors

Audit Opinion

D George

TGS South Africa Incorporated

Unqualified

Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash (used in)/generated from activities	9	9 376 632	2 496 212
Interest income		269 308	144 607
Net cash from/(to) operating activities		<u>9 645 940</u>	<u>2 640 819</u>
Total cash movement for the year		<u>9 645 940</u>	<u>2 640 819</u>
Cash at the beginning of the year		2 782 511	141 692
Total cash at end of the year	3	<u>12 428 451</u>	<u>2 782 511</u>

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DEMOCRATIC ALLIANCE (DA)

Statement of Comprehensive Income for the year ended 31 March 2022

	Notes	2022 R	2021 R
Income			
Allowance received from Independent Electoral Commission		30 770 717	34 079 560
Investment revenue	6	269 308	144 607
Sundry recoveries		383 199	-
		31 423 224	34 224 167
Expenditure			
Arrangements of meetings and rallies			
Meeting costs		524 291	107 801
Rent and electricity		2 345 385	2 123 035
		2 869 676	2 230 836
Promotions and publications			
Newspapers, books and publications		186 289	400 643
Legal expense			
Legal expenses		3 801 155	-
Personnel			
Salaries		11 288 945	22 595 164
Travel			
Travel		345 899	134 133
Administration			
Audit fees	8	84 172	51 750
Bank charges		6 077	5 003
Communication expenditure: telephone and fax		428 518	631 072
Depreciation		-	777
Equipment rental		9 229	448 906
Expensed assets		31 042	3 398
Insurance		37 905	627 774
Maintenance and repairs: building		2 535	718
Maintenance and repairs: computers		314 743	362 001
Maintenance and repairs: furniture and equipment		3 359	-
Printing and stationery		12 969	37 277
Professional services and translations		3 510 169	2 885 337
Refreshments		94 096	14 349
Security		88 393	94 331
Staff training		5 869	4 989
Website hosting and software development		956 663	948 000
		5 585 739	6 115 682
Total expenditure		24 077 703	31 476 458
Surplus for the year		7 345 521	2 747 709

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ECONOMIC FREEDOM FIGHTERS (EFF)



Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Current Assets			
Cash and cash equivalents	3	37 610	73 622
Non-Current Assets			
Property, plant and equipment	2	45 351 639	40 623 179
Total Assets		45 389 249	40 696 801
Liabilities			
Current Liabilities			
Other financial liabilities	6	-	673 878
Finance lease obligation	4	-	283 189
Unspent conditional grants and receipts	5	37 610	73 722
		37 610	1 030 789
Non-Current Liabilities			
Other financial liabilities	6	-	9 533 207
Total Liabilities		37 610	10 563 996
Net Assets		45 351 639	30 132 805
Accumulated surplus		45 351 639	30 132 805
Total Net Assets		45 351 639	30 132 805

Accounting Officer
Auditors
Audit Opinion

O M C Maotwe
Certified Master Auditors (South Africa) Inc.
Unqualified

ECONOMIC FREEDOM FIGHTERS (EFF)



Cash Flows Statement for the year ended 31 March 2022

	Notes	2022 R	2021 R
Cash flows from operating activities			
Receipts			
Grants		20 110 636	19 947 947
Payments			
Suppliers		(3 623 528)	(1 087 930)
Net cash flows from operating activities	9	16 487 108	18 860 017
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(5 441 416)	(15 915 360)
Cash flows from financing activities			
Repayment of other financial liabilities		(10 207 085)	(2 155 824)
Finance lease payments		(283 189)	(725 263)
Finance costs		(591 430)	-
Net cash from financing activities		(11 081 704)	(2 881 087)
Net increase/(decrease) in cash and cash equivalents		(36 012)	63 570
Cash and cash equivalents at the beginning of the year		73 622	10 052
Cash and cash equivalents at the end of the year	3	37 610	73 622

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ECONOMIC FREEDOM FIGHTERS (EFF)



Detailed Income Statement for the year ended 31 March 2022

	Notes	2022 R	2021 R
Revenue			
Government grants & subsidies	8	20 146 748	19 947 947
Operating expenses			
Administration	12	1 461 090	1 050 404
Rallies and events	13	2 875 395	36 726
Travel - local		-	800
		4 336 485	1 087 930
Operating surplus		15 810 263	18 786 295
Finance costs		(591 430)	(2 140 240)
Surplus for the year		15 218 833	16 646 055

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FREEDOM FRONT PLUS (VF PLUS)

Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
ASSETS			
Current Assets			
Receivables from Non-Exchange Transactions	2	-	-
Cash and cash equivalents	3	47 713	177 466
		<u>47 713</u>	<u>177 466</u>
Non-current Assets			
Property, Plant and Equipment	4	1 983 103	1 955 545
		<u>1 983 103</u>	<u>1 955 545</u>
Total Assets		<u>2 030 816</u>	<u>2 133 011</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Payables from Non-Exchange Transactions	5	-	-
		<u>-</u>	<u>-</u>
Non-current Liabilities			
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Net Assets	6	2 030 816	2 133 011
As represented by Accumulated Funds		<u>2 030 816</u>	<u>2 133 011</u>
Total Liabilities and Net Assets		<u>2 030 816</u>	<u>2 133 011</u>

Accounting Officer
Auditors
Audit Opinion

PJH de Necker
Brink & Brink Inc.
Unqualified

ND
WST



FREEDOM FRONT PLUS (VF PLUS)

Cash Flow Statement for the year ended 31 March 2022

	Notes	2022 R	2021 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
IEC RPPF Allowance	7	285 008	-
IEC MPDF Allowance	7	9 301 496	6 505 975
Interest income	7	97	96 525
Other receipts (receivable)	2	-	2 040
		<u>9 586 601</u>	<u>6 604 540</u>
Payments			
Personnel Expenditure	8	(4 129 959)	(3 650 519)
Suppliers and others	9	(5 549 480)	(2 415 136)
		<u>(9 679 439)</u>	<u>(6 065 655)</u>
Net Cash flow from operating activities	11	<u>(92 838)</u>	<u>538 885</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(63 988)	(2 559 689)
Net cash flows from investing activities		<u>(63 988)</u>	<u>(2 559 689)</u>
Net increase/(decrease) in cash and cash equivalents		(156 826)	(2 020 804)
Cash and cash equivalents at the beginning of the year	3, 12	204 539	2 198 270
Cash and cash equivalents at the end of the year	3	<u>47 713</u>	<u>177 466</u>

WJ
WJ



FREEDOM FRONT PLUS (VF PLUS)

Statement of Financial Performance for the year ended 31 March 2022

	Note(s)	2022 R	2021 R
REVENUE			
Revenue from Exchange Transactions	7	97	96 525
Revenue from Non-Exchange Transactions	7	9 586 504	6 505 975
Total Revenue		9 586 601	6 602 500
EXPENDITURE			
Personnel Expenditure	8	(4 129 959)	(3 650 519)
General Expenses	9	(5 549 480)	(2 388 136)
Depreciation and amortisation	10	(36 430)	(604 145)
Total Expenditure		(9 715 869)	(6 642 800)
SURPLUS / (DEFICIT) for the year		(129 268)	(40 300)



GOOD

Statement of Financial Position as at 31 March 2022

	Note(s)	2022 R	2021 R
Assets			
Current Assets			
Cash and cash equivalents	2	940	13 451
Total Assets		940	13 451
Equity and Liabilities			
Member's interest and reserves			
Retained income		940	553
Liabilities			
Current Liabilities			
Trade and other payables	3	-	12 898
Total Equity and Liabilities		940	13 451

Accounting Officer

B Herron

Auditors

VVS Chartered Accountants

Audit Opinion

Unqualified

Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash receipts from grants		2 733 811	766 832
Cash paid to suppliers and employees		(2 746 322)	(797 805)
Cash used in operations	7	(12 511)	(30 973)
Net cash from operating activities		(12 511)	(30 973)
Total cash movement for the year		(12 511)	(30 973)
Cash at the beginning of the year		13 451	44 424
Total cash at end of the year	2	940	13 451

MD
VVS



Detailed Income Statement for the year ended 31 March 2022

	Notes	2022 R	2021 R
Revenue			
Represented Political Party Fund Allowance		<u>2 733 811</u>	<u>766 832</u>
Operating expenses			
Administration fees		374 115	51 140
Personnel expenditure		861 983	367 290
Promotions and publications		<u>1 497 326</u>	<u>348 173</u>
Profit for the year		<u>2 733 424</u> <u>387</u>	<u>766 603</u> <u>229</u>

INKATHA FREEDOM PARTY (IFP)



Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Current Assets			
Cash and cash equivalents	2	560	1 465
Non-Current Assets			
Property, plant and equipment	3	550 045	718 163
Total Assets		550 605	719 628
Net Assets		550 605	719 628
Accumulated surplus		550 605	719 628
Total Net Assets		550 605	719 628

Accounting Officer
Auditors
Audit Opinion

N Singh
RobertsChaplinKrona Inc
Unqualified

Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 R	2021 R
Cash flows from operating activities			
Receipts			
IEC allowance received		7 196 366	5 859 090
Investment revenue		60	-
		<u>7 196 426</u>	<u>5 859 090</u>
Payments			
Employee costs		-	(131 964)
Payment to suppliers		(7 181 186)	(5 089 435)
		<u>(7 181 186)</u>	<u>(5 221 399)</u>
Net cash from operating activities	10	15 240	637 691
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(16 145)	(636 092)
Net (decrease)/increase in cash and cash equivalents		(905)	1 599
Cash and cash equivalents at the beginning of the year		1 465	(134)
Cash and cash equivalents at the end of the year	3	560	1 465

MS
MS



INKATHA FREEDOM PARTY (IFP)

Detailed Income Statement for the year ended 31 March 2022

	Notes	2022 R	2021 R
Revenue			
Revenue from the IEC			
RPPF allowance		6 982 417	5 859 090
MPDF allowance		213 949	-
Total revenue from the IEC		<u>7 196 366</u>	<u>5 859 090</u>
Other income			
Investment revenue		60	-
Total other income		<u>60</u>	<u>-</u>
Total income		<u>7 196 426</u>	<u>5 859 090</u>
Expenditure			
Arrangement of meetings		1 100 441	223 871
Bank charges		1 138	1 190
Cleaning		-	15 790
Consulting fees		-	6 877
Depreciation		184 263	123 580
Lease rentals on operating lease		78 397	260 161
Licenses		33 450	34 212
Municipal expenses		5 545	171 537
Printing and stationery		1 136 412	868 706
Promotion and publications		3 219 107	1 141 711
Remuneration of employees		-	131 964
Rental: Office equipment		-	23 677
Repairs and maintenance		7 682	44 013
Security		65 000	103 689
Telephone and fax		36 307	502 480
Travel and accommodation		1 497 707	1 691 521
Total expenditure		<u>7 365 449</u>	<u>5 344 979</u>
(Deficit)/surplus for the year		<u>(169 023)</u>	<u>514 111</u>

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MINORITY FRONT (MF)

Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Non-Current Asset			
Property, plant and equipment	2	12	15
Current Asset			
Cash and cash equivalents	3	241 257	114 520
Total Assets		241 269	114 535
Funds and Liabilities			
Funds			
Accumulated surplus		206 066	82 534
Liabilities			
Current Liability			
Trade and other payables	4	35 203	32 001
Total Funds and Liabilities		241 269	114 535

Accounting Officer	S Thakur-Rajbansi
Auditors	Y.D. Maharaj & Co
Audit Opinion	Unqualified

Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash generated from operations	10	134 182	109 793
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(7 449)	(90 882)
Proceeds from disposal of property, plant and equipment	2	4	84
Net cash from investing activities		(7 445)	(90 798)
Total cash movement for the year		126 737	18 995
Cash at the beginning of the year		114 520	95 525
Total cash at end of the year	3	241 257	114 520

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MINORITY FRONT (MF)



Statement of Comprehensive Income for the year ended 31 March 2022

	Notes	2022 R	2021 R
Income			
Allocation from Fund		<u>808 614</u>	<u>562 528</u>
Expenses			
Administration	5	(115 265)	(308 921)
Arrangement of meetings and rallies	6	(45 320)	(4 934)
Personnel expenditure	7	(172 007)	(120 545)
Promotions and publications	8	<u>(352 490)</u>	<u>(113 703)</u>
		(685 082)	(548 103)
Surplus for the year		<u>123 532</u>	<u>14 425</u>
Other comprehensive income		-	-
Total comprehensive surplus for the year		<u>123 532</u>	<u>14 425</u>

MD
net



UNITED DEMOCRATIC MOVEMENT (UDM)

Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Current Assets			
Cash and cash equivalents	2	336 419	1 890
Total Assets		336 419	1 890
Reserves and Liabilities			
Reserves			
Surplus		336 419	1 890
Total Reserves and Liabilities		336 419	1 890

Accounting Officer
Auditors
Audit Opinion

B H Holomisa
Erasmus Steyn Inc.
Unqualified

Statement of Cash Flow for the period ended 31 March 2022

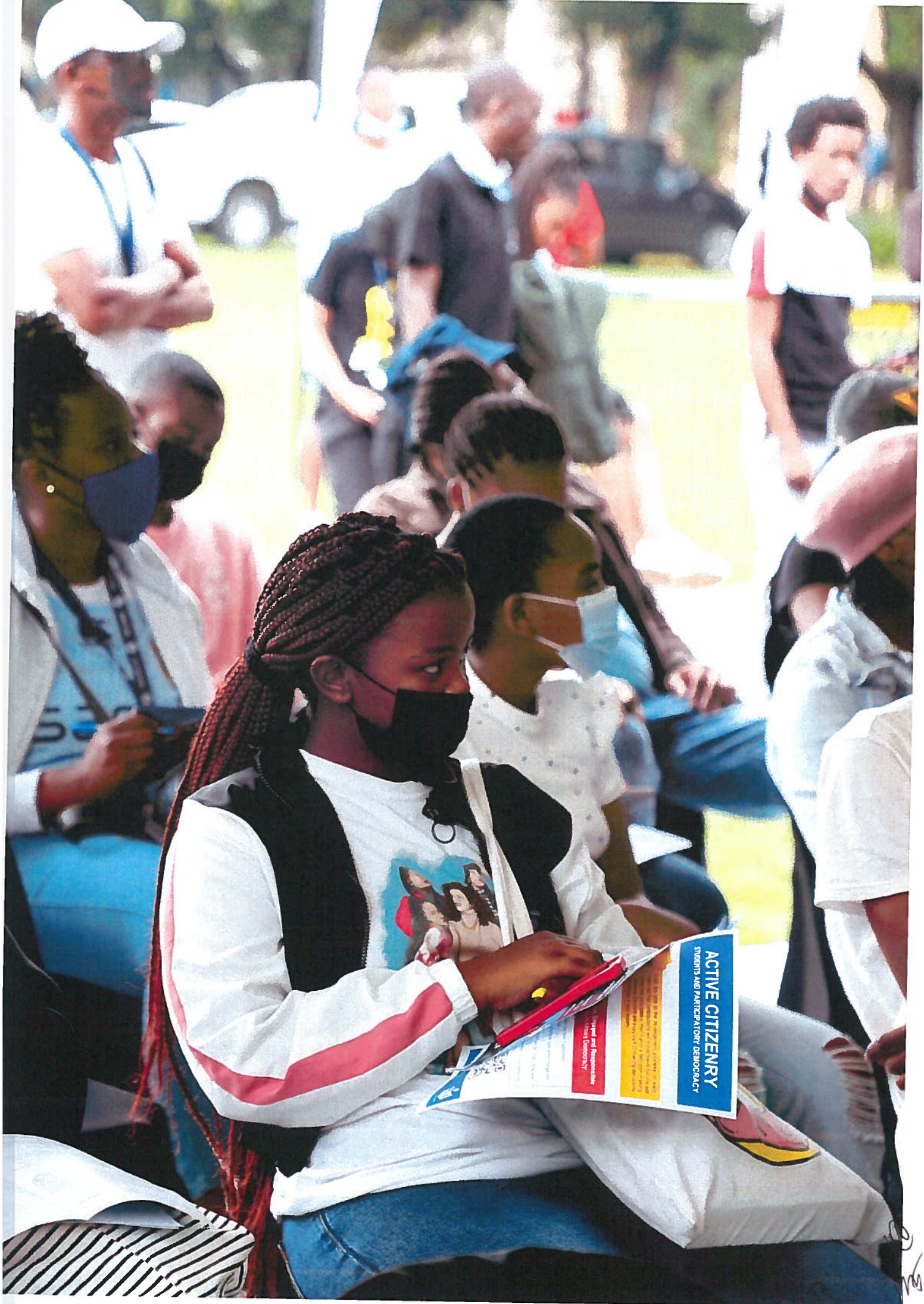
	Notes	2022 R	2021 R
Cash flows from operating activities			
Surplus for the year		334 529	4 049
<i>Adjustments for:</i>			
Finance costs		599 800	351 053
Net cash flows from operations		934 329	355 102
Finance costs		(599 800)	(351 053)
Net cash flows from operating activities		334 529	4 049
Net increase in cash and cash equivalents		334 529	4 049
Cash and cash equivalents at beginning of the year		1 890	(2 159)
Cash and cash equivalents at end of the year	2	336 419	1 890



UNITED DEMOCRATIC MOVEMENT (UDM)

Detailed Income Statement for the period ended 31 March 2022

	2022 R	2021 R
Income		
Allocation from fund – Represented Political Party Fund (RPPF)	3 077 603	1 118 354
Allocation from fund – Multi-Party Democracy Fund (MPDF)	94 301	-
Electoral Commission refund received	241 500	-
	<u>3 413 404</u>	<u>1 118 354</u>
Expenditure	3 078 875	1 114 305
Personnel expenditure		
Salaries : Employees	199 229	50 000
Travel expenditure		
Car rental and accommodation	29 008	73 738
Arrangement of meetings and rallies		
Venue Hire	15 473	-
Administration expenditure		
Communication expenditure: Telephone, fax and modem	1 532 368	453 167
Rental premises	38 668	519
Auditors' remuneration	267 867	-
Bank charges	14 720	-
Capital and interest paid on ABSA term loan	4 127	2 596
Municipal election registration	599 800	351 053
Courier	330 000	-
	277 186	99 000
Promotions and publications		
Printing and stationery	1 302 797	537 400
Promotions: T-Shirts, caps, flags	710 020	120 000
	592 777	417 400
(Deficit) / surplus for the year	<u>334 529</u>	<u>4 049</u>





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ANNUAL FINANCIAL
STATEMENTS

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REPORT OF THE AUDIT COMMITTEE FOR THE REPRESENTED POLITICAL PARTIES' FUNDING ESTABLISHED IN TERMS OF POLITICAL PARTY FUNDING ACT 6 OF 2018

The Audit Committee is pleased to present its report for the financial year ended 31 March 2022 relating to its oversight of the Represented Political Parties' Funding.

1. Background

The management of the Represented Political Parties' Funding (the Funds) by the Electoral Commission is provided for in the Political Party Funding Act 6 of 2018 [the Act] which became effective on 1 April 2021. The administration of the Funds is conducted under the auspices of the systems, policies, procedures and internal controls of the Electoral Commission of South Africa.

2. Audit Committee responsibility

The Audit Committee of the Electoral Commission of South Africa has been established in terms of section 77 of the PFMA as amended. Members of the Audit Committee serves the Electoral Commission in relation to all its other functions prescribed to it by national legislation.

The Audit Committee confirms that it has adopted approved formal terms of reference detailed in its charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities arising from Treasury Regulation 3.1 and 3.2. as contained therein.

3. Audit Committee Members and Attendance

The Audit Committee of the Electoral Commission held the following meetings where, when relevant, matters relating to the Funds were also discussed during the current financial year: Additionally, officials of the Auditor-General of South Africa, the Accounting Officer, the Chief Executive Party Funding, the Chief Audit Executive and the Chief Financial Officer have attended general meetings of the Audit Committee.

TABLE 13: AUDIT COMMITTEE MEMBERS AND ATTENDANCE

Name of member (all external)	Qualifications	Date appointed	Attended	Apologies	Total attended	Retired
Mr CD Boltman (Chairperson)	MBA	Jun 2017	10	n/a	10	
Dr MEC Moleki	PHD	Mar 2018	10	n/a	10	
Ms SP Mzizi	CA(SA)	Aug 2018	8	2	8	
Adv. T Mohapi	LLM	Feb 2020	2	1	2	22 Sept 2021
Mr Il van Niekerk	CA(SA)	May 2021	9	1	0	
Adv. S T Kholong	LLM	Feb 2022	2	n/a	2	

4. Effectiveness of Internal Control

Based on the reports provided to the Audit Committee by Management, Chief Executive Party Funding, Internal Audit and the Auditor-General of South Africa for year under review, the internal control environment was found to be adequate and effective. Amongst other things, these reports appraised the members regarding the risks relating to the administration of the Funds, pertinent court matters as and where

applicable and the status of in-year management of the Funds. In addition; these reports also appraised the members on the following:

- Payment to political party allocations from the Represented Political Parties Funding (RPPF);
- Issuing of gazette on the Multi-Party Democracy Fund (MPDF); and
- Quarterly Submission of declarations to the Commission by Political Parties.

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5. Evaluation of audited annual financial statements

The Audit Committee has:

- Reviewed and discussed with management the Management Report from the Auditor-General of South Africa;
- Reviewed the appropriateness of the accounting policies and practices;
- Reviewed and discussed the adjustments to the financial statements arising from the audit; and
- Reviewed and discussed with management the audited annual financial statements and recommended its approval by the Accounting Officer and the Executive Authority.

The Audit Committee concurs with and accepts the audit report of the Auditor-General.

The Audit Committee wish to congratulate the Commission and Management of the RPPF on achieving a clean audit for the 2021/22 financial year.



Cedric Boltman
Chairperson of the Audit Committee
30 November 2022

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON **REPRESENTED POLITICAL PARTIES FUNDING**

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Represented Political Parties' Funding (RPPF) set out on pages 74 to 93, which comprise the statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets, cash flow statement and comparison of expenditure to budget for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Represented Political Parties' Funding as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Political Party Funding Act (Act No. 6 of 2018)(PPFA).

Basis for the opinion

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

I am independent of the Funds in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

The supplementary information set out on page 94 does not form part of the financial statements and is presented as additional information. I have not audited the annexure and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the Political Party Funding (Act 6 of 2018) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

AGSA's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

The Funds are not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and such reporting is not required in terms of the entity's specific legislation.

Report on the audit of compliance with legislation

Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the Funds' compliance with specific matters in key legislation.

The Funds does not fall within the ambit of the PFMA, no specific requirements from legislation as set out in the general notice issued in terms of the PAA was applicable to the audit of the RPPF.

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report that have been specifically reported in this auditor's report.

My opinion on the financial statements and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

I did not receive the other information prior to the date of this audit report. When I do receive and read this information, if I concluded that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected.

If the other information is not corrected, I may have to retract this auditor's report and re-issue and amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria
30 November 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

MD
MB

FINANCIAL STATEMENTS OF REPRESENTED POLITICAL PARTIES FUNDING

Report of the Accounting Officer for the year ended 31 March 2022

The Represented Political Parties Funding

The Represented Political Party Fund (RPPF) and Multi-Party Democracy Fund (MPDF) are funds established in terms of the Political Party Funding Act No 6 of 2018 (the Act) with a view to:

- a) Provide for, and regulate, the public and private funding of political parties;
- b) Fund represented political parties sufficiently;
- c) Determine the duties of political parties in respect of funding;
- d) Provide for powers and duties of the Commission;
- e) Provide for administrative fines;
- f) Create offences and penalties;
- g) Repeal the Public Funding of Represented Political Parties Act, 1997, and provide for transitional matters;
- h) Provide for related matters

The Act determined that the financial year of the Funds will run from 1 April of every year until 31 March in the following year.

The Chief Electoral Officer of the Electoral Commission, subject to the direction of the Commission, is responsible for the management and administration of the Funds and is its Accounting Officer.

The Act provides that for each financial year the Electoral Commission must have records kept of moneys received by/or accruing to the Funds, allocations made/and payments therefrom and of expenditure arising from the allocation of moneys and a current record of the capital and liabilities of the Funds.

Allocations to parties are made in accordance with the prescribed formula in terms of the Act. Particulars of allocations made to represented political parties in respect of the financial year under review are included in this report.

At the end of each financial year every political party must prepare a statement showing the amount received and the purposes for which it was spent

and have the statement and its books of records of accounts audited. The auditor must express an opinion as to whether the allocated moneys were spent for purposes not authorised by the Act.

The auditor's report and the audited statements must be submitted to the Electoral Commission by 30 September of each financial year. Extracts from the financial statements of represented political parties, as they were filed with the Electoral Commission, are published in this report.

A number of purposes for which such moneys may not be used by parties, is set out in the Act. The manner in which parties have to deal with and account for moneys allocated to them, is set out in the Act.

Internal controls of the Funds operated effectively during the year. The Accounting Officer of the Electoral Commission is responsible for the preparation and fair presentation of the annual financial statements of Funds, comprising of:

- a) Statement of Financial Position as at 31 March 2022;
- b) Statement of Financial Performance as at 31 March 2022;
- c) Statement of Changes in Net Assets for the year ended 31 March 2022;
- d) Cash Flow Statement for the financial year ended 31 March 2022;
- e) Comparison of actual and budgeted expenditure for the year ended 31 March 2022; and
- f) Accounting policies and notes to the Financial Statements.

The financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board.

The Auditor-General is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Going concern

The RPPF is funded by National Treasury via a vote of Department of Home Affairs and funding is secured over a three-year cycle in terms of the medium term expenditure framework (MTEF). The financial statements have thus been prepared on the going-concern basis.

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Other Matters

The Political Party Funding Act No. 6 of 2018 came into effect on 1 April 2021. The Act establishes the Represented Political Party Fund to replace the Represented Political Parties' Fund, which was established by the Public Funding of Represented Political Parties Act 103 of 1997.

The Represented Political Party Fund also came into effect on 1 April 2021. The coming into effect of the Represented Political Party Fund is not adjusting post-balance sheet event.

Approval of the Annual Financial Statements

The annual financial statements of the Funds set out on pages 74 to 94 have been approved by the Accounting Officer.



Simon Mamabolo
Chief Electoral Officer
Electoral Commission
30 November 2022



Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Current assets			
Cash and cash equivalents	2.1	3,350,335	661,016
Total assets		3,350,335	661,016
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	3	75,272	2,916,693
Trade and other payables from non-exchange transactions	3	2,475,931	722,568
Total liabilities		2,551,203	3,639,261
Net assets		799,132	(2,978,245)
Accumulated Surplus / (deficit)		799,132	(2,978,245)
Total liabilities and net assets		3,350,335	661,016

Statement of Financial Performance for the year ended 31 March 2022

	Notes	2022 R	2021 R
Revenue			
Revenue from non-exchange transactions			
Parliamentary allocation to RPPF	4	166,812,000	162,723,000
Contributions to MPDF	4	5,012,000	-
Investment revenue	4	132,033	248,955
Other revenue	4	729,161	204,184
Total revenue		172,685,194	163,176,139
Expenditure			
Allocation to parties	5	(167,913,524)	(164,968,194)
Allocation from RPPF	5	(162,921,438)	(164,968,194)
Allocation from MPDF	5	(4,992,086)	-
Administration expenses	6	(491,155)	(440,766)
Employee costs	7	(503,139)	(484,197)
Total expenditure		(168,907,818)	(165,893,157)
Surplus / (deficit) for the year		3,777,376	(2,717,018)

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Statement of Changes in Net Assets for the year ended 31 March 2022

	Accumulated surplus R	Total Net Assets R
Balance at 31 March 2020	<u>(261,227)</u>	<u>(261,227)</u>
(Deficit) for the year	<u>(2,717,018)</u>	<u>(2,717,018)</u>
Balance at 31 March 2021	<u>(2,978,245)</u>	<u>(2,978,245)</u>
Surplus for the year	3,777,376	3,777,376
Balance at 31 March 2022	<u>799,132</u>	<u>799,132</u>

Cash Flow Statement for the year ended 31 March 2022

	Note	2022 R	2021 R
Cash flows from operating activities			
Cash received from customers			
Parliamentary allocation received	4	166,812,000	162,723,000
Contributions to MPDF	4	5,012,000	-
Investment revenue received	4	132,033	248,955
Other revenue	4	694	-
		<u>171,956,727</u>	<u>162,971,955</u>
Cash paid to political parties, suppliers and employees			
Political parties	5	(165,431,695)	(164,170,195)
Employee costs	7	(503,138)	(454,303)
Payments to suppliers	8	(3,332,576)	1,470,200
		<u>(169,267,409)</u>	<u>(163,154,298)</u>
Net cash flows from operating activities	9	<u>2,689,319</u>	<u>(182,343)</u>
Net Increase/(Decrease) in cash and cash equivalents		2,689,319	(182,343)
Cash and cash equivalents at beginning of the year		<u>661,016</u>	<u>843,359</u>
Cash and cash equivalents at end of the year	2	<u>3,350,335</u>	<u>661,016</u>

Comparison of Expenditure to Budget for the year ended 31 March 2022

	Note	31 March 2022 R Budget	31 March 2022 R Actual	31 March 2022 R Variance
Revenue				
Revenue from non-exchange transactions				
Parliamentary allocation	4	166,812,000	166,812,000	-
Contributions to MPDF ¹	4	-	5,012,000	5,012,000
Investment revenue ²	4	-	132,033	132,033
Other revenue	4	-	729,161	729,161
Total Revenue		166,812,000	172,685,194	5,873,194
Expenditure				
Allocation to parties	5	(162,921,437)	(167,913,525)	(4,992,088)
Administration expenses	6	(460,320)	(491,155)	(30,835)
Employee cost	7	(539,642)	(503,138)	36,504
Total Expenditure		(163,921,399)	(168,907,818)	(4,986,419)
Surplus for the year		2,890,601	3,777,376	886,775

¹ Contributions to MPDF is not budgeted for because there was uncertainty about the Fund's ability to attract contributors.

² Investment revenue is not budgeted for because there is uncertainty about the revenue that could be generated because of the fluctuation in the investment amount during the year.

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Accounting Policies for the year ended 31 March 2022

1. Presentation of Annual Financial Statements

Basis of preparation

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless otherwise specified. A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

Statement of compliance

The annual financial statements have been prepared in accordance with standards of Generally Recognised Accounting Practices (GRAP) including any interpretation guidelines and directives issued by the Accounting Standards Board (ASB), and the requirements of the Political Party Funding Act, 6 of 2018, the Regulations of Political Party Funding, 2017 and Regulations regarding the funding of political parties issued in terms of section 24(2) of the Political Party Funding Act.

Going concern

These financial statements have been prepared on a going concern basis. The RPPF is fully dependent on the state for funding. The MPDF is fully dependent on contributions from private sources, and allocations are only made when there are enough funds to disburse.

Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a Standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification are disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Comparative figures are in respect of the Represented Political Parties' Fund which was established in terms of the Public Funding of Represented Political Parties Act 103 of 1997. The newly established Represented Political Party Fund is a continuation of the Represented Political Parties' Fund.

Functional and presentation currency

These financial statements are presented in South African Rands, which is the Funds' functional currency. All financial information presented in Rands has been rounded to the nearest Rand.

Budgetary information

The financial statements for the Funds are prepared on the accrual basis, using the classification based on the nature of expenses in the Statement of Financial Performance. The budget is approved on the accrual basis. Reasons for variances between actual and budgeted amounts are provided on page 9. A difference above R850 000 is considered to be material.

Offsetting

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a Standard of GRAP.

Use of estimates and judgements

The preparation of the financial statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

New standards, amendments to existing standards adopted

No new standards were adopted.

Significant accounting policies

The principal accounting policies adopted and applied during this year of operation, are set out below and are consistent with those applied in the previous period.

1.1 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to revenue that accrued to the Funds directly in return for services rendered, the value of which approximates the fair value of the consideration received or receivable.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue.

The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred. Investment revenue comprises interest income on funds invested. Interest income is recognised on a time proportion basis using the effective interest method.

Revenue from non-exchange transactions refers to transactions where the Funds receives revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions includes parliamentary allocations in respect of RPPF and contributions from private sources to the MPDF.

Parliamentary allocations are recognised when there is reasonable assurance that the RPPF will comply with the conditions attached to them and the allocation will be received. Revenue from contributions is recognised when there is reasonable assurance that the funds will be

transferred into the MPDF or when the funds are received.

The Act provides for the Electoral Commission to charge a fee not exceeding five percent of the money credited to the MPDF to defray the cost of administering and managing the Fund. In the current financial year, the Commission resolved not to charge this fee in order to increase benefit for political parties during the election year. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the Funds and these benefits can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business.

1.2 Financial instruments

The Funds' financial assets comprise trade and other receivables from non-exchange transactions, and cash and cash equivalents. Financial assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost.

The Funds' financial liabilities comprise trade and other payables from exchange transactions and non-exchange transactions. The subsequent measurement of financial assets and liabilities depends on this categorisation.

Initial Recognition

Financial assets and liabilities are recognised in the statement of financial position only when the Funds becomes a party to the contractual provisions of the instrument. The Funds recognises financial assets using trade date accounting.

Measurement

When a financial asset or financial liability is recognised initially, the Funds measures it at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent to initial recognition, financial assets and liabilities are measured as described below.

Trade and other receivables from non-exchange transactions

Trade and other receivables from non-exchange transactions originated by the Funds classified as financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

At the end of each reporting period, the carrying amount of trade and other receivables from non-exchange is reviewed to determine whether there is any objective evidence that the amount is not recoverable. If so, an impairment loss is recognised immediately in the statement of financial performance.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows calculated using the original effective interest rate (excluding future expected credit losses that have not yet been incurred).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

Cash and cash equivalents

Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For purposes of the cash flow statement as well as the statement of financial position, cash and cash equivalents comprise cash on hand and other short-term investments. Cash and cash equivalents classified as financial assets at amortised cost.

Trade and other payables from exchange transactions and non-exchange transactions

Trade and other payables from exchange transactions and non-exchange transactions are subsequently measured at amortised cost, using the effective interest method.

The Funds' trade and other payables from exchange transactions and non-exchange transactions relate to the amount owed to the suppliers, and other accruals. The Funds' accrual amount represents goods and services that have been delivered by the supplier but remain unpaid as at year-end.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

De-recognition of Financial Instruments

Financial assets are de-recognised when the Funds lose control of the contractual rights that comprise the financial assets. The Funds lose control if the right to benefits specified in the contract are realised, the rights expire or the Funds surrenders those rights. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

1.3 Related Parties

Related-party transactions are transactions that involve the transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Related-party relationships exist throughout the public sector for the following reasons:

- Constitutional institutions, departments and municipalities are subject to the overall direction of an executive government or council, and ultimately, Parliament, and operate together to achieve the policies of government.
- Constitutional institutions, departments and municipalities frequently conduct activities necessary for the achievement of different parts of their responsibilities and objectives through separate controlled entities, and through entities over which they have significant influence.
- Public entities enter into transactions with other government entities on a regular basis.
- Ministers, councillors or other elected or appointed members of the government and



other members of management can exert significant influence over the operations of the Represented Political Parties' Fund.

Implicit in the definition of related party are other government entities and joint ventures that have a significant influence on the Represented Political Party Fund and its activities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Represented Political Party Fund directly or indirectly.

The Act provides for the Electoral Commission to charge a fee not exceeding five percent of the money credited to the MPDF in the previous financial year to defray the cost of administering and managing the Fund. In the current financial year, the Electoral Commission did not charge a fee as it is the first year of the MPDF and no funds were received in the previous financial year.

Where related party transactions are at arm's length, the Funds apply the exemption regarding disclosure in terms of GRAP 20 and disclosure is limited to the outstanding balances at year end and narrative disclosures of the nature of the transactions

1.4 Effect of New GRAP Standards and Interpretations of GRAP

The following Standards and Interpretations of GRAP have been approved, but are not yet effective:

- GRAP 104: Financial Instruments
- GRAP 25: Employee Benefits

The effective date for the above standards is not yet determined.

The adoption of these Standards of GRAP, when they become effective, is not expected to have a significant impact on the financial statements.

The following standards being applied are below.

Standard/ interpretation	Effective date	Details	Impact
GRAP 104: Financial Instruments	Not yet determined	The standard is currently being applied <i>Under 1.2 of the accounting policy</i>	The adoption of this Standard of GRAP, when it becomes effective, is not expected to have a significant impact on the financial statements because it is currently being applied.
GRAP 25: Employee Benefits	Not yet determined	The standard is currently being applied <i>Under 1.15 of the accounting policy</i>	The adoption of this Standard of GRAP, when it becomes effective, is not expected to have a significant impact on the financial statements because it is currently being applied.

1.5 Expenditure per political parties

The Political Party Funding Act, 6 of 2018, requires that for each financial year, the accounting officers of political parties must submit the audited financial statements to the Commission. Those statements must show the amounts spent during a financial year by each political party that receive allocations, in connection with purposes classifiable under the following descriptive categories:

- a) Personnel expenditure;
- b) Accommodation;
- c) Travel expenses;

- d) Arrangement of meetings and rallies;
- e) Administration;
- f) Promotions and publications; and
- g) Legal expenses incurred in the public interest.

The expenditure arising from the allocations made to political parties are extracted from the political parties' audited financial statements.

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Notes to the Annual Financial Statements for the year ended 31 March 2022

	2022 R	2021 R
2. Financial Assets by category		
The accounting policies for financial instruments have been applied to the line items below.		
Financial assets measured at amortised cost		
2.1 Cash and cash equivalents		
Bank balances – Call deposits RPPF	2,634,190	661,016
Bank balances – Current RPPF	644,051	-
Bank balances – Current MPDF	72,094	-
	<u>3,350,335</u>	<u>661,016</u>

Cash and cash equivalents comprise cash and short-term, highly liquid investments that are held with a registered banking institution with maturities of three months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.

The notice deposits are carried at an effective floating interest rate that varied between 3.00% and 3.50% (2021: 3.00% and 4.75%).

No restrictions have been placed on the use of cash and cash equivalents for the operations of the Funds.

The Funds considers that the carrying amount of trade and other receivables from non-exchange transactions approximates the fair value due to their short-term maturity.



Notes to the Annual Financial Statements for the year ended 31 March 2022

	2022 R	2021 R
3. Financial Liabilities by category		
The accounting policies for financial instruments have been applied to the line items below.		
Financial liabilities recognised at amortised cost		
Trade and other payables from exchange transactions		
Electoral Commission	-	2,854,070
Payroll accruals	75,272	62,623
	<u>75,272</u>	<u>2,916,693</u>
Trade and other payables from non-exchange transactions		
Political parties	2,475,931	722,568
RPPF	2,410,683	722,568
MPDF	65,248	-
Total Liabilities	<u>2,551,203</u>	<u>3,639,261</u>

Financial liabilities related to administrative expenses payable to the Commission and the amount owing to two political parties pending submission of the audited annual financial statements and resolution of leadership dispute.

4. Revenue

Parliamentary allocation	166,812,000	162,723,000
Contributions to MPDF	5,012,000	-
Investment revenue – RPPF	132,033	248,955
Other revenue ¹	729,161	204,184
RPPF	728,814	204,184
MPDF	347	-
	<u>172,685,194</u>	<u>163,176,139</u>

¹Other revenue represents the amount forfeited by political parties because of non-compliance in terms of the Public Funding of Represented Political Parties Act, 103 of 1997.

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Notes to the Annual Financial Statements for the year ended 31 March 2022

5a) Allocation per political parties

i) Represented Political Party Fund: 2022

	African Christian Democratic Party (ACDP)	African Independent Congress (AIC)	Al Jama-ah	African National Congress (ANC)	African Transformation Movement (ATM)	Congress of the People (COPE)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	Freedom Front Plus (FF)	GOOD	Inkatha Freedom Party (IFP)	Minority Front (MF)	National Freedom Party (NFP)	Pan Africanist Congress (PAC)	United Democratic Movement (UDM)	Total
Allocation for the year	R 4,625,160	R 2,129,420	R 2,521,609	R 70,704,819	R 3,731,251	R 2,129,420	R 29,855,900	R 19,512,744	R 9,301,496	R 2,652,535	R 6,982,417	R 784,575	R 2,913,994	R 1,998,494	R 3,077,603	R 162,921,437
Less: Amount set off i.t.o the Act		(268,322)														(268,322)
Total allocation to date	4,625,160	1,861,098	2,521,609	70,704,819	3,731,251	2,129,420	29,855,900	19,512,744	9,301,496	2,652,535	6,982,417	784,575	2,913,994	1,998,494	3,077,603	162,653,115
Less: Suspended amount i.t.o. the Act	-	(1,861,098)	-	-	-	-	-	-	-	-	-	-	(460,145)	-	-	(2,321,243)
Total allocation paid during the year	4,625,160	-	2,521,609	70,704,819	3,731,251	2,129,420	29,855,900	19,512,744	9,301,496	2,652,535	6,982,417	784,575	2,453,849	1,998,494	3,077,603	160,331,872
Plus: Suspended amount paid during the year						69,532								103,451		172,863
Total disbursements during the year	4,625,160	-	2,521,609	70,704,819	3,731,251	2,198,952	29,855,900	19,512,744	9,301,496	2,652,535	6,982,417	784,575	2,453,849	2,101,945	3,077,603	160,504,855

Notes to the Annual Financial Statements for the year ended 31 March 2022

ii) Represented Political Parties' Fund: 2021

	African Christian Democratic Party (ACDP)	African Independent Congress (AIC)	AI JAMA-AH	African National Congress (ANC)	African Transformation Movement (ATM)	Congress of the People (COPE)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	Freedom Front Plus (FF)	GOOD	Inkatha Freedom Party (IFP)	Minority Front (MF)	National Freedom Party (NFP)	Pan Africanist Congress (PAC)	United Democratic Movement (UDM)	Total
Allocation at the beginning of the year	R 2,332,774	R 357,762	R 587,951	R 89,890,487	R 1,502,001	R 357,762	R 34,079,560	R 18,947,947	R 6,505,975	R 766,892	R 5,859,090	R 582,528	R 920,280	R 178,891	R 1,118,354	R 184,988,194
Suspended /setoff amount i.t.o. the Act		(89,441)	-	-	-	(69,532)	-	-	-	-	-	-	(460,145)	(178,881)		(797,989)
Total amount paid during the year	2,332,774	268,321	587,951	89,890,487	1,602,001	288,230	34,079,560	19,947,947	6,505,975	766,892	5,859,090	582,528	460,145	-	1,118,354	184,170,195

iii) Multi-Party Democracy Fund: 2022

	African Christian Democratic Party (ACDP)	African Independent Congress (AIC)	AI JAMA-AH	African National Congress (ANC)	African Transformation Movement (ATM)	Congress of the People (COPE)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	Freedom Front Plus (FF)	GOOD	Inkatha Freedom Party (IFP)	Minority Front (MF)	National Freedom Party (NFP)	Pan Africanist Congress (PAC)	United Democratic Movement (UDM)	Total
Allocation for the period	R 141,720	R 65,248	R 77,265	R 2,166,471	R 114,330	R 65,248	R 914,817	R 597,891	R 285,008	R 81,276	R 213,949	R 24,040	R 89,288	R 61,236	R 94,301	R 4,992,086
Suspended amount i.t.o. the Act	-	(65,248)	-	-	-	-	-	-	-	-	-	-	-	-	-	(65,248)
Total disbursements to date	141,720	-	77,265	2,166,471	114,330	65,248	914,817	597,891	285,008	81,276	213,949	24,040	89,288	61,236	94,301	4,926,840

- Allocation to African Independent Congress (AIC) was suspended because the party did not submit the audited financial statements for the financial year ended 31 March 2021

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Notes to the Annual Financial Statements for the year ended 31 March 2022

iv) Multi-Party Democracy Fund: 2021

There are no comparative figures for the MPDF as the Political Party Funding Act No. 6 of 2018, which establishes the Fund, came into effect on 1 April 2021.

v) Represented Political Party Fund and Multi-Party Democracy Fund: 2022

	African Christian Democratic Party (ACDP)	African Independent Congress (AIC)	AI JAMA-AH	African National Congress (ANC)	African Transformation Movement (ATM)	Congress of the People (COPE)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	Freedom Front Plus (FF)	GOOD	Inkatha Freedom Party (IFP)	Minority Front (MF)	National Freedom Party (NFP)	Pan Africanist Congress (PAC)	United Democratic Movement (UDM)	Total
Allocation for the year	R 4,766,880	R 2,194,668	R 2,598,874	R 72,871,290	R 3,845,581	R 2,194,668	R 30,770,717	R 20,110,635	R 9,586,504	R 2,733,811	R 7,196,366	R 808,615	R 3,003,282	R 2,059,730	R 3,171,904	R 167,913,525
Amount set off i.o. the Act		(268,322)														(268,322)
Total Allocation to date	4,766,880	1,926,346	2,598,874	72,871,290	3,845,581	2,194,668	30,770,717	20,110,635	9,586,504	2,733,811	7,196,366	808,615	3,003,282	2,059,730	3,171,904	167,645,203
Less: Suspended amount		(1,926,346)											(460,145)			(2,386,491)
Total allocation paid during the year	4,766,880	-	2,598,874	72,871,290	3,845,581	2,194,668	30,770,717	20,110,635	9,586,504	2,733,811	7,196,366	808,615	2,543,137	2,059,730	3,171,904	165,258,712
Plus: Suspended amount paid						69,532								103,451		172,983
Total disbursements during the year	4,766,880	-	2,598,874	72,871,290	3,845,581	2,264,200	30,770,717	20,110,635	9,586,604	2,733,811	7,196,366	808,615	2,543,137	2,163,181	3,171,904	165,431,695

The amount allocated to African Independent Congress (AIC) was recovered in terms of section 7(2)(b) of the Public Funding of Represented Political Parties' Fund 103 of 1997 due to failure to submit the audited financial statements for the financial year ended 31 March 2021, by setting it off against their allocation. Allocations to African Independent Congress (AIC) and National Freedom Party (NFP) were suspended because the parties did not submit the audited financial statements for the financial year ended 31 March 2021.

Notes to the Annual Financial Statements for the year ended 31 March 2022

b) Expenditure per political parties i) Represented Political Party Fund and Multi-Party Democracy Fund: 2022

	African Christian Democratic Party (ACDP)	African Independent Congress (AIC)	Al Jama-ah	African National Congress (ANC)	African Transformation Movement (ATM)	Congress of the People (COPE)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	Freedom Front Plus (FFP)	GOOD	Inkatha Freedom Party (IFP)	Minority Front (MF)	National Freedom Party (NFP)	Pan Africanist Congress (PAC)	United Democratic Movement (UDM)	Total
Total amount received during the period	R 4,766,880	R -	R 2,598,874	R 72,871,290	R 3,845,581	R 2,264,200	R 30,770,717	R 20,110,635	R 9,686,504	R 2,733,811	R 7,196,366	R 808,616	R 2,643,137	R 2,163,181	R 3,171,804	R 166,431,685
Total Expenditure	(5,349,029)	(2,785,145)	(73,196,089)	(3,822,620)	(2,264,200)	(24,077,703)	(4,927,915)	(9,715,869)	(2,733,424)	(7,365,449)	(885,082)	(172,007)	(2,643,137)	(2,163,181)	(3,078,878)	(137,737,200)
Personnel expenditure	544,637		466,206	70,386,116	3,208,968	11,288,945	-	4,129,959	861,983	-	-	172,007	-	-	199,229	91,288,050
Accommodation expenditure	124,938		40,200	-	-	-	-	88,576	-	-	159,584	-	-	-	-	393,298
Travel expenditure	644,045		119,111	-	-	345,899	-	249,994	-	-	1,398,123	-	-	-	29,008	2,726,180
Arrangements of meetings and rallies	272,401		751,772	-	222,579	2,869,676	2,875,395	98,706	-	-	1,100,441	45,320	-	-	15,473	8,261,763
Administrative expenditure	700,571		301,089	2,809,973	391,073	5,585,739	2,052,520	1,488,931	374,115	1,548,194	115,285	-	-	-	1,532,368	16,899,836
Promotion and publications	1,518,935		1,096,063	-	-	186,289	-	3,643,273	1,497,326	3,219,107	352,490	-	-	-	1,302,797	12,816,280
Legal expenses	1,543,502		-	-	-	3,801,155	-	-	-	-	-	-	-	-	-	5,344,657
Fixed asset and other expenditure	-		10,704	-	-	-	-	36,430	-	-	-	-	-	-	-	47,134
Unspent money at end of year	(582,149)		(186,271)	(324,799)	22,961	2,264,200	6,693,014	15,182,720	(129,965)	387	(169,089)	123,533	2,643,137	2,163,181	93,029	27,694,486
Plus: Interest received	40,497		-	199	5,409	-	652,507	-	97	-	60	-	-	-	241,500	940,269
Surplus / (deficit) for the period	(641,652)	-	(196,271)	(324,600)	28,370	2,264,200	7,346,521	15,182,720	(129,268)	387	(169,023)	123,533	2,643,137	2,163,181	334,629	28,634,764

Notes

- The information is extracted from the audited financial statements submitted by the political parties.
- Two political parties did not submit the audited financial statements for the financial year ended 31 March 2022 in time as required by section 12(4) of the Political Party Funding Act, 2018, read with section 10(2)(d) of the Commission's Regulations. The parties are EFF and MF.
- Three political parties did not submit the audited financial statements for the financial year ended 31 March 2022 as required by section 12(4) of the Political Party Funding Act, 2018. They are COPE, NFP and PAC.
- One political party did not receive the allocation for the financial year ended 31 March 2022 due to ongoing leadership disputes. The party is AIC.

ii) Represented Political Parties' Fund: 2021

	African Christian Democratic Party (ACDP)	African Independent Congress (AIC)	Al Jama- Ah	African National Congress (ANC)	African Transfor- mation Movement (ATM)	Congress of the People (COPE)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	Freedom Front Plus (FF)	GOOD	Inkatha Freedom Party (IFP)	Minority Front (MF)	National Freedom Party (NFP)	Pan Africanist Congress (PAC)	United Democratic Movement (UDM)	Total
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Total amount received during the year	2,332,774	268,321	587,951	89,890,487	1,502,001	288,230	34,079,560	19,947,947	6,505,975	766,832	5,859,090	562,528	480,145	-	1,116,364	164,170,195
Total Expenditure	(2,153,712)		(635,215)	(89,863,543)	(1,604,232)		(31,476,488)	(19,143,530)	(6,642,800)	(766,803)	(6,344,979)	(548,103)			(1,114,306)	(159,313,400)
Personnel expenditure	409,544		238,790	85,769,693	1,323,983		22,595,164	-	3,650,519	367,290	131,984	120,545			50,000	114,687,492
Accommodation expenditure	17,265		-	-	-		-	-	171,811	-	185,478	-			-	374,564
Travel expenditure	76,491		12,920	-	47,472		134,133	800	143,577	-	1,508,043	-			73,738	1,995,174
Arrangements of meetings and rallies	37,827		156,568	-	32,192		2,230,836	36,726	303,288	-	223,871	4,934			-	3,026,242
Administrative expenditure	1,129,413		124,585	4,113,850	192,007		6,115,662	1,050,404	1,510,561	51,140	2,155,912	308,921			453,167	17,205,642
Promotion and publications	483,172		102,352	-	8,578		400,643	-	258,899	348,173	1,141,711	113,703			537,400	3,394,631
Fixed asset and other expenditure	-		-	-	-		-	18,055,600	604,145	-	-	-			-	18,559,745
Unspent money at end of year	179,062	268,321	(47,264)	6,944	(102,231)	288,230	2,603,102	804,417	(136,825)	229	514,111	14,425	460,145		4,049	4,856,715
Plus: Interest received	44,302	-	-	197	909	-	144,607	-	96,525	-	-	-			-	290,640
Surplus / (deficit) for the year	223,384	268,321	(47,264)	7,141	(101,322)	288,230	2,747,709	804,417	(40,300)	229	514,111	14,425	460,145		4,049	6,143,225

Notes

- The information is extracted from the audited financial statements submitted by the political parties
- Three political parties did not submit the audited financial statements for the financial year ended 31 March 2021 as required by section 6(5) and section 9(3) of the PFRPP Act. They are AIC, COPE and NFP
- One political party did not receive the allocation for the financial year ended 31 March 2021 due to non-submission of the audited financial statements for the years ended 31 March 2019 and 31 March 2020, and as a result their allocation was set off in terms of section 7(2)(b) of the PFRPP Act. The party is PAC.

Notes to the Annual Financial Statements for the year ended 31 March 2022

	2022 R	2021 R
6. Administration Expenses		
Audit costs	401,066	395,412
Printing and production of books	63,250	45,354
Bank charges	26,839	-
RPPF current	13,424	-
MPDF current	13,415	-
	<u>491,155</u>	<u>440,766</u>
7. Employee Costs		
Salaries	490,490	454,303
Leave accrual	12,649	29,894
	<u>503,139</u>	<u>484,197</u>
8. Payment to suppliers		
Administrative expenses	491,155	440,766
(Increase) in trade and other payables from exchange transactions	2,841,421	(1,910,966)
	<u>3,332,576</u>	<u>(1,470,200)</u>
9. Cash generated from operations		
Surplus / (deficit) for the year	3,777,376	(2,717,018)
Changes in working capital:	(1,088,058)	2,534,675
- Increase / (decrease) in trade and other payables from exchange transactions	(2,841,421)	1,910,966
- Increase in trade and other payables from non-exchange transactions	1,753,363	623,485
- Increase in trade and other receivables from non-exchange	-	224
	<u>2,689,319</u>	<u>(182,343)</u>



Notes to the Annual Financial Statements for the year ended 31 March 2022

2022 R	2021 R
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10. Taxation

No provision is made for taxation, as the Represented Political Party Fund is exempted from taxation in terms section 10(1) (cA) of the Income Tax Act.

11. Related party balances

Electoral Commission of South Africa	75,272	2,883,963
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In line with prevailing government practices, functions provided on a no cost basis by the Electoral Commission to the RPPF include the rendering of legal, financial, human resources management, information communication technology services, infrastructure and the exercise of internal control.

The RPPF and the MPDF are managed by the Electoral Commission under the same financial policies and procedures applicable to the Commission, taking the stipulations of the Political Party Funding, 6 of 2018 into account. The current year expenditure is budgeted under the new Political Party Funding Unit of the Electoral Commission.

In terms of the RPPF's expenditure allocation policy, all expenditure incurred in connection with the rendering of administrative services on a cost recovery basis, is expensed in the Fund.

A fee to defray the cost of administering and managing the MPDF is charged from the money credited to the Fund.

The Audit Committee and internal audit department of the Electoral Commission also serve as the Audit Committee and internal audit department of the Funds. Management costs are carried by the Electoral Commission if they fall within the operational structure of the Electoral Commission and they are negligible.

The Parliamentary allocation transfer to RPPF through the Department of Home Affairs and contributions to the MPDF have been disclosed in note 4.

There were no other outstanding balances with related parties.

Compensation of key management

Compensation of key management is not remunerated by the Funds as it is paid by the Electoral Commission of South Africa.

Notes to the Annual Financial Statements for the year ended 31 March 2022

2022
R

2021
R

12. Financial Instrument Risk Management

The Fund's activities have a limited exposure to market risk, credit risk, liquidity risk and cash flow risk. Risk management is carried out by the Executive Risk Management Committee under policies approved by the Electoral Commission. The Electoral Commission provides written policies which applies to the Fund for overall risk management, as well as written policies covering specific areas, such as investing excess liquidity. The Represented Political Party Fund and the Multi-Party Democracy Fund are managed by the Commission under the same financial policies and procedures applicable to the Electoral Commission, taking the stipulations of the Political Party Funding No 6. of 2018 into account.

a) Liquidity risk

The following are the contractual maturities of financial liabilities:

	Carrying amounts R	Contractual cash flow R	1–12 months R	2–5 years R	Later than 5 years R
2022					
Trade and other payables from exchange transactions	75,272	75,272	75,272	-	-
(note 3)					
Trade and other payables from non-exchange transactions	2,475,931	2,475,931	2,475,931	-	-
2021					
Trade and other payables from exchange transactions	2,916,693	2,916,693	2,916,693	-	-
(note 3)					
Trade and other payables from non-exchange transactions	722,568	722,568	722,568	-	-

Prudent liquidity risk management implies maintaining sufficient cash

b) Cash flow

The RPPF manages its cash flow risk by aligning the quarterly government allocation to its quarterly payments to parties.

Parliamentary allocation (note 4)	166,812,000	162,723,000
Contributions to MPDF (note 4)	5,012,000	-



Notes to the Annual Financial Statements for the year ended 31 March 2022

	2022 R	2021 R
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c) Credit risk

With respect to credit risk arising from cash and cash equivalents, cash is placed with authorised financial institutions. The carrying amounts of the financial assets represent the maximum credit exposure.

Receivables are monitored on an on-going basis with the result that exposure to bad debts is minimised. With respect to credit arising from cash and cash equivalents, cash is placed with authorised financial institutions. The carrying amounts of the financial assets represent the maximum credit exposure. The maximum exposure at the reporting date was:

Cash and cash equivalents (note 2.1)	3,350,335	661,016
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d) Interest rate risk

The Funds' exposure to the risk of changes in market interest rates relates primarily to cash in the current account and notice deposits held with the bank.

Cash and cash equivalents (note 2.1)	3,350,335	661,016
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ANNEXURE A – Unaudited detailed income statement for the year ended 31 March 2022

	2022 R	2021 R
Revenue	172,685,194	163,176,139
Parliamentary allocation	166,812,000	162,723,000
Contributions to MPDF	5,012,000	-
Investment revenue	132,033	248,955
Other revenue	729,161	204,184
Expenditure	168,907,818	165,893,157
Allocations to parties	167,913,524	164,968,194
African Christian Democratic Party (ACDP)	4,766,880	2,332,774
African Independent Congress (AIC)	2,194,667	357,762
African National Congress (ANC)	72,871,290	89,890,487
African Transformation Movement (ATM)	3,845,581	1,502,001
Al Jama-Ah	2,598,874	587,951
Congress of the People (COPE)	2,194,667	357,762
Democratic Alliance (DA)	30,770,717	34,079,560
Economic Freedom Fighters (EFF)	20,110,636	19,947,947
Freedom Front (FF)	9,586,504	6,505,975
GOOD	2,733,811	766,832
Inkatha Freedom Party (IFP)	7,196,366	5,859,090
Minority Front (MF)	808,615	562,528
National Freedom Party (NFP)	3,003,282	920,290
Pan Africanist Congress of Azania (PAC)	2,059,730	178,881
United Democratic Movement (UDM)	3,171,904	1,118,354
Personnel expenditure	503,139	484,197
Employees	503,139	484,197
Administrative expenditure	427,905	395,412
Audit cost	401,066	395,412
Bank charges	26,839	-
Promotion & publications	63,250	45,354
Printing and production of books	63,250	45,354
Surplus / (deficit) for the year	<u>3,777,376</u>	<u>(2,717,018)</u>

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SOUTH AFRICA

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SOUTH AFRICA

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RP191/2022
ISBN: 978-0-621-50454-5

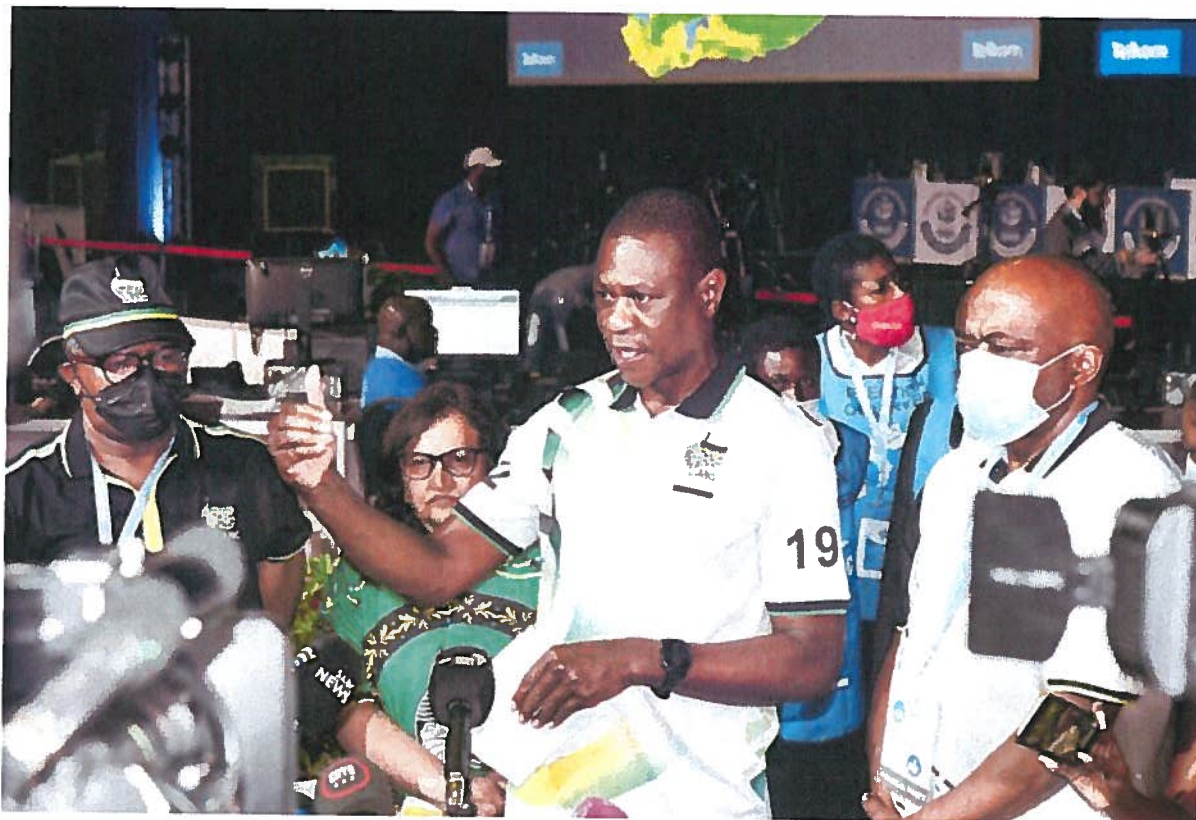
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ANC tables plans to change political party funding law

The party wants limitations to be relaxed and some done away with

20 January 2022 - 18:18 BY KGO THATSO MADISA

[Kgothatso Madisa](#) Journalist



ANC treasurer-general and acting SG Paul Mashatile is in charge of the party's finances. File photo.

Image: Freddy Mavunda/Business Day

More details have emerged on plans by the cash-strapped ANC to amend the law that governs how parties receive financial donations.

The ANC wants the requirement to declare donations changed and the minimum amount that can be declared increased from R100,000 to R250,000 or R500,000.

It wants the ceiling of R15m a year a party can receive from a single donor pushed up to either R50m or R100m, or for the limit to be scrapped.

The ANC wants the amounts parties can receive from foreign donors to be increased.

This is contained in a report the national working committee (NWC) made to the national executive committee (NEC) on Thursday.

The ANC is struggling to raise money to pay employees. Employees embarked on a stayaway recently after a meeting with treasurer-general Paul Mashatile failed to yield results.

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The [Sunday Times](#) reported last month that plans were afoot by the ANC to lobby parties in parliament to support its proposed amendments to the [Political Party Funding Act](#).

The law has been in place for less than a year after being signed by President Cyril Ramaphosa last January and implemented in April.

The report's recommendations reads: "Increase the upper limit to R50m-R100m per year from a person or entity or alternatively, consider doing away completely with an annual upper limit for donations to political parties.

"Increase the upper limit on donations from foreign entities (restricted to training and policy research and limited to R5m for all sources) or alternatively, that it should not exceed a certain percentage (25%-40%) of total party training and policy research budget."

According to the report, which TimesLIVE has seen, the ANC should be wary of litigation against the increase in thresholds, especially the one requiring disclosure.

"Increase the threshold for disclosure to R250,000 or R500,000 per annum. In this regard we need to proceed with caution. NGOs were opposed to any threshold. R100k was a compromise. A too high threshold might provoke litigation — R250k.

If you put a ceiling which is far lower than what the ANC requires to run its operation, you realise if you leave it like that you are self-liquidating."

Pule Mabe

"We can also consider proposing an amendment to the act to provide for higher threshold/limits in the year preceding an election," the report reads.

The ANC wants the definition of donations to "explicitly exclude" dividends and investments of political parties.

This means donations from the ANC's investment arm [Chancellor House](#), which donated R15m last year, would not be declared.

The NEC is expected to debate and adopt the NWC's recommendations, putting the wheels in motion for the ANC to instruct senior members and parliament deployees to start lobbying other parties.

NEC members Pule Mabe and Dakota Legoete in December told the Sunday Times they were confident they would be able to convince parties in parliament to support the amendments.

"We are taking it back to parliament for it to be amended. So far it's not only us as the ANC who say the act must be amended; [it includes] the EFF, DA and other parties. We are all affected," said Legoete.

"We want to amend it because the act should not be rigid, but let's rather bring regulations to control activities of parties."

Mabe said the ANC would be liquidating itself if it failed to challenge the act. The ANC needs at least R200m to settle its wage bill and other debts.

"If you introduce new legislation and that legislation, instead of improving on your efficiencies ... become ... barriers on how you operate, a self-respecting political party ought to ask 'can I go ahead with this?'" Mabe said.

"For instance, if you put a ceiling which is far lower than what the ANC requires to run its operation, you realise if you leave it like that you are self-liquidating."

Veteran ANC member Valli Moosa argued at the time that the thresholds were "extremely generous", as the Zondo commission has shown how people can be bribed with as little as a R100,000.

"So if you remove those, in effect you are repealing the law, that is what you are doing. You know when you take the life out of a piece of legislation it's the same thing as repealing the law," he said.

It was untenable for the ANC to seek to change laws to resolve its internal problems, he said.

"You can't, every time you run into some or other difficulty within the party, you want to change the constitutional order. That would not be the right way for us to be building a democracy."

TimesLIVE

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Cash-strapped ANC proposes amendments to Political Party Funding Act

Jason Felix



The ANC wants changes to political party funding.
Tebogo Letsie, City Press

- **The ANC has detailed plans to allow businesses and entities to donate more money to political parties.**
- **It has been proposed that the amount an individual or entity can donate to a political party be increased from R15 million annually to between R50 million and R100 million.**
- **The ANC also wants the disclosure threshold of R100 000 to be increased to R250 000 or R500 000 per annum.**

A cash-strapped ANC wants to scrap several provisions of the Political Party Funding Act - chief among them the requirement that a single person can only donate R15 million to a political party.

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While reiterating its principled support for Political Party Funding Act, the ANC national working committee (NWC) wants to increase the amount a single individual or entity can donate to a political party from R15 million annually to between R50 million and R100 million.

Alternatively, this limit should be completely scrapped, the party argues.

The NWC also recommended that the threshold for disclosures of donations, currently at R100 000, should be increased to R250 000 or R500 000 per annum.

NWC members warned that the party needed to proceed with caution as NGOs were opposed to any threshold.

It said:

R100 000 was compromise. Too high a threshold might provoke litigation. Officials were of the view that a R250 000 threshold would suffice

This was contained in the NWC's report made to the party's national executive committee (NEC) ahead of its meeting over the weekend.

"We can also consider proposing an amendment to the act to provide for higher threshold [or] limits in the year preceding an election. Definition of donations, to explicitly exclude dividends and or investments of and on behalf of a political party," the document says.

The act came into effect on 1 April last year after President Cyril Ramaphosa signed it into law in January 2019 and promulgated it in February 2021.

Political parties are supposed to disclose to the IEC - on a quarterly basis - funds of more than R100 000 that they receive.

Parties can receive R15 million from an individual or entity in a single year.

For the ANC, the act has caused a reduction in the capacity of political parties to mobilise resources for their activities and for election campaigns.

"Although no information is available about private donations to parties prior to the act becoming operational, it is illuminating that the total donations recorded to political parties, for 2021 quarter one were just R30 million and for quarter two, an elections period, six parties recorded just under R57 million received in private donations.



"No foreign donations were declared during [the first quarter of 2021], and during [the second quarter of 2021] just R 467 007 of foreign donations were declared for stated purpose in the Act (policy and training) by the DA and Action SA," the document says.

The ANC is also unhappy that, in the 2021/2022 budget, funding for political parties will increase by 1.8% between 2021 and 2024.

"The act also prohibits funding of political parties through provincial legislatures, thus further reducing public funding of political parties and in effect, the system of multiparty democracy. Since the PPFA came into effect, only a single donation of R2 000 (two thousand rand) was made into the multi-party democracy fund. The regulations provide for the IEC to distribute monies from the fund to political parties only once donations to the fund have reached R1 million. To date, no monies have been distributed from this fund," it said.

In November 2021, the Electoral Commission of South Africa (IEC) revealed that the ANC had received a R15 million donation from the party's investment arm Chancellor House Holdings.

Should the ANC be successful in its proposed amendments, the amounts would not have to be declared.



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Political discussion on regulatory framework

Ad Hoc Committee on the Funding of Political Parties

22 August 2017

Chairperson: Mr V Smith (ANC)

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Meeting Summary

Document handed out: Committee Working Document (not available to the public)

The purpose of the meeting was to consider all the information received from public hearings, to refer to current legislation and to make political decisions about key issues. The basis for work would be a confidential draft document prepared by the research team of the Committee. The document would be updated for the meeting the following day.

The first debate was on whether there would be one fund or two funds to manage public and private funding to political parties. It was an easy decision to create two funds, one for public funds and the other to accept private donations for distribution to parties. It was agreed that the central multi-party democracy fund be a statutory fund. The allocation formula for this fund would be discussed at a later stage. The Committee debated the various streams of public funding. It was established that the IEC received funding allocated to parties in terms of Section 236 of the Constitution, while Parliament managed additional funds for the constituency allowance and for the administration of political parties. It was agreed the status quo would remain. The new "animal" was one that provincial legislatures had created by making funds available to political parties at provincial level from provincial budgets. The amount, formula and its purpose differed from province to province. There was consensus that all public funds, including provincial funds, would be regulated nationally, even if the funds were distributed at a provincial level.

In the interim, funding from foreign governments and other sources into the central multi-party democracy fund would be allowed. It was agreed that there was no need for a cap and that no state-owned enterprises could donate to the central fund. The Committee grappled with the directives on the use of funds.

In the discussion on investment arms of political parties, it was noted that these could be a front for channelling money from tenders into the political party. Other suggested that proper disclosure should be done but investment arms could not be prevented from receiving tenders. The Committee tended to agree that the irregular source of funding could not be controlled in this Act. It was generally agreed that it was not possible to prevent all companies that did business with the state from donating to the state and that the only regulation was the requirement of transparency and disclosure.

It was agreed that foreign governments could not give directly to political parties. Foreign individuals could give to parties. All donations had to be disclosed. Disclosure was essential for all individuals and all companies above a bottom cap. It was recommended that there be no upper limit to donations but there was a need for a bottom limit below which nothing needed to be declared. The question was whether there should be a lower cap for all or just for individuals.

Consensus was not reached on whether donors had to be disclosed or not. The sticking point was the debate between the right to privacy and the need for accountability which would require disclosure and transparency. The Democratic Alliance was adamant that there was no evidence of a credible link between non-disclosure and corruption. However, there were direct links between contact with opposition parties and prejudice against a person in business, that is, economic bullying. The Chairperson said the concern about economic bullying had to be dealt with in another way.

The following items were flagged for discussion in the next meeting: • What did equitable mean? • Bottom cap • 90/10 split • Management and control of private central fund • Balance between right to privacy versus disclosure • Investment arms • Provincial funding.

Meeting report

Opening remarks

The Chairperson informed the Committee that Parliament's Records Section was still looking for the Minutes taken at the meeting when the original political party funding legislation was decided upon. Furthermore, all information on the provincial regulatory framework for funding political parties had not yet been received. The Eastern Cape had indicated that they had no legislation but that they worked on the basis of policy. The Chairperson was still awaiting the information on the rands and cents involved in provincial party funding. The IEC documentation was still outstanding.

Various documents had been sent to Committee Members, including the legal opinion, which was not under dispute, and documents prepared by the Committee research team for use by Members only.

Mr N Singh (IFP) noted that the Constitutional and Legal Services Office (CLSO) had not offered an opinion on equitable and proportional but he believed that the Committee knew the answers.

The Chairperson replied that when they got to that document they could request further advice from CLSO.

He referred to the Working Document commencing with "Preamble". The intention was to take the information from all submissions and the current Public Funding of Represented Political Parties, Act 103 of 1997, and try to come up with something that they could give to the CLSO to convert into a draft Bill.

Mr Singh asked if they were developing a new document or whether they were going to amend current legislation. The Chairperson's understanding from the previous meeting was that they would amend the current legislation and add new sections, where appropriate. The Committee agreed to work through the legislation in conjunction with the draft document prepared by the research team.

Committee Working Document: discussion

The Chairperson noted that a Preamble had been included in the Working Document but suggested that the Committee should begin with Section 2 and that once decisions had been made, the Committee could return to the Preamble and ensure alignment between the Preamble and the revised contents of the legislation.

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One or two funds

The Chairperson referred to Section 2 of the Act which spoke to the matter of a fund. A decision had to be made on whether there should be one fund or two funds.

Dr C Mulder (FF+) suggested that the IEC be left with what it currently had and that a second fund be established to manage the central fund for private donations. The current legislation did not cater for two funds. Dr Mulder noted that they would be dealing with two different kinds of fund, i.e. private and public funds. Having listened to the input of the IEC, he was of the opinion that a separate fund should be established for private donations, which would operate differently from the IEC-managed fund.

Ms L Mathys (EFF) supported a single IEC fund as that would streamline the funding to political parties. She felt strongly that accounting to different bodies was very messy and entailed additional work. The legislation already allowed for managing both public and private donations.

Mr A Lees (DA) was concerned about the lack of capacity in the IEC, but believed that if there was only one body managing the funds, there would not be a duplication of costs in reporting. Mr Lees was adamant that the IEC could not both offer support and regulate political parties. If that was what they had to do, he believed all the funds should be moved to a different body.

Mr B Bongo (ANC) noted the motivation by Dr Mulder for two funds. The Committee needed to separate the funds to make the administration of each fund clear.

The Chairperson accepted the consensus that all public funds, including provincial funds, would be regulated nationally, even if the funds were distributed at a provincial level. He asked if all funds would be given to IEC or whether there should be a separate fund for private funding.

Dr Mulder pointed out that the IEC currently administered the proportional and equitable funds that were disbursed in accordance with Section 236 of the Constitution. The other funding for constituency and administrative purposes for both the National Assembly and provincial legislatures was in response to a different section in the Constitution which based the funding solely on representation. As he understood it, constituency and administrative allowances to political parties would not be given to the IEC to manage. The funds provided to parties at political level would, however, have to be part of the IEC-managed fund.

Mr Lees noted that there would be several sources from which political parties would receive funds. Currently political parties had to have a separate bank account for each source of public funding. Political parties needed to have separate bank accounts for all funds. As he understood it, the Committee would not be talking about how provincial legislatures distributed funding to political parties, which would need a change of the Act, but were talking about one fund or two funds to manage that funding currently administered by the IEC. Most provincial legislatures had a political party fund that needed to be included in the central fund. What was the basis for that funding? It was a question of whether provincial legislature funding was a constituency fund or if it was similar to the IEC fund which was both proportional and equitable. The source of those provincial funds would then have to be budgeted for at national level. That would be a major change in funding by provincial legislatures to political parties.

Mr Singh understood that there were different sources of funding for political parties, each one appropriated from a different budget. Essentially the Committee was talking about funding of represented political parties. During the IEC presentation, the Committee had realised that there was accommodation in the legislation for the IEC to manage private funding. The IEC would deal with public funds.

Ms Mathys did not agree with Mr Singh. Public funding came from three sources. Private funding needed to be addressed. The Act needed to be changed because too many bank accounts were required of

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parties. All public funding should come from a single source.

Ms L Maseko (ANC) wanted to align with Dr Mulder's proposal. Two funds were needed.

Mr Lees suggested that perhaps the Committee should be starting with what funds were coming in and then get to the matter of one fund or two funds.

Dr Mulder explained that public funding consisted of three components: IEC-managed funds, constituency allowances from Parliament and provincial legislatures, and provincial legislature funding for political parties. Constituency allowances (both national and provincial) were determined by section 116(c) of the Constitution that provided funds for political party purposes on a proportional basis. He proposed that the status quo remain.

The Committee agreed that the status quo remain for public funding.

Mr Lees objected to making a decision about one source of funding before the Committee understood about other sources of political funding. He said that there were more than three sources and they needed to take all of those sources into account before commencing with decision-making.

The Chairperson explained that all of those funds, which came from the national or provincial legislatures and were intended for the functioning of political parties, would be put into a single basket of funding.

Dr Mulder then explained that the provincial legislatures were handing out approximately R600 million in public funds. He assumed that a sizable percentage of that could be the constituency allowance. The Committee did not know exactly what was going on with those funds and hence it had requested that information. He was suggesting that it was possible that those provincial funds should be managed together with the funds currently managed by the IEC.

Mr M Dlamini (EFF) pointed out that the principle was that they were public funds so they should all fall into one basket to facilitate management and monitoring. The main distinction should be between public and private funding because it was with the latter that all the problems were raised during the hearings.

Mr Lees asked if the legislation would be amended to separate public and private funding. He said that the DA would reserve its judgement on that point until they could see the whole picture.

Ms Mathys asked for clarity.

The Chairperson explained that they were attempting to separate private and public funding into two pots.

Ms Mathys understood that the Act currently allowed for public and private funds but that each source of funding had to be managed separately and differently by the IEC.

Dr Mulder explained that the Act stated that the IEC could receive private donations but that they would go into the same pot as the public funding and be handled in the same way. The general view of the Committee was that two separate accounts were needed so that public and private funding could be accounted for and managed separately. There would be no need for donors to pay into the public fund account. The Act would have to be amended to avoid confusing donors.

Mr Dlamini asked from where the private funding would come. He understood that political parties found their own funds. The IEC, because of accountability, should maintain control of all funding, although the IEC could keep two bank accounts.

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The Chairperson explained that more than R1 billion of public money was given to represented political parties for various purposes. However, political parties spent over R2 billion. So how did they account for the second billion? It was made up of donations to political parties. So, what the Committee was considering was to say to donors that they could continue donations directly to political parties but they had to disclose that they were donating the money. If donors did not want to disclose that they were donating money, they could put the money into the central democracy fund. He asked that the Committee agree that they would want two separate bank accounts.

Ms Mathys agreed with the decision to have two bank accounts.

Mr Lees was not happy that they were talking about bank accounts. He had other suggestions but could live with the bank account concept for the moment. He did want the Committee to consider the cost of running separate bank accounts. He cautioned the Committee against speaking as if decisions had been made.

Mr Dlamini asked about disclosure and whether there was a need to disclose when donating to a party. Would donors not disclose when they donated to the central fund?

The Chairperson replied that they would come to decisions around disclosure later in the discussion as he wanted to focus on one item at a time. He agreed that there would have to be an amendment to the Act to accommodate the second fund. The legislative requirement on the use of GAAP accounting principles would need to be changed to the current accounting principles.

Dr Mulder suggested an additional section be added to the Act to deal with second fund/bank account, which would largely replicate the private funding chapter.

Mr Singh agreed that that would be the best option.

Ms Mathys asked why additional legislation was needed for the second fund.

The Chairperson explained that the source of funds would be different.

The Chairperson suggested they move on to who would manage the funds

Dr Mulder proposed that there be statutory legislation to establish a statutory fund. All details would be included in the Act.

Prof N Khubisa (NFP) agreed that the fund should be confined within the ambit of the law.

Ms Mathys asked if statutory status would affect any company, etc.

The Chairperson assured her that it would have no impact on companies, investment arms etc.

Mr Lees suggested that the Committee was talking about two separate funds. Dr Mulder had suggested a second chapter but that the Committee should move on from discussing the establishment of a fund.

Mr Bongo suggested that the Committee move on, but that the Committee Members could come back to any matter if things changed as they worked through the document.

Ms Maseko wanted assurance that the research team was following and would produce a document that reflected the decisions of the Committee.

The Chairperson noted that the Committee had agreed upon a statutory fund. The research team could

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insert the practical details.

Management and control of that fund

The Chairperson said that the purpose of that fund was so that donors were not publicly mentioned. He asked if the management of the fund would have to keep a record of those persons who had donated to it so that the fund manager knew from where the funds were coming.

Dr Mulder suggested that all companies donating to that fund should declare this. He could see no reason why a company would wish to donate anonymously to a multi-party democracy fund. Companies had to disclose when contributing to political parties. Would it not create a negative perception if companies donated in secret to the fund? The Chairperson agreed that no faceless person would want to donate to that fund as they would not be able to get anything out of it. Another option was not to include anything in the legislation about declarations, although at least a register of donors would be necessary.

Mr Bongo felt there was a need for a register for those donating to a political party. There was no reason for disclosure to the multiparty democracy fund. It would be dependent on the wishes of the donor. Perhaps the names of donors should be made published. In Parliament, there was a public and private declaration of Members' Interests.

Mr Singh was sure that nobody would want their name excluded from a multiparty democracy fund. He had a different opinion on donating directly to parties.

The Chairperson reminded the Committee that they were dealing with the central private donation fund and looking at the management of it.

Mr Lees said that it was critical that the source of funds had to be from legal sources but there was a right to privacy, particularly where there was no opportunity to influence unduly, as in the central fund. It was the particular right of the donor to do it privately. He did not agree that disclosure should be necessary when donating to the central fund.

Prof Khubisa asked that Committee members confine themselves to discussion about management of the fund. He could not see why a donor would not want to declare, so donors had to declare. There was a need for transparency and openness because the legislation was being drafted in order to move towards transparency and openness.

Ms Mathys suggested there was a need to flag points where decisions would be taken informed by political decisions, such as transparency. They would have a heated discussion on transparency and other matters, in the follow-up meeting and decisions taken at that point could inform the details currently under discussion. Otherwise the Committee would be having half-hearted discussions on the contested issues.

Allocation of the monies in the central fund

The Chairperson agreed that the discussion should move forward and turn to the allocation of the monies in the central fund. To whom were they going to give the funds?

Dr Mulder suggested that the Committee might agree that the funds be used for the same reasons as were currently contained in the legislation.

Mr Lees agreed that the reason for allocation should be the same.

Mr Singh agreed in principle but flagged the need to determine the allocation formula at a later stage.

Ms Maseko asked about new parties.

Dr Mulder noted that during the IEC presentation there was great deal of talk about unrepresented parties, i.e. those that did not have a representative in Parliament or the provincial legislatures, but wanted some of the funding. However, as relevant as the topic might be, it was not within the mandate of the Committee as established by the National Assembly on 6 June 2017. He suggested that where there were important issues outside its mandate, the Committee should write include these concerns in its final report to the National Assembly.

The Committee agreed.

Allocation of funds to the provinces

Dr Mulder pointed out that the issue was whether the allocation of funds was on a proportional basis or was proportional and equity. As Mr Godi had previously pointed out, currently the 90 in the 90/10 formula was allocated proportionately according to the number of representatives in the National Assembly and the provincial legislatures but the 10 of the 90/10 split was simply divided proportionately amongst the number of representatives each party had in the provincial legislatures. There were two questions on the formula: firstly, the split between proportional and equity, and secondly, how to distribute the equitable part and to include representatives in the National Assembly. The discussion should be flagged. He asked the Chairperson if the Committee could think about possible incentives to donors but bear in mind that some incentives such as tax incentives would need statutory changes.

The Chairperson asked if the money put into the central fund should be disbursed to parties annually.

Dr Mulder stated that the IEC currently paid the funds to parties on a quarterly basis and that parties had to account for those funds before the next disbursement. He suggested that the same practice apply to the central fund for private donations. The Committee agreed.

Purpose or use of private funding

Mr D Gumede (ANC) suggested that the Committee determine the purposes for which the private funds could be used. It should not be the same as for public funding.

Dr Mulder stated that Section 5(1)(b) of the current Act established what the public funds could be used for. In addition, parties could not roll over more than 50% of the funds annually. He did not see why the same conditions should not apply to the central fund.

Mr Bongo thought that perhaps the current criteria for expenditure were too vague and not measurable. Parties would be able to buy T-shirts to "develop the political will". The criteria were also not measurable.

Ms Mathys noted that the current Act indicated use of funds and the IEC gave guidance on line items for accounting. She has asked that the Committee considered the use of private funding for legal costs as the job of parliamentary representatives was to hold the Executive accountable. It was not currently a line item in the IEC budget.

The Chairperson asked if there should be prohibitions on what parties may not spend the money.

Prof Khubisa suggested that the criteria should be the same for all parties. They had to be specific about the use of private funds by parties. Giving parties a blank cheque would be problematic in the long run.

Mr Lees agreed with Dr Mulder that the Act, as it was currently, was great. The legislation was more specific in the use of funds, but legal costs were not included.

The Chairperson stated that they would consider the matter of legal fees when they got to the Regulations.

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Dr Mulder reminded the Chairperson that the reference to independent candidates in the draft notes had to be removed as the Committee was not including local government in its legislation.

The Chairperson asked the Committee to respond to the two issues raised by submissions on enforcing gender sensitivity and a fund for a foundation for policy development and training.

Dr Mulder noted that foundations were widely used especially in the United States. However, if one gave money to a political party, that party would spend all of it on campaigning and not on a foundation, unless that was specified. Did the Committee want to see foundations created?

The Chairperson held that issue be flagged.

Dr Mulder reminded the Committee that it might wish to include in its report to Parliament about political party funding at local government level.

The Chairperson noted to the parliamentary legal advisor that the outcome of the deliberations by the Members would be the development of a draft document for public distribution. At a later stage, the Committee would determine whether it was to be a draft Bill or whatever else was required. The draft document had to look like a Bill.

Private party funds, i.e. donations by corporations or individuals directly to political parties

The Chairperson said the issues to be looked at included disclosure, misuse of state funds, investment arms, caps on party funding and directives from donors regarding the use of the donation.

He said those points had been put on hold while the source of funds going into the private central fund was discussed. Should foreign governments be banned from contributing?

Mr Lees noted that it was an impartial fund not aimed at regime change. Why restrict foreign government or any foreign sources of funding, provided that it was declared?

Ms Maseko believed that the submissions had suggested that foreign government donations were a no-no.

Dr Mulder suggested that if the Committee was serious about multiparty democracy, then they should not ban any legal donations into that fund. He believed the ban on donations by foreign governments applied to donations directly to political parties.

The Chairperson said one needed a compelling reason for a no-no. In the interim, he suggested that funding from foreign governments into the central fund be allowed. The submissions had suggested that other foreign donations to the private central fund were acceptable and the only question was whether there should be a cap on the donation.

The Committee agreed that there was no need for a cap.

The Chairperson asked should state-owned enterprises donate to the central fund.

The Committee agreed that they should not.

The Chairperson suggested that no taxpayer money in any form could go into fund.

Ms Mathys suggested that the Committee should also ban companies with large government shareholders.



Mr Lees warned that the Public Investment Corporation (PIC) had investments in many, many companies and it would be too complex to manage such an approach.

The Chairperson confirmed that no taxpayer money, in any form, could go into the fund, i.e. SOEs and government departments. There would be no restriction on companies doing business only with government.

Direct funding to political parties

The Chairperson stated that it was not the Committee's mandate to outlaw the investment arms of political parties. Public concern around investment arms was that they were inclined to get business or tenders from the government because of their connections.

Dr Mulder pointed out that the concern was about where the investment arm got their money.

Mr Lees believed that an investment arm was another donor to political parties. There was legislation to deal with tenders. Chancellor House was a separate entity from the ANC but might channel funds to the party.

The Chairperson's concern was that the public saw that the Committee had attempted to address the problem of investment arms.

Ms Mathys said that investment arms could invest in parties, but the problem was how they had got the money. She suggested that an investment arm should not have been given any tenders by the State.

Dr Mulder noted that investment arms could be a front for channelling money from tenders into the political party. That was the problem that the Committee was faced with.

Mr Bongo warned against being over-sensitive and over-legislating. Proper disclosure should be done but investment arms could not be prevented from receiving tenders. Perhaps a proper declaration had to be made. He suspected that the concern was really about corruption. He said he disagreed with Dr Mulder for the first time.

Mr Lees said that the concern was about how the investment arm obtained monies. If it were prohibited, the party would find another way of channelling money from companies doing tenders. As much as all Members wanted a corruption-free environment, the party funding legislation was not the place to deal with it.

The Chairperson agreed with Messrs Bongo and Lees. He noted that the matter of clean tenders was critical. He believed that the irregular source of funding could not be controlled. The legislation could only deal with from where a party got its money, so a full declaration was essential.

Ms Mathys said that it was contradictory that SOEs were banned but investment arms were permitted to donate. The Committee had to take cognisance of the highlighted state of corruption and formulate legislation in that context. Tenders were the most corrupt form of corruption in South Africa and the reason for the poor state of the country. Investment arms should be banned from doing business with the State.

The Chairperson agreed with the sentiments of Ms Mathys but asked how the Committee would do it. How did one link the investment arm companies to the political party? The Committee had to be able to defend its decision on investment arms.

Dr Mulder agreed that it was not possible to prevent all companies that did business with the state from donating to the state. The mandate from the National Assembly talked about investment arms owned by

political parties. Perhaps the only regulation was the requirement of transparency and disclosure.

The Chairperson asked Members to think about the issue.

Ms Mathys said that political leaders were corrupt so they would ensure that their investment arms followed corrupt practices.

Mr Bongo felt that the Committee was in agreement. He did not want over-regulation. They had to be able to monitor all requirements. He asked Ms Mathys to be objective. He was proposing that there had to be full disclosure.

Mr Lees suggested that there should be no mention of the investment arms as they would be treated like any other company. Dr Mulder suggested that political parties should be required to disclose any investment arms that they had. He agreed with Mr Bongo that there was a danger of over-regulating. People would find ways around regulations.

The Chairperson determined that somewhere in the document it had to be stated that all political parties had to declare their investment arms.

Mr Lees pointed out the question of ownership was fraught with problems and so the only answer was requiring a declaration by political parties.

Source of private donations to political parties

The Chairperson said membership fees would be permitted. What about foreign donations?

Mr Bongo stated the source could not be from criminal acts. Foreign governments could not give directly to political parties. Foreign individuals could give to parties. All donations had to be disclosed. The capping would be the main issue and had to be regulated.

Mr Lees suggested that the Act should state what was not allowed. Unacceptable should be the proceeds of crime, foreign governments, SoEs and government departments. In terms of disclosure, it was essential to find a balance between the right to privacy and the need for transparency. Where did the obligation to disclose start and finish? He suggested that there be no disclosure of membership fees. The Committee should look at a cap below which there would be no disclosure. Another question was to whom they disclosed. The disclosure process in Parliament was a good example.

Dr Mulder's view was that membership fees and levies/contribution of a percentage of members' salaries, and constituency allowances should not be declared.

The Committee agreed.

Donations from individual companies should be declared and disclosed. IEC funds were already public knowledge. The Lottery should not be allowed to make contributions.

The Committee agreed.

The Chairperson raised the matter of top and bottom capping. There would be no disclosure below the bottom cap. Was there a need for a top cap that set the maximum amount that could be donated? Disclosure was essential for all individuals and all companies above the bottom cap. He acknowledged the constitutional right to privacy but disclosure promoted transparency and would prove to be a deterrent to corruption. It was about disclosure versus non-disclosure which reflected transparency versus corruption. He believed there should be a declaration.

Dr Mulder recommended that there be no upper limit to donations but there was a need for a bottom limit below which nothing needed to be declared. It was better to regulate directly on spending on election campaigns than to include it in funding. There was an argument for both privacy and disclosure.

Mr Lees agreed that there need be no upper limit. He was adamant that there was no evidence of a credible link between non-disclosure and corruption. Therefore, right to privacy was better than trying to combat corruption when the Committee did not know if it would stop corruption. There were direct links between contact with opposition parties and prejudice against a person in business.

The Chairperson determined that there was agreement on a bottom cap and an upper cap.

Ms Mathys said her preference was total disclosure. She believed that companies had to declare regardless of how much they donated, i.e. no cap should apply. Private donations could have a lower cap.

Dr Mulder declared that privacy or no privacy was the essence of the decision and it should be held in abeyance.

The Chairperson agreed that corruption was a concern but the concern about economic bullying had to be dealt with in another way. The point of disclosure was about accountability. It was not possible to account and not disclose. Would it be in the Act or in the Regulations? As far as purpose was concerned, could the Committee legislate about what a political party could do with the money? Submissions had complained that all money was used for elections.

Mr J Steenhuisen (DA) suggested that once the parties had received the money, it had to be left to political parties. Political parties should be responsible and ensure capacity building.

Ms Mathys suggested that the purpose should indicate that the funds should be used for party-related activities.

Mr Steenhuisen was adamant that that was the thin edge of the wedge as far as over-regulation was concerned.

Ms Mathys believed that their positions were close.

The Chairperson suggested that the purpose be omitted for the time being. There was a suggestion that there be no top caps.

Ms Maseko said that everyone should declare above the lower cap.

Mr Lees noted that the right to privacy was not absolute but the test regarding privacy was lower for individuals than corporations and so there should be different caps for individuals and corporates.

The Chairperson summarised the question of caps: was the lower cap for all or just for individuals?

He said the following items needed consideration before the next meeting:

- What did equitable mean?
- Bottom cap
- 90/10 split
- Management and control of private central fund
- Balance between right to privacy versus disclosure
- Investment arms
- Provincial funding.

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The research team would provide an updated document before the next meeting.

The Chairperson announced that the next meeting would commence at 9am and he had applied for permission to work from 7pm to 9pm, if necessary.

Meeting adjourned.

Audio



Privacy policy

- [Review of regulatory framework on funding of political parties: deliberations 2](#)
- [Review of regulatory framework on funding of political parties: deliberations 1](#)

Documents

- 📄 [Public Funding of Represented Political parties Act, No 103 of 1997](#)
- 📄 [Regulations, No117 of 1998 for Public Funding of Represented Political Parties Act](#)

Bills

- 📄 [B33-2017 - Political Party Funding Bill](#)
- 📄 [X-2017 - Political Party Funding Bill](#)

Present



Smith, Mr VG Chairperson
ANC



Bongo, Adv BT
ANC



Dlamini-Dubazana, Ms ZS
ANC

W/S



Godi, Mr NT
APC



Gumede, Mr DM
ANC



Khubisa, Mr NM
NFP



Lees, Mr RA
DA



Maseko, Ms LM
ANC



Mathys, Ms L
EFF



Mulder, Dr PW
FF+



Singh, Mr N
IFP



Steenhuisen, Mr JH
DA

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State Capture Report: Part 1

Vol. 1: South African Airways
and Associated Companies



This is the report of the Judicial Commission of Inquiry into State Capture, Corruption and Fraud in the Public Sector, also known to the public and the media as the Commission of Inquiry into State Capture.

of the Judicial Commission of Inquiry into State Capture: Part 1: Vol. 1

The Consequences of State capture and Systemic Weaknesses

Corruption in Political Party Financing

544. It is a matter of extreme concern that the evidence given at the Commission establishes a link between the corrupt grant of tenders and political party financing. Such a link can represent an existential threat to our democracy. It is inconceivable that political parties should finance themselves from the proceeds of crime, and yet there is alarming evidence to that effect.
545. In its report entitled "Bribery in Public Procurement (2007)" the OECD noted that political party financing had been identified as a very serious problem area associated with corruption and bribery. It said:

"Political party financing was identified as a very serious problem area associated with corruption and bribery. Examples of corruption in public procurement associated with political party financing have been identified in many countries around the world and public procurement is certainly a means by which political parties divert public funds illegally to finance themselves. Corruption can be seen to enter the political scene in several cases. Politicians may use their powers in view of establishing networks seeking control over sources of rents provided by public procurement. Once the network group obtains access to the administration, it may then put in place its own persons. Resources levied are then used to favour political parties. Bribes or kickbacks do not necessarily involve personal enrichment. Experts noted that corruption in public bidding and within public administrations may reflect a wider corruption phenomenon. Corruption in public markets may lead to a debate on the transparency of political party financing, and vice versa."

546. The examples of corruption manifesting in high value contracts which have been described earlier in this Chapter indicate the likelihood that in at least two instances the proceeds of corruption were diverted to a political party, in both instances the ANC.

547. The one example involves the then Johannesburg, Mayor Mr Geoff Makhubo, in dealings with EOH. In that case it appears that a front company was used as a vehicle to channel money to the benefit of the ANC.
548. According to the evidence Mr Makhubo had solicited a donation to the ANC from EOH and had repeated that request a week after the contract had been awarded to EOH. According to the evidence of Mr Van Coller some R50 million was donated to the ANC by EOH for the 2016 local government elections.
549. Another example involves the Free State Provincial Government in its dealing with Blackhead Consulting. Blackhead Consulting received a number of lucrative contracts including a 2014 asbestos audit tender valued at R255 million from the Free State Government and between 2013 – 2018 Blackhead Consulting made payments amounting to millions of Rands to the ANC.
550. The evidence before the Commission did not seek to establish the full extent of corruption associated with political party financing or the extent to which other political parties may also have been implicated. However, the two examples mentioned are more than enough to sound the alarm. In fact, there is another example. That is BOSASA. The evidence heard by the Commission revealed that BOSASA was deeply involved in corruption for many years which involved tenders from government departments or government entities such as the Department of Correctional Services (prisons) and the Department of Home Affairs and the Airports Company. The evidence also revealed that BOSASA made donations to the ANC in cash and in kind. It cannot be that it only gave the ANC “clean” money or that it did not spend “dirty” money on the ANC.
551. It goes without saying that these cases need to be prioritised by the National Prosecuting Authority but that, alone, will not address the problem. Legislation is

required to prevent, expose and criminalise such activity. Thus far the National Assembly has been tentative in addressing this problem as noted below

552. The recent promulgation of the Political Party Funding Act No. 6 of 2018 (PPFA) is at least a first step but most likely an ineffectual step in addressing this particular abuse. Section 9 of the PPFA requires a political party to disclose to the Electoral Commission all donations received which exceed a prescribed threshold and imposes a similar obligation on any person or entity delivering a donation to a member of a political party other than for political party purposes. Section 19 renders any contravention of this section a criminal offence punishable by a fine or imprisonment.

553. The PPFA has sensibly opened the way to fund political parties by way of the Represented Political Party Fund and the Multi-Party Democracy Fund both of which are supervised by the Electoral Commission established under the Constitution and the Electoral Commission Act. These mechanisms are to be welcomed since they should alleviate, to some degree at least, the financial plight of political parties. The PPFA also moves in the right direction in identifying classes of donations to political parties which need to be prohibited and in requiring the disclosure of donations which are made to political parties. Enforcement is placed in the hands of the Commission and various transgressions are criminalised.

554. Nonetheless, the PPFA does not go as far as it should. Provision must be made to prohibit donations linked to the grant of tenders. The making of any such donations by a prospective tenderer or by a successful tenderer within an extended period of time must be made to constitute a criminal offence as must the receipt of any such payment whether such payment is made directly into the coffers of the political party or by some indirect means. To be effective, it will be necessary for the legislation to require external inspections both of tenderers and political parties by a designated authority with

appropriate powers of search and seizure. Significant monetary penalties need also to be imposed both on the tenderer and on the political party in the event of a breach of these provisions.

PUBLISHED DECLARATIONS REPORT

"FA8"

Report Details as at: Tuesday, 30 August 2022 10:08:28

Financial Year: 2022/2023
Quarter: QUARTER 1
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 1

DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(1)
 (In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))

Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
ACTIONS SA	13/05/2022	STYLE EYES OF CALIFORNIA (PTY) LTD	MONETARY	R 600 000,00	
	22/06/2022	SHAVE & GIBSON GROUP PTY LTD	MONETARY	R 150 000,00	
	Total Amount Declared by ACTIONS SA			R 750 000,00	R 0,00
DEMOCRATIC ALLIANCE	08/04/2022	FYNBOS EKWITEIT (PTY) LTD	MONETARY	R 15 000 000,00	
	31/05/2022	VOLKSPARTIJ VOOR VRIJHEID EN DEMOCRATIE	MONETARY	R 254 193,57	
	24/06/2022	FRIEDRICH NAUMANN FOUNDATION	IN-KIND	R 723 493,56	
	Total Amount Declared by DEMOCRATIC ALLIANCE			R 15 977 687,13	R 0,00
TOTAL FUNDS DECLARED FOR THIS QUARTER				R 16 727 687,13	
TOTAL ACCUMULATIVE FUNDS DECLARED FOR THIS QUARTER					R 0,00

LATE SUBMISSIONS FROM PREVIOUS QUARTER(S) AND ACCUMULATIVE CONTRIBUTIONS BELOW THE THRESHOLD.

Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
AFRICAN NATIONAL CONGRESS	14/06/2022	BOTHO BOTHO COMMERCIAL ENTERPRISE PTY LTD	MONETARY	R 10 000 000,00	
	Total Amount Declared by AFRICAN NATIONAL CONGRESS			R 10 000 000,00	R 0,00
PATRIOTIC ALLIANCE	01/04/2022	GAYTON MCKENZIE	MONETARY	R 150 000,00	
	01/04/2022	GAYTON MCKENZIE	MONETARY	R 160 000,00	
	Total Amount Declared by PATRIOTIC ALLIANCE			R 310 000,00	R 0,00
SUB-TOTAL:				R 10 310 000,00	
ACCUMULATIVE TOTAL:					R 0,00

GRAND TOTAL FOR THIS QUARTER: R 27 037 687,13 R 0,00

GRAND TOTAL

- Takes into account the total funds declared in a quarter + the late submissions for the quarter

PUBLISHED DECLARATIONS REPORT

Report Details as at: Tuesday, 30 August 2022 10:08:28

Financial Year: 2022/2023
Quarter: QUARTER 1
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 1

DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(2)
 (In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))

Donor Name	Date(s) of Receipt(s) of Donation	Party Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
FRIEDRICH NAUMANN FOUNDATION	24/06/2022	DEMOCRATIC ALLIANCE	IN-KIND	R 723 493,56	
Total Amount Declared by FRIEDRICH NAUMANN FOUNDATION				R 723 493,56	R 0,00
STYLE EYES OF CALIFORNIA (PTY) LTD	13/05/2022	ACTIONS	MONETARY	R 600 000,00	
Total Amount Declared by STYLE EYES OF CALIFORNIA (PTY) LTD				R 600 000,00	R 0,00
SHAVE & GIBSON FOUNDATION	22/06/2022	ACTIONS	MONETARY	R 150 000,00	
Total Amount Declared by SHAVE & GIBSON FOUNDATION				R 150 000,00	R 0,00
FYNBOS EKWITEIT (PTY) LTD	08/04/2022	DEMOCRATIC ALLIANCE	MONETARY	R 15 000 000,00	
Total Amount Declared by FYNBOS EKWITEIT (PTY) LTD				R 15 000 000,00	R 0,00
VOLKSPARTIJ VOOR VRIJHEID EN DEMOCRATIE	17/05/2022	DEMOCRATIC ALLIANCE	MONETARY	R 254 193,57	
Total Amount Declared by VOLKSPARTIJ VOOR VRIJHEID EN DEMOCRATIE				R 254 193,57	R 0,00
TOTAL FUNDS DECLARED FOR THIS QUARTER				R 16 727 687,13	
TOTAL ACCUMULATIVE FUNDS DECLARED FOR THIS QUARTER					R 0,00

LATE SUBMISSIONS FROM PREVIOUS QUARTER(S) AND ACCUMULATIVE CONTRIBUTIONS BELOW THE THRESHOLD.

Donor Name	Date(s) of Receipt(s) of Donation	Party Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
BOTHO BOTHO COMMERCIAL ENTERPRISE PTY LTD	14/06/2022	AFRICAN NATIONAL CONGRESS	MONETARY	R 10 000 000,00	
Total Amount Declared by BOTHO BOTHO COMMERCIAL ENTERPRISE PTY LTD				R 10 000 000,00	R 0,00
SUB-TOTAL:				R 10 000 000,00	
ACCUMULATIVE TOTAL:					R 0,00

GRAND TOTAL FOR THIS QUARTER: R 26 727 687,13 R 0,00

GRAND TOTAL

- Takes into account the total funds declared in a quarter + the late submissions for the quarter

PUBLISHED DECLARATIONS REPORT

Report Details as at: Tuesday, 30 August 2022 10:08:28

Financial Year: 2022/2023
Quarter: QUARTER 1
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 1

CONTRIBUTIONS RECEIVED IN THE MULTI-PARTY DEMOCRACY FUND AS CONTEMPLATED IN SECTION 3(3)(a)
(In terms of the Political Party Funding Act, 6 of 2018)

Signed at Centurion on this 30th day of August 2022



George Mahlangu

Chief Executive: Political Party Funding



PUBLISHED DECLARATIONS REPORT

Report Details as at: Tuesday, 30 August 2022 10:08:28

Financial Year: 2022/2023
Quarter: QUARTER 1
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES



PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 2
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

Report Details as at: 30 November 2022 06:04 PM

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 2

DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(1)
(In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))

Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
ACTIONS SA	07/07/2022	VICTORIA FREUDENHEIM	MONETARY	R 8 000 000,00	
	18/07/2022	JESSICA SLACK JELL	MONETARY	R 8 000 000,00	
	16/09/2022	VINCEMUS INVESTMENTS PTY LTD	IN-KIND	R 301 500,00	
	21/09/2022	MOSS KADEY	MONETARY	R 1 000 000,00	
	Total Amount Declared by ACTIONS SA				R 17 301 500,00
AFRICAN NATIONAL CONGRESS	19/08/2022	CHANCELLOR HOUSE TRUST	MONETARY	R 7 500 000,00	
	Total Amount Declared by AFRICAN NATIONAL CONGRESS				R 7 500 000,00
DEMOCRATIC ALLIANCE	08/07/2022	DISCOVERY CENTRAL SERVICES	MONETARY	R 150 000,00	
	18/07/2022	JESSICA SLACK JELL	MONETARY	R 2 000 000,00	
	25/07/2022	FYNBOS KAPITAAL PROPRIETARY LIMITED	MONETARY	R 15 000 000,00	
	26/08/2022	WENDY ACKERMAN	MONETARY	R 150 000,00	
	07/09/2022	KING SOLOMON FOODS (PTY) LTD	MONETARY	R 150 000,00	
	16/09/2022	MARTIN MOSHAL	MONETARY	R 15 000 000,00	
	19/09/2022	DANISH LIBERAL DEMOCRACY PROGRAMME	MONETARY	R 701 524,58	
	27/09/2022	LAURIE CHIAPPINI	MONETARY	R 500 000,00	
	29/09/2022	FRIEDRICH NAUMANN FOUNDATION	IN-KIND	R 1 663 221,93	
Total Amount Declared by DEMOCRATIC ALLIANCE				R 35 314 746,51	R 51 292 433,64
ECONOMIC FREEDOM FIGHTERS	01/08/2022	TWAABAM PTY LTD	IN-KIND	R 150 000,00	
	Total Amount Declared by ECONOMIC FREEDOM FIGHTERS				R 150 000,00
TOTAL FUNDS DECLARED FOR THIS QUARTER				R 60 266 246,51	
TOTAL ACCUMULATIVE FUNDS DECLARED FOR THIS QUARTER					R 76 993 933,64

LATE SUBMISSIONS FROM PREVIOUS QUARTER(S) AND ACCUMULATIVE CONTRIBUTIONS BELOW THE THRESHOLD.

Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
AFRICAN NATIONAL CONGRESS					R 10 000 000,00
PATRIOTIC ALLIANCE					R 310 000,00
SUB-TOTAL:				R 0,00	
ACCUMULATIVE TOTAL:					R 10 310 000,00

PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 2
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

GRAND TOTAL FOR THIS QUARTER: R 60 266 246,51 R 87 303 933,64

GRAND TOTAL

- Takes into account the total funds declared in a quarter + the late submissions for the quarter



PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 2
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

Report Details as at: 30 November 2022 06:04 PM

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 2

DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(2)
(In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))

Donor Name	Date(s) of Receipt(s) of Donation	Party Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
CHANCELLOR HOUSE TRUST	19/08/2022	AFRICAN NATIONAL CONGRESS	MONETARY	R 7 500 000,00	
Total Amount Declared by CHANCELLOR HOUSE TRUST				R 7 500 000,00	R 7 500 000,00
DANISH LIBERAL DEMOCRACY PROGRAMME	19/09/2022	DEMOCRATIC ALLIANCE	MONETARY	R 701 524,58	
Total Amount Declared by DANISH LIBERAL DEMOCRACY PROGRAMME				R 701 524,58	R 701 524,58
DISCOVERY CENTRAL SERVICES	08/07/2022	DEMOCRATIC ALLIANCE	MONETARY	R 150 000,00	
Total Amount Declared by DISCOVERY CENTRAL SERVICES				R 150 000,00	R 150 000,00
FRIEDRICH NAUMANN FOUNDATION	29/09/2022	DEMOCRATIC ALLIANCE	IN-KIND	R 1 663 221,93	
Total Amount Declared by FRIEDRICH NAUMANN FOUNDATION				R 1 663 221,93	R 2 386 715,49
FYNBOS KAPITAAL PROPRIETARY LIMITED	25/07/2022	DEMOCRATIC ALLIANCE	MONETARY	R 15 000 000,00	
Total Amount Declared by FYNBOS KAPITAAL PROPRIETARY LIMITED				R 15 000 000,00	R 15 000 000,00
KING SOLOMON FOODS (PTY) LTD	07/09/2022	DEMOCRATIC ALLIANCE	MONETARY	R 150 000,00	
Total Amount Declared by KING SOLOMON FOODS (PTY) LTD				R 150 000,00	R 150 000,00
TWAABAM PTY LTD	01/08/2022	ECONOMIC FREEDOM FIGHTERS	MONETARY	R 150 000,00	
Total Amount Declared by TWAABAM PTY LTD				R 150 000,00	R 150 000,00
VINCEMUS INVESTMENTS PTY LTD	16/09/2022	ACTIONS SA	IN-KIND	R 301 500,00	
Total Amount Declared by VINCEMUS INVESTMENTS PTY LTD				R 301 500,00	R 301 500,00
FYNBOS EKWITEIT (PTY) LTD					R 15 000 000,00
SHAVE & GIBSON FOUNDATION					R 150 000,00
STYLE EYES OF CALIFORNIA (PTY) LTD					R 600 000,00
VOLKSPARTIJ VOOR VRIJHEID EN DEMOCRATIE					R 254 193,57
TOTAL FUNDS DECLARED FOR THIS QUARTER				R 25 616 246,51	
TOTAL ACCUMULATIVE FUNDS DECLARED FOR THIS QUARTER					R 42 343 933,64

LATE SUBMISSIONS FROM PREVIOUS QUARTER(S) AND ACCUMULATIVE CONTRIBUTIONS BELOW THE THRESHOLD.

Donor Name	Date(s) of Receipt(s) of Donation	Party Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount

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PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 2
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

BOTHO BOTHO COMMERCIAL ENTERPRISE PTY LTD					R 0,00
					R 10 000 000,00
SUB-TOTAL:					R 0,00
ACCUMULATIVE TOTAL:					R 10 000 000,00
GRAND TOTAL FOR THIS QUARTER:					R 25 616 246,51
					R 52 343 933,64

GRAND TOTAL

- Takes into account the total funds declared in a quarter + the late submissions for the quarter

NO
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PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 2
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

Report Details as at: 30 November 2022 06:04 PM

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 2

CONTRIBUTIONS RECEIVED IN THE MULTI-PARTY DEMOCRACY FUND AS CONTEMPLATED IN SECTION 3(3)(a)
(In terms of the Political Party Funding Act, 6 of 2018)

Signed at Centurion on this 30th day of November 2022



George Mahlangu

Chief Executive: Political Party Funding

PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 2
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

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PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 3
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

Report Details as at: 28 February 2023 12:44 PM

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 3

DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(1)
(In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))

Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
ACTIONS	08/12/2022	MARTIN MOSHAL	MONETARY	R 3 500 000,00	
	09/12/2022	KONRAD ADENAUER STIFTUNG NPC	IN-KIND	R 180 000,00	
	14/12/2022	AFRICAN EQUITY CORPORATION (PTY) LTD	MONETARY	R 1 000 000,00	
	Total Amount Declared by ACTIONS			R 4 680 000,00	R 22 731 500,00
AFRICAN NATIONAL CONGRESS	20/10/2022	BATHO BATHO TRUST	IN-KIND	R 15 000 000,00	
	11/11/2022	NASPERS LIMITED	MONETARY	R 2 000 000,00	
	25/11/2022	UNITED MANGANESE OF KALAHARI	IN-KIND	R 15 000 000,00	
	Total Amount Declared by AFRICAN NATIONAL CONGRESS			R 32 000 000,00	R 39 500 000,00
DEMOCRATIC ALLIANCE	25/10/2022	FYNBOS TRUST	MONETARY	R 271 000,00	
	09/11/2022	KAREN CRAMER	MONETARY	R 250 000,00	
	11/11/2022	NASPERS LIMITED	MONETARY	R 2 000 000,00	
	21/12/2022	FRIEDRICH NAUMANN FOUNDATION	IN-KIND	R 400 325,54	
	Total Amount Declared by DEMOCRATIC ALLIANCE			R 2 921 325,54	R 54 213 759,18
ECONOMIC FREEDOM FIGHTERS	21/10/2022	CAR JUNCTION	IN-KIND	R 202 600,00	
	Total Amount Declared by ECONOMIC FREEDOM FIGHTERS			R 202 600,00	R 352 600,00
PATRIOTIC ALLIANCE	12/10/2022	KENNY KUNENE	MONETARY	R 247 000,00	
	Total Amount Declared by PATRIOTIC ALLIANCE			R 247 000,00	R 247 000,00
TOTAL FUNDS DECLARED FOR THIS QUARTER				R 40 050 925,54	
TOTAL ACCUMULATIVE FUNDS DECLARED FOR THIS QUARTER					R 117 044 859,18

LATE SUBMISSIONS FROM PREVIOUS QUARTER(S) AND ACCUMULATIVE CONTRIBUTIONS BELOW THE THRESHOLD.

Party Name	Date(s) of Receipt(s) of Donation	Donor Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
AFRICAN NATIONAL CONGRESS					R 10 000 000,00
PATRIOTIC ALLIANCE					R 310 000,00
SUB-TOTAL:				R 0,00	
ACCUMULATIVE TOTAL					R 10 310 000,00

GRAND TOTAL FOR THIS QUARTER: **R 40 050 925,54** **R 127 354 859,18**

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PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 3
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

GRAND TOTAL

- Takes into account the total funds declared in a quarter + the late submissions for the quarter

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PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 3
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

Report Details as at: 28 February 2023 12:44 PM

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 3

DONATIONS DECLARED AS CONTEMPLATED IN SECTION 9(2)
 (In terms of the Political Party Funding Act, 6 of 2018 as read with Regulation 7(1))

Donor Name	Date(s) of Receipt(s) of Donation	Party Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
AFRICAN EQUITY CORPORATION (PTY) LTD	14/12/2022	ACTIONS	MONETARY	R 1 000 000,00	
Total Amount Declared by AFRICAN EQUITY CORPORATION (PTY) LTD				R 1 000 000,00	R 1 000 000,00
BATHO BATHO TRUST	20/10/2022	AFRICAN NATIONAL CONGRESS	IN-KIND	R 15 000 000,00	
Total Amount Declared by BATHO BATHO TRUST				R 15 000 000,00	R 15 000 000,00
CAR JUNCTION (PTY)	12/10/2022	ECONOMIC FREEDOM FIGHTERS	IN-KIND	R 202 600,00	
Total Amount Declared by CAR JUNCTION (PTY)				R 202 600,00	R 202 600,00
FRIEDRICH NAUMANN FOUNDATION	21/12/2022	DEMOCRATIC ALLIANCE	IN-KIND	R 400 325,54	
Total Amount Declared by FRIEDRICH NAUMANN FOUNDATION				R 400 325,54	R 2 787 041,03
FYNBOS TRUST	25/10/2022	DEMOCRATIC ALLIANCE	MONETARY	R 271 000,00	
Total Amount Declared by FYNBOS TRUST				R 271 000,00	R 271 000,00
KONRAD ADENAUER STIFTUNG NPC	09/12/2022	ACTIONS	IN-KIND	R 180 000,00	
Total Amount Declared by KONRAD ADENAUER STIFTUNG NPC				R 180 000,00	R 180 000,00
NASPERS LIMITED	11/11/2022	AFRICAN NATIONAL CONGRESS	MONETARY	R 2 000 000,00	
	11/11/2022	DEMOCRATIC ALLIANCE	MONETARY	R 2 000 000,00	
Total Amount Declared by NASPERS LIMITED				R 4 000 000,00	R 4 000 000,00
UNITED MANGANESE OF KALAHARI	25/11/2022	AFRICAN NATIONAL CONGRESS	IN-KIND	R 15 000 000,00	
Total Amount Declared by UNITED MANGANESE OF KALAHARI				R 15 000 000,00	R 15 000 000,00
CHANCELLOR HOUSE TRUST					R 7 500 000,00
DANISH LIBERAL DEMOCRACY PROGRAMME					R 701 524,58
DISCOVERY CENTRAL SERVICES					R 150 000,00
FYNBOS EKWITEIT (PTY) LTD					R 15 000 000,00
FYNBOS KAPITAAL PROPRIETARY LIMITED					R 15 000 000,00
KING SOLOMON FOODS (PTY) LTD					R 150 000,00
SHAVE & GIBSON FOUNDATION					R 150 000,00
STYLE EYES OF CALIFORNIA (PTY) LTD					R 600 000,00
TWAABAM PTY LTD					R 150 000,00
VINCEMUS INVESTMENTS PTY LTD					R 301 500,00
VOLKSPARTIJ VOOR VRIJHEID EN DEMOCRATIE					R 254 193,57
TOTAL FUNDS DECLARED FOR THIS QUARTER				R 36 053 925,54	
TOTAL ACCUMULATIVE FUNDS DECLARED FOR THIS QUARTER					R 78 397 859,18

PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 3
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

LATE SUBMISSIONS FROM PREVIOUS QUARTER(S) AND ACCUMULATIVE CONTRIBUTIONS BELOW THE THRESHOLD.

Donor Name	Date(s) of Receipt(s) of Donation	Party Name	Donation Type	Amount(s) of Donation for this Quarter	Accumulative Donations Amount
BOTHO BOTHO COMMERCIAL ENTERPRISE PTY LTD				R 0,00	
					R 10 000 000,00
SUB-TOTAL:				R 0,00	
ACCUMULATIVE TOTAL					R 10 000 000,00

GRAND TOTAL FOR THIS QUARTER: R 36 053 925,54 R 88 397 859,18

GRAND TOTAL

- Takes into account the total funds declared in a quarter + the late submissions for the quarter

PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 3
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

Report Details as at: 28 February 2023 12:44 PM

LIST OF DONATIONS AND CONTRIBUTIONS FOR QUARTER 3

CONTRIBUTIONS RECEIVED IN THE MULTI-PARTY DEMOCRACY FUND AS CONTEMPLATED IN SECTION 3(3)(a)
(In terms of the Political Party Funding Act, 6 of 2018)

Signed at Centurion on this 28th day of February 2023



George Mahlangu

Chief Executive: Political Party Funding



PUBLISHED DECLARATIONS REPORT

Financial Year: 2022/2023
Quarter: QUARTER 3
Party: ALL PARTIES
Donor: ALL DONORS
Declaration Type: ALL TYPES

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REPRESENTED POLITICAL PARTIES' FUND

**Annual Report
2021**



EXPENDITURE BY REPRESENTED POLITICAL PARTIES FOR THE YEAR ENDED 31 MARCH 2021

	African Christian Democratic Party (ACDP)	African In- dependent Congress (AIC)	AI JA- MA-AH	African National Congress (ANC)	African Transfor- mation Movement (ATM)	Congress of the People (COPE)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	Freedom Front Plus (FF)	GOOD	Inkatha Freedom Party (IFP)	Minority Front (MF)	National Freedom Party (NFP)	Pan Africanist Congress (PAC)	United Democratic Movement (UDM)	Total
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Total amount received during the year	2,332,774	268,321	587,951	89,890,487	1,502,001	288,230	34,079,560	19,947,947	6,505,975	766,832	5,859,090	562,528	460,145	-	1,118,354	164,170,195
Total Expenditure	(2,153,712)		(635,215)	(89,883,543)	(1,604,232)		(31,476,458)	(19,143,530)	(6,642,800)	(766,603)	(5,344,979)	(548,103)			(1,114,305)	(159,313,480)
Personnel expenditure	409,544		238,790	85,769,693	1,323,983		22,595,164	-	3,650,519	367,290	131,964	120,545			50,000	114,687,492
Account-modation expenditure	17,265		-	-	-		-	-	171,811	-	185,478	-			-	374,554
Travel expenditure	76,491		12,920	-	47,472		134,133	800	143,577	-	1,506,043	-			73,736	1,995,174
Arrangements of meetings and rallies	37,827		156,568	-	32,192		2,230,836	36,726	303,288	-	223,871	4,934			-	3,026,242
Administrative expenditure	1,129,413		124,585	4,113,850	192,007		6,115,682	1,050,404	1,510,561	51,140	2,155,912	308,921			453,167	17,205,642
Promotion and publications	483,172		102,352	-	8,578		400,643	-	258,899	348,173	1,141,711	113,703			537,400	3,394,831
Fixed asset and other expenditure	-		-	-	-		-	18,055,600	604,145	-	-	-			-	18,559,745
Unspent money at end of year	179,062	268,321	(47,264)	6,944	(102,231)	288,230	2,603,102	804,417	(136,825)	229	514,111	14,425	460,145		4,049	4,856,715
Plus: Interest received	44,302	-	-	197	909	-	144,607	-	96,525	-	-	-	-		-	256,540
Surplus / (deficit) for the year	223,364	268,321	(47,264)	7,141	(101,322)	288,230	2,747,709	804,417	(40,300)	229	514,111	14,425	460,145		4,049	5,143,255

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Report of the Standing Committee on Appropriations on the Second Adjustments Appropriation (2022/23 Financial Year) Bill [B4 – 2023] (National Assembly – Section 77), Dated 17 March 2023

Having considered the Second Adjustments Appropriation Bill [B4 – 2023], referred to in terms of Section 12 of the Money Bills Amendment Procedure and Related Matters Act No. 9 of 2009 (as amended by the Money Bills Amendments Procedure and Related Matters Amendment Act, No 13 of 2018), the Standing Committee on Appropriations reports as follows:

1. Introduction

Section 213(2) of the Constitution of the Republic of South Africa, provides that money may be withdrawn from the National Revenue Fund only (a) in terms of an appropriation by an Act of Parliament; or (b) as a direct charge against the National Revenue Fund. Section 30(1) of the Public Finance Management Act (PFMA), No 1 of 1999, states that the Minister of Finance may table an adjustment budget in the National Assembly as and when necessary. Section 30(2) of the PFMA further states that the adjustments budget may provide for, amongst others, money to be appropriated for expenditure already announced by the Minister during the tabling of the annual budget, as well as the the shifting of funds between and within votes.

The 2023 Second Adjustments Appropriation (2022/23 financial year) Bill (hereafter referred to as the Bill) proposes to appropriate additional funding allocations for expenditure approved in the 2022/23 financial year. The Standing Committee on Appropriations, hereinafter referred to as the Committee, is established in terms of section 4(3) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (as amended), and herein referred to as the Act.

The Bill was tabled in Parliament by the Minister of Finance on 22 February 2023 during the presentation of the 2023 budget and was referred to the Committee for consideration and report to the National Assembly as prescribed in section 12 of the Act. In processing the Bill, section 4 (4) (c) of the Act also requires the Committees on Appropriations of both Houses to consult with the Financial and Fiscal Commission (FFC). In addition to consulting with the FFC, the Committee also invited the Parliamentary Budget Office to comment on the Bill.

The Act also requires the Committee on Appropriations to conduct public hearings on the Bill and for the Committee to report to the House on the comments and amendments to the Bill. In compliance with the requirements of the Act, advertisements were published on Parliaments website and social media platforms, inviting the general public and interested parties to comment on the Bill. The public hearings on the Bill were held on 14 March 2023 via the Zoom virtual meeting platform. In response, written and oral submissions were received by the Committee for consideration, and in line with the requirements of the Act from the Congress of South African Trade Unions.

2. Background to the Bill

The Bill gives effect to adjustments to the appropriation of money from the National Revenue Fund for expenditure approved in the 2022/22 financial year and provides for matters incidental thereto. The Appropriation Act, 2022 (Act No. 7 of 2022), provides for the appropriation of money from the National Revenue Fund to provide for the requirements of the State in respect of the 2022/23 financial year. Whereas the Adjustments Appropriation Act, 2022 (Act No. 21 of 2022), effected adjustments to the appropriation of money provided for in the Appropriation Act, 2022, and whereas further adjustments are required to authorise expenditure approved in terms of section 6 of the Appropriation Act, 2022, and section 30 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

The Bill proposes allocation of additional funding to Vote allocation to fund the carry-through costs of the 2022 public services wage increase, the South Africa Airways SOC Limited as a settlement agreement that was reached between the SAA business rescue practitioners and the airline's creditors providing for a gradual payment of historical debts, the South African Post Office (SAPO), the Land Agricultural Development Bank of South Africa, and additional allocation towards political party funding. Table 1 below summarises the revision to the 2022/23 non-interest expenditure since the 2022 budget.

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Table 1: Revision to the 2022/23 non-interest expenditure since the 2022 budget

R million		2022/23
Non-interest expenditure (2022/23 budget)		1,673,450
Upward expenditure adjustments		77,419
2022 Medium Term Budget Policy Statement	54,117	
Special Appropriation	30,014	
Other allocation in the AENE	24,102	
Second adjustments appropriation	23,302	
South African Airways	1,000	
South African Post Office	2,400	
2022/23 public-service wage increase	14,602	
Political parties fund	300	
Land Bank section 6 provision	5,000	
Downward expenditure adjustments		-54,039
Projected underspending	-19,427	
Other downward adjustments	-34,613	
Revised non interest expenditure (2023 budget)		1,696,829
Change in non-interest expenditure from the 2022 budget		23,379

Source: Second Adjustments Appropriation (2022/23 Financial Year) Bill: National Treasury

3. Provisions of the Bill

The Bill proposes additional financial support to the following Votes:

- A proposed additional allocation of R1 billion to the Department of Public Enterprises (Vote 10) for a settlement agreement that was reached between the SAA businesses rescue practitioners and the airline's creditors providing for a gradual payment of historical debts.
- A proposed additional allocation of R2.4 billion to the Department of Communications and Digital Technologies (Vote 30) for the recapitalisation of the South African Post Office SOC Limited.
- A proposed additional allocation of R5 billion to National Treasury (Vote 8) for the purchase of equity from the Land and Agricultural Development Bank of South Africa.
- A proposed additional allocation of R300 million to the Department of Home Affairs (Vote 5) for addition support to the operation of political parties.
- A proposed addition of R4.5 billion to various Vote allocations to provide for the carry-through costs of the 2022 public-service wage increases.

4. Public sector wage increases

In order to provide for the 2022 public-service wage agreement between government and organised labour, the bill proposes additional allocation of R4.5 billion to Vote allocation. The total exclude the allocation to Parliament of the Republic of South Africa as the disaggregation of the vote per main division is determined in terms of the Financial Management Act of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009). Table 2 below highlights the total proposed allocation per vote to cater for the 2022 public-service wage agreement, excluding Parliament.

Table 2: Public-service wage increase

Vote	Department (R'000)	2022/23	
1	The Presidency	11,400	
2	Parliament*		37,068
3	Cooperative Governance	12,523	
4	Government Communications and Information Systems	8,753	
5	Home Affairs	92,274	
6	International Relations and Cooperation	81,810	
7	National School of Government	3,028	
9	Planning, Monitoring and Evaluation	10,544	
10	Public Enterprises	5,280	
11	Public Service and Administration	9,328	
12	Public Service Commission	7,092	
13	Public Works and Infrastructure	15,920	
14	Statistics South Africa	46,909	
15	Traditional Affairs	3,112	
16	Basic Education	16,227	
17	Higher Education and Training	222,750	
18	Health	24,754	
19	Social Development	15,531	
20	Women, Youth and Persons with Disabilities	4,460	
21	Civilian Secretariat for the Police	3,609	
22	Correctional Services	426,368	
23	Defence	802,585	
24	Independent Police Investigative Directorate	6,302	
25	Justice and Constitutional Development	370,476	
26	Military Veterans	3,656	
27	Office of the Chief Justice	70,565	
28	Police	1,891,453	
29	Agriculture, Land Reform and Rural Development	104,548	
30	Communications and Digital Technologies	10,595	
31	Employment and Labour	33,587	
32	Forestry, Fisheries and Environment	56,920	
33	Human Settlements	11,652	
34	Mineral Resources and Energy	29,001	
35	Science and Innovation	11,962	
36	Small Business Development	4,780	

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37	Sports, Arts and Culture	10,325
38	Tourism	10,777
39	Trade, Industry and Competition	34,379
40	Transport	15,833
Total		4,501,068
*Parliament allocation is excluded from the total as the disaggregation of the vote per main division is determined in terms of the Financial Management of Parliament and Provincial Legislatures Act, 2009		

Source: Second Adjustments Appropriation (2022/23 Financial Year) Bill: National Treasury

5. Proposed additional allocation to State-owned Entities

In addition to the proposed additional allocation of R300 million for political party funding through the Department of Home Affairs (Vote 5), government proposes additional allocation to the South African Airways SOC Limited, The South African Post Office SOC Limited, and the Land and Agricultural Development Bank of South Africa. Table 3 below highlights the summary of the Bill Schedule for selected Vote allocation and reflect the proposed additional allocation to State-owned companies.

Table 3: Bill Schedule

Vote		Main Division	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Interest and Rent on Land			
		R'000	R'000	R'000	R'000	R'000	R'000	
8	National Treasury	5,000,000					5,000,000	
	4 Assets and Liability Management of which	5,000,000					5,000,000	
	*Land and Agricultural Development Bank of South Africa: Purchase of equity						5,000,000	
10	Public Enterprises	1,005,280	5,280				1,000,000	
	1 Administration	2,892	2,892					
	2 State-owned Companies Governance Assurance and Performance	943	943					
	3 Business Enhancement, Transformation and Infrastructure of which	1,001,445	1,445				1,000,000	
	South African Airways Limited: Purchase of equity							
	**Settlement of business rescue plan obligations						1,000,000	
30	Communications and Digital Technologies	2,410,595	10,595				2,400,000	
	1 Administration	4,947	4,947					
	2 ICT International Relations and Affairs	604	604					
	3 ICT Policy Development and Research	987	987					
	4 ICT Enterprise and Public Entity Oversight of which	2,400,985	985				2,400,000	
	Public corporations							
	**SA Post Office Limited: Recapitalisation						2,400,000	
	5 ICT Infrastructure Development and Support	1,441	1,441					
	6 ICT Information Society and Capacity Development	1,631	1,631					
Total		8,415,875	15,875				8,400,000	

* Expenditure authorised in terms of section 6(1) (C) of the Appropriation Act, 2022 (Act No. 7 of 2022 and is Specifically and Exclusively Appropriated.

** Specifically and Exclusively Appropriated

Source: Second Adjustments Appropriation (2022/23 Financial Year) Bill: National Treasury

6. Comments and hearings on the 2022 Second Adjustments Appropriation (2022/23 financial year) Bill with identified stakeholders

The sections below provide an overview of the submissions made by the identified stakeholders on the Bill.

6.1 Financial and Fiscal Commission

The Financial and Fiscal Commission (FFC) noted the allocation of R4.5 billion to national departments to assist with the carry-through costs associated with the 2022/23 public service wage increase. It however cautioned that unaffordable wage bill settlements remained a key risk to the fiscus. It welcomed the work being spearheaded by the Department of Public Service and Administration and National Treasury to devise a single remuneration framework for the public sector. With regard to the R8.4 billion in bailouts for the South African Airways (SAA); the South African Post Office (SAPO); and the Land and Agricultural Development Bank of South Africa (and Bank), the FFC cautioned that continued bailouts for under-performing state-owned entities (SOEs) created perverse incentives and were fiscally unsound. The FFC further noted the R3.8 billion of unspent funds on the Social Relief of Distress (SRD) grant within the Department of Social Development that was reportedly due to an improved

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means testing system. The FFC expressed concerns over the progressive erosion in the number of people accessing this grant, in light of persistent unemployment and worsening socio-economic conditions, disproportionately affecting poor households.

The FFC made the following recommendations:

- As recommended previously, government must devise systems of accountability and measures of control to prevent SOEs from indulging in moral hazard behaviour. Pre-conditions and conditions required for bailouts, including financial and operational reporting have been implemented, however, positive outcomes have been limited.
- In the spirit of greater transparency and accountability, future bills must be accompanied by more information and an explanation of the rationale for proposed adjustments.

6.2 Parliamentary Budget Office

The Parliamentary Budget Office (PBO) commented that the Bill was necessary to address some challenges in national government and in SOEs. The revenue contained in the Bill was raised through downward expenditure adjustments totalling R54 039 million (R19.4 billion was raised from under-expenditure within government and R43.6 billion from other downward adjustments) and seeks to provide revisions to the non-interest expenditure due to the following:

- Public-Service wage bill which increased by R14.6 billion. Increases are between R3 million and R1.9 billion depending on the size of the national department.
- Due to outstanding historical debt, SAA will receive R1 billion on condition that all government guarantees to SAA will be cancelled, and that proof of funds for the strategic equity partner transaction needs are to be provided. National Treasury will review the Strategic Equity Partner (SEP) agreement to prevent future fiscal obligations.
- SAPO will receive a R2.4 billion financial injections; but with several conditions, including the placement of the entity under administration;
- The Land Bank will be allocated R5 billion (R3 billion for the blended finance programme and R2 billion to remedy its default position).
- A sum of R300 million will be allocated to Political Parties Fund.

The PBO submitted that all the financial allocations, as indicated above, will be accompanied by applicable relevant conditions.

7 Public Submission on the Bill

The section below provides an overview of the submission that was made in response of the advertisement that was published on Parliament's website and social media platforms.

7.1 Congress of South African Trade Unions

The Congress of South African Trade Unions (COSATU) submitted that considering that the South African economy had been stagnant for over a decade and experienced many challenges and crises, the 2023 national budget and the Bill were not bold enough. COSATU hoped that the Bill would protect workers from inflation, rebuild the state, decisively tackle corruption, provide relief to the unemployed and put measures to stimulate the economy. It however acknowledged that there were positive interventions in the 2023 national budget and the Bill.

COSATU welcomed the additional allocations made to departments and State-owned entities. It made the following comments and proposals with regard certain identified proposed allocations in the Bill:

Parliament	<ul style="list-style-type: none"> • COSATU welcomed the R37 million allocation for Parliament. • It however expressed concerns about the delays in rebuilding Parliament which is a national key point and heritage site as well as the seat of the national legislature.
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	<ul style="list-style-type: none"> • COSATU emphasised that rebuilding project at Parliament should be prioritised.
Cooperative Governance and Traditional Affairs (COGTA)	<ul style="list-style-type: none"> • COSATU noted the R12 million allocated to COGTA however it was concerned at the lack of greater interventions or sense of urgency by COGTA given the rapid deterioration in local government where 90 per cent of municipalities were in financial distress and 20 routinely failed to pay staff salaries.
Department of Home Affairs	<ul style="list-style-type: none"> • The allocation of R92 million to invest in Home Affairs civic services was welcomed as more investment is needed to turn this key public service around and end the interminable queues members of the public were subjected to. • It welcomed the allocation of R300 million to support political parties under the Political Party Funding. However, it was not enough and needed to be increased substantially to R1 billion if South Africa is to wean political parties off an unhealthy dependency on private donors with dubious motivations. • Political parties as part of the constitutional dispensation will be required to undertake expensive election campaigns over the next year. COSATU stated that R300 million will not be sufficient for political parties to do so, and at the same time is taken advantage of by corrupt tenderpreneurs seeking to buy favour.
Land Bank	<ul style="list-style-type: none"> • COSATU welcomed the R5 billion allocation to the Land Bank and submitted that this needed to be accompanied by the necessary management interventions to ensure that the entity is well run and can play the role the economy.
SAA	<ul style="list-style-type: none"> • COSATU welcomed the allocation of R1 billion to settle outstanding SAA debts and submitted that the beginning of SAA's turnaround in a very difficult sector was welcomed. • As SAA rebuilds, it needed to prioritise the employment of its former employees, where possible.
Presidential Employment Initiative (PEI)	<ul style="list-style-type: none"> • COSATU submitted that the PEI has done well to help hundreds of thousands of young people enter the labour market, gain experience, learn skills and earn a salary. • It expressed disappointment that in spite of an unemployment rate of well over 40 per cent and a youth unemployment in the range of 60 per cent, that the allocation to the PEI was not increased to accommodate at least one million participants.
SRD grant	<ul style="list-style-type: none"> • COSATU was pleased that the government has agreed to the demand for the extension of the SRDG that has provided relief to about 8 million people. • It emphasized that this grant needed to be retained beyond 2024 and increased to the food poverty line of R624, and at the very least it needed to be adjusted for the significant inflationary erosion it has experience since its introduction in 2020. • COSATU was concerned that National Treasury failed to pay attention to the SRDG's administrative challenges including the underspending. This was important if this programme was to be used as a foundation for a Basic Income Grant. • It recommended that the SRDG recipients needed to be paid their funds electronically and no longer made to stand in endless queues. These beneficiaries also needed to be included, where possible, in skills training and employment placement programmes. • COSATU submitted that the R3.7 billion reduction for the SRD Grant and R81 million for SASSA administrative support was deeply disturbing and misguided.
SAPO	<ul style="list-style-type: none"> • COSATU welcomed the R2.4 billion for SAPO however this needed to be accompanied by a turnaround plan. This plan must not be based upon retrenching 4000 employees and slashing the wages of the remaining 9000 workers.

	<ul style="list-style-type: none"> • COSATU continued that this plan needed to include support to re-pivot SAPO to expand the services it offers, catch up with a rapidly evolving sector and becoming a service site for government services in rural and disadvantaged communities. This also needed to include a fully-fledged Postbank. • SAPO and the Postbank Amendment Bills need to be expedited by government and Parliament.
Commission for Conciliation, Mediation and Arbitration (CCMA)	<ul style="list-style-type: none"> • COSATU noted with disappointed that a flood of workers lost their jobs and wages, were denied their deducted contributions, were abused and also forced to work in unhealthy conditions. In spite of this, no additional appropriations were allocated to the CCMA which has battled to cope with drastic cuts over the MTEF.
Department of Mineral Resources and Energy (DMRE)	<ul style="list-style-type: none"> • COSATU welcomed the additional allocation of R129 million to boost the DMRE's capacity and submitted that it hoped that this will assist with the mining rights backlogs. This can unlock billions of investments and create thousands of badly needed jobs. • It was of the view that it was equally critical that some of the appropriation be allocated to boosting the Mine Health Safety Inspectorate's capacity and reduce the weekly lives lost to mining accidents. • COSATU emphasized that DMRE needed to revive its RDP Housing Solar Panel programme which is intended to cover 150 000 households annually.

8 Committee Findings and Observations

Having considered all the submissions made by the above stakeholders on the Second Adjustments Appropriation Bill [B4 – 2023], the Standing Committee on Appropriations made the following findings and observations:

- 8.1 The Committee notes and welcomes the Bill's proposed additional allocation of R4.5 billion to Vote allocation for the carry-through costs associated with the 2022/23 public-service wage increases.
- 8.2 The Committee notes and welcomes the proposed additional allocation of R5 billion for a purchase of equity/recapitalisation of the Land and Agricultural Development Bank of South Africa (Land Bank). The Committee is of the view that the Land Bank has an important developmental mandate that requires periodic government equity injections if this mandate is to be realised without severely compromising its balance sheet. Furthermore, the Committee welcomes National Treasury's proposed conditions for this allocation which are in the interest transparent financial management and good governance on scarce public resources.
- 8.3 The Committee notes and welcomes the proposed additional allocation of R2.4 billion for the recapitalisation of the South African Post Office (SAPO), with National Treasury's proposed conditions. However, the Committee is concerned about the consistent government bailouts towards SAPO, without any tangible evidence of progress made to turn the entity into a sustainable path. The Committee holds the firm view that the turnaround plan for this entity is long overdue and actions are urgently needed from the accounting authority and management of SAPO to deliver a credible turnaround plan for this entity.
- 8.4 The Committee notes and welcomes the proposed additional allocation of R1 billion to the South African Airways (SAA) to fund the settlement agreement that was reached between the SAA business rescue practitioners and the airline's creditors for a gradual payment of historical debts. Importantly, the Committee notes and welcomes the commitments from National Treasury that this will be last payment that the tax payers will have to pay to the SAA, and on a condition that all of SAA government guaranteed debts will be cancelled. Also, National Treasury will require the Strategic Equity Partner (SEP) to provide proof of funds for the SEP transaction, while National Treasury will also review of the SEP agreement to ensure it does not give rise to future fiscal obligations.

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- 8.5** The Committee notes with concerns on the reported R3.7 billion under expenditure on the Social Relief of Distressed (SRD) grant. Given the high level of unemployment in South Africa. The Committee is of the view that National Treasury, the Department of Social Development and the South African Social Security Agency are not doing enough to ensure that all those who qualify for this grant, do access this grant. The Committee is of the view that there is a need for an urgent review of the qualification criteria and the registration processes in order to ensure that all qualifying individual are not unfairly excluded.
- 8.6** The Committee notes with concerns on the submission by COSATU that, while it welcomed the extension of the SRD grant to March 2024, it expressed concerns that the Department of Social Development and National Treasury have not paid enough attention on the administrative challenges of the grant. The Committee has continuously raised its concerns on the administration of this grant, as is evidenced by consistent underspending, yet many South Africans are faced with persistent high levels of unemployment, poverty and worsening socio-economic conditions. These concerns have also been raised by the FFC who submitted that this consistent under expenditure on the SRD grant was, to a larger extent, caused by more stringent grant eligibility criteria being applied, and the FFC submitted its concerns on the progressive erosion in the number of people that are accessing this grant.
- 8.7** The Committee notes the submission by COSATU, who while welcoming the proposed additional allocation of R37 million towards the Vote of Parliament, it was deeply concerned with the delays in rebuilding Parliament, a national key point, heritage site and the legislative seat. COSATU like the Committee, is of the view that rebuilding of Parliament should be prioritised.
- 8.8** The Committee notes the submission by COSATU that while it supported the proposed additional allocation of R300 million to the Vote of Home Affairs for the Political Party Fund, this allocation was not enough and should be increased substantially to R1 billion to wean political parties off an unhealthy dependency on private donors with dubious motivations.
- 8.9** The Committee notes the submission by COSATU that while it supported the proposed additional allocation of R2.4 billion for SAPO, the entity needed a turnaround plan that was not based upon retrenching 4000 employees and reducing wages by 40 per cent of the remaining 9000 workers. Furthermore, COSATU submitted that government needed to re-pivot SAPO in order to expand the services it offers, catch-up with the evolving sector and become the government services site for rural and disadvantaged communities. Furthermore, the Committee notes the submission by COSATU that the SA Post Office and Postbank Amendment Bills needed to be expedited.
- 8.10** The Committee notes and welcomes the submission by the FFC that government must devise systems of accountability and measures of control to mitigate SOEs from indulging in moral hazard behaviour. The Committee notes the concern by the FFC that pre-conditions and conditions required for bailouts, including financial and operational reporting have been implemented before, with limited outcomes. The Committee implores on National Treasury, as the custodian of the public purse, to ensure that all pre-agreed conditions are all met before the transfer of funds to government entities.
- 8.11** The Committee notes and welcomes the submission by the FFC that, in the spirit of greater transparency and accountability, future bills must be accompanied by more information/explanation of the rationale for proposed adjustments.

9 Recommendations

The Standing Committee on Appropriations, having considered the briefings and comments by invited stakeholders on the Second Adjustments Appropriation (2022/23 financial year) Bill [B4-2023], recommends as follows:

- 9.1** That the Minister of Finance ensures that the proposed additional allocation of R1 billion to the South African Airways (SAA) is the last one from government to settle the agreement that was reached between the SAA business rescue practitioners and the airline's creditors for a gradual payment of historical debts. Furthermore, the Minister of Finance must ensure that National Treasury reviews the Strategic Equity Partner agreement to ensure it does not give rise to future fiscal obligations. Furthermore, while the Committee recognises there may be confidentiality in the SEP agreement during negotiations, once finalised, the details must be shared and:
- (a) The Minister of Finance and National Treasury must be satisfied that the deal will have a win-win outcome;
 - (b) The value and price paid by the SEP must be market related and based on scientific evaluation which the Minister of Finance and National Treasury should agree with;
 - (c) The details of the deal must be shared with Parliament, and presented to the Portfolio Committee on Public Enterprises;
 - (d) The employees of SAA should be shareholders, and the Department of Public Enterprises and National Treasury should assist with the funding of the employees' portion. For this, the Public Investment Corporation should be considered;
 - (e) Government and the SAA employees should hold at least 51 per cent of the equity.
- 9.2** That the Minister of Finance ensures that National Treasury effectively enforces the pre-set conditions and all other conditions imposed on the proposed allocation to the South African Post Office, SAA, and the Land and Agricultural Development Bank of South Africa.
- 9.3** That the Minister of Finance and the Minister of Social Development ensures that National Treasury and the Department of Social Development urgently review the eligibility criteria on the Social Relief of Distressed grant in order to stop the progressive erosion in the number of people that are accessing this grant as a result of the tightening of the eligibility criteria. This is more urgent given the persistent high levels of unemployment and worsening socioeconomic conditions, which disproportionately affect poor households.
- 9.4** That the Minister of Communications and Digital Technologies ensures that the accounting authority of the South African Post Office urgently finalise the business-turnaround plan of the entity in order to stop its reliance on government bailouts but return the entity on self-sustainable path, while also ensuring that SAPO meets all the conditions imposed on this allocation.
- 9.5** That the Minister of Finance ensure that National Treasury, in future, provide more explanatory information on the rationales and justifications of these adjustments appropriation bills in the spirit of greater transparency and accountability on the utilisation of public resources.

10 Committee Recommendation on the Bill

The Standing Committee on Appropriations, having considered the Second Adjustments Appropriation (2022/23 financial year) Bill [B4-2023] (National Assembly – Section 77); referred to it and classified by the Joint Tagging Mechanism; recommends that the Bill be adopted, without amendments.

11 Conclusion

The responses to the recommendations as set out in section 7 above by the relevant Executive Authorities must be sent to Parliament as well as the Committee within 60 days of the adoption of this report by the National Assembly.

Report to be considered.