

No. 57 of 2014.

*Intergovernmental Relations (Functions and Funding) (Amendment) Act 2014.*

Certified on: 25 MAY 2015



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*Intergovernmental Relations (Functions and Funding) (Amendment) Act 2014.*

**ARRANGEMENT OF SECTIONS.**

1. National Economic and Fiscal Commission recommendation of individual province share (Amendment of Section 20).
2. New Section 28A.

**“28A. SERVICE DELIVERY FUNCTION GRANTS AND  
ADMINISTRATION GRANTS FOR 2014 AND 2015 FISCAL  
YEARS.”**

3. Amendment to the Schedule.

**“PART IV. INDIVIDUAL PROVINCE SHARE FOR 2014 AND 2015  
FISCAL YEARS.”**



No. of 2014.

An Act

entitled

***Intergovernmental Relations (Functions and Funding)(Amendment) Act 2014,***

Being an Act to amend the *Intergovernmental Relations (Functions and Funding) Act 2009,*

MADE by the National Parliament to be deemed to have come into operation on 1 January 2014.

**1. NATIONAL ECONOMIC AND FISCAL COMMISSION RECOMMENDATION OF INDIVIDUAL PROVINCE SHARE (AMENDMENT OF SECTION 20).**

The Principal Act is amended in Section 20 by inserting a new subsection after Subsection (2) as follows:

“(2A) The individual province share for the 2014 and 2015 fiscal years shall be calculated in accordance with Part 4 of the Schedule.”.

**2. NEW SECTION 28A.**

The Principal Act is amended by inserting a new section after Section 28 as follows:

**“28A. SERVICE DELIVERY FUNCTION GRANTS AND ADMINISTRATION GRANTS FOR 2014 AND 2015 FISCAL YEARS.**

(1) Notwithstanding any other provision of this Act, the National Government shall make to each Provincial Government for the 2014 and 2015 fiscal years -

- (a) one or more service delivery function grants; and
- (b) an administration grant.

(2) The total of the service delivery function grants and administration grants made to each Provincial Government for -

- (a) the 2014 fiscal year, shall be equal to the individual province share of that Provincial Government for that fiscal year; and
- (b) the 2015 fiscal year, shall be equal to the individual province share of that Provincial Government for that fiscal year.

(3) Each service delivery function grant and administration grant shall be made out of moneys appropriated for the purpose.

(4) The individual province share of the Provincial Government shall be calculated in accordance with Part 4 of the Schedule.”.

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**3. AMENDMENT TO THE SCHEDULE.**

The Schedule to the Principal Act is amended by inserting after Part III, the following new Part:

**“PART IV. INDIVIDUAL PROVINCE SHARE FOR 2014 AND 2015 FISCAL YEARS.**

(1) Notwithstanding any other provision of this Act, the individual province share of each Provincial Government for the 2014 and 2015 fiscal years shall be calculated using the formula -

$$\text{Individual province guarantee} + \left( \text{Equalisation amount for provinces} \times \frac{\text{fiscal needs amount of individual province}}{\text{total fiscal needs amount of provinces}} \right) = \text{individual province share}$$

(2) For the purposes of Subsection (1) -

“individual province guarantee” means -

- (a) for the 2014 fiscal year, the individual province guarantee of that Provincial Government for that fiscal year calculated in accordance with Subsection (2); or
- (b) for the 2015 fiscal year, the individual province guarantee of that Provincial Government for that fiscal year calculated in accordance with Subsection (2);

“equalisation amount for provinces” means -

- (a) for the 2014 fiscal year, the amount equal to the province share specified in the determination made under Section 17(1)(a) that is in force on 30 April of the 2013 fiscal year; or
- (b) for the 2015 fiscal year, the amount equal to the province share specified in the determination made under Section 17(1)(a) that is in force on 30 April of the 2014 fiscal year;

“fiscal needs amount of individual province” means -

- (a) for the 2014 fiscal year, the fiscal needs amount of that Provincial Government for that fiscal year; or
- (b) for the 2015 fiscal year, the fiscal needs amount of that Provincial Government for that fiscal year;

“total fiscal needs amount of provinces” means -

- (a) for the 2014 fiscal year, the total of the fiscal needs amounts of the Provincial Governments that have fiscal needs amounts greater than zero for that fiscal year; or
- (b) for the 2015 fiscal year, the total of the fiscal needs amounts of the Provincial Governments that have fiscal needs amounts greater than zero for that fiscal year.

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(3) The individual province guarantee of a Provincial Government is the total of the following amounts:

- (a) either -
- (i) for the 2014 fiscal year, if the GST distribution received by the Provincial Government for the 2008 fiscal year under the *Goods and Services Tax Revenue Distribution Act 2003* is greater than the GST distribution received by the Provincial Government for the 2014 fiscal year, the difference between the two GST distribution amounts; or
  - (ii) for the 2015 fiscal year, if the GST distribution received by the Provincial Government for the 2008 fiscal year under the *Goods and Services Tax Revenue Distribution Act 2003* is greater than the GST distribution received by the Provincial Government for the 2015 fiscal year, the difference between the two GST distribution amounts; and
- (b) the amount appropriated for the block grant for the 2008 fiscal year for the Provincial Government under the Organic Law; and
- (c) the total amount appropriated for the function grants for the 2008 fiscal year for the Provincial Government under the Organic Law; and
- (d) the amount appropriated for the derivation grant for the 2008 fiscal year for the Provincial Government under the Organic Law.”.

I hereby certify that the above is a fair print of the *Intergovernmental Relations (Functions and Funding)(Amendment) Act 2014* which has been made by the National Parliament.

Acting Clerk of the National Parliament.

25 MAY 2015

I hereby certify that the *Intergovernmental Relations (Functions and Funding)(Amendment) Act 2014* was made by the National Parliament on 26 November 2014.

Speaker of the National Parliament

25 MAY 2015