

[http://www.elections.org.za/party\\_funding.asp](http://www.elections.org.za/party_funding.asp)

Party funding 21 Jun 2005

What sort of political party funding is permitted in South Africa?

Both public (by the State) and private funding (from other sources) is allowed.

With respect to State funding, the Public Funding of Represented Political Parties Act, 103 of 1997, governs the eligibility of parties and the allocations they receive from the Represented Political Parties' Fund.

Any political party may also obtain funds from its members and from other sources, such as business (both local and foreign) and civil society groupings.

Financial contributions given to parties are known as direct funding, while contributions in kind (e.g. voluntary work or free office space, advertising, equipment or printing facilities) are known as indirect funding.

How does a party obtain public funding?

A political party is entitled to an allocation from the Represented Political Parties' Fund for any financial year that it is represented

in the National Assembly or

in any provincial legislature or

both in the National Assembly and in any provincial legislature

In other words, no allocations are made from the Fund to political parties which are represented in municipal councils only (nor to those which have no public representatives at all).

For what purposes may a party use its allocation from the Represented Political Parties' Fund?

Section 5(1)(b) of the Act says that the allocation may be used "for any purposes compatible with [the party's] functioning as a political party in a modern democracy", and that these include:

the development of the political will of people (i.e. allowing you to choose)

bringing the party's influence to bear on the shaping of public opinion (i.e. providing you with a choice)

inspiring and furthering political education (i.e. keeping you up to date with what is available and who is offering what)

promoting active participation by individual citizens in political life (i.e. getting people involved)

exercising an influence on political trends

ensuring continuous, vital links between the people and organs of state (i.e. developing the interface between citizens and public administration)

A party must account for the money allocated to it under these classifications: personnel expenditure, accommodation, travel expenses, arrangement of meetings and rallies, administration, and promotions and publications.

Are there any specific prohibitions on the uses to which a party may put its allocation from the Fund?

Yes: these are set out in section 5(3) of the Act.

A political party may not:

pay any direct or indirect remuneration or other benefit of any kind to any elected representative of the party or to any public servant at any level of government  
finance or contribute directly or indirectly to any matter, cause, event or occasion if it contravenes any code of ethics binding on members of parliament or any provincial legislature

use the money directly or indirectly to start any business or acquire or maintain a right or financial interest in any business

use the money directly or indirectly to acquire or maintain a right or financial interest in any immovable property, unless if solely for ordinary party-political purposes

use the money for anything else that is incompatible with a political party's functioning in a modern democracy

Does the IEC have a role in all this?

Yes: in terms of section 4(1) of the Act, the chief electoral officer, acting in his/her official capacity, is responsible for the management and administration of the Fund, and is its accounting officer and CEO.

In effect, this means that the Fund is administered through the IEC, which keeps parties informed of the relevant rules and regulations.

The responsibilities of each political party receiving an allocation from the Fund include the following:

Keep a separate account with a bank in the Republic, into which money allocated from the Fund must be deposited.

Appoint an official within the party as accounting officer to take responsibility for the money received in this bank account and ensure that the party complies with the requirements of the Act.

The accounting officer must keep separate books and records for this money in the manner prescribed.

An income and expenditure statement, showing for what purposes the money has been applied, must be audited annually. The auditor is to express an opinion as to whether the allocation has been spent for purposes not authorised by the Act.

The accounting officer must submit the financial statement and the auditor's report to the Commission annually.

#### REFERENCES

The information on this page is drawn from these documents:

Public Funding of Represented Political Parties Act, 103 of 1997

Public Funding of Represented Political Parties Regulations, 1998

Any queries regarding Party Funding may be directed to the IEC Head Office on +27 12 428 5512/5700 (international) or 012 428 5512/5700 (national) or e-mail [chaplog-louwg@elections.org.za](mailto:chaplog-louwg@elections.org.za)