

FINAL VOTING MANDATE

TO: The Chairperson of the National Council of Provinces.

Hon T Modise

NAME OF BILL: Division of Revenue Bill

NUMBER OF BILL: [B5-2015]

DATE OF DELIBERATION: 24 April 2015

VOTE OF THE LEGISLATURE:

The Gauteng Provincial Legislature supports the principle and detail of the bill and therefore votes in favour of-

Division of Revenue Bill

HON NTOWIBI MEKGWE

SPEAKER

GAUTENG PROVINCIAL LEGISLATURE

Date: 28/04/2015



FINANCE PORTFOLIO COMMITTEE

FINAL VOTING MANDATE ON THE DIVISION OF REVENUE BILL [B5-2015]

1. INTRODUCTION

The Bill is introduced in terms of section 76 of the Constitution of the Republic of South Africa, 1996 ("the Constitution") and it is widely referred to as a section 76 Bill.

The Bill is introduced annually to give effect to Section 214(1) of the Constitution and the Intergovernmental Fiscal Relations Act, 1990 ("IGFRA"). The Bill provides for the equitable Division of Revenue anticipated to be raised nationally among the National, Provincial and Local spheres of Government for the 2015/16 financial year.

The total revenue raised and to be shared amongst the three spheres of government, amounts to R1 222 344 701 000 in 2015/16 financial year, increasing to R 1 309 944 374 000 in 2016/17 and R1 420 826 378 000 in 2017/18 financial years. It is noteworthy that the Gauteng Province receives an amount of R 73 413 000 000 from the equitable share in the 2015/16 financial year.

2. PROCESS FOLLOWED

The Speaker of the Gauteng Provincial Legislature Hon. LN Mekgwe formally referred the Bill to the Finance Portfolio Committee ("portfolio committee") for consideration in terms of Gauteng Provincial Legislature Standing Rule 248(1) read with 250(1) and 251.

The Chairperson of the Portfolio Committee was invited by the Finance Select Committee to the presentation on the Bill by National Treasury led by the Minister of Finance, Hon. N Nene.

On Tuesday, 17 March 2017, the Portfolio Committee deliberated on the Bill after the briefing by the NCOP Gauteng Permanent Delegate Hon.T Motara who was supported by officials from National Treasury.

As required by the Standing Rules of the Gauteng Provincial Legislature, the Portfolio Committee invited stakeholders to their meeting on Tuesday, 17 March 2015, mainly to observe Committee proceedings and later make verbal or written submissions. No submissions were received from stakeholders.

On Thursday, 16 April 2015, the Committee deliberated on the Negotiating Mandate on the Division of Revenue Bill [B5-2015]. After deliberations, the Committee adopted its report on the Negotiating Mandate on the Division of Revenue Bill [B5-2015] to be tabled at the NCOP plenary.

On Monday, 21 April 2015, the Committee received minutes from the Select Committee of Appropriation on the consideration of negotiating mandates on the Division of Revenue Bill [B5-2015], which confirmed that there were no amendments to the Bill, as referred.

On Friday, 24 April 2015, the Portfolio Committee deliberated on and adopted a report on the Final Mandate on the Division of Revenue Bill [B5-2015].

The Committee tabled the report on the Final Mandate on the Division of Revenue Bill [B5-2015] on the ATC on Friday, 24 April 2015.

3. PRINCIPLE OF THE BILL AND POLICY PRIORITIES FOR THE 2015/16 MTEF

The Bill seeks to provide for the equitable division of revenue raised nationally among the three spheres of government for the 2015/16 financial year and the responsibilities of all three spheres pursuant to such divisions; and to provide for matters connected therewith.

4. CONSTITUTIONAL AND STATUTORY FRAMEWORK

Section 214 of the Constitution of the Republic requires that an Act of Parliament must provide for:

- The equitable division of revenue raised nationally among national, Provincial and local spheres of government;
- The determination of each province's equitable share of the provincial share of that revenue; and
- Any other allocations to provinces, local government or municipalities from the national government's share of that revenue, and for any conditions on which those allocations may be made.

Further than this, section 7(3) of the Money Bills Amendment Procedure and Related Matters Act, 2009, requires the introduction of the Division of Revenue Bill at the same time as the Appropriation Bill is introduced.

The Bill seeks to amongst others, give effect to the provisions of Section 214 of the Constitution. It is noted in this regard that the bill is in alignment with the Constitution and other relevant statutory framework.

5. OPINION OF THE PROVINCIAL EXECUTIVE COUNCIL ON THE BILL

As part of the wider stakeholder consultation before the Bill is tabled in Parliament, Provincial Treasuries are afforded an opportunity to comment. As such, National Treasury circulated changes in the draft bill for comments. The Gauteng Provincial Treasury ("the Department") noted the changes and concurred with the Bill as tabled.

6. SOCIO-ECONOMIC IMPACT

As announced in the 2014 Medium Term Budget Policy Statement, the government has lowered its expenditure ceiling to reduce the budget deficit and stabilize public debt. Of importance to highlight is that the reductions to baseline are mostly on slow spending, non-core and non-performing programmes, however the equitable share still grow over the MTEF. Following the reductions to the baseline, government's policy priorities outlined in the Medium Term Strategic Framework needs to be reprioritized. Priorities over the MTEF period that are funded through reprioritization in the division of revenue include:

- Repair of provincial and municipal infrastructure damaged by disasters;
- Upgrade of the R573 Moloto Road by the South African National Roads Agency Limited;
- Accelerated provision of bulk water and sanitation and the extension of basic infrastructure to areas without water supply; and
- A new grant to assist municipalities with the costs associated with major boundary changes.

7. FINANCIAL IMPLICATIONS OF THE BILL

The financial implication with regard to the provincial equitable shares is that the total revenue raised and to be shared between the three spheres of government, amounts to R1 222 344 701 000 in 2015/16 financial year, increasing to R 1 309 944 374 000 in 2016/17 and R1 420 826 378 000 in 2017/18 financial years respectively. It is worth noting that Gauteng Province receives R73, 413 000 000 from the equitable share allocation and R17, 123 000 000 for conditional grants in 2015/16 financial year which amounts to R90, 537 000 000.

8. FINAL POSITION ADOPTED BY COMMITTEE

In terms of Section 65 of the Constitution, the Finance Portfolio Committee confer authority on the Gauteng Provincial Delegate/s to the National Council Provinces to **vote in favour** of the Division of Revenue Bill [B5 – 2015] Section 76.

150428 SC APPROPRIATIONS (45. 4)

NORTH WEST PROVINCIAL LEGISLATURE

Office of the Speaker

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FINAL MANDATE [SECTION 3]

TO

HON. T.R. MODISE

CHAIRPERSON OF THE NATIONAL

COUNCIL OF PROVINCES

NAME OF BILL

DIVISION OF REVENUE BILL

NUMBER OF BILL

B5- 2015

DATE OF DELIBERATION

23 APRIL 2015

VOTE OF LEGISLATURE

The North West Provincial Legislature votes

in favour of the Division of Revenue Bill

[B5 - 2015]

HON. S.R. DANTJIE

THE SPEAKER

NORTH WEST PROVINCIAL LEGISLATURE

DATE





FREE STATE LEGISLATURE

Final Mandate

TO:

Chairperson of the National Council of Provinces

NAME OF BILL:

Division of Revenue Bill

NUMBER OF BILL:

B5-2015

DATE OF DELIBERATION: 25 March 2015

VOTE OF THE LEGISLATURE:

The Free State Legislature votes in favour of the Bill.

MS M QABATHE

SPEAKER

FREE STATE LEGISLATURE

Date: 25 March 2015





KWAZULU-NATAL PROVINSIALE PARLEMENT

KWAZULU-NATAL PROVINCIAL PARLIAMENT

FINAL MANDATE

TO: THE CHAIRPERSON OF THE NCOP

NAME OF BILL: DIVISION OF REVENUE BILL

NUMBER OF BILL: B5-2015

DATE OF DELIBERATION: THURSDAY, 23 APRIL 2015

VOTE OF THE LEGISLATURE:

The KwaZulu-Natal Legislature met today, Thursday, the 23rd April 2015, & agreed to mandate the KwaZulu-Natal delegation to the National Council of Provinces to *support* the <u>Division of Revenue</u> Bill [B5 – 2015].

Hon. Dr BM Radebe,MPL

Deputy Speaker

23 /04/2015 Date

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24/04/2015



Limpopo Legislature

OFFICE OF THE SPEAKER

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Private Bag X 9309 Polokwane 0700

FINAL MANDATE

To

The Chairperson of the National Council of Provinces (NCOP)

Name of the Bill

Division of Revenue Bill

Number of Bill

[B5-2015]

Date of deliberation : 22 APRIL 2015

Vote of Legislature : NCOP Permanent Delegates to vote in favour of the Bill.

SIGNATURE:

SPEAKER: LIMPOPO LEGISLATURE

2915.046

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FINAL MANDATE

To:

Hon TR Modise

The Chairperson of the National

Council of Provinces (NCOP)

Name of the Bill:

Division of Revenue Bill

Number of the Bill:

[B5-2015]

Date of Deliberation: 24 April 2015

Vote of the Legislature: The delegation representing the province of Mpumalanga in the National Council of Provinces is hereby conferred with a mandate to vote in favour of the Bill.

MR BD DUBE, MPL

ACTING SPEAKER: MPUMALANGA

PROVINCIAL LEGISLATURE

24 /04 /15-DATE



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Office of the Speaker

Date:

2015 -04- 22

Ref: 16.6.2.3.8

Enq: N Babuseng

Hon TR Modise

Chairperson: National Council of Provinces

FINAL MANDATE

Name of the Bill: Division of Revenue Bill

Number of the Bill [B5-2015]

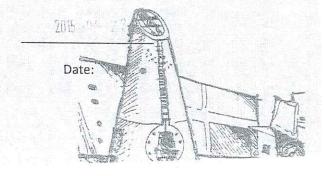
Date of deliberation: 22 April 2015

Vote of the Legislature: The Legislature votes in favour

Signature:

(Signature of the Speaker/Presiding Officer)

Final Mandate





Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

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Datum Date

24 April 2015

Verwysing Reference

11/4/1/3

FINAL MANDATE

To:

Hon T Modise

Chairperson of the NCOP

Name of Bill:

Division of Revenue Bill

Number of Bill:

[B 5 - 2015]

Date of deliberation:

24 April 2015

Vote of Legislature:

The Western Cape Provincial Parliament supports the Bill.

Signature

Sharna Fernandez

SPEAKER

Western Cape Provincial Parliament