

15/06/15/SSC

FINANCE

150603 SC 7th 9200



**GAUTENG**  
**LEGISLATURE**  
Your View ~ Our Vision

**NEGOTIATING MANDATE**

**TO:** The Chairperson of the Select Committee on Finance.  
Hon CJ de Beer

**NAME OF BILL:** Financial and Fiscal Commission Amendment Bill.  
(Section 76)

**NUMBER OF BILL:** [B1B-2015]

**DATE OF DELIBERATION:** 29 May 2015

**VOTE OF THE LEGISLATURE:**

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

- Financial and Fiscal Commission Amendment Bill.

**HON. S KHUMALO**  
Chairperson of Finance Committee  
GAUTENG PROVINCIAL LEGISLATURE

Date: 29/05/2015.



**GAUTENG**  
**LEGISLATURE**  
*Your View — Our Vision*  
**FINANCE PORTFOLIO COMMITTEE**

**REPORT ON THE**  
**FINANCIAL AND FISCAL COMMISSION AMENDMENT BILL [B1B-2015]**  
**(Section 76)**

**29 MAY 2015**

## **TABLE OF CONTENTS**

## **Page**

<b>INTRODUCTION</b>	<b>2</b>
<b>1. PROCESS FOLLOWED</b>	<b>2</b>
<b>2. PRINCIPLE AND DETAIL OF THE BILL</b>	<b>2</b>
<b>3. CONSTITUTIONAL AND STATUTORY FRAMEWORK</b>	<b>2</b>
<b>4. SUBMISSION BY THE GAUTENG EXECUTIVE COUNCIL</b>	<b>2</b>
<b>5. STAKEHOLDER SUBMISSIONS</b>	<b>3</b>
<b>6. FINANCIAL IMPLICATION OF THE BILL</b>	<b>3</b>
<b>7. SOCIO ECONOMIC IMPACT OF THE BILL</b>	<b>3</b>
<b>8. NEGOTIATING POSITION ADOPTED BY COMMITTEE</b>	<b>3</b>
<b>9. ACKNOWLEDGEMENTS</b>	<b>3</b>
<b>10. ADOPTION</b>	<b>3</b>

The Chairperson of the Finance Portfolio Committee, Hon Sakhwe Khumalo tables the Committee's Report on the Financial and Fiscal Commission Amendment Bill [B1B-2015], Section 76, in accordance with Rule 204 read with Rule 167, as follows:

## **1. PROCESS FOLLOWED**

The Speaker formally referred the Financial and Fiscal Commission Amendment Bill [B1B-2015], a Section 76 Bill to the Portfolio Committee on Finance Portfolio Committee in terms of GPL Rules 248(1) read with 250(1) and 251 for consideration and report on Friday, 08 May 2015.

The Portfolio Committee issued newspaper adverts inviting public submissions on the Bill and also inviting the public and stakeholders to participate in Committee activities as part of stakeholder engagement. The last date for submission was Friday, 22 May 2015.

On Tuesday, 26 May 2015, the Portfolio Committee received brief on the Bill from the National Treasury, a presentation of the socio-economic analysis and legal opinion on the Bill from the Research and NCOP and Legal Unit respectively.

On Friday 29<sup>th</sup> May 2015, the Committee deliberated the Draft Negotiating Report on the Financial and Fiscal Commission Amendment Bill [B1B-2015], Section 76.

## **2. PRINCIPLE AND DETAIL OF THE BILL**

The main objects of the Bill are to propose amendments to the Financial and Fiscal Commission Act, 1997 ("the principal Act"), to enhance the institutional and other governance arrangements and functioning of the Commission and to fully align the principal Act with the Constitution and the Public Finance Management Act, 1999.

## **3. CONSTITUTIONAL AND STATUTORY FRAMEWORK**

The Bill is in line with the objects of the Constitution of the Republic of South Africa Act 108 of 1996 and the Public Finance Management Act 1 of 1999.

## **4. SUBMISSION BY THE GAUTENG EXECUTIVE COUNCIL**

The Committee requested the MEC for Finance Ms B. Creecy to table the view of the Gauteng Provincial Executive on the Bill. The submission was considered during a Committee held on Tuesday, 26 May 2015. The Gauteng Executive supports the Financial and Fiscal Commission Amendment Bill [B1B-2015] for the following reason:-

- The amendments will allow the Commission to work effectively and be more independent as the Bill seeks to make the Commission to report directly to Parliament and Provincial Legislatures.

## 5. STAKEHOLDER SUBMISSIONS

Submissions were solicited through print media as part of stakeholder engagement. The Committee did not receive any submission on the Bill.

## 6. FINANCIAL IMPLICATION OF THE BILL

There will be annual costs amounting to R1.5 million associated with the remuneration for the proposed chief executive officer's position. The cost will be funded from the national fiscus.

## 7. SOCIO-ECONOMIC IMPACT OF THE BILL

The amendment to the Act will enhance institutional, governance arrangements and the functioning of the Commission. This will be achieved through the rectification of the anomaly of the Chairperson being Chief Executive Officer (CEO) as the Commission should exercise oversight over the CEO. There will be no negative impact on the broader society.

## 8. NEGOTIATING POSITION ADOPTED BY COMMITTEE

The Finance Portfolio Committee supports the Financial and Fiscal Commission Amendment Bill [B1B-2015] Section 76 as referred.

## 9. ACKNOWLEDGEMENTS

The Portfolio Committee extends gratitude to Honourable MEC B. Creecy, the Head of Department, Ms. N. Tshabalala and officials of the Gauteng Department of Treasury and National Treasury for their cooperation during this law making process.

Appreciation for diligence, dedication and commitment shown during deliberations on the processing of the Bill goes to all Members of the Finance Portfolio Committee Mr M. Madlala, Mr M. Kanyane, Ms B. Mncube, Ms J. Pekane, Mr. M. Moriarty, Ms A. Randall, Mr A. Sarupen and Ms M. Mashego.

The Portfolio Committee's gratitude is extended to the Committee's Support Staff.

## 10. ADOPTION

After due consideration, the Finance Portfolio Committee deliberated and adopted the Negotiating Mandate on the Financial and Fiscal Commission Amendment Bill [B1B-2015] –Section 76 as referred.

In terms of Rule 167, the Finance Portfolio Committee presents the report on the Financial and Fiscal Commission Amendment Bill [B1B-2015] –Section 76 and recommends its adoption by the House.

  
\_\_\_\_\_  
Chairperson

29/05/2015  
\_\_\_\_\_  
Date

