

Limpopo Legislature

OFFICE OF THE SECRETARY

Physical Address:
Lebowakgomo
Government Complex

Postal Address:
Private Bag X9309
Polokwane
0700

AGENDA

MEETING AND PUBLIC HEARING OF THE PORTFOLIO COMMITTEE ON PROVINCIAL TREASURY

DATE : 15 NOVEMBER 2017
TIME : 09H00
VENUE : PARLIAMENTARY VILLAGE

1. Opening and welcoming remarks
2. Roll-call and apologies
3. Confirmation of agenda
4. Briefing by NCOP and National Treasury on Division of Revenue Amendment Bill, 2017
5. Input by the Committee and stakeholders
6. Announcements
7. Closure

Tel: (015) 633 5071 – Fax: (015) 633 8185/ 633 8119

ATTENDANCE REGISTER FOR DIVISION OF REVENUE AMENDMENT BILL

DATE : 15 NOVEMBER 2017

VENUE : PARLIAMENTARY VILLAGE, POLOKWANE

TIME : 09HRS

NAME AND SURNAME	Department/Municipality/ Organisation	EMAIL ADDRESS	CONTACT	SIGNATURE
N.R. Diketa	CochsStg	diketa@mpo.co.za	015 284 5006	
H. MAGOPA	RAL	Magopah@ral.co.za	015 284 9641	
N. Seteti	COSWTE	seteti@coswte.limpopo.gov.za	015 294 2255	
C. Kuyasa	RAL	Kuyasa@ral.co.za	015 284 4634	
R.S. LEBELO	LD RUDI	LebeloR@ldpu.limpopo.gov.za	015 284 7469	
R.P. Baloyi	L.P.T.	baloyi@pete7a@lptg.mall.com	015 287 7101	
H.M. MARECIA	NECP NECONS	marecia@lmpo.co.za	015 277 49906	

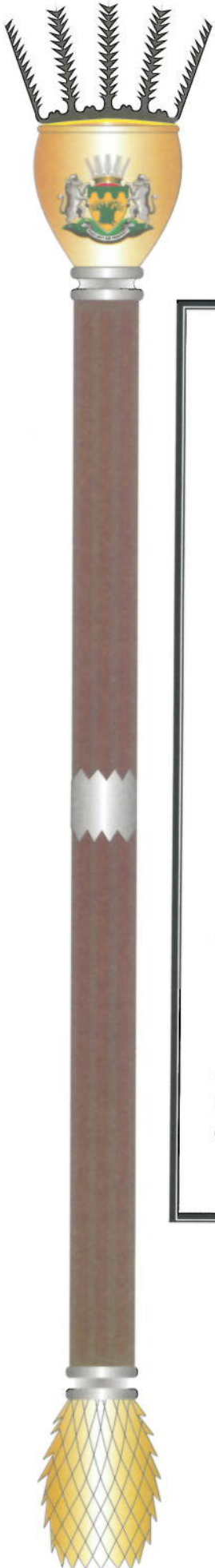
ATTENDANCE REGISTER FOR DIVISION OF REVENUE AMENDMENT BILL

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NAME AND SURNAME	Department/Municipality/ Organisation	EMAIL ADDRESS	CONTACT	SIGNATURE
Mihloli Shirinda	Greater Tzaneen Municipality	mihloli.shirinda@tzaneen.gov.za	078 695 3892	
Ross Tsoelike	Limpopo Treasury	ross.tsoelike@treasury.gov.za	083 627 2551	
Pontia Semanya	Limpopo Treasury	semanya.pontia@treasury.gov.za	071 372 1051	
Pematsimele Mphahlele	Department of Sport Arts & Culture	mphelele.p@dsac.gov.za	084 389 7094	
Mkanzi Thomas	Limpopo Office of the Premier	mkanzi.thomas@premier.limpopo.gov.za	079 873 6809	
Dikane Rosa	Lengisa	dikane.rosa@cofister.limpopo.gov.za	079 443 8600	
Magoga Hobgane	RAC	Magoga.Hobgane@rac.co.za	071 901 7132	
Mashangane Mank	Community Safety	Mashangane.Mank@communitysafety.limpopo.gov.za	073 050 8492	
Mafata TJ	OTIP	Mafata.TJ@otip.gov.za	082 491 6250	



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To : The Chairperson: Select Committee on
Appropriations

Name of Bill : Division of Revenue Amendment Bill

Number of the Bill : [B24 - 2017]

Date of Deliberation : 15 November 2017

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

Mokhanyane
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HON. M. S LEKGANYANE
COMMITTEE CHAIRPERSON

16/11/2017
.....

DATE

NEGOTIATING MANDATE OF THE PORTFOLIO COMMITTEE ON PROVINCIAL TREASURY ON DIVISION OF REVENUE AMENDMENT BILL, 2017 [B24-2017]

1. INTRODUCTION

The Division of Revenue Amendment Bill, [B24-2017] was tabled in Parliament on 25 October 2017 by the Minister of Finance during the submission of 2017 Medium Term Budget Policy Statement (MTBPS). It was referred by the National Council of Provinces (NCOP) to the Legislature for consideration and input and the Legislature referred it to the Portfolio Committee on Provincial Treasury for consideration and to confer a negotiating mandate to NCOP Permanent Delegates.

2. PURPOSE OF THE BILL

The Bill seeks to amend the Division of Revenue Act 2017, in accordance with the Money Bills Amendment Procedure and Related Matters Act 2009, and to provide for matters connected therewith.

3. CONSIDERATION OF THE BILL

The NCOP Permanent Delegate together with National Treasury, in the presence of Provincial Treasury; briefed the Portfolio Committee on Provincial Treasury on the principle and provisions of the Bill during a meeting held on 15 November 2017. Upon the briefing, a public hearing was conducted on the Bill.

The Committee met again on 16 November 2017 to consider and adopt the negotiating mandate on the Bill.

4. AMENDMENTS ON THE BILL

It was found that changes in the Bill provided for unforeseeable and unavoidable expenditure, emergencies, utilisation and rollover of unspent funds.

Limpopo Province received R51 960 337 billion of the equitable share and R7 884 978 billion in conditional grants, thus bringing the main appropriation for 2017/18 to the amount of R59 845 315 billion. The total adjustments for 2017/18 is R11 802 million of conditional grants. The total adjusted provincial budget for 2017/18 amounts to R59 857 117 billion.

There were no changes to both provincial and local government equitable shares.

Provincial Conditional Grants

According to National Treasury, adjustments to provincial conditional grants included addition to the comprehensive HIV, AIDS and TB grant, conversion of health facility revitalisation grant allocation and declared unspent funds from the school infrastructure backlogs grant.

It was found that Limpopo and Mpumalanga will be sharing R19.8 million of the Comprehensive HIV, AIDS and TB grant in order to support the national response programme and address the recent malaria outbreak. Limpopo will be receiving R11.8 million of the R19.8 million. Though the Committee appreciated the allocation, it however expected that sufficient to address the provincial health related challenges would be granted.

Local Government Conditional Grants

Adjustments to local government conditional grants included roll-over of local government Municipal Demarcation Transition grant, additional allocation to support disaster relief and recovery and additional allocation for bucket eradication.

It was found that there were no changes in allocations for local government conditional grants in Limpopo Province.

5. INPUT BY THE COMMITTEE AND STAKEHOLDERS

After the briefing, the following input were made:

- The EPWP grants and its impact on the lives of people was not impressive.

- The work of SANRAL was highly appreciated, however; a concern was raised on the maintenance of R36 and R37 routes which had thus far claimed the lives of many people. Although government is having transport maintenance grant, it seems as if there is no comprehensive plan for road maintenance.
- Issues concerning the financial mismanagement and distresses at Thabazimbi municipality was sharply raised by the Committee just as it was raised during previous engagements with National Treasury and Provincial Treasury. The Committee was concerned about the deteriorating state of the municipality and inadequate provision of basic services like water and electricity which affect people seriously. The Committee was hopeful that the National Treasury may have certain powers and functions which the Provincial Treasury may not have in dealing with challenges pertaining the municipality but yet the situation seems not to be getting the necessary attention.
- The commitment and response by government to rebuild schools destroyed during riots in Vuwani was not satisfactory. While such riots cannot in any manner be condoned, infrastructural expediency was needed for conducive learning. Sanitation facilities in schools was also raised as a matter that needed to be addressed as a matter of urgency.
- The budget for Health Department was considered to be insufficient to cater for the provision of primary health care facilities in the province.
- Unspent funds which are surrendered to National Treasury pose a serious setback in the Province since that implies denial of services to communities.
- Incomplete infrastructural projects are considered as a waste of resources since such structures become dilapidated before they could even be utilised.
- On disaster funding, particularly on drought relief mechanisms, the Committee was concerned about the outreach of drought relief funds towards informal farmers within rural communities. It was considered a fact that informal farmers were the most affected since some of them cannot even access wind-milled water for their livestock. National Treasury was alerted about the dependency of

rural communities on livestock proceeds and frustrations experienced by such farmers during drought seasons; hence a need for relief funds. During the previous engagements with National Treasury on the same issue, it highlighted the strategy that was being used in Kwazulu Natal to relief informal farmers and the Committee indicated that such strategies should be applied evenly across the country; a notion that the Committee still reiterated that it should be given the immediate attention in the province.

- The Committee warned National Treasury about the current state of affairs in Zimbabwe; a notion which could sharply affect Limpopo Province and therefore urged them that it should not be overlooked.
- All stakeholders agreed with the contents of the Bill.

5. RECOMMENDATIONS

The following recommendations were made:-


- 5.1 EPWP grants should be utilised in a manner that impact positively on the lives of the people.
- 5.2 More resources should be channelled towards roads infrastructure in order to alleviate road accidents.
- 5.3 National Treasury and Provincial Treasury must intensify plans to rescue the situation in Thabazimbi Municipality.
- 5.4 Government must ensure that schools infrastructure in Vuwani are restored and devise ways to ensure that there is protection and security for such facilities.
- 5.5 Infrastructure delivery departments must ensure that their projects are strictly monitored and immediately utilized upon completion.
- 5.5 Drought relief strategies and programmes for informal/subsistence livestock farmers in Limpopo Province should be given the necessary attention. Further, long term plan for rain water harvest should be developed to ensure that proper catchment systems are made for the benefit of rural farming communities in the

Province. Therefore, the Committee reiterates its position that rehabilitation of all water catchment dams should be prioritized.

- 5.6 The current state of affairs in Zimbabwe should not be overlooked as it could sharply affect the country, and in particular, Limpopo Province. Therefore National Treasury should ready itself for any eventuality that might arise to that effect.

6. NEGOTIATING MANDATE

The Portfolio Committee considered the Bill and hereby confer a negotiating mandate to the National Council of Provinces' Permanent Delegates to negotiate in favour of the Bill with recommendations.


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HON M.S LEKGANYANE

CHAIRPERSON: PORTFOLIO COMMITTEE ON PROVINCIAL TREASURY