



# EASTERN CAPE PROVINCIAL LEGISLATURE

## FINANCE PORTFOLIO COMMITTEE

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Reference: Division of Revenue Bill 2018/19



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### NEGOTIATING MANDATE

To : The Chairperson  
Select Committee on Appropriations

**Name of Bill:** DIVISION OF REVENUE BILL

**Number of Bill:** [B2-2018]

**Date of Deliberation** 24 April 2018

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### Vote of the Legislature

The Province votes in favour of the Bill and mandates the Eastern Cape delegate to the NCOP to negotiate in favour of the Bill.

However, the following inputs and concerns were raised:

1. The Provincial Road Maintenance Grant is in-accessible to rural municipalities, yet municipalities such as Ndlambe also depend on agriculture as another source of revenue but the condition of rural roads make this difficult. The bad condition of the roads surface threatens the produce from meeting the strict requirements of the international markets, more so, the EU market. There is no information on how some provincial grants can be accessed.

2. Prior the reduction of the budget allocation, the National Treasury should check all provinces to ensure that there is equitable share as the Eastern Cape is highly affected by a high rate of unemployment and surrounded by rural areas which significantly affects the revenue collection of the province. Conditional grant cuts to local municipalities should not be a one size fits all, Specific conditions of each municipality should be considered.
3. The criteria used to ensure that there is equitable share in all the provinces has to be looked over, taking into consideration that the Eastern Cape has serious Infrastructural challenges and backlogs.
4. The equitable share must also consider an allocation for small or emerging farmers in areas that are considered disaster areas due to drought as they are the ones that are largely affected.
5. Reduction in the School Infrastructure Maintenance Grant and the Human Settlements Grants have been reduced this is concerning.



**HON. X NQATHA (MPL)**

**CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON FINANCE**

24/04/18

**DATE**