



**PORTFOLIO COMMITTEE ON PUBLIC ACCOUNTS & FINANCE
NEGOTIATING MANDATE**

TO: Chairperson of the Select Committee on Appropriations

NAME OF BILL: Division of Revenue Bill

NUMBER OF BILL: B2-2018

DATE OF DELIBERATION: 23 April 2018

VOTE OF THE LEGISLATURE:

The Portfolio Committee on Public Accounts and Finance as designated by the Free State Legislature:

- a) The Portfolio Committee requests that the current Equitable Share formula be reviewed as it is not biased towards rural and poor municipalities
- b) The basic service component as contained in the provincial equitable share formula should be reviewed in order to consider the burden of additional basic service that Free State Province renders and, in addition, the entire provincial equitable share formula should be reviewed in order to address the province specific funding needs as a result of its transit status.

- c) National Treasury should include unfunded mandates of certain municipalities e.g. library functions, maintenance and sports facilities.
- d) Devolution of Property Rate Funds Conditional Grant must be evoked in order to assist in building economically and financially viable municipalities in enabling them to meet the service delivery priorities of their communities.
- e) Funding of district municipalities should be reviewed in order for it to support and coordinate the local municipalities in their respective districts.
- f) Intergovernmental relations are not functional and effective due to poor political and administrative leadership.
- g) That, National Treasury must relook into the bucket eradication grant allocation.
- h) SALGA should ensure that local government is guided and assisted to improve performance of municipalities.

The Portfolio Committee votes in favour of the Bill.



HON. C.J. VAN ROOYEN
CHAIRPERSON OF PORTFOLIO COMMITTEE ON PUBLIC ACCOUNTS & FINANCE
FREE STATE LEGISLATURE

23 April 2018