



Limpopo Legislature

Office Of The Secretary

Physical Address:

Lebowakgomo
Government Complex

Postal Address:

Private Bag X9309
Polokwane
0700

NEGOTIATING MANDATE

To : The Chairperson: Select Committee on
Appropriations

Name of Bill : Division of Revenue Amendment Bill

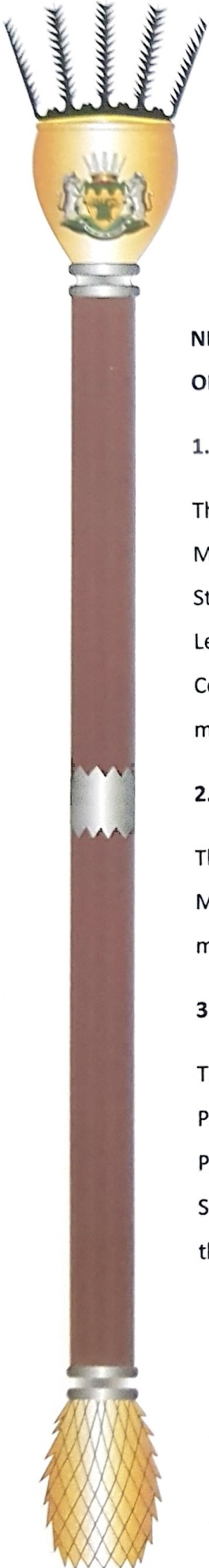
Number of the Bill : [B15 - 2019]

Date of Deliberation : 21 November 2019

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

K.A. PHALA
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HON. K.A PHALA
COMMITTEE CHAIRPERSON

25 NOVEMBER 2019
.....
DATE



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NEGOTIATING MANDATE OF THE PORTFOLIO COMMITTEE ON PROVINCIAL TREASURY ON DIVISION OF REVENUE AMENDMENT BILL, 2018 [B15-2019]

1. INTRODUCTION

The Division of Revenue Amendment Bill, [B15-2019] was tabled in Parliament by the Minister of Finance during the submission of 2019 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 2019 Division of Revenue Act, 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 and various stakeholders; briefed the Portfolio Committee on Provincial Treasury on the principle and provisions of the Bill on 21 November 2019. Subsequent to the briefing, the committee agreed to confer the negotiating mandate on the Bill.

4. AMENDMENTS ON THE BILL

It was found that changes to the Bill focused mainly on shifting allocations between spheres of government, changes to health conditional grants, reductions to indirect conditional grants and adjustments to local government conditional grants.

The additional allocation of R24.6 million has been made to the national sphere of government mainly for debt-service costs, the contingency reserve, provisional allocations and the Special Appropriation for Eskom. Direct grants to municipalities have also been converted to indirect grants. Indirect grant funding allows the administering national department to implement projects on behalf of municipalities deemed incapable of spending grants.

Equitable share

There were no additions made to provincial equitable shares. Instead, changes were effected to indirect grants.

Provincial Conditional Grants

It was found that R310 million will be reduced from indirect conditional grants to provinces due to projected underspending. It is comprised of R40 million from the schools infrastructure backlogs grant, R230 million from the personal services component of the national health insurance (NHI) indirect grant, R10 million from the NHI grant and R30 million from the health facility revitalisation component of the NHI indirect grant.

It was indicated that R300 million was added to the human resources capacitation grant to assist provinces to meet their salary obligations.

R89.3 million was approved for roll-over in the NHI indirect grant on the health facility revitalisation component to pay for medical equipment procured for hospitals in Limpopo.

Local Government Conditional Grants

In Limpopo Province, adjustments to local government conditional grants amounted to R21.2 million for Integrated National Electrification Programme grant, R67.1 million for Regional Bulk Infrastructure grant and R1.4 million for Municipal Systems Improvement grant.

5. INPUT BY THE COMMITTEE AND STAKEHOLDERS

Upon engagements with the National Treasury, the Committee highlighted its awareness of the economic status facing the country and the province in particular and is optimistic that both the National and Provincial Treasuries will strive by all means to ensure that the country's fiscus is safeguarded and utilised economically.

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 afore-cited input.

K.A. PHALA
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HON K.A PHALA

CHAIRPERSON: PORTFOLIO COMMITTEE ON PROVINCIAL TREASURY