



PORTFOLIO COMMITTEE ON PUBLIC ACCOUNTS & FINANCE

NEGOTIATING MANDATE

To: Chairperson of the Select Committee on Appropriations

Name of Bill: Division of Revenue Amendment Bill

Number of Bill: B9-2020

Date of Deliberation: 16 July 2020

VOTE OF THE LEGISLATURE:

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

1. Withholding of the conditional grants is inappropriate and as a result, the victims who are unemployed, and the indigent suffer from the lack of service delivery due to the withholding of funds.
2. COVID19 has exposed some of the long-standing challenges i.e. draught relief and lack of water supply in some areas such as Fika Phatsoa in Maluti-A-Phofung Local Municipality. There should be allocation to address these challenges.
3. It is important that allocations of municipalities be increased to ensure that they are functional and are able to deliver the desired services.
4. In view of the drought experienced in the Free State in recent times, National Treasury could not indicate if and how much money has been made available for drought relief in the Free State, especially for emerging, subsistence and commercial farmers to ensure food security. DORAB must be amended to adequately provide for the drought disaster that has plagued the Free State over the last couple of years.

5. The process of reviewing the Provincial Equitable Share Formula must be expedited.
6. In the light of the envisaged district model approach there is a need to review allocation for district municipalities for them to perform the expected role to support and coordinate the local municipalities in their respective districts.
7. A consideration for a Special Purpose Grant focusing on strengthening District Services Model Municipalities should be considered to ensure sustainability of Category C municipalities where all trading functions are assigned to Category B.
8. Reconsider the administrative model of Local Government Funding under Division of Revenue allocation to deal with Municipalities placed under Section 139 of the Constitution.
9. Oversight agencies at different levels of governance must ensure enforcement of non-compliance with relevant and applicable legislations.

The Portfolio Committee votes in favour of the Bill.

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**HON. V. W. TSHABALALA**  
CHAIRPERSON OF PORTFOLIO COMMITTEE ON PUBLIC ACCOUNTS & FINANCE  
FREE STATE LEGISLATURE

16 July 2020