



## 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:** B33-2023

**Date of Deliberation:** 23 November 2023

#### VOTE OF THE LEGISLATURE:

The Portfolio Committee on Public Accounts and Finance as designated by the Free State Legislature votes in favour of the Bill:

- (a) District Development Model** - the Portfolio Committee was made aware that National Treasury, Provincial Treasury and Local Government will be responsible for the funding of the model and that GoGTA and Provincial Treasury will respectively facilitate and guide local municipalities on how to implement the model, however there is still uncertainty on how this process will unfold.
- (b) Global Economic outlook and its ramifications** – the National Government must develop a comprehensive social security programme to protect municipalities and communities that are in distress.
- (c) Loadshedding-** National Treasury must take into serious consideration the financial impact of power outages and must consider compensating municipalities for unforeseeable costs associated with energy crisis.
- (d) Local business in distress:** National Treasury must also include the local businesses in their economic recovery strategy to assist those businesses.
- (e) Funding for rehabilitation of roads:** funding must be allocated to local government to address the rehabilitation of roads due to the collapse of rail systems which puts more pressure on the over usage of roads which results in damage of road infrastructure.
- (f) School infrastructure backlog:** the Committee is concerned that under School Infrastructure Grant that the Free State Department of Education had been consistently achieving Matric results with distinction but have not been favourably considered under this Grant to address the backlogs within Free State schools.

**(g) Conditional Grants reduction:** - given limited revenue resources, most provinces are reliant on conditional grants which have been reduced and will result in the inability of provinces to provide services and infrastructure to poor households including the delivery of houses and implementation of National Health Insurance.

**(h) Municipal Debt Relief:** if a municipality fails to comply with the conditions of the debt relief, the National Treasury must take over the electricity license of that municipality or alternatively CoGTA in collaboration with SALGA should ensure that the credit control systems of ESKOM and municipalities are aligned by means of a Memorandum of Understanding (MoU) and that ESKOM must assist municipalities with credit controls through electricity disconnections.

The Portfolio Committee votes **in favour** of the Bill.



---

**HON VW TSHABALALA**  
CHAIRPERSON OF PORTFOLIO COMMITTEE ON PUBLIC ACCOUNTS & FINANCE  
FREE STATE LEGISLATURE  
**27 November 2023**