

NEGOTIATING MANDATE OF THE LIMPOPO PORTFOLIO COMMITTEE ON PROVINCIAL TREASURY ON 2023 DIVISION OF REVENUE AMENDMENT BILL

1. INTRODUCTION

The Division of Revenue Amendment Bill [B33-2023] was referred to the Legislature on 22 November 2023 for consideration and conferral of a negotiating mandate to NCOP Permanent Delegates.

2. PURPOSE OF THE BILL

The Bill seeks to amend the Division of Revenue Act, 2023, in accordance with the Money Bills and Related Matters Act, 2009; and to provide for matters connected therewith.

3. CONSIDERATION OF THE BILL

On 23 November 2023, the Portfolio Committee on Provincial Treasury was briefed by the NCOP and National Treasury on the principle and provisions of the Bill. Various stakeholders including Provincial Treasury were invited to the briefing session.

4. BRIEFING BY NCOP AND NATIONAL TREASURY ON THE BILL

All attendees received a briefing on the Bill. The following findings were made on the Bill:-

Equitable share allocation: The Committee noted changes made to provincial and local government allocations. An amount of R2 billion was added to the provincial equitable share allocation in the province to compensate for the 2023/24 wage pressures in the departments of Health and Education. The provincial equitable share increased from R65.34 billion to R67.35 billion. The downward adjustment of R292 606 million on Limpopo municipal allocations was highly regretted as it reduced the allocation from R7.123 billion to R6.830 billion.

Conditional grants: It was found that R137 million will be rolled over to school infrastructure backlogs grant for completion of sanitation appropriate for education initiative in schools, completion of Accelerated Schools Infrastructure Delivery Initiative and Limpopo schools were among beneficiaries earmarked for the funding. It was also found that conditional grants allocations in the province were adjusted downward by R451.178 million and therefore decreased the allocation from R11.3 billion to R10.877 billion.

5. INPUT ON THE BILL

The Committee acknowledged the contents of the Bill and agrees that a negotiating mandate should be conferred to NCOP to vote in favour of the Bill.

6. NEGOTIATING MANDATE

The Portfolio Committee considered the Bill and hereby confers a negotiating mandate to the National Council of Provinces' Permanent Delegates to negotiate in favour of the Bill.

HON. K.A PHALA

CHAIRPERSON: PORTFOLIO COMMITTEE ON PROVINCIAL TREASURY

(consider it signed if submitted electronically)