



**Portfolio Committee  
on Finance, Economic  
Development & Tourism**

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Hon D Mahlangu  
Chairperson: Select Committee on Appropriations

**NEGOTIATING MANDATE**

Name of the Bill: **Division of Revenue Amendment Bill**

Number of the Bill: **B33 – 2023**

Date of deliberation: **Friday, 24 November 2023**

Vote of the Legislature: **The legislature votes in favour**

**(Subject to consideration of the proposed amendments)**

A handwritten signature in black ink, appearing to be 'N Maneng', written over a circular stamp or seal.

**Hon N Maneng**  
Chairperson: PC on Finance, Economic Development & Tourism

**Date: 24 November 2023**



## PORTFOLIO COMMITTEE ON FINANCE, ECONOMIC DEVELOPMENT & TOURISM

### NEGOTIATING MANDATE ON THE DIVISION OF REVENUE AMENDMENT BILL [B33-2023]

#### 1. INTRODUCTION

The Chairperson of the Portfolio Committee on Finance, Economic Development & Tourism, Hon G N Maneng, tables the Committee's Report on the ***Division of Revenue Amendment Bill [B33 – 2023]***, as adopted by the Portfolio Committee on Friday, 24 November 2023.

#### 2. PROCESS FOLLOWED

- 2.1 The Speaker of the Northern Cape Provincial Legislature has on receipt of the Bill referred the ***Division of Revenue Amendment Bill, 2023*** to the Portfolio Committee on Finance, Economic Development & Tourism.
- 2.2 On Thursday, 23 November 2023, the Portfolio Committee received a briefing on the Bill from Hon H Aucamp, NCOP Permanent Delegate, Ms Noxolo Mbambo, Ms Pretty Mavhungu and Ms Noxolo Mlambo from National Treasury.
- 2.3 Public Participation processes that were facilitated:
  - 2.3.1 Hybrid public hearings have been scheduled in all five (5) regions of the Province namely, Frances Baard District (Kimberley); Namakwa District (Springbok); ZF Mgcawu District (Upington); Pixley Ka Seme District (De Aar); and John Taolo Gaetsewe District (Kuruman) on Thursday, 23 November 2023.
  - 2.3.2 A request was also forwarded to all stakeholders in all regions of the Province on Monday, 13 November 2023 for written inputs on the Bill.
  - 2.3.3 Posters on official social media pages.

#### 3. WRITTEN SUBMISSIONS ON THE BILL

Written submissions were received from:

- 3.1 No written submissions were received.

#### **4. STAKEHOLDER RECOMMENDATIONS ON THE BILL**

- 4.1 Communities are concerned about the fiscal leakages like corruption and request that this must be monitored and addressed, including consequence management that must ensue.
- 4.2 Great concerns were raised about municipalities that do not use allocated funds in respect of infrastructure projects for the intended purpose and very little projects are implemented. It is thus requested that the Bill seeks to put in place to adequately monitor implementation and expenditure.
- 4.3 General concern was raised about conditional grants that are not spent, and consequence management should be implemented for the underspending.
- 4.4 Although the wage bill is of concern, it should address redundant and duplicate positions and phase it out, especially at senior levels.
- 4.5 More funding is requested for all state hospitals to be at the same standard as private hospitals in especially rural areas.
- 4.6 Additional funding is also required for sport facilities to accommodate females that now also participate in other sporting codes.

#### **5. STAKEHOLDER POSITION ON THE BILL**

The majority of the stakeholders voted in support of the Bill.

#### **6. COMMITTEE RECOMMENDATIONS ON THE BILL**

- 6.1 Although the Committee appreciates that the Conditional Grant allocated to Human Settlements in the Northern Cape were not affected in the Bill, the Committee is gravely concerned about the total reduction of R202 million on all Conditional Grants. The Province is already severely disadvantaged in the Provincial Equitable Share formula and processes to address the formula is very prolonged. Year-on-year the Committee requests that the Northern Cape be taken seriously in the review of the Provincial Equitable Share formula and this additional reduction will put the Province under severe strain to deliver services to the poorest of the poor. It is also concerning to note that Conditional Grants are not optimally spent by certain sector Departments.

It is thus recommended that National Treasury in future, absolve struggling Provinces like the Northern Cape from any further reductions on any allocations, and especially Conditional Grants that will ensure better economic conditions for a very disadvantaged Province. The Northern Cape must furthermore be seriously considered for better allocations considering the challenges that the Province face in this vast landscape. Consequence management must also be implemented against sector Departments that do not spend Conditional Grants optimally.



- 6.2 The wage bill is one of the contributors impacting negatively on the fiscus, with challenges of unqualified incumbents, redundant and duplicate positions impacting negatively on service delivery.

It is recommended that requisitely qualified persons must be appointed or capacitate incumbents to ensure that there is better service delivery and phasing out redundant and duplicate positions at all spheres of government.

- 6.3 Debt service cost has the biggest impact on the total budget, causing even less available funding for service delivery.

It is recommended that debt service cost be managed properly also by considering addressing the wage bill.

- 6.4 It is further recommended that the inputs made by stakeholders above are also considered.

After due deliberation, the Portfolio Committee on Finance, Economic Development & Tourism supports the bill.

## 7. COMMITTEE ADOPTION ON THE BILL

The Committee adopted this negotiating mandate duly signed by the Chairperson of the Committee, Hon N Maneng.

The Committee recommends to the House to mandate the Permanent Delegates to participate in deliberations at the negotiating stage and to **support** the Bill.



**HON N MANENG**  
**COMMITTEE CHAIRPERSON**

**Date:** 24 November 2023