

Eastern Cape Provincial Legislature
PROCEDURAL SUPPORT SERVICES

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Date: 15 March 2010

SELECT COMMITTEE ON APPROPRIATION

NEGOTIATING MANDATE

The Chairperson:
Select Committee on Appropriation
National Council of Provinces

Name of Bill	: Division of Revenue Bill
Number of Bill	: (B4-2010)
Date of Deliberation	: 15 March 2010

1. Terms of Reference

The Division of Revenue Bill (B1-2010) hereinafter referred to as the Bill, was referred to the Portfolio Committee on Finance and Provincial Expenditure for consideration.

2. Consideration of the Bill

The Portfolio Committee was briefed on the content and effect of the Bill and also conducted public hearings in all district municipalities on the 10th-12th March 2010.

3. Vote of the Legislature

The province votes in favour of the Bill and wish to raise the following matters for consideration:

- 3.1 There is a need to review the formulae for the allocation of the equitable share, particularly the weighting given to the poverty component and the level of backlog in a particular province.

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- 3.2 The statistics from the 2001 census conducted by Statistics South Africa is outdated and is seen as a disadvantaging factor in the allocation of equitable share.
- 3.3 The cross-boundary issues on rural Electrification programme by Eskom need to be taken into consideration when calculating the total funding to be allocated to each Province.
- 3.4 Also Eskom does not want to account to municipalities though residents enquire from the municipalities about the programme in cross-boundary municipalities. Both Eskom and municipalities should first decide on which villages to electrify within that district or local municipality. ESKOM and Municipalities should continuously monitor each other on progress
- 3.5 The allocation for drought relief does not seem to take into consideration the submissions made by municipalities who have already been declared disaster areas.
- 3.6 The percentage of the total national revenue that is given to the Local Government sphere is insufficient given the fact that this is a sphere that is closest to the people.



HON. M. MATOMELA

CHAIRPERSON: PORTFOLIO COMMITTEE ON FINANCE AND PROVINCIAL EXPENDITURE