



## EASTERN CAPE PROVINCIAL LEGISLATURE

OFFICE OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON  
FINANCE

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02 November 2010

PHYSICAL ADDRESS  
PARLIAMENTARY BLDG  
INDEPENDENCE AVENUE  
BISHO, SOUTH AFRICA

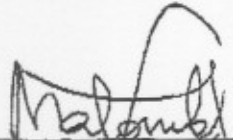
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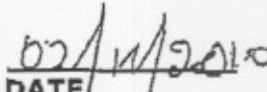
### NEGOTIATING MANDATE

|                      |  |
|----------------------|--|
| To:                  | The Chairperson:<br>Select Committee on Appropriations |
| Name of Bill:        | Division of Revenue Amendment Bill                     |
| Number of Bill:      | [B35-2010]   |
| Date of Deliberation | 02 November 2010                                       |

### Vote of the Legislature

The Legislature supports the Bill and mandates the Eastern Cape delegate to negotiate in favour of the adoption of the Bill.

  
\_\_\_\_\_  
HON M MATOMELA (MPL)  
CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON FINANCE

  
\_\_\_\_\_  
DATE



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Provincial Legislature

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**PORTFOLIO COMMITTEE ON FINANCE, ECONOMIC DEVELOPMENT & TOURISM**

Ref 16.6.2.3.8

Hon C de Beer  
Chairperson: Select Committee on Finance

**NEGOTIATING MANDATE**

Name of the Bill: Division of Revenue Amendment Bill

Number of the Bill: [B35-2010]

Date of deliberation: 4 November 2010

Vote of the Legislature: **The Portfolio Committee on Finance, Economic Development & Tourism votes in favour of the Bill**

A handwritten signature in black ink, appearing to read 'S. Lubbe', written over a horizontal line.

Hon S Lubbe

Chairperson: Portfolio Committee on Finance, Economic Development & Tourism

2011-11-04

Negotiating Mandate



ISISHAYAMTHETHO SAKWAZULU-NATAL

KWAZULU-NATAL WETGEWER

**KWAZULU-NATAL PROVINCIAL LEGISLATURE**

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**NEGOTIATING MANDATE**

TO: HON TE CHAANE  
CHAIRPERSON: SELECT COMMITTEE ON APPROPRIATIONS

NAME OF BILL: DIVISION OF REVENUE AMENDMENT BILL

NUMBER OF BILL: B35-2010

DATE OF DELIBERATION: WEDNESDAY, 3 NOVEMBER 2010

**VOTE OF THE LEGISLATURE:**

The Portfolio Committee on Finance met today, Wednesday, the 3<sup>rd</sup> of November 2010, & agreed to mandate the KwaZulu-Natal delegation to the National Council of Provinces to **support** the Division of Revenue Amendment Bill [B35-2010].

HON BF SCOTT  
CHAIRPERSON OF FINANCE  
PORTFOLIO COMMITTEE

3/11/2010  
DATE

# **NORTH WEST PROVINCIAL LEGISLATURE**

## **Office of the Speaker**

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Mmabatho, 2735

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## **NEGOTIATING MANDATE**

**To:** Hon C J de Beer  
Chairperson: Select Committee on Finance

**Name of Bill/question:** Division of Revenue Amendment Bill

**Number of Bill/question:** [B35 - 2010]

**Date of Deliberation:** 2 November 2010

**Concerns:**

The Provincial Equitable Share ( PES) formula in its allocation to provinces and municipalities needs to be reviewed.

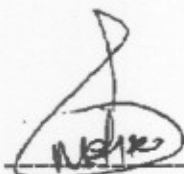
The PES formula alone cannot be used in all aspects of the allocation of budgets to provinces, departments and municipalities. Another formula or formulas for varying departments and municipalities should be used.

The allocation of budgets to municipalities in the North West should be done in consultation with the Province.

The conditional grants allocated to the North West departments are insufficient for the work that needs to be carried out by the respective departments.

**Vote of Legislature:**

**The Portfolio Committee on Finance,  
Economic Development & Tourism votes in  
favour of the Bill and the amendments noting  
the concerns that have been highlighted.**



Handwritten signature of Hon Tebogo Modise, consisting of a stylized 'T' and 'M' inside a circle.

03-11-2010

Date

**Hon Tebogo Modise**

**Chairperson: Finance, Economic Development & Tourism**



## **REPORT OF THE PORTFOLIO COMMITTEE ON PREMIER'S OFFICE; FINANCE; COMMUNITY SAFETY, SECURITY AND LIAISON ON THE DIVISION OF REVENUE AMENDMENT BILL [B35-2010]**

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### **1 Introduction**

The Division of Revenue Amendment Bill, [B35-2010] (the Bill) was referred by the Speaker Hon SW Lubisi to the Portfolio Committee on Premier's Office; Finance; Community Safety, Security and Liaison for consideration and report back to the House.

### **2 Objectives of the Bill**

The Bill seeks among others, to amend the Division of Revenue Act, 2010, so as to provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2010/11 financial year and the responsibilities of all three spheres pursuant to such a division; and to provide for matters connected therewith.

### **3 Method of Work**

Subsequent to the referral of the Bill to the Committee, Mr K Brown, Deputy Director-General: Intergovernmental Relations, National Treasury, briefed the Committee on 3 November 2010. The MEC for the Department of Finance, Hon YN Phosa, the HOD for the Department of Finance, Mr. M Mazibuko and the General Manager: Sustainable Resource Management from Provincial Treasury also attended the briefing.

### **4 Observations and recommendation by the Committee**

Subsequent to the briefing, the Committee deliberated on the Bill. The Committee agreed that the time constraints for the programme of activities related to the adoption of the Bill make it impossible to comply with the standard procedures as per Section 118(1) of the Constitution (Act No 108 of 1996), namely to facilitate public involvement in the legislative and other processes of the Legislature and its committees when a Section 76 Bill is referred to the Committee. However, the Committee accepted the reasons for the strict time frame for the adoption of the Bill; and appreciated the fact that Legislatures were briefed on matters related to the Bill.

The Committee acknowledged that the Bill will provide, among others, for the following:

- 1) Additional unconditional and conditional allocations to provinces and municipalities;
- 2) The allocation of unallocated conditional allocations to provinces and municipalities;
- 3) The re-allocation of conditional allocations in terms of Section 18 of the Division of Revenue Act, 2010;
- 4) Roll-overs of conditional allocations to provinces and municipalities not transferred by national departments during the 2009/10 financial year;
- 5) Increases to a conditional allocation to a province or municipality through a virement under Section 43 of the Public Finance Management Act, 1999 or Section 28(2)(d) of the Municipal Finance Management Act 2003;
- 6) The re-allocation of conditional allocations that were not correctly reflected in the Schedules to the Division of Revenue Act, 2010.

The Committee resolved that they agree in principle with the content of the Bill; and that the Permanent Delegation representing the province of Mpumalanga in the NCOP should be conferred with a mandate to vote in favour of the Bill.

## **5 Conclusion**

The Committee supports the Bill as presented to them. The Chairperson would like to thank Honourable Members of the Committee, the MEC for Finance and officials from Provincial Treasury for participating in the process of considering the Bill.



**HON VVZ WINDVOËL**  
**CHAIRPERSON: PORTFOLIO**  
**COMMITTEE ON THE PREMIER'S OFFICE;**  
**FINANCE; COMMUNITY SAFETY, SECURITY**  
**AND LIAISON**

04-10-2010

**DATE**



Sihaya Mtseto Sesifundza  
Umdlalo Mpumalanga  
Huvu ya Mlawo ya Mpumalanga  
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## OFFICE OF THE SPEAKER

Enquiries : Ms B Tabane  
Tel.: 013 - 766 1038

### NEGOTIATING MANDATE

**To:** The Chairperson of the NCOP  
**Name of the Bill:** Division of Revenue Amendment Bill  
**Number of the Bill:** [B35-2010]  
**Date of Deliberation:** 05 November 2010

**Vote of the Legislature:** The Portfolio Committee on Premier's Office; Finance, Community Safety, Security and Liaison (the Committee) has deliberated on the Division of Revenue Amendment Bill [B35-2010].

The Committee recommends that the permanent delegation to the NCOP should negotiate in favour of the Bill.

HON VV WINDVOËL

04-10-2010

DATE

**CHAIRPERSON TO THE PORTFOLIO COMMITTEE ON  
PREMIER'S OFFICE; FINANCE; COMMUNITY SAFETY,  
SECURITY AND LIAISON**





## NEGOTIATING MANDATE

**TO:** The Chairperson of the Select Committee on Finance.

Hon CJ de Beer

**NAME OF BILL:** Division of Revenue Amendment Bill.

(Section 76)

**NUMBER OF BILL:** B35-2010

**DATE OF DELIBERATION:** 2 November 2010

### VOTE OF THE LEGISLATURE:

The Gauteng Provincial Legislature supports the principle and the detail of the bill and therefore votes in favour of-

- Division of Revenue Amendment Bill 2010.

**AHM PAPO**  
**CHAIRPERSON: FINANCE PORTFOLIO COMMITTEE**

**GAUTENG PROVINCIAL LEGISLATURE**

Date: 02/11/2010



**FINANCE PORTFOLIO COMMITTEE  
NEGOTIATING MANDATE ON  
DIVISION OF REVENUE AMENDMENT BILL [B35 – 2010]**

(Section 76)

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**2<sup>nd</sup> November 2010**

**1. INTRODUCTION**

The Chairperson of the Finance Portfolio Committee, AHM Papo, tabled the Committee's Negotiating Mandate on the Division of Revenue Amendment Bill [B35-2010] Section 76 Bill, as follows:

**2. PROCESS FOLLOWED**

The Speaker informally referred the Division of Revenue Amendment Bill [B35-2010]- Section 76 Bill ('the Bill') to the Portfolio Committee on Finance ('the Committee'), in terms of Rule 232 (1) read with 235 (4), 6 and (7) on Friday, 29<sup>th</sup> October 2010, for consideration and development of a Portfolio Committee report.

On Thursday, 28<sup>th</sup> October 2010, the Chairperson of the Portfolio Committee attended a briefing by the Minister of Finance on the Bill at Parliament in Cape Town. The Chairperson was accompanied by the Portfolio Committee support staff. Due to NCOP programmes and processes of expediting the consideration of the Bill, the Committee didn't get an opportunity to receive a briefing from the NCOP Permanent Delegate on the Bill; hence the Chairperson attended the Minister's briefing with the intention to brief the Committee on his return.

The Committee convened a meeting on Tuesday, 2<sup>nd</sup> November 2010 to receive a presentation from the following committee support units of the Gauteng Provincial Legislature (Committee Support; NCOP and Legal as well as the Research units).

As per the Standing Rule 235 (4) (a) of the Gauteng Provincial Legislature (the GPL), an invitation was sent to the relevant provincial department to solicit the view of the Provincial Executive Council on the Bill.

In line with the Constitutional mandate of the GPL of ensuring and facilitating public participation in all its law making processes, the Committee invited various stakeholders to make verbal or oral submissions on the Bill. At the same meeting, the Committee deliberated and adopted the Negotiating Mandate on the Bill. The Negotiating Mandate will be tabled at the NCOP on Friday, 5<sup>th</sup> November 2010.

### **3. PRINCIPLE AND DETAIL OF THE BILL**

The preamble of the Bill states that section 214(1) of the Constitution of the Republic of South Africa, 1996, requires an Act of Parliament to provide for:

- The equitable division of revenue raised nationally among the national, provincial and local spheres of government;
- The determination of each province's equitable share of the provincial share of that revenue; and
- Any other allocations to provinces, local government or municipalities from the national government's share of that revenue, and any conditions on which those allocations may be made.

### **4. OBJECTIVE OF THE BILL**

The objective of the Bill is to amend the Division of Revenue Act, 2010, so as to provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2010/11 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.

### **5. AMENDMENTS TO THE DIVISION OF REVENUE ACT, 2010**

The table below depicts funds that have been transferred to the province as a result of the amendments to the Division of Revenue Act, 2010.

| <b>Table 1: Summary of Adjusted Estimates</b>   |                |
|---|----------------|
| <b>SUMMARY: 2010 ADJUSTED ESTIMATES OF PROVINCIAL EXPENDITURE<br/>(TO BE APPROPRIATED FROM THE NATIONAL REVENUE FUND)</b> |                |
|   | <b>968 238</b> |
| <b>Equitable share:</b>   | <b>734 755</b> |
| Improvement in Salaries and other Conditions of Service (Housing Allowance)   | 653 555        |
| Unforeseeable and unavoidable allocation: OSD for Health (health therapeutic and doctors)                                 | 81 200         |
| <b>Conditional grants:</b>  | <b>233 483</b> |
| Improvement in Salaries and other Conditions of Service (Housing Allowance) for:  | <b>11 407</b>  |
| Further Education and Training Colleges Grant (Higher Education and Training)   | 11 407         |
| Unforeseeable and unavoidable allocations (disasters and other emergencies) for:  | -              |
| Agricultural Disaster Management Grant (Agriculture, Forestry and Fisheries)  | -              |
| Provincial Infrastructure Disaster Relief Grant (Cooperative Governance and Traditional Affairs)                          | -              |
| Unforeseeable and unavoidable allocations (other) for:  | <b>107 076</b> |
| Comprehensive HIV and Aids Grant (Health)   | 4 000          |
| Devolution of Property Rate Funds Grant (Public Works)  | 103 076        |
| Re-allocation of funds between provinces for:   | <b>100 000</b> |
| Human Settlements Development Grant (Human Settlements)   | 100 000        |
| Virement of funds from National for:  | <b>15 000</b>  |
| Human Settlements Development Grant (Human Settlements)   | 15 000         |

Source: National Treasury

As per the table above, the Portfolio Committee has observed the amendments in the form of transfers of conditional grants to various departments as well as improvements on salaries and other Conditions of Service.

## 5.1 CONSTITUTIONALITY AND GENERAL LEGAL COMPLIANCE OF THE BILL

As alluded in earlier paragraphs, the Bill is constitutionally sanctioned by section 214(1) of the constitution of the Republic of South Africa. It amends the Division of Revenue Act, 2010. The Minister of Finance is empowered to introduce the Bill and its provisions do not infringe on any other constitutional right. It also conforms to all other relevant legislation.

The Bill was developed and tabled on the basis of the Money Bills Amendment Procedure and Related Matters Act of 2009, which requires that the Minister of Finance must table a Division of Revenue Amendment Bill with the revised fiscal framework if the adjustment budget effects changes to the Division of Revenue Act for the relevant financial year.

## **6. STAKEHOLDERS' SUBMISSIONS**

The Committee invited various stakeholders to make oral and verbal submissions on the Bill. No submissions were made.

## **7. FINANCIAL IMPLICATIONS AND SOCIO ECONOMIC IMPACT ASSESSMENT OF THE BILL FOR THE PROVINCE**

### **7.1 FINANCIAL IMPLICATIONS OF THE BILL**

The financial implications are limited to the transfer of funds to relevant provincial departments.

### **7.2 SOCIAL-ECONOMIC IMPACT**

The view of the Committee was that the amendments to the Bill seek to accelerate service delivery by ensuring that GPG department spent allocated funds. Furthermore, this is in line with the priorities of the Province.

## **8. VIEWS OF THE PROVINCIAL EXECUTIVE COUNCIL ON THE BILL**

The Executive Council, represented by the Gauteng Department of Finance was invited to present its views on the Bill, and supports the Bill.

## **9. COMMITTEE CONCERNS**

- 9.1 The Committee is particularly concerned with the hasty manner in which Parliamentary processes were undertaken in referring the Bill to provinces. This has a negative impact on the programmes of provincial committees in fully complying with the regulations guiding the consideration of NCOP Bills, with particular reference to public participation.



## **10. COMMITTEE RECOMMENDATIONS**

10.1 The Committee recommends that Parliament, particularly the NCOP should strive to align their programmes with those of provinces to minimise challenges that may arise as a result of non-alignment of programmes.

## **11. NEGOTIATING POSITION ADOPTED BY COMMITTEE**

The Finance Portfolio Committee supports the principle and detail of the **Division of Revenue Amendment Bill [B35-2010] - Section 76.**

Wes-Kaapse Provinsiale Parlement  
Western Cape Provincial Parliament  
IPalamente yePhondo leNtshona Koloni

NEGOTIATING MANDATE



To: Hon. T E Chaane  
Chairperson: Select Committee Appropriations

Name of Bill: Division of Revenue Amendment Bill

Number of Bill: [B35 - 2010]

Date of deliberation: 04 November 2010

Vote of Legislature: Support the Bill with proposed amendment as follows:

"Insertion of a further clause after clause 1 of the Amendment Bill to provide for the amendment of section 29 of the Division of Revenue Act, to allow provinces to amend allocations to municipalities in respect of human settlement grants, after the adjustments appropriation Bill is submitted to the legislature, but not later than 14 February each year. The MEC for Finance must approve the date of such amendment and the amendments must be in accordance with the adjustments budget and appropriation legislation."

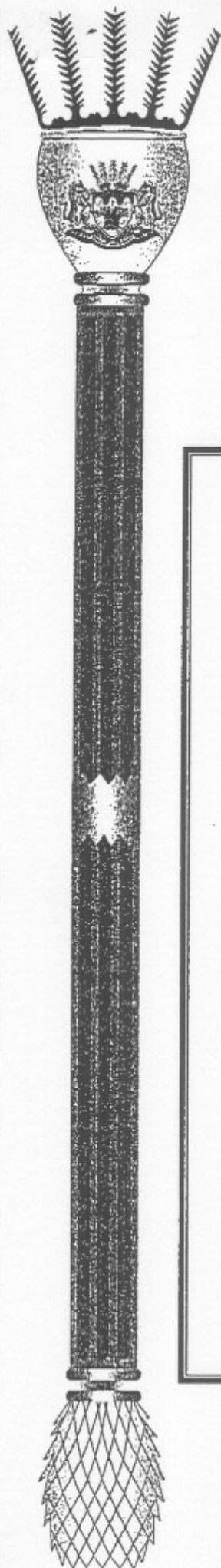
  
Signature

5 Nov 2010  
Date

Hon. E Von Brandis

Chairperson: Standing Committee on Finance, Economic Development &  
2010 World Cup

# Limpopo Legislature

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Lebowakgomo  
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0700

## NEGOTIATING MANDATE

To : Hon. Chairperson: SC on Appropriations

Name of the Bill : Division of Revenue Bill

Number of the Bill : [B35 - 2010]

Date of deliberation : 03 November 2010

Vote of the Legislature : The Portfolio Committee on Provincial Treasury hereby confers a Negotiating Mandate to the Limpopo Provincial Permanent Delegation to the NCOP to negotiate in favour of the Bill without amendments.

SIGNATURE: *M. R. Semanya* DATE: *4/11/2010*  
PP HON. R.M SEMENYA  
CHAIRPERSON: PORTFOLIO COMMITTEE ON PROVINCIAL  
TREASURY



# Limpopo Legislature

## OFFICE OF THE SECRETARY

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0700

### NEGOTIATING MANDATE OF THE PORTFOLIO ON PROVINCIAL TREASURY ON THE DIVISION OF REVENUE AMENDMENT BILL, [B35-2010]

#### 1. INTRODUCTION

The above mentioned Bill was tabled in Parliament on 27 October 2010 by the Minister of Finance during the submission of 2010 Medium Term Budget Policy Statement (MTBPS). It was also referred by the NCOP to the Legislature which in turn referred it to the Portfolio Committee on Provincial Treasury on 03 November 2010 for consideration and input.

#### 2. PURPOSE OF THE BILL

The Bill seeks to amend the Division of Revenue Act, 2010, so as to provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2010/11 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.

#### 3. BRIEFING ON THE BILL

The Chairperson of the Portfolio Committee on Provincial Treasury was invited to the Budget lock-up session which was held in Cape Town from 27-28 October 2010 wherein the Minister of Finance made a briefing on the Revised Fiscal Framework, Adjustments Appropriation Bill, and Division of Revenue Amendment Bill prior to the introduction of the Bill in the National Assembly. The briefing was made to the provinces, the NCOP and National Assembly.

#### 4. CONSIDERATION OF THE BILL

The Portfolio Committee on Provincial Treasury met on 3 November 2010 to consider the Bill and the Member of the Committee who was delegated to attend the Budget lock-up briefed the Committee on the provisions of the Bill and the concomitant papers. The Committee having considered the Bill supported it without amendment.

#### 5. NEGOTIATING MANDATE

Pursuant to the Committee's support of the Bill, a mandate is hereby conferred to the NCOP Delegates to negotiate in favour of the Bill without amendments.

*R.M. Semanya*

ff

HON. R.M SEMENYA

CHAIRPERSON: PORTFOLIO COMMITTEE ON PROVINCIAL TREASURY