

05-Apr-2011 02:52 PM Eastern Cape NCOP 0214241576

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**EASTERN CAPE PROVINCIAL LEGISLATURE****OFFICE OF THE SPEAKER**

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05 April 2011

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FINAL MANDATE

To: The Chairperson
National Council of Provinces

Name of Bill: Division of Revenue Bill

Number of Bill: [B4-2011]

Date of Deliberation 30 March 2011

Vote of the Legislature

The province supports the Bill and mandates the Eastern Cape delegate to vote for the adoption of the Bill.

PP SOMMA
FD XASA
SPEAKER: EASTERN CAPE PROVINCIAL LEGISLATURE
DATE 5/4/2011

05/04/2011 16:28

(FAX)

P.001/005

Limpopo Legislature

No. 6359 P. 1

Physical Address:

Lehowakgomo
Government Complex

Postal Address:

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VOTING MANDATE

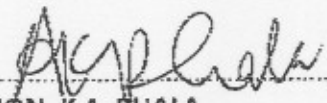
To : The Chairperson: SC on Appropriation and Finance

Name of the Bill : Division of Revenue Bill

Number of the Bill : [B4-2010]

Date of Deliberation : 05 April 2011

Vote of the Legislature : Provincial NCOP Permanent Delegates to vote in favour of the Bill.


HON. K.A. PHALA
SPEAKER: LIMPOPO LEGISLATURE

2011/04/05
DATE

5 Apr. 2011 18:09

Limpopo Legislature

OFFICE OF THE SECRETARY

Physical Address:

Lebowakgamo
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Private Bag X9309
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0700

REPORT OF THE PORTFOLIO COMMITTEE ON PROVINCIAL TREASURY ON DIVISION OF REVENUE BILL, 2011 [B4-2011]

1. INTRODUCTION

The Division of Revenue Bill 2011, [B4-2011] was referred to the Legislature by the NCOP on 14 March 2011. The Legislature referred it to the Portfolio Committee on Provincial Treasury for consideration; confer a negotiating mandate to NCOP and to report to the House for the conferral of the final mandate to NCOP. The Committee considered the Bill and therefore report as follows:

2. PURPOSE OF THE BILL

The Bill seeks to provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2011/12 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.

3. CONSIDERATION OF THE BILL

The NCOP Permanent Delegate together with National Treasury, in the presence of Provincial Treasury; briefed the Portfolio Committee on Provincial Treasury on the principle and provisions of the Bill during a meeting held on 15 March 2011.

Considering the fact that the Division of Revenue Bill is a section 76 legislation, the Committee therefore held public hearings on the Bill across the province on 23 to 25 March 2011 to solicit inputs from stakeholders.

4. FINDINGS

4.1 BRIEFING BY NCOP AND NATIONAL TREASURY

During the briefing by NCOP and National Treasury, the Committee found that the Bill consists of 39 clauses as was the case with the previous financial year; however, a new schedule on unallocated provision to cater for disasters has been added to the Bill, thus making the total of 9 Schedules.

The main amendments to the 2010 Act included the following:

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- Elimination and amendment of existing provisions to align the Bill to reforms to provincial and local government fiscal frameworks (2011 Budget).
- Improve national oversight over conditional grants; i.e. by strengthening withholding provisions and strengthening oversight over infrastructure grants for education, roads and health. In other words, on the latter function; provinces are required to submit lists of infrastructure projects for health, roads and education for 2011/12 and 2012/13 financial years in line with infrastructure delivery improvement programme principles. These projects would then be gazetted by Transferring National Officers. Allocations may be withheld if conditions are not adhered to.
- Housing accreditation; i.e. Human Settlements Development Grant Allocations to municipalities (metros) receiving the Urban Settlements Grant Amendments are to be determined within 14 days after enactment of the Bill.
- Disaster funding – whereby new process allows for the speedy release of funds for immediate response (3 days to 3 months) after a disaster has been declared.
- Additional provisions to deal with incentives earned on EPWP (which is to be included in Adjustments Budget if made before November or thereafter be appropriated in the next budget).
- Provincial specific and municipal specific provisions.

The Bill made the following revisions to Provincial Conditional Grants:

- Infrastructure Grant to provinces was replaced with Education Infrastructure Grant, Provincial Roads Maintenance Infrastructure Grant and Health Infrastructure Grant so as to ensure a more aligned approach to infrastructure roll out.
- School Infrastructure Grant is introduced as a Grant-in-kind to provinces so as to address backlogs in inappropriate structures.
- Urban Settlements Development Grant was established by consolidating Municipal Infrastructure Grant and a portion of Human Settlements Development Grant.
- Disaster Grants were reformed so as to cater for immediate release of funds following a declared disaster.
- There are new provisions in the Bill that aim to ensure that provinces apply infrastructure planning and implementation best practices.

The Committee found that provincial equitable share amounts to R288 492 831 billion and local government share is R34, 108 billion. Limpopo Province received R36, 35 billion of the equitable share and R6, 912 billion as conditional grants. The Committee also found that over the next three years, expenditure will be channelled towards government's 12

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outcomes; with the main focus on job creation, education and skills development, health, human settlements and rural development.

The Committee established that substantial additional resources are allocated to provinces to cover the 2010 wage agreements; the carry-through effect of previous agreements in education and health; infrastructure in education and roads; and HIV and AIDS treatment. On the latter, it is understood that this will help provinces to stabilise their health systems.

Changes in the weight of the education component share (i.e. from 51% to 48%) and health component share (i.e. from 26% to 27%) has been noted by the Committee.

The Committee made the following observations:

- Equitable share to the Province does not address key challenges which resulted from integration of former homelands. The fact that this issue has been raised several times at National Treasury without a formula to address it, poses an ongoing challenge to development in the Province.
- It is a disproportion to indicate that Limpopo's weighted share (of equitable share weights) will decline in 2011/12-2013/14 due to population decline in the Province. Influx of immigrants in the Province for example causes debility in the affected provincial health systems and the new health component based on risk adjusted index of provincial population and patient load in clinics and hospitals seems to be overlooking this.
- National Departments withhold funds to provincial departments without prior notification. A move by National Treasury to ensure that 7 days notice is given to that effect is commendable.
- Funding of Limpopo Traditional Leaders Act and payment of ward committees at municipalities are unfunded mandates and National Treasury should engage COGTA on these.
- It was appreciated that infrastructure grant to provinces was transformed into three (03) sector conditional grants, i.e. Health Infrastructure, Education Infrastructure grant and Provincial Roads Maintenance grant; to ensure a more aligned approach to infrastructure rollout. It was however regretted that despite these efforts there is lack of capacity to spend on these grants.

4.2 INPUTS BY STAKEHOLDERS

Inputs made by stakeholders during the public hearings held in the Province were forwarded to NCOP Permanent Delegates through the negotiating mandate.

5. COMMENTS BY THE COMMITTEE

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Informed by both the public hearings and briefing by NCOP and National Treasury, the Committee were as follows and were duly submitted to the NCOP during the negotiating mandates stage:

- 5.1 Provincial government should work with Statistics SA during the upcoming census so that everyone, including farm workers and people in areas which are not accessible are counted.
- 5.2 Parliament and Provincial Legislatures should continuously monitor the support given by National Departments on conditional grants.
- 5.3 National Treasury should liaise with COGTA regarding the funding of Limpopo Traditional Leaders Act and payment of ward committees in municipalities.
- 5.4 National Departments and Provincial Treasuries should continuously empower provincial departments and municipalities to efficiently spend on conditional grants.
- 5.6 Treasury should ensure that there is effective monitoring and accountability instrument during budget implementation.

6. RECOMMENDATION

The Committee, having considered the Division of Revenue Bill, 2011 and the amendments thereof, recommends to this Honourable House to confer a final mandate to the NCOP Delegates to vote in favour of the Bill to pass into law.

7. CONCLUSION

In conclusion, Honourable Speaker, I hereby move that this report be adopted as a report of this Honourable House and further move that the final mandate be conferred to our NCOP Delegates as per recommendation. I move accordingly, Honourable Speaker.

M.R. Semanya

HON M.R SEMENYA

CHAIRPERSON: PORTFOLIO COMMITTEE ON PROVINCIAL TREASURY

5-Apr-2011 18:10

From: "Marette Basson" <[redacted]>
To: "Lubabalo Nodada" <[redacted]>
CC: "Philip Grobler" <[redacted]>
Date: 2011/04/05 07:15 AM
Subject: Free State voting mandate - Division of Revenue Bill

Dear Lubabalo

Please be advised that the Free State Legislature will only be sitting tomorrow in order to confer the voting mandate on the Division of Revenue Bill, and the mandate will only reach me by the late afternoon (after the conclusion of the sitting). We will therefore not be able to submit our mandate in time for the meeting of your committee tomorrow morning, but we will however be ready to vote on the Bill during the plenary on 12 April 2011.

I can however advise you that the committee is recommending in its report to the House that the Free State Legislature votes in favour of the Bill.

I would appreciate it if you could advise the Chairperson of the SC on Appropriations accordingly.

Regards,

Marette Basson

Free State Liaison Officer

NCOP

* [redacted]
* [redacted]



ISISHAYAMTHETHO SAKWAZULU-NATAL

KWAZULU-NATAL WETGEWER

KWAZULU-NATAL PROVINCIAL LEGISLATURE

FINAL MANDATE

TO: THE CHAIRPERSON OF THE NCOP

NAME OF BILL: DIVISION OF REVENUE BILL

NUMBER OF BILL: B4-2011 (Reprint)

DATE OF DELIBERATION: FRIDAY, 1 APRIL 2011

VOTE OF THE LEGISLATURE:

The KwaZulu-Natal Legislature met today, Friday, the 1st April 2011, & agreed to mandate the KwaZulu-Natal delegation to the National Council of Provinces to **support** the Division of Revenue Bill [B4 – 2011 (Reprint)].

Hon NP Nkonyeni
Speaker

01/04/2011

Date



MPUMALANGA PROVINCIAL LEGISLATURE

Enquiries:

Ms R Mathabathe

Tel. No.:

013 - 766 1399

FINAL MANDATE

To: The Chairperson of the National
Council of Provinces (NCOP)

Name of the Bill: Division of Revenue Bill

Number of the Bill: [B4-2011]

Date of Deliberation: 31 March 2011

Vote of the Legislature: The delegation representing the
province of Mpumalanga in the National Council of
Provinces is hereby conferred with a mandate to vote in
favour of the Bill.

SIGNATURE

31.03.2011

DATE

**HON SW LUBISI
SPEAKER TO THE MPUMALANGA PROVINCIAL
LEGISLATURE**

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PORTFOLIO COMMITTEE ON FINANCE, ECONOMIC DEVELOPMENT & TOURISM

16.6.2.3.8

Hon MJ Mahlangu
Chairperson: National Council of Provinces

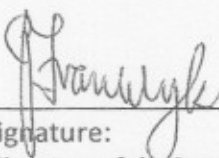
FINAL MANDATE

Name of the Bill: Division of Revenue Bill

Number of the Bill [B4-2011]

Date of deliberation: 05 April 2011

Vote of the Legislature: The Legislature votes in favour


Signature:
(Signature of the Speaker/Presiding Officer)

05 APR 2011

Date:

NORTH WEST PROVINCIAL LEGISLATURE

Office of the Speaker

Legislature Building
Dr James Moroka Ave
Private Bag X2018
Mmabatho, 2735

Tel: (018) 392 7001
Fax: (018) 392 7166

FINAL MANDATE

To: Hon. M. Mahlangu, MP
Chairperson of the National Council of Provinces

Name of Bill: Division of Revenue Bill

Number of Bill: B 4 - 2011

Date of deliberation: 22 March 2011

Vote of Legislature: The North West Provincial Legislature votes in
favour of the Bill

Signed by,



Hon. M Rosho
Deputy Speaker of the North West Provincial Legislature

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

FINAL MANDATE



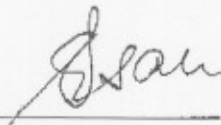
To: Hon. MJ Mahlangu
Chairperson of the NCOP

Name of Bill: Division of Revenue Bill

Number of Bill: [B4 - 2011]

Date of deliberation: 30 March 2011

Vote of Legislature: Support the bill


Signature

31-03-2011

Date

HON. S ESAU
SPEAKER

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