

⑩



Private Bag X 11289
Nelspruit 1200
Tel +27 13 766 1061
Fax + 27 13 766 1464

Building No 1, Mpumalanga
Government Complex
Riverside, Nelspruit
Mpumalanga Province
www.mpuleg.gov.za

OFFICE OF THE SPEAKER

Enq: Musa Mahlangu
Tel: (013) 766 1038

NEGOTIATING MANDATE DIVISION OF REVENUE BILL [B3-2006]

The Portfolio Committee on Premier's Office; Finance; Safety and Security (the Committee) met on 21 February 2006 for a briefing by the permanent delegate of the National Council of Provinces on Division of Revenue Bill [B3-2006] (the Bill).

Pursuant to the briefing, the Committee undertook public hearings on the Bill in the following areas:

- (a) Mhluzi Community Hall, Middleburg and Lynville Community Hall, Witbank [07 March 2006]
- (b) Thuthukani Community Hall, Ermelo and Youth Center Mooiplaas, Elukwatini [08 March 2006]
- (c) White-Hazy Circuit, Mshadza [09 March 2006]

Public views or comments on the provincial and national budget were also solicited from members of the public through the three radio stations, namely, Ligwalagwala FM, Ikwekwezi FM and Radio Alfa - Bushbuckridge Community Radio Station.

After consideration of the Bill, the Committee raised the following matters:

1. Grant for the 2010 Soccer World Cup stadium.

That there are no funds at this stage directly allocated to any province that will participate in the 2010 Soccer World Cup.

2. Accelerated and Shared Growth Initiative of South Africa.

That work on this project is unfolding and it is not clear whether any funds have already been allocated for its implementation.

3. Maintenance and rehabilitation of infrastructure in Mpumalanga.

That Mpumalanga is generating the bulk of electricity for South Africa and that the transportation of coal to the



Private Bag X 11289

Nelspruit 1200

Tel +27 13 766 1061

Fax +27 13 766 1469

Building No 1, Mpumalanga

Government Complex

Riverside, Nelspruit

Mpumalanga Province

www.mpuleg.gov.za

OFFICE OF THE SPEAKER

power stations is destroying the roads in the province. Furthermore that although this matter has been raised since 1994, the Bill still makes no provision for maintenance and rehabilitation of infrastructure in the province.

4. Grants increase.

That the increase of grants on a continuous basis places a huge financial responsibility on provinces to implement and operate them effectively as this necessitates the need for more officials to manage them.

5. Further Education and Training College Sector Recapitalisation Grant.

That the allocation of money for this purpose in Mpumalanga should be increased in order to enable the province to have an intake of more student nurses since other provinces send their nurses to Mpumalanga for training and after such training they go back to their provinces whilst Mpumalanga remains with a shortage of nurses.

6. Local government's equitable share of nationally raised revenue.

That one of the equitable share's components being "a development component" is vaguely defined and should be described in more detail.

7. Implementation of Cross-boundary Municipalities Laws Repeal and Related Matters Act 2005.

That the fiscal implication when huge numbers of people are moved from one province to another is enormous and the overall allocation to a specific province becomes significantly affected. That the Bill should therefore address these serious financial implications.

The permanent delegates representing the Province of Mpumalanga in the National Council of Provinces are mandated to negotiate on the basis of the above proposals.

MRS. YN PHOSA
SPEAKER: MPUMALANGA LEGISLATURE

15.03.06
DATE



Eastern Cape Provincial Legislature

Tel: 040 - 609 2688
Fax: 040 - 639 3214
Enquiries: Sisa Mhlaba

Independence Avenue
Private Bag X0051 Bisho 5605
Reference: NCOP Bills
Date: 15 - 03 - 2006

PORTFOLIO COMMITTEE ON FINANCE AND PROVINCIAL EXPENDITURE

Report on mandate to present the Province's position on the Division of Revenue Bill [B3-2006]

1. *Terms of reference*

The Division of Revenue Bill [B3-2006] was referred to the Portfolio Committee on Finance and Provincial Expenditure by the NCOP for consideration in order to formulate a provincial mandate.

2. *Briefing*

On Tuesday, 14 March 2006, Hon. J Makgato, Chairperson of Finance Portfolio Committee briefed the committee about the implications of the Bill.

3. *Consultation*

The portfolio committee conducted Budget Hearings on Division of Revenue Bill held on Tuesday, 14 March 2006. Provincial Treasury was one of the stakeholders invited. Other stakeholders were NGO's, Community and Church Organisations, Business Sector and Municipalities.

4. *Consideration*

The committee considered the Bill.

5. *Committee's Inputs:*

5.1 *The objects of the Bill*

The committee supports the objects of the Bill. These objects will enable the portfolio committees to conduct their oversight function effectively and efficiently.

Northern Cape Provincial Legislature
Noord-Kaap Provinsiale Wetgewer
Izikothe Peko Molao Ya Kapa Bokone
PRIVATE BAG X5066
KIMBERLEY, 8300



OFFICE of the SPEAKER
KANTOOR van die SPEAKER
KANTORO ya SPEAKER

ENQUIRIES:	Mr M Mongwe	FILE:	MANDATE
TEL NO:	(053) 839 8004/5	FAX NO:	(053) 831 7931
REFERENCE:	NM/15/03/2006	DATE:	15 March 2006

NEGOTIATING MANDATE ON THE DIVISION OF REVENUE BILL [B3-2006]

The Chairperson of the Portfolio Committee on Finance & Economic Affairs Hon S Lucas tables the negotiating mandate as adopted by the Portfolio Committee 8 March 2006, on the *Division of Revenue Bill [B3-2006]*.

The object of the Bill is to provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for the 2006/07 financial year and the responsibilities of all the spheres pursuant to such division; and to provide for matters connected therewith.

The Committee received a briefing on the Bill from the Northern Cape's Permanent Delegate to the NCOP Hon M Goeieman at its meeting on 20 February 2006.

A public hearing was held on the 8 March 2006 in the Siyanda District Municipality, in Upington to solicit the views of the community regarding the *Bill*. At the public hearing the HOD of the Provincial Treasury Mr S Mokoko gave a brief overview of the Bill.

The public raised various valid socio-economic concerns.

The Committee adopted this negotiating mandate duly signed by the Chairperson of the Portfolio Committee to be conveyed to the NCOP to be deliberated at the Select Committee meeting scheduled for 16 March 2006.

The Northern Cape supports the Bill with the following concerns:

- > The equitable shares formula used by the FFC seriously disadvantages the Northern Cape;
- > The expensive service delivery cost in the province is not taken into account with regard to:
 1. Distances
 2. Remoteness
 3. Gravel roads and infrastructure
 4. The rural nature of the Province which influences recruitment of skilled personnel especially in the health and education sectors

060310 SCfinancial



2006-Mar-15-15:20:06-1685
WES-KAAPSE PROVINSIALE PARLEMENT
WESTERN CAPE PROVINCIAL PARLIAMENT
IPALAMENTE YEPHONDO LENTSHONA KOLONI

(b)

Negotiating Mandate of the Western Cape Provincial Parliament

Report of the Standing Committee on Finance and Economic Development, on the *Division of Revenue Bill [B3 -2006] (NCOP)*, dated 8 March 2006, as follows:

The Standing Committee on Finance and Economic Development, having considered the subject of the *Division of Revenue Bill [B3 -2006] (NCOP)*, referred to the Provincial Parliament in terms of the rules of the National Council of Provinces (NCOP), begs to report that it confers on the Western Cape's delegation in the NCOP the authority to support the Bill with the following recommendations and concerns:

Section 7: conditional allocations to provinces

The committee notes that:

1. The definitions given to grant schedules is inconsistent with the actual placement of grants within the schedules. Clarity is therefore required as to how the different schedules are classified.

Section 20: Re-allocation after stopping an allocation

The committee notes that this is a substantive matter and that an amendment in this regard is required.

2. Section 20(1) states that National Treasury may, where it stops an allocation in terms of section 19, after consultation with the transferring national officer, determine that a portion or the full allocation that will be under spent be reallocated to one or more provinces or municipalities on condition that the allocation be spent in the financial year or the next financial year.



IPHALAMENDE LAKWAZULU-NATALI



KWAZULU-NATAL PROVINSIALE PARLEMENT

KWAZULU-NATAL PROVINCIAL PARLIAMENT

**TO: THE CHAIRPERSON,
NATIONAL COUNCIL OF PROVINCES**

NEGOTIATING MANDATE

PROVINCE : KWAZULU-NATAL

BILL : DIVISION OF REVENUE BILL [B 3 – 2006]

PROVINCIAL PROCESS :

Provincial Portfolio Committee/s	:	Finance Portfolio Committee
Portfolio Committee	:	
meeting date/s	:	<u>Tuesday, the 14th of MARCH 2006</u>
Provincial NCOP meeting date/s	:	<u>Tuesday, the 14th of MARCH 2006</u>
Consultation	:	Parliamentary Legal Advisors, Special & Permanent Delegates

VOTE OF THE KWAZULU-NATAL PROVINCIAL LEGISLATURE:

The Provincial Standing Committee on National Council of Provinces Matters met today, Tuesday, the 14th of March 2006, & agreed to mandate the KwaZulu-Natal delegation to the National Council of Provinces to *support* the Division of Revenue Bill [B3-2006].

However, the Committee expressed its concern over the following two issues –

1. The impact of the provisions of clause 38 of the Bill (Implementation of Cross-Boundary Municipalities Laws Repeal and Related Matters Act, 2005) on the determination and spending of the province's equitable share, in so far as it may affect the province of KwaZulu-Natal negatively; and
2. Strategic projects of the province of KwaZulu-Natal, such as the Dube Trade Port, should be considered for a specific allocation on a similar basis as other strategic