

REPORT OF THE PORTFOLIO COMMITTEE ON PREMIER'S OFFICE; FINANCE; ECONOMIC DEVELOPMENT AND TOURISM ON THE DIVISION OF REVENUE AMENDMENT BILL [B24-2017]

1. INTRODUCTION

The Speaker of the Legislature referred the Division of Revenue Amendment Bill [B 24-2017] to the Portfolio Committee on Premier's Office, Finance, Economic Development and Tourism for consideration and report back to the House in accordance with the legal prescripts and the Rules and Orders of the Mpumalanga Provincial Legislature.

In terms of Section 118 (1) of the Constitution of the Republic of South Africa, 1996, the Legislature has a Mandate to facilitate public involvement in the legislative and other processes of the Legislature and its Committees. Therefore, the Committee conducted public hearings to solicit public inputs and views from members of the public on the above mentioned Bill.

2. OBJECTIVES OF THE BILL

To amend the Division of Revenue Act, 2017, in accordance with the Money Bills Amendment Procedure and related matters Act, 2009, and to provide for matters connected therewith.

3. METHOD OF WORK

The Bill was referred to the Committee immediately after being referred to the Legislature. Subsequently, the Committee interacted on the Bill as follows:

- a) The Committee received a briefing on the Bill from the NCOP permanent delegate and officials from the National Treasury.
- b) The Committee determined that public input should be solicited on the Bill and a public hearing was conducted on the 15 November 2017 in the precinct of the Legislature.
- c) The Committee met on the 16 November to consider its Committee Report and Negotiating Mandate on the Bill.
- d) On the 17 November 2017, the Committee met to consider the Final Mandate on the Bill.

ii. Changes to Local Government Allocations

- The allocation for the bucket eradication programme grant is increased by an amount of **R265 000 000.00** to allow the Department of Water and Sanitation to continue bucket eradication projects that the department had already.

iii. Changes to gazette frameworks and allocations

There are proposed changes to the following grant frameworks:

- Comprehensive HIV, AIDS and TB grant
- Health Professions Development and Training Grant
- National Health Insurance Indirect Grant: Health Professionals Contracting Component
- National Health Insurance Indirect Grant: Ideal Clinics Component
- National Tertiary Services Grant
- Substance Abuse Treatment Grant

5. PRESENTATION BY THE NATIONAL TREASURY

Subsequent to the overview made by Hon Essack, the National Treasury made a presentation to the Committee. The following points were noted from the presentation made:

i. Adjustments to provincial conditional grants

Addition to the comprehensive HIV, AIDS and TB grant:

- **R19 800 000.00** will be added to comprehensive HIV, AIDS and TB grant for Limpopo and Mpumalanga in order to support the national response programme and arrest the recent malaria outbreak.
- Mpumalanga received an amount of **R8 032 000.00** for the comprehensive HIV, AIDS and TB grant.
- Monthly malaria cases have substantially increased and the intervention will see an intensification of support for provincial prevention efforts.

6. INPUTS BY THE LEGISLATURE LEGAL TEAM

- The Legal Advisor reported that the Bill conforms to the constitutional requirements and that the Legislature has a mandate to process the Bill.
- The Legal Advisor raised a concern on the limited timeframes that have been allocated to provinces to process the Bill.

7. DELIBERATIONS BY THE COMMITTEE

- The Committee appreciated the **R8 032 000.00** allocated to the Comprehensive HIV, AIDS and TB grant in order to support the national response programme and arrest the recent malaria outbreak.
- The Committee enquired on why the malaria grant was clustered with the HIV / AIDS grant and whether this will not result in the provincial Department of Health prioritising HIV/ AIDS instead of Malaria. The National Treasury reported that the grant was clustered with the HIV, AIDS and TB grant because it fitted the definition of the grant. Furthermore, the National Treasury reported that the grant was ring-fenced to be used for its intended purpose.
- The Committee noted that there are no changes in allocations for local government conditional grants in the province and enquired whether this was because municipalities were not spending on the conditional grants.
- A plea was made with the NCOP Permanent delegate to address the issue of limited timeframes for Provinces to process money Bills.
- The Committee requested the National Treasury to provide more information on the **R265 000 000.00** allocated for the bucket eradication system. The National Treasury clarified that projects in the Mpumalanga province were not identified to benefit from this amount.

8. PUBLIC INVOLVEMENT

The Public Participation and Petitions Unit of the Legislature mobilised communities in all three districts of the Province to attend the public hearing. The following areas were mobilised to attend the public hearing:

- Matsulu, Mbombela Local Municipality [Ehlanzeni District]
- Carolina and Elukwatini, Chief Albert Luthuli Local Municipality [Gert Sibande District]
- Belfast, eMakhazeni Local Municipality and Middelburg, Steve Tshwete Local Municipality [Nkangala District Municipality]

The Committee made the following findings:

- a) The timeframe allocated to provinces to process money Bills is often too limited.
- b) During the public hearing process, members of the community supported the Bill and that it should be passed as an Act.

10. RECOMMENDATIONS

The Committee supports the Bill and made the following recommendations:

- a) The NCOP must ensure that provinces are allocated sufficient time, at least 6 weeks, to process Section 76 Bills.
- b) The delegation representing the Province of Mpumalanga in the National Council of Provinces (NCOP) is conferred with authority and mandated to vote in favour of the Division of Revenue Amendment Bill [B24 – 2017] with no amendments, taking into account the inputs and observations noted in this Committee report.

11. CONCLUSION

The Chairperson extends his appreciation to Members of the Committee, the NCOP Permanent Delegate, and the National Treasury for their active participation, input and contributions during the deliberations on the **Division of Revenue Amendment Bill [B24 - 2017]** as well as the support staff for contributing to the production of this report.



HON FV MLOMBO (MPL)

CHAIRPERSON: PORTFOLIO COMMITTEE ON
PREMIER'S OFFICE; FINANCE;
ECONOMIC DEVELOPMENT AND TOURISM

17. 11. 2017

DATE