

EASTERN CAPE PROVINCIAL LEGISLATURE

OFFICE OF THE CHAIRPERSON OF THE PORTFOLIO
COMMITTEE ON FINANCE & PROVINCIAL TREASURY



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19 MARCH 2019

NEGOTIATING MANDATE

To: The Chairperson
Select Committee on Finance

Name of Bill: Division of Revenue Bill
Number of Bill: [B5-2019]
Date of Deliberation: 19 March 2019


Vote of the Legislature

The province votes in favour of the Bill and mandates the Eastern Cape delegate to the NCOP to negotiate in favour of the adoption of the Bill.

The Province, however, has the following concerns:

- o The drawn-out review of the Provincial Equitable Share (PES) formula whose deadline is 2021, together with the non-response of the Financial and Fiscal Commission (FFC) to the Province's quantified infrastructure backlog's report is quite disadvantageous to the Province. It should be noted that the province submitted a quantified infrastructure backlog report to the FFC in the 2016/17 financial year.
- o The Provincial Roads Maintenance Grant favours the advantaged provinces. The Accelerated School Infrastructure Development Initiative (ASIDI) model to fund infrastructure backlogs for schools should also be considered for roads.

- The Provincial Expenditure of national State Own Enterprises (SOEs) should be transparent.
- The turnaround time for procurement processes for disaster stricken areas are tedious and as a result they are out of sync with the immediate relief sought by such victims.
- The Division of Revenue Bill is silent on the risk pertaining to medico-legal claims though this is a threat to the equitable share.
- The timing of the Division of Revenue Bill (DoR) briefing by the NCOP as well as a shortened period for the submission of the Negotiating Mandate detract on the effectiveness of the public participation process.



HON. M. SAZIWA (MPL)

CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON FINANCE

19/03/2019
DATE