

REPUBLIC OF SOUTH AFRICA

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**PORTFOLIO COMMITTEE AMENDMENTS  
TO**

**MONEY BILLS AMENDMENT  
PROCEDURE AND RELATED  
MATTERS BILL**

**[B 75B—2008]**

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*(As agreed to by the Portfolio Committee on Finance (National Assembly))*

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## AMENDMENTS AGREED TO

### MONEY BILLS AMENDMENT PROCEDURE AND RELATED MATTERS BILL

[B 75B—2008]

#### Long title

1. On page 2, in the long title, after “Parliament” to insert “and for norms and standards for amending money Bills before provincial legislatures”.

#### New clause

1. On page 11, after clause 15, to insert the following new clause:

#### **“Norms and standards for provincial legislatures**

**16.** Provincial legislatures must adhere to the norms and standards for amending money Bills set out in the Schedule.

#### New Schedule

1. To insert the following schedule after clause 16:

#### **“Schedule**

#### **Norms and standards for provincial legislatures**

Legislation enacted by a provincial legislature to provide for a procedure to amend money Bills must provide that the purpose of amending money Bills is to give effect to resolutions of the legislature on oversight, and must comply with the following principles:

- (a) A money Bill sent to the Premier for assent must be consistent with:
  - (i) the relevant fiscal framework adopted by Parliament;  
and
  - (ii) the relevant Division of Revenue Bill adopted by Parliament.
- (b) When considering an amendment a provincial legislature or any of its committees must:
  - (i) ensure that there is an appropriate balance between revenue, expenditure and borrowing;
  - (ii) ensure that debt levels and debt interest cost are reasonable;
  - (iii) ensure that the cost of recurrent spending is not deferred to future generations;
  - (iv) ensure that there is adequate provision for spending on infrastructure
  - (v) ensure that there is development, overall capital spending and maintenance;
  - (vi) consider the short, medium and long term implications of the fiscal framework, division of revenue and national budget on the long-term growth potential of the economy and the development of the country;
  - (vii) take into account cyclical factors that may impact on the prevailing fiscal position; and

- (viii) take into account all public revenue and expenditure, including extra budgetary funds, and contingent liabilities.
- (c) In amending revenue Bills and revenue proposals a provincial legislature and its committees must:
  - (i) ensure that the total amount of revenue raised is consistent with the fiscal framework approved by Parliament and the relevant Division of Revenue Bill adopted by Parliament;
  - (ii) take into account the principles of equity, efficiency, certainty and ease of collection;
  - (iii) consider the impact of the proposed change on the composition of tax revenue with reference to the balance between direct and indirect taxes;
  - (iv) consider regional and international tax trends; and
  - (v) consider the impact on development, investment, employment and economic growth.
- (d) The standing rules of the provincial legislature must provide for timeframes to introduce and consider money Bills, with or without amendments, with due regard to:
  - (i) its constitutional obligation to facilitate public involvement in its legislative and other processes of the legislature and its committees; and
  - (ii) comments from the Member of the Executive Council who is responsible for financial matters in the province.
- (e) The report of a committee of the provincial legislature that proposes amendments to the provincial annual budget must, in respect of each amendment:
  - (i) indicate the reason for such proposed amendment;
  - (ii) demonstrate how the amendment takes into account the broad strategic priorities and allocations of the relevant budget;
  - (iii) demonstrate the implications of each proposed amendment for an affected vote and the main divisions within that vote;
  - (iv) demonstrate the impact of any proposed amendment on the balance between transfer payments, capital and recurrent spending in an affected vote;
  - (v) set out the impact of any proposed amendment on service delivery;
  - (vi) set out the manner in which the amendment relates to prevailing departmental strategic plans, reports of the Auditor General, committee reports adopted by the provincial legislature, reports in terms of section 32(2) of the Public Finance Management Act, annual reports and any other information submitted to the provincial legislature or committee in terms of the standing rules or on request; and
  - (vii) include any responses from the member of the Executive Council who is responsible for financial matters in the province or any other member of the Executive Council.
- (f) The report of a committee of the provincial legislature that proposes a conditional appropriation of a sub-division of a main division within a vote to ensure that the money requested for the main division will be spent effectively, efficiently and economically must:
  - (i) consider comments from the Member of the Executive Council who is responsible for financial matters in the province or any other Member of the Executive Council; and

- (ii) specify the conditions that need to be met before the provincial legislature may resolve to release the funds.
- (g) A provincial legislature may appropriate an amount specifically and exclusively for a purpose mentioned under a main division within a vote.
- (h) A provincial legislature must pass, with or without amendments, or reject the provincial annual budget within four months after the start of the financial year to which it relates.
- (i) Notwithstanding any provision in this legislation, a provincial legislature or a committee may consider an amendment to a money Bill proposed by the Member of the Executive Council who is responsible for financial matters in the province in order to make technical corrections to the Bill.”