



EASTERN CAPE PROVINCIAL LEGISLATURE

PORTFOLIO COMMITTEE ON FINANCE AND PROVINCIAL EXPENDITURE

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Date: 18 May 2020

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Ref: 2020 DoRB

NEGOTIATING MANDATE

To: The Chairperson:
Select Committee on Appropriations

Name of Bill Division of Revenue Bill

Number of Bill: [B3-2020]

Date of Deliberation 18 May 2020

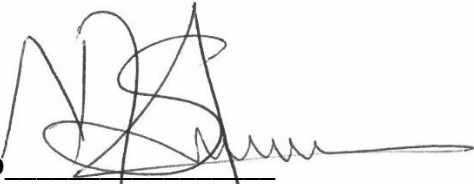
Vote of the Legislature

The Legislature supports the Bill and mandates the Eastern Cape delegate to negotiate in favour of the adoption of the Bill.

The Province, however, has the following concerns:

1. The Division of Revenue Bill makes use of an equitable share formula to allocate funds; much as equity is sought through population, education, health and other data, the formula still fails to respond to historic backlogs in the Eastern Cape, more so, the infrastructure related backlogs.
2. The funding model of the Provincial Roads Maintenance Grant re-emphasises the apparent lack of equity or non-consideration of infrastructure backlogs, in that, much as it accounts for the extent of both surfaced/tarred roads and gravel roads in each province, tarred roads are funded at a higher rate per kilometre than gravel roads, reflecting that maintenance work on tarred roads is more expensive. The province is thus funded at a lower rate due to its extensive network of gravel roads, a result of previous disadvantage. Furthermore, the funding model for the PMRG does not factor in the terrain of the province where these gravel roads are, as well as the frequency of repairs/maintenance of such gravel roads, compared to tarred surfaces.

3. The National Treasury should review its decision to suspend Buffalo City Metropolitan Municipality from the Public Transport Network Grant but instead consider capacitation of the Metro with regard to this grant. The suspension of the BCMM from the grant will ultimately have adverse consequences on struggling communities in the metro that are already suffering from what the National Treasury has itself identified as lack of progress in delivering services. With a significantly high unemployment rate and about 193 464 people who are not economically active and 35 819 discouraged work-seekers, reliance on the public transport network is resultantly high.

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HON. V. LWANA (MPL)

CHAIRPERSON OF PORTFOLIO COMMITTEE ON FINANCE AND PROVINCIAL EXPENDITURE

19/05/2020

DATE