



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## **MEDIA STATEMENT**

### **NATIONAL TREASURY VIEWS ON THE DELAY IN THE ADOPTION OF THE DIVISION OF REVENUE AMENDMENT BILL**

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The consideration of the Division of Revenue Amendment Bill for 2016/17 by the National Assembly has been rescheduled and the Bill is still on track to be passed before the end of 2016. The Division of Revenue Amendment Bill proposes adjustments to the equitable share of national government revenue and to conditional grants to provinces and municipalities.

Only after the Division of Revenue Amendment Bill is passed by both the National Assembly and the National Council of Provinces, can the Adjustments Appropriation Bill for 2016/17 (proposing adjustments to appropriations to national government) be considered by the National Assembly and thereafter by the National Council of Provinces. According to current scheduling, the Adjustments Appropriation Bill is also on track to be passed before the end of 2016.

Adjustments to allocations contained in the two Bills are critical for the continued provision of services by a number of government institutions. If the Bills are not passed before the end of 2016, it will mean that government departments are not able to access any of the additional funds allocated to them.

Delayed departmental spending of increased allocations may hamper service delivery, and may even mean that departments are unable to spend funds effectively before the end of the 2016/17 financial year. This may result in underspending. Where the Bills propose allocation reductions, these are not yet approved and institutions may spend the funds before the Bills are law. If so spent, institutions will be unable to return the required funds to the fiscus after the Bills have become law. Ultimately institutions would then be deemed to have overspent their budget allocations at financial year end.

**Issued on behalf of National Treasury**

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