

Budget Debate on vote 8 – National Treasury

Dr Dion George, MP

DA Shadow Minister of Finance

Thank you, Speaker.

The National Treasury is the custodian of the people's money and directly impacts on the well-being of all who live in South Africa. It manages national economic policy, manages government financing and prepares the government's annual budget.

South Africa is a rich country, yet we have amongst the highest inequality, poverty and unemployment in the world. We have rapidly rising daily electricity blackouts; crumbling infrastructure; an education system unable to educate; pitiful healthcare; unfunded and inadequate social security; rampant crime and, according to government, no control over the movement of weapons and illicit financial flows across our borders.

Economic growth is stagnant and recession is looming, yet government doesn't evolve its policies that clearly aren't working. Government positioned itself at the centre of our economy in pursuit of a so-called Developmental State. This hasn't work because our government is not only incapable, it is corrupt and it is dysfunctional. State capture and our greylisting by FATF is evidence enough.

The DA will deliver an Enterprising Economy where government provides the infrastructure and services that it is elected to do and then gets out of the way for entrepreneurs to generate growth and jobs. Unemployment can be halved by the end of this decade.

Government implemented an inherently corrupt model for black economic empowerment that spectacularly enriched a few, introduced rent seekers, distorted our economy and left everyone else behind in poverty. The DA will deliver Economic Justice that focuses on poverty as a proxy for poverty and not race as a proxy for poverty. The UN sustainable development goals inspire this vision for a better future for everyone.

The policy of cadre deployment hollowed out the public service by employing politically connected cadres instead of competent professionals. It is also a massive disservice to those deployed into jobs they're incapable of doing. That enables bribe bearing consultants to make irresistible offers to do the job at a massive premium. The people pay far too much and the job doesn't get done. Appointments should be on merit and irrespective of political affiliation.

Over R2 billion has been spent on the Integrated Financial Management System with nothing to show for it.

The Minister has said that bailouts to failing state owned enterprises have led to a reduction of R257 billion in public funds available for frontline services and infrastructure. A very conservative estimate.

No matter how much of the people's money is thrown at the state-owned enterprises, they will never be viable. Even if R250 billion of Eskom's debt is transferred to the national balance sheet, it still isn't financially viable. It is unthinkable that the custodian of the public finances advised the Minister to gazette an exemption from the Public Finance Management Act for Eskom to hide irregular and fruitless and wasteful expenditure from the auditors. This is a desperate act to get a better audit outcome to be able to borrow more money when R1 billion a month is being stolen from Eskom. Surely the national treasury can do better than this?

Being greylisted and not effectively managing the people's money is a spectacular failure by the National Treasury. 151 of 257 municipalities are teetering on the brink of collapse and 43 have already collapsed. There is no money left to bail them out. Our debt to GDP is over 70%, while our economy isn't growing and borrowing continues. The national budget in February was calculated on an average 1.4% growth over the medium term and this will not be achieved if government does not implement effective fiscal policy to fight rampant inflation. Scrapping the fuel levy would immediately lower the cost of fuel, the cost of transport and the cost of food, that has increased by 14% since last year. This cost of living crisis has driven millions of households into food insecurity and starvation. Despite this hardship, nothing has happened to restrain rampant consumption spending. The Responsible Spending Bill, our private member's bill, has been tabled to introduce fiscal rules that will give treasury the guidance they need to effectively manage the people's money.

The National Treasury, ultimately, is as good as the political leadership from which it receives its policy direction. Nothing is budgeted for the extension of the Social Relief of Distress Grant from April next year. This was introduced to alleviate the impact of COVID and is a vital lifeline for millions of South Africans battling below the poverty line. Our economy has not recovered post-COVID and, as our electricity crisis deepens, there is no sign that it will get any better until the broken government is changed at the ballot box. Minister, where is the revised social security plan that will support the most vulnerable households in the next financial year?

Kenya and Zambia have overtaken South Africa as more viable foreign investment destinations because they are better governed. The ANC delegation to Washington DC did nothing to improve negative sentiment amongst the lawmakers who will decide whether or not to carve South Africa out of AGOA in 2025. You can hide corruption at Eskom from

auditors; and you hide laundered billions from the Financial Intelligence Centre; but you cannot hide a ship and its cargo from satellites in the sky.

To be clear, the ANC is not South Africa. There is another voice and that is the voice for freedom, democracy, the rule of law and human rights. South Africa **can** be a place where everyone is able to become everything, they are capable of becoming, with a government that supports that outcome. 30 years after the previous one-party dominant government ended, this one is ending to, and we will not allow our country to collapse with them.

Thank you, speaker.