

Considerations of Fiscal Framework and Revenue Proposals

UCDP : Hon MN Matladi

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For years now there has been an outcry from all corners of our society to have or to explore a new economic growth path that will ensure employment, income distribution, income security and developmental trade ensuring social and environmental sustainability. The message in the state of the nation address has favourable included the concept of inclusive growth but the budget itself is not coherent to this message.

The UCDP has no confidence that the projected growth of 3.4 percent will create the much needed jobs as we would need at least 4 percent growth annually in order to meet the employment demands.

Nevertheless, a pinch of optimism is injected by the R94.1 billion spending on job creation over the next three years.

It is with disappointment that we note that the local government gets a meagre 9% compared to National's 47% and Provincial's 46% in equitable public resources; this is a slap in the face as we believe that the local government has for many years been underperforming and they are central to service delivery but continue to get meagre amounts.

We are puzzled by the allocation on rural development and we think that the budget team has taken for granted that vast population of this country is in rural areas and that rural development in the long term translates to food security.

It is incomprehensible why the foster care grants recipient will be receiving a lesser percentage (4.4%) than the recipients of all other grants (5.5%). We wonder if this stems from the ill-informed, misconception that foster care grant recipients are only making money out of it.

The commitment to increase health expenditure comes as no surprise, however we welcome it as the country really needs to boost and strengthen the public health sector. However we remain cautious that money does not get thrown to problems that had nothing to do with money in the first place. The public health problems cannot only be solved by an increase in spending. Access to health for every citizen will only be achieved if health needs are prioritised and aligned to proper budget planning.

We appreciate the acknowledgement that substantial reforms are needed in order to align public and private health sectors, but clarity on the what those reforms shall be is still lacking substantially.

The implementation of Money Bills Amendment Act has become a priority and is now urgent. It is parliament's constitutional responsibility to ensure that the manner in which resources are appropriated promotes, protects and fulfils rights of our people. Unless the Money Bill is implemented effectively, there shall remain incoherency in how resources are raised and appropriated.