

## **DEBATE ON BUDGET VOTE NO 9: NATIONAL TREASURY**

**UCDP : MATLADI MN**

**TUESDAY, 4 MAY 2010**

If we were to measure the impact of the global recession by government's gross borrowing requirement standing at 50.9 billion rands which is so much higher than the budgeted amount of 15.7 billion rands, then we didn't get away lightly as it is sometimes presented.

However, we would like an explanation as to how did the government need to borrow this much when SARS has reportedly collected R8.1 Billion than what was projected in February; and also when South Africa had recorded revenue growth at 4.5% in spite of other developed countries like the United States having recorded a decline? We understand that we experienced a decline of 26.8 billion rands in 2008/9, but still that does not explain why we needed to 35.2 billion more than what was budgeted.

We welcome the move by Treasury to scrutinise national departments' budgets and deployment of resources to provinces and municipalities to ensure service delivery is not compromised and hopefully this will yield tangible results where provinces and municipalities had previously lacked.

It is of interest to note that in spite of rural municipalities having lagged behind significantly in infrastructural development, particularly in townships; the Neighbourhood Development Partnership Grant allocated R5.2 billion to metros and secondary cities and a lesser amount of R3.6 billion to rural large and small towns.

We believe it is such inequities that perpetuate disparities between the rural and urban; and between the rich and poor. This has an obvious disparity on the quality of life communities enjoy in rural towns and metros.

The wasteful expenditure that had occurred because there had been proper controls in net-banking and inter transfer of funds is an issue that we hope will be addressed as treasury is understood to be mastering issues of controls and that understanding should not be wavered.

Lastly, we appreciate that the National Treasury is thinking and working on turn-around strategies that would make state owned enterprises like Denel, Eskom and SABC profitable and sustainable, the disastrous mismanagement we have seen in these entities should not be condoned neither should it be tolerated. Nonetheless, the UC DP supports the budget vote.