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| **COSATU Submission:**  **Medium Term Budget Policy Statement and Special Appropriation Bill (SAA)**  **23 November 2018** |
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1. **Introduction**

The Congress of South African Trade Unions (COSATU) notes government’s 2018 Mid-Term Budget Policy Statement (MTBPS) and the Special Appropriation Bill (SAA) delivered by Finance Minister Tito Mboweni in Parliament on 24 October 2018.

Considering the fiscal, revenue, corruption and expenditure crises facing the nation, COSATU believes that the MTBPS was extremely underwhelming. The MTBPS does not go far enough given the extent of the many crises facing government, workers and the economy as a whole.  The reality is that we are in an economic crisis and this current crisis can only be understood by looking at the root causes in a holistic way.

The solution to our economic problems lies in bold measures of transformation, not in marginal programmes and projects. The statement was a reminder that we still lack a developmental vision, do not have a comprehensive development strategy and totally lack the necessary coordination of activities of various economic agents.

COSATU is deeply worried about the way forward after this placid policy statement at a time when we expected a much bolder and decisive leadership from government.  This represents another missed opportunity because what is contained in the statement is nothing new.

The deceleration of fiscal spending since 2014 and the outright reduction of spending that helped plunged the economy into the doldrums at a time of depressed private sector investment and household spending.

1. **Economy**

COSATU is perplexed as to why government seems to be fixated on calling the recession “technical” when so many people are being plunged into poverty by the worsening economic situation. This is no time to play semantics with people’s lives, when 36% of workers remain unemployed.  Thousands of workers are being retrenched across most sectors of the economy, yet the National Treasury continues to downplay the mess we find ourselves in.

We were hoping to hear more from the Minister about government’s recently announced stimulus package.  We do welcome the additional funding provided to the clothing and textile sectors and infrastructure funding commitments.   But there is little else that speaks to stimulating the economy, let alone to boosting manufacturing, exports and reindustrialising it.  Without these we won’t grow the economy and it is disappointing that there was not even a vague reference to IPAP.

We are disappointed by the timid initiatives at a time we were expected bold measures that were going to clarify us on how and when government will implement the Job Summit commitments.  The references to the Jobs Summit commitments were vague and in passing only. There was very little in the MTBPS speaking to this. In fact there is no jobs plan in the MTBPS.

We had hoped to hear from the Minister on how government will ensure at all levels that its procurement is solely based upon locally produced goods. This was a key Jobs Summit agreement. Yet the MTBPS is silent. Government is the largest procurer. This would go a long way to stimulating local production.

The Minister Mboweni speaks of the need to allow the SARB Governor to do his job and manage inflation.  We agree that we cannot allow inflation to grow as it will decimate workers’ meager wages. No one can argue against the importance of price stability, especially since we still depend on capitalists for job-creation and growth. But we also need to acknowledge that the mandate of the American and other global-north countries includes employment creation and economic growth.

Our Reserve Bank also cannot afford to be indifferent to the economic challenges that have widened inequalities, worsened unemployment and deepened poverty. Currently reflect the neoliberal posture of the National Treasury. The unemployed workers cannot eat speeches but they need jobs and economic growth.

We welcome government’s pending Monetary Amendment Bill to allow for the establishment of SOE banks, dependent on their being viable. We had hoped to hear plans from the Minister on the consolidation of government’s existing financial institutions and how they will be geared to spurring economic growth and industrialisation.

1. **Corruption and Expenditure**

Minister Mboweni acknowledges the destruction caused by state capture and corruption, but we expected him to move beyond platitudes.  Workers are demanding clear action from government.  While we applaud the changing of SOE boards, the reshuffle of cabinet, the commissions of enquiry into state capture and SARS and the initial interventions at SARS, this is still not enough.

At the very least we need comprehensive forensic audits of the SOEs and government departments at the epicentre of state capture.  In fact we need to have comprehensive forensic audits of all departments given the mass scale looting that has and in many cases is still taking place.

We need to see life style audits undertaken of members of the national and provincial cabinets, mayoral committees and senior managers of the public service, sector and SOEs. This must include SCM officials.

We need to see arrests, prosecutions, convictions and sentencing of the guilty.  We need to see their assets frozen and confiscated.  We have yet to see one person in prison, while at the same time we are spending R400 million on commissions of enquiry.

We had hoped to hear from the Minister how much looting has taken place, how much has been stopped, how much is still happening, how much has been recovered.  Otherwise we are building a culture of no consequences for the looters and where workers are made to pay for the sins of others.

We had also hoped to hear the Minister respond to the Auditor-General’s reports which shows that more than R100 billion has been lost to looting and wasteful expenditure.  Unfortunately from the Ministers statement, we didn’t get a sense of what is the plan from government to deal with these two ticking time bombs that are the real source of our economic crisis.

We appreciate government’s infrastructure commitments but we didn’t hear how this will be different from the previous infrastructure plans.  We were not told what will be done to ensure that another R100 billion isn’t lost to looting and mismanagement. Previously, we have seen Medupis and Kusiles budget excesses running over R100 billion and the PRASA’s buying trains that don’t fit our train lines.

The MTBPS was silent on the need to arrest the collapse in local government. It was silent on what will happen to those municipalities that will run out of money to pay their workers because politicians gave the money to VBS. It was silent on the need to review the local government funding model as well as to bring transparency and accountability to its SCM processes.

Given the extent of the budgetary crisis, we accept the expenditure ceiling. We note government’s projections that debt levels will stabilise at 58% of the GDP in 3 years but we have heard this before.  Government is not convincing in this regard and if we end up running to the IMF it will be workers who will suffer the most.

COSATU is adamant that the IMF route has to be avoided at all costs. The IMF route will see the selling of all SOEs, the gutting of the developmental state, the slashing of pensions and the public service and the economy plunged into full scale depression.

Government needs to engage meaningfully with stakeholders on ways to reduce corruption and wasteful expenditure, ways to improve efficiency and cost savings, ways to increase revenue and grow the economy. COSATU is ready and willing to engage on all these matters at the PSCBC, NEDLAC, Parliament and in bilaterals. Government needs to show it is willing to engage.

We welcome Minister Mboweni’s comments that cabinet should be reduced to 20 to 25 Ministers. We support that. We hope that the President will do exactly that after the elections. However he should go further. We do not need 35 Deputy Ministers. 5 in the critical portfolios is enough. MECs in each province should be reduced from 10 to 8. Mayoral Committees likewise. Ministerial and deputy ministerial offices should be compelled to stick to their 12 and 6 personnel limits. Yet currently some exceed 48 with many of the officials at DDG level.

Equally cabinet perks must be slashed. There is no reason for spouses to be paid by the state to fly overseas, worse to be given travel allowances. They are not first ladies. Cabinet salaries must be cut by 25%.

There must be a salary cap placed by the state on what the management of SOEs can earn. It’s shocking that some of them earn 3 times the salary of the President. If government is serious about saving taxpayers’ money, then it must lead by example.

Government has made a lot of noise about the wage bill. Yet in the MTBPS shocking figures have been listed on the excessive amounts departments are spending on head offices with no justification:

* Stats SA R2.5 billion
* Correctional Services R3.6 billion
* Rural Development and Land Reform R1.1 billion
* Tshwane City R2 billion
* Sanral R2.1 billion
* Dirco New York Embassy R765 million.

1. **PIC**

We note that the Minister was silent on the current allegations surrounding the PIC and government’s commission of enquiry into it. This is quite worrying given the importance of the PIC to the economy in terms of its size, to workers in terms of their pensions and insurance and to the state in terms of its guaranteed liabilities.

Whilst we do not know for sure if corruption has taken place at the PIC, we are concerned about the allegations covered in the media as this is our members’ monies. We welcome the commission of enquiry.

However we are deeply disappointed that the date for the conclusion of the commission has been shifted from November 2018 to April 2019. We are angry that Treasury is putting pressure on Parliament to delay passing the PIC Amendment Bill until the commission has concluded its work.

We view this as a serious undermining of the constitutionally provided oversight and legislative role of Parliament by the executive. It makes a mockery of the hard work of SCOF’s MPs. It undermines the extensive public hearings SCOF held to enrich the bill.

COSATU’s stance is simple and non-negotiable. We simply want Parliament to pass this bill before its term comes to an end in 2019. The PIC Amendment Bill is a critical anti-corruption and pro-worker bill. We appreciate and applaud the excellent work SCOF has done in drafting the bill.

We are very worried that government is trying at all costs to collapse this bill under countless delays. If this bill is not passed before the 2019 elections, it will be years before a similar bill is reintroduced to Parliament and it will in all likelihood be gutted of the anti-corruption, transparency and pro-worker content. If Treasury is committed to fighting corruption, then it can have no legitimate reason to block this bill.

1. **Public Service Wage Bill**

We note that the MTBPS says the public service wage bill and head count has stabilised at 35% of the budget and not the nonsensical 80% that the Minister has been claiming.  We are glad that Treasury has briefed the Minister in this regard.

It is unfortunate and very provocative for the Minister to want to blame workers for the fiscal crisis.  It is not workers who looted Eskom, built Nkandla nor sent the money to Dubai.  Workers do not fly their spouses all around the world at government expense so we do not expect to hear government complaining about overworked nurses, teachers, police officers wanting to earn a living wage.

We do not hear the Minster complaining about the R2.4 million that Ministers earn or the millions they spend flying their spouses on overseas jaunts.  Government does not have a coherent plan of reducing the ballooning cabinet head count.  We do not hear government talking about imposing a freeze on the salaries of SOE CEOs and management.  We heard nothing about how they will reduce the massive wage gap in the public sector.

We advise the Minister to avoid the simplistic and narrow view that the public service sector wage bill is bloated and the sector wage bill is putting strain on the country’s coffers. It is not true that paying government servants hampers government from providing basic and essential services.

We must consider the fact that our population has grown, whereas the number of public servants has remained stagnant or declined in some sectors. In light of these facts, we therefore need more teachers, doctors, nurses, social workers and police.

If ever there is a need for a cut in the public service, this should start with halving the number of cabinet ministers and the senior bureaucracy and not the professionals who are at the coalface.

The Minister should appreciate the outcome of the recent Presidential Job Summit, with a clear accord that says, “No to Job Cuts in the Public Service.”

We applaud the commitments to fill critical vacancies in the health and justice departments.  We had hoped to hear the integration of community health workers into the public service and not simply a plan to pay them a minimum wage.  We had hoped to hear about the redeployment of the 56,000 SAPS officers at head offices and the 60,000 at desk posts at station level into policing on the ground.

The public sector vacancy rate has ballooned and it is not 148,000.  This is equal to 10% yet we see a continuous ballooning of SMS posts.  This is having a massive impact upon service delivery where teachers, nurses, doctors, police and prisons posts are not being filled.

We had hoped to hear the Minister commit to the finalisation of the Government Housing Scheme as a matter of urgency as this will restore the dignity of public servants. We had also hoped to hear government allocate resources to attend to the safety of public servants.

1. **State Owned Enterprises**

The MTBPS is alarming for what it does not say.  The state of Eskom, PRASA, SAA, SA Express, SABC, DENEL and SANRAL pose a massive threat to the survival of the state.  We simply cannot afford to continue bailing them out and neither can we afford to allow them to collapse.

Yet besides changing boards and bail outs, we have yet to hear a clear coherent plan to sort the SOE’s out.  We have not seen comprehensive forensic audits.  We not seen stolen funds returned.  We have not been told the looting has stopped.  We have not seen clear business plans and funding models that will ensure the turn around and survival of these SOEs. Government speaks of R27 billion that has been looted from SOEs. This in fact sounds like an understatement. However we are not told how and how much of this will be recovered from those who have stolen it.

We are worried that the MTBPS is silent on Eskom’s plans to increase tariffs above inflation, retrench 30,000 workers and increase its debts by 50% to R600 billion.  Whilst we appreciate the President securing funding for Eskom from China, we are alarmed as to why the conditions of these loans are not being shared with the public.

We did not see a response to the AG’s submission to Parliament that he is no longer sure if PRASA is still viable.  PRASA is in a very worrying state. We have been subjected to media reports stating that the trains PRASA has ordered are again the wrong size for our lines and that all rail platforms will have to be reconfigured at a cost of billions of Rands. Yet government is silent on this.

The media has reported that SA Express is losing R1 million a day on unusable planes that have been stripped for spare parts but which we are paying for through leases. Yet government is silent on this.

The MTBPS was silent on SABC. Despite the President’s recent signed commitment at the Jobs Summit, SABC is now issuing retrenchment notices to 982 of its 3400 staff as well as 1200 of its 2400 freelancers. Government is silent on this. SABC workers are now being made to pay for the looting at SABC by the Guptas et al.

* 1. **Special Appropriation Bill (SAA)**

COSATU notes and supports the R5 billion additional funding provided to SAA. Whilst we are not keen to see endless bail outs of workers’ monies given to SOEs, including SAA, we recognise that government has no choice in this case and that workers’ jobs depend on it.

We believe that if government did not provide this additional financing it would risk SAA not being able to service its debts, provoke other lenders to SOEs to call in their loans and thus threaten not only the survival of SAA but also the state as a whole given the size of the SOE debt burden.

COSATU and our transport affiliate support SAA’s turn around plan. It is beginning to show some green shoots with savings being achieved, corruption reduced and losses curbed. The new management team has shown some commitments to turn what was once Africa’s best airline around. We must give them time, support, expertise and resources. We cannot collapse their efforts now.

Equally we are concerned at some wasteful expenditure on management salaries and perks. We cannot expect workers to tighten their belts whilst those on top earn exorbitant salaries. Many earning more than the head of state to whom they ultimately report.

We believe there is a business case to be made for SAA. The Cape Town – Johannesburg route is one of the ten busiest routes in the world. Tourism is a key growth sector for the economy. South Africa is and needs to be positioned as the entry point for the world to the region and the continent. Increasingly low fare air travel can compete with domestic land transport eg busses, taxis and trains in terms of fares, time and safety.

The reason that SAA is in a life threatening crisis is due to corruption, mismanagement by management, a state that has been asleep on the job, executive interference by the previous administration. In 2011 SAA made a profit. Then there was a change of leadership in both the state and SAA. The new leadership of SAA and the state must now clean the mess and save our national carrier.

The turnaround plan has to include comprehensive forensic audits, more modern and fuel efficient planes, further cost cutting efforts, route reevaluations, better coordination and integration with Mango and SA Express as well as partner airlines.

We are concerned that a similar turnaround plan does not exist we believe for SA Express. Further intervention is needed in this regard by the state.

Lastly we must condemn the public attacks on SAA by Minister Mboweni. It makes no sense for the Minister to rubbish SAA to investors in New York whilst at the same time bailing out and in addition to a scenario where government may look for further international assistance, be it in the form of expertise, technical assistance, partnerships or investments. It would be best for the Minister to refrain from such commentary.

1. **Revenue**

We welcome the commitment by the Minister not to increase taxes upon the working and middle classes further but we do not know why this generosity is being extended to the rich.  We need to overhaul the tax regime, including water and electricity tariffs to ensure the rich pay their fare share.  Tax loopholes need to be closed and the Company Income Tax has to be increased.

**SARS**

We welcome the plans to invest in SARS turn around. We had hoped to hear more from the Minister about how they will turn SARS around.  This needs to include cracking down on the massive customs evasion and fraud that allows floods of illicit goods in, decimating local industries and resulting in losses of billions in tax revenue.

We welcome the President’s long overdue decision to release the incorrigible Tom Moyane, a man who led the capture of SARS and laid the foundation for declining revenues and a VAT hike on the poor. Government now needs to charge him with having committed serious economic offences against the state. It is time those who sold the nation were arrested, tried, convicted and sentenced to prison.

We appreciate the Minister’s commitment to end the practise of SARS sitting on refunds.  This is hurting taxpayers, SMMES and the economy.  But it is frankly shocking that the VAT hike has essentially been drained to refund delayed VAT refunds that should have been paid last year by SARS. In essence the VAT hike has been swallowed to compensate for SARS sitting on earlier VAT refunds that were delayed simply to make SARS look like it met its targets. At the very least taxpayers are owed an apology by government.

It may in fact be time for SARS to allow for SARS refunds to be paid on a quarterly basis to taxpayers as opposed to only once a year. This has been done for example in Australia with regards to tax credits for children’s school fees tax credits. It would help ease the pressures on SARS and help to fast track tax refunds and thus stimulate the economy more rapidly.

We must raise our deep dismay with Treasury and SARS for the lawlessness and wasteful expenditure that have become the norm with SARS management. Which budget item allows for a SARS commissioner to pay a lawyer R122 000 to read a book or for SARS human resources manager to pay a lawyer up to R1 million to represent him at a commission of enquiry into corruption? Yet Treasury is silent on this brazen looting.

**VAT**

We appreciate the inclusion of sanitary pads amongst the VAT exempt products.  We note the inclusion of bread and cake flour.  We welcome the commitment to provide free sanitary pads at schools.

However COSATU is dismayed and angry that this is the sole extent of government’s assistance to the poor to cope with the VAT hike, other tax hikes, petrol price increases, declining public services, economic recession, thousands of layoffs, rising unemployment etc. Government says it has no money. Yet it allowed billions upon billions to be looted and wasted. Now it simply dumps the bill upon the poor and workers and makes virtually no effort to recover the stolen loot. The SIU has handed over cases worth billions to the NPA and yet the NPA is nowhere to be seen. No assets have been attached. The implicated continue life as normal.

COSATU is compelled to reject government’s VAT concessions as simply inadequate. There is money within the budget that can be redirected towards directly helping the poor. Government’s response is simply underwhelming and inadequate. The ANC’s silence is bewildering. COSATU believes and is calling upon Parliament and government to urgently amend the MTBPS to include all or the following VAT concessions:

* Increase the free electricity and/ or water allocation to indigent households; and;
* R500 locally produced school uniform vouchers for learners at no fee schools; and/ or
* Exempt locally produced poultry (whole or pieces) as a key food and nutritional item for poor and working class families.

We welcome Parliament’s legislative amendment requiring Government to review the VAT hike at the end of the current MTEF and to report to Parliament in this regard and if circumstances permit, to reverse the VAT hike.

**Carbon Tax and Health Promotion Levy**

COSATU understands, accepts and supports the correct health and climate change objectives of the Carbon Tax and HPL. However we are worried that government’s chaotic management style will lead to further job losses. Industry and the agricultural sectors are bleeding jobs. The sugar sector has lost 15 000 jobs since 2000 largely due to a flood of cheap subsidised imports from Brazil.

Most manufacturing sectors are shedding jobs. Yet government imposes these taxes and both government and industry have no plan whatsoever to ensure a smooth and just transition for those industries. One that will take advantage of government’s training and lay off programmes that would pay for workers in affected sectors to be reskilled and reabsorbed.

Parliament has done good work to ensure government engage with industry and labour at Nedlac on just transition plans for these two taxes and industries. Yet the level and quality of government engagements there have been woefully inadequate and essentially fruitless. Whilst COSATU will continue to engage in these talks and hopes that the Presidential Jobs Summit Task Team will assist in unblocking matters, government and industry’s commitments leave much to be desired.

**COSATU Revenue Proposals**

COSATU believes that government can significantly increase revenue and thus providing more resources in support of economic stimulus, job creation and developmental objectives by:

* Fast track the SARS Commission of Enquiry.
* Immediately remove the compromised leadership of SARS.
* Fast track the engagement on and implementation of progressive tax proposals from the Judge Davis Tax Commission.
* Cancel the VAT tax hike to 15%.
* Increase company taxes to 30% or 32% which should generate an additional R13 to R26 billion in revenues.
* Increase the estate and inheritance taxes.
* Crack down on the massive rise in illicit tobacco sales and customs fraud, especially textile imports.
* Increase capital gains tax to 45% which should generate an additional R4 billion in revenue.
* Increase income tax for incomes above R1 million to 45% which should generate an additional R5 billion.
* Introduction of progressive tax system, with an introduction of a tax category for the super rich.
* Introduction of solidarity tax, whose aim is to cap the growth of earnings of the top 10% and to accelerate the earnings of the bottom 10%.
* Introduction of tax on both domestically produced and imported luxury items, but a higher tax on luxury items which are imported.
* Increase in the dividends tax to encourage re-investment, job-creation and to reduce the financialisation of company assets.
* Imposition of a land tax to aid the process of land redistribution.
* Zero-rating of medicines, water, domestic electricity and public education.
* Introduction of export taxes on strategic minerals, metals and other resources to support downstream industries and to promote value-addition.
* Introduction of investment tax credits to encourage local procurement of machinery and equipment.
* Increase taxes on financial transactions e.g. capital gains tax above certain levels to limit short-term capital flows and to encourage productive investment, and speed pumps on short term capital flows to discourage hot money.
* Introduction of tax on firms that resistant to closing the wage gap.
* Taxation of firms that pay below the statutory minimum wage, and the distribution of such tax proceeds back to the workers concerned.

1. **Departments**

The MTBPS is deafeningly silent on the following departments which are shockingly far behind their APP targets and in fact at this rate will engage in massive fiscal dumping in the last quarter of the year. If these departments don’t know what to do with their budgets, government must be brutal and reallocate them to where they are needed. Parliament must hold Ministers to account. The President must sack errant dormant cabinet members.

**Water and Sanitation**

The MTBPS paints an alarming picture of the state of the Department of Water and Sanitation.  Besides the mass looting in Giyani and the fact that the Department is running out of water, it has woefully failed to deliver on 95% of its bucket sanitation removal targets.

According to the MTBPS it has only met 642 of its 11 844 bucket eradication targets. It has met 0 of its 963 waste water system green compliance assessment targets. It has met 0 of its of its water supply green compliance assessment targets. It has met 2 of its 10 large regional water infrastructure projects.

This raises the question as to why is Minister Mokonyane still in Cabinet?

**Basic Education**

Once again, the Department of Basic Education has missed 80% of its school sanitation targets.  It has only delivered sanitation to 64 schools as opposed to its target of 286. It has delivered water to only 64 out of a target of 325.

The freezing of public service vacancies is now leading to severe overcrowding in schools across the country.

We had hoped to hear DBE speak to:

* The review of the current Post Provisioning Model and attend to overcrowding at our township and rural schools.
* More resources to address sanitation in rural and township schools and to bring an end to inhumane ablution facilities which continue to cost the lives of many of our children and erode the dignity of teachers and women in particular.
* Improving conditions of service of those employed in the Adult Education and Training (AET) and Technical, Vocational Education and Training (TVET) sectors.
* More resources for the formalisation of the Early Childhood Development Sector.

**Energy**

The Department of Energy is far behind its electrification targets and still has not rolled out its solar panels for RDP homes.

It has met 82 289 of its 200 000 household gird electrification, 0 of its 50 kms line upgrading, 728 of its 20 000 household non-grid electrification and once again 0 of its solar panel water geyser distribution programme (R114 million roll over again).

**Rural Development and Land Reform**

Rural Development and Land Reform has processed less than 1000 land claims this year, less than 5% of the back log.

**Higher Education and Training**

Higher Education and Training’s commitments to fund 300,000 tertiary beds is welcomed but we are worried about its failure to meet many of its training targets, in particular only meeting 4295 of its 30 000 artisan training registration, 2195 of its 22 188 artisan qualification and 30 429 of its 135 000 of its work based learning targets.

This is worrying given the training needs of the economy and that workers and companies pay a skills development levy to the state.

**Social Development**

Social Development’s failure to meet 75% of its food distribution target for the poorest is alarming when so many people have been plunged into poverty. To date DSD has met only 112 806 of its 400 000 target in this regard.

**Agriculture, Forestry and Fisheries**

Agriculture’s failure to meet most of its emerging farmers’ targets is shocking given the importance of the sector, the large numbers of emerging farmers who have collapsed and the cry for land.

The stats from DAFF are shocking and indicative of a department in need of presidential intervention. According to the MTBPS it has met only 1326 of its 145 000 subsistence and small holder producer supported, 37 hectares of 120 000 cultivated in underutilized communal areas, 0 of 45 agro-processing entrepreneurs training, 671 of its 16 300 hectare reforestation and 58 of its 550 hectare planting targets.

Yet somehow government claims it takes agriculture seriously. This sector is the largest employer of workers outside the state. It has been battered by a number of factors and is bleeding jobs.

**Rural Development and Land Reform**

266 of 991 land claims have been finalized this year against a background of thousands of outstanding cases dating back almost two decades. Only 10 197 of a 81 000 hectares acquisition target has been met.

**SMMEs**

The Department of SMME’s failure to achieve 75% of its targets is mind boggling. It has met 207 of its 677 black SMME financial assistance and 0 of its 1000 informal business financial assistance targets.

**Transport**

The Minister should be warned that trying to revive the failed policy of E tolls will backfire because COSATU will not stand for it. But if Minister Mboweni wishes to pursue it, we suggest the Minister go and talk to voters in Gauteng first who want to know why they are paying money to an Austrian company with mystery shareholders for roads they already paid for.

We had hoped to hear a plan to deal with the RAF R150 billion liabilities and a plan to reduce fuel prices and move the nation away from fossil fuel cars to electric vehicles and public transport. The MTBPS was silent.

The MTBPS was equally silent on how government will save PRASA.

Transport has only met:

* 182 of its 1600 kms surfaced roads rehabilitated target;
* 385 of 4300 kms roads resealed target;
* 1044 of 5800 kms roads regravelled target;
* 308 732 of 900 000 square kms pot holes repairs target; and
* 82 149 of 485 000 kms gravel roads bladed.

**Public Works**

We had hoped to hear how government will ensure all its building are safe for workers and the public and in compliance with health and safety laws. We had hoped to hear how government owned land will be released to accelerate land reform. Yet the MTBPS was silent on these two burning issues.

**Human Settlements**

Human settlements has only met the following of its targets:

* 74 of 546 informal settlements upgraded;
* 30 576 of 99 454 housing units completed;
* 545 of 20 429 of its affordable housing rental units;
* 46 646 of 131 107 households benefiting from informal settlements upgrades;
* 789 of 18 680 of finance linked individual subsidy programme subsidies allocated;
* 9460 of 247 500 title deeds backlog registrations dealt with.

**Tourism**

Tourism has only met 729 of its 4813 job creation targets.

**Sport and Recreation**

Has only met 372 of its 2500 school and clubs support targets.

**Conclusion**

COSATU hopes that our highlighting of the conditions faced by our members’ children and our proposals for interventions by Parliament in the bill and regulations will be taken into account during the Committee’s deliberations.

COSATU would like to thank the Committee for the time it has spent on this bill. We will remain available as always to assist the Committee in any way possible.

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