**MEDIA STATEMENT**

**STANDING COMMITTEE ON APPROPRIATIONS ADOPTS REPORT ON THE 2020 APPROPRIATION BILL**

**Parliament, Tuesday, 9 June 2020 –**The Standing Committee on Appropriations (SCOA) has today considered and adopted its report on the 2020 Appropriation Bill, which seeks to appropriate money from the National Revenue Fund for the requirements of the state for the 2020/21 financial year, to prescribe conditions for the spending of funds withdrawn for the 2021/22 financial year before the commencement of the Appropriation Act, and to provide for matters incidental thereto.

The adoption follows careful consideration and briefings from various stakeholders which include amongst others, the National Treasury, the Financial and Fiscal Commission (FFC) and the Parliamentary Budget Office (PBO). It also follows the consideration of numerous written and oral submissions received from the public during its public hearings held on Friday, 5 June 2020.

Included in its report is the notice that the Bill proposes major budget baseline expenditure reductions and reprioritisation of funds in line with government’s proposed fiscal consolidation policy through a total of R66.045 billion reductions in the budget baseline.

Of the proposed R66.045 billion baseline reduction, the Bill proposes an R28.238 billion in programme baseline reductions, and although the committee supports the government’s fiscal policy stance, it has highlighted its concerns about the possible unintended negative impact the programme baseline reductions might have on service delivery, particularly those services rendered by the government to the poor.

Further included in its report, the committee emphasises the need for government departments to always ensure efficient, economic and effective use of appropriated funds in line with the principles set out in section 195 of the Constitution and other relevant legislation governing the use of public funds, and applicable to the Republic of South Africa.

With this said, the committee is mindful of the fact that budget assumptions and allocations that the 2020 Appropriation Bill proposes are no longer valid due to the Covid-19 pandemic. Therefore, the committee urges government departments to spend the allocated resources in a manner that is reflective of the negative impact that Covid-19 brings to the South African public purse.

The report will be tabled for consideration and debate scheduled to take place in the National Assembly on Friday, 12 June 2020 at 10 am.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE STANDING COMMITTEE ON APPROPRIATIONS, MR SFISO BUTHELEZI.**