**MEDIA STATEMENT**

**STANDING COMMITTEE ON APPROPRIATIONS ADOPTS REPORT ON THE 2020 DIVISION OF REVENUE AMENDMENT BILL [B9 – 2020]**

**Parliament, Wednesday, 15 June 2020** – The Standing Committee on Appropriations (SCOA) yesterday considered and adopted its report on the 2020 Division of Revenue Amendment Bill [B9 – 2020].

The Bill was tabled by the Minister of Finance in Parliament on 24 June 2020 during the presentation of the 2020 Supplementary Budget and was subsequently referred to the committee on 8 July 2020 after the National Assembly adopted the Revised Fiscal Framework.

The committee recognises that the Bill was introduced to fund a response to Covid-19 and the negative impact this had on public finances across government. The increased government spending to respond to Covid-19 was funded in part by increasing the budget deficit and in part by reprioritising resources.

The committee welcomes the protection of the local government equitable share to provide a level of budget stability. While acknowledging the need for additional funding and welcoming the increase of R11 billion to compensate for lost revenue and support for Covid-19-related spending, the committee remains concerned about the current financial management system’s readiness to safeguard such additional resources from fraud and corruption.

The committee is of the view that National Treasury must be always vigilant about the use of Covid-19 funds and must decisively seek answers and immediately act where there is evidence of abuse of these much-needed resources. Further to this, the committee resolved to engage the chairpersons of various parliamentary portfolio committees, who should also follow up on issues of poor performance and underspending on key infrastructure grant allocations that were raised in this report.

The committee notes and welcomes the additional R2.8 billion to Covid-19 component of the HIV, TB, malaria and community outreach direct grant. This direct grant component fund will be used for personal protective equipment, ventilators and hiring additional staff. The committee also welcomes the allocation of R540 million to the indirect component of the school infrastructure backlogs grant to provide potable water and safe sanitation for all schools that lack such access.

The committee is concerned about the inflationary prices at which companies sell to government, taking advantage of the Covid-19 pandemic. The committee believes that the quality of some products is poor and suggested that government consider blacklisting companies who are found guilty of colluding on prices.

The Chairperson of the committee, Mr Sfiso Buthelezi, emphasised the importance of the state in leading investment in infrastructure spending to get the economy back to a growth trajectory, to protect jobs and to provide a safety net to the poorest of the poor.

The committee calls for the fast-tracking of the District Development Model as announced by the President, to avoid a silo approach within different levels of government and to ensure an efficient, coordinated and impactful delivery of service.

The National Assembly (NA) will hold a hybrid plenary to consider the Division of Revenue Amendment Bill today at 15:00.

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