COSATU PRESENTS ITS VIEWS ON THE DIVISION OF REVENUE BILL

The Select Committee on Appropriations heard from the Congress of South African Trade Unions (Cosatu) about its views on the Division of Revenue Bill during virtual public hearings on the Bill yesterday.

Cosatu representative Mr Mathew Parks criticised the Division of Revenue Bill for adopting austerity, rather than a stimulus approach, particularly as the South African economy is in recession and the unemployment rate is at 40%. South Africa has to balance job losses and its growing debt trajectory.

Mr Parks also criticised the fact that the Bill does not provide a road map to recovery and, despite the horrendous corruption highlighted in the Auditor-General’s report, “little has been done to those implicated. The Bill says nothing about that.” He went on to say: “It does not address the cause of our fiscal crisis, which is corruption, wasteful expenditure, state capture and the constant bail-out of state-owned enterprises.”

 One of Cosatu’s suggestions is that there should be a ban on politically-connected persons, as well as the spouses and children of politicians from doing business with the state.” This measure should be supplemented with “the centralisation of an online public procurement for all government departments and entities”.

He also suggested that the government must utilise the Audit Amendment Act “to hold offending politicians and managers of state entities financially liable for corruption”.

On the public servant wage bill, Cosatu still maintains that this has become a scapegoat and that, in fact, the public sector wage bill has been standing at 35% of gross domestic product (GDP) since 2019 and public sector jobs have been frozen. The teacher to learner ratio in school classrooms and the decrease in police budget are testimony to that he argued.

The state wants the low-earning employee to tighten their belts, but it does not want to lead by example. If the government was serious about saving money it would start by slashing Members of Parliament perks, severance packages, scrap ministerial hand books and cap management packages at state entities.

Committee Member Mr Dennis Ryder asked Mr Parks what he meant when he said “government reward public servant’s good will”, saying that public servants in management positions have been overpaid for years. Mr Parks replied: “Ministers must lead by example. They must slash their perks as well as [the perks of] parliamentarians. Why must parliamentarians get severance packages at the end of their term. They must be treated like other workers. When workers leave their employ, they don’t get severance packages. Why so parliamentarians get them?’’ he asked.

Responding to a question about the cost of the recent electricity tariff hike on workers and municipalities Mr Parks noted that Eskom is owed well over R7 billion. To balance its books Eskom resolved to increase tariffs. He suggested that Eskom should install prepaid metres, because it is unfair that 60% of the population has prepaid metres and others benefit from a pay-as-you-can arrangement.

Regarding Eskom’s debt, Mr Zolani Mkiva suggested that the debt communities owe to Eskom should be erased because it’s unlikely that it will ever be paid. Mr Parks responded that “we need to balance this delicate situation. But going forward there should be a road map for those who can and can’t afford increases in basic services.”

When asked about the current impasse over public servant wages, Mr Parks, commented that “the freezing of public servants’ wages can’t be a matter that can be decided upon by government unilaterally in Pretoria. It’s a matter that need collective bargaining.” He added: “there is a possibility of a win-win solution. There are creative ways that can be explored to find a solution to this matter. What we can’t do is to throw workers under the bus and ask them to tighten their belts when there is no cap on the perks of ministers and managers of state entities. Our task mandate as Cosatu is to protect workers against inflation.”

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