**MEDIA STATEMENT**

**COMMITTEE ON APPROPRIATIONS RECEIVES BRIEFING FROM NATIONAL TREASURY ON SECOND APPROPRIATIONS BILL**

**Parliament, Tuesday, 31 August 2021 –** The Second Special Appropriation Bill which the National Treasury presented to the Portfolio Committee on Appropriations today, provides for allocations in the 2021/22 financial year to the South African Special Risks Insurance Associations (SASRIA), the Department of Social Development, the Department of Defence, the Department of Police and the Department of Trade, Industry and Compensation.

The Bill proposes additional urgent funding allocations of R32.8 billion to address the impact of the unrest that took place in KwaZulu-Natal and Gauteng provinces in July and Covid-19 pandemic. The allocations include R11.3 billion which is authorised according to section 16 of the Public Finance Management Act.

The committee heard that based on SASRIA’s preliminary assessment taken on 14 July, the entity’s current estimation of the claims it will be liable for, ranges between R10 billion and R20 billion. According to the National Treasury the entity would require an equity injection in the event of claims amounting to R15 billion. The committee heard that a provision of R3.9 billion additional funding has been included in the Bill to provide for a required capital injection should SASRIA exceeds its limit.

In line with the President’s announcement for the reintroduction of the Social Relief of Distress (SRD) grant to provide a monthly payment of R350 until the end of March 2022. The Minister of Finance has authorised the use of the funds according to Section 16 of the PFMA to defray expenditure of R10.013 billion by the Department of Social Development for the SRD grant in the first three months of implementation.

The committee emphasised that the assistance must go with a condition to the companies. The condition is that the companies that are going to claim from SASRIA must continue to operate and that they must continue with the employees they had before the unrest and employ more. It also emphasised that companies should be alerted about the importance of employing South African citizens given that the financial support allocated to them is funded through taxpayers’ money.

On monitoring, accountability and underspending, the committee is going to invite relevant departments soon to engage with them. The Chairperson of the committee, Mr S’fiso Buthelezi, told the committee that the Department of Labour and Employment will be among the departments and entities that the committee is going to invite to engage with it on compensation. He also announced that SASRIA is going to appear before the committee next week to engage on a variety of issues.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHLAF OF THE CHAIRPERSON OF THE STANDING COMMITTEE ON APPROPRIATIONS, MR S’FISO BUTHELEZI.**