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| **COSATU Submission:****Second Special Appropriation Bill****15 September 2021** |
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| Cosatu logo |

**Submitted to:****Standing Committee:** **Appropriations****National Assembly****Parliament****Republic of South Africa** |

1. **Introduction**

COSATU welcomes the tabling of the Second Special Appropriation Bill at Parliament.

This is a welcome intervention by government to provide badly needed relief to millions of the unemployed, to businesses suffering losses during the recent violence in KwaZulu-Natal and Gauteng and to help restore law and order in communities. COSATU supports the provisions of the Bill and urges its speedy passage.

The relief measures provided for in the Bill are in line with the disaster relief proposals COSATU had tabled at Nedlac in the wake of the violence and that are now being rolled out.

It is hoped that the relief provided for in the Bill will help to offset the damages cost by the recent violence that is estimated to be in the range of R50 billion as well as potential job losses of up to 50 000.

1. **COSATU KZN and Gauteng Disaster Relief Proposals**

COSATU tabled at Nedlac in the wake of the violence the below relief package. It was agreed to by government and supported by social partners. It included the following key elements:

* Extension of the Unemployment Insurance Fund’s Temporary Employment Relief Scheme for workers in companies affected by the violence;
* Reinstatement of the Covid-19 SRD R350 Grant across the country;
* Food parcels for the destitute in the two provinces;
* Private and SASRIA insurance relief for those suffering losses;
* Fiscal relief for the uninsured;
* Bank relief for affected consumers;
* A revamped Loan Guarantee Scheme for struggling businesses;
* Tax relief for affected businesses;
* Additional funds for the Presidential Employment Programme which has managed to employ over 310 000 teaching assistants, pay them at least at the level of the National Minimum Wage and provide them with valuable skills and experience.
	+ This programme should be expanded to provide other unemployed persons with similar opportunities;
* Limited access for distressed workers to their pension funds.
	+ Engagements are taking place between COSATU and Treasury on this on both immediate and longer term relief options. A Bill should be tabled with the Medium Term Budget Policy Statement to provide for relief in 2022 and an additional Bill in 2022 for longer term relief as needed.

COSATU was pleased that these proposals were largely agreed to by government and business and are being rolled out to varying degrees.

The Federation is however deeply disturbed that some critical aspects have not been dispensed to those in need to date. Nearly three months down the road, no funds have been released by the UIF despite repeated engagements.

SASSA has begun payments, yet they are frequently not being done electronically. Once again long queues are being seen at the Post Offices to dispense these payments.

**COSATU Proposals:**

* Cabinet needs to intervene to address these delays in the UIF and to move SASSA payments electronically.
1. **SASRIA - R3.9 Billion**

COSATU supports the allocation of an additional R3.9 billion to ensure SASRIA has sufficient funds to meet all claims.

**COSATU Proposals:**

* Government should ensure that this allocation is sufficient to cover all legitimate claims. If needs be, an additional allocation should be provided for in the MTBPS.
1. **SASSA R26.2 billion and R500 million**

COSATU welcomes the R26.2 billion allocation. The reinstatement of the R350 grant is a critical poverty alleviation intervention. However, its recipients will not miraculously find work when it ends on 1 April 2022.

The Federation hopes that the R500 million allocated for administration to SASSA will be used to modernise their systems, prevent corruption and ensure that payments can be done electronically to all recipients. Recipients should not be forced to spend days in queues at the Post Office.

**COSATU Proposals:**

* Make the SRD Grant permanent, extend it beyond March 2022, increase it to the food poverty line of R624.
* Parliament should ensure that SASSA does modernise its systems and payments are all done electronically.
1. **Department of Defence – R700 million**

COSATU supports the deployment of the SANDF. It played a critical role in restoring law and order to these provinces.

COSATU is concerned how the SANDF itself has been weakened over the past decade. Bases and material have been allowed to deteriorate to alarming levels. Corruption and wasteful expenditure is widespread. Military personnel are undertrained due to the shortage of funds.

The Department of Defence is the largest offender in the state when it comes to the late payment of suppliers.

If these internal crises are not dealt with it will make future deployments of the SANDF impossible.

**COSATU Proposals:**

* Parliament needs to engage with Treasury and the DOD on plans to address the systematic collapse of the SANDF.
1. **South African Police Service (SAPS) – R250 million**

COSATU welcomes the role the SAPS played in restoring law and order. However, an investigation is needed with regards to the failure of the SAPS to respond timeously and proactively when violence erupted.

The SAPS has been significantly weakened during the era of state capture. Despite commitments in the 2020 State of the Nation Address to increase the SAPS head count by 7 000 it has in fact decreased by 7 000.

**COSATU Proposals:**

* Parliament needs to engage with Treasury and the SAPS on plans to address the systematic decapacitation of the SAPS.
1. **Trade, Industry and Competition – R1.3 billion**

COSATU welcomes this additional allocation. It will provide badly needed relief for many companies affected by the violence and help to save jobs.

The Federation is concerned and has raised repeatedly in its Budget submissions to Parliament on the need to halt the budget cuts to DTIC’s industrial financing allocations. These cuts are threatening the survival of many companies and putting badly needed jobs in manufacturing etc at risk.

* Parliament needs to reverse these cuts to DTIC in the MTBPS and the 2022/23 Budget and Medium-Term Budget Policy Statement.
1. **Conclusion**

COSATU supports and urges the speedy passage of the Second Special Appropriation Bill by Parliament.

It will provide badly needed relief to millions of persons who are unemployed and with no source of income. It will provide critical relief to thousands of companies and save jobs and prevent closures.

Further engagements are needed on how the SANDF and SAPS can be adequately resourced to fulfil their constitutionally mandated roles.

Further provisions are needed in the MTBPS to make the SRD Grant permanent and in line with the food poverty line from 1 April 2022.

Further allocations are needed to ensure that the DTIC is adequately resourced to support the rebuilding of the industrial and manufacturing sectors of the economy.

Thank you.

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| cid:image005.jpg@01CC26CB.2C4815C0 | Matthew ParksParliamentary CoordinatorCell: 082 785 0687Email: matthew@cosatu.org.za6th Floor, Constitution House,124 Adderley Street (corner of Church Street)Cape Town 8000, South Africa |