**MEDIA STATEMENT**

**APPROPRIATIONS COMMITTEE CONCERNED BY DEPARTMENT’S RENTING INSTEAD OF OWNING BUILDINGS**

**Parliament, Tuesday, 3 May 2022 –** The Standing Committee on Appropriations was briefed today by the National Treasury on the Appropriation Bill and the Second Adjustments Appropriation Bill for the 2021/22 financial year. The 2022 Appropriation Bill proposes to appropriate R1.057 trillion to different departments, state-owned enterprises (SOEs) and other government agencies.

National Treasury informed the committee that government spending will amount to R6.62 trillion over the next three years. Furthermore, there was an addition of R282.3 billion over the Medium-Term Economic Framework period compared to the 2021 budget.

The Treasury went on to say that since 2008, Eskom has been recapitalised by R241 billion, which includes the R21.8 billion for 2022/23. In 2023/24, another R21 billion will be required and for 2024/25 another R22 billion.

Treasury also briefed the committee on the Second Adjustments Bill for the 2021/22 financial year, focusing on SASRIA, an SOE reporting to the Minister of Finance via National Treasury. It covers special risks, such as politically motivated malicious acts, strikes, terrorism and public disorders.

Treasury said that due to the July 2021 unrest and the magnitude of claims received, SASRIA was left technically insolvent and unable to process claims. The committee also heard that as of 14 April 2022 SASRIA has settled claims amounting to approximately R20 billion.

The committee recommended that SASRIA must be allowed to sustain itself. It was also concerned about departments renting instead of owning the buildings they operate from.

Alluding to the committee’s recent oversight to the Department of Defence, the Chairperson of the committee, Mr Sfiso Buthelezi, said the department needs additional budget. Mr Buthelezi went on to say that some of pilots, including those flying for SAA, come from the Department of Defence.

Mr Buthelezi cautioned that mechanisms are needed to check whether departments receiving additional funding use the funds efficiently and well.

The committee asked if another Appropriation Bill was in the pipeline to deal with the aftermath of the floods in KwaZulu-Natal and the Eastern Cape. National Treasury said for now, this was not expected as the response has been included in the existing budget.

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

For media enquiries or interviews with the Chairperson, please contact the committee’s Media Officer:
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