

**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA****NOTICE 1421 OF 2022****DR DION GEORGE, MP****NOTICE OF INTENTION TO INTRODUCE A PRIVATE MEMBER'S BILL AND INVITATION FOR COMMENT, 2022**

Dr Dion George, MP, acting in accordance with section 73(2) of the Constitution of the Republic of South Africa, 1996, intends to introduce the Responsible Spending Bill, 2022, in Parliament. An explanatory summary of the Bill is hereby published in accordance with Rule 276(1)(c) of the Rules of the National Assembly (9<sup>th</sup> Edition).

South Africa's debt burden continues to rise as government borrowing increases. Debt-service costs have been the fastest growing item on the budget while consuming an increasing share of GDP and revenue for the past two decades. The interest on national debt occupies an increasingly larger percentage of national expenditure, with 20 cents of every Rand collected in revenue now being needed to pay debt-service costs. These interest payments increasingly crowd out spending on essential public services.

Urgent action is required to bring South Africa's debt levels under control and reduce the interest payments this debt entails. Once this goal is achieved, greater national spending can be directed to areas in need of support, such as education, infrastructure, healthcare, and social grants.

The Responsible Spending Bill ("Draft Bill") will introduce statutory fiscal rules aimed at containing national debt and debt service costs in South Africa. These rules will apply to different debt level bands, thereby adjusting as debt levels reduce. The rules will be binding on government, while allowing for exemptions under specified circumstances, subject to Parliamentary approval. The Draft Bill will also require regular review of the fiscal rules, as well as an annual report on compliance with the fiscal rules. Where fiscal rules were not complied with, the Minister is required to provide reasons therefore, as well as a recovery plan.

Interested parties and institutions are invited to submit written representations on the proposed content of the draft Bill to the Speaker of the National Assembly within 30 days of the publication of this notice. Representations can be delivered to the Speaker, New Assembly Building, Parliament Street, Cape Town; mailed to the Speaker, PO Box 15, Cape Town, 8000; or emailed to [speaker@parliament.gov.za](mailto:speaker@parliament.gov.za) and copied to [legislation@da.org.za](mailto:legislation@da.org.za).

Copies of the draft Bill may be obtained upon request from [legislation@da.org.za](mailto:legislation@da.org.za).