**MEDIA STATEMENT**

**COMMITTEE ON APPROPRIATIONS SAYS NATIONAL TREASURY IS A CUSTODIAN OF PUBLIC FINANCES, IT MUST APPLY CONSEQUENCE MANAGEMENT**

**Parliament, Thursday, 9 March 2023 –** The Select Committee on Appropriations reiterated its position that money can’t be allocated if there is no plan to use it appropriately for the intended purpose. The committee received a briefing yesterday from the National Treasury on the 2023 Division of Revenue Bill and the 2022 Second Adjustments Appropriation Bill.

The committee heard that the South African Post Office (SAPO) continues to struggle to put together a credible turnaround strategy despite the conditions attached to its bailout. The National Treasury advised that SAPO needs to begin to sell all non-core assets including all its properties at market value. The committee expressed concerns that SAPO was also in the process of retrenching workers.

The Chairperson of the Select Committee on Appropriations, Ms Dikeledi Mahlangu, said: "Stringent conditions are not the only thing that is going to assist, but there should be consequences to those who were failing to implement the SOEs turnaround strategy."

She added that the National Treasury is shifting the blame to the shareholder departments and it should not just behave as a money box, but must be able to put in place consequence management measures.

The committee welcomed the changes to provincial equitable share allocations such as the R1.5 billion over the Medium Term Expenditure Framework for the National School Nutrition Programme to provide meals to over 9 million learners. Furthermore, the welcomed the R1.6 billion allocation to the Early Childhood Development Grant to increase the number of children accessing early childhood development.

The National Treasury told the committee that under transport, R3.7 billion is added to the Provincial Roads Maintenance Grant for the building of modular steel bridges under the Welisizwe Rural Bridges Programme. R6.8 billion of the same grant is earmarked for transport to address the backlog of the provincial road refurbishment, while other conditional grants are for the Agricultural sectors.

The committee was also concerned that there was no allocation earmarked to deal with the issue of medico legal claims, which was absorbing larger amounts of the provincial health departments in some provinces. The National Treasury informed the committee that both Municipal and Provincial Emergency Housing Grants will cease to exist from 2023/24 as the National Treasury will be shifting those funds to budget vote of the national departments to ensure timeous response to housing emergencies.

The National Treasury added that this is informed by lessons learned from the recent disasters that occurred in KwaZulu-Natal (KZN) and the Eastern Cape. The committee expressed concerns about the movement of the Housing Emergency out of the provincial sphere of government and that it will be difficult to access it for people in need.

The committee was informed by the National Treasury that R631 million for 2023/24 has been allocated to fund arrears in the compensation of employees for izinduna or headmen and headwomen in KZN. The committee was concerned whether these funds were only allocated for the KZN while there are traditional leaders in other provinces.

The committee reiterated that it has always called for conditions to accompany the bailout of SOEs. The committee further said it will need to see the conditions beforehand in future for any  bailout of a state owned entity

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE SELECT COMMITTEE ON APPROPRIATIONS, MS DIKELEDI MAHLANGU.**

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