**African Christian Democratic Party**

**11 July 2019

ACDP Parliament
Budget Vote 7: National Treasury**

**Speech by Steve Swart MP and Whip**

 **ACDP concerned that Eskom will need double the amount set aside each year for ten years**

“Speaker/Chairperson,

The country is undoubtedly in a state of crisis – a crisis of politics, economics and confidence which is hampering potential for economic growth. This, together with loadshedding caused by Eskom, resulted in a 3.2 per cent contraction in economic growth in the first quarter of this year.

It is evident that policy uncertainty and political factions within the ANC will continue to undermine growth and that any real reform measures or attempts at renewal will proceed haltingly and met with fierce resistance – as we have seen in the manner that Minister Pravin Gordhan has been targeted. This the country cannot afford. The GDP contraction will result in revenue estimates falling far short of the 2019/20 target – which will in turn blow debt projections out of the water.

In this regard, the ACDP supports measures to rebuild SARS and the implementation of the recommendations of the Nugent Commission. The re-establishment of the Large Business Unit, the Compliance Unit, and the review and strengthening of the Anti Corruption Unit, as well as the establishment of the Illicit Economy Unit are to be welcomed and supported. These units must stop revenue leakages running to billion of rands.

The ACDP shares the deep concerns expressed by members of the Committee about the financial state of the SOCs. The drain on the fiscus of propping up SOCs has become unbearable. While certain reforms have taken place since 2017 to turn the financial position and management of SOCs, many SOCs still pose a significant risk to the fiscus.

In the absence of significant economic growth it will be impossible to keep the country on a sustainable fiscal path without considering equity partners. We note that a Special Appropriation Bill on Eskom will be tabled on an urgent basis in Parliament. We were given the impression that the R23 billion Treasury set aside each year for ten years would be sufficient. It now appears that Eskom will need more than double that.

We need to ensure that policy makers in government shift away from a narrow focus on the state as a source of patronage towards a capable state with a comprehensive economic recovery plan. A clear fiscal strategy is necessary to preserve the country’s credit rating. The push-back against a reformist agenda must not be taken lightly and must be met head-on.

In addition, business also has a key role to play. The state did not do business with itself. Those who facilitated or who directly benefitted from state capture and must be held accountable and ill-gotten gains be recovered for the state. The question is whether a “hurried apology and the repayment of fees” is sufficient. We believe not!

In this regard we received an update from the new NPA boss, Adv Shamila Batohi and then new head of the Investigative Directorate, Adv Cronje, in progress made with prosecuting high-profile cases. The briefing was encouraging, notwithstanding budgetary constraints. In addition both the Asset Forfeiture and Special Investigations Unit are making progress with large investigations into corruption, with the Special Tribunal set to be established soon. This will see civil claims to recover the billions stolen being expedited.

Chairperson, I have long-argued that these crucial law-enforcement agencies should have their budgets increased significantly, given that they are able to recover billions, but are hamstrung due to insufficient budgets. This would be a win-win situation.

I thank you.”

**-END-

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