

## **Budget Debate on vote 8 – National Treasury**

**Wendy Alexander, MP**

***DA Additional Member on the Standing Committee on Finance***

Thank you, Speaker.

It is the South African Revenue Service responsibility to collect taxes for the government.

And in the dark days of SARS, between 2014 and 2018 the agency's tax collection and investigation capacities were severely undermined. Perhaps to call this period “undermined” is too subtle. SARS was decimated as a result of the restructuring which could be viewed as the alleged premeditated aimed to capture SARS.

SARS's tax collection capacity and quality of governance were largely undermined. Individual and corporate tax oversight were merged into a single unit, which reported directly to the Commissioner.

SARS's other key business units were also fragmented, particularly the Large Business Centre - responsible for 35% of the agency's revenue. Eviscerating a large portion of SARS revenue collection.

After the "massive failure in governance and integrity" within SARS between 2014 and 2018, the new commissioner has publicly spoken about his plans to rebuild the agency's reputation and capacity.

In the 2020/21 financial year, with the re-established large business centre and compliance unit, taxpayer collection has improved by 26%.

While the governance at SARS has improved, there are still many issues to address.

Such an example is the case between Mr. Alves a Ficksburg resident whose vehicle with Lesotho number plates was impounded by customs officials in 2019 and SARS. A judgement has been handed down by the Free State High Court in favour of Mr Alves, and the appeal by SARS dismissed.

Mr. Alves spent the weekend in police cells, however the Monday following the local magistrate court issued an order to release Mr. Alves and his vehicle. Although the theft charge has been withdrawn, the vehicle to date has not been returned.

SARS' litigation for this case, paid for by taxpayers, is outrageous. Despite Alves's Nissan Serena's low value, the legal costs are now over a R1 million and the citizen still does not have possession of his vehicle.

The theme of this government tenure was, the new dawn, which hit all the right notes and promised South Africans heaven and earth. Now, six years later, the new dawn finds itself in an embarrassing situation, while citizens spend much of their time without electricity.

A pre-Covid landscape was devoid of the promised economic recovery and renewal. And a covid-19 alibi or scapegoating Jacob Zuma for current-day economic devastation have no currency.

There is no doubt that the current government lacks the Midas touch.

So long dipped in the anti-Zuma inkwell, journalists were quick to write about how Ramaphosa would put an end to all social, political, and economic ills after taking office in February 2018. During a blinding spell of selective amnesia, journalists failed to write editorials about Ramaphosa's performance as deputy president.

The same journalists are now "Ramaphosa-shocked" to discover that their hero failed dismally to save the country.

Last week, I was reminded that a country can't be more positive than its leaders. At present, the Rainbow Nation fairy tale doesn't end happily, as political messiahs are the modern-day storytellers.

Despite the government's butterfly prose, millions of South Africans live in poverty and joblessness every day.

In the next chapter of our Country's democracy, a new government will priorities, reliable affordable energy and these are not empty promises the western cape is taking massive strive to achieve this.

They will influence policy that would allow for food price relief on basic food stuffs and curb exorbitant fuel taxes.

Our new president will steer the county into prosperity, as the optimistic leader we need and not the toothless project manager.