



For attention Hons. Carrim and De Beer

Committee members of the Standing Committee on Finance and Select Committee on Finance



Care of:

Mr Allen Wicomb

[awicomb@parliament.gov.za](mailto:awicomb@parliament.gov.za)

Ms Teboho Sepanya

[tsepanya@parliament.gov.za](mailto:tsepanya@parliament.gov.za)

Mr Zolani Rento

[zrento@parliament.gov.za](mailto:zrento@parliament.gov.za)



24 April 2018



Parliament Watch is a collective of ten independent organisations working towards the advancement of social justice, the realisation of human rights, and strong constitutional democracy in South Africa. Collaborators include the Black Sash; Dullah Omar Institute, UWC (DOI); Equal Education Law Centre (EELC); Heinrich Boell Foundation (HBF); Parliamentary Monitoring Group (PMG); Public Service Accountability Monitor (PSAM); The Right to Know Campaign (R2K); Social Change Assistance Trust (SCAT); Social Justice Coalition (SJC); and Women on Farms Project (WFP). A diverse range of individuals from the member organisations participate in Parliament Watch, this includes community activists, volunteers, and staff. Some Parliament Watch members participate in enhancing oversight over executive performance through the *Putting People in People's Parliament* project.



We consider the legislatures as central to our democracy and, in addition to their law-making functions, their duties to oversee effective service delivery and advance social justice and transformation in South Africa as crucial. Parliament Watch seeks to increase civil society and public knowledge of the work of committees related to the issues on which different groups focus. In addition Parliament Watch works with members of partner organisations to increase the rate of public engagement with the critical work of committees.



Parliament Watch values the committees' invitation to provide submissions on the Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill. We are not in a position to comment substantively on the bill, however we wish to reiterate some of our key concerns regarding the participation process regarding public finance related processes. While we recognise the committees' expressed sympathies with these issues we consider the question of public engagement with public finance related decision-making to worth placing on the record once again with a view to improving future processes.



We commend the committees on your attempts to facilitate engagement on the bill in these short timeframes, in particular we note the constraints faced by the committees as described in your communications to the CSO alliance relating to the current legal framework and the timeframes to which the legislatures must work.

We are however, concerned that in spite of the efforts of your committees to invite public participation, in effect only a handful of organisations are in a position to respond to the invitation, and even those experience challenges with regard to having access to information and the timeframes required to provide meaningful inputs. As such the processes amount to 'stakeholder inputs', not 'public engagement'.

Of greatest concern is that the public generally, and community and membership based organisations are by and large, not able to provide submissions on the issues addressed in the bill. Issues of significant impact, in particular, to poor and working class people whose interests are more directly represented by those organisations and structures. Members of the public more broadly are, as a consequence of the timeframes almost entirely excluded from the formal engagement process.

The reasons for these limitations include the technical nature of the issues in question, which necessitate processes to educate members of the public and a wider range of CSOs regarding the legal and economic questions at hand; limited access to information from the executive in a format that is conducive to increased public understanding of the proposals; and limited time available to provide the opportunities for organisations to discuss the proposals and to consult and build consensus on submissions with their membership-bases and communities in which they function.

To the majority of the public the VAT increase came as a surprise in the February budget speech, and consideration of public input prior to its commencement was effectively excluded. The VAT and fuel increases, along with the conservative approach to increasing other sources of tax revenue was thus introduced to the public as a *fait accompli*. To understand, debate and organise responses from the public on the revenue proposals as well as potential mitigating measures would have required far wider consultation than the process undertaken by the Davis Tax Committee in advance of the announcement in the 2018 Budget Speech.

We recognise that many of the proposals are developed in the Executive branch and submit that many of these fundamental flaws in facilitating public engagement lie in the processes undertaken by the National Treasury. We also recognise that the concept of public engagement is broad and will be subject to limitations, however we submit that the processes that have been followed by the Executive to date are wholly inadequate in the context of our Constitutional Democracy.

We will endeavour as a collective to support efforts by your committee and by the National Treasury to increase the rate of information to the public as well as increased public deliberation on questions relating to public finances in the following period. However this is dependent on a stronger commitment and strategy from National Treasury and your committees to achieve such increased public engagement.

As stated above, we recognise the inherent difficulties faced by the committees at this stage of the process and we respect that your committees have made provision for a degree stakeholder input from organised civil society into the process.

**Contact:**

Samantha Waterhouse, Dullah Omar Institute, UWC and representative of Parliament Watch  
swaterhouse@uwc.ac.za 084 522 9646