

PRESIDENT CYRIL RAMAPHOSA

STATE
— of the —
NATION
ADDRESS

19:00 | THURSDAY
9 FEBRUARY 2023
CAPE TOWN CITY HALL

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**RESPONSES FROM
CONSTITUENCIES ON
THE STATE OF THE
NATION ADDRESS
2023**

"There's been a notable improvement in revenue collected in 2022/23"
~ DM Masondo



Caucus NEWSLETTER

08 March 2023



INTERVIEW OF THE ANC CAUCUS CHAIRPERSON, COMRADE SESISO MOHAI, ANC MP. WHAT IS THE GENERAL OVERVIEW OF THE 2023 SONA?

The 2023 President's State of the Nation Address is one of the watershed moments in the evolution of South Africa in four interrelated essential regards. First, as the last State of the Nation Address before a year that marks the 3rd decade of South Africa's constitutional democracy, secondly; as the first SONA after the Covid19 pandemic that has inflicted significant setbacks on the economic recovery and reconstruction from the ravages of the global economic melt-down that has since started in 2007, thirdly; a SONA that precede a year of the 7th national general elections in 2024, and lastly; a SONA that take place in the domestic context of the persisting energy crisis and the triple challenges of poverty, unemployment and inequality.

Accordingly, this context generates huge expectations of the people of South Africa, united in diversity, the domestic and international business community and the organized labour for decisive action and change. At the core of these expectations are, among others; how this SONA will put the country on a new trajectory of sustainable economic recovery, reconstruction and development; the decisive resolution of the energy crisis and load shedding; creating a free and safe country by defeating crime; renewed efforts in the fight against corruption, maladministration and incompetency in the public sector and the repositioning the local government at the coal face of local socioeconomic development and



ANC Caucus Chair: Cde Seiso Mohai on SONA Debate

accelerated delivery of basic services: water and sanitation, roads and quality provision and maintenance of public infrastructure.

The President has outlined detailed progress and challenges, including clear government plans on some pertinent issues going forward. Contrary to some sceptics, the announcement of the Ministry of Electricity will go a long way in providing targeted and focused leadership and change management on the repositioning and transformation of the electricity sector. What is most critical in deciding whether South Africans' hope, confidence and trust in government will be restored is the urgent and decisive action to implement these plans. This will be the deciding factor for the governing African National Congress to conquer the decisive majority in the coming national general elections. There is no middle road ahead.



**ANC CHIEF WHIP
CDE PEMMY
MAJODINA**



**ANC DEPUTY
CHIEF WHIP
CDE DORIS
DLAKUDE**



**ANC CAUCUS
CHAIR CDE
SEISO MOHAI**

RESPONSES FROM CONSTITUENCIES ON THE STATE OF THE NATION ADDRESS 2023



Andre Reyners is the gentleman's name (65) from Fransburg PCO, Northern Cape Province

WHAT WERE YOUR EXPECTATIONS OF THE PRESIDENT'S STATE OF THE NATION ADDRESS?

Matshediso Leonard Mothekhe (52 years) from Ward 8, Lusaka Theunissen (Masilonyana Local Municipality) in Free State province

- That basic service delivery challenges must be prioritised namely support in education in particular safety in schools.
- Should equally address solutions on saving the current jobs and future plans on how to create new jobs.
- Should address the challenges faced by institutions such as the office of the Public Protector, SIU, NPA, Auditor General with their inadequate budgets and look into possible ways of increasing their Budgets

DID THE PRESIDENT RESPOND TO YOUR EXPECTATIONS?

- The measures that will be put in place in terms of recruiting people who will be working in the public service is a step in the right direction.
- The introduction of a new Ministry in the cabinet, hopefully that will address the constant irritation of power cuts.
- We hope that the rail system will be upgraded to what it used to be in the glory days of metrorail and Shosholozarail.

WHAT WERE YOUR EXPECTATIONS OF THE PRESIDENT'S STATE OF THE NATION ADDRESS?

- Nyennye Moloto (35 years) from Rammolutsi, 1772 Ward 19 in Free State
- Must address the issue of Youth unemployment and come up with a working model to be implemented so as to reduce unemployment to under 20% within the next 12 months.
 - A clear plan on how to deal with

the power generation at municipal level. Municipalities must be given/ awarded licenses to generate electricity and sell to residents.

- Use of 4th Industrial Revolution in safety and security. Installation of cameras at Police stations and business CBD.

Tshotleho Peter Landman (51 years) from 8028 Rammulotsi, Viljoenskroon in Free State

- The President to touch on the issue of Public servants' salaries.

WHAT WERE YOUR EXPECTATIONS OF THE PRESIDENT'S STATE OF THE NATION ADDRESS?

Joel Bafo Matlaila, Maphanga (47 years) Dr J.S Moroka Municipality, Ward 18 in Mpumalanga

- The president should deal with a matter of energy crisis that results in continuous loadshedding which affects many sectors such as Health and Business.
- Deal with issues of unemployment and education.

DID THE PRESIDENT RESPOND TO YOUR EXPECTATIONS?

- Yes he did respond to my expectations even though I need more clarity on how declaring loadshedding as state of disaster will help.
- This program of absorbing new graduates by scraping out experience on first time employment sector is a good move and if implemented correctly will have a positive impact on our fight against unemployment.

DID THE PRESIDENT RESPOND TO YOUR EXPECTATIONS?

Freddy Mokoele (35 years) from Makometsane, Dr J.S Moroka Municipality, Ward 19 in Mpumalanga

RESPONSES FROM CONSTITUENCIES ON THE STATE OF THE NATION ADDRESS 2023

That the president should deeply touch on the issues that particularly affect the youth: high rate of unemployment, crime rate, electricity, small entrepreneurs that were affected by the pandemic.

DID THE PRESIDENT RESPOND TO YOUR EXPECTATIONS?

• I was happy when he announced that the disaster management department led by Hon Nkosazana will then try to resolve those businesses that were affected. Relief funds will be issued to try and back up those businesses.

WHAT WERE YOUR EXPECTATIONS OF THE PRESIDENT'S STATE OF THE NATION ADDRESS?

Mrs Coceka Mahlangu (46 years) from Ekuthukuzeni (ward 1), Kwa-Ngwanase, Umhlabuyalingana Municipality, KZN.

• The President will talk to the electricity crisis and Eskom and his plans to resolve the crisis.
 • To talk to the problem of unemployment across all employable ages not only the under 35 years.
 Expect the President to talk to infrastructure maintenance and tackling the problem of crime, especially GBV and femicide.

DID THE PRESIDENT RESPOND TO YOUR EXPECTATIONS?

• Yes, because the president's proposed interventions especially with regard to the electricity crisis and Eskom were very clear although there is confusion about the expansion of the cabinet and the overlapping roles among the ministers of Minerals and Energy. The infrastructure development plan announced by the President is good and the plan to combat crime and corruption is also good except that there must be a concrete plan to fight corruption within the Police Service so that the Police can do their work properly.

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QUESTIONS TO DM OF FINANCE, CDE DAVID MASONDO ON BUDGET 2023



DM, Cde David Masondo

1. How does the Budget seek to address stabilising state-owned entity finances such as Eskom?

There are two fundamental reasons why government is taking over Eskom's debt. The first is to ease the pressure on Eskom's balance sheet. It will also allow it to conduct the maintenance required to improve the availability of electricity and curtail the frequent and high levels of load shedding. Secondly, a considerable portion of Eskom's Debt is government-guaranteed debt. The decision translates to reducing the fiscal risk and enhancing the long-term fiscal sustainability of government.

2. Income tax collection tailwinds in 2022 have allowed South Africa to move closer to a balanced primary budget; what are the positive impacts of the budget?

There's been a notable improvement in revenue collected in 2022/23 because of a higher collection in corporate and personal income taxes and customs duties. This has, in part, contributed to the country's balanced budget. The fiscal consolidation strategy restrained the increase in consumption expenditure especially, and enabled the reduction of the fiscal deficit through higher- than expected revenues that would have been generated. Fiscal deficits resulted from the poor economic performance of countries because of global supply chain disruptions.

3. How does the budget grow the South African tax base, stimulate economic growth and create jobs?

The Budget has identified three pillars that will stimulate and sustain economic growth, and these are:

- A stable macroeconomic framework to create a conducive environment for savings, investment and growth.
 - Implement growth-enhancing reforms in key sectors, particularly energy, and transport.
 - Strengthening the capacity of the state to deliver quality public services, invest in infrastructure and fight crime and corruption.
- In this Budget we are allocating additional resources towards these

endeavours without compromising the sustainability of public finances.

4. How does the Budget respond to climate change?

The devastating effects of climate change can no longer be ignored. Fossil fuels are the largest source of global temperature rise. Part of addressing the persistent electricity supply shortage should be inclusive of strategies and efforts aimed at transitioning to a low carbon economy in a just manner. The Just Energy Transition plan, launched by the President last year at COP27, outlines how this will be achieved.

ANC Parliamentary Caucus members supported the Action Orientated Budget Speech 2023



ANC PARLIAMENTARY CAUCUS MEMBERS SUPPORTED THE ACTION ORIENTATED BUDGET SPEECH 2023



*Whip of the Study Group on Finance
Cde Noxolo Abraham*



*Whip of Peace and Stability Cluster,
Cde Thabo Mmutle*



*Chairperson to the Standing Committee
on AG, Cde Sakhumzi Somyo*

ANC Parliamentary Caucus members on 22 February 2023 reflected with confidence on the Budget Speech Presented by Minister of Finance Cde Enoch Godongwana, mainly on the challenges experienced by the Power utility Eskom, the working conditions of our public servants, and the combatting of crime.

The Action-orientated budget speech, which was outlined by the Minister of Finance Cde E. Godongwana reflected on the energy crises that South Africa finds itself in. Cde Qayiso, like many other Members of the ANC Parliamentary Caucus, applauded the Budget Speech for taking over part of Eskom's debt to allow the company to use its balance sheet to deal with it with issues which will assist the utility in focusing on electricity generation and maintenance.

In line with the budget speech, Members believed that now is the time for rapid implementation of the Energy Plan announced by the President on 25 of July 202, and also in the State of the Nation Address. The ANC Parliamentary Caucus spoke as one voice on a Just Energy Transition.

On the other hand, the Chairperson of the Peace and Stability Cluster, Cde Thabo Mmutle, was happy to hear that 14 billion was to be allocated to the Peace and Stability Cluster. He was glad that the budget aligned with what was agreed upon at the 55th NEC Lekgotla when they raised the issue that the Security Cluster was underfunded. The 14 billion will assist in capacitating the Security Cluster and its personnel and also creating more jobs as 5000 police recruits are being trained every year for 3 years to fight crime.

Comrade Sakhumzi Somoyo, Chairperson to the Standing Committee on Auditor General, also expressed his gratitude that "the Budget Speech comes as a huge intervention on the qualitative nature of the Public Servants working conditions as this will improve their morale and increased their output." Budget 2023 provides for the carry-through costs of the 2022/23 wage increase. In addition, the Budget includes pay progression, a housing allowance, and other benefits for civil servants.

Moreover, the Budget also provides additional funding for safety and security, education, and health. As such, in health, the funds are to hire new staff, address shortfalls in compensation budgets, retain additional health workers appointed during the pandemic, and clear the backlog in health services.

In addition, Comrade Noxolo Abrahams, the Whip on the Portfolio Committee on Finance, affirmed that taxpayers will see relief in this financial quarter as there will be no Tax increase.

INTERVIEW WITH CDE XOLISILE QAYISO WHIP OF THE STUDY GROUP ON APPROPRIATIONS



1. How does the Budget seek to address stabilising state-owned entity finances such as Eskom?

The first thing about SOEs is that everyone should do what he/she is employed to do. Therefore, managers should be qualified for the jobs they are employed in. There should be clear deliverables that can be measured and proper time frames. Boards should provide strategic directions and play their fiduciary responsibilities as contained in the PFMA, Company Law, and all other laws governing them. The executive, Ministers should have proper shareholder compacts with SOEs. Respective Portfolio Committees should play proper oversight functions.

2. Income tax collection tailwinds in 2022 have allowed South Africa to move closer to a balanced primary budget; what are the positive impacts of the budget?

The better revenue collection was by and large because of the higher prices of commodities. This has allowed government to respond to things like flood disasters, an extension of SRD grants, presidential employment stimulus, etc., without decreasing baselines of departmental budgets. But the long-term solution is for the Budget to go to growth-enhancing investments, like infrastructure.

3. How does the budget grow the South African tax base, stimulate economic growth and create jobs?

The Minister, in his MTBPS, said they would be taking part of the debt from Eskom to sovereign debt. This will allow Eskom to use its balance sheet to deal with issues that will help with electricity security. Also, the president mentioned many infrastructure programs and interventions, like Umzimvubu, Hazeldene, and many other dams. This will ensure water for households, industry, and, most importantly, agriculture. This will boost rural economies and provide employment opportunities.

4. How does the budget respond to climate change?

Just transition about investments to, amongst other things, renewables. We are also investing in research on technologies that will help with carbon capture. We want to be active players in dealing with adverse climate change as we have seen with the recent floods in Mpumalanga, KZN, Eastern Cape and Gauteng.”

