

2018 NATIONAL BUDGET DIALOGUE ON THE SA APPROPRIATION BILL

16 May 2018 | 08:25—13:30

Townhouse Hotel, Cape Town

Facilitator: Mr H Burger

Welcome and purpose: Chairperson of the Standing Committee on Appropriations Mrs YN Phosa

It is a privilege to enter into dialogue with you this morning and we welcome you to the 2018 Budget Dialogue. This is a first step in improving public involvement through developing stronger partnerships. The Standing Committee has resolved to take this approach, because we realise that the public are not yet fully participating in the national budget process. The legislation currently on the table is a people's Appropriations Bill, and this is an opportunity for stakeholders to give their input in a consultative process. The Bill has been tabled in the House, and has subsequently been referred to this Standing Committee. We are strongly of the opinion that there can be no way forward without stakeholder involvement and extensive public participation.

Overview of alignment of the 2018 budget with the NDP and MTSF

Stakeholders

COSATU: Mr Tony Ehrenreich

COSATU has always believed that budget issues should be inclusive. In South Africa there still such a large gap between rich and poor with a high unemployment rate, which needs to be addressed to gain a balance. This is a major issue, with the unemployment rate at 35% and zero percent jobless GDP growth, while Treasury reports a decline in revenue collection. We need to balance revenue, expenditure, economic stimulus, service delivery and debt. Importantly, we have to avoid the debt trap of Africa and an IMF or World Bank intervention.

In terms of revenue, the 2018 budget reflects a raft of tax increases on the poor, and the danger exists that we are overtaxing the poor. There appears to be a lack of effort to increase taxes on the rich. Government should furthermore shift its focus to sorting out the leadership and collection crises in SARS.

Corruption and wasteful expenditure remains a problem, with wasteful expenditure of R64 billion reported and stolen assets running to R50 billion. In this respect, it is important to overhaul the law enforcement agencies. State-owned enterprises also need to be revamped and saved. In general, the guilty are not being held accountable and charged, nor are stolen assets recovered. Government should furthermore stop expenditure rollovers.

As far as austerity and the public service wage bill are concerned, the impact of expenditure cuts will result in service delivery and infrastructure backlogs, the freezing of critical public service posts and a reduction of government expenditure in the economy. While public servants deserve a living

wage—on average they support seven dependents each—we have noticed excessive growth in management positions.

In terms of departmental issues, the department of health faces acute staffing and medicine shortages, while infrastructure crises, along with the freezing of posts, plague education. One of the problems faced by SAPS is an excessive concentration of staff in administrative posts, and the Metrorail and public transport crises facing the transport department are legion. SASSA stumbles from one social grants distribution crisis to the next, while agriculture and land reform does not receive sufficient funding and the department of water affairs has essentially collapsed.

Going forward, it is important that government arrests the rampant corruption, and overhaul state and SOE leadership, then make sure the latter is fixed. Engagements such as today's are important, but we need to keep working on and deepening engagements, taking active measures to make the budget process as inclusive as possible. Within COSATU we are looking forward to the outcome of this Dialogue.

[Full COSATU presentation](#)



Abahlali baseMjondolo Movement South Africa: Mr Thembani Jerome Ngongoma

I am very pleased to have been trusted and sent by my organisation to represent the movement at such a remarkable event. It gives me a sense of ownership and belonging to the processes that are meant to better the lives of ordinary South Africans. We thank the organisers for inviting us to participate as a stakeholder. As a citizen, I stand before you now, not to convey my own feelings, but to try to put on the table a true reflection of what is happening at the grassroots level. We are here to help the Standing Committee to see things through the eyes of ordinary people in the street, because that is exactly who and what we are—ordinary South Africans who expect to be respected and listened to.

What is interesting about this opportunity is that our cities and municipalities do not recognise us and do not invite us into spaces such as this one. Often, the eThekweni municipality will ask us, 'who the hell do you think you are to meet the mayor?' Now that we have met with you, it might mean a different recognition for our movement.

Abahlali baseMjondolo (Mjondolo Residents) Movement SA is a grassroots, democratic social membership-based movement of shack dwellers and impoverished people in South Africa. We were formed to fight for, protect, promote, and advance the interests and dignity of the shack dwellers and the poor in the country. Our head office is based in Durban, KwaZulu-Natal, but we also have branches in the Eastern Cape, Western Cape, Gauteng, and Mpumalanga provinces, and we are still expanding. Our organisation is a movement with a vision and a mission.

People don't live in shacks because they want to, and there will always be people moving from rural areas into metropolitan areas.

Our vision is for the movement to build a just and equal society based on dignity and respect for all humankind. Our mission is to improve the lives of impoverished and marginalised people living in rural and urban areas, with a special focus on asserting or restoring human dignity to all people.

For the benefit of the Committee, we must explain the expectations of the landless and homeless—as our slogan says, there should be ‘nothing for us without us’. Ordinary South Africans expect that when a public servant turns on the ignition of their fancy car to go to work, when they open the door of that air-conditioned public office to sit on that swivel chair, they must remember who waited in long queues to vote for them to be there. We expect you to remember that before we become doctors, mayors, members of parliament, ministers, police officers, and teachers, we are human beings. So let us all receive and treat each other with dignity and respect. That is where it must begin.

As an organisation, the Abahlali baseMjondolo Movement SA is ready to make positive contributions. One of the root causes of the countrywide protests is that budgets are not properly spent. Monies meant to improve the lives of ordinary voting citizens end up in the wrong pockets. No living and sane individual simply wakes up in the morning and blockades the road with burning objects, risking being teargassed, sjambokked, arrested, shot at with rubber bullets, injured and even facing death, just for the fun of it. Protests happen as a result of the accumulated anger when we are ignored, and issues of corruption are not taken seriously by the authorities—when we are lied to or taken for granted by local leaders. In the local sphere of government, the municipalities, we have a very important citizen in the wards—that citizen is the ward councillor. This figure is the first individual to interact with the communities, and if communities’ expectations are not handled or communicated properly, we see fireworks. Therefore, a lot of focus, monitoring and evaluation must be part of the activities of the ward councillor.

As shack dwellers and citizens, we expect the state and municipal budgets address the following:

1. We say, land first. The budget, as communicated to us, should deal with security of tenure. This could be in the form of certificates or documents to secure people against any possibility of eviction. If this is catered for, people will start investing in the land and looking after their property.
2. Provide serviced sites for those who may be able to build for themselves.
3. Roll out interim services such as electricity, road access, refuse collection, water and sanitation while people wait for decent housing.
4. Budget for disaster management, especially shack fires, floods, etc.
5. Invest in human capacity and public participation—not just tick a box, but engage in genuine dialogue.
 - Abahlali is not consulted because we are not considered people who count in society.
 - The authorities do not respect us.
 - In many instances, it is not just a question of budget constraints, but rather how we are perceived and treated by the authorities.
6. In most cases, we are excluded from Integrated Development Plans (IDPs). And when we are given the opportunity to participate, our voices are ignored. In Siyanda, for instance, they pretended to record what the community had to say, but nothing the community had said was captured and reflected in the IDP. So, what is the point of calling public hearings when the community’s voice is not taken seriously?

- In Thembisa, Vusimuzi Section, the eKurhuleni municipality and Cllr Seloen, who represented Ward 90, destroyed many homes in what he called re-blocking and development.
7. Our municipalities are very good at publishing budgets when it is time to announce them on public forums, but not when they are being discussed. So, often a budget is imposed from the top. They should take the time to announce it to us so that we can actually mobilise to engage and give input.
 8. In eThekweni, the municipality is deliberately excluding Abahlali, in particular, and shack dwellers in general, not only in housing developments, but also as far as other benefits go. For example, the Expanded Public Works Programme (EPWP) was a form of punishment for our activism against corruption, inequality and injustices.

If given the time of day, our movement will be more than ready to explain how we think this should be carried out. As responsible, law-abiding citizens, we want to be included in budget talks to raise the above items in order of priority.

Thank you, Chairperson, for this very rare opportunity. As a movement, we look forward to many meaningful engagements in the future—for the sake of peace, development and prosperity for all deserving and voting citizens in our country, particularly those who live in shacks. Thanks to each and every one of you who took time to listen to us.



Social Justice Coalition: Mr Axolile Notywala, General Secretary

How far does the budget reflect the policy priorities contained in government's Medium-Term Strategic Framework (MTSF) and allocations for the 2018 MTEF?

Outcome 8: Human Settlements Medium-Term Strategic Framework (MTSF) Chapter

The Social Justice Coalition is a social movement that focuses on improving the lives of those who live in informal settlements. In this presentation, we are concerned with how far the budget goes to reflect the policy priorities contained in government's Medium-Term Strategic Framework. We quote from Outcome 8 of the MTSF:

The National Development Plan (NDP) contains a series of interconnected interventions required to address economic solutions, institutional reforms, change to land management systems and infrastructure investment. It is envisaged that by 2030, measurable progress shall be made towards breaking apartheid spatial patterns, developing more coherent and inclusive approach to land and significant progress would be made in addressing the fractured housing market.

A series of steps have been identified to fulfil this intention. This begins with reviewing and evaluating the existing housing subsidy instruments to improve targeting and combining programmes to catalyse spatial, social and economic transformation and integration of settlements. Under the integrated residential subsidy programme, the transfer of all title deeds for all subsidy units over the next five years will be prioritised.

The informal settlement upgrading programme will be scaled up and a more coherent multi-segmented social rental housing programme, which includes backyard rentals, will be put in place. In addition, the affordable market will be tackled in a more determined fashion with a particular emphasis on a constructive engagement with the private sector to improve delivery. For the success of the planned housing and human settlement programme reforms, significant institutional reforms to improve the coordination of housing and human settlement development will be put in place. This includes strengthening major municipalities' capabilities, and in particular metropolitan government, to integrate the housing grants and the human settlement-making grants more robustly, given the accreditation and or assignment of the housing function to them. This will also be supported by an improved interface of the housing and human settlement planning elements with the spatial planning frameworks driven within other parts of government, to guide investment decisions so that they result in more integrated human settlements. In turn, this would result in growth in the value of the property market with a more equitable distribution of its benefits.

Ending Apartheid spatial planning

Security of tenure on land and upgrading informal settlements are a priority, but funding upgrades more so than providing housing. Many municipalities and politicians have ignored the upgrading of informal settlements. At this rate, we won't eradicate informal settlements in the next 30 years. Government should prioritise upgrading informal settlements and this should be reflected in budgets as a priority over the next 20, 30, and 50 years.

Land should be made available for decent human settlements. Government should also stop the sale of land that could be used to settle the poor. Cape Town is a prime example of land sales. Many promises have been made about restoring District Six, but nothing has come of it. Funding for affordable housing should be prioritised, and well-located land must be unlocked and expropriated without compensation. As things stand now, many people have to wake up at four in the morning to get to work on time. Restitution processes should be fast-tracked and adequately budgeted for to fund social well-being and affordable housing.

Participation

This Dialogue does not reflect proper participation. It is necessary to go back into communities to explain the budget at grassroots level. The World Open Budget Survey 2017 was done only at national level and participation was very disappointing. If community participation isn't prioritised in the budgeting process, we will continue to see sensational headlines in the media about budget cuts, like these:

'R10bn budget slash for human settlements department'

'Yes, South Africa spends as much on VIP protection and security as on land reform'

'DA-run metros fail to spend R540m meant to help the poor'

'Tafelberg: R135 million sale to go ahead'

South Africa scored 89 out of 100 for transparency in the 2017 World Open Budget Index, indicating that government provides the public with extensive budget information. However, when it came to public participation, we scored only 24 out of 100, suggesting that the public had few opportunities

to engage in the budget process. We scored 85 out of 100 for budget oversight, showing that the legislature and supreme audit institution in South Africa provides adequate oversight of the budget.

The constitution very clear about participation:

S 152(1)(e) Constitution

- One of the objects of local government is to ‘encourage the involvement of communities and community organisations in the matters of local government.’

S 153(a) Constitution

- Municipality must ‘structure and manage its ... budgeting processes to give priority to the basic needs of the community.’

S 16(1)(a) (iv) Municipal Systems Act

- Municipality must ‘encourage, and create conditions for the local community to participate in the affairs of the municipality, including... in the preparation of its budget.’

Borbett v Nelson Mandela Bay Metropolitan Municipality

‘In the context of local government more is required than public meetings and the publication of information. A local council is required to put in place mechanisms that create conditions for public participation and that build the capacity of communities to participate. It is required to allocate resources to the task and to ensure that the political and other structures established by the legislation are employed to meet the objectives of effective public participation.’

[Full SJC presentation](#)



South African Women in Dialogue (SAWID): Ms Marthe Muller, COO

Budgeting for a women’s agenda in the African Women’s Decade
and

Budgeting to implement Mandela’s elusive RDP of the Soul

1. SA women and the coordination of the civil society pillar of the NDP

SAWID is deeply anchored in its African origins, rooted in ubuntu, and the values of SAWID are closely linked to Mr Mandela’s elusive Reconstruction and Development Plan (RDP) of the Soul. Since 2003, when SAWID was first established, the perspectives and priorities of women have echoed the content of RDP of the Soul. South African women are uniquely placed to help complete the still unfinished tasks described in the Preamble to the Constitution of South Africa, given the emphasis of women on dialogue; personal and societal healing; a psychosocial, family-based poverty eradication model using family development workers and their advocacy towards the use of public participation technology to honour the needs of all South Africans equally.

2. The SDGs, AU 2063, the NDP and the Priorities of South African Women

South African women as champions of Change

In 2011 and 2012, South African women articulated their priorities for the National Development Plan in the SA Women as Champions of Change provincial and national dialogues, co-hosted by SA Women in Dialogue (SAWID) and the International Women's Forum of SA (IWFSA), with the support of the Royal Norwegian Embassy.

The priorities of SA women were defined as:

- A psychosocial, family-based poverty eradication approach, combined with a productive self-reliance and economic empowerment strategy
- Accessible, quality and affordable early childhood education
- A strategy to reduce violence against women and children
- Civil society coordination
- Income generation in all these areas

3. Concerns of SA women in the last three years of the African Women's Decade

- Poverty, inequality, family incapacitation and need for professionalisation and remuneration of the unpaid work of women in sustaining the family and reproducing the human race.
- A focus on the psychosocial health and wellbeing of the family—no social cohesion without family cohesion, no family cohesion because of the legacy of apartheid, lack of fathering, and low incidence of marriage.
- Personal and societal healing—from Apartheid, fatherlessness, sexual violence, poverties of opportunities and income.
- Implementation of an African Women's agenda, starting at grassroots and linking needs of families and communities to available budgets at government, civil society and private sector level
- Coordination of all activities aimed at empowering women and families

4. Why is the world so unsustainable?

Unsustainable political, economic, societal and environmental systems point to imminent civil collapse.

- Oxfam points out a profoundly unsustainable and unequal global macroeconomic framework, where the eight wealthiest individuals now own as much wealth as the 3.5 billion poorest of earth's inhabitants.¹
- Almost 70% of children in South African townships are growing up in homes where fathers are absent.²
- Domestic violence costs the world nine times more, and kills nine times more people than all the current wars in the world.³

¹ Oxfam Briefing Paper. *An Economy For The 1%: How privilege and power in the economy drive extreme inequality and how this can be stopped*. 18 January 2016. Retrieved from www.oxfam.org

² Stats SA. 2011

³ Fearon and Hoeffler. 2014

5. A women's agenda for embedding sustainability at family level

South African women have clearly indicated the following strategies to achieve their goals of intergenerational healing, poverty eradication and productive self-reliance:

- A focus on the family as unit of analysis, and the training and employment of family development workers, while exploring the use of the Poverty Stoplight tool of family self-diagnosis to measure and ensure equal growth from cradle to grave, and to equally coordinate and distribute available resources that serve the restoration of the family.
- Small healing dialogue circles and co-creative design teams at ward level for personal and societal healing, to articulate local priorities, and to ensure inclusive local solution-formation.
- A tool to link local decisions and solutions that emerge from communities to municipal budgeting processes, and outcomes of the Poverty Stoplight tool per geographic area to SALGA Municipal Barometer and Stats SA census data, as well as to available assets, budgets, and resources in civil society, the private sector and all levels of government, to ensure equal growth. This amounts to a geo-mapping of community needs and assets, linked to a geo-mapping of available resources and expertise in the community, civil society, government, donor organisations and the private sector.

5.1 The SAWID Development Caravan model

Phase One: Household development

1. Family profiling and needs analysis
2. Priority Interventions accomplished
Personal identification → family dynamics → food security → priority health interventions
3. Facilitating access and linkages of people to provision of statutory and social resources
Social income → education and skills development → integrated housing → energy → water and sanitation → roads and transport
4. Access to tools and resources for productive self-reliance/income generation
Employment/Income generation

Phase Two: Community development

- Asset and initiative identification across the community
- Public participation and communication
- Linking participating households to community dynamics and forming cooperatives
- Ward development and capacity building

Phase Three: Community socioeconomic development

- Access to micro-credit for productive self-reliance
- Introduction of a community services exchange system
- Dialogue, advocacy, policy reform, and
- Institutional remodelling

5.2 Poverty Stoplight: Tools and best practices

For Poverty Stoplight results with images, see Slide 10 of the [SAWID presentation](#).

6. Tools and best practices



[VocalEyes](#) is 'a platform and stakeholder engagement process designed for modern-day institutional planning and community organising'.

The aim is to help local action groups improve community consultation and engagement of geographic communities and help the NDP vision, aims and objectives. It can help:

- Support ward committees to become more representative of the community
- Provide genuine evidence of needs and/or assets to be built upon
- Facilitate the development of projects in line with community demand
- Create better connected, more vibrant, resilient communities
- Leave a legacy whereby groups may continue to turn good ideas into action.

It can help establish a mechanism for community engagement in all areas, allowing ideas to come from residents in an ongoing conversation. Ideas, comments and actions can thus be logged in a more open and transparent process.

7. Budgeting for the implementation of Mandela's elusive 'RDP of the Soul'

The six basic principles of the RDP were identified as an 'integrated and sustainable programme; a people-driven process; peace and security for all; nation-building; linking reconstruction and development; and the democratisation of South Africa.'

The collective wisdom of South Africa's people, as summarised in the Preamble to the Constitution of South Africa, clearly indicated the content of Mandela's suggested RDP of the Soul, a programme aimed at:

- healing divisions
- creating social justice based on democratic values and fundamental human rights
- aligning governance structures to the will of the people
- improving the quality of life of all citizens, and
- freeing the potential of each person

Women can contribute to helping move South Africa from a legacy of Apartheid to a future of ubuntu through participative budgeting, addressing all seven spheres of human development and in all seven cradle-to-grave ages—physically, mentally, emotionally, intellectually, socially, culturally, and spiritually.

[Full SAWID presentation](#)



Business Unity South Africa (BUSA): Mr Mandla Mbusi

BUSA is a confederation of business organisations, including chambers of commerce and industry, professional associations, corporate associations and unisectoral organisations. It represents South African business on macro-economic and high-level issues that affect it at national and international levels. BUSA's function is to ensure that business plays a constructive role in the country's economic growth, development and transformation and to create an environment in which businesses of all sizes and in all sectors can thrive, expand and be competitive.

As the principal representative of business in South Africa, BUSA represents the views of its members in a number of national structures and bodies, both statutory and non-statutory. BUSA also represents business interests in the National Economic Development and Labour Council (NEDLAC).

BUSA welcomes Treasury's achievement in the Budget of maintaining real (additional to inflation) average growth of 1.8% in non-interest spending over the next three years, with post-school education and training, health, social development and community and economic development the fastest-growing categories of spending. This growth in expenditure has been received favourably as it serves as a catalyst for building the foundation for sustainable, inclusive economic growth.

Given the still significant risks embedded in South Africa's public finances, BUSA is broadly supportive of the tax proposals outlined in the 2018 Budget. BUSA is on record in submissions made to the 2017 Budget that future tax increases over the medium term would need to maintain an optimal balance between direct taxes such as Corporate Income Tax (CIT) and Personal Income Tax (PIT), and indirect taxes such as Value Added Tax (VAT). With evidence emerging that direct taxation levels were beginning to become self-defeating through the negative effects on economic growth and compliance levels, it was clear that any further CIT and PIT tax hikes would have been counter-productive. Tax increases need to maintain an efficient, diversified and sustainable tax system that should be aligned with government's economic growth objectives and job creation, in line with the NDP. In view of this, BUSA is broadly supportive of the taxes identified for increase in the Budget, including the increase in VAT by 1% to 15%.

[Full BUSA presentation](#)



National Youth Development Agency (NYDA): Mr Waseem Carrim

The NYDA was established by the NYDA Act of 2008 and is the only unitary structure for youth development in South Africa. Its mandate is considered to be fairly wide in nature and it is required

to respond to the myriad of challenges faced by young South Africans. It is funded annually by an allocation from the National Treasury through a transfer by its parent department, the Department of Planning, Monitoring and Evaluation, which is supported by donor funding raised by the NYDA.

NYDA has achieved three consecutive clean audits from the Auditor General, and has consistently achieved high performance levels against its key performance indicators. It is committed to spending its money in a fiscally responsible manner.

South Africa's population is a youthful one. More than 40% of the population is under the age of 35. This means the country can potentially take ownership of this demographic dividend to boost its economy.

Government invests in young people mainly through the budget for education, which has enjoyed an increased allocation for higher education. While NYDA welcomes this investment, it believes that more is required to support other elements of youth development. The DPME budget mandate paper elevated youth development to priority number two in 2017. However, no additional funding has been proposed for youth development.

Youth development statistics

- About 70% of South Africa's 20 million young people are more likely to be victims and perpetrators of assault, robbery and property theft than adults (35+ years old).
- The unemployment rate for young people stands at 60.2%
- Youth-headed households stand at 26.1%
- The percentage of young people without matric is 59.4%

NYDA strategy and recommendations

The NYDA strategy is to focus on mainstreaming young people through lobbying and advocacy.

The NDP refers to the development of small, micro, and medium enterprises as the way to create 90% of jobs in the economy. Through its innovative grant funding programme, NYDA has provided a model that has funded more than 2 500 youth start-ups and survivalist businesses over the past three financial years, thus creating more than 10 000 jobs. It remains the only institution from which young people can obtain funding for entrepreneurship, and it can fund businesses up to R200 000. Currently, NYDA invests R42 million in grant funding and R73 million in the Economic Development Plan.

Commercial banks are unlikely to finance start-ups, so we recommend that government establishes a youth fund of R500 million, through NYDA, to respond to youth entrepreneurship. We possess the skills and infrastructure to roll out a programme of this scale and magnitude to benefit young people. This will address the narrative around fulfilling the goals of the NDP and driving job creation on a large scale.

In respect of jobs, various initiatives are funded over and above NYDA. Harambee, the youth employment accelerator receives funding through the jobs fund and the Youth Employment Service was launched recently, with the aim of placing one million young people in jobs lasting 12 months and longer. NYDA welcomes these initiatives, since they all contribute to the development of young people.

Not only are many young people unemployed, they are unemployable. So, a need exists for skills development focused on young people, with a view to creating a skills revolution in the country. This will guide young people into the skills needed for the economy and for the fourth industrial revolution. Currently, most of the skills development funding is channelled through the Technical Vocational Education and Training (TVET) colleges and Sector Education Training Authorities. Our view is that a skills development fund of R500 million could be set up as a public-private partnership to garner the skills needed by young people to allow them to be employable and become meaningful contributors to the economy.

In addition to the above, we are of the view that steps need to be taken in respect of social cohesion, patriotism and nation building, especially among young people. These elements should not be lost in the conversation of economic growth. Skills development training could be enhanced through national youth service, with young people volunteering their skills in communities, public service and civil society. This will build a culture of leadership and a cohort of future generations of young leaders.

Budget allocations should be linked to performance and financial prudence to enhance government's role in spending allocations properly.

NYDA can submit detailed business cases to support our recommendations.



Subject matter experts

The stakeholder presentation segment was followed by subject matter input, with specialists giving an overview of and reflecting on submissions.

Studies in Poverty and Inequality Institute (SPII): Ms I Frye

The SPII is an independent non-profit research think tank that focuses on generating new knowledge, information and analysis in the field of poverty and inequality studies. The aim is to contribute to the reduction of poverty and inequality by working towards realising the human rights enshrined in the Constitution. We carry out baseline studies so that the socioeconomic rights (SERs) of South Africans may be progressively realised. This includes policy studies, budget analysis, as well as constructing and populating indicators that track progress in terms of access, adequacy and quality, producing annual updates. In partnership with other human rights and civil society groups, we are also working towards producing a Decent Standard of Living Index.

Standing Committee objectives

The role of the Committee is to represent the interests of the people in the budget process, to make recommendations on appropriations, and to ensure public participation in the budget process. Its functions include:

- Interrogating the budget and appropriation
- Managing stakeholder and collaboration participation
- Ensuring public involvement in the process
- Making recommendations

- Monitoring implementation

Committee outputs are geared towards these outcomes:

- Building a culture of accountability and responsiveness
- Ensuring the efficacy of the money bills amendment procedure
- Ensuring the will of the people is exercised in the budget process

Objectives and desired outcome of public dialogues

The **prime objective** of public dialogues is to provide a regular platform for discussion, and sharing views and perspectives among elected representatives, government, civil society, professionals, experts, sector specialists, private sector stakeholders, and citizens.

The **desired outcome** of the collective outputs of the dialogues is a national budget that promotes effectiveness, efficiency and economy in budget allocation and implementation.

Public participation⁴

Public participation is the process whereby Parliament and provincial legislatures consult with the people and interested or affected individuals, organisations and government entities before making a decision. It is a two-way communication and collaborative problem-solving mechanism with the goal of achieving representative and more acceptable decisions. Focus should be directed towards those who are confronted with poverty and lack of access to resources, including children, women, people with disabilities and the youth. Public participation is a fundamental dimension of democracy and an important factor in strengthening and maturing democracies.

Appropriation

*'Appropriation relates to the right of Parliament to decide on spending. Therefore, the Appropriation Bill deals with spending money that will be appropriated by Parliament.'*⁵

The difference between appropriations and the finance committees is that the Appropriations Committee considers matters relating to expenditure, and the Finance Committee considers matters relating to macroeconomic, fiscal and revenues policies.⁶

Appropriation Bill: Powers and flow

1. In terms of Section 7(1), the Minister of Finance must table the Appropriation Bill in the National Assembly (NA) at the same time as the annual national budget.
2. The Finance Committee must then make recommendations to the National Assembly (NA) to adopt the financial framework and revenue proposals.

⁴ 2013 Public Participation Framework for the South African Legislative Sector by the Legislative Sector Support Project Team

⁵ Mr Devan Naidoo, C-Director for National Treasury Training Workshop for Portfolio Committee on Science and Technology, 01/03/2011. www.pmg.org.za

⁶ Money Bills Amendment Procedure and Related Matters Act

3. The NA has to adopt the Division of Revenue Act (DoRA), which allows for allocations between various spheres of government.
4. The Appropriation Bill is then introduced to the appropriations committees, which may not consider amendments to the Bill **before** the NA passes DoRA.
5. Section 10 states that any amendment to the Appropriation Bill must be consistent with the Fiscal Framework and DoRA.

Executive budget process

During June and July, National Treasury (NT) invites departments to submit budget proposals for the Medium-Term Expenditure Framework (MTEF), which represents the period for the following three years.

- Departments are then invited to present their proposals to the Medium-Term Expenditure Committee (MTEC), consisting of representatives from the Presidency, Departments of Cooperative Governance and Traditional Affairs (COGTA), Public Service and Administration, and National Treasury.
- MTEC makes recommendations to the Ministers' Committee on the Budget (MINCOMBUD), which evaluates the recommendations of the MTEC.
- MINCOMBUD submits recommendations to Cabinet for approval.
- In November, allocation letters are issued to the various departments.
- Allocation letters then set out the numbers and purpose of the total budget, and the baseline numbers of the preceding year.
- The allocation letters help departments with planning their estimates of national expenditure (ENE).
- Between December and February, departments draft and finalise their chapters.

It is questionable whether the current configuration allows sufficient time to really interrogate allocations, also allowing enough time for public consultation and participation. In terms of committees' powers to amend allocations, it is necessary to establish what tools they need to mediate both changes requested by other committees and those in response to public participation. Furthermore, the role of think tanks should be interrogated and utilised to advance the work of the appropriations committees—for example, by their using data on poverty and inequality in South Africa.

Poverty and inequality in South Africa

Sections 9, 10 and 11 of the Constitution guarantee the rights to full and equal enjoyment of all rights and freedoms, the right to inherent dignity, and the right to life, respectively. The gendered nature of inequality compounds the reality that the poorest and most vulnerable people in South Africa are rurally based black African women. Programmes that benefit these people most are the key to a responsive, constitutional decision-making process by the committees.

2030 NDP targets

For specific statistics and data on poverty and inequality, see Slides 15 to 22 of the [SPII presentation](#).

- The target to reduce people that live below the lower-bound poverty line from 39% in 2009 to zero in 2030 saw a decrease by 2011, but then the graph changed direction and increased to 40% of the population in 2015.⁷
- The target to reduce income inequality from 0,7 in 2010 to 0,6 by 2030 had reduced to 0,8 by 2015.
- The target to increase the share of income going to the bottom 40% of income earners from 6% in 2010 to 10% in 2030 had increased to 8,3% in 2015.
- The target to reduce people living in hunger (below the food poverty line) from 21,4% in 2011 to 0% in 2030 saw the number of people living in hunger **increasing** from 21,4% in 2011 to 25,2% in 2015.

Social grants

Section 27 gives all South Africans the right to social security (income protection) and social assistance by way of grants. The number of grant recipients in February 2018 was 17 million, a decline of 62,272 since November 2017. No social grants are available for working-age people between the ages of 18 and 35.

For specific grant figures and amounts (as from 1 April 2018), see Slide 24 of the SPII presentation.

For the unemployment rate and number of unemployed people between 2003 to 2016, see Slide 25 of the SPII presentation.

[Full SPII presentation](#)



University of Pretoria | Economic Research Southern Africa (ERSA): Prof N Viegi

When talking about the long-term economic growth process, we need to remind ourselves that the objective is a real growth rate of five to seven percent. That means we want the South African economy to double in size. We have identified our objective as one of revolutionary change, and we cannot achieve this by simply tweaking the margins of structures. The objective is one of big transformation—this amid profound global uncertainty, with advanced economies as well as emerging markets and developing economies experiencing financial market turbulence, policy uncertainties, trade disruptions, and geopolitical tensions. This is evident in trade wars being waged among the USA, Europe and China.

Locally, the economy has stagnated since 1994. View graphs reflecting the natural nominal and real interest rates, the output gap, and the medium-run inflation target between 1994 and 2016 on Slide 4 of [this presentation](#).⁸

South Africa is in a negative feedback loop of long-standing macro stagnation, feeding into short-term macro volatility, the shortsighted allocation of resources, and poor socioeconomic transformation, at the end of the process resulting in what can only be termed a classic emergency budget for 2018. This emergency budget sees a major spending adjustment with a reduction of R85

⁷ Most recent figures

⁸ <https://docs.parliament.gov.za/share/s/Y-rRzVg1Rd-5RvxmMBRjZw>

billion over the medium run and R57 billion for fee-free higher education, an increase in taxes—a VAT increase (R23 billion) and other taxes (R13 billion). It also focuses on getting state-owned enterprises (SOEs) under control. This is a necessary passage, since growth and transformation cannot be built on debt and uncertainty.

In times of economic uncertainty, it is important to act conservatively and be prudent, to build up insurance against unknowns, and thus build resilience.

Fiscal prudence

What does a prudent fiscal policy require? Ex ante fiscal surpluses (surpluses based on forecasts rather than actual results) should be proportional to the levels of uncertainty. This means that a planned reduction of debt is a necessary precondition to achieve long-run fiscal sustainability that covers the possibility of negative external shocks. It is important to adhere to the fiscal rule of considering permanent income only for spending decisions

To achieve fiscal credibility, fiscal policy should be treated as an institutional process. While the South African budgetary process is highly transparent (scoring first place for transparency in the World Open Budget Index Survey 2017), it remains to be seen whether it has enough safeguards to protect fiscal sustainability against the short-term demands of increased budget allocation. Long-term planning should be balanced against a short-term policy response.

Policies for growth should have:

- A bias for openness, which allows for more opportunities of innovation and growth, in other words, managed change.
- A bias for change, by favouring new entrants against established sources of income—in other words, the incumbent cannot be the driving force of future economic growth.
- All policies should have a future-generation bias by favouring the interests of the young. This means moving resources from subsidising present consumption and rent extraction to an accumulation of skills, technological upgrading and future consumption.

Citizen participation in the medium-term budget allocation process could induce change—potentially even revolutionary change. The notion has always been that control should come from the top, but this has resulted in corruption and a lack of accountability. However, if the population had a stake in the functioning of budget structures, change may follow. Wider social needs must be addressed before considering the possibility of free higher education, and for free higher education to succeed, efficiencies at school level need to be improved.

Taking a prudent approach, South Africa's negative feedback loop can be transformed into one that is positive, with long-term dynamic **growth** feeding into short-term **macro stability, future-facing allocation of resources** and, ultimately, **socio-economic transformation**.

[Full presentation](#)



Parliamentary Budget Office

The National Development Plan (NDP) is the overarching vision for the country, and the 2014—2019 Medium-Term Strategic Framework (MTSF) is the first five-year implementation plan of the NDP. The MTSF details plans to achieve the 14 outcomes of the NDP. Central to the NDP is the goal to achieve a decent standard of living for all South Africans through the elimination of poverty and the reduction of inequality. This can be achieved only if all facets of human life are safeguarded through the provision of housing; water, electricity and sanitation; quality healthcare; adequate nutrition; safety and security; employment; quality education and skills development; safe and reliable public transport; a clean environment; recreation and leisure; and social protection. See Slide 5 of [the presentation](#)⁹ for a detailed map of the 14 outcomes of the NDP.

Government operates within a fiscal framework that constrains its expenditure, within which constraints it allocates budget across multiple priorities. It has a responsibility to ensure the effective implementation of the budget and plans.

The aim of this Dialogue is to arrive at an understanding of the use and allocation of resources, possible causes of poor performance, obstacles to solutions, and how the allocation of government's limited resources can best serve the people of South Africa.

To implement the NDP successfully, we need:

- To build on the broad support and trust in the NDP
- Focused leadership
- Institutional reform
- Mobilisation of resources

A further prerequisite would be the willingness to make trade-offs and prioritise—this, in turn, would require:

- Identification of critical first steps to unlock implementation
- A 2014—2019 Medium-Term Strategic Framework (MTSF) as the first five-year building block of the NDP
- Improvement of the implementation of existing policies
- The 2019—2024 and 2024—2029 planning cycles to build on previous cycles and be informed by performance review
- Effective integration into other government plans.

Budget process

The budget process consists of five phases.

1. Planning

National and provincial departments consider their medium-term strategic objectives and spending priorities in line with the NDP, then obtain a mandate paper from the Department of Planning, Monitoring and Evaluation.

⁹ <https://docs.parliament.gov.za/share/s/oFKaSoiUTMaHtqrYGvnxA>

2. Formulation

National Treasury issues guidelines to departments or agencies, highlighting priorities. Departments and agencies then submit their draft budgets, followed by a negotiation process and final decisions by the executive.

3. Legislation

The budget is tabled and considered by the parliamentary committees, and Parliament accepts, amends or rejects it.

4. Implementation

Once departments begin to spend their budgets, National Treasury and other oversight bodies monitor their performance, making mid-year adjustments and issuing a medium-term budget policy statement (MTBPS).

5. Audit

Parliament considers the budget review and recommendations reports, as does the Auditor General, along with other financial statements and performance records. Thereafter, Parliament revises and publishes audit reports.

Budget 2018: Priorities

- Job creation and small business development
- Youth development
- Infrastructure expansion and maintenance
- Land reform, smallholder farmer and agriculture development
- Comprehensive social security, education and skills
- Integrated plan to fight crime
- Advancing the national interest in SADC, the African continent, BRICS and Indian Ocean Rim Association

For a summary of consolidated budget allocations, see Slide 9 of [this presentation](#).¹⁰

Legislative process

The public participation process starts off with fiscal framework and revenue proposal hearings held by the finance committees of the National Assembly (NA) and National Council of Provinces (NCOP). This is followed by hearings held by the NA Appropriations Committee on the Division of Revenue Bill and the Appropriation Bill. The NA Finance Committee conducts hearings on the Revenue Bill, while the Appropriation Committee holds further hearings on other money bills.

For a map of the policy and budget implementation process, see Slide 11 of the presentation.

Oversight of the process is the responsibility of various parliamentary committees, Treasury, the Department of Planning, Monitoring and Evaluation and, ultimately, the public. The Auditor General examines the financial management and performance of each entity by scrutinising their respective annual reports, and findings of the audit body are submitted to the legislature, which is responsible for holding the executive accountable for its budget execution practices. The auditing process

¹⁰ <https://docs.parliament.gov.za/share/s/oFKaSoiUTMaHtqrYGNvnxA>

enables the legislature to determine whether government has followed due process and whether public resources are used effectively.

In conclusion, the NDP provides the strategic direction for planning and directing funds, while the budget process allows for planning, participation, negotiation, monitoring, evaluation and review. Structures are in place for implementing policy, plans and budgets, as well as to oversee the budget process.

[Full PBO presentation](#)



Dialogue among stakeholders and Standing Committee members

From the floor

1. It is not easy for us, the general public at grassroots, to understand the Budget. We suggest that national and provincial government makes it possible for local government to focus more on what it is mandated to do. They're the ones communicating with the public on a more regular basis. That is where all our troubles begin.
2. A lot has been said about poverty and unemployment, but nobody seems to concentrate on their causes. Poverty and privilege are two sides of the same coin. The poor make the rich rich. Under the Usury Act, banks used to be regulated. Now, regular banks behave like loan sharks, with interest rates up to 60%. The middle classes are slipping into poverty, with people not being able to keep up with their mortgage payments. Banks think nothing of auctioning off properties for a fraction of their worth. This cannot be allowed. Unemployment is everywhere. In the past, we had lots of artisans, shoemakers, and tailors. Now we have malls. Artisans cannot compete with malls. Small businesses provide most of the employment, yet multinational corporates close down small enterprises, resulting in poverty. Some entrepreneurs start out and employ people, but as soon as success comes, workers are replaced by machines. GDP growth can't resolve unemployment.
3. There are three elephants in the room:
 - a. The NDP is treated as a holy cow, yet some economic chapters in the NDP run counter to government policy.
 - b. Government's economic policy is incoherent. What the MTSF says on fiscal policy contradicts fiscal policy.
 - c. Treasury acts as a gatekeeper, thus undermining policy. This needs to be challenged.

Food poverty as a measure on its own is useless—no family can live on food alone. This measure is useful only to the upper income line. New figures show that around 10 million people are unemployed. We need to use more meaningful terms and suggestions to confront the problem of unemployment.

4. All the presentations have been informative and we are grateful for the engagement with Parliament. The budget process should be more public. As citizens of SA, we are concerned that the country is in a mess beyond repair. People are angry, pained, hurt, and they are

destroying infrastructure that is meant to help them. They are killing one another—not because they want to become murderers, but rather out of pain. Society should be allowed to be a 100% partner in taking the country forward. We are seen as uneducated people who can't help build the country.

5. When looking at public participation, especially at grassroots level, there is an unwillingness to engage. Officials think the public doesn't want to know about the budget, and all they want is houses. Systems should be in place for the budget process to be accessible to all, and everyone should engage in budget issues. We want to know how free higher education will impact on housing delivery, for example. What was shifted to allocate money to the HE budget? This must be communicated to the public.
6. As far as land invasion goes, you have three types of people—those who take part in the invasions, those who watch from the side lines, and those who don't know it is going on. Cheap housing is possible, as we can see from examples in Hout Bay and Newlands Forest. Some of these options can be assembled in two days at a cost of R50 000. They are fireproof, waterproof, and environmentally friendly, in that they are made from recycled material. Where is the appetite and political will for this?
7. We want to launch a campaign to provide free sanitary ware to schoolgirls, but whenever we approach government, we are told it has no budget for this. This is no excuse, especially when so much state funding goes unaccounted for with state capture and resources going missing. Then, when we ask for a small thing to improve girls' lives, we are turned away. When we complain about policies that truly affect people, like housing, we are told funds have gone missing and there is none available.
8. The tax base should be expanded. Out of 50 million people, 45 million are tax payers. We advocate strongly for wealth tax in SA. Citizens that own more than one property should be taxed accordingly, and for a third property even more.
9. We expected more information on how to engage this Committee specifically. Are the opportunities to influence the current budget not more or less over by now? And what should we do about the 2019 budget?

From the panel

Ms Frye

What is clear from this discussion is that it is necessary to get information to the people—what the budget is, how the processes work, which spheres of government are responsible for what. Information should be broken down into an easy way to understand who is responsible for what and why. Cooperative governance between provincial and local governments, with national oversight, would be beneficial.

Taxation in SA does not have a redistributive element as does [progressive tax](https://en.wikipedia.org/wiki/Progressive_tax)¹¹ (where the tax rate progresses from low to high). The rate for taxes such as wealth tax and inheritance tax is a lot lower

¹¹ https://en.wikipedia.org/wiki/Progressive_tax

than income tax. However, as far as inheritance tax goes, the rate does increase for estates in excess of R30 million. An interesting indicator that civil society may want to explore is increasing the upper level of capital gains tax. It is a complex matter, but it can be broken down so that people who want to will be able to engage. And people should be consulted about how they believe discussions can take place going forward.

PBO

Measures should be put in place to take people's opinions into account. There is no excuse for these issues not to be discussed at grassroots level. Parliamentary processes are sophisticated, but participation is important. We also need to look at resource allocation in economic policy. A mismatch exists between reality and what people need.

Prof Viegli

There is the issue of measurement and establishing the dimensions of needs and resource allocation. We have spent a lot on higher education, but we see no results. Much value can be had by doing detailed measuring. And in policy, there are no second chances. It is one thing to promise free higher education, but if we can't even get textbooks distributed, what is the point? The tax discussion should be open and the tax base built upon. Other important matters up for discussion are land tenure and reform.

Mr Burger

Thirty to 40 million people live in poverty and we have to acknowledge that poverty and unemployment have the added dimension of women's issues, so a fairly large situation is looming. At first observation, all we see are the ears of the hippo, the large body still hidden under the water. This is especially true when the discussion concerns environmental issues. These are all important issues requiring greater public involvement and a much greater effort from everyone.

On the matter of wasteful expenditure, better accountability is essential, so that the little we do have can go further. The budget processes as they are set up currently are very bureaucratic and technical, and should be simplified.

Public participation is not as straightforward as getting an Uber—when a public representative invites people to participate, the logistics are complicated. So, we have to find ways to open up opportunities to bring the discussions on these many topics to the people.

Spaces between people, society and government that should be working for everyone seem to be quite uncomfortable, as if we all hold one another at arm's length, instead of getting the public involved. If Parliament is to truly represent the people of SA, it would need to create a different process and content going forward. It should be working towards a real people's budget.

Ms Phosa

Parliament's core business is that of law making, public participation and oversight. Through the procedures illustrated, it adopted this year's budget and brought it to this Dialogue, which is an attempt to establish how the Committee can accommodate the public perspective. You have the

opportunity to talk to us here, and one of our roles is to recommend to Parliament how it can improve some of the budget allocations. This Dialogue is a think tank to help the Committee come up with solutions that can later become resolutions in Parliament, so it is never too late to engage with us. Even at this late stage, even without knowing the budget processes, people can educate us about what to prioritise and reprioritise. We still have a chance to make recommendations to the House.

This is a government of the people by the people, so civil society has the constitutional duty of oversight. We all have a role to play in pushing this nation to new heights. This Dialogue is meeting a target in terms of public participation. It has helped us look at matters from different angles against a broader perspective to help us deal with the budget in a more holistic way.

Concluding remarks

The budget is a highly contested area, and it is important to have political influence to shape policy. Departments have to compete fiercely to have resources allocated to them. People have to familiarise themselves not only with current political ideology, but also what is important to officials, NGOs, and other stakeholders.

That said, the budget has been an area of significant reform over the last 10 years, evolving through various systematic processes that have improved transparency. However, one can't expect the budget to fix problems. As responsible citizens, people have to find out how to consult with civil society and also establish whether engagements are truly representative. Participation costs money, but the NEDLAC Act provides for systematic processes to engage with civil society. While it is difficult to talk about budgets because of their complexity, collaborative problem solving is essential and a balance should be found in negotiating our way around obstacles. It is important that we as a country put forward priorities.

The PBO has been trying to build a framework for a consultation process for a number of years—this year it has a mandate paper that allows for the process to run from June, finishing in April next year, in time for the 2020 budget. The intentions are good and the PBO hopes to work out details around complexities and for that it needs resources. That said, one must be careful when adding new processes when good ones already exist.

At local level, ward councillors are responsible for oversight, while committees hold the executive to account. If they want to get information on something, or resources allocated in a certain way, the public should engage with their ward councillor, whose job it is to push it through from there. This is the way the system is designed. Communities need to be made aware of who their councillors, provincial representatives and MPs are. Civil society cannot go into chambers to vote, but these representatives can. However, we should bear in mind that while it is one thing to present, it is quite another to formulate a submission.

Civil society needs to familiarise itself with how to present submissions. National Treasury puts out budget guidelines to departments by June or July, so that is the best time to start putting forward submissions. Many committees exist within the budget system—for example health, education, transport—and civil society could be represented on those committees.

The public does not have enough oversight of local budgets and nobody really knows how money is allocated and spent, nor who makes the decisions about where money should be spent. A participatory process took place in a community in 2014, with 40 people attending. The next year, 600 attended, and the following 4 000. However, despite people's participation, they were ignored.

Public discussions can be held in the various finance committees if the appetite for this exists. Ultimately, the budget is a national issue. Typically, the PBO does a preliminary budget—it looks at the previous year's budget, then makes comments for the new budget. It is at this level that CSOs need to give input on revenue and expenditure, and consider allocations. This should happen at all three levels of government. Every year, the budget has to be further extended—government is expected to do more and more, yet has to cut spending. Civil society could point out the bigger picture that shapes our fiscal policy framework, for example the global economic and political climate.

The country is dealing with disaster management instead of pursuing the Sustainability Development Goals. In the past, poverty has not been dealt with as a crisis needing immediate action. We need an absolute sense of urgency to release money for people who are starving. We are aware that it is difficult to implement policies in such a bureaucratic environment, but where funds end up is not always known to people on the ground.

Ten years ago, we didn't know what government budgets contained. Since then, we have seen a vast improvement in public knowledge about government and the budget. The concept of an emergency budget is interesting, and lot remains to be done to avert disaster. There are no guarantees that free higher education will yield a positive return on investment. There is no question that the role of civil society in these processes is critical.

The budget **has** to be formulated and fiscal decisions made every year. In this ongoing process, trade-offs are immense. Decisions taken by Cabinet are not always right, and individuals may not support every decision. They may question whether it was right to make an R85 billion cut in one area to reroute the money to another, often in areas where there are inefficiencies in delivery. Or money might be going down a hole because it is not being spent in a given department. All sorts of issues motivate decisions, and trade-offs and technical decisions can be very difficult.

Public servants are paid well and salaries make up 50% of expenditure. It is difficult to fathom how civil servants can justify demanding a salary increase of seven percent with the poverty and unemployment rates being what they are in SA. With inflation at four or five percent, a seven percent increase is not justifiable. Civil servants are among the lucky people who have jobs.

Suggestions

1. Thirty million South Africans live in poverty, with the family representing the smallest unit in society. If we were to divide the 30 million into family units of four and allocate one social worker each to 50 families, the issue of poverty becomes easier to manage. Chile managed to reduce their poverty rate from 45% in 1990 to about 15% 21 years later.
2. Maybe it is time to do things completely differently, perhaps by measuring human wellbeing instead of how money is spent.

3. Broad-based commitment from all actors is needed to be more involved. We should explore ways in which to get involved in local, provincial and national governance issues and reconsider how to participate in the various processes.
4. In terms of today's Dialogue, we need assurance that there will be a response from the Committee as to the way forward. They need to formulate suggestions about the various processes and how to broaden these.
5. Great inequality exists within participation processes. This is an issue to be looked into—for example how much funding is allocated for Constantia and making sure Khayelitsha receives its rightful share.
6. Civil society needs to play a bigger role either within committees or even local treasuries.
7. It is not always clear when and where the public can participate. It may be an idea to appoint a participant expert who can educate as many as possible communities on opportunities for participation.
8. We are currently in the fourth industrial revolution. Brand SA and its communications department should utilise the many free opportunities to address the masses. The possibilities are endless and opportunities greater than ever before. Do not underestimate the masses and undermine constituents by thinking a simple message will not make a difference. With today's digital tools and many online platforms, including social media communication campaigns do not have to cost a lot of money.

Standing Committee

We would like to assure everyone attending today that we take our jobs seriously. As MPs we have the responsibility to oversee government activities and to involve the committees. We're not doing you a favour by being here today—we are supposed to be here for you. If you fill in the forms handed out earlier, and pass them on to others, you're helping us do our work. You should feel free to write to us or phone us. You must do everything in your power to connect with this Committee when needed. We are public representatives and today's Dialogue was an exercise in reaching out.

One of our key responsibilities is to reach 20% public participation. As a committee, we are grappling with how to expand participatory activities, of which public hearings are one avenue. It is our view that this first Dialogue is a way to expand participation going forward. This fifth parliament seeks to influence future parliaments to make them more efficient. Some of us will not sit in the next parliament, but we hope future staff will benefit from current efforts, and the Programme Director will be able to take this effort forward. Today's initiative will not be lost going into the next parliament—your voices will be heard in the budget process, this year and in subsequent years.

While city populations are growing very fast and a strong focus must be placed on allocating resources in cities, some very important and essential demands emerge from poor rural communities, and the allocation of resources must be carefully balanced. We can't sacrifice one in favour of the other.

Today's presentations are absolutely important and valuable to this Committee. You've made us wiser and we hope that through this kind of engagement we will better represent communities in

the future. Thank you to the presenters, the panel, and everyone present. Let the next Dialogue be bigger and more representative to urge Parliament to take serious cognisance of the public's input.

This Dialogue agrees to a commitment to contact participants to set up a consultative process going forward, including a timeline, and come forward with more information about the next budget cycle and on technical issues.