

Finance Cluster Media Briefing:

Remarks by the Chairperson of the Standing Committee on Public Accounts, Mr Songezo Zibi

**Find the audio of Mr Zibi's remarks [here](#).*

22 May 2025

The heated debate and litigation around VAT have had positive and negative effects. Positive because for the first time since the dawn of democracy, MPs and members of the public engaged with the budget. No one sleep-walked through the process as we have seen before, where only analysts and journalists took a keen interest.

The second positive is that taxpayers finally said, "We have no more money. Make do with what we already give you." This is a very good thing because people can now appreciate that the government, which means taxpayers, does not have limitless resources. Money does not fall from trees, so you cannot commit to doing everything, pay for everything and not have problems thereafter.

However, there have also been negative effects. One of those is the fact that VAT overshadowed everything else. Budgets are about expenditure priorities. Since February, very few people have spoken about any of the urgent spending priorities we need to speak about at budget time:

- South Africans spend too much of their hard-earned, modest income on transport instead of cheap, safe government trains.
- Roads and bridges are falling apart, affecting critical services and the economy.
- Unemployed doctors and hospitals without essential equipment cause people to wait for weeks instead of being treated immediately.
- Municipalities that are financially unviable and facing collapse with catastrophic consequences for ordinary people.

The point here is that budgets are meant to solve problems. The debate around budgets is supposed to be about the order of those priorities, and whether these allocations are sufficient or to be spent efficiently. We never got a chance to have that discussion. I hope there will be an opportunity to do so now.

But South Africa has a problem – and that is the composition of expenditure.

- Over R820bn in salaries
- Over R440bn in social grants
- Over R424bn in debt service costs at R1.2bn per day.

That makes up about 90% of the revenue we collect, 90%. Then we must pay for goods and services, and we never have enough for these. Schools without modern science and computer equipment, clinics with insufficient medication, needles and anaesthetics and so on. And when we do pay for these goods and services, we pay too much because they are poorly conceived, poorly planned, poorly managed and often riddled with corruption – at all levels of government.

Yesterday, the minister, in his speech, mentioned both the composition of expenditure and expenditure reviews. He and I discussed both extensively in our consultations. The composition of expenditure is a much bigger discussion about government policy and what we choose to prioritise.

Is our government still structured in direct relation to its strategic objectives? Do we have the right number of civil servants doing the kind of work needed, or are we trying to fit a square into a circle because, in 1998, we thought the government should look the way it does now? No, I am not suggesting that we retrench people. I am asking for instance, whether we do not spend hundreds of millions on consultants because the people we have in place aren't fit for purpose. Then we end up paying millions of rand for work that officials should be able to do? How should we deliver the social wage? Do we want to give people R370 to last them 48 hours, or do we want to use the R35bn for carefully planned and executed initiatives to grow the economy and create jobs that pay a living wage? These are policy questions that cannot be answered in a speech by the finance minister alone.

I also want to spend a bit of time on expenditure reviews in general, another issue the minister and I have discussed substantively in recent months. As much as he said there is a commitment from the president and cabinet to drive efficiencies in government, this is also Parliament's job.

The government overpays for goods and services, but I want to give you an insight into a specific area of over-expenditure on an industrial scale - the mismanagement of projects and the massive corruption therein. We need to set benchmarks where the government does not spend more than 110% of project spend, and staff are incentivised for projects completed on time and within budget.

We need to explore centralising project management capacity and project controls. Consulting engineers are a massive weakness, failing to ensure that the work is of the right quality and payments are only made when the work is done. When those payments are made, they are in line with what we should be paying.

Fighting corruption is a priority, the minister reaffirmed yesterday, and he will be back with us in June to begin this critical conversation.