

Treasury to set up Nkandla team

National Treasury is to set up a team as part of efforts to execute the Constitutional Court judgment stating that it should determine a percentage of the costs that President Jacob Zuma should pay for the Nkandla security upgrades.



President Jacob Zuma at the 2016 State of the Nation Address. Photo: GOS

Addressing media at the release of the South African Revenue Service (SARS) preliminary outcomes of revenue collection for the 2015/16 fiscal year on Friday, Finance Minister Pravin Gordhan said Treasury has noted the judgment.

The judgment, announced on Thursday, 31 March 2016, by Chief Justice Mogoeng Mogoeng, orders National Treasury to determine a reasonable percentage of the costs of those measures, which ought to be paid personally by the President on his homestead.

According to the judgment, National Treasury must report back to the court on the outcome of its determination within 60 days of the judgment.

“We are currently studying the judgment to determine what process we will need to put in place in order to implement the court order. National Treasury will constitute a team with necessary technical experts, including quantity surveyors and lawyers, to execute the mandate given to us by the Constitutional Court,” Minister Gordhan told a packed briefing in

Pretoria.

The Minister assured South Africans that the process will be transparent, thorough, professional and within the rules of public finance management.

In a statement on Wednesday, President Zuma said he notes and respects the judgment handed down by the court relating to the Public Protector Report on Nkandla.

Economic environment

Meanwhile, Minister Gordhan noted that the preliminary outcomes of revenue collection must be seen in the context of difficult global conditions and slow growth, particularly in emerging markets.

SARS Commissioner Tom Moyane announced that the revenue service collected R1.0699 trillion in taxes - the first time that SARS collected a trillion rand.

The Minister said the outcomes must be seen in the context of a challenging domestic growth environment with structural constraints that need addressing as well as the need to increase investor confidence in the South African economy.

South Africa needs to raise its level of growth so as to increase revenue collection, said the Minister.

He said that the uncertain world outlook requires South Africa to take ownership and speedily deal with domestic constraints to economic performance.

“Our young economy requires significant investment in human and physical capital. But high levels of uncertainty around the economic outlook – both at home and abroad – require that we remain united and focused on tackling our socio-economic challenges,” he said.

South Africa must demonstrate to investors that it is undertaking concrete actions required to map a path for higher economic growth and progress to address poverty, unemployment and inequality.

“As we seek to preserve our investment grade rating... we need to be frank about what is working and what is not. Our engagements with institutions such as the International Monetary Fund, which is due to visit for Article IV consultations in April, are testimony to our commitment to frank and open engagement,” said Minister Gordhan.

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