

RELIEF GRANT RENEWAL NOT ELECTION STUNT – TITO

BALDWIN NDABA AND NICOLA DANIELS

THE ANC played no part in getting the R350 social relief of distress (SRD) grants reintroduced to boost the party's electoral chances ahead of the local government elections, says Finance Minister Tito Mboweni.

The government has set aside R27 billion for the payment of SRD grants to eligible and unemployed people.

During a media briefing yesterday, Mboweni maintained that the National Treasury and President Cyril Ramaphosa made the decision, with the governing party having nothing to do with it.

Mboweni's briefing was to give finer details of the R38.9bn financial package to assist unemployed people and businesses hard hit by the violent protests in Gauteng and KwaZulu-Natal.

"We operate within a society which experiences a lot of distress. Any caring government will come to the support of its citizens. There was no pressure from the governing party. There was no pressure from Luthuli House. Did I get a call from Jessie Duarte, the deputy secretary-general of the governing party? No, she hasn't (called).

"This was a conversation between the Ministry of Finance and the Presidency. We debated this issue at length and President Cyril Ramaphosa, through his negotiation skills while a trade union leader, convinced us to release the R27bn," Mboweni said.

The SRD grant would include support to child caregivers on an application basis, Mboweni said, adding that this was not a permanent social-protection solution.

"Much work is still being done in

this area, and additional borrowings to fund a consumption grant are not supported," Mboweni said.

He and his officials warned that the grant was not an extension of the grant which was terminated, but a reintroduction of it.

Mboweni also announced relief measures to assist businesses destroyed during the violence and looting, saying the South African Special Risks Insurance Association (Sasria) was urged to immediately pay out insurance claims.

"Infrastructure damage is widespread, mainly in KwaZulu-Natal and Gauteng, where numerous buildings were set alight or property purposefully damaged.

"The current estimated cost of damage to property and equipment in eThekweni alone is R15bn. There is widespread damage to shops and malls, network towers, post offices, factories, roads and freight trains." Mboweni said hundreds of ATMs had been destroyed, making access to cash harder.

He warned that while the vast majority of the damage may be covered through insurance, the real knock to the economy was the damage to business and investor confidence in the country.

He said the government was also engaging with relevant stakeholders (the National Economic Development and Labour Council, banks, insurance companies, community organisations) to deal with the challenges facing uninsured businesses.

"It is expected that the package will amount to R38.9bn of on-budget items, including revenue measures of R5bn and spending measures of R33.9bn. As required by section 32 of the PFMA

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'UIF has rendered relief to 5.4 million'

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(Public Finance Management Act), the National Treasury will publish the quarterly revenue and spending," Mboweni said.

Finance Ministry director-general Dondo Mogajane allayed fears that the country was likely to borrow money from other financial institutions and rejected the view.

The cash would come from the ministry, following its ability to meet its revenue targets, officials said.

South African Revenue Services commissioner Edward Kieswetter said there was an increase in tax compliance by major companies, especially the mining sector, which allowed the government to assist the unemployed.

Meanwhile, since the start of the pandemic, the Unemployment Insurance Fund (UIF) has rendered relief against income loss to 5.4 million workers.

This is according to Employment and Labour Minister Thembelani Thulas Nxesi who told a media briefing yesterday that the UIF had disbursed R61.2bn since the onset of the pandemic and a further R703 million to 74 000 workers with the extension of the UIF Temporary Employer/Employee Relief Scheme (Ters) benefit until March this year.

"We are committed to the president's plan to save jobs. Under the latest adjusted level 4 lockdown the fund has extended this relief further with an estimated budget of R5.3bn for which applications have been opened," said Nxesi.

