Fiscal watchdog suggests what government should prioritise

WHEN the Financial and Fiscal Commission was set up, in terms of the constitution, its mandate was to ensure government dished out fair proportions of revenue it collected to the provinces and municipalities.

Essentially, the commission was put there as a safeguard to prevent government playing politics with budget allocations — an African National Congress government cannot, for example, squeeze a province financially just because it is controlled by a rival party.

In practice, the safeguard has proved unnecessary, with government sticking to reasonably objective formulae in allocating money to the different levels of government as well as among provinces and municipalities.

And the commission has been pretty low profile in recent years.

However, that does not mean it lacks a role. Its major focus has come to be on monitoring government’s provision of basic services — particularly those mandated by the constitution, such as health, education and social security.

Provinces are vital in the delivery of such services, while municipalities are central to delivering services such as electricity and water. So the commis-
enue and delivering services.

Commission deputy chairman Jaya Josie says one vital issue the commission wanted to stress in its report was ensuring the provision of basic services is given priority by government, and that provinces are in a position to meet those demands. Allied to that is the need to provide infrastructure to support those efforts.

Although the treasury is doing an excellent job in managing and allocating revenue, there is a need for clearer strategies in the long term. And there is plenty more to be done.

■ Joffe is financial services editor.