

Minister open to debate on financial commission

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Cape Town – Deputy finance minister Mandisi Mpahlwa admitted yesterday there was room for debate about the rationale for establishing the Financial and Fiscal Commission (FFC) but he still believed it had an important role to play in an evolving three-tier system of government.

Wrapping up the debate in the national assembly on the Financial and Fiscal Commission Amendment Bill, Mpahlwa was responding to Gavin Woods of the Inkatha Freedom Party, who said that the treasury's growing skills

in allocating funds to the three tiers of government almost made the FFC irrelevant.

Woods said it did not seem as if the treasury, in any case, paid much attention to the FFC's annual recommendations on the division of revenue in the budget. However, he did not think there was any harm being done by the continued existence of the FFC, even if it was "a costly exercise".

Mpahlwa was open to the idea of a debate on the FFC at a later stage, but still believed it had an important role to play in "dispassionately" evaluating how national funds should be distributed.

This was particularly important given the inherited disparities in the development of the nine provinces, while it could help ensure that "unfunded mandates" did not arise as one sphere of the government passed on responsibilities to another without the financial implications being taken into consideration.

He agreed that parliament did not perhaps pay enough attention to the FFC's recommendations or follow through the extent to which they were taken up by various government departments.

The bill, which was unanimously passed, makes several

technical amendments to the act to reduce its number of commissioners from 22 to nine, bring its financial management in line with the Public Finance Management Act and make the prevention of unfunded mandates a special focus of its work.

Mpahlwa also steered the Special Pensions Amendment Bill through the national assembly. The bill makes technical amendments to the 1996 Special Pensions Act aimed at providing pensions to people who fought against apartheid in one way or another and were not able to make provision for their retirement.