

# Fears Sachs's resignation could spark exodus of Treasury officials

FEARS are rising that the resignation of national Treasury deputy director-general Michael Sachs will prompt other respected officials who served under former finance ministers Pravin Gordhan and Nhlanhla Nene to quit.



Michael Sachs. Photo: *BusinessLive*

President Jacob Zuma's intention to revise the national budget and cut back spending on government programmes to introduce free tertiary education is shaking the foundations of the Treasury and could lead to an exodus of more highly respected officials whose jobs are being undermined.

Among those on the danger list is Tax and Financial Sector Policy deputy director-general Ismail Momoniat, who had been central to the Treasury's policy planning mechanism.

When Zuma fired Gordhan and Mcebisi Jonas in his midnight reshuffle at the end of March, it was expected that Sachs and Momoniat would follow former director-general Lungisa Fuzile out of the Treasury.

They were after all key members of the Gordhan-Jonas-Fuzile crack team that drove the economic rescue mission after Nene's firing in December 2015.

If Zuma and the Guptas wanted the Treasury's three top guns gone, why would Sachs and Momoniat still be wanted?

But the two were convinced to stay on, in the national interest and to keep the Treasury machinery functioning.

Malusi Gigaba brought in nearly 20 staff members when he was appointed finance minister, setting up a parallel administration.

But none of them could supersede the expertise, wealth of knowledge and experience that public servants like Sachs and Momoniat brought to government, as well as their commitment to get things right even through the commotion of the past few months. Those who watched Gigaba fumble through his job say he came to appreciate Sachs's expertise in the budgeting process, particularly ahead of the medium-term budget policy statement last month.

Sachs, who has been at the Treasury since 2007 in various capacities, was largely responsible for compiling the statement.

Among Sachs's responsibilities as deputy director-general were expenditure planning, fiscal policy and public finance statistics.

He was a core member of the Gordhan-Jonas team that had put shoulder to the wheel to cut waste, consolidate spending and direct resources where most needed.

Earlier this year, cabinet approved a proposal for the budgeting process to be moved to the presidency. It was initially unclear what this meant.

Since then, the Department of Planning, Monitoring and Evaluation compiled a "Mandate Paper" setting out the budget priorities.

Then a "Presidential Fiscal Committee" took over decision-making on the budget.

Then last week, Zuma had every intention of announcing a free higher education plan devised by his daughter's ex-boyfriend Morris Masutha, known in government circles as "the son-in-law".

Minister in the Presidency Jeff Radebe and his director-general Mpumi Mpofu have been appraising budgets across government to make available R40-billion to fund Masutha's plan.

This would involve cutting back programmes and allocations that are devised through an extensive and meticulous budgeting process.

Sachs apparently drafted his letter of resignation last week when it became clear that the presidency was undermining the entire national budget. Yesterday the Treasury confirmed his resignation.

Officials in the Treasury and other government departments worried about the consequences of Sachs's resignation say they feel betrayed by Radebe who ought to have refused to participate in such a dangerous process.

Yesterday, Zuma suddenly released the report of the Heher commission of inquiry into the feasibility of free higher education, after mounting public pressure around the free education plan.

The report recommends that government increase its expenditure on higher education and training to at least 1% of the GDP but said there was "insufficient financial capacity in the state to provide totally free higher education and training".

Zuma said the interministerial committee on higher education funding, led by Radebe, and Gigaba as the lead minister in the Presidential Fiscal Committee, were processing the report.

"I will make a pronouncement on the report once the ministers have concluded their work," Zuma said.

This could mean that despite free higher education being neither ANC nor government policy, Zuma still intends to press ahead with announcing Masutha's plan.

**Source:** *Herald*

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