

incomes than wealthier individuals. The proposed bill includes exemptions for basic foodstuffs and other necessities consumed by the poor. However, the Committee believes that more analysis is needed to be certain about how the tax will affect the poor.

12.1.4 Government is keenly aware of the need for civic education about the surtax to avoid widespread public opposition and tax evasion that would defeat the purpose for instituting the tax.

12.1.5 The Committee explained these concerns to the Minister of Finance and Economic Planning. The Minister emphasised the need for the legislation, but was sympathetic to the idea of referring it to a parliamentary Committee so public hearings can be conducted, issues thoroughly vetted, and amendments drafted as appropriate. This will also afford the opportunity to initiate civic education on extension of the surtax, to which Government is committed.

<p><u>Recommendation 22</u>: Refer Bill No.2, 2001, the Surtax Bill for extension of the surtax to retail and wholesale trade, to a Committee for public hearings.</p>

13. Conclusion

13.0.1 The Committee urges Parliament to support and Government to designate the twelve programmes recommended by the Committee as Priority Poverty Expenditures for 2001/2002. We hope budget documents will provide the information needed to evaluate the amounts of spending proposed for these programmes.

13.0.2 The Committee supports Government's commitment to enforcing fiscal discipline. We hope budget documents will include a commitment to provide the information cited in this report as essential for tracking and monitoring Priority Poverty Expenditures. We also hope Government will guarantee allocation and expenditure of the full amounts budgeted for Priority Poverty Expenditures from all sources.

13.0.3 The Committee appreciates Government's interest in strengthening the role of Parliament and the public in the budgeting process. We hope Government and Parliament will insist on adequate time for civic input on the proposed budget, as well as enough time for a thorough debate in the House.