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Ms. Teboho Sepanya, Mr. Allen Wicomb and Mr Nkululeko Mangweni,
Parliament Committees on Finance
P. O. Box 15
Cape Town
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Written submission and request to make an oral presentation regarding the Fiscal Framework, Revenue Proposals 2022. Submitted by amandla.mobi, on behalf of various members of the public and the Pietermaritzburg Pensioners Forum.

Dear Members of the Standing and Select Finance Committees and Committee Secretaries.

This submission presents to you the demands and concerns of those who will be most impacted by decisions that underpin the Fiscal Framework and Revenue Proposals of 2022. In addition to the below-written submission, we wish to make an oral presentation to the committee members this Wednesday, 2 March 2022. The presentation will include pre-recorded messages from members of the Pietermaritzburg Pensioners Forum, as well as comments from members of the public. The presentation will speak to the demands which were delivered to the Presidency and National Treasury.

First, we welcome the year-long extension of the R350 grant, as well as the R44

billion budget allocated to it. However, we are yet again disappointed by the budget tabled by Finance Minister Enoch Godongwana. We are especially concerned that the Minister did not mention anything about implementing a Basic Income Support, which over 300,000 people have demanded. And yet again, although some committee members may disagree, as we saw in the previous year, this is just another anti-poor budget.

For three years, our submissions presented to you various demands to help protect the majority poor that include - expanding, extending, and increasing the R350 grant, and turning it into Basic Income Support for people aged 18 to 59 with little to no income; increasing all social grants with amounts that are in line with the reality of poverty and high cost of basic necessities; taxing the rich more and implementing an annual wealth tax for the 300,000 plus multi-millionaires in Mzansi; increasing the pensioners grant to R2,500 and a 13th cheque; and stopping budget cuts to health, education and other areas of social spending; among other demands.

Instead, what we've seen from the budget that is supposed to cater for the poor and help improve their lives, are R20 and R90 increases to social grants and more tax relief which will ultimately benefit the rich more. According to PMBEJD, the average food basket for a household costs just over R4,000. *"The basket comprises 44 core food items most frequently purchased by lower-income households, who make up most households in the country"* [1]. None of the grant amounts can cater for a household. National Treasury is so busy in its ivory tower of 'fiscal constraints' it has no understanding of the 'fiscal constraints' the majority of households are experiencing.

The Committees members are well aware of our submissions and the presentations we've made in the past years, and some have even noted that we have been coming to the public hearings to present and demand the same things. As many may agree, it has become repetitive, and it exposes a key flaw in our democracy: how does Parliament hold the executive and National Treasury to account when they introduce budgets that fail the marginalised majority. National Treasury's current approach to public consultation and the creation of the budget is based on the principle of one rand, one vote. This committee must take decisive action to help break this impasse.

When we present the voices of those most impacted by budget decisions, we are met with the same excuses: *'there's no money; the current economy does not allow for such grant increase; the increase demands are not feasible, the budget is not anti-poor; taxing the rich more will mean rich people will leave the country; the*

dependency on grants is becoming too much, and there need to be other interventions;’ so on and so forth.

If the people keep getting the same excuses from government leaders who are supposed to protect them from harsh living conditions, what are they supposed to do? What do they do when there are no jobs, no food to eat, and no shelter to live. Every year, Parliamentary members can individually decide whether they will support passing a budget or not. If a budget does not have adequate taxes for the public purse to meet the needs of the people, why do you vote to pass it?

National Treasury and some members of this committee claim there is no money for social grant increases or Basic Income Support, while at the same time failing to increase taxes that could reduce poverty. Had a net wealth tax been implemented last year, researchers estimate it could have raised between 70 and 160 billion rands. If National Treasury had stuck to their original proposal of a Sugary Drinks Tax of 20%, how many additional funds would our health budget have money would have been saved.

Has the committee made any recommendations to find money in the public purse to increase the old-age grant to a living wage, such as suggesting cuts on the salaries of the members of parliament, allowances, etc? As far as we know, an MP has the position and power to push for a pro-poor budget, no matter the size of a political party they belong to. The largest political party determines who is in the cabinet, and the cabinet gives input and approves the budget. As there are committee members who are part of the largest political party, what have they done to influence how much is in the public purse by calling for taxing the rich?

amandla.mobi and its members are not economists, but our members are experts when it comes to the impact of budgets on their household and their local school or clinic. It is critical that this Wednesday, the committee begins to consider and discuss practical recommendations and actions that can ensure National Treasury and the Executive fulfil the obligations to listen to and make decisions that are in the best interests of the people, especially the marginalised majority. Regards,

Tlou Seopa on behalf of amandla.mobi, various members of the public and the Pietermaritzburg Pensioners Forum.

[1] Triple blow for South Africans as food prices add to consumer burden. Business Tech 26 January 2022

[2] A wealth tax for South Africa, Aroop Chatterjee, Leo Czajka and Amory Gethin for Wits University, January 2021.