

# **COSATU Submission on the 2016/17 Medium Term Budget Policy Statement**



# Economic Context

- Triple challenges and apartheid legacy;
- Increasing unemployment;
- Global climate;
- Domestic jobless and low growth;
- Declining tax revenues;
- Infrastructure challenges;
- Crime and corruption;
- Increasing frustrations; and
- Business as usual vs. radical economic transformation.

# Fiscal Responses

- Austerity vs. economic stimulus;
- EU vs. US and Chinese approach;
- Infrastructure and social expenditure;
- Public service vacancies;
- Sale of state assets;
- Debt levels and external debt;
- Nedlac engagements; and
- Unemployment.

# Revenue Proposals

- VAT;
- Income tax increases;
- Luxury goods and non-essential imports;
- Zero rating;
- Wealth or solidarity tax;
- Dividends and reinvestment;
- Local procurement;
- Company tax; and
- Beneficiation.

# Expenditure

- Austerity;
- Inflationary increases;
- Public service vacancies;
- Public service wage bill; and
- Wage gaps.

# Expenditure continued

- Wasteful expenditure cut backs;
- Bling expenditure;
- Consultants and roll overs;
- Labour brokers and outsourcing;
- Chief Procurement Officer; and
- Corruption.

# Social Development

- Social grants;
- Comprehensive Social Security Discussion Paper;
- Social workers; and
- Substance abuse clinics.

# Health

- National Health Insurance;
- Public health facilities;
- Vacancies;
- Alcohol, substance and tobacco abuse;  
and
- Sugar tax.



# Higher Education and Training

- NSFAS increases;
- NSFAS threshold;
- Free education;
- TVET Colleges;
- SETAs; and
- NYDA.

# Trade and Industry and Economic Development

- Job creation and protection;
- Manufacturing and reindustrialisation;
- Sectoral support:
  - Motor manufacturing, textiles, agriculture and tourism.
- Budget allocation.

# Labour

- Labour Inspectors; and
- UIF.

# COGTA and Public Works

- CWP and EPWP as a source of cheap labour;
- Funding; and
- District Councils.

# Basic Education

- Infrastructure expenditure;
- Mud schools and latrines;
- Vacancies; and
- Text books.

# Energy

- Renewable energy investment and jobs;
- Mass roll out;
- Solar panel targets;
- Eskom tariffs; and
- Nuclear energy.

# DIRCO

- Trade promotion; and
- Expenditure levels.

# Public Enterprises

- SAA, SA Express and Mango;
- Retrenchments, labour broking, outsourcing and corruption;
- Shareholder Management Bill;
- SA Post Office; and
- Telkom.



# Police

- VIP Protection Unit.

# Agriculture, Forestry and Fisheries

- Emerging farmers; and
- Support for sector.

# Rural Development and Land Reform

- Land claims back log; and
- Farm workers and land equity.

# Transport

- PRASA;
- SANRAL and E Tolls; and
- Public transport.

# Water and Sanitation

- Water infrastructure;
- Local government intervention;
- Tariffs;
- Desalination; and
- Informal areas.

# Human Settlements

- Housing model; and
- Serviced plots.

# Conclusion & Thank you.

- 33% unemployment;
- Business as usual vs. job creation;
- Austerity vs. stimulus;
- VAT and progressive tax reform;
- Wasteful expenditure and prioritisation;
- Wage bill and public service vacancies;
- Expenditure cuts;

# Continued

- Renewable and nuclear energy;
- Economic and infrastructure investments;
- Water crisis;
- Outsourcing, retrenchments and labour broking;
- Engagements with labour and business.