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Ms. Teboho Sepanya, Mr. Allen Wicomb and Mr Nkululeko Mangweni,
Parliament Committee's on Finance
P. O. Box 15
Cape Town
8000

Written submission and request to make an oral presentation regarding the Fiscal Framework, Revenue Proposals and 2021/2022 Budget Review. 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. The 2021/2022 Budget Review, Division of Revenue Bill [B 3 – 2021], Appropriation Bill [B 4 – 2021] and Special Appropriation Bill [B 5 – 2021] are technical documents that will have a direct impact on tens of millions of lives.

This submission presents to you the demands and concerns of those who will be most impacted by decisions that underpin the Fiscal Framework, Revenue Proposals and 2021/2022 Budget Review. In addition to the below-written submission, we wish to make an oral presentation to the committee members this Wednesday, 3 March. 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 below-mentioned demands which were delivered to the Minister of Finance and National Treasury;

Tax the rich to increase social grants, pay for vaccines and stop budget cuts;

This campaign can be viewed at <https://act.amandla.mobi/campaigns/tax-the-rich>.

Over 59,000 people supported the following demands;

Dear President Ramaphosa, Social Development Minister Zulu and Finance Minister Mboweni, we the undersigned call on you to support the decisions, policies and budgets necessary to realise the demands below. Minister Mboweni, you should accept the following demands as "Tips for the Minister of Finance". We remind you as the Minister of Finance, that it is your responsibility to act in the best interests of the poor majority, and not the greedy few. That is why you must commit to the following demands in your budget speech on 24 February 2021:

1. *Increase Personal Income Tax for those earning over R1 million annually from 1 April 2021, at a percentage that helps achieve the demands below.*

2. *Commit to introducing an annual net wealth tax at a higher rate of 3% for those with a wealth of more than R3.8 million, 7% for those with a wealth of more than R30 million and 9% for those with a wealth of more than R146 million, and include it in the 2021 Rates and Monetary Amounts Bill to be implemented from 1 April 2022. The net wealth tax should be permanent and annual. The process of ensuring the rich declare their wealth should start as soon as possible. Additional measures to address tax evasion and illicit financial flows by individuals and companies must be a priority.*

3. *We also call for pro-poor interventions and commitments such as dramatically reducing the medical aid rebate and eliminating retirement fund contributions deductions or rebates for those earning over R1 million a year. Tax breaks generally need to be reviewed including the employment incentive and cancelling ineffective rebates should also be key. We also call on you to commit to no increase in Value Added Tax (VAT), other than luxury goods, as this hits the poor the hardest. There should also be no increase in Personal Income Tax for those earning less than R1 million per year as such earnings are often supporting whole households. Beyond these tax commitments, we call for re-allocation of public expenditure and minimising government irregular expenditure.*

4. *The amandla.mobi community also calls on the Minister of Finance and government to tax the rich in order to implement the following demands, many of which we have campaigned on for years:*

- Increase the Old Age grant to R2150 per month, as a step towards becoming a living wage of R2500 per month;

- Increase Child Support grant to R950 per child. The Caregiver grant must be brought back, or at the very least caregivers must be eligible for the COVID-19 SRD grant;

- Expand the Child Support grant to include pregnant mothers;

- Fund the mass roll-out of the COVID-19 vaccine and stop cuts to social spending such in education and health, while also laying the foundations for us to realise a National Health Insurance;

- Ensure public institutions have the funding necessary to realise their mandate. Failing to do so comes at a huge cost. For example, cutting funds to the CCMA will be a huge blow to workers' rights, while an underfunded NPA makes it harder to recover funds looted by the corrupt.

- Even though the COVID-19 R350 SRD grant was terminated, we're calling for urgent progress to be made towards the implementation of the long-overdue Basic Income Guarantee (grant) for those aged 18 to 59 years.

UPDATE: With the return of the R350 COVID-19 SRD grant, we support the demands proposed by Black Sash, some of which include the following; increase the R350 COVID-19 SRD grant, at the very least to the food poverty line of R585 per person per month, but ideally the Upper-Bound Poverty Line of R1 268. Government must extend this grant until the end of the 2020/2021 financial year, after which Basic Income Support for those aged 18 to 59 years with no to little income must be made permanent. Government must immediately adjust the eligibility criteria to include adult women who are unemployed and who receive a Child Support Grant on behalf of children.

Read

more

here:

<http://www.blacksash.org.za/index.php/media-and-publications/media-statements/702-three-month-extension-of-covid-19-grant-highly-inadequate?>

We also call on Parliament to listen to and act in the interest of the poor majority by supporting the demands mentioned above.

When one looks at the above-mentioned campaign demands and reads the Fiscal Framework, Revenue Proposals, 2021/2022 Budget and Budget Speech, it becomes crystal clear that the Minister of Finance, Cabinet and National Treasury have completely and utterly failed the poor majority. Almost none of the campaign demands have been agreed to. The extension of the COVID-19 SRD grant to April 2021 is completely inadequate. Instead of listening to our call to tax the rich properly, the Minister of Finance and National Treasury have done the opposite. The only silver lining is a commitment in the Budget Review to pursue the recommendations of the Davis Tax Committee and support SARS in "...consolidating wealth data for taxpayers through third-party information. This will assist in broadening the tax base, improving tax compliance and assessing the feasibility of a wealth tax."

This is a step in the right direction, however, it is critical that each member of the committee supports putting in place the systems and processes necessary to implement an effective net wealth tax from April 2022. Our people cannot afford delays and an ineffective net wealth tax.

It is important that the committee also considers the below campaigns as their demands are relevant to the 2021/2022 budget;

Basic Income Support for people aged 18 to 59 NOW! - Over 278,000 signatures;

<https://awethu.amandla.mobi/petitions/basic-income-support-for-aged-18-to-59-now>

Say no to Treasury cutting the CCMA's budget - Over 300 signatures;

<https://act.amandla.mobi/campaigns/stop-cuts-to-ccma>

Demand a Maternity Support Grant to help reduce stunted growth in our children - Over 600 signatures;

<https://act.amandla.mobi/campaigns/maternity-grant>

Tell Government we urgently need a Child Support Grant increase of R500 for the next 6 months - Over half a million signatures; <https://awethu.amandla.mobi/p/child-support-grant-corona>

Tell Pres. Ramaphosa to give pensioners R2500 and a 13th cheque in December - Over 50,000 signatures;

<https://awethu.amandla.mobi/petitions/tell-tito-mboweni-to-give-all-pensioners-a-bonus-in-december>

Help fight type 2 diabetes, demand the Sugary Drinks Tax is increased to 20% - Over 11,000 signatures;

<https://awethu.amandla.mobi/petitions/help-stop-funding-cuts-to-health-increase-the-sugary-drinks-tax-to-20>

Minister of Finance Tito Mboweni include 100% fruit juices in Sugary Drinks Tax - Over 6000 signatures;

<https://awethu.amandla.mobi/petitions/minister-of-finance-tito-mboweni-include-100-fruit-juices-in-sugary-drinks-tax>

Regards,

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