



Contact person: Ms Tlou Seopa
amandla.mobi
Postnet Suite 6
Private bag X4
Braamfontein
2001
Mobile: +27 81 761 5326
E-mail: tlou@amandla.mobi

15 November 2021

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

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

I write this submission bearing in mind that I do so on behalf of members of the amandla.mobi community who have tried to engage the new Minister of Finance, Enoch Godongwana, and Treasury ahead of the Mid-Term Budget Policy Statement (MTBPS) tabled on 11 November 2021, through this platform: https://act.amandla.mobi/campaigns/godongwana_mtbps. Below is the message sent directly to the Finance Ministers's Personal Assistant, Ms Mary Marumo.

"Dear Finance Minister Enoch Godongwana,

Over the past five years, the amandla.mobi community and our partners have been mobilising for justice and dignified life for all by demanding social grant increases and expansion, the introduction of basic income, increased social spending and tax justice. But over the years, we have seen the implementation of anti-poor budgets over and over again, making it harder for millions to put food on the table each day.

Cutting on public spending on social services such as healthcare, education, and job creation negatively impacts many lives. The rising food prices have ultimately made the cost of living too high, and for unemployed people, surviving is hard. Many have shared stories about how anti-poor budgets are affecting them. Unemployed mothers say it is hard to take care of their children, especially now that the Child Support Grant amount is below the food poverty line.

Some who are unemployed have been rejected for the R350 SRD grant. With the Old Age Grant, pensioners can barely cover all their basic needs.

We are disappointed and concerned that as the new Minister of Finance who leads the National Treasury, you made public statements based on your personal opinion rather than public mandate and research. You have already stated that you are against a Basic Income Grant, claiming it will create dependency.

Minister Godongwana, you said during your time as MEC for Finance in the Eastern Cape, you put social grants in place and consider this one of the greatest achievements of your career [1]. We urge you not to lose touch with the reality that the majority in Mzansi need enough income and social support to survive.

We call on you to announce in your speech for the 2021 Medium Term Budget Policy Statement that Treasury will implement the below demands:

In addition to our current demands, you must be brought up to speed as to other campaign demands that have been made. We have continuously demanded that the Treasury stop its anti-poor budgeting processes. Together, our members and partners across the country have participated in demanding Treasury implement the following demands:

- 1. Increase and keep the R350 Social Relief of Distress grant until it is turned into permanent Basic Income Support, valued at the upper-bound poverty line (currently R1335 per person per month) for people aged 18 to 59 with little to no income.*
- 2. Caregivers receiving the Child Support Grant must receive Basic Income Support, as well as refugees, permanent residents, asylum seekers and migrant workers. These campaign demands were part of a petition we are running with Black Sash, who have been working for years on this issue.*

Our demands, however, are not limited to Basic Income Support. In line with previous campaigns to increase the Child Support Grant, Old Age Grant, and implement a Maternity Benefit Grant, we call on you to help improve the lives of millions living in poverty by implementing these demands:

- 1. Increase the Child Support Grant to R950 per child;*
- 2. Increase the Old Age grant to R 2 150 per month;*
- 3. Expand Child Support Grant to include pregnant mothers;*
- 4. Increase all other grants by no less than R300.*

Again, as we did before the 2021 budget speech, we demand that Treasury must tax the rich in order to implement the above demands, as well as increase social spending and ensure our public institutions such as the IEC, CCMA, NPA and others, have the funds necessary to serve their mandates. To achieve this, we call on you to:

- a. Increase Personal Income Tax for those earning over R1 million annually*
- b. 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.*
- c. Pro-poor interventions and commitments such as dramatically reducing the medical aid rebate and eliminating retirement fund contributions or rebates for those earning over R1 million a year.*
- d. Increase the Health Promotions Levy (HPL) to 20%, as well as significant tax increases on tobacco, alcohol and especially carbon.*

As the new Finance Minister, we will hold you accountable for the actions of Treasury. Economic injustice denies the majority basic dignity, but you have the power to change this. The national budget should be informed by consulting those most impacted by poverty, violence, and injustice, not the super-wealthy.

The current Treasury public participation process excludes the majority. Only those who can easily access the internet and have email can submit public comments through the Treasury website. Treasury's public participation must be inclusive and transparent.

We call on you to make the public comments process more accessible by implementing the following:

- Ensuring the majority of people are aware that Treasury is accepting public comments that will inform budget priorities. This requires advertising the public comment period and process widely and in multiple languages.*
- Ensuring that anyone anywhere can submit public comments for free. To implement this, Treasury must provide a toll-free number that does not require or use airtime, and a process where people can call in, learn more about the budget decisions and have their public comment captured by Treasury staff. At the very very least, Treasury should provide a cell phone number by mid-January 2022, that members of the public can send public comments to through either a phone call, SMS or Whatsapp message. Currently, Treasury only provides a landline that costs airtime to call and excludes the majority, whereas a cell phone number would make submitting public comments slightly more accessible.*

Regards,

[1] African National Congress veteran Enoch Godongwana has joined the WSG as a visiting fellow until 2021, Kemantha Govender, Wits School of Governance, 25 October 2018."

Furthermore, additional messages by members of the public in the form of voice recordings were forwarded to the Finance Minister. We had hoped that upon listening to those messages,

Minister Enoch Godongwana would consider addressing the issues raised during his MTBPS. However, the Minister did not speak to any of the issues raised.

We hereby request to make an oral presentation to the Finance Committee on 17 November 2021, on behalf of the members of the amandla.mobi community, so that the committee members may hear directly from those who are most impacted by the decisions made by the Minister of Finance, National Treasury and Parliament. We have also organised video messages from members of the Pietermaritzburg Pensioners Forum to be played during the oral presentation on Wednesday, 17 November 2021.

Regards,

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