



Contact person: Ms Tlou Seopa

amandla.mobi

Postnet Suite 6

Private bag X4

Braamfontein

2002

E-mail: tlou@amandla.mobi

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Honourable SN Buthelezi, MP, Chairperson: Standing Committee on Appropriations (National Assembly), and Honourable DG Mahlangu, MP, Chairperson: Select Committee on Appropriations (National Council of provinces).

P. O. Box 15
Cape Town
8000

Written Submission and request to make an oral presentation at the public hearings on the 2022 Division of Revenue Amendment Bill on Friday, 11 November 2022. Submitted by amandla.mobi, on behalf of other community organisations and various members of the public.

Dear Members of the Standing and Select Committee on Appropriations, this submission presents to you the demands and mostly the concerns of those who will be directly impacted by decisions that underpin the 2022 Division of Revenue Amendment Bill. In addition to the below-written submission, we wish to make an oral presentation to the committee members on Friday, 11 November 2022. The presentation will include additional comments from members of the public addressed to the committee.

Just as we did last year, we welcome the year-long extension of the R350 grant to March 2024. This intervention goes to show that the demands of the people are taken into consideration. However, this is, once again, still not enough. The amandla.mobi community as well as the public, are disappointed that the grant was not increased and expanded to include more people. Treasury saw it important to find a budget of R23 billion to pay off South African National Roads Agency's (Sanral) E-Tolls debt [1] but failed to find the budget to increase the R350 grant. This is not a matter of whether there is money or not; it is simply political will because there was will to bail out Sanral, but none whatsoever for the struggling majority in this country. This committee may be aware that many people have been excluded from the grant in the past months while many continue to struggle getting it. The persisting R350 grant problems undermine the much-needed extension of the grant. The R350 grant was not paid in April and May of this year. Imagine that none of you received your salary for the next two months, and then half of you had your salary declined. There cannot be a double standard. Trust us when we say people are angry.

Furthermore, it is disappointing that there has been no commitment to a permanent solution to help lift millions of people out of poverty, such as increasing the R350 grant and turning it into a permanent Basic Income Grant (BIG). This is especially worrying, seeing that National Treasury has worked on proposals for a new permanent grant replacing the R350 grant and the BIG, namely a household/job seekers/caregivers grant, which experts say will exclude millions of people already on the R350 grant who need immediate financial support [2].

Our government seems to be under the impression that simply extending the R350 grant is enough, without realising that the extension still does not provide security if people still have to worry about what comes next. The failure to make commitments surrenders the marginalised majority to vulnerability, while the wealthy continue to have a sense of security and protection through policies and budgets tabled each year.

It is also unacceptable that Treasury has stated that the costs of extending the R350 grant will come at the expense of other social grants, which will increase below inflation. In the midst of a cost of living crisis, Treasury has reduced the overall budget for social grants by R6 billion [3]. This decision to sacrifice the poor to aid the poor is devastating, undermines the purpose of social grants, and indicates that the government will sacrifice the poor to protect the rich. Once again, we bring to your attention that the current grants are not enough, and we have constantly

called for increases on all grants, especially the Child Support Grant and the Old-age grant.

The Finance Minister has avoided mentioning increasing taxes for the rich. Treasury Acting DG Ismail Momoniat even denied a wealth tax would raise enough money to help fund BIG, and instead proposed a Value Added Tax (VAT) increase or increase in Personal Income Tax to fund BIG [4]. A VAT increase cannot happen because the poor majority are already struggling to put food on the table and will be hurt the most. We know this committee does not directly deal with tax, but your role in ensuring that fiscus is distributed fairly and equally plays an important role on the impact a VAT increase will have on households.

The cost of living is too high, and it is this government's responsibility to ensure the marginalised majority is protected at all times. A VAT increase will leave households needing even more money to afford basics, which will also mean moving steps backwards because the aim of social grants and demanding a BIG is to help families afford basic needs and live decently. The 300,000 plus multi-millionaires in this country should be taxed more to help promote equal distribution of wealth. Hundreds of thousands continue to support the call to tax the rich to increase the R350 grant and fund a Basic Income Grant:

[Implement a wealth tax on the richest 1%](#) - Over 59,000 signatures

[Basic Income Support for people aged 18 to 59 NOW!](#) - Over 326,000 signatures;

For almost four years now, amandla.mobi presented to this committee various demands to help protect the majority poor. The demands include:

[Extending and increasing the R350 grant, expanding it to include more people and turning it into a Basic Income Support for people aged 18 to 59 with little to no income](#)

- over 65,000 signatures;

[Tell Pres. Ramaphosa to give pensioners R2500 and a 13th cheque in December](#) - Over 58,000 signatures;

[Demand a Maternity Support Grant to help reduce stunted growth in our children](#) -

Over 2,000 signatures;

[Increase the sugary drinks tax to 20%](#) - Over 5,000 signatures.

We put the responsibility on this committee to ensure that Treasury starts taking the lives and the demands of the poor majority seriously. On 18 October 2022, we protested outside Treasury to make and deliver our demands before the MTBPS. A Treasury representative accepted our memorandum and later sent a communication acknowledging the receipt of the memorandum and committing to respond by 24 October 2022. Till today, there has not been a response or a follow-up. Members of the public are always encouraged to participate in public processes, but when government officials cannot fulfil a simple commitment to respond to a memorandum, it sends a message that the lives of the majority of poor, everyday people, will always be of low priority.

Regards,

Tlou Seopa on behalf of the amandla.mobi community and various members of the public.

[1] The end of e-tolls – here's what happens next, Staff Writer, Business Tech, 26 October 2022.

[2] Statement – Devastating proposals to replace the SRD grant with a jobseekers, caregivers, and/or household grant will exclude millions of poor people, and are regressive, unworkable and unconstitutional, IEJ, 7 September 2022.

[3] Treasury is pushing SA's poorest and youngest over the edge in a cruel trade-off. Katharine Hall and Paula Proudlock. Daily Maverick. 31 October 2022.

[4] Wealth tax won't raise enough for BIG - but VAT, income tax hike may, says Treasury's Momoniat, Lameez Omarjee, News24, 7 September 2022.