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Honourable, SN Buthelezi, MP, Chairperson: Standing Committee on Appropriations.

P. O. Box 15
Cape Town
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Written submission and request to make an oral presentation at the public hearings on the 2023 Division of Revenue Bill on Tuesday, 14 March 2023. Submitted by amandla.mobi together with the Pietermaritzburg pensioners Forum and various members of the public.

Dear members of the Select and Standing Committee on Appropriations and Committee Secretaries,

The tabling of the 2023 Budget and Division of Revenue Bill are technical documents that will directly impact 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 2023 budget.

In addition to the below-written submission, we wish to make an oral presentation to the committee members on Tuesday, 14 March 2023. The presentation will include pre-recorded messages from members of the Pietermaritzburg Pensioners Forum, as well as comments from members of the public.

Our submission is informed by the challenges facing the marginalised majority. Each month, we communicate with thousands of social grant recipients and those facing challenges receiving social grants. Ahead of the budget, over 4000 budget tips were submitted to National Treasury, calling on Finance Minister Godongwana to increase all grants by R500. The presentation will speak to the below-mentioned demands, which were delivered to the Minister of Finance and National Treasury;

Demand all social grants go up by R500 in 2023 budget. This campaign can be viewed here:
<https://act.amandla.mobi/campaigns/my-new-campaign-b3af734e-2fbc-4efa-bb66-921a202cda1f>

Dear Finance Minister Enoch Godongwana and President Ramaphosa,

Over the past two years, you have continuously tabled budgets that pushed the marginalised majority deeper into poverty. You have increased grants with very low amounts that made almost no difference as the cost of living continues to rise. President Ramaphosa, you committed in your SONA to leave no one behind. So now you need to show up for the people, save lives and increase all grants by R500 as a step towards ensuring no one suffers the indignity of poverty.

Social grants are the main means of survival for millions of households in Mzansi. The bad economy, rising inflation and lack of income opportunities have left millions in poverty. For many years people have been promised better living conditions and the creation of income opportunities. However, over 20 years later, people are still waiting for these promises to become a reality. Increasing social grants by R500 would be an immediate and effective way to help people move forward and live with dignity. You have the responsibility to save lives and ensure families are not malnourished, can afford other basic necessities, create income opportunities for themselves, and look for work.

We hereby demand that you increase all social grants by R500 during your Budget Speech. Furthermore, we demand that you allocate funds for a Basic Income Grant and implement it by 1 April 2024.

We welcome the increases on social grants. The effort to pull millions out of poverty is acknowledged, however, the increases are not enough as they do not address the impact of inflation and the high cost of living. We are disappointed by the budget tabled by Finance Minister Enoch Godongwana and especially concerned that the Minister did not mention anything about plans for the Basic Income Grant (BIG), even after President Ramaphosa mentioned in his SONA that work is underway to develop plans for the BIG. The Finance Minister has also reduced the R350 grant budget from R44 Billion to 35,7 Billion. This means even fewer people will get the grant, on top of over a million people who qualify for it but are not getting it [3]. Over 716 000 graduates have applied for the R350 grant [4]. That alone indicates how dire the situation has become for people. But even after years of demanding significant increases on all social grants, we have seen small increases in social grants that do not match the reality of low-income households.

The monthly upper-bound poverty line has increased from R1 335 to R1 417, while the monthly lower-bound poverty line is R945. The monthly food poverty line is now at R663 a month [1]. A person living on less than R945 per month is considered living below the means of survival. According to the PMBEJD 2023 Household Affordability Index, a nutritional food basket costs R928 [2], yet millions of households have to survive on much less than that each month. The grant increases are simply not enough to keep up with the high cost of living. Even a R90 increase on the Old Age grant is not enough because many pensioners are heading households, having to bear the brunt of their unemployed children and, in other cases, their grandchildren as well.

Finance Minister Godongwana has continuously tabled budgets that provide more relief for rich people and big businesses. Even in the 2023 budget, the tax relief will continue doing the same, while the poor majority continue to struggle to make income to afford basic needs. The tabled budget is simply not inclusive of the poor majority. Implementing a wealth tax is important because it would mean there would be enough revenue to raise grants with amounts that help keep up with the high cost of living. The below campaigns and demands have been presented to Treasury, as well as this committee:

Food prices must fall

<https://act.amandla.mobi/campaigns/food-pricesmustfall>

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>

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>

Tax the rich to increase social grants, pay for vaccines and stop budget cuts - Over 59,000

<https://act.amandla.mobi/campaigns/tax-the-rich>

President Ramaphosa has previously promised to leave no one behind, but our leaders continue passing budgets that have left millions behind, pushing them into deeper poverty. If our leaders intend to do right by the people, especially with the upcoming 2024 elections, then this committee must not pass this budget.

Regards,

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

[1] Over a million people who qualify for the grant aren't getting it, Marecia Damons for GroundUp, 15 February 2023

[2] Concern as over 716 000 tertiary graduates file for R350 social grant in January, Sibuliso Duba for IOL, 17 February 2023

[3] How much money the poorest in South Africa are living on each month, BusinessTech, 31 August 2022

[4] Household Affordability Index January 2023, Pietermaritzburg Economic Justice and Dignity Group, 25 January 2023