

THE BUDGET THAT NEVER WAS

The Budget Justice Coalition has analysed what was in the "budget that never was" and its potential impacts on human rights and social justice. Use this fact sheet as a baseline for comparing the revised budget when it is tabled in Parliament

SOCIAL PROTECTION

Above-inflation increases for grants, except the Social Relief of Distress (SRD) grant. However, 2% VAT increase would erode these gains.

SRD ALLOCATION WOULD ONLY COVER 43% OF ELIGIBLE BENEFICIARIES

This contradicts the President's commitment to SRD as stepping stone toward basic income support

FOOD POVERTY LINE - R796



CHILD SUPPORT GRANT - R580

R50 CSG increase would be reduced to just R6 after additional 2% VAT on A standard food basket



BASIC EDUCATION

+1.3% REAL INCREASE



Real increase in per learner spending, but would still be inadequate to reverse long-term underfunding

- No provision for Grade R, despite BELA providing legal obligation to fund this

- Promised shift in education spending, mostly to accommodate ECD and teacher increases

SCHOOL INFRASTRUCTURE DECREASE



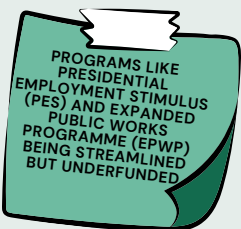
REVENUE RAISING

Government claims that increasing VAT is the only way to fund social services, **this is not true. There are better options**

- Adjusting brackets to reverse bracket creep could have increased revenue by R198 billion in 2024
- A GEPF contribution holiday could free up R59 billion without impacting pension
- A wealth tax on top 1% could increase revenue by R59 billion
- Illicit financial flows cost South Africa more than R100 billion each year



- Public employment programmes – reduced from R22.2 to R21.5 billion
- Post-school education and training: reduced in real terms, and expenditure was expected to grow by just 4% over the medium term.
- These employment programmes critical for both unemployment alleviation and service delivery



YOUTH UNEMPLOYMENT
7.1 MILLION YOUNG PEOPLE UNEMPLOYED



GENDER-RESPONSIVE BUDGETING

INTRODUCTION OF A "GENDER BUDGET STATEMENT" FOR THE FIRST TIME IN SOUTH AFRICA, AFTER DECADES OF ADVOCACY

BUT

VAT increases would have had a disproportionate impact on poor, women headed households.

BJC calls for more than a statement, but a gender responsive budget that takes race, class, & socio-economic status into consideration



HEALTH

Consolidated spending on health would have been increased by more than R20 billion, with above inflation increases across key priority areas

OVER 1,800 DOCTORS REMAIN UNEMPLOYED

This amounts to a real increase of only 1.3%, which is still not enough for adequate provision

HEALTH SPENDING PER USER IN 2025 WOULD STILL BE R104 BELOW 2019 PRE-COVID-19 LEVELS



EARLY CHILDHOOD DEVELOPMENT

INCREASES PROPOSED WOULD HAVE BEEN LARGEST IN HISTORY

+R10 BILLION

to increase ECD subsidy R17 to R24 per learner

+R210 MILLION

for the EC infrastructure grant

700 000 additional children would be provided with ECD learning and support opportunities by 2027/28

BUT

these gains would be offset by the impact of the VAT increase.

This would have alleviated pressure on CSG recipients who currently use funds to pay for ECD



The purpose of the Budget Justice Coalition is to collaboratively build people's understanding of and participation in South Africa's planning and budgeting processes – placing power in the hands of the people to ensure that the state advances social, economic and environmental justice, to meet people's needs and wellbeing in a developmental, equitable and redistributive way.

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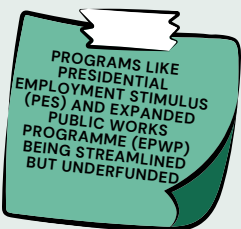
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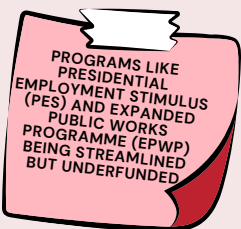
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