

Budget brings well-deserved relief to workers

By [Abigail Moyo](#)

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The annual National Budget contained some good news for workers, their families, and retirees.



Source: [Pexels](#)

Besides the inflation-adjusted lower income tax rates to combat the effect of inflation, solar tax deductions will lighten the burden on the national grid and open the door out of load-shedding hell for a more significant number of South Africans.

Even those who cannot afford to install solar-power equipment will benefit from Eskom's higher capacity to deliver electricity as more self-reliant households use less off the grid. Overall, it is a budget that will lift some of the frustration South Africans feel about how the country is governed and the devastating ever-increasing cost of living.

Trade union, UASA welcomes:

- The Eskom bailout. With a large chunk of its financial burden out of the way, we trust the state-owned company will be able to concentrate on desperately needed energy security.
- The consolidated budget deficit that declined from 4.6% of GDP in 2021/22 to 4.2% of GDP in 2022/23 and will reach 3.2% of GDP in 2025/26.
- The proposed tax relief totalling R13bn in 2023/24 to support the clean energy transition, increase the electricity supply and limit the impact of consistently high fuel prices.
- The R4bn in relief provided for individuals that install solar panels and R5bn to companies through an expansion of the renewable energy tax incentive.



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- Inflation-related adjustments to the personal income tax tables, the retirement tax tables, and transfer duties provided.
- That the diesel fuel-levy refund will be extended to manufacturers of foodstuffs for two years to limit the impact of the energy crisis on food prices, from 1 April, 2023 until 31 March, 2025.

- That fuel taxes will remain the same except for the carbon fuel levy that will go up from 1c to 10c per litre of petrol and 11c per litre of diesel in April.

We are concerned about:

- The increase in the cost of debt servicing to R340.5bn that will eventually have to come out of taxpayers' pockets.
- The budget for the security cluster. We need a financial plan to upgrade and train a firm security cluster to combat high crime levels in South Africa. According to Stats SA, on crime stats for Q3 2022, contact crimes increased by 11.6% from Q3 2021 to Q3 2022. We hoped for an action plan to tackle gender-based violence and femicide rates.
- The crumbling infrastructure. Investment in infrastructure and qualified and experienced engineers are desperately needed to combat the water challenges in the country to ensure water surety.

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