

## 2015/16 Budget Expectations



### INFRASTRUCTURE SPEND: NO MAGIC IS EXPECTED

Invested:  
**R847 billion**  
over the last 3 years

Government spend:  
**R282 billion**  
(is less than 50% of  
construction revenue)

**JOB'S CREATED:**  
No dramatic growth

**CONSTRUCTION REVENUE:**  
No dramatic increase

**GROWTH:**  
Step-change is required,  
or find new markets



### PERSONAL INCOME TAXES: (WEALTH TAX ON THE CARDS)

Consolidated revenue:  
**R658 billion**  
in 2009/10, R32 billion  
less than the year before

**R899 billion**  
in 2013/14

**34.4%**  
contributed by  
personal taxes

Registered tax payers increased from:

**5.9 million**  
at 31 March 2010



**15 million**  
at 31 March 2014

**UNCHANGED:**  
Maximum marginal tax rate

**COULD SEE INCREMENTAL INCREASE:**  
Taxes paid by wealthy taxpayers  
Estate duty Donations Capital gains tax

**UNLIKELY INCREASE (DUE TO SMALL TAX BASE):**  
Additional tax on wealthy taxpayers

**INCLUSION OF THE INFORMAL SECTOR:**  
Broaden tax base and generate extra revenue



Employment tax incentive:

**209 000**  
Jobs created

**23 500**  
Employers making use of Tax incentives



### VALUE-ADDED TAX (VAT):

WILL 2015 BE THE YEAR OF A RATE INCREASE?

NO INCREASE PRIOR TO:  
Davis Tax review report



South Africa's tax rate compared to other countries:

**10%** Australia **14%** South Africa **15%** New Zealand **15%** Namibia **16%** Zambia



Unchanged for  
**20 Years**



### SOCIAL SECURITY:

ON THE RIGHT TRACK OR COMPLETELY  
MISSING OPPORTUNITIES?



**SOCIAL INVESTMENT**  
One of the **highest spenders** in  
the world on social investment



**INCREASED PRESSURE**  
to see the **fruits** of massive amounts being spent  
on improving:

Education Healthcare Less dependants on grants



### SOCIAL SERVICES

Expenditure shows  
**5% points increase**  
in last 5 years = **R325.6 billion**  
increase in funding



**R144.5 billion**  
of 2014 Budget was spend  
on grants and welfare services

### BENEFICIARIES

Grants received from government:

**R13 072 173**  
in 2009



**R15 932 473**  
in 2014

**Beneficiaries decreased (2012-2013)**

- due to fraud eradication
- re-registration of beneficiaries

### UNEMPLOYMENT

Rate increased

**23.7%** in 2009 **↑ 25.37%** in 2014



Rate compared to other countries:

**25.37%** South Africa **5.8%** United Kingdom **5.6%** United States **5.1%** Germany **4.9%** India

### EDUCATION

South Africa has one of the  
**highest rates of public investment** in private and  
public education **in the world**



Despite the high investment made:

only **61%**  
of schools  
have adequate  
**sanitation**

only **89%**  
of schools have  
**access to water**  
on/near site



Facts on **Grade 3 learners:**

Could read and write at an  
acceptable level:  
**36%** in 2010 **50%** in 2013 **60%** in 2014  
aimed

Average percentage achieved  
at national level:  
**53%** Mathematics **51%** Language

Learners living in poverty  
only achieved:

**23.6%**  
Matric Certificate

**5%**  
Tertiary Education

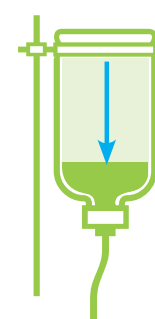


### NATIONAL HEALTH INSURANCE:

NHI SET TO BRING ABOUT REFORM, IMPROVE SERVICE PROVISION AND HEALTHCARE DELIVERY

#### Timeline for NHI

	2014/15	2015/16	2016/17	2017/18
The White Paper - yet to be released				
Gazette the NHI Bill for public consultation				
NHI law passed				
Promulgate NHI Act				
Finalise NHI Bill and promulgate into law				



Decrease in  
Medical schemes:  
**133 to 87**  
over the last 9 years



Medical scheme  
contribution tax credits  
**6% Increase**  
in 2013-2014  
(in line with inflation)



Medical scheme  
contribution  
**8.9% average increase**



**THE WHITE PAPER:**  
White Paper completed  
and tabled in cabinet shortly



**MEDICAL SCHEME CONTRIBUTION TAX CREDITS**  
Should increase in line with inflation



Private healthcare  
increasingly more expensive



Private healthcare Beneficiaries  
steadily increasing from  
**6.6 million to 8.7 million**



Private healthcare Members  
belonging to a medical scheme  
**2.8 million to 3.9 million**  
in 2003 in 2013



Affordability impacted by

- benefits offered
- contributions
- tax relief