



## VAT hike, land issue top the agenda at Deloitte KZN Budget dialogue

The VAT increase and calls to expropriate land without compensation were among a number of topical issues discussed at a post-Budget breakfast dialogue hosted by Deloitte KZN at its La Lucia Ridge offices recently.

Guests of Deloitte attended the keenly anticipated annual event which kicked off with introductory remarks by Deloitte KZN Risk Advisory Director Sisa Ntlango and an overview of the current political scene from leading political analyst and television personality Justice Malala. The two were then joined in a panel discussion by Maarten Ackerman, Chief Economist and Advisory Partner at Citadel and Mark Freer, Tax KZN Business Unit Leader, Deloitte.

Malala described the VAT increase, the first since 1993, as a "bold, even courageous" move by government, while Ackerman said it had the advantage over other forms of taxation like estates duty and donations tax of delivering immediate returns and helping with predictability. "You don't have to wait for someone to die," he quipped, prompting laughter from guests.

Turning to the land issue, Malala said a proper debate on the subject was long overdue. "One of the key things we need to talk about is why the issue has become so central now. Is it because the Constitution is fundamentally flawed, or is it because transformation has not taken place as envisaged and, therefore, land has become a proxy for so many other things in society?"

He urged against undue panic on the part of property owners, pointing out that Parliament had not voted in favour of expropriation without compensation, but merely to establish a panel to look into the matter. He predicted government would eventually opt for measures that fell between the status quo and full-scale expropriation.

Ackerman said the renewed focus on land rights provided South Africa with a golden opportunity to implement measures aimed at addressing restitution while at the same time boosting the economy. He cited the example of Ethiopia which had used land grants, training programmes and tax breaks to transform its agricultural sector and grow into the world's third largest exporter of cut flowers.