

Written submission to The Standing Committee on Finance and the Select Committee on Finance on the 2018 Medium Term Budget Policy Statement

Hon. Y! Carrim, MP, Chairperson: Standing Committee on Finance.
Hon. CJ De Beer, MP, Chairperson: Select Committee on Finance.
26 October 2018

Sawubona Honourable Carrim and De Beer

SINGOGOGO ASENEME NEZE NGEMPESHENI.

We are a forum of women pensioners who live in Pietermaritzburg.

Thank you for considering our written submission. We wish to make an oral submission on Wednesday, 31 October 2018 in isiZulu. We think it is very important for the committee to hear what we have to say. We are very worried about our situation as pensioners who rely on the old-age grant to care for our families. We feel that parliament should be worried too, and that government needs to do something to help us. We are 3,4 million pensioners.

We listened to the MTBPS and there was not a lot there that we saw that says government is aware of the situation that millions of South Africans face. Minister Mboweni didn't say anything about investing in the social security system by increasing old-age grants to a level that would protect us from the affordability crisis we face and the problems of our children who cannot find work. It seems that there is no plan for the future Budget in 2019 to increase pensions substantially. It seems that government will just increase pensions by a little bit like they do every year instead of seeing how everything has increased and to increase the pension so that we can absorb these increases. Transport has gone up. Electricity has gone up. Food has gone up. Omalume who take our children to school has gone up. Masingcwabisane has gone up. There are no jobs for our children.

The MTBPS didn't really say anything about us the people. It was like we are invisible. We should not be invisible. We play such an important support role in South Africa for our families and children and for the economy of South Africa. We are a very large section of society. We are 3,4 million pensioners. We need help. We also want to be part of the economic recovery. Increasing the pension would help us to be able to buy and sell the things we make to people who live close to us. We can get the economy out of its problems.

We would like government to consider giving all pensioners a double-pension in December. This would be an important first step that can help us deal with the crisis we face.

Below is a letter we sent to Minister Mboweni for consideration into the MTBPS and Budget 2019. None of our experiences were reflected in the MTBPS. We would like another opportunity for our experiences and thoughts to be heard. This is our reality. This is the reality on the ground. Thank you.

*This submission outlines 2 interventions which we had hoped Minister Mboweni via the National Treasury would consider with great urgency for shifting in the current budget and for consideration in the 2019 Budget. The **first** is that all pensioners be provided with a double Old-Age Grant in December. That is that the R1 700 pension be doubled to R3 400 in December. Besingathanda ukuthola ibhonasi ka R3400 ngoDesemba. The **second** is that the level of the pension be increased to that of a living wage.*

We ask that you double our pensions in December 2018.

The pension plays the same role as a wage does. It brings income into our homes. The pension is R1 700 a month. For many pensioners, it is the only source of income coming into homes.

December and January are very difficult months. With our pensions we must cover the usual expenses plus the extra expenses of school uniforms, shoes, stationery and extra food (because our grandchildren are on holiday and they are always hungry). This year has been very tough because everything has gone up in price and our monthly pensions cannot cover these price increases. We start out every year in terrible debt and this year is going to be much worse.

We are asking government to help us. Giving all pensioners a double-pension in December will help absorb some of the pressures we face. The extra money will be used to buy school uniforms, shoes and stationery. Prices are cheaper in December than they are in January. We will also use the extra money to pay the first instalments for school fees and the January's scholar transport fees to the uncles that take our kids to school. We can sometimes get a discount on fees and transport if we pay upfront. The extra pension would make a huge difference because our children will be much better prepared for the New school year as most costs will be covered. It would also help us because we will not have to go into such terrible debt to make sure these costs are covered.

The extra pension will also help us to buy food. Food prices go up in December and we also must buy more food during this time because our children spend more time at home during the holidays and we must feed them properly. It also helps to keep our children close to home and secure and make sure that they are healthy and in a much better position when school starts in the New Year.

Christmas is an important time to rest and reconnect as families. It is one of the few moments where families can come together, relax and find peace. This year has been so hard. We need this time so that we can enter the New Year feeling refreshed and positive.

The extra pension would help us ensure that our school going grandchildren will be much better prepared for New School year. This will be good for teachers in classrooms and nurses in clinics. The extra pension would also be important for us so that we do not start the New Year in so much debt. We could be much more financially secure.

It would also be very good for the economy because we will be able to use the Stokvel monies which we save by sacrificing so much for during the year, to be spent on productive use instead of just consumption goods. We save in stokvels during the year. It would be much better if we can take those savings and use them to invest in our small businesses we do then to spend all that money on school things and food. We sacrifice so much to save, it is not good that all that money is just left in town and we cannot put it to productive use. We want to start putting money into things which help us live better and be more financially secure.

We ask that you increase our pensions to a living wage in April 2019.

Minister, the pension is R1 700 a month. We cannot survive on it. It is far too low. We cannot live healthy lives on it, it just keeps us in poverty. This year is even worse because this year has been so hard. Everything has gone up. Fuel has gone up. Electricity has gone up. Transport to send our grandchildren to school has gone up. VAT has gone up. Food prices have gone up. The pension is not keeping up with the shocks in prices.

In October you gave us an extra R10. What was that? R10 in the face of the shocks did not help us. Splitting the pension increase in April and October does not help us. We are very angry about this. We need the full pension to be paid out in April of every year.

We are of the age group that when we worked we received the lowest wages. We did the worst type of work and faced the worst racial oppression and exploitation under apartheid and as the new Democracy was working itself out to try and improve working conditions and wages. We did not earn enough when we worked to live and to save for our retirement. Our only option when we retired was to go onto the government Old-Age Grant. Minister we worked our whole lives and have now ended up in terrible poverty.

The pension plays the same role as a wage does. It brings income into our homes. We are 3,4 million pensioners. Many of us live in homes where nobody works. Our children do not work. There are no jobs. Our families survive on our pensions. Our expenses did not become less when we retired. We must still cover all the expenses we used to cover when we worked. Things are expensive, in Pietermaritzburg our expenses come to around R7 000 a month.

We are asking that you increase the monthly pension to a living wage of R8 000. R1 700 is far too low. We stand in the queue to collect the old age grant and then go and stand in the line to borrow money. It is a poverty grant and it is not enough to help us. We spend all the money in a few hours on food, electricity, transport, education, scholar transport, debt repayments and burial insurance. We come home with nothing. We leave all our money in town.

We have no money to bring home where we live. We have no money to support local economic activities where we live. We make things, but nobody has any money where we live to buy the things we make. We cannot support others who make things too. We also can't grow our small businesses. We would like to invest in our small businesses. We would like to invest in our homes – to expand our houses and fix them. To create wealth where we live. But we can't because we have no extra money.

Increasing the pension to a living wage would help us better support our families and make sure that our children and grandchildren's futures are much brighter and more stable. This would be good for government because it would mean that less money would have to be spent in the public health sector, our children would be able to maximise their education and would be able to gain knowledge and skills which would mean that South Africa would have a much stronger economic base as its workforce will be stronger, healthier and better skilled.

South Africa is struggling to create jobs. The situation is terrible and getting worse every day. If you invest in us, 3,4 million pensioners, money will come directly into our pockets – we will have extra money to spend where we live, and we will be able to change the economy around very quickly. We will be able to create work where we live.

Please try and see that doubling the pension in December and increasing the pension to a living wage could really make a huge difference for so many millions of families and it also will help government because 3,4 million pensioners and our families will be in a much better financial position and we will be able to use our money more productively and create work. If you don't do this, millions of families are going to enter 2019 in levels of debt we have not seen yet. It will be very bad for South Africa. The economy will continue to decline, and our lives will get worse.

Thina Ogogo.

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