

AHEAD OF THE 2025 BUDGET SPEECH

EXECUTIVE DIRECTOR'S DESK



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For the past few years since South Africa began pursuing a fiscal policy that sought to ensure a balance between spending restraint, measures to increase revenue and reduced borrowing, it had felt as though the country had been on swing. In the State of the Nation Address (SONA), the President would outline grand plans that seemed like they were pushing the country forward, then the finance minister would, in presenting the budget speech, push the swing backwards. For Treasury, austerity has been the name of the game and its impact is now being felt across numerous sectors, especially education and health.

The 2025 SONA presented once more, grand plans that if funded and implemented, hold a real promise to shift inequality in meaningful ways. There is no

doubt that the funding model for municipalities needs to be reviewed so that greater resources are availed to the sector that stands at the coalface of basic service delivery. This must be done in parallel to all of the other mechanisms and plans presented in SONA aimed at strengthening local government; like the review of the White Paper, greater technical support and effective oversight whilst addressing the capacity constraints in local government through the civil service professionalism efforts (and strategic and intentional deployment).

Secondly, government must respond in a practical and effective manner, to the water crisis that's increasingly reversing the socio-economic gains achieved in the past 3 decades. Whilst metropolitan municipalities are now increasingly presenting signs of water vulnerability, decades of pleas from many rural villages across the country, who had been allowed to go without access to clean drinking water, had fallen on deaf ears. The infrastructure fund and some of the plans presented in SONA 2025 hold real hope for these villages – of course, with limited resources we can do without the tallest bridge in Africa.



Photo by Afesis: Service Delivery Protest in Scenery Park

Thirdly, there is a new and real threat to peace and livelihoods at a community level with the rise of local gangs and other such nefarious activities. One can never underestimate the need for increased investment in crimefighting and policing. Safety – at home, going to school, going to work – is severely compromised across many communities in the country. The new forms of crime require new innovative crimefighting approaches and responses.

One appreciates that the Finance Minister has a tough job going into the budget speech considering that our economy has not grown much in the last few years and has been severely impacted by load-shedding. The Minister must find and present realistic (and innovative) means to increase revenue without hurting the taxpayer and must share the fiscal pie in ways that must pursue the plans articulated by the President in convincing ways. We, ordinary South Africans, expect no less.