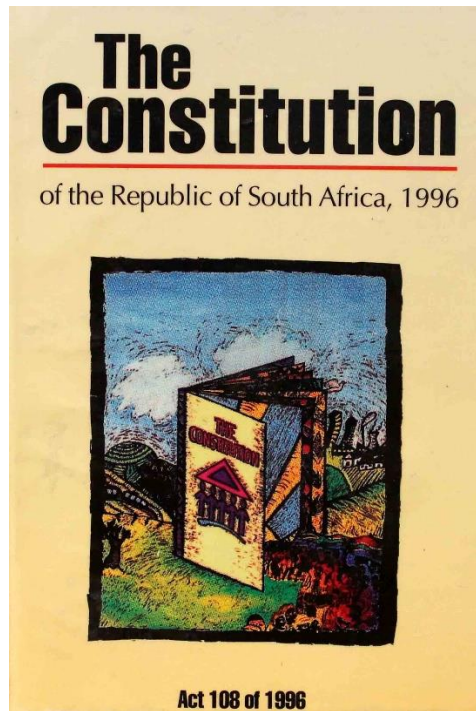


2017

Human Rights Budget Speech

21 February 2017



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People of South Africa,

I have the honour to present the 2017 Human Rights Budget Speech.

As a constitutional democracy, ours is a government which is committed to fulfilling the human rights of all people and ensuring the realisation of social justice in our land.

Our Constitution requires us not only to respect civil and political rights and freedoms, but also to fulfil **socio-economic rights**. These include the rights of everyone to basic and higher education, to adequate housing, to social security, health care and sufficient food, to adequate water and sanitation, to land, to work, and to a healthy environment. Unequal access to these rights undermines the constitutional goal of improving the well-being of all and building a democratic and prosperous nation. We therefore recognise the obligation at the heart of the Constitution which requires us to take concrete, positive steps as government to ensure that historical inequalities experienced along the lines of race, class, gender and disability are eradicated.

Current conditions

Despite the promise of our Constitution, South Africa continues to be characterised by deep and growing inequalities.

The results of the recently released Living Conditions Survey by Statistics South Africa (2014/15), reinforce in numbers what we see in reality every day. It shows, for instance, that the average annual spend by a household headed by a white person is R350 000, whilst for a black headed household the average was R67 000. The wealthiest 10% of earners receive more than 50% of total income, while the poorest 50% of South Africans share only 10% of total income between them. The survey also highlights continuing gender inequality in our country, with female headed households earning on average only two-thirds of male headed households. Where one lives also continues to impact dramatically on one's life chances. In particular, the survey found that households in informal urban areas are the most likely to experience poverty. Yet it is these residents that receive the least value from our social wage.

Highly unequal societies globally are associated with limited social mobility and widespread violations of rights. This profoundly affects people's hope for a 'better life'.

Early nutritional deficits from malnutrition are experienced by 1 in 4 South African children. These deficits retard cognitive as well as healthy physical development, and for many become a permanent barrier to social mobility. Unequal access to nutritious and healthy food for children is the first phase in a deadly 'poverty trap'.

Child welfare is inextricably linked to the financial and physical health and well-being of parents and the communities they grow up in. Households and communities where unemployment is high and wages for those that do work are low often struggle to survive on a precarious mix of limited social grants and high levels of household debt.

According to calculations from Statistics South Africa surveys¹, the average number of people supported by a single employed Black South African person is 3.9, while for a White South African it is 2.3 persons. This

¹ StatsSA QLFS Q2, 2016; Mid-Year Population Estimates, 2016; GHS 2015 and 2016.

racial differentiation is further illustrated by a comparison of the median monthly earning by population group. According to the StatsSA labour Market Dynamics Survey of 2015, the median monthly earnings for Black South Africans is R2 900, while for White South Africans it is R12 000.

Dividing this income by the dependency ratio means that, for White South Africans, this amounts to R5 217 per person per month, while for Black South Africans it is R744 per person per month, which is well below the upper-bound poverty line of R1 077 per person per month.

Coping mechanisms for households unable to afford their basic needs include the use of often illegal micro loans with extremely high interest rates. This results in a debt crisis for many households. In addition, given the fixed nature of most of the monthly expenditures of households, the one expenditure that is reduced is food, which in turn leads to a further disinvestment in human well-being and development.

In tackling inequality and freeing up resources for a redistributive, human rights-based policy agenda, a thorough review of economic and fiscal policy with a deliberate aim of redistribution needs to be undertaken.

Towards a Human Rights Budget and a Human Rights Economy

The Constitution does not only apply to political governance, but also provides a framework for our economic governance. For the first time, every aspect of this year's budget is guided by the Constitution. In particular, this means that every measure in this budget has been evaluated according to its impact on reducing inequality and advancing people's socio-economic rights.

Though global conditions remain tough, we have undertaken to increase the resources available to the state for advancing these rights. Where cost-cutting is necessary, it will not be at the expense of people's rights, such as to adequate health care, education and social security. We know that any budgetary measure which leads to a deterioration in the quality of existing services is unlawful. Instead, we will provide a financial boost to those areas of state delivery which are in need of improvement and reform.

We are also considering how Cabinet can fulfil its Constitutional obligation to deliver a human rights economy. That is: an economy in which business is conducted differently to traditional 'market practices', which have too often led to racketeering and fraud and the exploitation of workers and consumers at the expense of national development. We will empower our Competition Commission to develop new dynamic regulations that will ensure viable markets in which profits are related to the meeting of the needs of people. Companies that ride roughshod of the rights of workers and consumers will not find a safe space in this new economy, while companies that respect rights will be rewarded for doing so.

Reforms to macro-economic and tax policy

I hope you would all agree with the person who said that "I like paying taxes. With taxes I buy civilisation." In South Africa, personal income tax has been cut since 2000. The reduction in tax rates means that we can no longer afford as government to develop and protect the civilisation which so many of our people fought for.

Moves in recent years to slowly increase personal taxes have been insufficient to address the impact of adjusting tax brackets above the rate of inflation between 2000 – 2012. Indeed, if comfortable and affluent lifestyles were to be taxed at the same rate that there were in the 1994 – 2000 period, we would have up to

R100 billion more Rand to spend in the 2017 budget. A roll-back of tax reduction policies is required if we are to roll-in the civilisation that we all want.

A macro-economic policy for social development and stability cannot continue to be based on dreams of high growth rates in the medium-term. The structural nature of poverty and inequality in South Africa, manufactured by centuries of colonialism and apartheid, is such that **redistribution** must play a central role. Indeed, everyone from the World Bank to the elite in Davos agree that inequality is a barrier to growth. The current model of lending money from the rich must give way to a model that is based on fair taxation of incomes and assets.

I therefore introduce a freeze on personal income tax brackets for three years. This will provide an additional R30 billion of funds for state programmes and investment by the third year. In addition, we will lower the highest tax bracket from R700 000 to R650 000. The part of the taxable income that is above R650 000 will henceforth be taxed at 45%. The combination of these two measures will increase tax revenue by approximately R10 billion in the coming year. This will allow us to avoid any increase of VAT, which would hit the poor hardest and give another push to inflation.

In order to tackle the budget deficit and high state debt, we will increase our borrowing from the Public Investment Corporation (PIC), which is owned by the government and currently controls R1.8 trillion of funds. Government's ownership of the PIC means that we can borrow funds to pay our national debt at a regulated interest rate. This will allow us to save billions of rand which would otherwise have gone into the hands of private investors. In so doing, we will ensure independent financial oversight of the PIC in order to safe guard its holdings, including our pensions.

But this is only an immediate remedy. Our economy is drained by aggressive corporate tax planning and illicit financial outflows. The power of the transnational corporations to avoid tax must be broken. Besides providing adequate resources to SARS' transfer pricing unit, the single most important measure to *Stop the Bleeding* is **complete transparency**. Henceforth, the financial statements of all the subsidiaries of transnational corporations operating in South Africa will be open to public scrutiny. Global competition for foreign investment can no longer be a 'race to the bottom' in which investors into South Africa can avoid paying their fair share. We will therefore step-up our efforts at the UN, in the BRICS and in other international fora that are committed to ending corporate tax avoidance.

The rand is one of the most volatile currencies in the world. This has been made possible by recurrent liberalisation of the capital markets. Indeed, it has become a tradition to announce yet another relaxation of capital controls in previous year's budget speeches. However, we now know that our banks are returning this annual curtesy by continuously short-term 'betting' on the Rand as well as by illegally fixing prices in their currency trading.

To promote greater stability, block speculators from staging rapid capital outflows in response to the latest news, and to ensure that the pro-poor and pro-worker reforms of this budget can be implemented, capital controls and 'speed bumps' will be reintroduced. Foreign Direct Investments will henceforth be locked in for a period of one year. Mild restrictions will also be placed on capital outflows, including limiting the amount that can be withdrawn from SA in any one single transaction.

These measures were introduced one hour ago, when I started this budget speech. Investors can find more details in the appendices of the Budget Review, as well as on the Treasury's website. Talks with our

neighbours at the African Union give us confidence that this new policy can set a precedent for the whole of Africa and improve investment conditions throughout the continent.

Commitment to a Decent Standard of Living

Our National Development Plan, launched in 2013, committed us as a country to fulfilling the Constitution by ensuring that a decent standard of living would be enjoyed by all South Africans by 2030. Today, I want to begin a national conversation about what constitutes a decent standard of living in modern-day South Africa. That is: a standard of living that is arrived at by social consensus and which is acceptable in a democratic, thriving nation.

While this idea has its origins in the Freedom Charter, it finds much of its content in the socio-economic rights contained in our Constitution. More recently, this vision was affirmed by the ratification in 2015 by government of the International Covenant on Economic, Social and Cultural Rights (ICESCR), which former President Nelson Mandela signed at the UN in September 1994. This international covenant commits us along with more than 160 other nations to ensuring an adequate standard of living for everyone. Honouring this commitment will require us to move away from the ‘bare essentials’ approach of apartheid era measures of poverty that remain at the centre of Statistics South Africa calculated ‘poverty-lines’, and which have had too much influence over government policy until now.

Instead, we want to ask you, in all of your diversity, what do you think is essential for a decent life in South Africa?

In twelve months’ time, we will report back on the progress we have made towards identifying what such a standard would look like, based on extensive consultations with people across the country.

In the meantime, it is clear that the state must do more to correct the historical inequalities which continue to impede human and economic development in South Africa. The persistence of massive inequality in relation to every aspect of life in South Africa has eroded our social cohesion and solidarity. The ‘democratic dividend of hope’ has begun to fade for many, and at times it can seem that we are trapped in a ‘no hope’ economy. Desperation with poverty and inequality manifests daily in high levels of crime and protests around the country that are increasingly met with state force.

Historic compromise

One of our great stalwarts recently said that it is time for a ‘historic compromise’ – whereby all our social forces, including government, business and labour agree on immediate measures to pull our economy together. The President agrees with this sentiment and I can announce that the whole of Cabinet will work over the coming months to bring about a way forward with business and labour that can provide the confidence and stability needed for the major investments in our infrastructure and people that are necessary, while ensuring that sufficient funds are available for this purpose and all social partners are jointly committed to mutually agreed, reinforcing ends: a safer, healthier, more educated and prosperous nation.

Corruption

Whether it is improper spending on upgrades to the President’s private residence, petty crime in our streets, or the rigging of currency markets to benefit a few banks and traders, crime hurts us all, and we have

experienced a gradual loss of respect for the rule of law. As government we must show leadership in this regard.

State officials found guilty of the improper use of state funds will henceforth be subject to criminal investigations. There will be zero tolerance of corruption at all levels of government.

In this budget I want to focus, however, on two areas in particular. At the local government level, procurement irregularities in particular give rise to misappropriation of state funds and the failure to deliver adequate services to our people. Finance and procurement officers must have the skills necessary to manage municipal budgets. But more public oversight and better access to information is also part of the solution. We have therefore allocated R1 billion towards building the capacity of our municipalities to effectively spend the funds they are allocated, which will be disbursed conditional upon a municipality showing that it has fully included community-based monitoring of its planning, budgeting and implementation processes. Such public participation is the cornerstone of our constitutional democracy.

We have also experienced a rise in corruption in relation to the awarding of mining licenses, contracts and permits, which gives rise to a snowball effect of corrupt activities throughout the mining industry. Nobody suffers more from this than mining communities: their livelihoods, their health and their environment. I can announce that there will be a Parliamentary review of mining policy and legislation which will revolve around one key question, which has remained unanswered in South Africa for more than two-hundred years: how can both mining companies, communities and the nation itself benefit equally from the extraction of our sovereign mineral wealth?

Fully-funded reforms which will ensure an end to the severe deprivation of mining communities will be announced in next year's budget speech, following Parliament's review.

Gender Equality

While significant progress on women empowerment has been achieved since 1994, the Commission for Gender Equality continues to receive complaints from women pertaining to their unequal enjoyment of socio-economic rights.

Gender responsive budgeting is of the utmost importance to address these gaps. Gender responsive planning and budgeting requires that government departments as well as the private sector approach gender equality as central to fulfilling their constitutional obligations.

On this crucial issue, government will also lead. We will ensure that there are fully funded gender units in every department at the local, provincial and national level of government. These units will be provided with adequate human resources, technical skills and knowledge for those providing technical support to ensure that the key principles of gender responsive planning and budgeting are translated into practice within government. The Commission for Gender Equality, government as well as the private sector will continue to engage on the specific mechanisms and allocations required to achieve this aim.

Children's rights

While child poverty is still unacceptably high, it has been steadily declining from 79% in 2002 to 63% in 2014. This decline is primarily attributed to the availability of social grants and in particular the expansion of the Child Support Grant over this period. In March 2016, nearly 12 million poor children under the age of

18 years were receiving the Child Support Grant (CSG) of R360/month. A number of studies have shown that the CSG has had a positive impact on children's nutrition, education and health.

R16 billion additional investment in children's nutrition, health and education

However, the amount of the grant is very low and is still R110 below the food poverty line (R470 per capita in 2017 Rands). With 30% of South Africa's children (5.5 million) still living below the food poverty line – it is imperative that we take action on this now. To ensure that children at least have access to basic nutrition, and to increase the positive impacts of the CSG on education and health outcomes for children: we have decided to **increase the value of the Child Support Grant by R110 from R360 to R470**. This will increase the State's investment in the social assistance programme by approximately R16 billion and radically reduce the numbers of children living below the food poverty line.

R2 billion additional investment in child care and protection services

Our NPO partners in the social development sector have been delivering child care and protection services, alongside other services, on our behalf for decades. We greatly value this partnership and I would like to take this opportunity to apologise profusely for the many years of inadequate funding to NPOs that has caused untold hardship for our most vulnerable children: orphans, abused and neglected children, and street children. To remedy this dire situation **we commit an additional R2 billion for NPOs to the provinces**. This additional allocation will be ring fenced as a conditional grant with strict conditions in order to ensure that it is directly transferred to NPOs for child care and protection services.

R1 billion additional investment in early childhood development (ECD) programmes

As announced last year, to increase young children's growth and development opportunities we are introducing a conditional grant for ECD this year. ECD is one of government's priority commitments yet we are far from reaching the majority of children and this essential programme remains inadequately funded. **We have decided to increase our allocation to this conditional grant from the originally agreed amount of R400 million to R1 billion**. This is in addition to the existing allocation of R2.2 billion in the equitable share for ECD, bringing government's total investment in ECD to R3.2 billion.

The right to basic education

Apartheid's legacy of skewed resource distribution left a dire legacy of inappropriate schools, poor teacher training and unequal access to quality education. Unlike some of the other socio-economic rights in our Constitution, the right to basic education is **immediately realisable**. Fulfilment of our duty to provide access to quality public schooling is not therefore limited to the availability of resources or the taking of 'reasonable measures' over time. This is for good reason. As the Constitutional Court has said: "education is the engine of any society". It is the primary way in which economically and socially marginalised adults and children can lift themselves out of poverty and obtain the means to participate fully in society. Quality education provides recognition of the inherent dignity, equality and freedom of each person.

The importance attached to basic education in the Constitution means that there is no excuse for denying anyone their basic education rights. Ensuring all learners have access to quality schooling must therefore be treated as a priority in government plans, policies and budgets.

Despite reforms undertaken in the education system post-1994, millions of learners continue to experience poor quality education. Our school infrastructure remains well-below standard, teachers and principals lack basic skills, and many of our learners do not make it through their compulsory schooling years, which leaves them with little hope of finding opportunity in our demanding economy.

I believe a new approach to reforming and improving our public schooling system is necessary and overdue. This year, the Minister of Basic Education, working with the provinces, will undertake a wholesale assessment of needs in our education system. The aim of this is to build consensus among learners, parents, teachers and those who manage the school system, about the non-negotiable ingredients which are necessary for providing quality schooling to everyone in South Africa. The assessment will also determine the extent to which the current resource allocation to education is sufficient to provide a quality education to all learners, and whether the funding model in place is providing adequate redress for the unequal funding of education in the past. Once this exercise is complete, funds will be provided by National Treasury to ensure that the necessary inputs and capacity that is required can be provided.

Investments in education also have positive spill over effects for our economy. By building up the skills of our teachers, building new schools and replacing old ones, capacitating school governing bodies to carry out their tasks and ensuring that all children have access to all of the inputs they need for good schooling (including locally sourced nutritional meals, transport and textbooks), we can also provide a much needed stimulus to our economy, both in the short and the long term.

In the immediate year, I have agreed with the Minister of Basic Education that the Post-Provisioning Norms will be amended to increase the weighting given to poverty redress in those norms from 5% to 10%. This will require provinces to allocate more teachers to poorer schools and begin to reverse the trend of wealthier schools having the best and the most teachers. Second, National Treasury has committed to undertaking public consultations on its review of the equitable share formula, which has a big impact on the amount of funding each province receives for providing services such as basic education. Third, government's ratification of the International Covenant on Economic, Social and Cultural Rights requires us to re-think our opposition to universal free primary education. I have assigned a Commission of Enquiry into Free Primary Education to assess the funding implications of this move with a view to making the adjustments necessary in the budget to provide for this.

The Right to Higher Education

Access to quality higher education is critical to the development and growth of this country. It is from the annual pool of graduates that many employers draw their intellectual and skilled assets. It is therefore unfortunate that business interests and segregationist forces have been allowed to stall transformation and shape this sector according to their narrow agendas.

Higher education has become so commodified that only those wealthy enough can afford to access it without going into significant debt. The majority of those who attend university have to deal not only with debt but also their historical exclusion from the places of higher learning. The few from historically disadvantaged backgrounds that manage to make it through the higher education system with degrees do so despite having little to no access to academic resources, insufficient food and accommodation and therefore succeed only against the odds.

The Fees Must Fall protests arose out of a dissatisfaction with these conditions combined with exorbitant and rising fees, as well as the lack of decolonisation and transformation at university campuses and in university curricula.

While the National Financial Aid Scheme (NSFAS) has started to make inroads into student funding issues as a result of these protests, many issues remain unresolved, and NSFAS approach has not always been the most progressive. For example, the new centralised online administration system turns a blind eye to the socio-economic challenges that people face in terms of accessing computers and the data necessary for use of the system. Moreover, NSFAS continues to take months to respond to users and delays in the allocation of funds results in personal crises for students, such as an inability to register or find accommodation, which undermines their university experience and puts them at risk of harm (including homelessness).

The discussion around the future of higher education must be located within the constitutional and human rights framework. In order to move the country towards a more permanent, consensus driven solution to these challenges, I have agreed with the Minister of Higher Education on the following. The existing Commission of Inquiry into Institutions of Higher Education and Training will be scrapped and a new Commission of Inquiry into the Implementation of Fee Free Higher Education and Training will be established. This Commission must embark on national dialogue with students, parents, lecturers and others who have an interest in the future of our higher education system, which is so crucial to the development of skills and knowledge that can change the fortunes of our economy and society. The Commission must report back on its findings within 9 months so that the budgetary adjustments required for implementing their findings can be incorporated into the 2018/19 budget.

The Right to Work

With more than one in three working-age South African's unemployed, household living standards are closely linked to employment. This government's ratification of the International Covenant on Economic, Social and Cultural Rights in 2015 introduced a new right that must henceforth be guaranteed in our country: the right to work. The United Nations has made it clear that the provision of temporary 'work opportunities' with minimal skills development does not constitute a fulfilment of this right.

Therefore, I can announce a re-formulation of NEDLAC's investigation into decent work so that it takes full account of work as a basic and fundamental right. Within twelve months' time, we will report to the United Nations and to you on a National Plan of Action for the Right to Work which will be implemented from 2018/19 onwards.

Another area of critical importance in relation to work is the informal economy, which adds untold value to our economy and allows people across the country to create sustainable livelihoods outside of the formal economy from which they are excluded. Youth and women in particular have managed to carve out livelihood strategies against the odds in the informal economy and yet their contributions are chronically under-valued. Both the formal and informal economies converge throughout the economy and yet they are treated very differently by the state.

In order to give a much needed boost to economic growth and freedom, I have requested the Minister of Small Business to work with municipalities to review by-laws as well as national and provincial policies which hurt informal sector workers and business owners. These people cannot be seen as temporary and illegal forever. They must rather be supported and I commit to providing the funds necessary to the Minister and municipalities to allow them to implement reforms which they identify.

From my initial discussions, these should include better spacial planning of cities to accommodate a range of business opportunities and the creation of infrastructure which will allow the informal economy to thrive and develop itself. Municipal departments of local economic development will also need to be supported and capacitated to ensure that they are able to influence policies and implement programmes which will support informal traders. Improved infrastructure for informal traders will go hand-in-hand with improved outcomes for consumers, as better access to water and sanitation, for example, will improve hygiene practices.

This government recognises that the world of work is changing and that while many aspects of the 'formal' economy are becoming informalised, the informal economy is here to stay and will indeed grow in the coming years.

As with other policy proposals made in this speech, I commit to announcing the results of the investigation conducted by the Minister of Small Business within the next twelve months, and will be held accountable to that promise.

The right to social security

The right to work is closely linked to the right to social security. This right (which includes both contributory social insurance and non-contributory social assistance) is found in section 27(1)(c) of the Constitution. It is guaranteed to 'everyone' (i.e. not just citizens) and is subject to progressive realisation. This means that over time the state is obliged to expand enjoyment to the right of access to social security to all, within its available resources.

The expansion of social grants from 2.6 million beneficiaries in 2004 to just over 17 million beneficiaries in 2017, with a total annual spend of R121 billion in 2014/15, has perhaps been the single biggest contributor to poverty alleviation in the past decade and is thus a remarkable victory for the poor. Social security is also well recognised as a critically important mechanism for redistribution. In the 2014/15 Living Conditions Survey, StatsSA found that social grants contributed more to total household income in the lowest three income deciles than income from work, and even in the 5th income decile, contributed to close to 20% of household income.

However, for the right to social security to be fully enjoyed, more can and will be done. At present, workers in the informal economy are excluded from social insurance such as unemployment benefits and compensation for injuries as well as retirement benefits. Yet workers in the informal economy have the same rights as workers in the formal economy.

Moreover, while some workers are able to access contributory social insurance, there is no social security available to working age people (18 – 59) in South Africa. These are two gaps which if addressed, would give a greater boost to our fight against poverty (both for workers and the unemployed) than almost any other policy measure.

Today I invite all South Africans to be part of the current consideration of the architecture of a new comprehensive social security system. The current Comprehensive Social Security Reform process at NEDLAC will be opened up to much greater public participation in order to facilitate your inputs and guidance. We commit to national consultations on social security reform and will deliver a definite statement of policy to reform our social security system within the next 12 months.

In the next six months, I will work closely with the Minister of Social Development as well as with SASSA to immediately put an end to the [abuse of the grants system](#) that is costing billions of Rands and affecting countless beneficiaries' enjoyment of their right to social security.

The right to health

The highest attainable state of health for all is not only a fundamental human right and a public good, but also an economic necessity. The National Development Plan spells this out clearly. For an upper-middle-income country our people's health is much poorer than it should and could be.

This stems, on the one hand, from a massive disease burden underpinned by social and economic inequality and injustice and, on the other, from a dysfunctional health system that remains fragmented, inefficient, poorly managed and inequitable in the third decade of our human rights-based constitutional democracy.

Our public sector caters for more than 80% of the population — those who bear an overwhelming share of the disease burden because of poverty and lack of access to the social determinants of health — with a budgetary allocation of around 43% of our national health expenditure. Our private sector spends essentially the same amount on the approximately 15% of the population who can afford medical schemes — ironically, those with the lowest health care needs. This is an inequitable two-tier system that denies those with the greatest needs fundamental rights to health care because they are poor, and is fundamentally unsustainable.

Moreover, I have seen research which has found that R20 billion a year is lost to corruption in our public and private health care sectors. In the public sector, this is due to irregularities such as tender fraud and theft of medicines, while in the private sector, collusion and illegal profiteering result in massive inefficiencies.

Recent events demonstrate this clearly. More than 100 people died in the Esidimeni atrocity as a result of a toxic mix of corruption and mismanagement in a climate of strict austerity, which led to unconstitutional decisions to cut costs and ignore processes rather than protect the human rights of patients.

Cost containment also stood behind the recent death of an exhausted young doctor in the Western Cape who fell asleep at the wheel after a 30 hour duty shift.

This year we break decisively from the injustice inherent in the current system. We will speed up the realisation of the rights to health care embodied in Sections 27 and 28 of the Constitution and the International Covenant of Economic, Social and Cultural Rights. This will require a fundamental change in the way we identify and prioritise available national resources.

We start by progressively **reducing the subsidy to private health care through medical tax credit allowances and out-of-pocket expenditure for care, aiming to eliminate it over 3 years**. In 2014, R16.8 billion of potential revenue was lost to the state coffers as a result of the subsidy; eliminating this over 3 years can be expected to increase government revenue by at least R6 - R7 billion a year. From the 4th year on we expect an additional R18 - 20 billion in state revenue from this change.

Secondly, we commit to meeting the Abuja Declaration target of 15% of our budget to be allocated to health care by 2020.

Third, we will ensure that health sector funding will be used to strengthen our health system for long-term sustainability and equity, particularly by emphasising sustainable human resource capacity development, by **filling frozen and vacant posts especially in clinics and smaller hospitals and increasing and accelerating numbers of community health workers.** The latter will be based on calculations by Treasury and the Department of Health on the immediate and long-term social benefits and cost savings of having a formerly employed, properly trained and supervised community health care workforce. While the immediate investment may be high, the long-term savings from TB, MDR and other infections which will be reduced, more adherence to HIV medication and programmes and healthier communities generally would be priceless.

Fourth, we will ensure that **additional revenue goes towards the urgent implementation of Universal Health Care and the revitalisation of primary health care in communities and districts through the National Health Insurance Fund.** In the long run we aim to move progressively towards developing a single, equitable health system where all our people will enjoy a high standard of health care, free at the point of delivery.

Fifth, in recognition of the untimely death of Tobeka Daki, who had HER2 positive breast cancer and was a tireless campaigner for equal and affordable access to medicines for all, the Minister of Health and I have agreed to meet urgently with the Fix the Patent Laws campaign group. The death of Tobeka reminded government that access to health care is a right and not a privilege that can be prescribed based on one's ability to pay. In order to ensure that all South African's benefit from medical advances and have access to the medicines they need, we will undertake a **review of our intellectual property and patent laws in conjunction with civil society and the Competition Commission.** Fellow South African's: the days of company's being able to charge R400 000 a year for drugs which can be provided for R3 000 a year, are over.

The right to food

We recognise that food security initiatives have failed us in the past because they have not provided a holistic approach to hunger. Neither have they recognised the multi-faceted problems related to and causing hunger, including corporate concentration in the food system, globalisation, drought and climate change, to name a few. In order to ensure every citizen's right to food, **we are adopting a people-centred food sovereignty approach.** This approach will ensure that the food system is democratised, and that all citizens, particularly small-scale food producers and consumers, have control over the food system.

To ensure a food sovereignty pathway takes root in South Africa, which is necessary to affirm the constitutional right to food, we propose the adoption of a Peoples Food Sovereignty Law. This entails putting in place legislation and policy to promote active citizenry to ensure: (i) access and protection of seed resources as part of our natural commons; (ii) support for small scale producers rights to land; (iii) water is available as a communal resource; (iv) food production is eco-centric and consistent with agro-ecology principles; (v) consumption patterns that are healthy and nutritious are promoted by the state, **including the new tax on sugar, which will be implemented from 01 April 2017. This will be the start of a broader public health campaign by government which is extended to regulating unhealthy fast food in general;** (vi) adequate and appropriate financing to small scale farmers. Currently mega agri-hubs engender winners and losers and this does not meet the financing needs of small scale farmers; (vii) active support for community and small scale producer markets.

Moreover, there are other crucial participatory mechanisms that need to be taken forward by the state to promote a food sovereignty pathway. This includes a National Food Sovereignty Fund, a National Food Sovereignty Council, a National Food System Democratic Planning Commission and support for local communal councils. These mechanisms are not meant to be top down but driven by active citizen's participation, voice and power. **An amount of 3 billion will be allocated to the National Food Sovereignty Fund over the medium term.** The Council will be established to comprise of government, civil society and food sovereignty organisations. It will manage the fund to ensure farm buyout processes, capitalisation of small-scale food producer enterprises, and provide working capital to small-scale food producers. The Council will oversee the transition process to a food sovereign system, including amending legislation which currently upholds an undemocratic food system, including those laws which encourage monopoly power in the food system, seed laws which criminalise seed saving, and water legislation which currently favours industry (particularly the extractive industry). The National Food System Democratic Planning Commission will develop a 5-year food sovereignty plan to ensure the transition to a democratic food system in which small-scale food producers and enterprises are prioritised, and indigenous foods are revived.

The right to housing

Compatriots, we must take significant strides towards eliminating inequality and breaking down spatial injustices stemming from apartheid in our cities. I take note of research indicating that our people who live far from city centres struggle to access the employment they need to be lifted out of poverty. Given significant housing backlogs we must seek innovative ways to give poor people access to living and working opportunities inside our cities.

In Johannesburg, for example, nearly 50% of households in the inner city fall into income categories of between R800 and R 3500 per month. The national government's Community Residential Unit (CRU) is perfectly primed to provide capital funding to municipalities to develop public rental housing for these households.

Our people are entitled to spatial justice!

Through a redoubling of efforts to adequately fund the CRU, we shall attempt to **ensure that local governments in our cities are capable of developing dysfunctional, abandoned or distressed buildings as well as acquiring and developing new public rental housing assets.** We will also be investigating demand side subsidies to make rental housing programmes more affordable and encouraging the expansion of existing municipal operating subsidies to this effect.

Compatriots, the Freedom Charter exclaims that "There Shall be Houses!" and the Constitution entrenches a right of access to adequate housing. While we will not abandon our roll out of free housing to end backlogs, we must acknowledge and build upon the significant efforts made by our people to improve their own living conditions in informal settlements throughout the country.

I take note of a recent High Court judgment in which a major municipality was reminded by the Court that the implementation of our Upgrading of Informal Settlements Policy (UISP) is not optional. The UISP, which requires municipalities to consider and where possible prefer onsite upgrading of informal settlements to destabilising relocations, is a crucial part of our plan to ensure access to adequate housing.

The financial, human and social costs of relocations have been highlighted by communities around the

country and are increasingly finding their way to our courts in eviction proceedings. The Constitution tells us “People’s needs must be responded to”.

As an immediate measure we will therefore increase funding support for human settlements in general and strongly encourage provinces to prioritise this increased allocation for UISP implementation. Provinces, in turn, must incentivise municipalities to implement the policy instead of seeking relocations not favoured by residents of informal settlements.

Finally, we will also be investigating the need to increase the budget allocated for the expropriation of land upon which informal settlements have developed to ensure that municipalities are equipped to take whatever measures are necessary to support people’s attempts to improve their own living conditions.

The right to water and sanitation

The Draft National Sanitation Policy which is now in the process of being submitted to Cabinet for final approval, according to the Department of Water and Sanitation, acknowledges and stresses the need to integrate sanitation provision with a ‘basket of services’. The positions of this policy must now be properly funded. Numerous targets that have been set by different levels of government at different stages of our democracy, such as those for the elimination of bucket sanitation, have still not been met. The failure to meet such targets will continue if we don’t recognise the need to invest in infrastructure especially for informal settlements. The 2012 report by DHS and DPME estimated that R50.3 billion is required to provide sanitation for the unserved and address infrastructure challenges in the country. This amount does not cover funding needed for bulk infrastructure to provide for new services.

There is a need to recognise informal settlements as part of our cities and not as transit camps.

Recognition of all settlements as permanent will lead to proper planning and financing of development initiatives for these areas, which is not currently the case. The Upgrading of Informal Settlements Programme (UISP), which is funded through the Urban Settlements Development Grant (USDG) provides an opportunity for the many challenges in informal settlements to be addressed through incremental and in situ upgrading. However, implementation has been poor due to issues such as the lack of clear objectives of the USDG and institutional under-capacity in municipalities. Also, there is a gap in the funding of sanitation for informal settlements that fall outside of the UISP. Addressing these gaps is of crucial importance and will be facilitated through a clear funding mechanism for informal settlements that fall into this gap. **More funds will be provided to municipalities for the purchase of land through the USDG and where opportunities exist to expropriate, these must be utilised for the betterment of the lives of those that have been neglected since the advent of democracy.**

The right to land

Inequality in the distribution of land and natural resources is among the most important causes of gross poverty in South Africa. The Constitution provides strong rights to both the restitution of land and to land tenure security to citizens who lost their land, or had their land rights rendered insecure, through racially discriminatory laws and practices in the past. It also commits the state to take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis. However, since 1994 the land reform process has been both painfully slow and ineffective, and increasingly subject to elite capture.

Equitable access to land, with a strong focus on empowering the poorest households, will be placed at the centre of a revitalised land reform programme. Tenure reform laws will be amended to correct key weaknesses and oversights, and strengthen the rights of farmworkers, farm dwellers, labour tenants, residents in communal areas and members of communal property associations. Funds will be made available for the implementation of relevant legislation, and dedicated institutional support will be provided to rights holders. **In communal areas, rights holders will be empowered so that traditional leaders are held accountable, benefits flow to ordinary residents and not elites, and ensure that free, prior and informed consent is secured before mining or other forms of investment are allowed.** The redistribution of land will be redirected to meet the needs of the poor, and in the case of agricultural land, to productive smallholders, who will be provided with security of tenure. The restitution programme will be subjected to a large-scale overhaul, and the role of the Land Claims Court will be strengthened. **Post-settlement support services for the beneficiaries of land reform will be strengthened, and widespread corruption in land reform will be rooted out.**

The right to a healthy environment

Everyone in South Africa has the right to an environment which is not harmful to human health and well-being, and to have the environment protected by way of legislative measures. South Africa has an impressive basket of environmental protection statutes, but as we know, legislation is only as good as its implementation. Regrettably, as in many other countries, our implementation effort falls woefully short of what is required in order to do justice to the progressive frameworks we have forged since 1994.

Accordingly, I am going to begin addressing this today, through meaningful up-scales in the operational budgets of implementing agencies across all three tiers of government. I acknowledge that increased budgets are not necessarily silver bullets which will instantly transform our environmental governance profile, and that sound and innovative management of the way these budgets are spent is crucial to the increases having their desired effect. But at the same time I have no doubt that the planned injections will revitalise the collective mind sets within these agencies, alleviate the burden they carry in their attempts to stave off relentless assaults on our environment's integrity, and temper the fatigue which pervades circles of stakeholders who have cause to interact with this arm of government.

That said, the first priority underpinning the budget augmentations I am tabling is to ensure that the State's ability to ensure adherence to terms and conditions attached to the plethora of permits, licences and other authorisations it has and will continue to issue in association with our legislation is enhanced. With dispensations of this nature seldom being unconditional, and many conditions potentially prevailing for decades, Government leadership has until now failed to comprehend how we are perpetually expanding the workload of compliance and enforcement officials without enhancing their response capability. From here on we will take this into account, and work systematically to correlate environmental mandates, budgets and personnel complements as a whole.

This includes in relation to the other key aspects of law enforcement, viz. effective intervention when activities which require prior authorisation are commenced or undertaken unlawfully. With organisations being as thinly spread as they are, we have not been able to create adequate deterrence against environmental crime, leading to widespread perceptions of impunity, and the all too familiar refrain that it is easier to ask for forgiveness than permission.

Which brings me lastly, but not least, to the matter of our licensing and permitting processes, fraught as they frequently are with inordinate delays, inefficiencies or incompetence. Again we need to appreciate that we

have created an enormous workload for ourselves in adopting the wonderful legislation we have, and as such I am assigning funds to the bolstering of our decision-making capacity by ring-fencing them for the appointment of new cohorts of professionals who are alive to the contested space in which they work, and have the skills and mettle to withstand its rigors. With the advancements I have just announced, I believe we can look forward with optimism to a time when we are not enduring all manner of environmental ills despite our right to not have to do so. At which stage we can engage realistically with the matter of climate change.

This Human Rights Budget is tabled to the house.

I thank you.

