

QUALITY HEALTH CARE FOR ALL

P rimary health care is available free of charge and hospital services are provided at relatively low cost according to income. Children under the age of six, pregnant women and social grants beneficiaries receive free hospital services.

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- Over the next three years, R429.2 billion has been allocated to health spending.
- An additional R800 million has been provided for the expansion of antiretroviral treatment to cover an additional 500 000 people per year.
- A further R78 million has been allocated to the National Institute of Communicable Diseases to strengthen surveillance programmes for rotavirus, pneumococcus, HIV, TB and other infectious diseases.
- The Medical Research Council will receive R440 million over the next three years to improve research programmes and infrastructure and to support joint projects carried out

The 2013 Budget will strengthen prevention and treatment programmes for HIV/Aids, TB, enhance medical research, and improve infrastructure management and delivery

- with development partners.
- Over the next three years, provinces will use a large share of their combined R29.5 billion budget to fund infrastructure at district and regional hospitals, including Edendale Hospital and the Natalspruit Hospital in Ekurhuleni.
- The Department of Health will spend R5 billion on primary health care facilities, of which R3.2 billion is for clinics.



ELSIE LIVES POSITIVELY WITH HIV/AIDS

ELSIE BOGATSWE considers herself very lucky to be alive. Infected with HIV in 1988, she experienced rejection from the community that did not understand the disease. Her health deteriorated in 1994 and by the time she sought medical help, the mother of three was near death. "My feet were shaking. I was very thin. My face was white. My mouth

was black. I was scared and ashamed. I was thinking: "I'm going to die. What's going to happen to my children?" Elsie spent three months in hospital and was strong by the time she was discharged. "I was feeling well. I was looking good," she says. "I was given a chance and I thought I now had to do everything right. I told my family: 'I am not as I

was before – I am living with HIV/Aids." In 2005, Elsie's CD4 started slipping and she began ARV treatment. As an outpatient at the Charlotte Maxeke Academic Hospital, she now visits the HIV-AIDS clinic every six months to collect her free ARVs and to consult with a doctor. "I don't know if the taxpayers notice they're helping people

like me," she says. "They help me and lots of other people. We say thank you very much for helping us – for not leaving us to die."

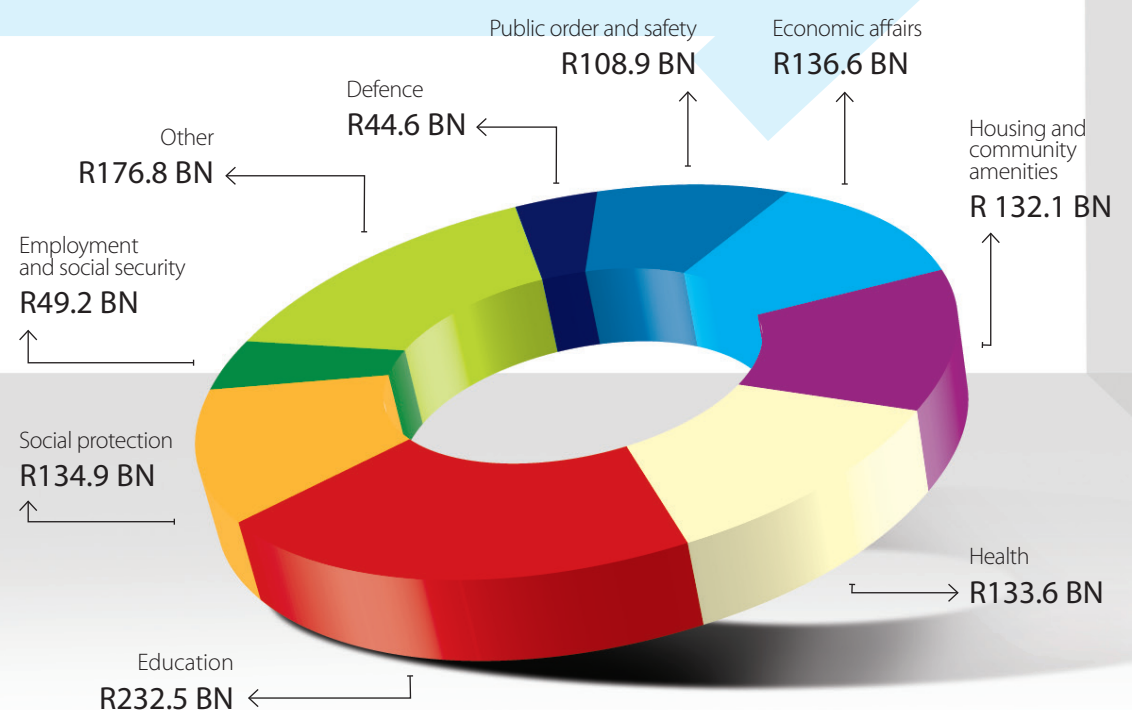


WHERE THE MONEY COMES FROM

TAX REVENUE	2013/14	%
Personal Income Tax	306 188	34
Excise Duties	31 265	3
Corporate Income Tax	169 830	19
Customs Duties	41 340	5
VAT	242 990	27
Fuel Levies	44 970	5
OTHER	61 421	7
TOTAL	898 004	100

Government raises money mainly from personal, corporate and value added taxes, and by issuing debt. All the money received by national government is paid into the National Revenue Fund. Spending of R1.1 trillion in 2013/14 will be funded from total revenue collections of R985.7 billion and borrowing of R163.7 billion. By 2015/16 total government debt will reach R1.9 trillion before stabilizing and falling thereafter. Government recognizes the risk associated with accumulating debt. Accordingly, it has reprioritised spending amounting to R52.1 billion towards priority programmes such as education, health, infrastructure and employment.

HOW WILL IT BE SPENT?





2013 BUDGET BREAKDOWN

TAX PROPOSALS

- Individuals whose taxable income is only from a single employer and does not exceed R250 000 for the 2012/13 tax year are not required to submit tax returns;
- Tax and compliance relief for small businesses;
- Fringe benefit tax relief for lower-income earners in respect of employer provided housing;
- Monthly tax credits for medical scheme contributions will be increased;
- The tax treatment of contributions to pension, retirement annuity and provident funds will be harmonised;
- Tax incentives for businesses that locate in special economic zones;
- Alignment of the proposed carbon tax, electricity levy and the energy-efficiency tax incentive;
- An incentive for the employment of first-time seekers of low income jobs.



SOCIAL GRANTS VALUE

	2012/13	2013/14
Old age grant	1 200	1 260
Old age grant, over 75	1 220	1 280
War veterans grant	1 220	1 280
Disability grant	1 200	1 260
Foster care grant	770	800
Care dependency grant	1 200	1 260
Child support grant	280	290

EXCISE DUTIES: ALCOHOL AND TOBACCO

The targeted total tax burden (excise duties plus VAT) expressed as a percentage of the weighted average retail selling price of wine, beer and spirits is 23, 35 and 48 per cent respectively. For tobacco products, the targeted tax burden is 52 per cent of the retail price. To maintain these levels of tax the following increases will now apply:

	Malt beer - increases by 7,5c to R1,08 per 340ml can
	Fortified wine - increases by 19,5c per 750ml bottle
	Unfortified wine - increases by 15c per 750ml bottle
	Sparkling wine - increases by 56c per 750ml bottle
	Ciders & alcoholic fruit beverages - increases by 7,3c per 330ml bottle
	Spirits - increases by R3,60 to R39,60 per 750ml bottle
	Cigarettes - increases by 60c to R10,92 per packet of 20
	Pipe tobacco - increases by 32c to R3,54 per 25g

ENVIRONMENTAL TAXES GO UP

	Fuel levies - From 3 April 2013, the general fuel levy will rise by 15 cents per litre to R2,13 while the Road Accident Fund levy will increase by 8 cents per litre to 96 cents per litre of petrol.
	Plastic bag levy - The levy on plastic shopping bags has encouraged consumers to reduce their use. The levy will rise from 4 cents to 6 cents per bag from 1 April 2013.
	Incandescent light bulb levy - To promote energy efficiency a levy on incandescent light bulbs was introduced in 2009. The levy is to be increased from R3 to R4 per bulb from 1 April 2013.
	Motor vehicle carbon dioxide emissions tax - The tax on motor vehicle carbon dioxide emissions, which is intended to encourage consumers to buy vehicles with lower carbon emissions, will increase from 1 April 2013. For passenger cars, the tax will rise from R75 to R90 for every gram of emissions per kilometre above 120 gCO ₂ /km. In the case of double cabs it will increase from R100 to R125 for every gram of emissions per kilometre above 175 gCO ₂ /km.

VAT PROPOSED ON IMPORTED ELECTRONICS AND SERVICES

	VAT on imported electronic services - Government proposes that all foreign businesses supplying e-books, music and other electronic services to South Africans register as VAT vendors from a date to be announced. This would reduce the competitive advantage these foreign businesses have over local competitors.
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TAX RELIEF FOR INDIVIDUALS

Tax relief of R7 billion for individual taxpayers is proposed. Personal income tax brackets and rebates have been largely adjusted to reduce the effect of inflation on tax payable. The amount an individual can earn before being required to pay income tax has been increased for the 2013/14 tax year as follows:

Tax year 1 March 2013 to 28 February 2014	
Below age 65	R67 111
Age 65 - 74	R104 611
Age 75 and older	R117 111

The annual tax rebates for individuals have also been increase as follows:

Tax year →	1 March 2012 to 28 February 2013	1 March 2013 to 28 February 2014
Primary (for all individuals)	R11 440	R12 080
Secondary (age 65 - 74)	R6 390	R6 750
Tertiary (age 75 and older)	R2 130	R2 250

Tax credits for medical scheme contributions

Monthly tax credits for medical scheme contributions (reduction of tax payable) will be increased from R230 to R242 for the first two beneficiaries on a medical scheme and from R154 to R162 for each additional beneficiary on the medical scheme for the 2013/14 tax year.

DID YOU FIND THIS PUBLICATION INFORMATIVE?

SMS Yes or No to 44112

A standard rate of 50c per sms applies.