

Well-intentioned yet insufficient

 By [Yael Geffen](#)

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Finance Minister Enoch Godongwana's attempt to present a silk purse from the economic pig's ear on his plate was laudable, but fell far short of what the country needs to turn the growth tide.



Source: [Pexels](#)

It was a good news, bad news budget in the spirit of 'one step forward, two steps back'.

A prime example is that the general fuel levy isn't going up... but the government is increasing the carbon fuel levy to 11 cents per litre for petrol and 14 cents per litre for diesel. What we gain on the swings, we lose on the roundabout.

The same goes for personal income tax. There's no direct increase – but tax tables haven't been adjusted for inflation either.

In plain speak, this means if you get an inflation-related wage or salary increase this year, chances are good you'll be pushed into a higher tax bracket. It's called "bracket creep" and to balance this the government should increase tax thresholds by at least inflation to protect consumers.

But not this year. The good news is that personal tax will stay the same. The bad news is bracket creep could cost taxpayers as much as R16bn more in 2024.

The 'good news, bad news' two-step defines this year's budget speech.

It is laudable that more will be spent in essential areas such as health, security and social welfare, but in truth this budget does nothing to change reality for our millions of citizens drowning in debt and staggering from pay cheque to pay cheque.

It also puts the dream of owning a home even further out of reach for many South Africans, which doesn't bode well for property-market recovery this year either. Real estate is a sector that contributes substantially to GDP and the government should be making every effort to support rather than smother it.

ABOUT Yael GEFFEN

Yael Geffen is the chief executive officer and a shareholder of Lew Geffen Sotheby's International Realty as well as a member of the Europe, Middle East, India and Africa region task force for Sotheby's International Realty. Geffen is the winner of the 2020 Standard Bank's prestigious *Top Woman in Property Award* and is the 2023 winner of *Woman of Stature's CEO of the Year*.

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