



UBIC Urges Budget Reforms and Policy Action to Strengthen SRD Grant and Advance Basic Income Support

17 February 2025

The Universal Basic Income Coalition (UBIC) welcomes the President's continued commitment to the Social Relief of Distress (SRD) grant, as reaffirmed in his 2025 State of the Nation Address (SONA). We acknowledge his recognition of the crucial role the grant plays in alleviating the worst effects of poverty for poor, working-age individuals. We also note his restatement of the government's longstanding policy commitment that the SRD grant will serve as the basis for a system of basic income support.

We hope to see this commitment reflected in the budget, particularly in light of the [recent High Court ruling](#), which confirmed what we have long argued: that the current administration of the SRD grant unfairly excludes millions through various procedural barriers and an unreasonably low means-test threshold. The court also affirmed that the grant's value—already inadequate at its introduction—has been severely eroded over time due to inflation.

For National Treasury to honour this commitment, we expect to see an increase in the allocation to the grant, reversing the pattern of declining budgets that are disconnected from expert estimates of the size of the eligible population. This increase in allocation can and should happen without an increase in Value Added Tax (VAT). Raising VAT would be a regressive, anti-poor measure that would ultimately undermine the grant's stimulus effects. This year's budget must allow for:

- The expansion of coverage to include all those previously unfairly excluded.
- The increase in the grant's value to restore its purchasing power and reverse years of retrogression.

Without these adjustments, the SRD grant will continue to fall short of providing meaningful relief to those who need it most.

We also expect that, following the budget, the Department of Social Development (DSD) will fulfil its role in honouring this commitment by publishing the long-awaited policy on basic income and opening it for public discussion. Additionally, we call for the tabling of a clear roadmap, with

defined milestones and timeframes, to guide the transition of the SRD grant into a comprehensive system of basic income support.

[ENDS]

For media enquiries please contact:

- Oliver Meth - Black Sash | [068 352 9045](tel:0683529045) | oliver@blacksash.org.za
- Bukelwa Hans - Grape | [082 651 5070](tel:0826515070) | stukie@iafrica.com
- Dalli Weyers - IEJ | [082 460 2093](tel:0824602093) | dalli.weyers@iej.org.za

UBIC is comprised of the following organisations:

- [Alternative Information and Development Centre \(AIDC\)](#)
- [Basic Income Earth Network \(BIEN\) - Africa UBI Observatory](#)
- [Black Sash](#)
- [Children's Institute, UCT](#)
- [Congress of South African Trade Unions \(COSATU\)](#)
- [The Family Caregiving Programme](#)
- [Global Reformed Platforms for Engagement \(GRAPE \)](#)
- [Institute for Economic Justice \(IEJ\)](#)
- [#PayTheGrants](#)
- [RightfulShare An Income Movement](#)
- [Women on Farms Project](#)
- [Youth Lab](#)