



MEDIA STATEMENT:

Date Release:

13/03/2025

FOR IMMEDIATE RELEASE

NPSWU Rejects VAT Increase and Calls for Fairer Taxation


The National Public Service Workers Union (NPSWU) vehemently rejects the proposed Value-Added Tax (VAT) increase from 15% to 16%, as tabled by the Minister of Finance in the latest budget. This proposed hike in VAT is a regressive tax that will disproportionately impact South Africa's most vulnerable populations, further deepening the country's existing inequality and worsening the economic hardships faced by workers and their families.

As a union that represents public service workers, we are profoundly concerned about the negative impact this tax increase will have on our members. This proposed increase will undoubtedly lead to an increase in the prices of essential goods and services, placing an unbearable strain on already struggling households. Public service workers—who are the backbone of this country—are already contending with high inflation, stagnant wages, and rising costs of living. The proposed VAT hike will only exacerbate these pressures, eroding their purchasing power and quality of life.

The NPSWU calls on the Minister of Finance to reconsider this regressive tax increase and instead explore alternative means of generating revenue that do not punish the working class and the most vulnerable members of society. A VAT hike is the wrong approach. Instead, we need a progressive and equitable tax system that takes into account the financial strain on ordinary South Africans. Tax reforms should prioritize workers, the poor, and the marginalized, not further burden them with higher living costs.

We note the government's recent emphasis on addressing wasteful expenditure and inefficiencies in public spending. While we recognize the importance of curbing waste, we cannot accept that the solution to these issues lies in further taxing the poorest citizens. Public service workers—who have long endured low wages and inadequate resources to perform their duties—should not be expected to bear the brunt of this budgetary shortfall. The government's focus on efficiency must be matched by a commitment to reducing waste in ways that do not harm those who can least afford it.

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Additionally, we are deeply troubled by the government's ongoing failure to address the needs of public sector workers. In recent years, the public sector has seen the retrenchment of thousands of teachers, healthcare workers, and other essential personnel. For instance, in the Western Cape alone, over 2,400 teachers were retrenched, exacerbating the already high learner-teacher ratios.


While the government allocates billions to certain areas, these funds often fail to reach those who need them most—the workers who are the heart of South Africa's public services. Public service workers deserve better. They deserve a government that values their labor and invests in their future. The proposed VAT increase, coupled with stagnant wages and continued neglect of public sector needs, is a slap in the face to our members. We cannot accept a future where workers are asked to sacrifice even more while the wealthiest individuals and corporations continue to benefit from a system that protects their interests.

In light of these concerns, the NPSWU will vigorously mobilize its members across the country. We will engage in widespread action, including protests, petitions, and other forms of advocacy to ensure that the voices of public service workers are heard. This will be a united and sustained effort to resist policies that further burden the working class. We are committed to working alongside other progressive forces to oppose the VAT increase and demand a fairer, more just tax system. We demand that our elected representatives in Parliament reject the proposed VAT increase, as it only serves to perpetuate the status quo of inequality.

We call on the government to prioritize the needs of the people over the interests of the wealthy and powerful. We demand a budget that delivers for the people—one that provides for decent work, access to quality public services, and a dignified life for all South Africans. The NPSWU stands firm in our commitment to fighting for a better future for all workers and will not stand idly by while policies that harm the most vulnerable are implemented.

The fight for justice and equality continues. We will not stop until the voices of workers are heard, and until we see real, meaningful changes that uplift the lives of all South Africans.

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