

**MEDIA RELEASE**

**PSA shocked about National Treasury's funding cut for SA Revenue Service**

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EMBARGO	None
ENQUIRIES	communication@psa.co.za

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The Public Servants Association (PSA), representing more than 5 200 of the South African Revenue Service (SARS), is concerned and dismayed about the funding cut of more than R2.5 billion imposed by the National Treasury on SARS.

This unexpected and substantial reduction in funding raises grave concern about government's commitment to maintaining an effective and efficient revenue collection system. SARS plays a crucial role in the country's economic well-being by ensuring the collection of taxes necessary for the provision of essential public services. The decision to cut funding at this scale not only jeopardises the functioning of SARS but also undermines its ability to combat tax evasion, illicit financial flows, and other forms of economic malpractice.

The PSA acknowledges the importance of fiscal responsibility and the need for effective financial management. The PSA, however, believes that drastic reductions in funding for essential institutions such as SARS can have severe consequences, including a decline in revenue collection capabilities and hampering government's ability to meet its financial obligations.

The PSA urges National Treasury to reconsider this decision and engage in meaningful consultations with all relevant stakeholders, including the PSA in representing the interests of public servants. Collaborative efforts are essential to finding sustainable solutions that ensure the continued effectiveness of SARS in fulfilling its mandate.

In addition, the PSA urges government to prioritise the stability and functionality of key institutions responsible for revenue collection, as this is paramount to the country's economic health and development.

The PSA remains committed to protecting and promoting public-sector employees' rights and interests and will actively engage with relevant stakeholders to address this matter and find a resolution that safeguards the integrity and efficiency of the South African revenue collection system.

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