

MEDIA RELEASE **PSA welcomes reversal of VAT increase**

DATE 24 April 2025

EMBARGO None

ENQUIRIES communication@psa.co.za

The Public Servants Association (PSA) welcomes government's decision to reverse the proposed increase in Value Added Tax (VAT).

This decision comes as a significant relief to millions of South Africans who are grappling with the high cost of living. The PSA has consistently opposed the VAT increase, arguing that it would disproportionately affect the most vulnerable members of society. The PSA is gratified that government has listened to the voices of the people and took this step to alleviate their financial burden.

The PSA is, however, deeply disappointed in the Minister of Finance for initially pushing for this regressive tax hike. It is unacceptable that such a proposal was even considered, given the current economic climate and the hardships faced by citizens. The Minister's insistence on this increase demonstrated a lack of empathy and understanding of the daily struggles of South Africans.

The PSA calls government to explore more equitable and sustainable ways to address the country's fiscal challenges. The PSA urges the Minister to prioritise policies that promote economic growth and social justice, rather than measures that place an undue burden on the poor and working class.

The PSA is committed to advocating for the rights and well-being of public servants and all South Africans. The PSA will continue to hold the government accountable and ensure that the interests of South Africans are always at the centre of policy decisions.

END