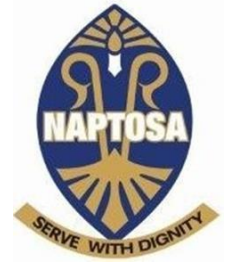


# NATIONAL NEWS FLASH

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## REACTION TO THE BUDGET SPEECH

NAPTOSA has carefully considered the 2025 Budget Speech delivered by the Minister of Finance this afternoon. While we acknowledge certain positive steps taken to address key issues in education and public services, we also express concerns about aspects of the budget that could negatively impact the most vulnerable in our society.

We note the announced 1% increase in VAT over the next two years, with disappointment. This decision disproportionately affects the poorest members of our society, increasing their financial burden during an already challenging economic period. We do, however, acknowledge and welcome the expansion of zero-rated products, which will offer some relief to struggling households by making essential goods more affordable.

Education remains a cornerstone of national development, and we are encouraged that the government has finally recognised the dire realities in our classrooms, particularly the unacceptably high learner-to-teacher ratios. NAPTOSA has consistently advocated for quality learning and teaching, as we believe it is fundamental to our country's progress. Under this premise, we welcome the additional R19.1 billion allocated over the medium term to retain approximately 11,000 teachers in classrooms. This investment will have a meaningful impact on improving the quality of education by ensuring that more learners have access to qualified educators.

We, furthermore, welcome the additional R10 billion allocated to increase the per-child subsidy to R24 per day. This funding will not only improve nutritional support for learners but also expand access to Early Childhood Development (ECD) services. We are, however, concerned that there was no mention of the provision of Grade Rs, especially now that they now form part of compulsory schooling. Investing in our youngest citizens is crucial if we are to cultivate a future generation of well-educated, responsible, and productive individuals.

NAPTOSA also acknowledges the commitment to strengthening the country's healthcare system, with R28.9 billion added to the health budget. The retention of 9,300 healthcare workers and the employment of 800 post-community service doctors will ensure that hospitals and clinics remain operational and

adequately staffed. Additionally, ensuring the availability of essential medicines in public pharmacies is a critical step in upholding the right to healthcare for all South Africans.

We also welcome the broadening of the tax base and the ongoing efforts to improve the administrative efficiency of the South African Revenue Service (SARS). These measures are essential in ensuring a fairer and more sustainable tax system, allowing, over time, to distribute the tax burden more evenly and equitably among all taxpayers. A well-functioning and efficient SARS enhances revenue collection, curbs tax evasion, and strengthens the country's fiscal position. With this in mind, we acknowledge the allocation of R3.5 billion to SARS in the current financial year and the additional R4 billion over the medium term. This investment is crucial in modernising tax administration, improving compliance, and ultimately supporting the country's economic growth and social development.

NAPTOSA welcomes the allocation of R1.7 billion for future disaster response and the provisional R4 billion set aside for provincial and municipal recovery efforts. Strengthening disaster response mechanisms is essential, particularly given the increasing frequency of climate-related disasters and infrastructure failures. This funding will provide much-needed relief to communities affected by natural disasters and ensure a more robust recovery framework.

We are deeply concerned that the budget lacks any meaningful stimulus for economic growth, failing to outline concrete measures to drive investment, support industries, or create sustainable development opportunities. Even more troubling is the complete absence of any mention of job creation, despite the country's urgent need to address rising unemployment. Without targeted interventions to stimulate economic activity and expand the workforce, this budget falls short of providing the necessary foundation for long-term prosperity and economic stability.

In conclusion, while NAPTOSA recognises the efforts made in this budget to address critical issues in education, healthcare, and disaster response, we remain vigilant and critical of decisions that may exacerbate economic hardships for the most vulnerable. We will continue to advocate for a fair and just allocation of resources that prioritises the needs of educators, learners, and the broader South African society.

**Mr BL Manuel**

**Executive Director**