

Fellow Democrats

The National Budget, tabled in Parliament this past Wednesday by Finance Minister, Malusi Gigaba, was the first actual, tangible action taken by this government since the election of a new President last week. It was the first opportunity to see this government's plans in action, and access its priorities. Sadly, it represents no real change from the ANC in government. It is undoubtedly one of the most anti-poor budgets we have ever seen – and it amounts to an assault on the poor and the jobless.

Instead of cutting the fat and waste in government – unnecessary expenditure and bloated departments – and focusing on growth, the ANC chose to cut spending on services to poor people, including funding for housing, education, policing, and local and provincial government.

The raising of VAT by 1 percentage point in effect means that we will all be paying 7.14% more tax on every day goods and services. This, combined with a significant fuel levy increase, will make food and transport more expensive. It will now be more expensive to be unemployed in South Africa. Life will get harder for the most vulnerable in society over the coming months.

As I have said, I will offer President Ramaphosa my support when he takes action that will benefit the country. However, raising VAT and transport levies will not benefit the country, it will do the very opposite – and it will hit the poor and the jobless the hardest.

This is because poor households spend a much greater portion of their income on food and transport. According to StatisticsSA, poor households spend most of their income – 30% - on food, compared to non-poor households which only spend 10.5%. A VAT increase only exacerbates this inequality between the “haves” and the “have not’s”.

Moreover, two thirds of the country's lowest income earners use more than 20 percent of their income on transport costs. This means the 52c per litre increase in fuel levies means the cost for people to travel long distances to work, or to look for work, will increase.

Over half of our nation lives in poverty, and almost 10 million South Africans are without a job. Those South Africans should have benefitted from the budget, not been bruised and battered by it.

The ANC cannot steal public money and then expect us, the people, to pay for it.

South Africans are law abiding. We pay our taxes faithfully, and we deserve better than this. We will not take this lying down.

Therefore we are here today to call on all South Africans to join the fight against increased taxes for the poor and working class. The DA will oppose and fight the VAT increase and the transport levy increases on all fronts. We will not support a regressive and anti-poor policy by the ANC, and will today be launching a national petition to say 'no' to VAT and transport levies. The petition can be [accessed here](#).

I call on all South Africans to join this fight, and to add their voice in saying we will not accept things as is any longer.

The ANC government had a choice – and they still have a choice. Raising VAT and other taxes was not a necessity. Instead of raising VAT, they could have rather cut the fat in government.

In fact, we even did the work for the ANC government. Our plan spelt out the options for expenditure cuts and selling off certain entities that would free up R112 billion. That meant tax increases were not necessary. But the ANC chose otherwise.

Instead of reducing the number of foreign missions, which could save an estimated R3.9 billion – the ANC decided to raise VAT by 1%.

Instead of withdrawing from the New Development Bank, which would save an estimated R17.2 billion - the ANC decided to increase transport levies by 52c per litre.

Instead of reducing the size of the executive, to 15 ministries, which could save R13.8 billion over the medium term – the ANC chose to cut police services by over 2000 personnel.

Instead of selling government's remaining shares in Telkom, which would raise an estimated R7 billion – the ANC chose to cut funding for building houses by R7.2 billion.

Instead of implementing salary freezes for all highly paid fatcat head office staff, which would raise an estimated R7.5 billion – the ANC chose to cut funding for education by R3.6 billion.

The first national budget of the Ramaphosa administration is an assault against the poor and unemployed in our country. This is not the change we wanted to see - it is more of the same from the ANC.

Our fight will always be for the poor, the unemployed, the excluded, and the vulnerable in society. We will always oppose actions which bully the little guy, the ordinary South African who is just trying to get by. We will always stand up to the interests of a few, for the benefit of the many – whether it be big government, big business, or big labour.

And this budget is precisely that. It is big government bullying ordinary South Africans into paying for its misdeeds. The ANC cannot make the poor pay for their looting of public money.

In the lead up to the budget process in Parliament, we will be in communities across the nation, in shopping centres, in places of activity, and knocking on doors in our effort to mobilise South Africans against the uncaring and unnecessary increase of VAT and other regressive anti-poor taxes.

We will table this petition in Parliament, and bring the voice of the people to the ears of the out of touch, self-serving ANC. We will also unequivocally oppose the passing of the Bill which will give effect to the VAT increase from 1 April 2018.

We call on all MPs to vote against the laws that will give effect to these taxes, which will come before Parliament in the coming weeks. This includes the ANC's alliance partners in Parliament. They cannot say they are against VAT increases in the media, but vote to support VAT increases in Parliament.

The President has options. The ball is now in his court. If he chooses to stick by this anti-poor, anti-development budget, then his words of change and renewal will be nothing more than empty words, and more of the same from the ANC.

Today, we begin our fight to put the power back in the hands of the people, not rich politicians who don't care about the plight of the poor and the jobless.