

04 February 2026

For Attention: The Minister of Finance

The honourable Mr Enoch Godongwana

*Submitted via on-line link provided at: <https://zurl.co/Uvjy1>*

The Organisation Undoing Tax Abuse (OUTA) welcomes your invitation to South Africans to submit views ahead of the 2026 National Budget.

We believe the budget must strike a careful balance between economic recovery, fiscal sustainability, and protection of the most vulnerable. The eventual decision not to pursue a broad-based VAT increase last year, demonstrated that credible alternatives to regressive taxation do exist. This was borne out in the October 2025 MTBPS, whereby expenditure restraints, the curtailment of low-impact programmes and improved revenue collection through SARS interventions, materially reduced fiscal pressure.

OUTA believe the following areas of focus require Treasury's attention:

1. Entrenched spending reform, discipline and effective oversight enforcement, will offer far greater returns than additional tax burdens and OUTA urges Treasury to expand its efforts to reduce waste, system inefficiency, and patronage-driven spending.
2. We believe a thorough review of the Skills Development Levy and SETA system is in order.
3. We further believe that a focussed strengthening of expertise and enforcement capacity across SARS, the DPCI, the NPA, SIU and other pertinent aspects of the criminal justice system, is essential to combat illicit trade, customs fraud and corruption, which should also produce increased customs and excise duty income.
4. We further recommend reducing the state's exposure to non-core and failing State-Owned Entities through accelerated restructuring, exploring equity partnerships or exit strategies, particularly for entities such as Denel, SAA and the South African Post Office.
5. Municipal financial management requires decisive intervention and Treasury should amplify its efforts to link transfers with municipal financial discipline and governance outcomes, while urgently addressing wastewater and sewage infrastructure failures through professionally managed public-private partnerships, involving civil society, government and business.
6. Infrastructure spending and investment should be conditional to: project readiness; procurement integrity; and very clear consequences for underperformance.

Minister, South Africa does not lack policy ideas, however it often lacks execution and accountability. The 2026 Budget presents an opportunity to entrench reform rather than regression.

OUTA stands ready to engage further.

Yours sincerely,

Wayne Duvenage  
*Chief Executive Officer*  
Organisation Undoing Tax Abuse (OUTA)