OXFAM
South Africa

Press Release: Oxfam South Africa responds to Budget Speech 2026.

Attention: Editors

Date: 26 February 2026

Budget 2026: Fiscal Stability Must Translate into Reduced Inequality

The 2026 budget speech delivered by Finance Minister Enoch Godongwana on Wednesday, February 25, in Parliament, was anchored on a positive turning point for the country. Oxfam South Africa acknowledges the fiscal consolidation efforts outlined by the Minister, including debt stabilisation and improved revenue performance. However, the real measure of this budget will be whether fiscal stability translates into measurable reductions in inequality, poverty and hunger.

In our Press Release responding to the 2026 State of the Nation Address, Oxfam South Africa underscored the need for growth to reduce inequality rather than deepen it. Similar to The President, the Finance Minister celebrated the country's growth without addressing core issues that affect the growth of citizens. In that vein, our statement responding to the SONA noted the absence of:

- Progressive Wealth Taxation
- Long-term income support, such as the Universal Basic Income Grant
- Structural reforms aimed specifically at narrowing wealth concentration

The budget presented by the Minister of Finance not only postponed some of these progressive fiscal policy reforms, which are largely supported by civil society, but also does not yet clearly outline firm redistributive commitments.

Wealth Tax as a First Step

The budget speech did not address inequality effectively through tax-related measures, a proposal widely advocated by civil society organisations globally. Instead, the budget focused on reducing the tax burden on citizens. While the withdrawal of additional tax increases and inflation adjustments to personal income tax provide short-term relief to households, the Budget does not introduce new progressive revenue instruments aimed at addressing wealth concentration. In one of the most unequal societies in the world, fiscal consolidation must be complemented by redistributive tax reforms if we are to narrow inequality in measurable terms. The government must uphold its commitments to addressing inequality drivers.

Introducing a wealth tax must be the initial step. As a civil society organisation, we urge the government to adopt progressive wealth measures that will effectively reduce inequality and wealth disparities, benefiting the people.

Social Grants: A Balancing Act

The social grants increase did not yield significant progress. While Oxfam South Africa acknowledges the modest increases to certain social grants, it is crucial to address the lack of adjustment in the Social Relief for Distress grant (SRD Grant). Civil Society has consistently emphasised the need for not only an increased SRD Grant but also a permanent decent Universal Basic Income for all South Africans.

The current increases seek inflation indexing as their target: this does not align with the obligation on the state to progressively realise social security in headcount and value until a decent standard of living for all is attained. Social security needs to be indexed to the national Lower Bound Poverty Line in the immediate term and the Upper Bound Poverty Line in the medium term.

With nearly a third of South Africans unemployed, as reported in the StatsSA Quarterly Labour Force Survey for Q4 2025, The modest increases to permanent grants provide limited inflation protection, but the absence of reform or upward adjustment to the Social Relief of Distress grant remains concerning. Given persistent unemployment and widespread poverty, social protection reform remains deficient. We eagerly anticipate the transformation of the SRD Grant into a means of supporting the needs of the people over the next year, as promised by the Minister, and to actively participate in any official processes where civil society is invited to contribute.

The Urgent Need for Enhanced Funding for Gender-Based Violence Prevention

Earlier this year, Oxfam South Africa advocated for dedicated ring-fenced funding after the formal classification of Gender-Based Violence (GBV) and Femicide as a national disaster, in late 2025. However, the recently tabled budget does not acknowledge this call. The proposed budget primarily focuses on structural issues through the diagnostic Gender Budget Statement, lacking the commitment of dedicated funding for this national disaster.

While the diagnostic Gender Budget Statement is noted, Oxfam reiterates that classification of GBV as a national disaster requires ring-fenced, transparent and trackable funding allocations. Similarly, while infrastructure and energy reforms were emphasised, the Budget does not sufficiently articulate how climate finance will protect low-income and climate-vulnerable communities, particularly women in rural areas.

Fiscal consolidation has restored credibility. The next phase must ensure that this restored credibility is leveraged to reduce poverty and inequality in measurable terms. Without deliberate redistributive measures, stability alone will not transform lived realities.

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Note to Editors

As part of our 2026 Budget Speech media engagement strategy, Oxfam South Africa is intentionally broadening its pool of spokespeople to include community-based partners and movement leaders. Where appropriate, we are able to facilitate interviews not only with Oxfam representatives, but also with partner organisations working directly with affected communities, in order to ensure grounded and diverse perspectives in public discourse.

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