

MEDIA RELEASE	2020 Budget Speech: PSA warns about attack on public servants' salaries
DATE	26 February 2020
EMBARGO	None
ENQUIRIES	communication@psa.co.za

The Public Servants Association (PSA) is concerned about plans mooted in the 2020 Budget Speech on 26 February 2020 by the Minister of Finance, Tito Mboweni, to adjust the Public Service wage bill in an effort to restore the struggling economy.

The Minister indicated that there will be adjustments to the wage bill of some R160 billion over the medium-term as part of expenditure cuts. The PSA fails to understand the continued attack on public servants' salaries as a key focus to save the South African economy. On 25 February 2020, the PSA outwardly rejected government's proposals to review the Public Service wage agreement for 2020 owing to claimed "unaffordability" of the last year of the three-year agreement. The PSA therefore views today's announcement as an attempt by government to gain public sympathy. In addition, the R18 billion that will, for example, be injected in the South African Airways is questionable as, once again, tax-payers' money will be used to fund a state-owned entity bankrupted by mismanagement and corruption.

The PSA welcomes the announced initiatives to strengthen the National Prosecuting Authority and the Special Investigating Unit but warns that it is crucial that clear timelines are set out to ensure the desired results.

Unfortunately, the reductions in personal income tax are, for public servants, overshadowed by the imminent threat to their salaries and benefits. In addition, the increase in the fuel levy will also result in higher public transport costs for many public-sector employees.

The PSA cautions the Minister and government that efforts aimed at minimising state expenditure should not come at the expense of those public servants who render services under enormous challenges. The morale of public servants is dented and any unilateral actions by government in this regard are guaranteed to have dire consequences.

END

