

MEDIA RELEASE: **Budget 2022: PSA sceptical despite capacitation of Government Departments**

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EMBARGO: None

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The Public Servants Association (PSA) welcomes certain aspects of the 2022 Budget as presented by the Minister of Finance on 23 February 2022, which sought to not only reduce the fiscal deficit but also stabilise South Africa's debt crisis.

The departure from irrational departmental budgets cuts is welcomed as it will assist with the capacitation of state departments, thus enabling the provision of efficient service delivery. The increase in budget towards the security cluster, health and social development, and education will enable government to provide a quality service and combat rampant corruption, which has plunged the country into a perilous state. In addition, the appointment of medical interns for the next three years will provide much-needed capacity, especially in the short-staffed Department of Health. The Minister has come to the reality that there will be no service delivery without provision of adequate resources, a fact that the PSA has been advocating continuously.

The Minister must further be applauded for recognizing the difficulties being faced by the citizenry wherein he took a tough decision of not increasing tax and offering tax reliefs to low-income earners. The acceleration of infrastructure development will unlock higher levels of employment and provide opportunity for economic development. The allocation of an increased budget for water and roads infrastructure will provide much-needed relief to suffering communities. The PSA, however, cautions National Treasury to vigilantly guard against corruption and looting of taxpayers' money.

The decision to stop bailouts and the impending reconfiguration of state-owned entities, are encouraging as most of these entities have failed to deliver on their mandates. The establishment of a team to review the fuel price is also welcomed, although no timeframe for this was provided. The PSA is, however, extremely disappointed that the Minister made no mention of the acceleration of legislation to reform the pension industry to provide for public servants to also access their pension savings to make ends meet in recovering from the impact of the COVID-19 pandemic.

The concerning fact that the country is providing social grants to more than 46% of the population is distressing in the absence of a tangible plan to reduce escalating unemployment. The PSA is further disappointed that there was no mention of capacitating the Public Service to ensure that South Africa has an efficient and professionalised Public Service in support of rescuing the economy.

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