

**MEDIA RELEASE**                      **Budget Vote 2021: PSA reaction**

**DATE**                                      24 February 2021

**EMBARGO**                                None

**ENQUIRIES**                              communication@psa.co.za

---

The Public Servants Association (PSA) has noted the Minister of Finance, Tito Mboweni's, cautious approach in the announcement of the Public Service wage bill or related allocations during the 2021 Budget Vote on 24 February 2021. The PSA is eagerly awaiting the engagement for a fair public-sector compensation budget, as indicated by the Minister.

There is, however, disappointment that no mention was made of addressing the current Public Service wage dispute. The Minister has further already pre-determined that upcoming wage negotiations will entail a multi-term wage agreement. The PSA, which represents some 240 000 public-sector employees, upfront states that a multi-term agreement will not be considered, noting that the employer cannot be trusted to honour long-term agreements as this resulted in the current unfortunate wage dispute that is now before the Constitutional Court.

The fuel levy increases are a further setback that will have a direct negative impact on transport costs, which commuters can ill afford, taking the collapse of PRASA, SAA, and bus services into consideration. High fuel prices directly result in increases to commodity prices. Under the current economic climate, with sky-rocketing unemployment and unprecedented job losses, the workers simply cannot absorb such expenses.

The PSA, however, welcomes the confirmation that there will be no bailouts for other struggling state-owned entities and implores Government to enlist all means of curbing expenditure, including wasteful expenditure and corruption in these entities.

The employment of experience extension officers will not only improve the agricultural sector in term of capacity but also assist with lowering of the latest shock unemployment figures. Efforts to improve the youth unemployment programme are thus also welcomed. The development of policy on funding options for deserving students is also welcomed as this will assist deserving students who are unable to study owing to a lack of funding. The initiative to provide free sanitary towels to the poorest of schools will ensure that learners are able to school unhindered.

Whilst the country remains besieged by fraud and corruption, the R1.8 billion allocated to the Department of Justice to combat corruption is applauded. The PSA trusts that this allocation will assist in speeding up efforts to root out corruption, ensure effective prosecutions and the return of such recovered monies to the public purse.

The PSA further welcomes the money set aside to obtain vaccines to combat the COVID-19 pandemic. This will aid public servants to focus on service delivery to the public without the constant risk to their personal health and safety. The PSA is, however, concerned that the increase in fuel levies will have a negative impact and deplete relief granted in other areas of the budget allocation. Public servants, in the absence of their 2020-salary adjustments, will struggle to absorb the ripple effect on living expenses.

END