

MEDIA RELEASE	Medium-Term Budget: PSA welcomes protection of 2023/24-public service wage agreement
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EMBARGO	None
ENQUIRIES	communication@psa.co.za

The Public Servants Association (PSA), representing more than 245 000 public-sector employees, welcomes additional funding of R24 billion this year and R74 billion over the medium term to fund the 2023/24-wage increase for public servants to ensure that government respects collective bargaining processes and agreements.

The PSA is, however, not impressed with cost-containment measures as proposed by National Treasury, which clearly indicate that public servants are, once again, at the short end of the stick. These measures will have a negative effect on filling of vacancies whilst there is a critical need to fill such vacancies. Public servants' capacity is stretched to the limit and this impacts on their ability to render efficient services to citizens.

The Minister has also painted a grimmer picture than ever before, with gross debt rising from R4.8 trillion in 2023/24 to R5.2 trillion in the next financial year. By 2025/26, the forecast is that it will exceed the R6 trillion mark. The projected deficit of 4.9% per GDP is of grave concern and the Minister failed to identify ways of addressing the continuous GDP deficit. The PSA, however, welcomes the plan to review state entities and other government programs over the next three years, as this is overdue.

The extension of the Presidential Employment Initiative is also welcomed, as it indicates that government is trying to address poverty and unemployment. The PSA is, however, concerned about the partial take-over of Eskom debt and issues a stern warning to government that the PSA will closely monitor the manner in which money is provided to Eskom without having any guarantee that such debts will be repaid. Eskom is another disaster waiting to happen and yet, government grants additional funding in the form of debt-relief loans whilst Eskom cannot even repay current debts.

The initiative to combat crime and corruption, as identified by the Financial Action Task Force, and to address identified deficiencies by early 2025 should have been prioritised for immediate implementation. Financial management and governance reforms are welcomed to address recommendations by the Zondo, Mpati, and Nugent Commissions. It is trusted that these reforms will address shortcomings in much-needed support of the country's economic recovery.

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