

MEDIA RELEASE	PSA notes targeted Medium-Term Budget relief: Calls for sustainable solutions, accountability, and better spending priorities
DATE	22 October 2026
EMBARGO	None
ENQUIRIES	communication@psa.co.za

The Public Servants Association (PSA), representing more than 250 000 public-sector employees, welcomes several measures announced by the Minister of Finance in the Medium-Term Budget Policy Statement (MTBPS), but warns that short-term measures, such as the temporary reduction of fuel levies, are not sustainable or adequate to give lasting respite to working households.

South Africa remains heavily dependent on imported refined petroleum products because domestic refining capacity has collapsed. The state, through the Central Energy Fund, acquired the Sapref refinery in Durban from BP and Shell in 2024 for a nominal R1 after the facility had been mothballed and flood damaged. Yet, more than two years later, the asset is still not functional as a refining operation. Plans for its revival, involving multi-billion-dollar investment, remain at the planning and funding-seeking stage, with a final investment decision still some way off. Had these state-owned refining assets been restored and optimised, South Africa would have greater leverage over domestic fuel supply and pricing. Dependence on imported refined products exposes citizens to international price shocks, shipping costs, exchange-rate volatility, and the full pass-through of global margins. The result is higher pump prices than under a more self-reliant refining system, and a heavier burden on transport costs, food prices, and household budgets. Temporary levy cuts mask the underlying structural problem for a few weeks and do not solve the problem.

The PSA urges government to prioritise the optimisation of the refinery assets it has already acquired. The focus must shift from repeated short-term fiscal relief to decisive restoration of domestic refining capacity. Only when these assets are brought back into productive operation will the state possess real leverage to assist citizens in making ends meet on a sustainable basis. The MTBPS and subsequent budget processes must treat the revival of state refining capacity as a strategic priority linked directly to energy security, industrial policy, and the cost of living of the working class.

The PSA is concerned about the allocation of R516 million towards the Madlanga, Khampepe, and Nkabinde Commissions of Inquiry. Whilst accountability and investigation of wrongdoing are essential, government must demonstrate that expenditure on these Commissions delivers tangible outcomes. The Madlanga Commission has already produced interim reports containing recommendations and referrals, highlighting the importance of translating investigative work into concrete action.



The PSA questions whether expenditure on the Khampepe and Nkabinde Commissions will deliver comparable value and whether the substantial resources committed could have been directed towards more immediate service-delivery priorities. Public funds are limited, and government must demonstrate that spending produces measurable results.

In the public service, early-retirement and voluntary-exit packages must not become a mechanism for quiet attrition of capability. Critical vacancies in teaching, nursing, medicine, and other frontline posts must be filled as a matter of urgency. Graduate doctors cannot remain unemployed whilst hospitals are under-staffed. Compensation budgets must further support real wage improvements linked to productivity and service outcomes and not merely contain the wage bill.

The additional funding for social development and interventions aimed at supporting vulnerable communities are welcomed. The PSA further welcomes the substantial allocations towards combating gender-based violence and femicide, including funding to strengthen social-work capacity, forensic investigations, and victim-support services. These measures must translate into effective prevention, improved investigations, and justice for victims. The planned R810 million recapitalisation of the South African Police Service fleet next year is also welcomed. Police officers require reliable vehicles and adequate resources to respond effectively to crime. The additional R2.2 billion over the medium term to strengthen the independence of the judiciary is equally important in reinforcing the rule of law and public confidence in the justice system.

The PSA further welcomes government's commitment to strengthening financial management and accountability through proposed reforms to public-finance legislation. Such reforms are long overdue. Weak financial controls, wasteful expenditure, and poor accountability have undermined service delivery and public confidence. Legislative reforms must, however, be accompanied by effective enforcement, consequences for financial misconduct, and transparent reporting on the use of public funds. The PSA reiterates that fiscal discipline must not come at the expense of workers and essential public services. Government must strike a balance between managing public debt, supporting economic growth, protecting vulnerable households, and ensuring that public servants have the resources and working conditions necessary to deliver quality services.

The MTBPS presents an opportunity to redirect public spending towards priorities that improve the lives of South Africans. The PSA calls on government to ensure that commitments translate into measurable improvements in service delivery, public safety, and the socio-economic wellbeing of workers and their families.

END



