

<b>MEDIA RELEASE</b>	<b>State of the Nation Address: PSA expectations</b>
<b>DATE</b>	7 February 2024
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With South Africans eagerly awaiting the upcoming State of the Nation Address (SONA) by President Cyril Ramaphosa, the Public Servants Association (PSA), as a key role player in protecting and promoting the rights and interests of public-sector employees, expects various critical national issues to be addressed by means of clearly outlined action plans.

In addition to delivering on long-outstanding promises related to the everlasting energy crisis, soaring cost-of-living expenses, rampant unemployment, as well as unabated crime and corruption, the PSA expects a strong focus on policies aimed at promoting economic growth, job creation, and social welfare. Apart from the impact of load shedding, the economy is further lamed by a collapse of ports and the rail network, which further ravages exports and local development. Close on five million young South Africans remain unemployed and 47% of South Africans depend on social grants.

Apart from these glaring matters, the public service is affected by budget cuts, with dilapidated infrastructure, and high vacancy rates across all sectors of the public service. There is a severe shortage of teachers, police, health professionals and other professionals in departments such as Home Affairs and Transport. As a result, classrooms are overcrowded. Clinics operate for only eight hours per day owing to insufficient nurses to cope with a 24-hour shift system. The police response to crimes ravaging communities is severely lacking.

As a result, the public service is fast becoming the employer of last resort compared to its glory days when it was the employer of choice for many. The public service was once the epitome of excellence and working in the public service was a badge of honour. That has been erode with professionals and experienced public servants leaving the public service for the private sector or leaving the country and joining public services abroad.

Government must start recognising the importance of a skilled and motivated public service in driving a national development plan in line with the professionalisation of the public service through collaborative engagements with unions in bargaining councils. Measures to retain skilled, experienced, and knowledgeable public servants must be explored to enhance the efficiency of public institutions.

The PSA is furthermore hopeful that the President will also focus on prioritising measures to strengthen social protection systems, including universal healthcare but also reconsider the *National Health Insurance Bill* in its current form as it will pose significant challenges going forward for public servants' existing medical benefits.

The grim reality is that the South African middle class, including most public-sector employees, is deeply indebted. Many of these workers are one salary away from bankruptcy. Accounts are in arrears with looming repossession or attachment of their property. A report issued in October 2023 revealed that 73% of disposable household income is used for servicing debt repayments. Workers are losing their assets, including homes and cars, as they struggle to pay mortgages. The high rate of repossession of assets, especially vehicles, was so high

in 2023 that the Ombudsman for Banking Services raised alarm, blaming this on the prolonged heightened cost-of-living. Repossession of assets is not a simple case of people living beyond their means. It is rather a matter of rising interest rates that have far outpaced increases in income. The Reserve Bank's continued increases in interest rates will deepen the crisis. Last year, a Nedbank monitor reported that 62% of South Africans complained that "their spending equalled or exceeded their income."

The outcomes of the SONA and subsequent political initiatives are of significant importance to South African workers and public-sector employees. Commitments to labour rights, public sector reforms, and social protection will directly impact on workers. The SONA presents an opportunity for government to reaffirm its commitment to addressing the needs of workers as driving the economy. The reality is that the country remains in a deep crisis and reassurances, backed by clear actions plans, are needed to ensure a turn-around for the country.

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