

Medium-term budget: Another public sector showdown? Written by Tehillah Niselow on 27 Oct 2020 10:04 The Medium-term Budget Policy speech is set to show the worsening state of the country's finances since the adjusted budget in June. #MTBPS – A medium-term budget of records One issue finance minister Tito Mboweni has remained resolute on is the cuts to the public sector wage bill, despite outrage from trade unions. He announced in February, prior to the Covid-19 pandemic hitting South Africa, that R160 billion would be trimmed from civil servants, with no salary increases for the next three years POWER Business reporter Tehillah Niselow reports: If government sticks to its guns and doesn't implement the final year of the 2018 wage agreement with civil servants, there's a looming battle at the labour court on 2 December. ANALYSIS: Mboweni to juggle cutting spending and growing the economy Assistant general manager at the Public Servants Association Reuben Maleka explains that nurses, police officers and teachers shouldn't be blamed for the country's fiscal woes. "The past weeks and months we've seen the Hawks going around making arrests and I think that's the response to show that now they are aware that it's not the public servants burdening the fiscus but the looters." However, as Mboweni said in his adjusted budget speech in June, he's determined to close the gap between spending and tax collection. Meanwhile, rating agency Standard and Poor's and the president's economic advisory panel are doubtful that spending cuts will be undertaken effectively.