

**MEDIA RELEASE**                      **Medium-Term Budget Policy Statement: Correct diagnoses, inadequate prescription**

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The Public Servants Association (PSA) cautiously welcomes the tabling the highly anticipated Medium-Term Budget Policy Statement (MTBPS) by the Minister of Finance on 30 October 2024.

The economic outlook is not inspiring, and the Minister was realistic about the challenges, resulting in the endeavour to increase the pool of investors. This must, however, be met with the aggressive eradication of corruption. Recent reports of corruption taking place at municipalities is worrisome and can dissuade investors. The plan to reduce debt cannot also not be achieved if the pit of corruption is not properly addressed. Many entities are still not performing at their optimum.

The PSA welcomes the infrastructure development undertaking as the Union has pointed out that it is key to ignite and resuscitate the non-growing economy. Critical infrastructure such as roads, ports, water infrastructure, railways and buildings can enhance export capacity and job creation. Infrastructure investment through a private-public partnership (PPP) is the way to go and the endeavour to review PPP regulations is thus long overdue.

The building of state capacity seems like a rhetoric as it will never be achieved without adequately resourcing government institutions that are operating with chronic staff shortages. The filling of vacancies in the public service cannot be delayed any longer. Ignoring this reality will worsen the situation. The introduction of early retirement to make way for young people needs to be implemented with caution. Entities such as Eskom suffered terribly when they lost experienced and skilled employees, as experienced cannot be bought. There must a be a well-coordinated plan that will ensure skills transfer otherwise these same employees will become consultants with exorbitant payments.

The PSA is disturbed that government is contributing to rising unemployment as it continuously cuts budgets and thousands of young people are about to lose employment in the embattled education sector. It is concerning that the Minister does not seem to be concerned about employment creation.

The lack of allocated funds for public-service wage increases may indicate the Minister's intent to respect the current ongoing wage negotiation process, which the PSA recognizes.

END

