

<b>MEDIA RELEASE</b>	<b>National Budget Speech 2025: Time for rhetoric has passed</b>
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The Public Servants Association (PSA), as an affiliate of the Federation of Unions of South Africa (Fedusa), supports many of the key demands raised by the Federation ahead of the 2025 National Budget Speech.

The PSA represents more than 240 000 public-sector employees who sustain service delivery in South Africa. With the country facing an economic downturn, rising unemployment, and severe strain on public institutions, the PSA expects the Minister of Finance to present a budget that prioritises economic growth, job security, and the strengthening of public services. The PSA firmly rejects austerity measures that have negatively impacted on public institutions and service delivery. Budget cuts have led to severe understaffing, deteriorating working conditions and infrastructure, and a decline in the quality of essential services. Government must move towards expansionary fiscal policies that promote growth and development. Increased investment in public infrastructure, healthcare, and education is crucial for improving service delivery and creating jobs.

One of the most pressing concerns is ongoing capacity challenges in the public service. Government's intention to offer 30 000 public servants incentives for early retirement and voluntary exit will exacerbate staff shortages and result in the loss of critical skills and institutional knowledge. Many departments are struggling with inadequate human resources, leading to delays and inefficiencies in service delivery. The budget must provide a clear plan on how these gaps will be addressed, particularly in essential sectors such as healthcare, education, and policing. Efforts to professionalise the public service must include measures to attract and retain skilled young graduates who can bring innovation and efficiency to government institutions.

In addition to human resource constraints, the PSA emphasises the need for greater investment in technology and digitalisation in the public sector. Modernising government services through digital transformation can enhance efficiency, reduce administrative burdens, and improve public access to essential services. The budget must prioritise the development of digital infrastructure, the upskilling of public servants in emerging technologies, and the automation of routine processes to ensure faster and more effective service delivery.

The PSA also calls on government to address the escalating cost-of-living crisis that continues to erode workers' purchasing power. Urgent measures are needed to regulate the prices of essential goods, fuel, and public transport. The taxation structure should be adjusted to provide relief for middle- and low-income households whilst ensuring that wealthier individuals and corporations contribute fairly to the national revenue.

The continued instability of Eskom and rising energy costs remain major concerns for workers and businesses. The PSA echoes the same sentiments as Fedusa that government should review Eskom's pricing model to ensure electricity remains affordable and to accelerate investment in alternative and renewable energy sources. Likewise,

state-owned enterprises (SOEs), must be stabilised to support economic growth and job retention. A clear strategy for improving governance and accountability at SOEs is essential to prevent corruption and inefficiency.

The PSA reaffirms its support for the introduction of a universal basic income grant to alleviate poverty and provide economic relief to unemployed South Africans. The grant should be sustainably funded through progressive taxation and efficient public spending to ensure long-term viability.

Finally, the PSA underscores the importance of strengthening labour institutions such as the Commission for Conciliation, Mediation, and Arbitration and the Labour Courts, which are currently underfunded and overwhelmed with unresolved cases. Adequate funding and resources for these institutions are critical to ensuring fair and timely resolution of labour disputes.

The PSA agrees with Fedusa that the Minister of Finance should deliver a budget that protects workers, strengthens public services, and promotes inclusive economic growth. The time for rhetoric has passed and decisive action is needed to ensure a more resilient and equitable South Africa.

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