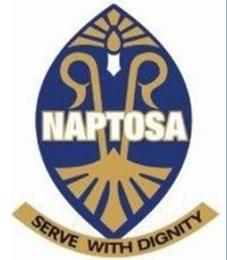




# NATIONAL NEWS FLASH



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## NAPTOSA STATEMENT ON BUDGET VOTE SPEECH 2021

While the Minister of Finance's Budget Vote Speech 2021 contained some positive aspects, there were also references that raised questions.

NAPTOSA wholeheartedly supports the Minister's mourning of those who succumbed to the COVID-19 virus, the empathy expressed for those who have lost their jobs due to the pandemic and the appreciation for the sacrifices of the frontline and essential service workers, including those of our own our members.

We are grateful for the R 10 billion earmarked for the purchase and delivery of vaccines over the next two years. Whether this will be sufficient for the required number of doses of the vaccine, only time will tell. The funding over a two-year period, however, means that South Africa should not expect to achieve herd immunity any time soon, which is worrying because our education system will remain under pressure from further possible waves of the pandemic.

The Minister must be complimented for steadfastly keeping to the policy of fiscal consolidation, provided the small print does not read that public servants are to bear the brunt. Steps to boost economic growth and activity by lowering barriers to entry, raising productivity and lowering the cost of doing business are also welcomed.

That our country's infrastructure needs urgent attention cannot be contested and the R 791,2 billion earmarked for infrastructure investment is therefore a positive step. Unfortunately, school infrastructure maintenance and development does not appear to be included, reference only being made to roads, dams, bridges and railways. We trust that the Minister sufficiently provided for school infrastructure in the detailed budget for the education sector.

NAPTOSA also welcomes the funding set aside for youth employment and to support the tourism sector recovery as well as the envisaged increase in the tax brackets.

Our worry with the Minister's speech lies in his reference to the public sector compensation dispensation and what we should read between the lines.

First, there is the Minister's reference to the work done by the Minister of Public Service and Administration in conjunction with organised labour to achieve a fair dispensation. Apart from the fact that there is hardly a working relationship to speak of between labour and the State as employer, at this stage, the employer's recent actions with regard to the 2020 salary adjustment for public servants is ample proof that a fair dispensation is far from their minds.

The Minister also casually mentioned that there is going to be negotiations on a new multi-year wage settlement. It is going to take serious convincing and watertight collective agreement wording to convince NAPTOSA to be party to any future multi-term wage agreement, following our bad experience with the last one.

Most worrying is the Minister's indication that "negotiations on a new multi-year wage settlement [will] begin **later this year**". What does this mean? Is the Minister implying that such negotiations will result in backdated implementation to 1 April 2021 or that no negotiations for a salary increase on 1 April 2021 is envisaged and that the negotiations "later this year" will only be for implementation next year? The Minister is sadly mistaken if he believes that labour will stand by and allow negotiations for a 1 April 2021 wage increase not to take place.

The Minister's announcement that National Treasury will be publishing draft amendments to Regulation 28 to make it easier for retirement funds to increase investment in infrastructure will be closely studied by NAPTOSA to ensure that GEPF funds are adequately protected.

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