

## **MEDIA STATEMENT-FOR IMMEDIATE RELEASE**

Wednesday 22, 2017

### **NEHAWU RESPONSE TO THE 2017 BUDGET SPEECH**

The National Health and Allied Workers Union (NEHAWU) note the tabling in parliament of the 2017 Budget Speech by Minister Gordon.

The 2017 budget lacks the will and the courage to tackle the endemic triple challenges of unemployment, poverty, and deepening social inequality.

It constitutes a spit on the face of attempts to radically transform the colonial structure of the South African economy.

It falls short in giving meaning programmatically and concretely to the quest to eradicate unemployment and poverty through making manufacturing as an engine of growth; the policy reform proposals such as "increasing private sector participation in sectors dominated by public enterprise" are provocative, and are an assault on hard worn gains of workers against privatization.

The underlying analytical approach and content of the speech, is utterly reactionary, neoliberal and orthodox, the economic instruments of inflation targeting, flexible exchange rates and foreign savings strategy, Central Bank Independency bear testimony that Treasury is not serious in tackling the burning socio-economic challenges, confronting South African society. This further proves that government lacks a coherent strategy to put South Africa on a much needed jobs-led growth path.

#### **On Fiscal Policy Stance:**

The National Health and Allied Workers Union support the observations of government that "Acting too quickly to reduce the budget deficit could hamper service delivery, delay economic recovery and compromise tax revenue collection".

However; the continued reduction of headcounts including the intention to introduce voluntary severance packages in the public service, coupled with the notion that the 2015 wage agreements have put significant pressure on the public finances smacks of attempts to weaken the public sector union and cajole our members into accepting unfavorable working conditions; NEHAWU will never be intimidated and we will fight back.

We are also deeply disturbed by the continued cuts and austerity measures of government in the form of expenditure ceilings this militates against the building of a strong-democratic developmental state.

#### **On Health:**

NEHAWU welcomes the announcement by government that progress is underway in finalizing the much awaited white paper on National Health Insurance, and the creation of

the National Health Insurance Fund. However, we are deeply disturbed by the failure to fill critical vacancies in the Health System, because this adds further burden on understaffed workers.

Further, we also welcome the additional allocation of 885 million to support the implementation of the universal test and treat policy for HIV and a 600 million for the commissioning of the new Nelson Mandela Children Hospital. NEHAWU Further urges the government to move with speed and urgency in implementing the ANC Lekgotla resolution on accelerating the implementation of NHI beyond the pilot stages.

## **Post-Education and TVET Sector:**

We welcome government efforts in this sector; including the increase of 32 billion allocated and the additional 5 billion for the outer year of the MTEF. We further call on government to seriously focus its efforts in the TVET colleges. Equally, we urge government to also develop a coherent overarching approach to the transformation agenda of the Post-schooling sector and defeat the agenda to further financialise and commercialise and the scourge of private universities and colleges.

## **Spending programs:**

NEHAWU support and applaud government on the following spending programmes:

- R105.9 billion on transfers to universities, while R54.3 billion will be spend on NSFAS;
- R142.6 billion to support affordable public transport;
- R606 billion on Health, R59.5 billion on the HIV/AIDS;
- R114.8 billion on subsidized public housing
- R94.4 Billion on water resources and bulk infrastructure
- R751.9 Billion on basic education, including 48.3 billion on for direct subsidies R42.9 billion for infrastructure and R12.7 billion for learner and teacher support.

NEHAWU will further engage through a detailed submission to Parliament in the coming weeks, however we remain convince that this budget, does not constitute attempts to bring about radical economic transformation.

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