

COSATU Submission:

2021/22 Budget: Special Appropriations Bill

28 May 2021



COSATU

Submitted to:

Standing Committee: Appropriations

**National Assembly
Parliament**

Republic of South Africa

1. Introduction

The Congress of South African Trade Unions (COSATU) welcomes the Special Appropriations Bill and supports its passage by Parliament.

The Federation believes that the supplementary allocations for the rolling out of vaccines to fight Covid-19, to extend the R350 Covid-19 Grant to the long term unemployed and to provide funding for South African Airways (SAA) are critical and needed.

2. South African Airways

COSATU welcomes the additional funding for SAA. SAA was until recent times rated one of the best airlines in the continent and the world. It is uniquely placed to link South Africa's 9 provinces to each other as well as to link South Africa to the rest of the region, continent and world.

Tourism is one of the three largest employment sectors in the economy, with more than 1 million workers. It has the potential to grow far larger.

The combined SAA Group of SAA, SA Express, SA Technical and Voyager had more than 11, 500 staff. Most of these staff have been left unpaid since the beginning of the pandemic. They have lost their possessions and their homes.

The Federation thus welcome any relief that will be provided to these strategic national assets.

We are however concerned about the ambiguity as to the short, medium and long term turn around plan for the SAA Group. E.g. what routes must it have, which planes are needed, what staff will be employed, what equity partners will be included, how will the debt be paid, what jobs plan is there for staff besides retrenchments etc?

COSATU Proposals:

- Government needs to urgently table at Parliament clear plan that will ensure the revival and sustainability of the SAA Group and a jobs plan for their staff.

3. R350 Covid-19 Unemployment Grant

COSATU welcomes the allocation for the extension of the R350 Covid-19 Grant for the long term unemployed until April 2021.

The Covid-19 Grant, with all its many challenges and weaknesses, has been a badly needed source of relief for millions of the most destitute South Africans during this pandemic. This is confirmed by the endless queues day after day at the Post Offices of millions queueing to receive it.

It has benefited those who have not found and will not find jobs for sometime in an economy of 40% unemployment.

COSATU is deeply concerned and disappointed that Treasury has refused to extend it beyond April 2021. This is simply inhumane. This is the sole source of food for millions. These recipients will not miraculously find work in May 2021.

Its extension at a cost of R2 billion per month is affordable in a budget of nearly R2 trillion per annum. It is far less than government loses to corruption and wasteful expenditure or on law suits for state incompetence.

Most political parties claim to support some sort of universal basic income grant. The R350 Covid-19 Grant is that in essence, despite its imperfections.

The time to provide such a grant is when the economy is at its lowest. South Africa's economy is in the midst of its greatest recession in a century.

It needs to be extended for the duration of the 2021/22 budget year at a minimum and in fact beyond that.

COSATU Proposals:

- Parliament should reject the April 2021 cut off for the Covid-19 Grant and extend it until the end of the 2021/22 financial year and beyond.

4. Covid-19 Vaccines

COSATU welcomes the supplementary allocation for Covid-19 vaccines.

The Federation supports the agreement with medical aids to contribute towards the costs of vaccines for their nearly 9 million members plus an equivalent number of persons.

The economy cannot afford to sustain these levels of restrictions and periodic lockdowns. Rolling out the vaccines and achieving the 67% plus population immunity is critical towards saving lives and livelihoods.

COSATU's concern is the inexcusably slow pace at which the vaccine roll out plan has taken pace.

6 months down the road and barely 1% of South Africans have received their vaccines. Many countries have long surpassed us. Not only in the wealthy nations in the West, but in fact in the region and the continent. South Africa is number 26 in the continent currently. Zimbabwe and even Somalia, which has not had a functioning government since 1993, have vaccinated more of their people.

This means the economy will take longer to reopen. It means people will needlessly die. It means 95% of the world's countries will retain stringent travel restrictions on South Africa, further decimating our collapsing tourism industry and trade with the world.

COSATU Proposals:

- Government needs to open all vaccination sites by the end of May and ensure that at least 200 000 people are vaccinated daily and that the 67% plus population immunity level is reached by December 2021.

5. CCMA

COSATU is deeply angered that Treasury failed to include the CCMA in the Special Appropriations Bill.

Government has slashed over R600 million from the CCMA's funding over the Medium Term Expenditure Framework.

This has literally brought the CCMA to its knees. It has forced it to retrench Commissioners, close doors, cancel conciliation services etc.

This has been a painful blow and a slap in the face of 1000s of workers who depend upon the CCMA to help save their wages and jobs. These numbers have increased as the economy was shut down and plunged into its deepest recession in a century.

This has resulted in workers protesting at the CCMA's offices.

Instead of increasing funding to the CCMA to help reduce its queues, Treasury has sought fit to slash it.

COSATU submitted a memorandum to Cabinet and raised this matter with the President and Ministers for Labour and Employment and Treasury. Other Federations and Organised Business have supported COSATU's memorandum to Cabinet. Yet this plea for workers has warranted no response from Treasury.

COSATU Proposals:

- Parliament should reject the budget cuts to the CCMA and reinstate its reduced expenditure in the Special Appropriations Bill.
- Treasury should engage with the Departments of Employment and Labour and Higher Education and Training and COSATU and Organised Business on additional sources of funding for the CCMA e.g. the unutilised SETAs' funds.

6. Conclusion

COSATU welcomes the Special Appropriations Bill and supports its passage by Parliament.

However government needs to table its turnaround plan for the SAA Group, including a jobs plan for its workers.

The Covid-19 Grant needs to be extended for the duration of the budget year and not simply end in April 2021.

Government needs to accelerate the roll out of the Covid-19 vaccines.

Parliament must reject the devastating budgetary cuts to the CCMA and reinsert its original allocations through an amendment of the Special Appropriations Bill.



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