

COSATU Submission:

2021/22 Budget:

Special Appropriations Bill

Standing Committee:

Appropriations

National Assembly

Parliament

28/05/2021



Introduction

- COSATU welcomes the Special Appropriations Bill & supports its passage by Parliament;
- COSATU believes the supplementary appropriations for vaccines to fight Covid-19, extending R350 Covid-19 Grant to April, & providing funding for South African Airways are critical & needed;
- COSATU urges Parliament to amend Bill to extend R350 Covid-19 Grant to March 2022 & to reverse R300 million debilitating cuts to CCMA.

South African Airways

- COSATU supports additional funding for SAA;
- SAA until recent times rated one of the best airlines in the world, is uniquely placed to link South Africa's 9 provinces to each other, & to link South Africa to Africa & the world;
- Tourism one of 3 largest employment sectors with more than 1 million workers; &
- Heavily hit by pandemic but with potential to grow far larger.

South African Airways

- Combined SAA Group of SAA, Air Chefs, SA Technical & Voyager, plus SA Express had more than 11, 500 staff;
- Most have been left unpaid since March 2020, losing their possessions & homes;
- COSATU welcomes any relief for these workers & strategic national assets.

South African Airways

- COSATU is concerned about ambiguity on short, medium & long term turn around plan for SAA Group;
- What routes must it have, which planes are needed, what staff will be employed, what equity partners will be included, how will debt be paid, what jobs plan is there for staff besides retrenchments etc?

South African Airways

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.

R350 Covid-19 Grant

- COSATU welcomes appropriation extension of R350 Covid-19 Grant until April 2021;
- Covid-19 Grant, with all its challenges & weaknesses, has been badly needed source of relief for millions of the most destitute during this pandemic, this is confirmed by endless queues at Post Offices of millions queueing to receive it.
- It has helped those who will not find jobs for sometime in an economy of 40% unemployment.

R350 Covid-19 Grant

- COSATU is deeply concerned & disappointed Treasury has refused to extend it beyond April, this is inhumane, sole source of food for millions who will not miraculously find work in May;
- Extension at R2 billion a month is affordable in a budget of R1.7 trillion & far less than government loses to corruption & wasteful expenditure or on law-suits for state incompetence; &
- Most political parties claim to support some sort of basic income grant, R350 Covid-19 Grant is that in essence, despite its imperfections.

R350 Covid-19 Grant

- 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;
- Needs to be extended for 2021/22 budget year at a minimum & in fact beyond that.

COSATU Proposals:

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

Covid-19 Vaccines

- COSATU welcomes supplementary allocation for Covid-19 vaccines;
- COSATU supports agreement with medical aids to cover costs of vaccines for their 9 million members plus an equivalent number of persons;
- Economy cannot afford to sustain these levels of restrictions and periodic lockdowns; &
- Rolling out vaccines and achieving 67% plus population immunity is critical towards saving lives and livelihoods.

Covid-19 Vaccines

- COSATU's concern is 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 SA, not only in wealthy nations, but in SADC & Africa, Zimbabwe & even Somalia, which has not had a government since 1993, have vaccinated more people; &
- South Africa is number 26 in Africa currently.

Covid-19 Vaccines

- This means economy will take longer to reopen, more people will needlessly die;
- 95% of countries retain stringent travel restrictions on South Africa, further decimating collapsing tourism industry & trade with the world.

COSATU Proposals:

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

CCMA

- COSATU is deeply angered Treasury failed to include CCMA in Special Appropriations Bill;
- Government slashed over R600 million from CCMA's funding over 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.

CCMA

- This has been a painful blow & 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 & 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.

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CCMA

- 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.

CCMA

COSATU Proposals:

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

Conclusion

- COSATU welcomes Special Appropriations Bill & supports its passage by Parliament;
- Government needs to table its turnaround plan for SAA Group, including a jobs plan for its workers; &
- Government needs to accelerate the roll out of Covid-19 vaccines.

Conclusion

- Covid-19 Grant needs to be extended for duration of the budget year & not simply end in April 2021;
- Parliament must reject devastating budgetary cuts to the CCMA and reinsert its original allocations through an amendment of the Special Appropriations Bill.