

MEDIA RELEASE **Cost of living report concern for PSA**

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The Public Servants Association (PSA) is deeply concerned about the findings of the latest report on the cost of living in South Africa.

The report highlights a significant and worsening impact on the country's most vulnerable populations, particularly the poor. The findings reveal shocking trends in that between 2011 and 2023, cumulative headline inflation increased by 94.6%. The cost of staple foods has increased by 136.1%, making it increasingly difficult for families to afford nutritious meals. Rent and utility prices have tripled, exacerbating the housing crisis and leading to increased homelessness. Public transportation costs have surged by 130%, limiting access to employment and essential services for many, whilst private transport is closer to 165%, making commuting to work or school unaffordable for many. Electricity prices increased by 230%. Further, the cost of essentials increased at a much faster rate.

The PSA recognises the urgent need for comprehensive measures to address the escalating cost of essential goods and services. The prices of necessities such as food, housing, and transportation have surged, placing an unbearable burden on low-income households. However, the concerning finding was that real wages fell by 3.4%, meaning that the average South African worker could buy less in 2023 than in 2011. Wage growth lagged far behind inflation in essentials, squeezing household budgets even tighter. The Pietermaritzburg Economic Justice and Dignity group highlighted that nearly 93% of social grant money is allocated to food purchases, making it difficult to afford other necessities.

The PSA calls on government and relevant stakeholders to take immediate action to mitigate the impact of this crisis. The PSA urges the implementation of targeted social-support programs, subsidies for essential goods, and policies aimed at stabilising prices. Employees are victims of an economy that is not growing, resulting in them receiving meagre salary increases. Government and the private sector must invest in job-creation initiatives to provide sustainable income opportunities for the unemployed. A holistic social dispensation must be considered in a country where approximately 40% of the population is unemployed and depends on social grants. The cost of electricity and billions of rands owed to Eskom and municipalities present the real crisis. The consideration of a flat rate to increase the rate of people paying the electricity bill might be a good idea. Government must do more to introduce measures to regulate and stabilise prices of essential goods and services. The PSA is committed to advocating for the rights and well-being of all public servants and the broader community.

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