

MEDIA RELEASE	Escalating fuel prices: PSA proposes urgent relief measures
DATE	06 May 2026
EMBARGO	None
ENQUIRIES	communication@psa.co.za

The Public Servants Association (PSA), representing more than 250 000 public-sector employees, calls for urgent relief measures to address the impact of escalating fuel prices.

Fuel is a critical commodity for the economy. Its affordability enables transport of goods, commuters and machines that propels economic growth. Escalating fuel prices as a result of global geopolitical tensions, currency volatility, and domestic levies, impose a severe and regressive burden on South Africans, making survival harder for workers and the poor.

On-going fuel-price increases are rapidly driving up the cost of transport and essential goods, placing pressure on strained household incomes. The ripple effect on the economy has contributed to rising inflation and eroding the real value of workers' salaries. Public servants, many of whom are already battling stagnant wages, have to absorb escalating commuting costs and higher living expenses without corresponding relief.

The pain of rising fuel prices cannot be separated from South Africa's migrant labour system and the collapse of affordable rail transport. These factors created expensive, inefficient commuting patterns that trap workers in cycles of high transport costs. Spatial patterns persist, with workers forced to travel hours daily, often via minibus taxis, as jobs remain concentrated in suburbs and CBDs. Low-income households in peripheral areas spend between 40 and 50% of income on transport, which is far above the 10% policy benchmark. This legacy turns transport into a structural "tax" on the poor.

The near collapse of cheap, reliable rail transport has worsened this. Rail transport deteriorated owing to underinvestment, maintenance failures, theft, and corruption. This forced reliance on road-based minibus taxis and private vehicles, which are highly sensitive to diesel and petrol prices. The absence of efficient rail amplifies every fuel hike as freight shifts to trucks, raising goods prices, whilst commuters face direct fare increases. A functioning rail system would buffer shocks on citizens and the economy.

For a worker earning less than R10 000 monthly, transport consumes a large share. Further rises from fuel hikes push families into impossible trade-offs. Food inflation follows as diesel costs ripple through the supply chain. The general public faces higher inflation, reduced spending power, and risks job losses. Informal workers and small businesses lack buffers.

Workers are effectively earning less in real terms, whilst poverty levels amongst vulnerable households continue to deepen. For the unemployed, the rising cost of transport further limits their ability to seek employment opportunities, worsening a dire unemployment crisis, let alone keeping up with rising food prices. Businesses are equally affected, as increased fuel costs drive up production and distribution expenses. This creates a dangerous cycle where companies are either forced to pass costs on to consumers or implement cost-cutting measures, including potential job losses.

The PSA, representing more than 250 000 public-sector employees, warns that the situation is not sustainable. The PSA calls on government, employers, and civil society to find pragmatic ways to mitigate the impact of fuel-price increases on the economy and livelihoods. The PSA calls on employers to consider transport subsidies for employees, sponsor fuel vouchers, and implement hybrid-work models and flexible working hours where possible. Low earning workers must be prioritised for opportunities to work from home, staggering shifts and company shuttles. The PSA also urges public transport, especially minibus operators, to be considerate in intentions to raise taxi fares. Alternatives such as carpooling, lift clubs, and community shuttles are encouraged to mitigate the impact of the fuel-price increases.

The PSA is fully aware that these proposals would be meaningless without considerable systemic reforms. The Union thus calls for the urgent revitalisation of passenger and freight rail to reduce road dependency in the short to medium term. Addressing spatial planning through integrated housing and economic development closer to opportunities is a long-term strategy that government should prioritise.

The PSA further proposes targeted reform on fuel levy as a review of the fuel levy is long overdue. Government should implement a tiered and ring-fenced reduction of the fuel levy. Instead of consumers footing the bill, the objectives of the fuel levy, such as the Road Accident Fund, could be funded by efficiency gains elsewhere, including anti-corruption savings. The fuel crisis calls for temporary cuts on the levy to offer workers relief.

The PSA also calls for engagement with organised labour and key stakeholders to develop sustainable, long-term strategies to mitigate the impact of fuel volatility. The PSA is open for and committed to constructive dialogue with social partners to ensure that the burden of economic pressures is not disproportionately placed on workers.

END

