

MEDIA RELEASE **PSA extremely concerned about rising inflation as public servants face mounting financial pressure**

DATE 22 July 2026

EMBARGO None

ENQUIRIES communication@psa.co.za

The Public Servants Association (PSA) is extremely concerned about the reported increase in South Africa's consumer-price inflation to a predicted 5%, which further intensifies the financial hardship experienced by thousands of public servants across the Country.

Public servants have endured years of rising living costs whilst salary increases have consistently failed to keep pace with inflation. The continued erosion of purchasing power has left many employees struggling to meet basic household expenses, service debt, and provide for their families. The latest inflation figures will deepen this crisis. The rising cost of food, electricity, municipal services, fuel, transport, education, and healthcare continues to place unbearable pressure on public servants, many of whom are over-indebted. Every increase in inflation translates into a further reduction in the real value of their salaries, leaving them worse off despite annual wage adjustments.

The PSA has repeatedly warned that wage increases below the inflation rate are not sustainable and unfair. Public servants cannot continue to shoulder the burden of a weakening economy whilst maintaining essential public services under increasingly difficult circumstances.

Of particular concern is the escalating cost of fuel and daily transport, which consumes a significant portion of employees' disposable income. Government must urgently explore practical interventions to ease this burden. One such intervention is the wider implementation of remote and hybrid-working arrangements where operationally feasible. The COVID-19 pandemic demonstrated that many public service functions can be performed effectively through remote work without compromising service delivery. Expanding these arrangements could significantly reduce transport costs, improve employee wellbeing, and enhance productivity whilst also reducing operational costs for government.

The PSA therefore calls on government to ensure that future wage negotiations adequately compensate public servants for the rising cost of living. Government should accelerate the implementation of flexible and remote-working arrangements where service delivery allows. Measures should be introduced to cushion public servants against escalating transport and fuel costs. Policies aimed at reducing inflationary pressures and protecting the purchasing power of workers should be prioritised.

Public servants remain committed to delivering quality services to South Africans. Their dedication can, however, not be taken for granted whilst they continue to face increasing financial distress. Government must recognise the realities confronting its employees and implement meaningful interventions that restore dignity, financial security, and sustainability.

END