

MEDIA RELEASE PSA rejects proposed new vehicle tax

DATE 3 July 2026

EMBARGO None

ENQUIRIES communication@psa.co.za

The Public Servants Association (PSA) strongly condemns reports of a proposed new vehicle tax aimed at addressing financial challenges at the Road Accident Fund (RAF).

At a time when South Africans, and public servants in particular, are grappling with rising living costs, increasing fuel prices, electricity tariff hikes and stagnant wages, any additional tax burden will be insensitive and unjustifiable. The introduction of another compulsory tax will place an additional financial burden on public servants. Many public servants rely on their private vehicles to travel to and from work, particularly in areas where public transport is unavailable or unreliable. Imposing another levy on these workers will further erode their constrained disposable income.

The PSA is of the firm view that the financial challenges facing the RAF are largely the result of years of poor governance, inadequate oversight, financial mismanagement, and policy failures. RAF cannot expect citizens to carry the financial consequences of its inability to manage public funds effectively. Citizens should not be punished for RAFs failure to uphold the principles of good governance, accountability, and responsible financial management. Before introducing any additional taxes, RAF must first demonstrate that every effort has been made to eliminate wasteful expenditure, improve governance, and ensure that it operate efficiently and transparently.

The PSA calls on government to abandon any proposal that would impose an additional vehicle tax on South Africans. Instead, government should prioritise strengthening governance at the RAF, rooting out inefficiency and corruption, improving financial controls, and ensuring that those responsible for mismanagement are held accountable. Public servants have consistently borne the brunt of fiscal consolidation through below-inflation wage increases, rising taxation and increasing living costs. They cannot continue to be viewed as an endless source of revenue to compensate for government's governance failures.

The PSA will continue to oppose any measures that unfairly increase the financial burden on public servants and South Africans whilst government fails to address the root causes of financial instability within its institutions.

END

