



MEDIA RELEASE **PSA welcomes temporary reduction in fuel levy, though not enough**

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The Public Servants Association (PSA) welcomes the announcement of the general fuel levy reduction by R1.50 per litre until the end of May 2022.

This move by Treasury comes at a critical time after the South African Reserve Bank's Monetary Policy Committee hiked the repo rate by another 25 basis points. Workers are still attempting to recover from the impact of COVID-19, whilst dealing with increasing food prices, electricity tariffs, and hikes in water, sanitation, and property rates. The exorbitant fuel price had a ripple effect on the cost of transportation, food, basic commodities, with increases in general living expenses.

The PSA previously called on government to investigate a permanent comprehensive fuel-pricing model to address fuel pricing. The temporary relief is, however, welcomed as it will also include the Easter holidays where people will be travelling. The reduction will also assist public-transport service providers to delay fare increases. Furthermore, government must live up to its commitment to promote safe, reliable, effective, coordinated, and integrated public transport. The country is still experiencing taxi violence, unreliable bus services, and a poor rail-transport network, forcing financially strained workers to either purchase cars or risk their safety by using public transport. Government should consider benefits and rewards programmes for public-transport service providers. Subsidising taxi operators could also enable government to influence taxi fares and making transport more affordable.

Whilst the PSA welcomes the attempt by Treasury to mitigate the ever-increasing cost of living, selling of crude-oil reserves is risky for the country, particularly if there is no sustainable plan to replenish stock. Decisions to sell strategic resources must not be taken lightly as it could do more harm than good for the country, especially if the buyer is not paying competitive rates.

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