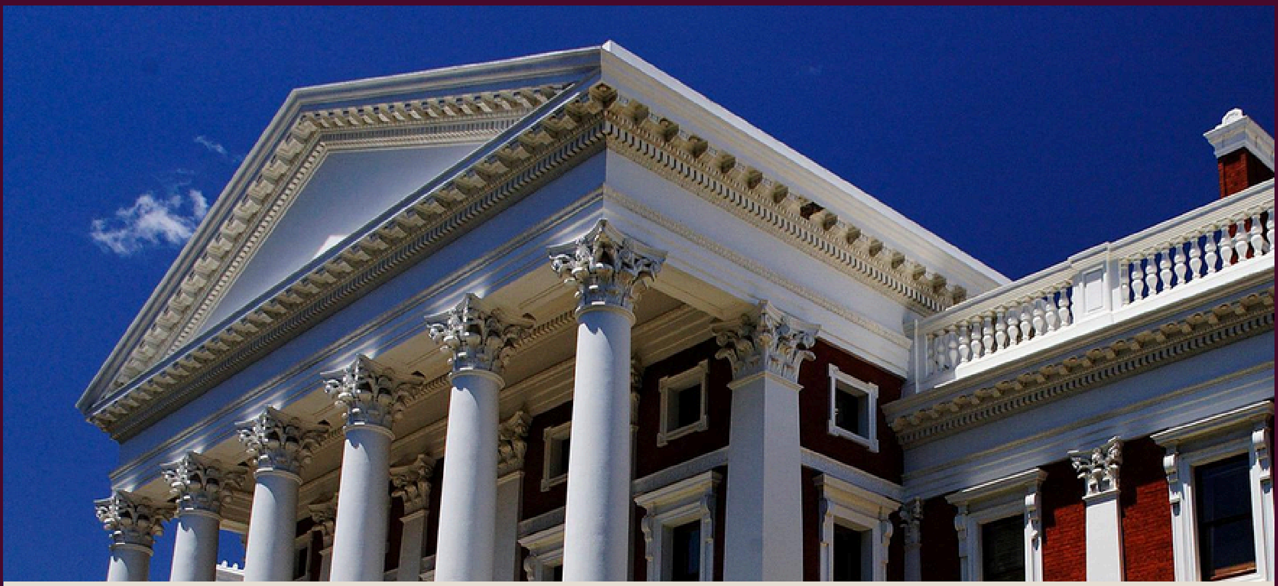

Legislative and Regulatory Report

November 2025

Introduction

- November 2025 saw Parliament reassert its oversight powers through two landmark inquiries while advancing critical legislation on water services, border facilitation, and public administration.
- The SCOPA RAF probe and the *Ad Hoc* Committee investigation into SAPS infiltration signal growing accountability under the GNU, even as fragmented gambling regulation exposes coalition coordination gaps.
- These developments reflect Parliament's push to modernise governance amid fiscal constraints, persistent load-shedding, and sub-1% economic growth.

Parliamentary Inquiries, Accountability and Anti-Corruption Mechanisms

SCOPA's RAF inquiry

- The Standing Committee on Public Accounts (SCOPA) is poised to conclude its parliamentary probe into the Road Accident Fund (RAF), exposing years of financial mismanagement exceeding R400 billion in liabilities, disclaimer audits since 2019, and governance collapse.
- However, it will conclude its inquiry without hearing from its suspended CEO, Mr Collins Letsoalo, who has been a no-show.
- The inquiry represents Parliament reasserting its constitutional authority over an entity long captured by patronage and executive weakness.
- Recommendations will likely demand immediate accountability: action against the suspended CEO, policy changes, criminal referrals, mandatory vetting of senior appointments, direct claims processing to clear massive backlogs affecting hundreds of thousands of victims, and reversal of the disputed accounting policy that artificially slashed reported liabilities.
- Broader reforms may include enhanced parliamentary powers to enforce compliance, precedent-setting penalties for withholding information, and a cap on payouts to stem fraudulent claims.
- Financial proposals will urge transparent actuarial valuations and stricter Treasury oversight on investments, potentially requiring legislative amendments to the RAF Act for sustainable funding beyond endless bailouts.
- These recommendations, if tabled under Chairperson Songezo Zibi's leadership, would leverage the post-2024 political landscape for substantive change, though implementation hinges on executive buy-in and judicial follow-through.

SAPS infiltration probe continues

- The *Ad Hoc* Committee investigating Lt. General Nhlanhla Mkhwanazi's July 2025 allegations of a Big Five criminal syndicate inside South African Police Service (SAPS), the NPA, and intelligence structures continued with its hearings in November.
- The committee focused on suspended Police Minister Senzo Mchunu’s reasons for disbanding the KwaZulu Natal's (KZN) Political Killings Task Team (PKTT), with a picture emerging of a political motive behind the move. Mchunu’s arguments of waste of financial resources and jurisdiction overreach on the part of the PKTT, were largely dismantled by testimonies of SAPS CFO Major General Puleng Dimpane.
- The Ad Hoc Committee is expected to go well into the festive season, after starting in October, as it continues to unravel the rot that has beset the law enforcement system in South Africa. The Ad Hoc Committee was initially expected to complete its work by 15 October and be ready to report to Parliament by 31 October, but has been granted an extension until early 2026.
- Expected outcomes include criminal referrals; calls for reinstatement of the PKTT under strict oversight; mandatory vetting of top appointments; tighter procurement procedures; and stronger parliamentary powers to prevent executive sabotage of police operations.
- If implemented decisively, the report could mark the beginning of a depoliticised, functional police service and test the Government of National Unity's (GNU) willingness to enforce accountability.
- Failure to act risks deepening public distrust in state institutions and emboldening criminal networks at the highest levels of law enforcement.

Judicial and Prosecutorial Matters

- The inquiry into the fitness of suspended Johannesburg Director of Public Prosecutions, Andrew Chauke, led by retired Constitutional Court Judge Bess Nkabinde, commenced with hearings in November.

- President Ramaphosa appointed retired Judge Takalani Joseph Raulinga as IDAC Inspecting Judge on 11 October 2025 for a five-year term to address oversight concerns.
- Parliamentary committees continued tracking state capture prosecutions, with the NPA reporting R14.18 billion in assets frozen across 34 enrolled cases involving over 200 accused persons, including former ministers and corporations like McKinsey & Company, and ABB Ltd.
- The NPA finalised a comprehensive settlement with ABB Ltd for over R2.5 billion in punitive reparations, adding to the R6 billion alrPresident Cyril Ramaphosa established an inquiry to determine the fitness of Advocate Andrew Chauke to hold office as Director of Public Prosecutions.
- The inquiry heard from National Prosecuting Head Advocate Shamila Batohi on her complaints against Chauke.
- President Ramaphosa appointed retired Judge Takalani Joseph Raulinga as IDAC Inspecting Judge on 11 October 2025 for a five-year term to address oversight concerns.
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- The NPA finalised a comprehensive settlement with ABB Ltd for over R2.5 billion in punitive reparations, adding to the R6 billion already paid to Eskom in 2020, while the Special Investigating Unit (SIU) and Asset Forfeiture Unit reported over R10 billion recovered.
- The slow pace of state capture prosecutions, many cases dating to transactions from 2004-2018, highlights judicial capacity constraints and creates moral hazard where officials calculate that corruption benefits outweigh distant, uncertain prosecution threats. Until high-profile convictions occur with asset forfeiture and jail time, deterrence remains weak.

Energy Security and Infrastructure

- Minister Ramokgopa confirmed Cabinet approval of the R2.2 trillion Integrated Resource Plan (IRP) 2025, targeting 3% GDP growth by 2030 through 105,000 MW of new generation capacity by 2039, effectively building Eskom two and a half times over.
- The energy mix shifts dramatically toward clean sources, surpassing coal for the first time, with key additions by 2030 including 11,270 MW solar PV, 7,340 MW wind, 6,000 MW gas-to-power, 5,200 MW nuclear, and 3,700 MW battery storage, targeting emissions reductions to 160 million tonnes CO_2 by 2030.
- Eskom's energy availability improved from 48% to 70%, delivering South Africa's longest period without load-shedding in five years as of 19 November.
- The R2.2 trillion will come primarily from private investors supported by a R1.8 billion credit guarantee vehicle, with Ramokgopa acknowledging two primary risks: a limited skills pipeline and a decimated construction industry.
- The plan includes R440 billion for transmission line expansion and faces parliamentary scrutiny over funding mechanisms relying on private capital rather than direct fiscal commitments.

Nuclear Revival Announced

- In November, Ramokgopa announced Cabinet's decision to lift the Pebble Bed Modular Reactor (PRMR) from care and maintenance, positioning South Africa to reclaim its place as a major nuclear fuel cycle player.
- The decision enables the reopening of fuel development laboratories for R&D, with commercial opportunities in the global SMR market, where over 80% of SMRs are in development and only one country supplies specialized fuel.
- The move supports domestic electricity generation and South Africa's role in supplying 20% of global medical isotopes for oncology. Cabinet approved transferring PBMR Company from Eskom to South African Nuclear Energy Corporation (Necsa), though Ramokgopa acknowledged 16 years of "lost time" to recover.
- The Department of Forestry, Fisheries and Environment granted Environmental Impact Assessment approval for the Duynefontein site adjacent to Koeberg, enabling deployment of up to 4,000 MW nuclear energy (initial 2,400 MW).
- Eskom received a 20-year license extension for Koeberg Unit 2 until November 2045, with the National Radioactive Waste Disposal Institute managing spent fuel storage at Vaalputs. These developments align with IRP 2025's vision of adding 5,200 MW nuclear capacity and joining over 30 countries targeting tripling of global nuclear capacity by 2050.

Implications

- The IRP 2025 represents South Africa's most ambitious infrastructure programme since democracy, effectively committing to build Eskom two and a half times over while shifting the energy mix to majority renewables within 15 years.

- The R2.2 trillion price tag and 30% of current GDP exceeds total government annual expenditure and hinge almost entirely on private capital mobilisation through credit guarantees rather than fiscal allocation, positioning the state as enabler and risk-sharer.
- If successful, eliminating electricity constraints could unlock stalled economic activity, but success depends on three fragile assumptions:
  - First, private investors must commit capital at scale despite South Africa's history of policy uncertainty and regulatory delays. The R1.8 billion credit guarantee vehicle may prove insufficient to de-risk investments exceeding R2 trillion.
  - Second, the "limited skills pipeline" and "decimated construction industry" represent supply-side constraints that cannot be solved by capital alone. South Africa lacks sufficient engineers and skilled tradespeople to deliver projects at the required pace.
  - Third, implementation depends on state coordination across multiple departments, where jurisdictional battles have historically stalled integrated planning.
- The nuclear revival's "16 years of lost time" means rebuilding engineering capacity from a depleted base, with reliance on international partnerships introducing dependency on geopolitical alignments and potential cost escalation that has plagued global nuclear projects.

Service Delivery and Governance Reform

NCOP Provincial Week Highlights Municipal Challenges

- The National Council of Provinces (NCOP) fulfilled its constitutional mandate through Provincial Week from 17 to 21 November under the theme "Building Viable Municipalities for Enhanced Delivery of Basic Services to Communities." The oversight programmes exposed persistent municipal dysfunction with recurring themes of stalled projects, weak procurement systems, inadequate technical capacity, and poor coordination across government spheres that legislative reforms alone cannot solve.
- In Gauteng, delegates inspected key social infrastructure, flagging procurement delays, maintenance backlogs, and slow education infrastructure upgrades.
- The North West delegation revisited the Tshunyane Housing Project and Road D933, where poor contractor appointments, political interference, and weak project management continue to stall progress, prompting calls for urgent accountability.
- In Limpopo, a three-day programme in Mopani District revealed widespread failures in water, sanitation, and housing projects, linked to contractor non-payment, irregular procurement, and criminal interference, with Premier Ramathuba acknowledging systemic delivery weaknesses.
- The Eastern Cape delegation focused on flood-affected OR Tambo communities and assessed delays to the uMzimvubu Dam and water schemes, highlighting disaster-recovery backlogs and poor interdepartmental coordination.
- In the Western Cape, oversight in the Garden Route District identified water and sanitation backlogs, grant-funding delays, and limited municipal capacity, underscoring the need for stronger intergovernmental planning and IDP alignment.
- Meanwhile, in Mpumalanga, Free State, Northern Cape, and KwaZulu-Natal, delegates encountered similar patterns of abandoned or slow-moving infrastructure projects, water-service failures, housing delays, financial mismanagement, and operational capacity constraints across municipalities.

Implications

- This week underscores a recurring pattern in cooperative governance: the findings highlight worsening municipal instability, with abandoned projects, failing water systems, and weak financial controls pushing many municipalities toward functional collapse. Persistent procurement failures, political interference, and criminal activity drive delays, waste scarce funds, and undermine public confidence.
- This matters because municipalities are the frontline of service delivery and local economic activity. When they fail, households and businesses suffer immediately, protests increase, and provinces face growing oversight and financial burdens.
- Continued municipal dysfunction threatens national development goals, investment confidence, and social stability, making stronger oversight, technical support, and accountability urgent.
- The NCOP is expected to issue a consolidated report in early December with enforcement-oriented recommendations, including mandatory progress reports, strengthened Treasury oversight, interventions through section 139 of the Constitution, and potential referral of high-risk provinces for deeper parliamentary inquiry.

Water Services Amendment Bill

- The Portfolio Committee on Water and Sanitation received a Department of Water and Sanitation (DWS) briefing on the Water Services Amendment Bill, which modernises the 1997 Act by empowering ministerial intervention in underperforming municipalities, introducing performance-based incentives, and integrating climate resilience measures aligned with the National Water and Sanitation Master Plan.

- Committee members probed implementation timelines, funding implications, and equity concerns for rural and informal settlements. The Committee endorsed the draft for refinement, directing DWS to submit a revised version within 30 days ahead of early 2026 public hearings. If enacted, the Bill could enhance municipal accountability and avert water crises in Johannesburg and Cape Town, but success hinges on securing R150 billion over five years and inclusive consultations.
- However, non-revenue water losses, leaks, illegal connections, and unmetered consumption drain up to 40% of municipal supply in some areas, while most struggling metros have collection rates below 70%, meaning billions invested will disappear without fixing distribution networks and revenue collection systems.

One-Stop Border Post Bill adopted

- The National Assembly adopted the One-Stop Border Post Bill on 4 November, establishing common control zones at shared borders under international agreements to streamline customs and immigration.
- The legislation, revived from the sixth Parliament, addresses border delays costing the economy up to R50 billion annually in lost trade and prioritises South Africa's African Continental Free Trade Area (AfCFTA) commitments.
- Following Portfolio Committee amendments, the Bill was transmitted to the National Council of Provinces (NCOP) for concurrence, with endorsements from the Department of Home Affairs.

- Passage could boost trade between South Africa and its neighbours by 15-20%, though implementation requires harmonised regional protocols to mitigate security risks from accelerated movement of goods and people.

Public Service Amendment Bill

- Deliberations on the Public Service Amendment Bill continued on 12 November, focusing on enhanced oversight of senior appointments and anti-corruption measures stemming from state capture inquiries.
- The Bill amends the Public Service Act to centralise executive authority while decentralising operational functions, with the Portfolio Committee on Public Service and Administration reviewing clause-by-clause changes and incorporating whistleblower protections.
- Strengthened governance could reduce cadre deployment abuses and improve service delivery efficiency but risks bureaucratic delays without balanced devolution of powers to provincial and municipal levels.

Liquor Amendment Bill Developments

- The Portfolio Committee on Trade, Industry and Competition received a presentation on the Economic Freedom Fighters’ Private Member’s Liquor Amendment Bill, introduced by Veronica Mente-Nkuna.
- The EFF-sponsored Bill seeks to prohibit alcohol advertising, promotion, product placement and sponsorship of events, and to restrict the use of brand elements, citing over 62,300 annual alcohol-attributable deaths and the disproportionate impact on low-income groups.

- The Department of Trade, Industry and Competition confirmed that the Bill is rooted in the 2016 liquor policy review, acknowledged severe alcohol-related harm and weak enforcement, but provided no timelines for updating the national liquor policy or advancing its own process.
- Committee members across parties recognised alcohol as a major driver of violence, trauma, teenage pregnancy and public-health burdens.

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Social Policy and Regulation

Gambling Regulation Fragmented

- With gambling prevalence surging to 65.7% of adults and problem gambling affecting 31% of participants, over 16 million South Africans now wager a record R1.5 trillion (0.8% of GDP) on largely unregulated platforms. Youth facing 45.5% unemployment devote up to half their incomes to bets, fuelling a 550% explosion in online gambling over four years, yet legislative response remains paralyzed by disjointed GNU coordination.
- Tabled in July 2025, the bill has received an endorsement from the Department of Trade Industry and Competition (DTIC). In parallel, the Democratic Alliance (DA)-led Remote Gambling Bill revived by MP Toby Chance seeks to legalize and regulate online casino gambling with licensing, anti-money laundering safeguards, and player protections.
- Chance gazetted its pre-tabling summary in November, prompting the Committee's 4 November briefing on a potential alternative.
- This split underlines GNU cracks: the African National Congress (ANC) defends its pace citing National Gambling Board (NGB) raids and an October 2025 Supreme Court ruling curbing bookmaker casino encroachments, while over 100 civil society groups demand an outright online ban and the Economic Freedom Fighters (EFF) floats uncoordinated Private Member’s Bills (PMBs) on sin taxes and ad restrictions, perpetuating the regulatory vacuum.

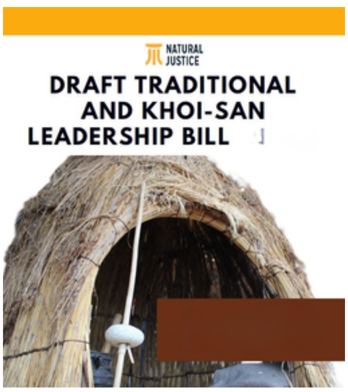
What it means:

- By failing to close the regulatory gap allowing illegal online platforms to siphon R1.5 trillion annually, largely untaxed and offshore, the state forfeits critical revenue that could fund social grants, infrastructure, or job-creation programs in a country where 63% of citizens live below the upper poverty line.
- The vacuum perpetuates a predatory ecosystem that preys on the poor, with youth wagering up to half their income, driving household debt spirals, overwhelming mental health services, and deepening intergenerational poverty.
- The lack of GNU coordination erodes public trust in the multi-party government and delays evidence-based interventions like mandatory self-exclusion registries or advertising bans. Until a unified, enforceable framework emerges, the Constitutional and Legal Services Office estimates a six-to-nine-month process for any new bill.
- Gambling will continue to function as a regressive tax on the vulnerable, draining billions from local economies while offering no meaningful employment offset, further entrenching South Africa as the world's most unequal society.

Implications

- The fragmented gambling response illustrates how GNU coalition dynamics can hinder rather than enhance policy coordination. With the ANC-led 2018 Bill stalled and the DA-led Remote Gambling Bill proceeding independently, South Africa lacks a unified strategy to address a crisis affecting 16 million citizens.
- Over 100 civil society groups demanding an outright online ban, the EFF floating sin tax proposals, and provincial gambling boards defending existing turf create noise, enabling illegal operators to continue siphoning billions offshore untaxed.
- Gambling functions as a regressive tax on the poor in a country with 33.5% unemployment and the world's highest inequality, with youth wagering up to half their meager incomes, perpetuating intergenerational poverty traps.
- Neither the ANC's containment approach nor the DA's legalisation philosophy addresses the fundamental inequality dimension that gambling disproportionately harms those who can least afford losses.
- Evidence-based interventions like mandatory self-exclusion, advertising restrictions, deposit limits tied to income verification, and rehabilitation funding receive insufficient attention in either bill.

Traditional Khoi-San Leadership Bill



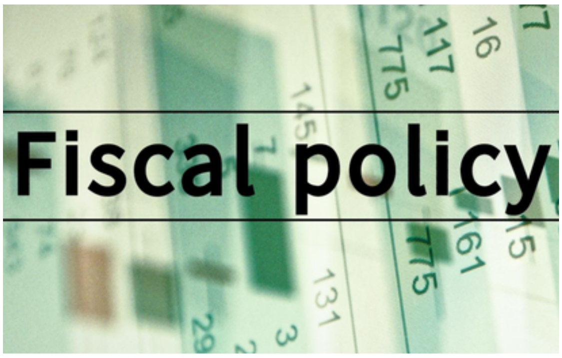
- In November 2025, the South African cabinet approved the submission of the Traditional Khoi-San Leadership Bill, 2025 to Parliament. This move comes after the Constitutional Court declared the 2019 Traditional and Khoi-San Leadership Act invalid due to insufficient public participation.
- The new Bill aims to address the court's ruling and create a revised legislative framework for traditional and Khoi-San leadership structures. The Bill responds to the Constitutional Court's May 2023 ruling in Mogale v Speaker that declared the Traditional and Khoi-San Leadership Act 3 of 2019 unconstitutional due to insufficient public participation by Parliament.
- In June 2025, the Constitutional Court extended the validity of the invalidated Act until 29 May 2027, giving Parliament and CoGTA time to complete the legislative process without creating a governance vacuum for traditional and Khoi-San communities.

Implications

- The extension to May 2027, means the Traditional and Khoi-San Leadership Act remains valid until then and therefore continues to be implemented.
- Should Parliament not meet the new timeframe of 29 May 2027 granted by the Constitutional Court, the Bill will lapse on 29 May 2027.
- Traditional Khoi-San Bill exposes tensions in post-apartheid governance: how to formally recognise indigenous communities marginalised by colonial and apartheid policies while transforming institutions that perpetuate Bantustan boundaries and ascribed tribal identities.
- Recognition without resources risks creating symbolic structures lacking the capacity to deliver tangible benefits like land restitution or resource rights.

Fiscal Policy and Revenue Management

- Introduced on 12 November, the Tax Administration Laws Amendment Bill and Taxation Laws Amendment Bill propose refinements to income tax deductions, administrative penalties, and compliance mechanisms in response to South African Revenue Service (SARS) submissions amid persistent revenue shortfalls.
- The Standing Committee on Finance reviewed public inputs on 4 November, incorporating adjustments to section 8 of the Income Tax Act. Enhanced enforcement could yield R20-30 billion in additional revenue, bolstering fiscal sustainability in an economy growing below 1%, but risks burdening small businesses if not calibrated for equity and capacity constraints.



Division of Revenue Amendment Bill

- Tabled on 12 November, the Division of Revenue Amendment Bill adjusts equitable share allocations to provinces and municipalities, addressing mid-year fiscal adjustments following the Special Appropriation Bill's public hearings on 5 November.
- The Bill focuses on conditional grants for infrastructure, with NCOP review pending. Timely reallocations could mitigate service delivery gaps, though provincial capacity constraints may hinder absorption of funds earmarked for critical projects like roads, clinics, and water systems.

Implications

- South Africa faces a structural revenue crisis where expenditure commitments, particularly public sector wage bills, social grants, and SOE bailouts, grow faster than revenue even with GDP growth.
- The R20-30 billion from tax bills provides marginal relief but does not close the deficit or create space for new priorities like IRP 2025 implementation or water infrastructure. Broadening the tax base requires economic growth that generates more taxpayers and higher incomes, creating circular dependency where fiscal consolidation demands growth, but growth requires public investment that fiscal constraints prevent.
- Enhanced SARS enforcement risks triggering business closures that reduce long-term tax revenue if enforcement cannot distinguish between intentional evasion and businesses genuinely struggling amid load-shedding, high input costs, and weak demand.
- Conditional grants tied to specific infrastructure projects impose compliance burdens on under-resourced municipal administrations that may lack the capacity to meet reporting requirements, paradoxically preventing access to funds designated to solve their capacity deficits.
- Provincial absorption constraints, where budgets go unspent, not due to insufficient allocation but inability to procure and manage contractors, suggest fiscal transfers alone cannot solve service delivery without parallel investments in human capital, systems, and accountability mechanisms.

Additional Legislative and Regulatory Developments

Infrastructure and Institutional Reforms

- The South African National Water Resources Infrastructure Agency Amendment Bill (SANWRIA) seeks to improve governance and accountability by designating the agency as a major public entity under the Public Finance Management Act (PFMA) and restructuring oversight of the Trans-Caledon Tunnel Authority.
- These reforms, together with strengthened enforcement by the National Gambling Board, reflect a broader drive to enhance accountability and service delivery across critical sectors.
- The legislation alone is insufficient; successful implementation will require capacity-building, adequate funding, and meaningful intergovernmental cooperation to translate policy intent into tangible outcomes for communities grappling with water scarcity and infrastructure decay.

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November 2025 Regulations at a Glance

Law/Regulation	Effective Date	Key Provisions and Implications
Electricity Usage Regulations (under Electricity Act 41 of 1987)	1 Nov 2025	Introduces strict household and business limits on grid electricity consumption to reduce load-shedding strain and promote energy efficiency. Penalties apply for exceeding caps during peak hours; incentives for solar adoption. Aimed at sustainability amid ongoing power crises, affecting an estimated 18 million households.
Updated National Road Traffic Regulations (amendments to National Road Traffic Act 93 of 1996)	4 November 2025 (phased rollout)	Enforces stricter speed limits in school zones (30 km/h), zero-tolerance for drunk driving, mandatory annual roadworthy tests for vehicles over 10 years old, and higher fines for mobile phone use while driving (up to R10,000). Targets a 20% reduction in road fatalities; impacts an estimated 12 million licensed drivers, with emphasis on commercial fleets.
Electronic Travel Authorisation (ETA) System Phase One Expansion (under Immigration Act 13 of 2002)	Mid-November 2025 (full rollout post-6 November announcement)	Automates entry/exit for G20 nationals and extends to tourist visas; requires pre-approval via app for short stays. Builds on October 2025 pilot; streamlines border processes but raises privacy concerns. Expected to process over 1 million applications annually, boosting tourism revenue by R15 billion.
Tax Administration Laws Amendment Bill Provisions (under Income Tax Act 58 of 1962)	1 November 2025 (select clauses)	Introduces new tax directives for antedated pensions/salaries and retirement transfers pre-retirement. Enhances SARS compliance; affects an estimated 2 million retirees, ensuring fair taxation under section 7A while closing loopholes from the 2024 changes.

END