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OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS,

TABLINGS AND

COMMITTEE REPORTS

FRIDAY, 9 OCTOBER 2026

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ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Classification of Bills by Joint Tagging Mechanism (JTM)

- (1) The JTM in terms of Joint Rule 202(6) classified the following Bill as a section 77 Bill.
 - (a) **Second Special Appropriation (2025/26 financial year) Bill** [B20–2026] (National Assembly – sec 77).
- (2) The JTM in terms of Joint Rule 202(6) classified the following Bill as a section 75 Bill.
 - (a) **General Finance Laws Amendment Bill** [B21–2026] (National Assembly – sec 75).
- (3) The JTM in terms of Joint Rule 202(6) classified the following Bill as a section 76 Bill.
 - (a) **Local Government: Municipal Structures Amendment Bill** [B23–2026] (National Assembly – sec 76).

2. Draft Bills submitted in terms of Joint Rule 201

- (1) **Conspiracy, Instigation and Incitement to Commit Offence Bill**, 2026, submitted by the Minister of Justice and Constitutional Development.

Referred to the **Portfolio Committee on Justice and Constitutional Development** and the **Select Committee on Security and Justice**, for information.

COMMITTEE REPORTS

National Assembly

1. REPORT OF THE STANDING COMMITTEE ON APPROPRIATIONS ON THE SECOND SPECIAL APPROPRIATION (2025/26 FINANCIAL YEAR) BILL [B20 – 2026] (NATIONAL ASSEMBLY – SECTION 77), DATED 07 OCTOBER 2026

Having considered the Second Special Appropriation (2025/26 Financial Year) Bill [B20 – 2026], referred to it in terms of Section 13 of the Money Bills Amendment Procedure and Related Matters Act No. 9 of 2009 (as amended by the Money Bills Amendment Procedure and Related Matters Amendment Act, No. 13 of 2018), the Standing Committee on Appropriations reports as follows:

1. Introduction

Section 213(2) of the Constitution of the Republic of South Africa provides that money may be withdrawn from the National Revenue Fund only in terms of an appropriation by an Act of Parliament. The Second Special Appropriation (2025/26 Financial Year) Bill [B20–2026] (the Bill) proposes that additional funds be appropriated in the 2025/26 financial year for the requirements of the State, and to provide for matters connected therewith. The Bill proposes that an amount of R10 billion be appropriated from the National Revenue Fund for expenditure authorised in terms of section 16(1) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), for the 2025/26 financial year, and attributed to the vote of Mineral and Petroleum Resources.

In executing its mandate, The Standing Committee on Appropriations (the Committee) is established in terms of section 4(3) of the Money Bills Amendment Procedure and Related Matters Act, 2009, as amended (the Money Bills Act).

The Bill was tabled by the Minister of Finance on 30 July 2026, and it was referred to the Committee for consideration and report to the National Assembly as prescribed in section 13 of the Act, on 04 August 2026. The Committee invited National Treasury to brief it on the Bill in its entirety. Furthermore, section 4(4)(c) of the Act also requires the Committees on Appropriations

of both Houses to consult with the Financial and Fiscal Commission (FFC). In addition to consulting with the FFC, the Committee invited the Parliamentary Budget Office (PBO) to comment on the Bill.

Section 13(2) of the Act also requires the Committees on Appropriations to hold public hearings on the Bill and for the Committee to report to the House on the comments and amendments to the Bill. To this end, adverts calling for public submissions on the Bill were published on the Parliamentary website and social media platforms from 24 September 2026. Furthermore, advertisements calling for public comments on the Bill were published in regional newspapers in all official languages (excluding isiXhosa) on 25 September 2026. The following regional newspapers were used; Bushbuckridge, Freestate Sun, Isolezwe, Mpumalanga Press, Mpumalanga update, Ngoho, Nthavela, and Seipone news. The service provider appointed by Parliament made an error by publishing the isiXhosa advert in the Isolezwe. The service provider formally made a written apology to Parliament for the incorrect placement of this advert, affecting the publication of the advert in isiXhosa official language. The Committee held public hearings on the Bill on Wednesday, 30 September 2026 via a Zoom virtual platform. In addition, the Committee received written and oral submissions from the following individuals and organisations for consideration:

- Congress of South African Trade Unions (COSATU); and followed by
- Pan-African Institute for Fiscal and Policy Studies (PA-IFS);

Furthermore, Mr Zak Desai made a written submission on the Bill.

2. Provisions of the Bill

The Bill proposes to allocate funds from the National Revenue Fund for the 2025/26 financial year as follows:

- The Bill Schedule proposes that an amount of R10 billion be appropriated from the National Revenue Fund for expenditure authorised in terms of section 16(1) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), for the 2025/26 financial year, and

attributed to the vote of Mineral and Petroleum Resources. **Table 1** below shows the proposed Bill Schedule.

3.1 Financial and Fiscal Commission

The Financial and Fiscal Commission (FFC) commenced its submission by providing an overview of the budgetary allocations per vote and focused on Vote 34. It submitted to the Committee that Vote 34 had an actual allocation of R2.943 billion in the 2024/25 financial year, R2.828 billion in the 2025/26 financial year, and R2.857 billion in the 2026/27 financial year, representing 0.24 per cent of the total appropriation by vote.

The FFC explained the background and the purpose of the Bill and touched on the announcement by the National Treasury on the temporary reduction of the general fuel levy with effect from 1 April 2026 to 5 May 2026. This reduction was subject to monthly re-evaluation. This, the FFC submitted, was meant to provide a short-term relief from the fuel price hike that put pressure on consumers. The FFC explained to the Committee that the National Treasury's rationale for introducing the temporary relief on the fuel-levy was also intended to bring about a balance in the socio-economic impact of fuel increase on consumers with fiscal objectives. The result in an estimated R6 billion in foregone tax revenue for one month, at the time of the announcement. The FFC submitted that the introduction of the Bill, through the proposed appropriation of R10 billion in additional funds to Vote 34 for transfer to the Equalisation Fund in the Central Energy Fund, serves to bring about stability in fuel costs and to cushion consumers against fuel price volatility as a result of the current conflict in the Middle East. The FFC summarily advanced the rationale for the Bill as follows:

- To provide a financial buffer to mitigate the immediate impact on consumers; and
- To provide short-term fiscal flexibility to respond to the fuel price pressures caused by the current geopolitical risks and the heightened global instability in the global markets.

The FFC acknowledged that the Minister of Finance is empowered by Section 16(1) of the Public Finance Management Act (PFMA) to authorise the use of funds from the National Revenue Fund to defray expenditure of an exceptional nature which is currently not provided for, and which cannot, without serious prejudice to the public interest, be postponed to a future parliamentary

appropriation of funds. The FFC submitted that, in terms of Section 16 (1), the Minister of Finance subsequently approved the withdrawal of R10 billion from the NRF as a direct charge against the National Revenue Fund to Vote 34. The R10 billion was transferred to the Central Energy Fund and is now being held by the Equalisation Fund. In this respect, the draw-down of this fund is subject to the Minister of Finance's prior approval. The FFC submitted to the Committee, key notable matters about the Bill and made recommendations in each case.

a) Retrospective Appropriation and Parliamentary Oversight

The FFC noted that the tabling of the appropriation through the Bill after the fact (after the close of the financial year) as well as the prior commitment of funds have a negative impact on Parliament's ability to exercise its oversight role through scrutiny. It further submitted that this raises concerns about transparency, fiscal discipline and constitutional compliance. To this effect, the FFC recommended that the National Treasury ensure that expenditure authorised under Section 16(1) of the PFMA is subject timely legislative regularisation through the applicable adjustments appropriation process.

b) Enhanced Fiscal Oversight and Accountability

The FFC noted that there is a need for enhanced quarterly reporting and verification to strengthen accountability, to assess the effectiveness of the R10 billion proposed appropriation to ensure that its expenditure achieves the intended objectives. To this effect, the FFC recommended the need for quarterly reporting by the Department of Mineral and Petroleum Resources and the Central Energy Fund on the disbursements, fuel price volatility and reduced reliance on fuel levy relief. These quarterly reports should include detailed expenditure and independent audits.

c) Alignment with Energy Policy and Fiscal Sustainability Objectives

The FFC noted that there is a need for policy alignment to curb the duplication of relief measures, to promote coherence between fiscal and energy policies and to ensure that temporary interventions do not displace structural solutions to the energy sector's underlying challenges. To

this effect, the FFC recommended that the Equalisation Fund should be aligned with the Energy Master Plan and the broader energy security and fiscal sustainability objectives, to ensure that it complements rather than substitutes long-term structural reforms in the energy sector.

3.2 Parliamentary Budget Office

The PBO submitted that the Bill provides for the government's additional funding in response to the sharp international oil price increase caused by the escalation of the conflict in the Middle East. The PBO submitted that the objective of the government through this intervention is to provide relief to households and businesses that face the pressures of higher fuel prices and the rising costs of living.

The PBO submitted that the intervention brought about a reduction of the General Fuel Levy (GFL) by R3 per litre with effect from 1 April to 5 May 2026. This translated into a reduction of the petrol levy from R4.10 to R1.10 per litre and of the diesel levy from R3.93 to R0.93 per litre. The PBO submitted that the relief was subsequently extended, and this resulted in the diesel levy being reduced to zero between 6 May and 2 June 2026. The result of the temporary intervention resulted in an estimated R17.2 billion in foregone tax revenue. To this end, government indicated that this would be offset through the higher-than-expected tax revenue and underspending with the expectation that it would not change the fiscal framework that was adopted after the 2026 Budget.

The PBO submitted that the temporary relief had an impact on the first quarter tax collection data for the 2026/27 financial year. Fuel levy collections amounted to 10.1 per cent of the annual estimate, compared to 25.6 per cent in the corresponding period of the 2025/26 financial year. Despite the slower tax collection rate that was caused by the temporary fuel levy relief, the overall tax revenue collection recorded 23.7 per cent of the annual estimate when compared to the 22.9 per cent in the corresponding period of 2025/26. Whilst the PBO noted that the tax revenue collection was at 23.7 per cent of the estimate, it strongly advised that there must be strengthened and continued monitoring to establish whether the shortfall will be fully offset over the remainder of the financial year. This advice follows government's commitment that the foregone fuel-levy revenue can be accommodated in the fiscal framework.

The PBO warned that there should be no confusion between the distinct mandate and roles of both the Equalisation Fund and the Self-Adjusting Slate and further explained the roles of the Fund and the Slate mechanism. The PBO submitted that the Equalisation Fund is a statutory fund that is administered by the Central Energy Fund (CEF) on behalf of the DMPR and its role is to provide a buffer against the fuel-price volatility. On the other hand, it explained that the Self-Adjusting Slate is an accounting mechanism within the regulated fuel-pricing system that records the accumulated under- and over-recoveries of petroleum companies

Based on the explanation of the distinct roles played by the Fund and the Slate mechanism, the PBO submitted to the Committee that in the event that under-recoveries resulted in a negative Slate balance, a Slate levy should be imposed to recover the amounts through subsequent fuel prices. Through this explanation, the PBO emphasised that the Slate represents a cost-recovery mechanism rather than a government subsidy, whereas the Equalisation Fund can accommodate explicit fiscal intervention to reduce the impact of fuel-price increases on the consumers.

The PBO advised that the current intervention should not be divorced from the government's strategy to focus on efforts to stabilise the debt-to-GDP ratio and the reduction of the debt over the medium through an increasing primary surplus. PBO further submitted that the 2026 Budget projected a deficit of 4.5 per cent of the GDP in 2025/26, thus narrowing it to 2.9 per cent by 2028/29. The PBO therefore cautioned that the R10 billion transfer and the foregone revenue because of the fuel-levy reductions should be assessed with due consideration of its implications on the budget balance.

The PBO submitted that the Central Energy Fund (CEF) is a Schedule 2 State-Owned Company (SOC) that was established under the Central Energy Fund Act 38, 1977. PBO further indicated that CEF operates as a holding company for state energy entities and companies, emphasising that the CEF only administers the Equalisation Fund and provides treasury, administrative and accounting services for the statutory funds. Overall, the PBO submitted that the DPMR's medium-term expenditure does not provide for regular transfers to the CEF or the Equalisation Fund and therefore highlighted the nature of the exceptional nature of the intervention.

The PBO briefed the Committee on the role of the South African National Petroleum Company (SANPC) in the longer-term response to the fuel-price volatility. In referring to the purpose for its establishment, the PBO submitted that the SANPC is responsible for strengthening energy security, reducing import dependence and increasing State participation across the petroleum value chain, which could have implications for South Africa's exposure to international petroleum price and supply shocks. Whilst the PBO touched on the projected role of the SANPC, it also submitted to the Committee that its ability to have a positive impact on the lower or more stable domestic fuel price is dependent on its operational performance, financing arrangements and the future design of all fuel-pricing mechanisms.

The PBO advised that the Committee should, in its intensification of its oversight role, raise critical questions on whether the Bill guarantees fiscal sustainability; transparency and the design of South Africa's fuel-pricing framework. The PBO urged the Committee to determine whether the Bill achieves its intended objectives and at the same time, remains consistent with the principles of fiscal responsibility, accountability and value for money. To achieve this, the PBO advised the Committee to do the following:

- Assess whether the intervention through the proposed appropriation of the R10 billion is justified and aligned to the initial policy objective of cushioning households from the rising cost-of-living and the inflationary effects of high fuel prices;
- Ascertain whether the intervention is genuinely neutral over the medium-term and if the mechanisms for administering and accounting for the funds provide adequate transparency and parliamentary oversight.
- Seek clarity on the precise use and accounting of the R10 billion transferred to the Equalization Fund, the Fund's existing balance and sources of revenue, the interaction between the Equalisation Fund and the Slate mechanism;
- Seek clarity on the extent to which the intervention benefits households as opposed to businesses and other consumers; and
- Seek clarity on the expected longer-term role of the CEF and SANPC in the in South Africa's fuel-security strategy.

3.3 Congress of South African Trade Unions

The Congress of South African Trade Unions (COSATU) welcomed the opportunity to make a submission on the Bill on behalf of the more than 1.5 million workers it represents and the broader working class. COSATU submitted that it supports progressive fiscal interventions that protect workers, support economic growth and shield the poor from external shocks, and that it had long called for active intervention to manage fuel prices. It regarded the Bill as a necessary and timely intervention.

COSATU fully supported the R10 billion proposed allocation to the Equalisation Fund of the CEF, describing it as a correct, bold and necessary use of fiscal instruments to stabilise the domestic economy. The Federation submitted that the Equalisation Fund was established to smooth extreme fluctuations in international oil prices and to protect the economy and consumers from oil price shocks, and that the present circumstances were the very situation for which the Fund was designed. COSATU commended the ANC-led Government and National Treasury for the action taken and contended that leaving the Fund dormant while workers suffer would amount to fiscal negligence.

On the international context, COSATU submitted that the escalating war in the Persian Gulf had severely destabilised global energy markets. The Federation noted that shipping through the Strait of Hormuz, through which approximately 20 per cent of the world's oil supply transits, had been disrupted, that insurance premiums had risen sharply, and that speculative trading had driven prices to near-record levels. According to COSATU, Brent crude oil had risen from approximately \$75 per barrel in early 2025 to well over \$115 per barrel, with refined product, freight and insurance costs rising even faster. COSATU emphasised that, as a net importer of crude oil and refined petroleum products, South Africa is highly vulnerable to such shocks.

COSATU submitted that a fuel price increase amounts to a general cost-of-living increase, with the following effects on different sectors of the economy:

- **Workers' wages:** workers spend 20 per cent to 30 per cent of their wages on transport, and an increase of R2 to R3 per litre erodes the value of annual wage increases and pushes workers further into debt.
- **Commuters:** most workers rely on minibus taxis, buses and trains, which pass fuel increases on to commuters, forcing households to choose between transport to work and food.
- **Businesses:** small businesses, informal traders, farmers and manufacturers face higher input costs and reduced competitiveness, leading to retrenchments and the closure of small, medium and micro enterprises (SMMEs).
- **Economic growth:** high fuel prices act as a tax on the whole economy, depressing demand, raising the cost of doing business and disrupting supply chains, in an economy struggling to achieve 2 per cent growth and with an unemployment rate of 43.8 per cent.

COSATU acknowledged the general fuel levy relief provided by Government from April 2026 in the 2026/27 financial year. The Federation submitted that the relief put money back into workers' pockets, lowered operating costs for minibus taxi and bus operators and thereby contained fare increases, reduced input costs in agriculture and logistics, and helped to contain inflation and avert repo rate increases. COSATU argued that the relief demonstrated that targeted state intervention works, and that the proposed R10 billion allocation builds on it.

COSATU noted that fuel carries a direct and indirect weight of almost 10 per cent in the consumer price index (CPI) basket, and that fuel price increases feed into the prices of food, public transport and manufactured goods. The Federation submitted that fuel-driven inflation compels the South African Reserve Bank (SARB) to raise the repo rate, which increases instalments on home loans, vehicle finance and personal debt, reduces consumer spending and constrains business borrowing and investment. COSATU described this as a cycle in which a war-driven oil price spike leads to fuel price, inflation and repo rate increases, so that workers and the economy suffer twice, and submitted that the proposed R10 billion allocation is the intervention that breaks this cycle.

However, COSATU expressed a concern at projections from the CEF that the October 2026 adjustment could increase the petrol price by up to R2.50 per litre, with a larger increase for diesel.

The Federation submitted that, if unmitigated, the increase would devastate workers and commuters, push inflation above the 4 per cent upper limit of the SARB's target, and almost certainly provoke a further repo rate increase in November 2026.

Accordingly, COSATU called for:

- Parliament to pass the Bill as a matter of extreme urgency, on the basis that it constitutes emergency economic protection rather than ordinary expenditure; and
- National Treasury and the CEF to use the full proposed R10 billion urgently to slash the slate and over-recovery and to subsidise the Basic Fuel Price. This will ensure that consumers experience a reduction, or at minimum no increase, in the fuel price at the October 2026 adjustment, with effect from the first Wednesday of October 2026.

In conclusion, COSATU submitted that the Bill is pro-worker, pro-poor and pro-growth, and urged the Committee and the National Assembly to pass it without delay and to direct National Treasury, the Department of Mineral and Petroleum Resources and the CEF to ensure that workers feel its relief at the pumps on the first Wednesday of October 2026.

3.4 Pan-African Institute for Fiscal and Policy Studies (PA-IFS)

PA-IFS recognised the immediate pressure that fuel price increases place on households, transport costs and the broader economy. The Institute however, submitted that emergency relief of this nature should be approved alongside a clear reform pathway, so that Parliament is not repeatedly asked to fund short-term cushioning against what it described as a structurally flawed pricing and levy system. PA-IFS contended that roughly half of the pump price is set by the State, and that the proposed R10 billion allocation responds to an external price shock with a temporary instrument while the levers within the State's control remain unchanged.

PA-IFS noted that the fuel price would be adjusted again on 7 October 2026. The Institute submitted that CEF data of 23 September 2026 pointed to an under-recovery of around R2.88 per litre on 95 unleaded petrol, which would place the inland petrol price near R29.70 per litre and the price of 50ppm diesel above R33 per litre, with Brent crude having moved through \$100 per barrel.

Furthermore, the Institute noted that the price of illuminating paraffin, used mainly by the poorest households, would also rise. PA-IFS argued that the fuel price should be understood as a poverty, inflation and fiscal matter rather than only a motoring matter.

On the structure of the fuel price, PA-IFS submitted that most of the Basic Fuel Price (BFP) is genuinely imported, reflecting international refined product prices, freight, insurance, ocean loss and cargo dues, and moves with Brent crude, global refining margins and the exchange rate. According to PA-IFS, about 80 per cent of the September 2026 petrol price increase and 93 per cent of the diesel increase originated from the BFP. The remaining components are determined by the State, as shown in **Table 2 below**.

Table 2: State-determined components of the inland 95 unleaded petrol price (R26.92 per litre, September 2026)

Component	Amount (R per litre)
General fuel levy	4.10
Road Accident Fund (RAF) levy	2.25
Slate levy	0.83
Carbon fuel levy	0.19
Customs and excise duty and smaller levies	0.15
Tax and levy component (28 per cent of pump price)	7.52
Regulated wholesale and retail margins, secondary storage, distribution and zone differentials	6.00
Total State-determined portion (about 50 per cent of pump price)	13.52

Source: PA-IFS submission, Second Special Appropriation (2025/26 Financial Year) Bill [B20–2026]

NOTE: the customs, excise and smaller levies line is derived as the balance of the R7.52 total; PA-IFS does not state it separately.

PA-IFS noted that the slate levy had increased by 21.9 cents to 83.28 cents per litre because the slate account stood at a deficit of R9.5 billion at the end of July 2026. The Institute submitted that in February 2026, when petrol cost R20.10 per litre, the State-determined portion amounted to 58 per cent of the pump price, and that this share had fallen to 50 per cent not because any levy was reduced, but because the imported portion rose around a largely fixed rand amount.

On distributional impact: PA-IFS noted National Treasury's position that fuel taxation is not regressive, based on studies of direct fuel spending which show fuel budget shares rising to about the seventh income decile before declining. PA-IFS contended that direct fuel expenditure is the wrong test in the South African context. The Institute submitted that some 15 million commuter trips are made daily by minibus taxi, a mode that receives no operating subsidy and passes fuel costs fully into fares, so that commuters bear the levy without appearing in fuel expenditure surveys. Furthermore, the Institute submitted that higher-income households can adjust by driving less or working from home, while low-income workers living far from their places of work, such as in Tembisa or Khayelitsha, without reliable rail alternatives, have no behavioural margin whatsoever. The PA-IFS added that the poorest quintile spends 30 per cent to 40 per cent of its budget on food, against 5 per cent to 10 per cent for the richest, and that food is transported by road.

Citing research from Costa Rica and South African research on carbon taxation, PA-IFS submitted that fuel price increases are progressive through direct petrol spending but clearly regressive through diesel and bus transport. It concluded that the fuel levy is not intrinsically regressive as an instrument, but that its effective incidence in South Africa is strongly regressive owing to the country's spatial geography and the collapse of the rail system.

On monetary policy response: PA-IFS noted that on 23 September 2026 the SARB unanimously raised the repo rate by 25 basis points to 7.25 per cent, taking the prime lending rate to 10.75 per cent, and that the Governor had described the shock as a large, negative and persistent global supply shock. PA-IFS submitted that an interest rate increase does not address the source of the shock but compresses domestic demand in an economy that contracted by 0.2 per cent in the second quarter of 2026, with inflation at 4.4 per cent compared with 4.3 per cent the previous month, and with the SARB forecasting inflation to return to 3 per cent by the end of 2027. The Institute contended that households therefore absorb the shock twice: at the pump and through higher debt repayments.

PA-IFS acknowledged the SARB's reasoning, noting that inflation expectations had risen to 4.4 per cent and remained above 4 per cent over two years, and that the exchange rate feeds directly

into the BFP. However, the Institute argued the repo rate cannot distinguish imported cost-push inflation from domestic demand-pull inflation, and that the fiscal authorities have more targeted instruments available, including a rules-based levy stabiliser, a zero rate on illuminating paraffin and a public transport rebate. PA-IFS characterised the reliance on monetary policy as a fiscal policy design failure rather than a monetary one.

The PA-IFS submitted to Parliament that the following four questions should be answered before the Bill is passed:

- **Authorisation:** PA-IFS noted that Members had learned that the transfer had already been made. It contended that section 73(2) permits appropriation for expenditure that cannot reasonably be delayed but does not permit spending first and legislating afterwards. It argued that, read together with levies adjusted by ministerial notice, this pointed to an erosion of Parliament's control over money at both the revenue and the expenditure ends.
- **Rules:** PA-IFS submitted that the proposed R10 billion is a buffer with no published trigger, quantum rule, duration or exit, and questioned who decides when it is deployed, on what test, and who reports on its use. The Institute contended that a discretionary smoothing fund within an entity with the CEF's governance record amounts to hypothecation without discipline.
- **Adequacy:** PA-IFS submitted that the April to June 2026 fuel levy relief cost R17.2 billion over three months, or about R6 billion per month, so this proposed R10 billion would fund less than seven weeks of relief at R3 per litre. The Institute questioned whether the allocation was a stabiliser or a gesture, noting that if the October 2026 adjustment is close to R3 per litre, the buffer would be almost exhausted on arrival.
- **Incidence:** PA-IFS submitted that if the funds are used for a blanket petrol levy reduction, the largest absolute benefit would go to the largest fuel consumers, who are not poor. It called on National Treasury to publish a distributional analysis before any funds are deployed.

On the fuel price formula and the Road Accident Fund: PA-IFS submitted that the BFP is an import parity construct referencing prices in the Mediterranean, the Arab Gulf and Singapore,

designed to discipline domestic refineries at a time when South Africa refined most of its own fuel. The Institute contended that, with roughly half of the country's refining capacity lost, the formula no longer serves that purpose and simply indexes domestic prices monthly to distant markets without any smoothing mechanism. Furthermore, the Institute identified the following weaknesses: *the slate levy moves without any parliamentary process and is approaching R1 per litre; regulated margins are adjusted without a published productivity test; and few people outside the department can independently reproduce the monthly calculation.*

PA-IFS submitted that fuel taxes are the one significant tax the executive can adjust by notice under the Customs and Excise Act without a parliamentary vote, and that this had led to their overuse. It noted a High Court judgment confirming that the power to tax vests in Parliament, and a pending litigation testing this in relation to fuel.

On the RAF, PA-IFS submitted that the Fund's long-term provisions amount to R387.4 billion against a levy raising about R50 billion a year, and that in the first quarter the Fund lost 29 per cent of its enrolled court matters to default judgments. The Institute cautioned, however, that improving the RAF's governance would not reduce the pump price in the short term, and that real relief requires benefit design reform, including caps on future loss of income and medical costs, periodic rather than lump-sum payments, and an end to double recovery where a medical scheme has already paid. The Institute warned that reducing the levy before such reform would shift the liability to the NRF.

In its submission, the **PA-IFS made the following proposals:**

- **Immediately:** at the 2026 Medium Term Budget Policy Statement (MTBPS), replace ad hoc ministerial announcements with a pre-legislated, rules-based fuel price stabiliser with a defined trigger, quantum, duration and funding source, using the proposed R10 billion as its opening balance rather than as a discretionary fund; weight relief towards diesel; zero-rate illuminating paraffin; introduce a ring-fenced public transport rebate conditional on fare stabilisation; and require a distributional impact statement, verified by the PBO, for every indirect tax change.

- **Over the next two budgets:** begin decoupling the RAF from the fuel price by freezing the levy in nominal terms, legislating benefit reform and phasing in a risk-rated vehicle contribution collected at licence renewal, with only a residual fuel component for hit-and-run and uninsured claims; strengthen the progressive side of the tax mix by narrowing carbon tax allowances for large emitters and revisiting the capital gains inclusion rate, the interest exemption, dividends taxation and prior work on wealth taxation by the Davis Tax Committee and the World Inequality Lab; and reform the price formula to reflect how fuel is actually sourced.
- **Structurally, over a decade:** reduce the economy's fuel intensity by returning freight and commuters to functioning rail, which PA-IFS described as the only lever that reduces the fuel price burden rather than redistributing it.

PA-IFS further submitted that Africa refines about 30 per cent of the crude oil it produces and loses up to \$25 billion a year importing products it could produce itself. The Institute noted that the Dangote refinery in Nigeria reached its full capacity of 650,000 barrels per day in February 2026 and supplies fuel at Euro V grade, which meets South Africa's clean fuels specification, and that South Africa has traded preferentially under the African Continental Free Trade Area (AfCFTA) since January 2024. PA-IFS called for the price formula review to establish whether lower landed costs from African sources reach motorists or are absorbed by intermediaries. The Institute proposed that petroleum products be made a priority AfCFTA value chain, that fuel specifications be harmonised across the continent, and that AfCFTA investment instruments be directed at regional refining, storage and pipeline capacity.

In conclusion, the PA-IFS submitted that the current oil price shock presents the strongest reform window in a decade and cautioned against spending it on temporary levy relief that leaves the underlying system unchanged.

3.5 Mr Zak Desai

The Committee received a written submission from Mr Zak Desai as a private individual who indicated that he is concerned with sound public finances, transparent institutions and the cost of

living for households. From the outset, he indicated that he supports the Bill with the proposed appropriation of the R10 billion to the Central Energy Fund. In motivation for his support, Mr Desai submitted to the Committee, the contextual background that influenced the decision towards the tabling of the Bill.

He submitted that the Bill comes as a relief to the external shock that was created by the war in the Middle East, which caused the restrictions at the Strait of Hormuz, a gateway for the delivery of oil to most countries, including South Africa. To this end, he submitted that the Strait of Hormuz is a route that accounts for one-fifth of the globally consumed oil. As a result of the restrictions at the Strait of Hormuz, South Africa got exposed to the risks of fuel-price increases, because about 64 per cent of the liquid oil fuel required in South Africa is imported.

In painting the adverse economic impact of the conflict in the Middle East, Mr Desai cited, among others, pressures brought about by the rise in the petrol price by about R1.30 per litre, taking inland 95 ULP to roughly R26.92 and the wholesale diesel by close to R3.00 with the projections of R30.00 of petrol in October 2026. This, according to Mr Desai, exacerbates the economic pressure faced by households as they grapple with taxi fares and food prices, which he referred to as a regressive shock.

Regarding the macroeconomic conditions, Mr Desai submitted that these had deteriorated and had impacted on the quickening of inflation to 4.5 per cent year on year in May 2026. This, he submitted to the Committee, that is the highest recorded inflation since July 2024. According to Mr Desai, the quickening of inflation led to the Reserve Bank raising the repo rate to 7.25 per cent with effect from 25 September 2026, whilst the GDP contracted by 0.2 per cent during the second quarter, for the first time in almost two years.

Regarding the 2026 Budget, Mr Desai submitted that it confirmed a primary surplus of 0.9 per cent of the GDP, whilst the consolidated deficit of 4.5 per cent and the gross debt peaking up at 78.9 per cent of GDP. He indicated that this information was confirmed by Fitch's upgrade "BB" in June 2026, S&P in November 2025 and Moody's positive outlook. He however, warned that the mismanagement of the fuel shock can endanger the current trajectory. On some of the indicators

that merit the introduction of this Bill, Mr Desai made the submissions as reflected in **Table 3** below:

Table 3: Selected economic and fiscal indicators relevant to the Bill (as at 29 September 2026)

Indicator	Reading
Brent crude oil (spot)	About US\$104 per barrel: peaked above US\$110 in August 2026
Rand/US dollar	About R16.38
Petrol 95 ULP (inland)	About R26.92 per litre after increase of about R1.30 on 2 September 2026, October projections approach R30.00
Diesel (wholesale)	Increase of close to R3.00 per litre on 2 September 2026
Repo rate	7.25 per cent (announced on 23 September 2026, effective 25 September 2026)
CPI inflation	4.5 per cent year on year in May 2026, the highest since July 2024
Real GDP	Contraction of 0.2 per cent in the second quarter of 2026; 0.9 per cent higher year on year
Primary balance and deficit 2025/26	Main budget primary surplus of 0.9 per cent of GDP; consolidated deficit of 4.5 per cent
Gross debt	Peaking at 78.9 per cent of GDP in 2025/26; projected 77.3 per cent in 2026/27
Sovereign ratings	Fitch BB (June 2026); S&P BB (November 2025); Moody's Ba2, positive outlook".

Source: Mr Desai submission to the Second Special Appropriation (2025/26 Financial Year) Bill [B20–2026]

Mr Desai submitted the following reasons for supporting the Bill:

- a) **Protection of households:** according to Mr Desai, the Bill serves as a convenient instrument to protect the households against the regressive shock, considering the high food prices, transport and other household needs.
- b) **Well-designed instrument:** Mr Desai submitted that a capitalised fund provides a capped, pre-funded buffer that can be calibrated month by month and withdrawn as prices normalise, whereas an ad hoc cut in the general fuel levy forgoes revenue and is difficult to reverse

- c) **A timely relief to protect consolidation:** the fuel-driven levy inflation has already contributed to a 7.25 per cent repo rate in a contracting economy, and higher rates raise debt-service costs on debt peaking at 78.9 per cent of the GDP. The legal architecture is respected. Section 16(1) exists for precisely this class of emergency, and the prior-approval condition supplies control over drawdowns. The Committee should be concerned with whether the funds are enough to allow for parliamentary oversight.

Whilst Mr Desai supported the Bill, he cautioned the Committee about the risks and raised concerns and provided the Committee with recommendations for dealing with the risks that he has identified, namely:

- a) **Fiscal sustainability and deficit trajectory:** Mr Desai submitted that the proposed R10 billion, which comprises approximately 0.14 per cent of the GDP is modest but not trivial as seen against the main budget primary surplus of 0.9 per cent (some R65 billion) and it absorbs roughly, one-fifth if it is financed from the revenue. He expressed a concern that the Committee is not furnished with the details on how this was financed. It does not explain if the financing is from revenue overperformance; the contingency reserve or borrowing or whether it is from the final 2025/26 balance. He requested that the Committee must get written clarification before the adoption of the Bill.

On the other hand, Mr Desai questioned the invocation of Section 16(1) of the PFMA and flags it as having the potential of creating a precedent. He submitted that the current Bill is the second of its kind for the year under review where the Minister of Finance uses the provision of the Act where the spending is decided before the approval by Parliament. He explained to the Committee that six months has elapsed between the authorisation and the consideration by Parliament. He called on for the Committee to satisfy itself whether this is consistent with the legislation and it should be expressed in the report that there is an expectation for the regularisation, post adoption.

- b) **Governance and transparency of the Central Energy Fund:** Mr Desai submitted that there is currently no transparency in the financial performance of the Central Energy Fund.

Whilst Mr Desai appreciates that it is the prerogative of the Minister of Finance to do the pre-approval as an executive authority, there should be standardised periodic disclosures of the balance of the CEF, per litre relief or interest earned and its mechanics. He submitted that there should be a monthly statement of account submitted to the Committee to transform oversight.

- c) **Targeting and equity:** Mr Desai submitted that the relief through the basic fuel price is broad by design in its nature and that it reaches every litre sold and confers the largest absolute benefit on heavy users, while the per litre benefit to poor households is small in rand terms. According to Mr Desai, speed matters more than precision in the opening months, but if the shock persists, the marginal rand will achieve more through targeted channels.
- d) **Structural exposure:** Mr Desai submitted that the current environment exposes a structural vulnerability which no buffer can cure. This is seen against the backdrop of the 85 per cent of the refined product imports that originate from the war-torn regions, whilst the domestic refinery capacity is constrained, and the global stocks are depleted. In view of this, Mr Desai urges the Committee to treat the Bill as a bridge, not a destination and should therefore insist on a structural agenda as contained in his recommendations below.

In addition, Mr Desai made the following recommendations to the Committee, and he submitted that they are hinged on four tests: timely, targeted, temporary and transparent. He further explains that these recommendations are implementable within the existing law and procedure, financially sustainable and directed at making a demonstrable difference while preserving consolidation. The recommendations do not require any amendment of the Bill and that the November 2026 MTBPS and the 2027 Budget provide checkpoints and these checkpoints.

Mr Desai's recommendations on the passage of the Bill

- a) **Support with reporting conditions:** the Committee should support the Bill, recording an expectation of a consolidated monthly statement of each drawdown, the per-litre relief provided; the funds balances; interests earned and the basis for the relief. The National

Treasury and the Department of Mineral and Petroleum Resources (DMPR) should table the first statement within 30 days of the Act's commencement.

- b) Publication of conditions:** the Committee should request that the Minister of Finance's conditional approval letter dated 31 March 2026, redacted only where it is confidential and be tabled with the Committee report. Oversight of an emergency transfer is materially stronger when the governing conditions are visible.
- c) A defined sunset:** drawdowns should end once the prices have receded below a threshold set and published by the National Treasury, with any residual balance reverting to the National Revenue Fund. In the event of elevated prices persisting, the response should be re-evaluated in the November 2026 MTBPS.
- d) Parliament before payment:** the Committee should place on record that any allocation beyond the proposed R10 billion must be appropriated by Parliament in advance through the 2026 Adjustments Budget or a further special appropriation Bill – rather than authorised after the fact through Section 16 (1) of the PFMA.
- e) Financial and Fiscal Commission:** the Committee may wish to invite the FFC for its views on the Bill and on the reporting framework. In doing so, it will be building a standard reference for future regularisation of section 16(1) expenditure.

In relation to recommendations for the medium term and regarding the oversight role of Parliament, Mr Desai made the following recommendations:

- a) Modernisation of the Equalisation Fund Framework:** the Central Energy Fund Act, 1977, predates the Constitution and the PFMA. Amendments that are aligned to the deliberations on the South African National Petroleum Company Bill [B2 – 2026] should state the fund's purpose and permitted uses, its funding source and cap, mandatory periodic disclosure, and the mechanics by which the National Revenue Fund is reimbursed for relief extended.
- b) Annual Budget disclosure:** from the 2027 Budget onwards, the Budget review and Estimates of National Expenditure should disclose, in standardised format, the fund's balances, drawdowns and any Slate balances. This should appear in the Budget every year as a budget line item that can be held accountable on a yearly basis.

- c) **Publication of fuel-price shock:** the National Treasury and the Department of Mineral and Petroleum Resources should jointly publish a decision matrix for future shocks, when basic fuel price relief, levy measures or targeted support will be used, who decides, and how quickly Parliament is informed, considering that predictability disciplines markets and the state's own choices.
- d) **Reduction of structural exposure:** the DMPR, together with the relevant departments, should report within six months on diversifying import sources, rebuilding strategic petroleum stocks and strengthening refining and logistics resilience, including an assessment of lawful hedging instruments.
- e) **Pair broad relief with targeted relief:** any programme sustained beyond the initial months should be accompanied by targeted support. This includes scholar transport, transport operators and comparable channels to lower aggregate cost with the design completed for the 2027 Budget.

4 Committee Findings and Observations

Having deliberated and considered all the submissions made by the stakeholders on the Second Special Appropriation (2025/26 Financial Year) Bill [B20–2026], the Standing Committee on Appropriations makes the following findings and observations:

4.1 The Committee notes that the Bill proposes that an amount of R10 billion be appropriated from the National Revenue Fund for expenditure authorised in terms of section 16(1) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), for the 2025/26 financial year, and attributed to the vote of Mineral and Petroleum Resources. Furthermore, the Committee notes that this was intended to provide a short-term relief from the fuel price hike that put pressure on consumers, following the announcement by the National Treasury on the temporary reduction of the general fuel levy with effect from 1 April 2026 to 5 May 2026, subject to monthly re-evaluations.

4.2 The Committee notes that the introduction of the Bill, through the proposed appropriation of R10 billion in additional funds to Vote 34 for transfer to the Equalisation Fund in the Central

Energy Fund, serves to bring about stability in fuel costs and to cushion consumers against fuel price volatility as a result of the current conflict in the Middle East.

- 4.3 The Committee notes the Minister's 5 October 2026 confirmation that the R10 billion remains unused. It requires an explanation and a clear plan for delivering consumer relief. This allocation is separate from the General Fuel Levy relief already provided.
- 4.4 The Committee accepts the emergency justification. It acknowledges that the Minister's section 16 report was tabled and referred to the Committee on 13 April 2026, within 14 days of authorisation. The Bill was introduced on 30 July 2026. Treasury should explain its calculation of the separate appropriation-tabling deadline (possible 121 days vs 120 days) and any non-compliance, its consequences and corrective steps.
- 4.5 The Committee notes the submission by the FFC that government should align policies to curb the duplication of relief measures, promote coherence between fiscal and energy policies whilst ensuring that temporary interventions do not displace structural solutions to the energy sector's underlying challenges.
- 4.6 The Committee notes the submission by the PBO that the Committee should, in its intensification of its oversight role, raise questions on whether the Bill guarantees fiscal sustainability; transparency and the design of South Africa's fuel-pricing framework, imploring on the Committee to determine whether the Bill achieves its intended objectives and at the same time, remains consistent with the principles of fiscal responsibility, accountability and value for money.
- 4.7 The Committee notes the submission by the PA-IFS that implores on Parliament and the Committee to ensure that emergency relief of this nature, as envisaged in the Bill, should be approved alongside a clear reform pathway, so that Parliament is not repeatedly asked to fund short-term cushioning against what it described as a structurally flawed pricing and levy system.

- 4.8** The Committee notes the submission by the PA-IFS that if the funds, as proposed in the Bill are used for a blanket petrol levy reduction, the largest absolute benefit would go to the largest fuel consumers, who are not poor, calling for the National Treasury to publish a distributional analysis before any funds are deployed. Furthermore, the Committee notes the submission by Mr Desai submitted that the relief through the basic fuel price is broad construct by design and that it reaches every litre sold and confers the largest absolute benefit on heavy users, while the per litre benefit to poor households is small in rand terms. According to Mr Desai, speed matters more than precision in the opening months, but if the shock persists, the marginal rand will achieve more through targeted channels.
- 4.9** The Committee notes Mr Desai's submission that implores on government to replace ad hoc ministerial announcements with a pre-legislated, rules-based fuel price stabiliser with a defined trigger, quantum, duration and funding source, using the proposed R10 billion as its opening balance rather than as a discretionary fund; weight relief towards diesel; zero-rate illuminating paraffin; introduce a ring-fenced public transport rebate conditional on fare stabilisation; and require a distributional impact statement, verified by the PBO, for every indirect tax change.
- 4.10** The Committee notes the submission by the PA-IFS that government should reduce the economy's fuel consumption intensity by returning freight and commuters to functioning rail, which PA-IFS described as the only lever that reduces the fuel price burden rather than redistributing it. The Committee would like to emphasise that since its establishment in 2024 and the Appropriations Committee of previous Administrations, it has recommended to Parliament on a number of occasions appropriations to both PRASA and Transnet, to improve their operations both on the commuter rail, signalling infrastructure, re-opening of different lines that were closed during the Covid-19 pandemic, repairing of locomotives to increases transfer freight rail transport volumes, including funds allocated towards the Gibela joint venture contract for the production of the new commuter locomotives for PRASA.
- 4.11** The Committee notes the concerns raised by Mr Desai in his submission, that when introducing the Bill to Parliament, National Treasury failed to provide details as to how this proposed Bill is financed, failing to elaborate as whether this Bill is financed from revenue overperformance; the contingency reserve or borrowing or whether it is from the final 2025/26

balance. However, the Committee would like to assure Mr Desai that the Minister of Finance did table to Parliament these details on the Bill, within the legislated timeframes, and in compliance with all the fiscal rules and targets. All these details were subsequently referred to the Committee for its consideration and report to the National Assembly.

5 Recommendations

The Standing Committee on Appropriations, having deliberated and considered all the submissions made by various stakeholders on the Second Special Appropriation (2025/26 Financial Year) Bill [B20–2026] recommends as follows:

- 5.1** That the Minister of Finance ensure that National Treasury provide a comprehensive assessment report (after the fact) to Parliament and the Committee on whether the intervention through the proposed appropriation of the R10 billion was justified and aligned to the initial policy objective of cushioning households from the rising cost-of-living and the inflationary effects of high fuel prices. Furthermore, this report should clearly ascertain whether the intervention was genuinely neutral over the medium-term and if the mechanisms for administering and accounting for the funds provide adequate transparency and parliamentary oversight.
- 5.2** The Ministers of Finance and Mineral and Petroleum Resources should ensure that Treasury, DMPR and CEF Treasury provide quarterly reports on the precise use and accounting of the R10 billion transferred to the Equalization Fund, the Fund's existing balance and sources of revenue, the interaction between the Equalisation Fund and the Slate mechanism, the Fund's opening balance, receipts and interest, payments, commitments and remaining funds, supported by available audited accounts. Furthermore, National Treasury should explain the fiscal cost separately from foregone fuel-levy revenue. Once implemented, the intervention should be evaluated for consumer benefit and value for money.

- 5.3** Treasury should provide the original approval letter and conditions, confirm when the Auditor-General was notified, and explain the appropriation-tabling deadline and any non-compliance. Treasury and DMPR should implement written conditions limiting use to the approved purpose and amount, requiring prior approval for drawdowns, setting an end or review date, and specifying the treatment of unused funds and interest. Compliance should be covered in the quarterly reports under paragraph 5.2.
- 5.4** That the Minister of Finance and the Minister of Mineral and Petroleum Resources ensure that National Treasury and the Department of Mineral and Petroleum Resources jointly report to Parliament and publish a scenario planning and a decision matrix for possible future shocks, when basic fuel price relief, levy measures or targeted support will be used, decision makers on the targeted relief, and how quickly Parliament is informed and its clear role in that decision matrix.
- 5.5** That the Minister of Finance and the Minister of Mineral and Petroleum Resources ensure that National Treasury and the Department of Mineral and Petroleum Resources assess a mechanism that builds resources during lower-fuel price periods to cushion exceptional increases, addressing fiscal costs, spending limits, governance and targeted beneficiaries. This assessment should accompany the fuel-pricing review expected by March 2027. The mechanism should mitigate the risk that special appropriations will be required in the future for the purpose of providing fuel price relief for consumers.
- 5.6** That the Minister of Mineral and Petroleum Resources ensure that the Department of Mineral and Petroleum Resources and National Treasury submit a progress report on and clear timelines on the finalisation and proposed implementation of the outcomes of the review of the fuel pricing model.
- 5.7** Further allocations should ordinarily be appropriated in advance through the normal budget process. Any exceptional authorisation under section 16 must meet the statutory requirements, including reporting, public tabling and subsequent appropriation. Treasury should promptly inform Parliament of any further authorisation and its fiscal implications.

5.8 That the Minister of Finance consider and report to Parliament how the R10 billion could be used to mitigate the current fuel price crisis.

6 Committee Recommendation on the Bill

The Standing Committee on Appropriations recommends that the National Assembly adopts the Second Special Appropriation (2025/26 Financial Year) Bill [B20 – 2026], without amendments.

7 Conclusion

The responses to the recommendations as set out in section 5 above by the relevant Executive Authorities must be sent to Parliament within 60 days of the adoption of this report by the National Assembly.

Report to be considered.

2. Report of the Portfolio Committee on Justice and Constitutional Development on the Rules of Procedure made in terms of section 79(1) of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000), submitted to Parliament for approval, dated 9 October 2026

The Portfolio Committee on Justice and Constitutional Development, having considered the Rules of Procedure made in terms of section 79(1) of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000), referred to the Committee for consideration and report (Announcements, Tablings and Committee Reports, 4 November 2025, No 191—2025), recommends the Rules for approval.

Report to be considered