

*Thursday, 25 September 2025]*

No 163—2025] SECOND SESSION, SEVENTH PARLIAMENT

**PARLIAMENT**

**OF THE**

**REPUBLIC OF SOUTH AFRICA**

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**ANNOUNCEMENTS,  
TABLINGS AND  
COMMITTEE REPORTS**

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THURSDAY, 25 SEPTEMBER 2025

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## ANNOUNCEMENTS

### National Assembly

#### The Speaker

#### 1. Referral to Committees of papers tabled

- (1) The following papers are referred to the **Portfolio Committee on Agriculture** for consideration and report. Report of the Independent Auditors is referred to the **Standing Committee on Public Accounts** for consideration:
  - (a) Report and Financial Statements of the Perishable Products Export Control Board for 2024-25, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2024-25.

## TABLINGS

### National Assembly and National Council of Provinces

#### 1. The Minister of Agriculture

- (a) Report and Financial Statements of the South African Veterinary Council for 2024-25, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2024-25.

#### 2. The Minister of Basic Education

- (a) Report and Financial Statements of Umalusi – Quality Council for General and Further Education and Training for 2024-25, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2024-25.

- (b) Memorandum of Understanding between the Government of South Africa and the Government of the Kingdom of Lesotho on cooperation in the field of Basic Education (signed on 23 April 2025), tabled in terms of section 231(3) of the Constitution, 1996.

### 3. The Minister of Defence and Military Veterans

- (a) Report and Financial Statements of Vote 23 – Department of Defence for 2024-25, including the Report of the Auditor-General on the Financial Statements and Performance Information of Vote 23 for 2024-25.
- (b) Report and Financial Statements of the Castle Control Board for 2024-25, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2024-25.
- (c) Report and Financial Statements of the Armaments Corporation of South Africa SOC Ltd and its subsidiaries for 2024-25, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2024-25.

## National Assembly

### 1. The Speaker

- (a) Reply by the Minister of Basic Education to Report of *Portfolio Committee on Basic Education on Oversight visit by Chairperson to Setotlwane Secondary School, Mankweng, Limpopo*, as adopted by the House on 4 March 2025.

Referred to **Portfolio Committee on Basic Education**.

- (b) Reply by the Auditor-General to Report of the *Standing Committee on Auditor-General on 2025-2028 Strategic Plan, Budget, and 2025 Audit Directives of the Auditor-General South Africa*.

Referred to **Standing Committee on Auditor-General**.

- (c) Report of the South African Human Rights Commission on the State of Human Rights in South Africa 2024-25.

Referred to **Portfolio Committee on Justice and Constitutional Development and Portfolio Committee on International Relations and Cooperation**.

- (d) Report of the South African Human Rights Commission – Monitoring Recommendations Report 2024-25.

Referred to **Portfolio Committee on Justice and Constitutional Development and Portfolio Committee on International Relations and Cooperation**.

- (e) Report of the South African Human Rights Commission on Section 184(3) Report 2024-25.

Referred to **Portfolio Committee on Justice and Constitutional Development** and **Portfolio Committee on International Relations and Cooperation**.

- (f) Report of the South African Human Rights Commission on the International and Regional Human Rights Report 2024-25.

Referred to **Portfolio Committee on Justice and Constitutional Development** and **Portfolio Committee on International Relations and Cooperation**.

## **National Council of Provinces**

### **1. The Chairperson**

- (a) A letter dated 18 September 2025, received from the Minister of Home Affairs submitting for tabling report(s) of the Electoral Reform Consultation Panel in terms of section 23(7) of the Electoral Amendment Act, 2023 (Act No. 1 of 2023).

Referred to **Select Committee on Security and Justice**.

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# COMMITTEE REPORTS

## National Assembly

### 1. REPORT OF THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION ON THE APPOINTMENT PROCESS OF THE CHAIRPERSONS OF THE SECTOR EDUCATION AND TRAINING AUTHORITIES (SETAs) ACCOUNTING AUTHORITY, DATED 19 SEPTEMBER 2025

#### 1. INTRODUCTION

The Portfolio Committee on Higher Education (“the Committee”), having assessed the appointment process of the Chairpersons of the Sector Education and Training Authorities (“SETAs”) Accounting Authority (“AA”) by the Minister of Higher Education, Dr Nkabane, MP, reports as follows:

##### 1.1. Purpose of this Report

The purpose of this report is to account for the work done by the Committee in assessing the appointment process of the SETAs AA Chairpersons by the Minister of Higher Education, Dr Nkabane.

##### 1.2. Mandate of the Committee

Section 55(2) of the Constitution of the Republic of South Africa stipulates that “the National Assembly (NA) must provide for mechanisms (a) to ensure that all executive organs of state in the national sphere of government are accountable to it; and (b) to maintain oversight of (i) national executive authority, including the implementation of the legislation; and (ii) any organ of state,” Rule 227 of the National Assembly Rules provides for the mechanisms contemplated in section 55(2) of the Constitution.

## 2. BACKGROUND AND METHODOLOGY

### 2.1. Background

On 14 May 2025, the Committee convened a meeting with the Construction Education and Training Authority (CETA) to discuss a progress report on the implementation of the recommendations of the Duja Forensic Report into the CETA affairs, governance and related matters. A leaked list of newly appointed chairpersons of the SETAs Accounting Authorities made rounds on social media a day before the meeting on 13 May 2025, sparking a public outcry about what appeared to be appointments of politically aligned individuals. The Chairperson of the Committee, Hon WT Letsie, also received correspondence from some members of political parties represented in the Committee, raising serious concerns about an alleged leaked list of newly appointed SETAs AA Chairpersons for the period 2025 – 2030. One of the persons whose name was on the leaked list led a delegation of the Construction Education and Training Authority (CETA) attending a meeting on 14 May 2025. Dr Z Buthelezi introduced himself as the new Chairperson of the CETA AA and confirmed that he had received a letter of appointment from the Minister on 9 May 2025.

Upon deliberation on the leaked list and letters to the Chairpersons, the Committee took a resolution to write to the Minister to confirm whether the appointment of the new SETA (AAs) members and Chairpersons had been finalised, and if not, by when the process will be concluded, as the Committee had requested to be furnished with an official list upon its finalisation. A letter was written and submitted to the Minister before the meeting ended. The Minister responded on 16 May 2025 and indicated that after broader consultations with stakeholders in the post-school education and training (PSET) sector and their counsel regarding the appointment of the SETAs AA Chairpersons, she decided to recalibrate the process, which was overseen by an independent panel. She committed to reopening the process by issuing a new Government Gazette calling for nominations as per the Committee's advice.

The Committee took note of the Minister's response and further resolved to invite her to account on the appointment process of SETAs AA Chairpersons at the meeting of 30 May 2025.

## **2.2. Methodology**

**2.2.1.** In implementing the resolution of the Committee to assess the appointment process of the SETAs' AA Chairpersons, the Committee convened meetings with the Minister of Higher

Education, Dr Nkabane, MP, Deputy Ministers, Dr Gondwe, MP and Mr Manamela, MP and Department officials, and independent panel Members. The meetings were held on 30 May 2025, 04 and 18 June 2025, and 18 and 22 July 2025.

- 2.2.2.** The Committee wrote to the Minister to request the disclosure of the names of Panel Members for the selection and recommendations of the chairpersons of SETAs AAs.
- 2.2.3.** Upon submission of the lists of the independent panel members by the Minister, the Committee wrote to the Panellists to request written statements on their role in the appointment process of the AA Chairpersons of the SETAs.
- 2.2.4.** The Minister and the panellists were also requested to submit the following:
- Minutes of all meetings of the Independent Panel, including the attendance register.
  - Profiles of every panel member.
  - An explanation as to why the Chairperson of the panel has never attended any of the meetings, including whether the panel met its quorum, and who chaired the meetings.
  - Confirmation of the communication/correspondence exchanged between the Minister and each panel member, including their acceptance to be included on the panel.
  - Report compiled and sent to the National Skills Authority for consultation on the recommended SETAs AA Chairpersons.
  - The Minister submits the outstanding names of the independent panel members for whom the letter states that they were not comfortable with their names being disclosed.
- 2.2.5.** All panellists who appeared before the Committee were requested to take an oath or affirmation before reading their statements in accordance with rule 168 of the National Assembly Rules read together with section 16 of the Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, 2004 (Act No. 4 of 2004). The panellists were sworn in by the Parliamentary Legal Advisers assigned to the Committee during the Enquiry.

### **3. SUMMARY OF THE PROCEEDINGS OF THE COMMITTEE ON THE ASSESSMENT OF THE APPOINTMENT PROCESS OF THE AA CHAIRPERSONS OF THE SETAs**

#### **3.1. 30 May 2025: Presentation by the Minister and the Department**

The Minister and the Department appeared before the meeting to present the process followed in the appointment of SETA's AA Chairpersons. The Minister explained her powers to appoint AA chairpersons of SETAs as per Section 11 (1) (a) of the Skills Development Act, 1998, (Act No. 97 of 1998) as amended. The Minister also alluded to the appointment of the independent panel for the selection and recommendation of the chairpersons of the SETAs' AAs.

Mr M Ngubane, Chief Director, SETA Coordination, presented the process of appointing SETA Chairpersons. The Skills Development Act No. 97 of 1998, Section 11(1)(a), provided that the Minister must appoint the Chairperson of the Accounting Authority of a SETA after consultation with the National Skills Authority. The Minister must also, by notice in the Government Gazette, invite nominations from interested parties in the relevant sectors for the positions of the chairpersons of the AAs. The consultation was neither intended to seek the approval nor the concurrence of the NSA. Thus, the decision to appoint the Chairpersons and Boards ultimately rested with the Minister as the Executive Authority.

In relation to the process undertaken in calling for the nominations of the SETAs' AA Chairpersons, the Minister published a notice in the Government Gazette 51625 dated 19 November 2024, inviting constituencies in various economic sectors to submit nominations of suitable candidates for consideration and appointment as SETAs' Chairpersons. Regarding the nomination criteria, the National Qualifications Framework (NQF) level 8 was added as a requirement for SETAs Chairpersons, while preference was given to people with disabilities, youth, and women.

As part of upholding the integrity of the process, to be beyond probity and reproach, a Selection and Evaluation Panel (Nomination Task Team) was established to independently evaluate all nominations and recommend suitable candidates for the Minister's consideration and decision-making. In identifying suitable candidates, the Selection and Evaluation panel complied with the legislative provisions of the Skills Development Act, 1998. The panel also considered the curriculum vitae (CVs) of 573 candidates whose nominations were received on time. The political affiliations of the candidates did not form part of the selection criteria for identifying suitable candidates.

The recommended candidates were suitably qualified, with extensive management and leadership experience ranging from governance experts, auditors, chartered accountants, legal professionals (such as advocates), medical doctors, engineers, and scientists. Out of the 20 candidates recommended, three had Doctoral Degrees (NQF 10), 15 had Master's Degrees (NQF 9), and two were Medical Doctors. On 6 May 2025, the Minister duly consulted the NSA on the recommended candidates as required by the Skills Development Act, 1998.

Considering public concerns regarding some names of the nominated candidates, a decision was taken to recalibrate the process. Consequently, the nomination process was reopened through a publication in the Government Gazette published on 23 May 2025, inviting stakeholders to nominate suitable candidates. The Gazette was open for 14 days and was to be closed on 13 June 2025 to allow stakeholders a reasonable time to nominate candidates. The selection and evaluation performed the necessary due diligence, selection and recommendation.

During the deliberations, the Committee -

- Welcomed the withdrawal of the appointments of SETAs AA Chairpersons as per the Minister's media statement of 17 March 2025 and the commitment to reopen the process.
- Requested the Minister to furnish it with the names of the independent panel members appointed for the selection and recommendation of the SETAs AA Chairpersons, which the Minister declined. The Minister insisted that the process followed in the appointment of the SETAs' AA Chairpersons was perfect and beyond reproach, which the Committee was not convinced of. The Minister committed to seeking concurrence from the independent panel members regarding the request of the Committee to publish their names and provide feedback.
- Noted that some of the candidates nominated by constituencies to serve as SETAs' AA members and Chairpersons do not possess the minimum qualifications and relevant experience for the sectors being served by SETAs. For some Chairpersons, a mismatch was observed between qualifications and experience with the sectors in which they were appointed. It was also noted that some of the appointed Chairpersons have a questionable character.

- Was concerned that the Accounting Officer, including the senior managers of the Department, were also not aware of the identity of the independent panel members.
- was concerned that the panel members were not subjected to any vetting processes to verify their independence.

The Committee resolved to allow the Minister to seek concurrence from the Independent Panel Members to publish their names.

### **3.2. Meeting of 04 June 2025**

On 4 June 2025, the Committee convened a meeting to receive a briefing from Sefako Makgatho Health Sciences University on its state of affairs concerning governance, administration, teaching and learning, and related matters. A day before the meeting, the Committee Chairperson received three letters from the Committee members of the Democratic Alliance (DA), Inkatha Freedom Party (IFP), and Umkhonto we Sizwe Party (MKP). All the letters requested that the Committee summon the Independent Panel appointed by the Minister to appoint the Chairpersons of the Sector Education and Training Authorities (SETAs) Accounting Authorities, given her refusal to disclose their names at the meeting of 30 May 2025.

At the meeting of 04 June 2025, in his opening remarks, the Chairperson informed the meeting of the letters received from the members of the three political parties represented in the Committee and shared the contents of the letters. He indicated that he had responded to the letters and noted that the Minister had made an undertaking to consult with the panel members regarding the disclosure of their names and revert to the Committee. Thus, it would not be necessary for the Committee to summon the Independent Panel members, given the Minister's undertaking to respond to the matter.

The Chairperson allowed the members to discuss the matter as follows:

- Members were not satisfied with the Chairperson's response and indicated that the Minister is accountable to Parliament as per section 92 (2) of the Constitution. Therefore, she may not dictate how she should be accountable to the Committee. Her Independent Panel exercised a public function, and members of the public deserved to know their names and profiles.

- Members unanimously agreed that the Minister must account for the matter, and her failure to disclose the names of the Independent Panel members would lead to political parties exploring other mechanisms to compel her to disclose the information. Furthermore, the Minister should also account for the appointment process of the National Skills Authority (NSA) Board members.
- Members resolved that the Chairperson write a letter to the Minister reiterating that she is constitutionally obligated to provide Parliament with the names of the Independent Panel members and that those names should be submitted by the end of business on 11 June 2025.

### **3.3. Letters of the Minister to the Committee**

On 11 June 2025, at 19:00, the Chairperson received a letter from the Minister, in which the Minister acknowledged that she was legally permitted to lawfully disclose the details of the panellists. The letter further noted that the Minister had written to each member of the Selection and Evaluation Panel and advised them of her intention to comply with the request of the Portfolio Committee. However, it was unlikely that her engagements with panellists would be completed by the deadline of 11 June 2025, and she requested an extension of the deadline to 30 June 2025. Given that the letter was received on the evening of the Committee's deadline, the Chairperson shared it on the Portfolio Committee's WhatsApp group.

On 17 June 2025, the Chairperson received another letter from the Minister. A list of panel members for the selection and recommendation of AA Chairpersons of the SETAs was included in the letter. The list included names of panellists who served on different selection and recommendation panels for different Department entities. Interestingly, other names for the SETA Board Chair panellists were blocked (not disclosed). The Minister indicated that the panellists were not comfortable with their names being disclosed. The Chairperson shared the Minister's letter with the members on the Committee WhatsApp group.

Subsequently, the Chairperson received a letter from an MKP member of the Committee that raised concerns about the disclosed names of the independent panel members and further requested that the Minister furnish the Committee with information on the panel members and the processes followed in their appointment.

### 3.4. Meeting of 18 June 2025

At the meeting of 18 June 2025, the Committee deliberated on the contents of the Minister's letter and raised the following concerns:

- Concealment of some panellists' identities and the Minister's obligation to be transparent by making a full disclosure.
- The panel was not independent, as claimed by the Minister, given that the panellists were Departmental Officials and the Minister's Advisor and Chief of Staff.
- Adv T Motau, the panel chairperson, did not participate in any of the selection and recommendation meetings.
- The Minister wilfully misled Parliament by her initial claims that the panel was independent and included industry experts and the sector that volunteered their time.

Considering the above, the Committee resolved to:

- Write to the Minister, the Director-General, Deputy Ministers, and the panellists, inviting them to appear before the Committee and to account for their role, if any, in the selection and recommendation processes of the SETA Board Chairs.
- Write to the Minister and Panellists to request them to submit the following, within seven (7) days:
  - Minutes of all meetings of the independent panel, including the attendance register.
  - Profiles of every panel member.
  - An explanation as to why the Chairperson of the panel has never attended any of the meetings, including whether the panel met its quorum, and who chaired the meetings.
  - Confirmation of the communication/correspondence exchanged between the Minister and each panel member, including their acceptance to be included on the panel.
  - Report compiled and sent to the NSA for consultation on the recommended candidates for the SETAs' AA Chairpersons.
  - Outstanding names of the Independent panel members, for whom the letter states that they were not comfortable with their names being disclosed.

- Some Committee members directed the Chairperson to open a case against the Minister for wilfully misleading the Parliament. The members of the Democratic Alliance informed the Committee that they would report the Minister to the Ethics Committee.

As per the Committee's resolution, the Chairperson wrote to the Minister and the panellists, and they complied with the request.

The Committee applied to the Office of the House Chairpersons to convene meetings outside its dedicated slot. Permission was granted for the Committee to convene meetings on 18 and 22 July to engage the panellists on their role in the appointment process of the SETAs' AA Chairpersons.

### **3.5. Meetings of 18 and 22 July 2025 – Independent Panel members**

The Chairperson read the letters of apology from the Minister, Ms Semane, and Ms Ngwenya. He also reported that Mr Solani did not respond to the invitation to appear before the Committee. The Chairperson informed the Committee about an alleged email issued by the Office of the Director-General (DG) informing the Departmental officials about the cancellation of the committee meeting of 18 July 2025 due to the Minister's apology.

The Committee deliberated on the matters presented by the Chairperson as follows:

- Noted that the Minister had two Deputy Ministers who were assigned to deal with TVET colleges and gender-based violence (GBV) matters. Therefore, she could have assigned the two Deputy Ministers to represent her in the GBV march and the induction of student representative council (SRC) members.
- Noted that the DG had no authority to communicate the Committee's meeting to his staff, especially those who were directly invited to its meeting. It was further noted that he should be invited to account for the action thereof. Members also indicated that the DG should be reported to the President for interfering with the Committee's work.
- Accepted the apology from Ms Semane, who the doctor booked off-sick. However, they expressed serious concern about the lack of response from Mr Solani, Advisor to the Minister, to the invitation of the Committee. They also expressed serious concern about

Ms Ngwenya's late apology, which attempted to justify her absence from the Committee meeting. It was agreed that Dr Sishi, Mr Solani and Ms Ngwenya should be invited to appear at the next meeting of the Committee scheduled for 22 July 2025.

- The Committee should not lose its focus on holding the Minister accountable for her actions concerning the appointment of the SETA AA Chairperson. The recurring apologies would not absolve her from accounting to the Committee.
- Proposed that the Minister should be referred to the Ethics Committee for misleading the Committee about the Independent Panel. However, the Chairperson clarified that he had received a legal opinion from the Constitutional and Legal Services, which indicated that the Committee would delegate its duties to the Ethics Committee if it failed to hold the Minister accountable. He advised that the DA had already separately reported the Minister to the Ethics Committee. Therefore, the Committee should continue to hold the Minister accountable and give her the right to reply.
- The Committee resolved that an urgent meeting should be reconvened to sit on 22 July 2025 as requested by the Minister in her letter of apology to the Committee

Ms Semane, Ms Ngwenya, Mr Solani and Dr Sishi were present at the meeting of 22 July 2025. It was clarified that there was a misunderstanding regarding the directive by the Office of the DG to the Departmental Officials not to attend the Committee meeting of 18 July 2025. The DG Sishi was in China, and the Department had an acting DG. The Minister did not attend the meeting as the President had relieved her of her Ministerial duties a day before the meeting of 22 July 2025.

The Committee deliberated on the need to continue engagements on the role of the panellists in the appointment of SETAs AA Chairpersons, noting that the meeting's material conditions had changed, given that Dr Nkabane was no longer the Minister. The Parliamentary Legal Advisor was requested to advise on the matter. Ms P Ngema, Legal Adviser, indicated that her advice was informed by Section 56 of the Constitution, which outlined the powers of the NA and its committees. She also referred to Section 92 of the Constitution, which outlined the duties of Cabinet members. Ms Ngema concluded that it was within the committee's rights to decide whether it wanted to engage the Panel members and the Minister as part of its oversight exercise.

The Committee deliberated on the legal advice, and the matter was put to a vote, in which the majority voted in favour of continuing to engage the panel members.

### **3.5.1. Summary of the written statements**

#### **a. Response from Mr Ngubane**

Mr M Ngubane: Chief Director SETA Coordination, indicated that on 10 March 2025, he received a letter dated 7 March 2025, appointing him as the Chairperson of the Nomination Committee for the selection of members to serve as Chairpersons of Accounting Authorities of SETAs. He did not write an acceptance letter since he viewed the appointment as part of his role as the Chief Director: SETA Coordination. He said there were no terms of reference (ToR) in the appointment letter, and no additional remuneration was received, promised, or expected since the said appointment would not require any extraordinary responsibilities beyond his normal duties. He added that he did not attend any meetings of the Panel since he did not receive an invitation for its meetings.

#### **b. Response from Adv Motau SC**

Adv Motau indicated that on 18 March 2025, he received a copy of the Minister's letter dated 15 March 2025, appointing him as the Chairperson of the panel and setting out what assistance the Minister required, including the criteria to be followed. He outlined the processes that followed his letter of appointment by reaching out to Ms Ngwenya and Mr Solani. He explained that he did not meet with Ms Ngwenya and Mr Solani until he saw from the media reports that the process of appointing SETA AA Chairpersons had been finalised and that the nominations and appointments had been made.

Adv Motau indicated that, after the media reports and the Minister's appearance before the Portfolio Committee, he received a letter from the Minister dated 12 June 2025, raising certain questions and requiring a response by 16 June 2025. He responded to the Minister on 16 June 2025 and indicated that he was never involved in the work of the Independent Panel. The Minister called him on 17 June 2025, explaining that she initially thought that he had been appointed to chair the Panel. Adv Motau concluded that the Minister's disclosure to the Committee was inaccurate insofar as his involvement in the panel's work.

**c. Response by the Deputy Minister, Dr Gondwe, MP**

The Deputy Minister informed the Committee that she was not involved in the process of the appointment of the SETA AA Chairpersons, as this was the Minister's prerogative in terms of section 11 of the Skills Development Act, 1998 (Act No. 97 of 1998), as amended, which outlines the Minister's responsibility to appoint members to the SETA AA Chairpersons.

**d. Response by the Deputy Minister, Mr Manamela, MP**

He stated on record that he was not involved in the appointment of the SETA AA Chairpersons, as this was the Minister's responsibility.

**e. Response from Ms Ngwenya**

Ms R Ngwenya, DDG Corporate Services, indicated that around September/October 2024, following consultations between the Director-General, Dr Sishi, and former Minister, Dr Nkabane, a decision was taken to relocate the responsibility for managing nominations for non-executive board members of entities to the Corporate Services Branch. She accepted the responsibility to oversee the process and was officially appointed by the Minister through a formal correspondence in March 2025 to provide secretariat support to the nomination panel. She clarified that the communication made with Adv Motau SC was undertaken as part of secretariat support services to the panel. Ms Ngwenya concluded that she was not involved in the approval process of the 21 nominees who were ultimately appointed as Chairpersons of the SETAs Accounting Authority.

**f. Response from Ms Semane**

Ms N Semane: Former Chief of Staff Office of the Minister, indicated that her name appeared in the Panel Members list because the Minister submitted a list that includes all the panels that she appointed since taking office. She reiterated that she did not participate in the selection and recommendation of the SETAs' AA Chairpersons. However, she participated in the process for recommending the SETAs AA members and not the Chairpersons. She added that she was not paid any additional remuneration for her participation in the selection and recommendation of Accounting Authorities.

### **g. Response from Mr Solani**

Mr A Solani, Advisor to the Minister, indicated that he received a formal letter of appointment from the Minister to be part of the Panel and did not receive additional reimbursement for his participation in the Panel.

## **4. KEY FINDINGS AND OBSERVATIONS**

The Committee, having assessed the process followed by the Minister in the appointment process of the SETAs' AA Chairpersons, makes the following findings and observations:

- The Minister's decision to withdraw the appointments of the SETAs' AA Chairpersons following the public outcry about some of the questionable appointees and inadequate procedural transparency in the appointment process was welcomed. However, the Minister's initial assertions that the process of appointing these Chairpersons was beyond reproach were inaccurate and concerning.
- The Department's failure to finalise the process of appointing the SETAs' AA and their Chairpersons before 1 April 2025 was a significant concern. SETAs' AAs should have started serving their five-year term on 1 April 2025, and the delays in their appointments created corporate governance challenges and an absence of management oversight.
- Owing to the absence of the SETAs' AA Chairpersons, the Chief Executive Officers (CEOs) were appointed as interim Accounting Authorities and given the responsibility to submit the SETAs' Annual Financial Statements (AFS) 2024/25 by 31 March 2025 to the Minister of Finance. The Committee was concerned that the powers given to the CEOs may lead to abuse of power due to the absence of the AA.
- The Minister assured the Committee that the selection and evaluation panel for the Nomination and Recommendation of SETAs' AA Chairpersons consisted of experts from the post-school education and training (PSET) sector who volunteered their services to assist her in appointing suitable candidates. However, upon receiving the names of the Panel members, the Committee discovered that they were not industry experts; instead, the panel comprised the Minister's support staff (Adviser and Chief

of Staff), and the Departmental officials, the DDG for Corporate Services and the Chief Director for SETA Coordination.

- The Committee noted from the Minister's letters of appointments to Adv Motau and Mr Ngubane that both were appointed as Chairpersons of the Independent Panel, and neither chaired the Panel meetings as they were not invited to any of the meetings.
- The assertion made by the Minister when she informed the Committee that Adv T Motau, Senior Counsel (SC), chaired the panel was misleading. Although the Minister later apologised for this assertion, she should have undertaken due diligence before publicly declaring that Adv. Motau SC chaired the panel.
- The Committee was concerned that, despite the DDG for Corporate Services having been appointed to provide secretariat services to the panel, the secretariat had not convened any meetings of the panel. Thus, this raised questions about who evaluated and recommended the names of 20 candidates as Chairpersons of the SETAs.
- Based on the assessment of the response of the panel members, none of them were involved in the recommendation of the 21 candidates as SETAs' AA Chairpersons out of the 571 applicants. Based on the evidence provided by the panel members, there was an intention to establish an independent panel; however, such an intention did not materialise, and the Chairpersons of the SETAs' AA were appointed without the involvement of the panel. Thus, the Minister has misled Parliament about the role of the independent panel in the selection and recommendation of the Chairpersons of the SETAs' AAs.

## **5. RECOMMENDATIONS**

The Committee, having assessed the process followed by the Minister in the appointment of the Chairpersons of the SETAs' AA Chairpersons, makes the following recommendations:

- The recalibrated process of appointing new Chairpersons of SETAs' AA should be expedited to ensure oversight over the SETAs' management and operations.
- The new Minister of Higher Education and Training ensures that the Departmental officials are afforded space to execute their duties in accordance with relevant policies.

- The Department's senior managers who testified before the Committee on their alleged involvement in the appointment of 21 SETAs' AA Chairpersons should not be threatened or victimised based on their responses.
- The Skills Development Act, 1998, should be amended to provide the Accounting Officer with clear roles and responsibilities in the appointment of SETAs' Accounting Authorities.

Report to be considered.

## **2. REPORT OF THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION ON ITS STRATEGIC PLANNING WORKSHOP, DATED 19 SEPTEMBER 2025**

The Portfolio Committee on Higher Education (herein referred to as the Committee), having convened its Strategic Planning Workshop on 2 – 4 September 2025 at the Caledon Hotel and Spa in Caledon, reports as follows:

### **1. DELEGATION LIST**

#### **1.1 Members of the Committee**

Hon WT Letsie, (ANC) – Chairperson, Hon Y Govana, (ANC), Hon DG Kgabo (ANC), Hon K Khakhau (DA), Hon M Msezane (MK), Hon S Ngubane (MK), Hon S Lonzi (EFF), Hon S Zondo, (IFP) and Hon A Sauls, (PA).

#### **1.2 Support Staff**

Mr A Kabingesi: Committee Secretary, Ms M Modiba: Content Advisor, Dr A Arendse: Researcher, Ms T Kleinhans: Executive Secretary and Mr T Bottoman: Committee Assistant.

#### **1.3 Department of Higher Education and Training**

##### **Ministry**

Hon B Manamela – Minister, Hon M Gondwe – Deputy Minister, Hon N Dube-Ncube – Deputy Minister, Mr O Bodibe - Researcher in the Office of the Minister, Mr S Mamphekgo - Parliament & Cabinet Officer in the Office of the Minister, Ms M Seedat - MLO in the Minister's Office, Mr M Phakathi- Head of DM Dube-Ncube Office, Ms N Mncwabe - PLO in DM Dube-Ncube Office, Mr S Stuurman - PLO DM Gondwe Office.

##### **Officials**

DG: Dr N Sishi – Director-General (DG), Mr TD Mohlamme – Parliamentary Liaison Officer (PLO) Office of the DG, Ms LK Matjane – Chief Director Office of the DG, Mr S Zungu – Deputy Director-General (DDG) Technical and Vocational Education and Training (TVET) Branch, Mr T Vele – Acting Chief Director TVET Programmes and Qualifications, Mr I Joubert: Chief Director TVET Financial Planning, Ms NBK Gasa – DDG Planning, Policy and

Strategy Branch, Mr M Rapatsa – Deputy Director Strategic Planning, Mr B Mlambo – Chief Director Infrastructure Planning, Policy and Strategy, Adv N Kutta – Chief Director Legal and Legislative Services, Mr D Makhaye – Director Legal and Legislative Services, Mr L Kearns: Acting Chief Financial Officer (CFO), , Dr Marcia Socikwa – DDG University Education Branch, Mr Z Khuzwayo – Executive Officer National Skills Association (NSA), Ms T Futshane – DDG Community Education and Training (CET) Branch, Mr D Diale – Chief Director CET Curriculum, Ms R Ngwenya – DDG Corporate Services Branch, .

#### **1.4 Auditor-General of South Africa (AGSA)**

Ms K Komape – Business Leader, Ms Z Mditshwa – Deputy Business Leader and Ms N Shai – Senior Manager.

#### **1.5 Universities South Africa (USAf)**

Prof F Petersen – Chairperson, Prof R Songca – Deputy Chairperson, and Dr P Matutu – Chief Executive Officer.

#### **1.6 South African College Principals Organisation (SAPCO)**

Mr TJ Kekana: President, and Mr L Mbulawa: Provincial Chairperson, Western Cape.

#### **1.7 TVET Colleges Governors Council (TVETCGC)**

Prof N Mazibuko: Head of Research and Mr S Zondi – Secretary-General.

#### **1.8 National Student Financial Aid Scheme (NSFAS)**

Dr K Stander – Chairperson, Mr W Carrim – Acting Chief Executive Officer (CEO), Ms V Mafilika – Acting Chief Operations Officer (COO), Ms L Tshangela – Acting Chief Financial Officer (CFO), Mr T Melula – Acting Chief Information Officer (CIO), Mr L Sishi - Senior Manager TVET, Mr T Mukondeleli – Senior Manager Universities and Ms S Tshiwula – Acting Senior Manager Student Accommodation.

#### **1.9 Financial and Fiscal Commission (FFC)**

Dr P Nombeko – Chairperson, Ms A Maharaj-Dowra – Head Office of Chairperson and Ms N Gwama – Senior Research Local Government.

#### **1.10 South African Union of Students (SAUS)**

Mr M Nkambako – President, Ms N Nxumalo – Secretary-General and Mr N Mabilane – Treasurer-General.

**1.11 South African Technical and Vocation Education and Training Students Association (SATVETSA)**

Ms K Chokoe: President and Mr W Mgwali: Secretary-General.

**2. INTRODUCTION, OBJECTIVES AND METHODOLOGY OF THE WORKSHOP**

**2.1 Introduction**

Parliamentary committees are required to develop strategic plans that are aligned with the policy imperatives of Parliament, National Development Plan (NDP) Vision 2030, the government’s 2025 – 2029 Medium-Term Development Plan (MTDP), and the priorities highlighted in the State of the Nation Address (SONA). These strategic plans are essentially convened to identify areas of focus for oversight during the MTDP period, improve the oversight mandate of parliamentary committees, and equip members with the necessary support required to fulfil their duties.

On 22 July 2025, the House Chairperson of the National Assembly (NA) Committees issued a directive to the NA committees to convene Strategic Planning Workshops in the third term, which will guide the committees’ activities for the remainder of the 7<sup>th</sup> Parliament. Considering the memorandum from the House Chairperson, the Committee resolved to convene its Strategic Planning Workshop on 2 – 4 September 2025 at the Caledon Hotel and Spa in Caledon. In preparation for the workshop, the Committee sent invitations to the Department and its key entities, which were requested to prepare presentations that would add value to the Committee’s plans for the remainder of the 7<sup>th</sup> Parliament.

**2.2 Objectives of the Workshop**

The key objective of the Strategic Planning Workshop was to develop the Committee’s Strategic Plan and Annual Performance Plan (APP) 2025/26, aligned to the priorities set out in the 7<sup>th</sup> Parliament’s Strategic Plan. The strategic priorities of Parliament include strengthening oversight and accountability, enhancing legislative processes and public involvement, and improving public appointments and international engagement.

The other objectives of the workshop include:

- Reflect on and evaluate the Committee’s performance from June 2024 to July 2025 and the lessons learned.
- Identify areas of focus for oversight during the MTDP period, including mapping out key delivery considerations and outcomes.
- Engage with the Department and other key stakeholders in the post-school education and training (PSET) sector on key priority areas of the 7th administration and critical issues that need to be addressed in the future.
- Identify risks and challenges that impact the work of the Committee and provide mitigation strategies.
- Develop a Committee programme aligned with the APP priorities.

### **2.3 Methodology**

The Committee held a three-day Strategic Planning Workshop, at which the Department and key stakeholders in the PSET system were invited to present as per the guidelines sent to them. The first two days of the workshop were dedicated to receiving presentations from the Department and stakeholders, and members had an opportunity to deliberate and reflect on the presentations. The last day was dedicated to receiving presentations from the committee support staff on the one-year performance overview of the Committee’s work; proposals for an international study tour, and the consolidated focus areas (targets for each quarter, focus areas of the Committee in the 7th administration, Draft Third (September 2025) & Fourth Term (October – December 2025) programmes, and the Draft Annual Performance Plan 2025/26).

## **3. SUMMARY OF THE PRESENTATIONS**

### **3.1 Minister’s Remarks**

Hon B Manamela, Minister, expressed gratitude to the Committee for its leadership and dedication to fostering inclusive dialogue on post-school education and training (PSET). He reflected on the socio-economic challenges facing the country, especially young people, and the considerable responsibility that the Department has in terms of having a PSET system that is responsive to the needs of young people and adults. He noted that since assuming duties as the Minister, he engaged with a diverse range of stakeholders concerning the state of affairs of the PSET system and the need for ethical leadership and the cultivation of the PSET system that responds to the lived realities of ordinary citizens in collaboration with the officials of the Department.

The Minister reflected on the Department's commitment to work collaboratively with the Committee to ensure that its legislative agenda is both rational and responsive. He added that the Department would update the Committee on the progress made in reviewing legislation that is critical for the PSET system. The Minister reminded members of the Department's efforts to improve student accommodation in the PSET system, and the support provided to institutions through the capital infrastructure efficiency grant (CIEG). He stressed the need to improve NSFAS operations to ensure that students receive the support they need to thrive academically. The Minister also highlighted the reforms in the TVET sector curriculum, which are essential in reshaping TVET colleges as institutions of choice.

### **3.2 DHET**

Dr N Sishi: Director-General led the Department's presentation. The first part of the presentation focused on legislative review and amendment. The DG indicated that these pieces of legislation were under review:

- Skills Development Act, 1998 (Act No. 97 of 1998).
- Continuing Education and Training Act, 2006 (Act No. 16 of 2006).
- National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (“NQF Act”)
- Higher Education Act, 1997 (Act No. 101 of 1997).
- Post-School Education and Training Central Application Service Bill.
- National Student Financial Scheme Act, 1999 (Act No. 56 of 1999).

The DG outlined the reasons or rationale for the legislative review and explained the Department's internal process for legislative development and review. The DG highlighted clauses that need to be amended in each legislation and the status of each Bill.

The second part of the presentation focused on an overview of the Student Housing Infrastructure Programme (SHIP). The DG provided highlights in relation to the SHIP overview, Phase 1 and 2 status update and implementation plan; Phase 3 overview and implementation plan; and summary of critical enablers and SHIP challenges.

The third part of the presentation focused on the Capital Infrastructure Efficiency Grant (CIEG). The DG provided an overview of the CIEG allocations since the 2018/19 – 2025/26

financial years; TVET CIEG 2025/26 allocations to colleges; TVET CIEG decline and MTEF; support to low-spending TVET colleges, and CIEG financial control measures.

The fourth part of the presentation provided an update on the Community Education and Training (CET) infrastructure programme. The DG noted that the Department planned to build nine CET colleges in each province, with a central office at each site. The DG provided an update on the scope and budget for each CET college and the status of the construction project.

The DG concluded the presentation by providing an overview of curriculum reforms in the TVET and CET sectors. Regarding the TVET sector, the curriculum reforms would see TVET colleges transition from NATED programmes to occupational programmes. For the CET colleges, the implementation of the National Senior Certificate for Adults (NASCA) and short skills programmes accredited by the Quality Council for Trades and Occupations (QCTO) would be the major shift.

### **3.4 NSFAS**

Mr W Carrim: Acting CEO, led the presentation and provided an overview of NSFAS spending from the academic years 2023 – 2025. He highlighted that the entity had a budget deficit of R10 billion for the academic year 2025, which remains a serious concern for the entity's financial sustainability. The Acting CEO provided details about the 2026 NSFAS Bursary Guidelines and recommended changes to the guidelines.

Ms S Tshiwula: Action Senior Manager Student Accommodation presented on student accommodation and highlighted the progress made in addressing the backlog in the payment of private accommodation providers. The Special Investigative Unit (SIU) is undertaking an investigative review of the pilot project on student accommodation.

The Acting CEO provided an update on the regionalisation project aimed at positioning NSFAS closer to the underserved students and institutions. He also provided a breakdown of the proposed regional structure, functions and servicing administrators.

Ms L Tshangela: Acting CFO presented the close-out project. She provided an overview of the universities and TVET colleges' progress dashboard; recoveries made, and persistent challenges hindering the finalisation of the close-out project.

Mr T Memula: Acting CIO, presented on digital transformation, which aims to improve the experiences of students with NSFAS services. He also mentioned that the NSFAS portal would be launched on 15 September 2025 for the 2026 applications.

### **3.5 SAPCO**

Mr T Kekana: President, indicated that the TVET sector remains severely underfunded by the Department despite colleges being strategically positioned to provide critical skills required to grow the economy. In relation to student debt in the TVET sector, he mentioned that in 2024 alone, over 600,000 students were unable to receive their graduation certificates due to R5.8 billion in unpaid fees, and this number was expected to increase. He added that the gross student debt in the TVET sector amounted to R1.5 billion.

In relation to the allocation and spending of the CIEG by colleges, Mr Kekana indicated that the Department's CIEG allocation has been declining from R1.3 billion in 2018/19 to R214 million in 2021/22. The decline in these allocations raised concerns about the sustainability of the TVET sector.

Mr Kekana concluded the presentation by referring to the TVET reforms in teaching and learning, which proposed the phasing out of the N4-N6 by June 29. He mentioned that SAPCO was calling for the postponement of the phasing out of the NATED programme by 1-2 years to allow a phase-in and accreditation of programmes and modernisation of workshops that are in the pipeline.

### **3.6 TVETCGC**

Mr S Zondi: Secretary-General, expressed gratitude to the Committee for inviting the TVET CGC because this was their first engagement with the Committee in the 7<sup>th</sup> Parliament. He briefly explained the role and mandate of the TVETCGC, which mainly provided support to the Councils of the 50 TVET colleges. He mentioned the National Development Plan (NDP) 2030's vision for TVET colleges and stressed that colleges were at the centre to play a pivotal role in skills provision to enable economic growth. He expressed concern about the first convention of the National Dialogue, which did not recognise the importance of TVET colleges. He also mentioned the TVETCGC's concern about the dual reporting of College

Principals as provided for by the CET Act, and its impact on their accountability to the Councils.

Mr Zondi's presentation also highlighted the following: TVETCGC strategic partnerships; overview of past projects; TVETCGC Annual Charity Golf Day; TVET Colleges awards issued to best performing colleges; and TVETCGC current projects. Prof Mazibuko: Head of Research, presented the TVETCGC's research projects.

### **3.7 USAf**

Prof F Petersen: Chairperson introduced the key areas of the presentation and handed over to Dr P Matutu: CEO, to make the presentation. Dr Matutu mentioned that student debt at universities accumulated to R21.9 billion in 2024, a 24 per cent increase from R16.5 billion in 2022. Consequently, 22 universities withheld 149,809 certificates at the end of 2024, and 12,000 students were blocked from registering in 2025. Dr Matutu mentioned some of the mitigation strategies to deal with student debt, which include institutional and donor-funded scholarships and bursaries, as well as alumni and student-led fundraising campaigns..

In relation to the impact of the United States Agency for International Development (USAID) funding freeze in higher education, Dr Matutu indicated that as of 13 May 2025, 13 universities had been initially impacted by the discontinuation of the USAID and because of institutional reprioritisation, and nine universities remained affected with a cumulative shortfall amounting to R4.6 billion. The impact of the freeze affected major research projects, such as climate change and adaptation, just energy transition, HIV/AIDS and Tuberculosis (Drug-resistant TB), cancer, brain health, computing and capacity building in research areas and leadership broadly. As of 25 August 2025, the cumulative shortfall declined to R3 billion due to engagements with government and other key role players.

In relation to the accountability of universities, Dr Matutu provided an overview of the accountability frameworks governing universities and stated that universities are autonomous institutions as per section 20 of the Higher Education Act, 1998. She added that the Committee cannot exercise its powers unreasonably or in a manner that irrationally encroaches on the university's right. She concluded the presentation by providing an overview of CIEG expenditure of universities from 2023 to 2025.

### **3.8 SAUS**

Mr S Nkambako: President, expressed gratitude to the Committee for inviting the newly elected SAUS leadership. He noted that the 9<sup>th</sup> SAUS administration came at a time when the higher education sector was in a state of instability, emanating from funding issues. He added that additional and sustainable funding is required to deal with the increased student intake at universities and for the higher education sector to thrive. Mr Nkambako provided a breakdown of the NSFAS challenges affecting university students. He also expressed concerns about the victimisation of student leadership by university management aimed at silencing students' voices against institutional failures.

The President highlighted concerns related to the Funza Lushaka Bursary and the delayed student allowances payment. On student accommodation, he noted concerns regarding the NSFAS delays in paying private accommodation providers their outstanding invoices, which led to students being evicted without alternative accommodation. The President outlined some of the immediate calls to action proposed by SAUS to bring stability to the sector.

Ms N Nxumalo: Secretary-General, presented the key priorities of SAUS for the sector, including access, support, and success; funding, curriculum alignment, and governance. She called for the speedy introduction of the central application service system so that students from disadvantaged family backgrounds are not compelled to pay application fees when applying to universities.

### **3.9 SATVETSA**

Ms K Chokoe: President, presented a brief background on SATVETSA, which represents the interests of students across all 50 TVET colleges in the country. She briefly explained the stakeholders' engagement with SATVETSA, which normally convenes quarterly meetings with the Department to discuss issues affecting students within the TVET sector.

The President listed some of the concerns from TVET students which included: examination and diploma queries; delays in the release of students' academic results; delays with the issuing of Diplomas certificates; poor response by the DG to students queries; alleged appointment of a Regional Manager of KwaZulu-Natal by the DG without following due processes; failure by the DG to act against officials implicated in the examination crises and alleged deliberate withholding of signing of appointment letters for senior managers by the DG.

The President called for the DG's removal due to his failure to respond to the issues raised by TVET students. In relation to NSFAS, the President acknowledged that the improvements in the disbursement of allowances to students and how it has contributed to the TVET sector's stability. She proposed developing a policy document on student accommodation. The President concluded with the recommendations for implementation by the Department.

### **3.10 AGSA**

Ms K Komape: Business Leader, noted that the presentation aimed to share insights from the audit outcomes of the Department and entities, including the root causes of recurring findings. The key challenges of the DHET portfolio included persistent weaknesses in financial management capacity across PSET institutions, recurring audit findings, and inadequate service delivery. She provided an overview of the audit outcomes from 2019/20 to 2023/24 and the key root causes of the outcomes, which were related to the entities' weaknesses in the internal control environment. She also provided key recommendations that could be implemented to improve audit outcomes and material irregularities identified in some entities.

Ms Z Mditshwa: Deputy Business Leader, presented the mechanisms for the Department and entities, and measures for driving accountability in the PSET sector. She concluded the presentation by providing overall recommendations for the PSET sector.

### **3.11 FFC**

Dr N Mbava: Chairperson, provided a brief background on the role of the FFC, which was established under Chapter 13: Finance and sections 220 – 222 of the Constitution. An overview of the PSET sector legislative and policy environment and landscape was provided. In relation to the PSET sector MTEF budget allocation, Dr Mbava indicated that the total allocations to the Department grew from R137 billion in 2024/25 to R158 billion in 2027/28 at an average growth rate of 5.3 per cent over the Medium-Term Expenditure Framework (MTEF) period. Programme 3: University Education receives the largest portion of the budget, amounting to R91.7 billion in 2024/25 to R105 billion in 2027/28.

Dr Mbava gave a breakdown of the Department's spending against non-financial performance areas. She noted a lack of evidence to support direct linkages between economic outcomes and the Department's budget. Dr Mbava provided a contextual overview of the National Skills Fund (NSF) and an overview of its spending trends. She added that the entity's spending during

2020/21 and 2022/23 was 19 per cent and 32 per cent, respectively. She provided the historical audit outcomes from 2014/15 to 2017/18, which were unqualified audits, and from 2018/19 to 2023/24, which were qualified audits; and a regression in 2020/21 to a disclaimer opinion. The FFC recommended that NSF should be reintegrated into the DHET. It is believed that bringing the NSF back under DHET's structures would enhance accountability, streamline oversight, and ensure that financial resources are allocated and utilised in strict alignment with national skills development priorities.

Dr Mbava presented an overview of expenditure trends, audit outcomes, and challenges of the Sector Education and Training Authorities (SETAs). She noted that SETAs were operating in silos due to poor coordination and persistent governance lapses in some SETAs, which remains a concern. SETAs had a combined surplus of R23 billion, with R8.1 billion remaining uncommitted and could be returned to the National Treasury. Ms N Gwama, Senior Research Local Government, presented the recommendations of the FFC.

### **3.12 Parliament**

#### **3.12.1 Overview and assessment of the Committee's performance July 2024 - 2025**

Ms M Modiba: Content Advisor, supported by Dr A Arendse: Researcher, presented the performance review of the Committee from July 2024 – July 2025. The Committee oversees the PSET sector, which is very large in terms of the number of entities and institutions under the Department's portfolio, with over 110 public institutions. The Committee convened 47 meetings during the period under review, with three oversight visits undertaken in the North West, Gauteng and Free State. The other key parts of the presentations included:

- Outcome of key activities, successes and challenges that emerged during the period under review.
- Key issues for follow-up during the remaining MTDP period.
- Recommendations to strengthen the operational and procedural processes to enhance the Committee's future oversight and legislative roles.

#### **3.12.2 Draft proposals for the International Study Tour**

Ms M Modiba: Content Advisor mentioned that one of the outcomes of the 7<sup>th</sup> Parliament 2025 – 2029 Strategic Plan is to deepen engagement in the international fora. Thus, emanating from this outcome, the Committee should monitor the implementation of international agreements,

process international agreements or conventions referred to the Committee by the Speaker of the National Assembly, and honour requests for engagements with other parliaments. In addition, within the five-year term of Parliament, the Committees are permitted to undertake an international study tour for benchmarking and sharing of best practices.

In relation to the proposed countries for the study, she indicated that the People's Republic of China and the United States of America (USA) were countries of interest, which could provide the Committee with good case studies and best practices for the benefit of the South African PSET sector, particularly for TVET and CET sectors. She highlighted the strengths of both countries in terms of their economy, employment, education system, and innovation.

### **3.12.3 Proposed areas of focus for oversight**

Ms M Modiba: Content Advisor, presented the proposed focus areas for the Committee's oversight activities for the remainder of the 7<sup>th</sup> Parliament. She indicated that the Committee would develop an APP based on the key deliberations emanating from the workshop, which will guide its activities. She provided a breakdown of the Committee's performance indicators and targets in line with the strategic outcomes and outcome indicators of Parliament.

### **3.12.4 Overview of the draft third and fourth term programmes**

Mr A Kabingsi: Committee Secretary, presented the third and fourth terms draft programmes. He mentioned that the third term comprised three weeks, and the focus would be on having follow-up engagements on issues emerging from the second term. In relation to the fourth term, he noted that the focus would be the consideration of the 2024/25 Annual Reports in preparation for the Budgetary Review and Recommendation Report (BRRR) and undertaking two oversight visits to Gauteng and KwaZulu-Natal.

## **4. DISCUSSION**

The following formed part of the key discussions at the workshop:

### **4.1 DHET**

- Delays by the Department in reviewing and introducing to Parliament pieces of legislation that need to be amended remain a serious concern. The governance lapses in the PSET sector are exacerbated by gaps in legislation, which require amendments.

- The Committee welcomed the Department's commitment that the Central Applications Services Bill (CAS) would be tabled in Parliament for consideration by the Committee before the end of November 2025.
- Despite the Department having the student housing infrastructure programme (SHIP), the state of facilities in the TVET sector remains a concern, particularly in rural areas. This leads to a negative impact on student safety and a conducive learning and living environment.
- The TVET and CET sectors are central to economic development and growth. However, a significant portion of the Department's resources is invested in higher education. It was noted that industrial economies thrive by having skilled workers, who are mainly produced by TVET colleges.
- Delays by the Department in filling critical vacancies hinder its ability to fulfil its mandate effectively and exercise robust oversight over its entities.
- The demand for PSET institutions far exceeds the availability of spaces to accommodate the large number of young people who pass Matric each year. Consequently, a significant portion of matriculants end up not participating in any form of training, preventing them from realising their potential. This further contributes to widespread youth unemployment and poverty.
- The slow growth and adaptation to e-learning in the South African PSET system remains a serious concern, given the limited infrastructure capacity. E-learning offers flexibility by allowing students to study remotely and enhances access to learning opportunities.
- In relation to the NSF, the Department has been slow in implementing the recommendations of the Ministerial Task Team on the Strategic Review of the NSF. Furthermore, the entity has been accumulating financial reserves, while recording below par performance of less than 30 per cent.
- Delays in the appointment of the SETAs Accounting Authorities and Chairpersons remain a serious concern and may contribute to the abuse of powers by CEOs who have been given authority to also act as Accounting Authorities.

## 4.2 NSFAS

- The work undertaken by the recently appointed leadership of the entity was noted. However, the Committee remains seriously concerned about the high number of vacant positions at the entity's senior management level (Acting CEO, CIO, CFO and COO).
- The Committee supported the process of establishing regional offices of NSFAS in all nine provinces to bring NSFAS services closer to students and communities. The Committee noted that the regionalisation project would make NSFAS more accessible to students, leading to quicker access to support, improved responsiveness and a more streamlined experience for students.
- The poor implementation of the NSFAS Missing-Middle Loan Scheme, which targets students from families with household incomes between R350,000 to R600,000 per annum, remains a serious concern. Despite the loan scheme's launch in February 2024, the entity has only disbursed R1 million as of September 2025, while many qualifying students remain unfunded.
- NSFAS delays in settling outstanding students' allowances dating back to the 2024 academic year remain a serious concern. Consequently, some students have been financially excluded by universities, and others have opted to drop out because they were unable to attend classes on an empty stomach or pay for accommodation.
- The provisionally funded status of NSFAS is misleading, as many institutions admit these students with the expectation that NSFAS would later pay for their tuition fees. However, there are many cases of students whose funding status is later rejected, while they have already been allocated student residences, leaving them with debts.
- Delays in the finalisation of the close-out project remain a serious concern, given that the NSFAS could recover a significant amount of funds owed by institutions to cover its funding shortfall.
- The NSFAS financial eligibility threshold of R350 000 combined annual household income has not been increased for many years, despite the rising inflation and cost of living, thus excluding many students from working-class families. The Missing-Middle Loan Scheme is not a viable option for these students since it is poorly managed.
- The NSFAS budget deficit of R10 billion in the 2025 academic year remains a serious concern and may create a potential risk to the entity's financial sustainability. Students who are eligible for funding are unfunded due to this shortfall.

- NSFAS' failure to allow university-eligible students who incorrectly applied under the TVET application cycle to amend their applications remains a serious concern. The closure of the NSFAS portal has affected many of these students who have been allocated student residences by universities and have been owing outstanding fees since the start of the 2025 academic year. Furthermore, these students did not receive their allowances.
- Delays in terminating the services of the solution partners in managing student accommodation by NSFAS remain a serious concern, including the protracted legal processes related to the termination of the lease agreement for the NSFAS Head Office, which costs taxpayers R2.5 million per month.
- The Committee was concerned with the NSFAS Eligibility Criteria and Conditions for Financial Aid Policy. The policy suggests that TVET college non-first-time entering (FTEN) students must pass 70 per cent of the total modules or courses enrolled in a particular year to be funded in the following academic year, while university students are expected to pass 60 per cent of the modules or courses.

#### **4.3 USAf**

- The assertion by USAf that universities are autonomous institutions as per section 20 of the Higher Education Act, 1997, is well documented and understood by the Committee. However, the Committee is not in agreement with the assertion that universities are not public organs of the state. The USAf's understanding of Parliament's constitutional oversight mandate is misconstrued and creates the impression that universities' accountability lies solely with the Minister of Higher Education and Training and not Parliament. Universities receive public funds voted by Parliament, which directly makes them accountable to Parliament, which represents the people of South Africa. The Committee has experienced resistance from other universities in providing information for its oversight mandate.
- The application fees charged by universities, with some charging up to R300 per application, have a detrimental impact on expanding access to higher education. Applicants from disadvantaged family backgrounds are automatically deprived of opportunities to apply to more than one institution, thereby limiting their chances of accessing education and training.

- Student debt in higher education remains a serious concern and impacts institutions' financial sustainability. However, some universities do not comply with the USAf's resolution to issue letters of completion and allow students access to their academic records. Many graduates are unable to apply for employment opportunities since they owe universities and may not submit proof of completion, which further diminishes their chances to compete for available jobs.
- The employment of foreign nationals at universities is regulated by legislation and related policies. The legislative and policy framework is clear and provides that universities may only employ foreign nationals in areas of critical skills shortages after exhausting all avenues to appoint qualified South Africans. However, there has been a growing trend of prioritising foreign academics at some universities at the expense of suitably qualified academics, and this is extremely concerning.
- The heavy militarisation of university campuses during student demonstrations remains a serious concern.

#### **4.4 SAPCO**

- The Committee supported the sentiments of SAPCO concerning the severe underfunding of the TVET sector to meet its enrolment targets and achieve the national development agenda.
- SAPCO was reminded of the importance of effective leadership at colleges, which can foster a positive learning environment to improve student outcomes. Despite colleges not having sufficient support for work-integrated learning (WIL) opportunities, other colleges proactively engage the industry to support their students with WIL.

#### **4.5 SATVETSA**

- The sentiments expressed by SATVETSA against the DG were seriously concerning and highlight the need for the Department to have a close interaction with SATVETSA leadership.

#### **4.6 SAUS**

- The right of students across universities to a peaceful demonstration is enshrined in the Constitution. This right is fundamental and allows students to publicly express their grievances to management and advocate for common interests. However, student

leadership is responsible for ensuring that this right is exercised within the parameters of the law.

- The victimisation of student leadership by those in positions of authority at universities, often in response to students' complaints, remains a serious concern. This type of victimisation is illegal and is intended to suppress the voices of students.
- The Committee does not support students who burn and vandalise institutional infrastructure during their protests, as this disrupts teaching and learning and results in damages of millions of rands. Students risk their future careers through these actions, as criminal cases are opened against them.
- Some students at universities are defrauding the NSFAS by colluding with private accommodation providers, and the SAUS leadership should discourage this practice. The Committee supports students receiving their accommodation allowances directly from NSFAS. However, they have a duty to ensure that their lease agreements are honoured through monthly rentals.
- The proposal by SAUS that the NSFAS Board should be realigned since they have a new leadership was not supported by the Committee. The Committee advised SAUS to ensure that those appointed to the NSFAS Board are held accountable for representing the views of students.

#### **4.7 AGSA**

- The state of the PSET sector's financial management and audit outcomes remains a concern for the Committee. Notwithstanding AGSA's audit action plans and other support interventions, some entities obtain recurring qualified audit outcomes that highlight systemic weaknesses in their financial management.
- The duplications and double-dipping in the uptake of SETAs' skills development interventions, as highlighted in the AGSA's presentation, remain a serious concern. The absence of a system to collect learner data in skills development programmes leads to irregularities and wasteful expenditure.

#### **4.8 FFC**

- The FFC presentation, which provided independent and expert advice and recommendations to the Committee, was commended.

- The Committee disagreed with the FFC's recommendation that the NSF should be integrated into the Department since the Ministerial Task Team on the Strategic Review of the NSF recommended the establishment of the NSF as an independent entity with its own accounting authority/Board.
- It was noted with concern that the FFC's recommendations are not enforceable or binding to the affected parties.
- The findings by the FFC, which show that SETAs have collective financial reserves amounting to R23 billion, demonstrate that there is money within the PSET system to assist many young unemployed people through different skills development interventions. However, poor coordination of SETAs' skills development programmes leads to fragmentation, lack of coherence, poor service delivery and diminished impact in addressing unemployment.
- The FFC's findings have supported the Committee's views on the chronic underperformance of the NSF for many years. The NSF's financial reserves for 2023/24 amounted to R13 billion, and the surplus is linked to persistent underspending.

## 5. CONCLUSION

The Committee's three-day strategic planning workshop provided a platform for open interaction between it and key stakeholders in the post-school education and training sector. The stakeholders' engagement was necessitated by the need to gain valuable insights and diverse perspectives on a wide range of issues affecting the PSET sector and to foster stronger collaborations between the Committee's key stakeholders in the PSET sector's accountability ecosystem.

In relation to the DHET, the Committee stressed the importance of having a functioning Department that can achieve its strategic objectives/priorities and impact the lives of the youth and adults who are out of school and training. Legislative and policy reviews are essential for strengthening the regulation of PSET institutions, improving governance and accountability, and adapting to evolving social norms. However, delays by the Department in tabling bills that need to be processed by the Committee remain a serious concern. Examples were made regarding the Skills Development Act, 1998, which needs to be amended to enable the NSF to have a Board, and the Continuing Education and Training Act, 2006, so that college councils can hold Principals accountable.

The Committee reiterated its concern about the lack of consequence management against officials who perform poorly or transgress legislation in the PSET system. This contributed to a pervasive culture of impunity, service delivery failures, and financial mismanagement, which essentially undermines good governance. An example of the NSF, which has failed to achieve more than 30 per cent performance in the last four years, was highlighted. There were other examples of SETAs.

The Committee's deliberations with other key stakeholders invited to the workshop were essentially meant to assist them in understanding the Committee's vision and oversight priorities for the 7<sup>th</sup> Parliament. The Committee is committed to having further deliberations with some entities as part of its continuous oversight function over PSET institutions. In reviewing its performance overview, the Committee commended the work undertaken from July 2024 to July 2025 and the significant impact of its oversight work on the PSET system.

## **6. RECOMMENDATIONS**

The Committee made the following recommendations:

### **6.1 DHET**

- The process of tabling legislation that requires review and amendments by Parliament should be expedited.
- To assist the NSF in improving its operations, the Department must speed up the process of implementing the recommendations of the MTT on the Strategic Review of the NSF.
- The Department should conduct a skills audit of its employees to identify the existing skills shortages and gaps that need to be addressed. This will assist in improving its performance outcomes.
- The filling of vacant funded positions within the Department's staff establishment needs to be prioritised. The Department should also develop clear timeframes for filling vacancies.
- The Department should sign a memorandum of understanding with the Department of Public Works and Infrastructure (DPWI) so that NSFAS can access unutilised/underutilised public infrastructure to spread its national presence.

- The Department should consider having a panel of business practitioners that can be appointed when governance lapses occur at PSET institutions.
- Working in collaboration with the Media, Information and Communication Sector Education and Training Authority (MICT SETA), the Department should expedite the development of the integrated SETA learner management information system, which will assist in curbing duplication or double-dipping in the uptake of skills development interventions by beneficiaries.
- Given the infrastructure and funding limitations, the Department must be intentional about digital transformation in the PSET sector to expand access.
- Considering the TVET curriculum reforms, the Department should put in place the necessary measures to reskill and upskill TVET lecturers and provide them with new or updated skills to adapt to the revised curriculum and evolving industry demands.
- The Department should assist TVET colleges in establishing more partnerships to benefit students who need to be placed in workplaces as part of their work-integrated learning (WIL).
- The Department, working with universities, should collect data from 2011 on the funding of foreign nationals by the National Research Foundation (NRF).

## 6.2 NSFAS

- The regionalisation project should be expedited to bring NSFAS services closer to students and institutions.
- The filling of the vacant senior management positions is critical for the stability of the entity and to improve its performance outcomes.
- The entity should speed up the process of finalising its close-out project to recoup funds owed to it by institutions and those who fraudulently benefited. This will also assist the entity in mitigating its budget shortfall.
- Improved communication is critical for addressing the trust deficit that exists between NSFAS and students.
- Termination of the NSFAS Head Office lease agreement should be expedited.

### **6.3 USAf**

- Students with outstanding debts should be provided with letters of completion and access to their academic transcripts, as this will assist their job search prospects.
- Universities should ensure that South African academics and researchers who are suitably qualified are given preference in appointments before considering employing foreign academics in vacant positions.
- Transformation in higher education should reflect a balance of all races in South Africa as Africans.

### **6.4 SAUS and SATVESA**

- Student leadership should play an active role in defending students who are unfairly victimised by institutional management.
- Student leadership should communicate with students to refrain from defrauding NSFAS through colluding with private accommodation providers.
- Student leadership should discourage students from vandalising and burning infrastructure during student demonstrations, as this may compromise their future careers.
- SATVETSA should engage with the Department's leadership regarding its concerns regarding the DG.

### **6.5 Parliament**

The Committee should:

- Convene a Joint Meeting with the PC on Trade, Industry and Competition to get a briefing from the DTIC about the proposed amendments to the National Credit Act to list student debt with the credit bureau should be urgently convened. The DTIC should also brief the Committee on measures to assist PSET unemployed graduates with employment opportunities.
- Convene a strategic engagement with USAf, the Departments of Higher Education and Training, Employment and Labour and Home Affairs on the internationalisation of higher education and the recruitment of international talent.
- Convene a meeting with the USAf Executive Committee (EXCO) and deliberate on the oversight mandate of the Committee over universities.

- Convene a Joint Meeting with the PC on Basic Education about the late release of the Matric results, which affects the planning, admission of new students, and commencement of academic programmes at PSET institutions.
- Convene a meeting with the Manufacturing, Engineering and Related Services SETA regarding the allegations of improper project management and related matters.
- Convene a colloquium on the input costs of study programmes/qualifications at different higher education institutions.
- Convene a joint meeting with the National Treasury, NSFAS, DHET, and the Standing Committee on Appropriations on the sustainability of student funding, including continuing work on the comprehensive student funding model.
- Convene a joint meeting with PCs on Health, Science, Technology and Innovation, National Treasury, Standing Committee on Appropriations (SCOA), and the DHET, USAf on the impact of the freeze of USAID funding on the sectors.
- Convene a joint meeting with the Standing Committee on Appropriations, National Treasury, FFC, and the DHET on the possible reprioritisation of the NSF and SETAs' unspent surpluses to other areas of need within the PSET sector.
- Undertake an international study tour to the People's Republic of China before the end of September 2026.
- Undertake a site visit to the NSFAS Head Office to monitor the pre-launch of the NSFAS Applications portal for the 2026 academic year.
- Consider engaging the relevant bodies representing private higher education institutions and colleges to hold them accountable for the many complaints referred to the Committee.
- Consider opening criminal cases against public officials involved in irregularities.
- Follow up with the Department and MICT SETA regarding the development of an integrated learner management information system to curb duplication and double-dipping in the skills development programmes and student funding.

Report to be noted.

## **National Council of Provinces**

### **1. REPORT OF THE SELECT COMMITTEE ON CO-OPERATIVE GOVERNANCE AND PUBLIC ADMINISTRATION (TRADITIONAL AFFAIRS, WATER, SANITATION AND HUMAN SETTLEMENTS) ON OVERSIGHT VISIT IN TERMS OF SECTION 139 (1)(c) OF THE CONSTITUTION (1996) IN KNYSNA LOCAL MUNICIPALITY: DATED 25 SEPTEMBER 2025**

#### **1. Introduction and Background**

- 1.1 The Select Committee on Co-operative Governance and Public Administration (Traditional Affairs Water, Sanitation & Human Settlement), having conducted oversight visit in terms of section 139(1)(c) of the Constitution in Knysna Local Municipality, reports to the National Council of Provinces as follows:
- 1.2 On the 12 of September 2025, the Western Cape MEC of the Department of Local Government, Environmental Affairs, Development and Planning tabled a notice of dissolution in terms of section 139 (1) (c) of the Constitution in Knysna Local Municipality to the office of the Chairperson of the National Council of Provinces.
- 1.3 After tabling, the Chairperson of the National Council of Provinces referred in terms of NCOP Rule 101 on the 17 September 2025, the notice of dissolution in Knysna Local Municipality to the Select Committee on Cooperative Governance and Public Administration for consideration and reporting.
- 1.4 On 23 September 2025, a multi-party delegation of the Select Committee on Cooperative Governance and Public Administration conducted oversight visit to Knysna Local Municipality.

## **2. Objective of the Oversight**

- 2.1. The primary objective of the oversight visit was to interact with the internal and external stakeholders and solicit their opinions on the constitutional, procedural and substantive matters related to the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality.

## **3. Delegation of the Select Committee**

- 3.1. The delegation of the Select Committee was composed of the following members and parliamentary officials: Hon TM Kaunda (Leader of the Delegation), Hon MM Peter, Hon T Breedt, Hon M Makesini, Hon, Dr I Scheurkogel, Hon E Nzimande, Hon KR Molokomme (Whip), Hon R Badenhorst, Hon K Mmoiemang, Mr T M Manele, Committee Secretary, Ms Z France, Committee Assistant and Mr P Malatswa, Communication Officer, Adv M Mbebe, Procedural Officer, NCOP

## **2. General Overview of the Oversight Visit**

- 2.1 In line with the constitutional requirement of public participation and Parliament Public Participation Strategy, the delegation of the Select Committee interacted and solicited the opinions of the internal and external stakeholders on constitutional, procedural and substantive matters related to the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality.
- 2.2. The internal and external stakeholders that the delegation interacted and solicited opinions with included the MEC of the Department of Local Government, Environmental Affairs, Development and Planning, Chief Whips of Political Parties; representatives of the South African Local Government Association, IMATU and SAMMU, SANCO, Business Forums, Taxi Association, Rate-Payers Association Traditional and Khoisan Leader, .

### **3. Presentation by the Western Cape Department of Local Government, Environmental Affairs, Development and Planning**

- 3.1. The Western Cape Department of Local Government, Environmental Affairs, Development and Planning briefed the delegation of the Select Committee and the stakeholders on the invocation of the section 139(1)(c) of the Constitution. The presentation focused on cabinet decision, appointment and terms of reference of the Administrator, and triggers leading to the invocation of section 139 (1) (c) of the Constitution
- 3.2. The Department of Local Government, Environmental Affairs, Development and Planning reported that the Western Cape Provincial Executive at a special cabinet meeting took the decision to place the Knysna Municipality under administration, in terms of Section 139(1)(c) of the Constitution of the Republic of South Africa, 1996. The Provincial Cabinet resolved to dissolve the Knysna Municipal Council and appoint an Administrator, who will assume all executive and legislative authority, with the support of the provincial government, until a newly elected Municipal Council is elected.
- 3.3. The Department of Local Government, Environmental Affairs, Development and Planning indicated that by dissolving the Municipal Council and vesting temporary authority in an impartial Administrator, the provision will facilitate the swift implementation of recovery strategies unhindered by entrenched political interests, mismanagement, interference or lack of oversight that perpetuated the decline.
- 3.4. The Department of Local Government, Environmental Affairs, Development and Planning reported that the terms of reference of the Administrator will include (a) enforcing essential national standards for service delivery, (b) imposing recovery plans, (c) assuming the responsibility for critical obligations such as budget approval, revenue-raising measures and prevent actions prejudicial to the Municipality's recovery.

- 3.4. The department indicated that this is external oversight will not only stabilize immediate operations but to lay the groundwork for long-term governance improvements, culminating in fresh elections for a new Municipal Council better positioned to sustain accountable and effective local administration.
- 3.5. The Department of Local Government, Environmental Affairs, Development and Planning indicated that the decision of the Provincial Government followed repeated governance and service delivery failures in the Municipality, which have caused severe harm to residents, compromised basic services, and placed the environment at continued risk. The department indicated also that despite extensive support interventions, including a Section 154 of the Constitution Support Plan and ongoing technical assistance, Knysna Local Municipality has been unable to fulfil its executive obligations
- 3.6. The Department of Local Government, Environmental Affairs, Development and Planning reported that the National and Provincial Government together with assistance from surrounding Municipalities have consistently been required to step in and assist the Municipality to perform its executive obligations to prevent a complete breakdown of rendering services and that the citizens have organised taken upon themselves to perform basic services at their cost, effectively double taxing themselves.
- 3.7. The Department indicated that despite the severity of the executive obligation failures, there has been inadequate and deficient oversight over the implementation of the section 154 support and CEOMEF Plan (which was adopted by the Municipality to avoid a previous Provincial intervention proposed) by the Municipal Council. Despite the exhaustion of softer measures and multiple opportunities for the Municipality to self-correct, the Department reported that the Local Municipality has failed to implement the necessary remedial steps and that the quality of municipal services is worsening, with service delivery crises becoming more frequent.
- 3.8. The Department of Local Government, Environmental Affairs and Development Planning indicated that the Western Cape Government is committed to working with all other stakeholders, including national government, the Garden Route District Municipality and Knysna's civil society to support recovery and to protect the rights

and wellbeing of the people of Knysna, restore good governance and ensure the delivery of basic services.

#### **4. Presentation by the Executive Mayor of Knysna Local Municipality**

- 4.1. The Executive Mayor briefed the delegation of the Select Committee and the stakeholders on the state of the Local Municipality. The presentation focused on state of the Municipality in terms of governance & oversight, financial position & senior management, waste management, water & sewer services, opinion of the Council on the invocation of Section 139 (1) (c) of the Constitution in the Local Municipality and timeline of notices and communications.
- 4.2. In terms of governance, oversight, financial position and senior management, the Executive Mayor reported that the Local Municipality has made progress in terms of approving 2025/2026 funded budget, scheduling of council meetings, adopting the regulations published by the Department of Cooperative Governance and Traditional Affairs on Municipal Code of Conduct, fiscal austerities, filling of vacant positions for senior managers, improvement of audit outcomes from qualified to unqualified audit opinion and functionalities of Audit Committee and Municipal Public Account Committee
- 4.3. In terms of the state of waste management, the Executive Mayor reported that the Local Municipality has made progress in term elimination of waste collection backlogs, functionality of waste transfer station, 90% operation of compactor fleet, approval of R10 Million CAPEX for 2 compactor trucks, 1 Hook -Lift and trailer, approval of 9 Million OPEX for vehicle, plant hiring, repairs and maintenance, ensured compliance in terms of the development of integrated waste management plan, reviewed the by-laws and completion of 2024/2025 External Audits and GRAP Report

- 4.4. In terms of water and sewer services, the Executive Mayor reported that the Local Municipality has made progress in terms of the approval of operating and capital budget, splitting of water and sewer services, filling of vacant positions of 3 Artisan Plumbers, 2 Processes Controllers, 2 Electrical Technicians and 10 General Workers within the period of six months.
- 4.5. The Executive Mayor reported also that the Local Municipality is currently involved in the process of contract disputes to retrieve pumps with a third party, exploring alternative resources to address spillages and water provision through honeysucker and water tanker services and has submitted Water Services Audit in April 2025 in terms of section 62 of the Water Service Act.
- 4.6. In terms of the opinion of the municipal council on the invocation of section 139 (1) (c) of the constitution, Executive Mayor reported that the council of the local municipality has taken a resolution on 18 July 2025 to request the National Council of Provinces and the Cabinet Minister of Cooperative Governance and Traditional Affairs, to exercise their powers in terms of Section 139(3)(b), to set aside the decision of the Western Cape Provincial Executive.
- 4.7. The Executive Mayor indicted that the rational for objection of the dissolution is that the judicial requirements for Provincial Executive to exercise its powers in terms of section 139 (1) (c) have not been met, “Exceptional Circumstances” not been demonstrated., inadequacy of Section 154 support and strengthening intervention and inadequate intergovernmental cooperation in terms of Section 41
- 4.8. In terms of notice of intention to intervene in terms of Section 139 of the Constitution of the Republic of South Africa, 1996, dated 26 June 2025, the Executive Mayor reported that the notice was submitted by the MEC of Department of Local Government, Environmental Affairs and Development Planning giving the Council 10 days to respond. The Speaker & Executive Mayor responded 3 July 2025 with a formal request for 30 days extension.

- 4.9. The Executive Mayor indicated on 4 July 2025 the response was received from the MEC of the Department of Local Government, Environmental Affairs and Development Planning which granted only 14 days extension. According to the Executive Mayor, the Speaker responded on 11 July 2025 with a formal request for further information. However, in the absence of a response, a formal response was submitted on 18 July 2025 to the MEC of the Department of Local Government, Environmental Affairs and Development Planning following the adoption of a supporting Council Resolution.
- 4.10. The Executive Mayor reported that on 22 July 2025, the MEC of Local Government, Environmental Affairs and Development Planning responded to the Local Municipality granting only 8 days to supplement responses without any indication of the particulars that needed to be supplemented on the invocation of section 139 (1) (c) of the Constitution.
- 4.11. According to the Executive Mayor, a renewed request for the outstanding further information was submitted on 29 July 2025 to the MEC of the Department of Local Government, Environmental Affairs and Development Planning via the Attorneys of the Local Municipality and a response was received refusing to respond to the request for further information and on 12 September 2025, a notice of intervention in terms of Section 139 of the Constitution of the Republic of South Africa, 1996, was tabled by the MEC informing Knysna Local Municipality of the decision of the Western Cape Provincial Executive Council.

## **5. Presentation by the South African Local Government Association**

- 5.1. The representative of the South African Local Government Association made presentation on the opinion in relation to the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The presentation focused on problem statement of national support intervention, legislative framework for section 139 provincial intervention, legislative role of SALGA in interventions, problem statement with interventions, National Treasury problem statement with interventions, key questions to be asked by the Select Committee, why is there a need for the Select

Committee to ask these questions, SALGA suggested approach for support to municipalities and recommendations

- 5.2. The SALGA representative indicated that despite the initiatives undertaken, several problems in the cooperative framework of governance still exist and that several early warning systems already built into the support process as a preventative measure (i.e. MFMA Section 71 and 72 reports, MSA Section 46 Reports); but not used effectively and severely under-exploited; presented several opportunities to identify potential financial troubles before they escalate.
- 5.3. The representative raised concerns that the National and Provincial Governments are not appropriately equipped and capacitated to provide Section 154 support. The SALGA representative explained that section 139 of Constitution provides three instances where a province may intervene in the affairs of local government. These include (a) , section 139 (1) which provides for general intervention in instances where a municipality fails to fulfil an executive obligation; (b) section 139(4) which provides for instances where a municipality fails to approve a budget or any revenue raising mechanism as required by legislation; and (c) section 139(5) which provides for intervention in instances where a municipality due to its financial affairs is unable to deliver services or meet its obligation.
- 5.4. In terms of legislative role, SALGA representative indicated that there is presently no specific role allocated by Constitution of the Republic to SALGA in Section 139 Interventions. However, Municipal Finance Management Act (MFMA) provides that in Mandatory Provincial Interventions arising from Financial Crisis in municipalities, SALGA must be consulted prior to finalisation of Financial Recovery Plan; receive quarterly progress reports on the intervention; and make representations to the NCOP when considering the intervention.
- 5.5. The representative of SALGA raised concerns about the problems of interventions and indicated that a long list of Municipalities is currently subjected to intervention and some of whom had interventions invoked more than once and others been subjected to intervention 4 times already. The SALAGA representative argued that municipalities are often worse off during and after the intervention; support to municipalities from

provincial and national government remains fragmented; and monitoring of municipalities has been inconsistent.

- 5.6. The SALGA representative indicated that almost all the interventions are affected through the appointment of a single administrator to assume all or most of the municipality's executive powers. The representative raised concerns that Provinces are simply ignoring the prescribed procedure in respect of obtaining approval for the interventions.
- 5.7. The SALGA representative argued that the National Treasury, the Department of Cooperative Governance and Traditional Affairs as well as the National Council of Provinces have failed to adequately perform their prescribed roles because interventions start too late, long after the municipalities had met the qualifying criteria for an intervention and that most of the interventions have failed to achieve sustainable long-term improvements in either service delivery or financial sustainability.
- 5.8. The representative of SALGA recommended questions that the select committee on cooperative governance and public administration should consider when dealing with section 139. These include whether a detailed analysis or assessment conducted of the Section 139 interventions, including the ongoing status of the implementation of the interventions and where applicable the implementation of the Financial Recovery Plans? If the municipality was under intervention and the direct authority of the Provincial Government, how has the Municipal Council & Administration contributed to the intervention not producing the desired outcomes? What are the legislative obligations that the affected municipalities continue to fail to execute? Is there a link between the legislative obligations to be assumed by the Administrators and their terms of reference? How will a continued intervention produce a different and much more desired outcome?
- 5.9. The SALGA representative argued that the reason and rationale for the Select committee on cooperative governance and public administration to ask the above-mentioned questions will ensure maintenance and sustainability of rendering of a service, where necessary, prevent the Municipal Council from taking unreasonable action; maintaining

economic unity, imposing a recovery plan aimed at securing the municipality's ability to meet its obligations; and holding Provincial Government accountable on every step throughout the lifespan of the Intervention.

- 5.10. Some of the approaches to the invocation of section 139 suggested by the representative of SALGA include the development of early warning system by using statutory and periodic reports such the AG reports, MFMA section 71 reports , MFMA section 72 reports, MFMA section 73 reports, MSA section 106 reports, quarterly performance reports and identification of targeted support in agreement with municipality on support requirements in terms of section 46 , section 47 and section 48 reports as required by Local Government; Municipal System Act of 2000.
- 5.11. The representative of SALGA argued that interventions must be preceded by strong, sustained support and that section 154 of the constitution should be elevated as the primary tool of cooperative governance and section 139 be reserved solely for extraordinary cases. The representative of SAGLA then called upon the Select Committee on Cooperative Governance and Public Administration and all other role-players, to execute our respective obligations to capacitate and support local government in achieving its constitutional goals.
- 5.12. The representative of SALGA concluded the presentation by also calling upon the Select Committee on Cooperative Governance and Public Administration to exercise its constitutional authority and not to support the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality.

**6. Opinions of the Chief Whips of Political Parties on the invocation of Section 139 (1) (c) of the Constitution in Knysna Local Municipality.**

- 6.1. The Chief Whips of Political Parties (DA – Cllr. Sharon Sabbagh, PA – Cllr, Beauty Charlie, PBI – Cllr. Morton Gericke, KIM – Cllr. Susan Campbell, EFF – Cllr. Neil Louw and ANC, Cllr. Kay Andrews) tabled their opinions on the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality

## 7. Democratic Alliance (DA)

- 7.1. The Chief Whip of the Democratic Alliance tabled an opinion that support the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality.
- 7.2. She indicated that Knysna Municipality's situation has worsened significantly since September 2022 because of a dysfunctional council that have provided poor oversight and failed in their executive obligations which has directly impacted on the deterioration of our Town. Critical service delivery failures have had a detrimental impact on the health and safety of communities across Town.
- 7.3. The Chief Whip complained that (the estuary) are suffocating due to the sewage spills and high ecoli levels, which will lead to the heartbeat (our economy) dying, resulting in the decline in property values and a downward municipal turn in our revenue base, and job losses. Our communities suffer because of political interference and self-serving councillors, who continue to make decisions to the detriment of our Town.
- 7.4. The Chief Whip complained that the Municipality, Council has exhausted all other remedies, inclusive the Section 154 recovery plan, which failed dismally. She indicated that the Democratic Alliance Councillors fully support the invocation of Section 139(1)(c) and submit that sufficient exceptional circumstances exist to warrant the dissolution of Council.
- 7.5. The Chief Whip requested the Select Committee of the National Council of Provinces to place the Local Municipality under Administration and Dissolve Council as so intended by Sec139(1)(c) the Constitution of South Africa. The chief whip raised concerns about the previous unlawful appointment of Director Community Services and political appointees which were declare unlawful
- 7.6. The Chief raised concerns that the unlawful appointments have been clear indication of poor political leadership, resulted to high litigation costs, budgetary oversight failures, service delivery failures in refuse collection, the mismanagement of the waste transfer

station, lack of oversight of contracts of the sewer and water pump stations, reservoirs and holding dams,

- 7.7. The Chief Whip raised also concerns about the dysfunctionality of the municipal Council with the Speaker (Cllr Skosana) calling Special Council meetings with 2 days notice (or less) and agendas received hours before the council meetings or during the meeting, sometimes additional items added to the agenda at the 11th hour. The Chief Whip indicated that although there has been some improvement with Cllr Willemse in the Speaker position, special council meetings and section 80's continues to be called with late notice, and many section 80's postponed or cancelled the day before they are scheduled to take place.
- 7.8. The Chief Whip further raised concerns about the haphazard scheduling of Section 80 meetings, with agendas received at the last minute, and often started late because Coalition councillors arrive late, with political or personal matters taking preference. The Chief Whip complained that the Council and Section 80 meetings generally became chaotic with coalition councillors not addressing the item before the meeting but rather choosing to be disruptive, even swearing at each other during council meetings, particularly if they cannot find consensus amongst each other. The calling of caucus meetings for no apparent reason became the norm.
- 7.9. The Chief Whip raised also concerns that the Auditor-General flagged multiple MFMA non-compliance issues, especially: Section 32 expenditure: irregular, fruitless and wasteful spending not appropriately dealt with. The Chief Whip indicated that non-compliance with budget processes, supply chain regulations, and performance oversight, violations increased between 2022/23 and 2023/24 despite earlier warnings, The creditors payment period (a liquidity risk indicator) rose from 53.8 days in 2019/20 to 86.8 days in 2023/24, showing late payment to suppliers and potential cash-flow mismanagement. Capital expenditure as a % of total spending dropped from 13.9% (2019/20) to 7.0% (2023/24), suggesting chronic under-investment in infrastructure renewal, a known fiscal red flag.
- 7.10. The Chief Whip indicated that earlier annual reports showed clean audits for over a decade (12 unqualified audits up to 2021/22). However, by 2022/23 Knysna had

received a qualified audit, and 2023/24 unqualified with findings; containing a litany of compliance failures, showing a steady regression in financial control standards.

- 7.11 The Chief Whip complained about the service delivery decline (Water, Sanitation, Waste, Roads). Water outages (e.g. Hornlee), sewer spills into estuaries, and solid waste mismanagement (recyclables going to landfill due to poor design and mechanical failures) are all 2023/24 incidents. The wastewater treatment projects underspent significantly or didn't commence, e.g.: Windheuwel WWTW: R0 spent and Upgrade of main pump station: 0% delivery
- 7.12. The Chief Whip indicated that the 2023/24 annual report confirms Knysna's worsening institutional health, inadequately staffed to deliver key services, cash flow and capital backlog risks, decline of budget oversight and legislative compliance have declined.
- 7.13. The Chief Whip reported that the Democratic Alliance has raised inter alia the following concerns in relation to the MTREF 2025/2026 budget:• inadequate spend allocation in critical key priorities, specifically in the areas of service delivery failures raised in the section 154, across all wards, the increase in tariffs for services particularly refuse, sanitation and the revised encroachment fees which will result is the cost of living in Knysna becoming unaffordable (with an overall increase of 21% on the monthly bills), no sustainable measures in place to address the potable water losses, which in 2023 were reported at 13.73%, increasing in 2024 to 33.68% and are now said to be over 40%!, I am of the opinion the treated water losses are over 50%, the financial ratios show NO real improvement, the outstanding debtors books, which sits at 63% of self-funded revenue for the year ended 30 June 2025 show no improvement
- 7.14. The Chief Whip indicated also that the Democratic Alliance has called for a full investigation into the contract for the servicing and maintenance of the water and sewer pumps and stations. (Annexure A11 page 165 Discussion point 1.) There are approximately 40 sewer and water pumps are out for servicing, some ready for re-installation at pump stations, with others awaiting procuring of parts to complete service and maintenance thereof, a contract dispute between the municipal contractor and their subcontractor, due to non-payment. A full report in this regard was requested and was

to serve at the last Section 80 Infrastructure meeting, but no item was included on the agenda of the meeting dated 12 August 2025

## **8. Patriotic Alliance (PA)**

- 8.1. The Chief Whip of the Patriotic Alliance tabled an opinion that rejected the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The Chief Whip indicated that the intervention was expected to be invoked 2 years ago. The Chief Whip argued that progress has been made in local municipality in terms of governance.
- 8.2. the Chief Whip indicated that Municipal Officials but not Councillors are responsible for the water and sewer service delivery failures. She indicated that as the Chairperson of Infrastructure Committee, the Director and Municipal Manager never reported about the problems related to water and sewer pumps
- 8.3. The Chief Whip complained that water and sanitation infrastructure has been neglected by the councils since 2012 when the DA had an outright majority and the insufficient funds have been budgeted to maintain infrastructure and Knysna is now paying the price of years of neglect by previous Councils. She also complained that in Cape Town the Democratic Alliance allows sewer to run through the townships and raw sewer to pumped into the sea at the main tourist beaches.
- 8.4. The Chief Whip called upon the MEC of the Department of Local Government, Environmental Affairs and Development Planning to not just focus on Knysna where the Democratic Party is not in charge but should also ensure that the people in Cape Town do not have to live with sewer in their streets

## **9. Economic Freedom Fighters (EFF)**

- 9.1. The Chief Whip of the Economic Freedom Fighters tabled an opinion that rejected the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The chief whip complained that the decision to dissolve the local municipality is a blatant

attempt to dissolve a fully functional and delivering coalition-led Knysna Municipality not because there is a governance failure, but because of power shift away from DA hegemony.

- 9.2. The Chief Whip reported that the local municipality has made progress in allocating R900 million in active housing projects, piloting projects that eradicate the undignified blue chemical toilets in informal settlements, moving toward full flushing toilets, providing 100% Water & Sanitation Access in informal settlements and 95% electricity access in 63 informal areas and obtaining unqualified Audit for 2023/24.

## **10. Knysna Independent Movement (KIM)**

- 10.1. The Chief Whip of Knysna Independent Movement tabled an opinion that rejected the invocation of section 139 (1) (c) of the constitution in Knysna Local Municipality. The chief whip complained that the MEC has failed to prove that exceptional circumstances, warranting the dissolution of Knysna Council, exist. The justification provided by the MEC for the proposed dissolution of Council, is the failure of the municipality to fulfil its executive obligations in terms of the minimum standards for the provision of solid waste management, water supply and wastewater/sewerage management
- 10.2. The Chief Whip reported that whereas 18 months ago, there were significant problems with waste collection and regular breakdowns at the Waste Transfer Station, these problems have since been addressed, and waste collection is reliable. In the rare instances where delays are experienced, residents are informed. Technical problems at the Waste Transfer Station are also addressed expeditiously.
- 10.3. Regarding a long term and sustainable solution for Knysna's solid waste, the municipality has resolved to pursue the generation of electricity from waste, and the project would include the relocation of the Waste Transfer Station and involve a public-private partnership.
- 10.4. The Chief Whip indicated that the failures with regard to the water and sewage services, are primarily due to the fact that approximately 50 of the municipal water and sewage pumps have been retained by third party service providers, because they have not been

paid by the service provider appointed by the municipality for Tender related to repair, delivery of pumps, motors, generators and maintenance and repair of various water and sewer pumpstations.

- 10.5. The Chief Whip indicated also that due to an ongoing contractual dispute with the service provider and a lack of contract management by municipal officials, the repairers have exercised a retention lien over these pumps. As there is no direct contractual relationship between the municipality and the repairers, the only way for the municipality to pay the repairers directly for the pumps, would be by way of deviation from the normal supply chain process.
- 10.6. The Chief Whip complained that Municipal officials have withheld information from Council concerning the dispute, involving approximately 50 pumps. The failure to install these pumps has had serious implications, such as a water emergency, sporadic water shortages and frequent sewage spillages at the affected pumpstations.
- 10.7. The Chief Whip indicated that when a Local State of Water Emergency was declared in May 2025, because of the failure of two main water pumpstations, the Council was informed that the pumps had failed, but that the service provider was repairing the main pump and that another would be acquired and the Council was not informed about the 50 pumps that were not operational, or of the resultant sewage spills and the severe risk to the municipality.
- 10.8. The Chief Whip reported that on the 31st of July 2025, the Municipal Manager was instructed to provide a full report on the progress with retrieving the pumps, at a Special Council Meeting the following week. And on the 7th of August 2025, Council resolved that MPAC had to investigate Tender T22 of 2022 and that consequence management had to be implemented against the officials responsible for the situation with the pumps. The Municipal Manager was requested to employ all lawful means to urgently retrieve our pumps. The Municipal Manager has on more than one occasion assured Council that the necessary paperwork was being completed and that the pumps would be recovered from the repairers.

## 11. PBI

- 11.1. The Chief Whip of PBI tabled an opinion that rejected the invocation of section 139 (1) (c) of the constitution in Knysna Local Municipality. The Chief Whip complained that the notice of dissolution is the attempt to sneak the DA through the backdoor to control the Knysna Municipality. The Chief Whip indicated that municipal council has made changes after the previous DA administration failed for fifteen years to maintain infrastructure and to deliver services to most people of Knysna.
- 11.2. The Chief Whip indicated that the current Administration has moved from a qualified audit report in the 2022/2023 financial to an unqualified audit opinion in 2023/2024 financial year. The challenges pertaining to waste management that the local municipality encountered in 2024 and early 2025 have been addressed. The Chief Whip indicated that much is needed to improve sporadic sewage spills and maintain the current infrastructure that was neglected by previous DA administrations.
- 11.3. The Chief Whip complained that the invocation of section 139 (1) (c) will far-reaching economic and tourism implications for Knysna Local Municipality and affect job creation and result to joblessness. The Chief Whip called upon the western cape provincial executive council to support and build capacity of local municipality in terms of section 154 of constitution and the national council of province to set aside the provincial government's decision to dissolve the Knysna Local Municipality
- 11.4. The Chief Whip indicated that the local municipality has made progress in respect of stability, functionality of Sec 79 and Sec 80 committees, infrastructure maintenance, water supply and sewage and solid waste, allocation of budget to upgrade water and sewage infrastructure, improvement of audit outcomes from a previous qualified audit to an unqualified audit and approved funded budget by Provincial and National Treasury

## **12. African National Congress (ANC)**

- 12.1. The Chief Whip of the African National Congress tabled an opinion that rejected the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The Chief Whip indicated that ANC disagrees with the views of MEC of the Department of Local Government, Environmental Affairs and Development Planning that exceptional circumstances exist to justify the dissolution of the Knysna Municipal Council in terms of section 139(1)(c) of the Constitution for the reasons that the Council's oversight has improved in recent months, fiscal discipline has been improving steadily since the appointment of the current CFO during January 2024.
- 12.2. The Chief Whip indicated also that the local municipality has made improvements in relation to audit outcomes from a qualified audit opinion in the 2022/2023 financial year to an unqualified audit opinion in 2023/2024 financial, filling of vacancies of Senior managers, planning and maintenance of water infrastructure network in accordance with the recently approved Water Services Development Plan, development of Water and Sanitation Plan.
- 12.3. The Chief Whip indicated that while acknowledging infrastructural challenges, which are aggravated by vandalism, which has been a contributing cause to water supply interruption and pump breakages, the Local municipality has dealt with these challenges in the short to medium term.
- 12.4. The Chief Whip further indicated that (a) Council has never failed to adopt revenue-raising measures. (b) Council never failed to adopt a budget. (c) Council never failed to develop and adopt the service delivery and budget implementation plan. The Chief Whip said that the local municipality is of the view that the intervention in terms of section 154 of the Constitution should in fact be accelerated and that the provincial government should participate in good faith in realizing the objectives as contemplated in section 154 of the Constitution in supporting and strengthening the capacity of the municipality.

- 12.5. The Chief Whip indicated that the ANC firmly of the view that the NCOP set aside the Intervention in terms of section 139(1)(c) by the Western Cape Provincial Government for the dissolution of the Knysna Municipal Council.

**13. Opinions of the Unions on invocation of Section 139 (1) (c) of the Constitution in Knysna Local Municipality**

- 13.1. The representative of IMATU and SAMMU tabled their opinions on the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality

**14. IMATU**

- 14.1. The representative of IMATU tabled an opinion that rejected the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The rep indicated that the union is committed to service delivery, and it is duty bound to ensure that all municipalities operate effectively and efficiently.

- 14.2. The IMATU representative indicated that the union has no intention of interfering in the administration or politics, and it should be noted that the union is not affiliated with any political parties. The representative emphasised that any attempt to improve on service delivery and ensure sound administration to the benefit of employees would be supported by IMATU

**15. SAMMU**

- 15.1. The representative of SAMMU tabled an opinion that rejected the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The representative indicated that the union recognize the constitutional power granted to the Provincial Executive under section 139 (1) (c) to dissolve a Municipal council only as a last resort, when a Municipality is unable or unwilling to fulfil its executive obligations and only after other corrective measures have been exhausted

- 15.2. The Union representative indicated that the SAMMU is of the considered view that the current situation in Knysna Local Municipality does not meet the threshold for such drastic measure.

- 15.3. SAMMU representative reported that the local municipality has made progress in adopting funded budget, payment of salaries and employees' compensations, appointments of senior managers and new mayoral committees and implementing institutional reforms in line with the municipal finance management Act and other legal frameworks,
- 15.4. The Union representative indicated that in terms of constitutional and procedural considerations, the invocation must not be used to undermine legitimate governance progress or pursue political outcome. The union representative argued that there is no evidence of institutional collapse, non-functioning council structures or persistent Non-compliance that would justify dissolution of the local municipality in terms of section 139 (1) (c) of the Constitution.
- 15.5. SAMMU representative raised concerns that the dissolution of the local municipality might impact the municipal workers, service delivery, instability and undermine service delivery gains that are currently being consolidated under the new political leadership of the municipality
- 15.6. Considering the above -mentioned concerns, SAMMU representative submitted that the current conditions within the local municipality do not warrant the invocation of section 139 ((1) (c) of the Constitution but targeted support under section 154 and collaborative oversight between SALGA, Treasury and relevant Provincial entities
- 16. Opinions of the external stakeholders on invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality**
- 16.1. The representatives of Knysna Infrastructure Group, Knysna Business Chamber, AFRIFORUM, SANCO, Ratepayers Association, Taxi Association, Landless Community, Traditional and Khoisan Community tabled their opinions on the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality
- 17. Knysna Infrastructure Group**

- 17.1 the representative of the Knysna Infrastructure Group tabled an opinion that reject the invocation of section 139 (1) (c) of the constitution in Knysna Local Municipality. The representative argued that the proposed intervention is unlikely to provide lasting benefits for Knysna and its residents, as dissolving the Council does not address the fundamental causes of the challenges currently facing the municipality.
- 17.2. The representative raised concerns that the intervention would only create uncertainty and further disrupt service delivery. We believe Knysna should prioritise addressing root causes and focus on service delivery, allowing politics to unfold during scheduled local elections. It must be emphasised that the Knysna Municipality has made major improvements in 2025 to which the MEC of Local Government, Environmental Affairs and Development Planning has not given due credit.
- 17.3. The representative indicated that the Council appointed a new Mayor at the end of February 2025, whom they believe has demonstrated strong competence and decisive leadership during the water emergency.
- 17.4. The representative added that for the first time since August 2022, the Knysna Local Municipality has a functional Council with a competent Mayor, new Deputy Mayor, Speaker and MPAC Chair. All these factors have demonstrated positive progress within the short period since their election. In 2025, the Administration has, for the first time, filled all Director positions with permanent appointees.
- 17.5. The representative raised concerns that the root cause of the problems in the local municipality is that the Administration and Officials are failing the Council and the residents. Considering the above the Knysna Infrastructure Group opposes the invocation of section 139 (1) (c) intervention in Knysna Local Municipality.

## **18. Greater Knysna Business Chamber**

- 18.1. The representative of Knysna Business Chamber tabled opinion that reject the invocation of section 139 (1) (c) of the constitution in Knysna Local Municipality. The representative indicated that The Greater Knysna Business Chamber (GKBC) is an apolitical body representing a wide cross-section of businesses and residents in Knysna.

Our mandate is to advocate for the socio-economic wellbeing of our town, to support resilience in times of crisis, and to create conditions that attract investment and sustain livelihoods.

- 18.2. The representative reported that over the past two years, Business chamber has played a proactive role in supplementing municipal service delivery by providing funding, technical advice, and practical assistance during water outages, waste management crises, and other emergencies. The business chamber has also advanced strategic proposals, including a fully funded waste-to-energy project, a business funded homeless shelter and dormitory, a college with student facilities, catalytic investment projects including bulk infrastructure and N2 bypass, and the establishment of an investment development agency for all of these to be self-funded.
- 18.3. The representative indicated the Business Chamber recognises that the invocation of Section 139(1)(c) the dissolution of the municipal council is an extraordinary constitutional measure that reflects deep governance challenges. Knysna is at such a crossroads. Service delivery failures, weak infrastructure, governance instability, and lack of political alignment have all contributed to deteriorating public confidence and measurable economic harm, including declines in tourism bookings after negative national media coverage.
- 18.4. The representative, however, raised concerns that the implications of dissolution are serious: Councillors lose their mandates, halting council operations until elections. An administrator may be appointed, but the effectiveness of such interventions in other municipalities has been mixed.
- 18.5. The representative raised serious concerns about the decision to invoke section 139 (1) (c) which include: Who will be appointed as administrator, and what powers will they have before and after elections? What turnaround plan will be implemented immediately to address water, housing, waste, and infrastructure backlogs? How will stability be ensured beyond the 90-day election window? Will a forensic investigation into procurement and maladministration be conducted to prevent repeat failures? – How will accountability for past mismanagement be enforced? Will the residents be regularly updated on specific plans that show the

requirements and timelines focusing on the recovery actions identified by the root cause and forensic investigations. What measures will be put in place to restore investor and tourist confidence in Knysna? How will provincial and national government support funding and capacity to accelerate recovery?

## **19. Yona-Yethu Initiative**

- 19.1. The representative of Yona-Yethu Initiative tabled an opinion that reject the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The representative raised concerns that Knysna Municipality has in recent years faced persistent infrastructure and service delivery challenges.
- 19.2. Among the most pressing are collapsing infrastructure and inadequate maintenance systems., repeated sewage spills into the Knysna Lagoon, ongoing water supply disruptions that compromise residents' quality of life and undermine economic activity and underlying financial instability that has weakened institutional capacity.
- 19.3. The representative indicated that the above-mentioned failures have fuelled public frustration and contributed to the Western Cape Executive Council's decision to propose dissolution. However, dissolution would further destabilize the municipality, delay recovery, and weaken accountability. The representative proposed that the municipality must instead be supported to consolidate the progress that has already begun
- 19.4. The representative indicated that the Council, under the leadership of Executive Mayor Cllr. Thando Matika and his coalition partners have already demonstrated significant progress in a short time. Visible improvements in governance, coordination, and service delivery planning have been achieved. The current leadership has embraced transparency, fiscal discipline, and collaboration with community and private stakeholders. This is not a municipality in decline; it is a municipality in transition. With the right support and continuation of the recovery strategies, Knysna is well placed to overcome systemic challenges without the disruption that dissolution would cause.

- 19.5. The representative urged the Select Committee on Cooperative Governance and Public Administration to recommend to NCOP That Knysna Local Municipality not be dissolved. Dissolution at this critical turning point would undo the progress achieved, disrupt strategic initiatives such as RIC-25, and delay the municipality's recovery. Instead, continued support, oversight, and strategic investment will ensure that Knysna Municipality overcomes its challenges and builds a sustainable, prosperous future of the citizens

## **20. AFRIFORUM**

- 20.1. The representative of AFRIFORUM tabled an opinion that does not support the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The representative indicated that the local municipality has made progress in appointing directors and are working hard to succeed with limited resources.
- 20.2. The representative of AFRIFORUM called for invocation of section 139 (1) (b) by not section 139 (1) (c) of the constitution and appointment of Administrator in the Department of Infrastructure, Procurement and Finance and conduct proper investigation into allegation of fraud

## **21. Landless Committee**

- 21.1. The representative of the Landless Committee tabled an opinion that rejected the invocation of section 139 (1) (c) of the constitution in Knysna Local Municipality. The representative indicated that the landless committee perceives the decision as a politically motivated manoeuvre, driven by the fact that the Knysna Local Municipality is not governed by the DA.

- 21.2. The representative reported that Knysna Local Municipality has made progress in terms of providing essential services such as clean water, proper sanitation, electricity, waste collection, road upgrades to all residents including those in 63 informal Settlements.
- 21.3. The representative reported also that the local municipality has made progress in terms of stability, approval of funded budget, achievement of an unqualified audit outcomes for 2023/2024, approval of transformative initiatives like the Windheuwel project, wastewater treatment plant, transfer station, and graveyard.
- 21.4. The representative indicated that the Landless Committee reject the unconstitutional and political driven agenda of invoking section 139 (1) (c) in Knysna Local Municipality and inaction by the MEC of Local Government, Environmental Affairs and Development Planning regarding severe sewage spillage in Cape Town and in poor black communities

## **22. Lynn Kayster: Changes of Knysna**

- 22.1. the community activist tabled opinion that rejects the invocation of section 139 (1) (c) of the constitution in Knysna Local Municipality. She indicated that the problem of service delivery and poor management does not lie with councillors but rather with Administration. She reported that the Local Municipality has made progress in filling vacant critical positions. She called for accountability and implementation of consequence management within the municipal administration

## **23. Knysna United**

- 23.1. The representative of Knysna United tabled an opinion that supports the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality

## **24. Action United Front**

- 24.1. The representative of Action United Front tabled an opinion that supports the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The

representative raised concerns about sewage spillages, housing, temporary housing used for storage by municipal councillors and political interference in administration.

**25. Phantom Homtini Conservation**

- 25.1. The representative of Phantom Homtini Conservation tabled an opinion that support the invocation of section 139 (1) (c) of the constitution in Knysna Local Municipality. The representative raised concerns about illegal dumping, sewage spillages, non-functionality of coalition, mushrooming of informal settlements, inappropriate development and poor waste and rubbish collection

**26. Knysna Ratepayers Association**

- 26.1. The representative of the Ratepayers Association tabled an opinion that does not support the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The representative raised concerns that the dissolution of the municipality won't solve the problems.

**27. SANCO**

- 27.1. The representative of SANCO tabled an opinion that rejects the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality.

**28. TAXI ASSOCIATION**

- 28.1. The representative of Taxi Association tabled an opinion that rejects the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality

**29. TRADITIONAL AND KHOISAN LEADER**

- 29.1. The representative of Traditional and Khoisan Leaders tabled an opinion that rejects the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality. The representative raised concerns about lack of consultation and participation in the affairs of the local municipality

### **30. Observations of the Select Committee**

- 30.1 The Select Committee on Cooperative Governance and Public Administration has noted that on 12 September 2025, the Western Cape Provincial Executive resolved inter alia to –intervene in the Knysna Municipality (“the Municipality”) in terms of section 139(1) of the Constitution of the Republic of South Africa, 1996; dissolve the Municipal Council and appoint an administrator until a newly elected Municipal Council has been declared elected in terms of section 139(1)(c) of the Constitution; provide such resources as may be necessary to support the Administrator; and mandated the Provincial MEC of the Department of Local Government, Environmental Affairs and Development Planning to sign the written notice of the dissolution, on its behalf, and notify the Cabinet member responsible for local government affairs; the Provincial Legislature; the National Council of Provinces; and the Municipality.
- 30.2. In terms of constitutional and procedural compliance, the Select Committee has noted that Western Cape Provincial Executive Council resolved to dissolve the council of Knysna Local Municipality by invoking Section 139 (1) (c) of the constitution
- 30.3. Majority of Members of the Select Committee have noted with great concerns that the Western Cape MEC of the Department of Local Government, Environmental Affairs and Development Planning has failed to respond to their questions on whether has Knysna Local Municipality failed to adopt approved funded budget, integrated development planning and service delivery budget implementation plan.
- 30.4. The Select Committee has noted that majority of internal and external stakeholders such as Chief Whips of Political Parties, Organised Labour, South African Local Government Association have tabled opinions that collectively rejected the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality

- 30.5. Based on the balance and correlation of facts presented during the stakeholder's engagements, the Select Committee has noted that Knysna Local Municipality has since 2025 made significant progress in terms of coalition unity, approval of funded budget, facilitation of public participation and development of integrated development planning, development of water and sanitation plan, filling of vacant management positions, improvement of audit outcomes from qualified to unqualified audit opinion, submission of Water Services Audit in terms of section 62 of the Water Service Act.
- 30.6. In the opinion of the majority members of the Select Committee the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality is not substantively justifiable.
- 30.7. The Members of the Democratic Alliance tabled a minority report that reads that
- (a) the Democratic Alliance supports the recommendation that the circumstances in Knysna meet the constitutional threshold for dissolution of the Municipal Council under Section 139(1)(c). Knysna Municipality has persistently failed to fulfil its executive obligations in terms of the Constitution and legislation.
  - (b) Core services have collapsed: water supply is unreliable and unsafe, sanitation systems have broken down with untreated sewage polluting rivers and communities, and waste collection and disposal are irregular and hazardous. In several instances, private actors and community groups have been forced to take over municipal functions.
  - (c) The municipality is in a state of exceptional dysfunction. Since the current coalition has governed the municipality has appointed 15 Municipal Managers, the non-budgeted spending to alleviate the sewage spillage have increased by 1996% and due to the non-enforcement of bylaws the municipality suffers up to 4 accidents a week due to free roaming livestock.
  - (d) There have been repeated outbreaks of E. coli contamination, widespread infrastructure collapse, and non-compliance with statutory obligations such as the

adoption of a Water Services Development Plan. Council instability, including repeated motions of no confidence and fractured coalitions, has left the municipality paralysed. Taken together, these factors constitute exceptional circumstances warranting dissolution.

- (e) The municipality's failures amount to a breach of residents' constitutional rights. Section 27(1)(b) guarantees the right to sufficient water. Section 24(a) guarantees an environment not harmful to health. Section 152(1) requires municipalities to provide services in a sustainable manner and to promote a safe and healthy environment. In Knysna, these obligations are not being met, and residents' rights remain infringed.
  - (e) It is important to note that all constitutional support measures have been exhausted. Section 154(1) requires national and provincial government to support municipalities. In Knysna, repeated Section 154 Support Plans and CEOMEF interventions were attempted, yet they were inadequate and poorly monitored. Continued reliance on such measures will not address the structural dysfunction.
  - (f) The Democratic Alliance submits that Knysna Municipality has persistently failed in its obligations, infringed residents' rights, and exhausted softer support interventions. The circumstances are exceptional and warrant decisive action.
  - (g) the Democratic Alliance therefore recommend the dissolution of the Knysna Municipal Council under Section 139(1)(c), with the appointment of an administrator until fresh elections are held. This is the only viable remedy to restore service delivery, protect constitutional rights, and rebuild governance in Knysna.
- 30.8. The Select Committee has noted that in terms of the evidence provided by the majority of Chief Whips of Political Parties, the Unions, external stakeholders and SALGA, it has become apparent that Knysna Local Municipality did not fail to perform its constitutional duties in terms of section 152 of the Constitution which states that the objects of local government are (a) to promote democratic and accountable government for local communities,(b)to ensure the provision of

services to communities in a sustainable manner, (c) to promote social and economic development, (d) to promote safe and healthy environment and (e) to encourage the involvement of the communities and community organisations in the matters of local government.

- 30.9. However, the Select Committee noted Knysna Local Municipality requires systematic, structural and coordinated support to deal with challenges related to aging water and sanitation infrastructure, technical support, funding and tools of trade and internal capacity to effectively perform its constitutional, executive and administrative responsibilities.

### **31. Recommendations of the Select Committee**

- 31.1. Having engaged and solicited the opinions of the internal and external stakeholders on invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality, the Select Committee recommends to the National Council of Provinces as follows:
- 31.1.1. That the National Council of Provinces disapproves the invocation of section 139 (1) (c) of the Constitution in Knysna Local Municipality
- 31.1.2. That in the spirit of cooperative governance and inter-governmental relations, the Western Cape MEC of the Department of Local Government, Environmental Affairs and Development Planning, the Minister of the Department of Cooperative Governance and Traditional Affairs, the South African Local Government Association and the Municipal Infrastructure Agent should provide structured, systematic and coordinated support in terms section 154 to Knysna Local Municipality.
- 31.1.3. That in the spirit of cooperative governance, the Minister of the Department of Water and Sanitation should provide systemic and structured support in terms of section 63 of the Water Service Act to enable Knysna Local Municipality to deal with challenges related to water, sanitation and aging infrastructure.

- 31.1.4. That as part of reducing the litigation costs on disputes related to the appointment of Senior Officials and in the interest of proving basic service to the citizens of Knysna Local Municipality Citizens, the Western Cape MEC of the Department of Local Government, Environmental Affairs and Development Planning and the Leadership of Knysna Local Municipality should use dispute resolution mechanisms provided within the Inter-Governmental Relation Framework Act
- 31.1.5. That as part of facilitating public participation and building community public trust, the Mayor of Knysna Local Municipality should develop stakeholder engagement strategy and plan aimed at involving Business Sector, Civil Society, SANCO, Taxi Associations, Ratepayers Association, Traditional and Khoisan Leaders on matters related to Local Economic Development, youth, women and disabled people job opportunities and service delivery.
- 31.1.6. That the National and Provincial Department of CoGTA, Public Service and Administration and SALGA should provide administration support to Knysna Local Municipality to enable the provision of support staff, provision of tools of trade, motor vehicles and security
- 31.1.7. That the Select Committee on Cooperative Governance and Public Administration should during the 2025 parliamentary fourth term engage the Western Cape MEC of the Department of Local Government, Environmental Affairs and Development Planning on the provision technical support provided to Knysna Local Municipality in terms of section 154 of the Constitution
- 31.1.8. The Select Committee on Cooperative Governance and Public Administration should during the 2026 Parliamentary Second Term conduct proactive oversight to Knysna Local Municipality to assess the state of local municipality in terms of good governance, service delivery, revenue and financial management, local economic development, public participation and cross cutting matters related to water, sanitation human settlement and support provided in terms of section 154 of the Constitution .

32. This report was voted in favour by majority of seven members, three members voted against and one abstained.

*Report to be considered*