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PROCEEDINGS OF MINI PLENARY SESSION OF NATIONAL ASSEMBLY

Members of the mini plenary session met on the virtual platform at 10:00.

House Chairperson Mr W Horn took the Chair and requested members to observe a moment of silence for prayer or meditation.

ANNOUNCEMENT

The HOUSE CHAIRPERSON (Mr W Horn): Hon members, before we proceed, I would like to remind you that the virtual mini plenary is deemed to be in the precinct of Parliament and constitutes a meeting of the National Assembly for debating purposes only. In addition to the Rules of Virtual Sittings, the Rules of the National Assembly, including the Rules of Debate, apply. Members enjoy the same powers and privileges that apply in a sitting of the National Assembly.

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Members should equally note that anything said in the virtual platform is deemed to have been said to the House and may be ruled upon. All members who have logged in shall be considered to be present and are requested to mute their microphones and only unmute when recognised to speak. This is because the microphones are very sensitive and will pick up noise which might disturb the attention of other members.

When recognised to speak, please unmute your microphone and where connectivity permits, connect your video. Members may make use of the icons on the bar at the bottom of their screens, which has an option that allows a member to put up their hand to raise a point of order. The Secretariat will assist in alerting the Chair to members requesting to speak.

Lastly, when using the virtual system, members are urged to refrain or desist from unnecessary points of order or interjections. The first Order of the Day is the Consideration of the Report of the Portfolio Committee on International Relations and Co-operation on Parliamentary Diplomacy Meeting with the European Union Committee on Foreign Affairs and Oversight Visit on South African Missions in Europe at the SA Embassy in Brussels, Belgium. To introduce the report, I recognise the chairperson of the committee, the hon Mahumapelo. The hon

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Mahumapelo. Is there a member who is in a position to introduce the report?

Ms A N KUMBACA: Hon Chairperson. I will be presenting the report on behalf of the hon Mahumapelo.

The HOUSE CHAIRPERSON (Mr W Horn): Please proceed, hon member.

Ms A N KUMBACA: Thank you very much.

**CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON INTERNATIONAL
RELATIONS AND CO-OPERATION ON PARLIAMENTARY DIPLOMACY MEETING
WITH THE EU COMMITTEE ON FOREIGN AFFAIRS AND OVERSIGHT VISIT ON
SA MISSIONS IN EUROPE, AT SOUTH AFRICAN EMBASSY IN BRUSSELS,
BELGIUM**

Ms A N KUMBACA: Good morning and thank you very much. The Portfolio Committee on International Relations and Co-operation, having embarked on a parliamentary diplomacy meeting with the European Union Committee on Foreign Affairs and Oversight Visit on South Africa's Mission in Europe from 01 to 08 November, reports as follows:

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The mandate of the Portfolio Committee on International Relations and Co-operation is to oversee the implementation of South Africa's foreign policy. The international activities related to international relations and co-operation are carried out by the Department of International Relations and Co-operation together with 115 South African missions abroad. The department is responsible for developing and maintaining bilateral political and economic partnerships in the various regions of the world. This is usually pursued through structured bilateral mechanisms such as bi-national commissions, joint national commissions or joint commissions.

It is under this background that the portfolio committee took the opportunity to visit its counterpart, the Committee on Foreign Affairs in the European, EU Parliament in Brussels, to equally strengthen oversight ties and share ideas to ensure the implementation of the outcomes of the South Africa-European Union, SA-EU Partnership Agreement and all related matters, and to ensure implementation of bilateral mechanisms between the two entities for stronger partnership between the two committees.

The oversight focus was to see the people of both countries benefiting from the existing historical relationship. The objective of the meeting was to ensure that we strengthen ties

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between the Portfolio Committee on International Relations and Co-operation with our counterpart, the Committee on Foreign Affairs of the EU Parliament in Brussels.

Further, the report also reports that the meeting with South African missions in Europe was in Brussels. It was important to conduct oversight at both the SA Embassy in Brussels and its work in the EU, and the missions in Europe to ensure that we pursue bilateral relations that address the triple challenges facing South Africa.

The oversight visit was also to assess how the missions pursue their work related to geopolitical relations that South Africa shares with the EU and Europe, and to assess how the work of the missions has opened opportunities for South African companies and specifically to address the previously marginalised groups in our society. To assess the trade volumes generated by the missions between South Africa and the EU, including other countries where other embassies are situated under their accreditation.

Furthermore, the visit was to assess the completeness of the asset register of movable assets throughout the process and assess the workability of the information and communications technology, ICT systems and progress on the implementation of the

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ICT modernisation project at these missions. To assess the processes also relating to visa issuances and whether the ICT system is optimal for the purposes.

In outlining the objectives of the oversight, we did highlight that due to limitations imposed on the work of portfolio committee by the oversight model, it was an important decision to take a regional approach to the oversight as the key discussions were whether our economic diplomacy does benefit the people of South Africa, and if our missions are using that to strengthen the work of addressing these triple challenges.

Our commendations were to ensure that the structural financial and administrative obstacles that require urgent attention to the missions abroad are addressed. It was recommended that we initiate an investigation and expedite with engagements with National Treasury to align budget allocations with the growing mandate and diplomatic service delivery needs of South Africa's missions abroad. Prioritise temporary relocation of all personnel from the state-owned properties used as offices for the mission at the Hague.

Consider co-ordinating Departments of Finance, State Security, Home Affairs, Trade and Competition, Education, Small Business

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Development to maximise the benefits of international co-operation. Ensure that the issues raised by missions are addressed directly and transparently, and we submit a quarterly report to the progress made towards becoming responsive to the needs of our support.

Consider urgently filing out funded post and review staffing policies and missions abroad. Prioritise and accelerate ICT upgrades including addressing vulnerabilities that could expose sensitive information abroad. Also, provide a comprehensive process detailing the ideal requirements for an embassy alongside a realistic assessment of the current resources. Thank you very much.

Dr K LITCHFIELD-TSHABALALA: Hon House Chairperson. I greet the president of MK Party, Comrade Jacob Zuma and all the leaders of MK Party ...

IsiZulu:

... ozakwethu ...

English:

... who have tuned in here ...

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IsiXhosa:

... nabaphulaphuli emakhaya.

English:

I rise on behalf of MK Party to displace this report and to establish the real truth about South Africa's so-called EU trade missions located in traditional Western Europe.

The term being used here geographically and politically, the latter denoting the Western hegemony of white is right and white is might. While our missions abroad are established to deal with an array of diplomatic services, they also serve to advance strategic economic and trade as well as cultural partnerships through both export and import means. But the MK Party asks, whose products are we fighting so hard to import to the EU? For the last 30 years, the ANC and now its current so-called GNU, the government of national undesirables, has been and is still primarily focused on commodities like minerals and agricultural products.

Critics lambast this lack of diversification as limiting to accessing more lucrative and stable markets abroad. While we agree as MK, we are disturbed by an even bigger concern. Leading up to the 1913 Land Act, African farmers were dispossessed,

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displaced, and their precolonial agricultural products labelled and stereotyped as primitive products for the destitute.

This means products like rooibos, honeybush, morula, ...

IsiXhosa:

umhlonyane, ...

Sesotho:

... mohalakane ...

IsiXhosa:

... umfino wamathanga, utyuthu ...

Sesotho:

... thebe, ...

Tshivenda:

... Munawa, Mushinzhi ...

Xitsonga:

... guxe ...

English:

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... and many other indigenous healing stuffs and herbs are locked out of imported agricultural products. Realise that MK is not even talking about other indigenous products like artifacts, natural organic skin products from morula oil, aloe ferox, and buchu. We are limiting this argument to agricultural products and herbs, the greens, many of which are nutritiously richer than the largely paraded spinach.

This when Western Europe and above all other continents is going through an organic eating revolution. Imagine if these products made their way to Europe. Imagine how we are going to lift up a lot of African and indigenous farmers. Imagine how we are going to transform the rural agricultural revolution with these products.

Dirco may not and should not rebuff this by telling us that it is not responsible for agricultural management as well as trade and industry or the department of small business development. MK Party argues that a government that works in silos is like a family that sleeps in the same house but does not live together.

The only reason why South Africa still champions only large-scale Afrikaner commercial products is because in the last 30 years we have been going through a period of motions and motions and

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motions. No fundamental overhaul of the system. No targeted research of indigenous agricultural products to elevate them to global competitive trade. The truth is the ANC and its so-called government of national undesirables, the GNU, have no plan to break colonial trade patterns and revolutionise trade by Africanising it.

The MK Party therefore calls upon Dirco to orientate South Africa's economic diplomacy towards the promotion of indigenous African products, the development of value chains and the transformation of colonial patterns that continue to marginalise African producers and manufacturers. Vote MK to revolutionise agriculture. Vote MK for African products to make their way to the EU market. Vote MK for a co-ordinated approach between Dirco, the Department of Trade, Industry and Competition, DTI, and the Department of Small Business Development.

IsiZulu:

Viva Mkhonto weSizwe, viva! Amandla! Gwaza Mkhonto!

ILUNGU ELIHLONIPHEKILE: Gwaza!

Mr M CHETTY: Greetings and salutations, hon House Chairperson, members of the portfolio committee, fellow South Africans. It is

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rather coincidental or ironic, that last week we debated Budget Vote 6 in this very House, and today we debate the report on the parliamentary diplomacy meeting with the European Union Committee on Foreign Affairs and oversight visit to the South African missions in Europe. You may ask why. Because last Wednesday, Minister Lamola and both his deputies told South Africans that this department is running more efficiently than it was under the now defunct former Minister Pandor. The reality is that the only thing running more efficiently in this department is the propaganda machinery.

Sadly, their usage of AI to assist with their rebuttal last week will be exposed today. We have legacy reports for a reason, to ensure that what was done correctly in the previous Parliament can be replicated going forward. And what was done bad, we improve on. That is the legacy report that we, the members of the Sixth Parliament, left for the Seventh Parliament. Unfortunately, the absentee minister and his deputies chose to ignore the recommendations of the good work done by the previous dispensation. Had it not been for the hardened stance taken by the portfolio committee then, after three very tiresome fights with the parliamentary administration, who together with the ANC hierarchy tried to prevent the committee from exercising its constitutional mandate to conduct oversight on the executive. The

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exposure of the shenanigans of the infamous R180 million New York Pilot Project would never have seen the light of day.

The importance of this reference to this saga is that irrespective of the recommendations of the legacy report, as well as the recommendations of the portfolio committee on conducting a fact finding oversight of vacant state-owned properties in Germany and Portugal debated in this very House in 2023, both clearly adopting the then proposed revised oversight module for the portfolio committee to exercise its oversight abroad on the functionality of our embassies and missions. The resistance by both administration and ANC bigwigs to prevent the portfolio committee from executing the oversight has clearly exposed the fearfulness of being caught out, while exposing incompetence and financial malfeasance within the department. The oversight to Brussels further exposed the unscrupulous manner in which the department had engaged with the portfolio committee.

We were led to believe at the Department of International Relations and Co-operation headquarters in Pretoria that the digital strategy focusing on the ICT modernisation project was on target, that the transition from the old ICT to the new was done smoothly, that integration from the old service provider to the new service provider was hassle-free, only to be confronted by

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the stark reality in Brussels that the majority of the embassies contradicted these statements due to the failure of compatibility with the existing devices and those procured by the department that were just not compatible with the existing devices. Let us not forget that this department, through both negligence and incompetence, we were paying two ICT service providers during the same contractual period, both frivolous and wasteful expenditure. By conducting these oversights abroad, it also exposed the attitude of some of our ambassadors who failed to attend meetings for fear of exposure, like the former ANC Chief Whip, Ambassador Stone Sizani, who not once but twice defied the invitation of the portfolio committee, both in Germany and again in Brussels.

This further vindicates the DA proposal that ambassadors should be appointed on merit and not from frail ministers or head of departments, HODs, for political patronage purposes. The meeting also exposed the lack of funding for infrastructure and maintenance of our embassies, with some being condemned. We have South African citizens working in asbestos-infested buildings at The Hague, where ceilings are collapsing.

There is a critical need to address the poor state of South African state-owned diplomatic properties in Europe, as many are in disrepair, undermining the country's image and diplomatic

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effectiveness. The overall conclusion is that while the mission staff are dedicated and resilient, their effectiveness is undermined by structural, financial and administrative obstacles that require urgent attention and a co-ordinated intervention from both the Department of International Relations and other governmental departments. Just days ago, the three stooges, the Minister and his deputies, told Parliament that all is well within this department.

As I conclude, I want to re-emphasise that this portfolio committee must be given the support from Parliament to conduct its oversight abroad, as per the module agreed to by the Sixth Parliament, failing which the criminal elements and those of the Parliament will go unpunished. We support the report. Thank you.

Ms N M MHLONGO: Chairperson, you know that in the recent Budget Vote debate for the Department of International Relations and Co-operation, we sharply raised our concern with the chronic underfunding of the department, crippling it from doing very basic things, such as maintaining our foreign missions. The oversight visit that was undertaken to Brussels sharply brought this concern to the fore and exposed how our foreign properties are under severe disrepair.

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The missions abroad represent how we want the rest of the world to view South Africa. The substandard properties we have in Europe leave a little to be desired about visiting our country. We also took note of the need for ICT modernisation as our failure to do so delays service delivery and affects consulate work, leaving our citizens abroad frustrated. What is more embarrassing is that tourists from Europe have to do a manual visa application and processing due to our missions using outdated technology. The visa requirements for South Africans who visit European countries must also apply to Europeans visiting our country. It cannot be that there are strict visa regime for South Africans travelling to Europe, while Europeans just easily and freely travel to our country.

Even in this financial year, the Department of International Relations and Co-operation has no plans or projects to upgrade and modernise the ICT infrastructure in our missions abroad, rendering them ineffective in light of growing demands on their services. We also discovered that services at our European missions are crippled by severe staff shortages due to high vacancy rates across the board, leaving skeleton staff we have under immense pressure. This 26,3% vacancy rate that the department has, there are no plans whatsoever from the department on how they are going to fill this funded post because the budget

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does not speak to this. We debated this and the Minister acted as if all was well in the department.

The regional oversight model adopted and implemented by the Portfolio Committee on International Relations and Co-Operation is something that we will see this committee covering more oversight in a short space of time. Once again, I want to call out the mischievous conduct of Ambassador Stone Sizani, who is South Africa's ambassador to Germany, who did not honour the invitation to attend oversight meeting and wish for President Ramaphosa to hold him accountable on this unbecoming behaviour as it's not befitting of an ambassador of the Republic. We welcome this report, Chairperson. Thank you.

Mr M A MNCWANGO: Hon Chairperson, the IFP agrees with this report that South Africa's foreign policy must be judged by whether it advances the real interest of ordinary South Africans. South Africa's diplomacy must open markets, attract investments, and create opportunities for our people. We welcome the recognition that the European Union is a critical partner for South Africa.

The European Union Global Gateway Investment Package of €4,7 billion speaks to South Africa's own needs for industrialisation, energy security, and health resilience, and

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digital inclusion. The IFP also appreciates that missions abroad must be assessed by outcomes, not by optics. This includes trade volumes, support for South African companies, and cultural diplomacy.

The department's targets still lean too heavily towards activity counts rather than measurable economic outcomes. Embassies and missions must be assessed using research-based indicators linked to foreign direct investment, job creation, and skills transfer. This will support the country's development goals. This aligns with the IFP's emphasis on practical governance, capable institutions, and delivery that improves people's lives. The IFP supports this report because it strengthens oversight, economic diplomacy, and accountability in a sector that must work harder for South Africans. I thank you.

Ms M L MATHOPA: House Chair, hon members, the PA supports the report of the Portfolio Committee on International Relations and Co-operation. The engagements reaffirmed the importance of South Africa's relationship with the European Union and highlighted opportunities for co-operation in trade, investment, peace-building, and multilateral reform.

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They also reinforced the need for South Africa to advance its national interest with confidence and clarity. While the PA welcomes the committee's findings, we are concerned by the serious operational challenges identified at several foreign missions. These include aging infrastructure, outdated ICT systems, and staffing shortages that undermine efficiency, service delivery, and South Africa's international presence.

These shortcomings are not minor administrative matters. They affect our ability to attract investment, support South Africa's abroad, and effectively represent our country on the global stage. The PA believes our foreign missions must be modern, professional, and properly resourced. South Africa cannot pursue ambitious economic and diplomatic objectives while operating from deteriorating facilities, outdated technology, and understaffed officers.

We therefore support calls for urgent infrastructure upgrades, modernised ICT systems, strengthened cybersecurity, and a comprehensive staffing strategy to ensure our missions are fully capacitated. Most importantly, we want to see clear timelines, measurable outcomes, and a regular report into Parliament so that implementation is not delayed. The PA supports the adoption of this report and urges the Department of International Relations

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and Co-operation to implement its recommendations with urgency, accountability, and a commitment to excellence. I thank you, Chairperson.

Ms M P KOBE: Hon Chairperson, the purpose of this oversight visit was clear. The Committee travelled to Europe to assess whether South Africa's missions abroad are effectively advancing our foreign policy objectives, strengthening trade relations, supporting South Africans abroad and promoting economic opportunities for our country.

The objectives of the visit were ambitious and necessary. The committee sought to evaluate the strength of our relationship with the European Union, EU, assess economic diplomacy efforts, examine staffing levels, inspect state-owned properties, review information and communications technology, ICT, systems and determine whether our missions have resources required to fulfil their mandates.

However, hon House Chair, the recommendations arising from this oversight reveal a concern in reality. Rather than finding missions fully equipped to advance South Africa's strategic interests, the committee found chronic underfunding, staffing shortages, deteriorating infrastructure and failing ICT systems.

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The recommendations to relocate staff from offices in The Hague due to asbestos exposure is particularly alarming. Equally troubling, are reports of persistent ICT challenges, manual visa processing, asset management challenges and high vacancy rates that undermine service delivery.

These findings suggest that diplomats and mission staff are expected to deliver world-class outcomes while operating with inadequate support.

ActionSA supports robust parliamentary oversight and welcomes the efforts to hold Department of International Relations and Co-operation, Dirco, accountable. However, oversight must result in action, House Chair.

South Africa cannot expect its missions abroad to advance our national interests while fundamental operating shortcomings remain unresolved.

The department must now demonstrate measurable progress so that our missions can effectively promote South Africa's economic, diplomatic, and strategic interests abroad. We support the report. I thank you, House Chair.

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Rev K R J MESHOE: House Chairperson, The Portfolio Committee on International Relations and Co-operation has tabled its report following oversight visits to South Africa's missions in Europe.

This report is both encouraging and troubling. On the one hand, we commend the dedication of our ambassadors and staff who serve faithfully even in conflict zones such as Ukraine and Russia. Their courage deserves recognition.

But, hon members, the report also reveals serious weaknesses found across the board in the countries visited. Our state-owned diplomatic properties in Europe are in poor condition, some even unsafe, with asbestos confirmed at The Hague. This is unacceptable and undermines South Africa's image abroad. ICT systems in missions are outdated, leaving sensitive information exposed and staff unable to work efficiently.

The department claims modernisation is complete, yet missions report long-system failures.

Limited ICT support is placing consular services under strain, with manual visa processing slowing service to our citizens. Budget shortages are causing high vacancy rates that cripple our

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ability to host diplomatic events, attract investments and serve South Africans abroad.

The ACDP, again, calls for ring-fenced funding for consular protections, targeted exemptions for critical posts and prioritisation of staff to high-risk regions where South Africans face the greatest danger.

The committee also noted with concern the repeated absence of Ambassador Stone Sizani, our ambassador to Germany, during oversight visits, without an apology. Such behaviour must be censored.

Hon members, the recommendations are clear, urgent building repairs and asset management are required, and attention must be paid ... [Time expired.] ... thank you.

Mr S O R MAHUMAPELO: Chairperson, my apologies for an earlier glitch which I had on my side and I thank hon Kumbaca for standing in for me.

As the ANC, hon members, we are in full support of the report of the Portfolio Committee on International Relations and Co-operation on the engagement which took place with the European

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Union Committee of Foreign Affairs and the oversight visit to South Africa's missions in Europe.

The oversight visit confirmed that South Africa's missions remain critical instruments in advancing our national interests across Europe. Our diplomats continue to strengthen bilateral relations, promote trade and investment, facilitate tourism, deepen cultural exchanges and build strategic partnerships that contribute to economic growth and development.

The ANC welcomes the opportunities identified through the engagement with the countries across Europe and strengthening of South Africa's partnership with the European Union. This helps us here at home through investments to build our small, medium, and micro enterprises, SMMEs, to make sure that microeconomic levels of our economy are strengthened.

The report further demonstrates that parliamentary diplomacy remains an important pillar of our democratic foreign policy. Engagements with the European Parliament strengthen co-operation.

The ANC welcomes the committee's emphasis on ensuring that international partnerships produce tangible development outcomes.

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Foreign policy must never be detached from domestic priorities. Every investment attracted, every export market expanded and every skills development and partnership secured must ultimately improve the lives of the people of South Africa.

At its core, this report is not only about diplomatic engagements, embassy buildings, international meetings or oversight visits, this is about expanding and extending our national democratic revolution through geopolitics.

The ANC has always maintained that South Africa's foreign policy must be an extension of what we do here at home. Our policy must, therefore, be people-centred, developmental in character and unapologetically focused on advancing the national interests of all the people of South Africa.

The oversight visit to South Africa's missions in Europe and the engagement with the European Parliament reaffirmed the strategic importance of diplomacy in advancing our foreign policy objectives.

For the ANC, economic diplomacy is not an abstract concept, economic diplomacy must translate into factories being built in

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our communities, in the villages, in the townships to create jobs for our people, with special reference to young people and women.

The ANC further welcomes the committee's emphasis on strengthening multilateralism and international co-operation.

At a time of growing geopolitical tensions and attacks on the multilateral system, South Africa remains committed to dialogue, peaceful resolution of disputes and conflicts and rules-based international order.

Whilst the report highlights the important achievements, it also exposes serious operational challenges that require agent attention. Persistent ICT challenges must be attended to, the shortage of staff needs to be attended to, the matching of skills with what is demanded within Dirco must be attended to and maintenance backlogs need to be attended to.

This is also linked to a request which has been sent to our Treasury to make sure that the Department of International Relations and Co-operation is properly funded.

The ANC fully supports the committee's recommendations for accelerated ICT modernisation, stronger asset management,

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improved maintenance planning and enhanced support for mission support.

The ANC firmly believes that South Africa's missions abroad must increasingly become engines of economic growth. They must identify investment opportunities, facilitate trade partnerships, support tourism growth and help South Africa's businesses at an international market level.

The success of our diplomacy must ultimately be measured not by the number of meetings we hold, but by the tangible developmental outcomes achieved for all the people of South Africa.

We as the ANC fully embrace the idea that is brought by the portfolio committee to make sure that it adopts a regional approach model to oversight because the committee will not have the time or the resources enough, hon members, to do all the 114 missions all over the world to ensure that work of Parliament is done.

So, we applaud the portfolio committee for coming up with the regional model because the regional model centralises the work of oversight of the portfolio committee. This will bring quality and it will ensure that the portfolio committee is able to zoom into

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specific areas of our missions. Thank you very much. We support the report.

The HOUSE CHAIRPERSON (Mr W Horn): Hon members, that concludes this debate. You are reminded that a decision on whether to adopt the report or not will only be taken in a full plenary session of the assembly.

We shall now proceed to the Second Order.

**CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON TRADE,
INDUSTRY, AND COMPETITION ON PETITION FROM NATIONAL AFRICAN
FEDERATED CHAMBER OF COMMERCE AND INDUSTRY**

Ms C M PHIRI: House Chair, yes, on 25 October last year, the Speaker of the National Assembly referred a petition from the National African Federated Chamber of Commerce, which we normally call it Nafcoc, to this portfolio committee. Nafcoc's petition sought intervention regarding the industrial development cooperation and perceived deviation from its core mandate and alleged prejudicial treatment of black owned businesses. Nafcoc alleged that Industrial Development Corporation, IDC, was operating similar to commercial banks rather than a developmental finance institution.

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It emerged in premature legal enforcement, business rescue placement and liquidation measures against distressed black owned firms, including asset disposal at value substantially below replacement of development cost, thereby undermining the principles of transformation and support for black entrepreneurs. It was prioritising loan recovery over business sustainability and the retention of industrial capacity, particularly for black entrepreneurs, without adequate consideration for alternative turnaround or restructuring options, and it does not adequately apply patient's capital, developmental sequencing, restructuring support and a sustained focus on the long-term viability of previously marginalised enterprises. In addition, it asserted that black-owned enterprises face structural disadvantages in assessing support during periods of financial distress, which undermines transformation objective and exacerbate economic exclusion.

Consequently, the committee engaged Nafcoc and IDC on 24 February 2026 to assess whether Nafcoc's concern pointed to systemic or recurring issues requiring remedial intervention. The committee noted that the concern raised by Nafcoc regarding the possible systematic challenge in IDC funding, restructuring and recovery processes, as demonstrated in the five case studies presented. The committee acknowledged the IDC's response

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regarding its commitments to transform, the need for it to comply with financial and other regulatory framework, including ensuring a financially sound balance sheet, the need to strengthen its communication and complaints handling mechanism.

The committee emphasised that the lived experience and outcome of IDC clients must be regarded as important indicators of performance. The IDC should not only focus on financial sustainability, but place emphasis on national development objectives. Accessibility, fair and transparent complaints and acceleration mechanisms are critical to ensure affected parties are afforded timely, appropriate resources, and as far as possible, development financial institutions should apply patient capital and lower interest rates, and provide post-investment development support, including support for distressed enterprises to enable industrial development, thus differentiating themselves from commercial banks.

The committee remains committed to effective oversight over entities reporting to it, such as IDC, to ensure that national priorities, such as job creation, support for black industrialists and broad-based economic transformations are achieved.

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In conclusion, chair, having considered Nafcoc's petition and IDC's response, the portfolio recommends to the House and requests the Minister of Trade, Industry and Competition to consider reviewing in consultation with IDC the extent which its current potential or operational model risk assessment due to diligence framework are aligned with developmental mandate. Reviewing whether existing policy and framework governing business rescue, restructuring and enforcement action adequately balance financial sustainability with turnaround strategy, job retention and preservation of industrial capacity.

Also, assessing the adequacy of governance framework, stakeholder engagement processes and compliance, and despite resolutions mechanism within the IDC, including whether the enhancements are required to strengthen transparency, accountability and trust between institution and its clients, reviewing the adequacy of legislative policy framework governing this IDC, including its pre and post-investment mentorship and support programme to determine whether it sufficiently enables institutions to fulfil its developmental mandate, strength and industrial capacity. We therefore request the IDC ...

The HOUSE CHAIRPERSON (Mr W Horn): Thank you, hon member. Your time has now expired.

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Ms C M PHIRI: I present this report for consideration and adoption. Thank you, Chair.

Mr S I GAMA: Chair, good morning to all the members present. The MK Party rises today in support of transformation, industrialisation, economic justice and the constitutional obligation of Parliament to exercise oversight over public institutions.

Let us be clear from the outset; this House is not a court of law. We are not here to pronounce guilt. We are not here to interfere with the functions of the IDC board. We are not here to substitute ourselves for management. However, we are here to ask difficult questions when South Africans bring credible concerns before Parliament.

The National Federated Chamber of Commerce, Nafcoc, approached Parliament with evidence from black-owned industrial enterprises alleging prejudicial treatment by the IDC. The portfolio committee listened carefully. What emerged was not merely a complaint of one transaction or one failed business. What emerged was a disturbing pattern, a pattern suggesting that the operational culture and practices of the IDC may be drifting away from its founding developmental mandate, a mandate rooted in

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transformation, a mandate rooted in industrialisation, a mandate rooted in inclusive economic growth, a mandate rooted in building productive capacity and creating jobs.

Hon members, the IDC is not an ordinary commercial bank. The IDC was established because commercial banks historically failed to finance developmental and productive economic activity. It was created to provide patient capital. It was created to support industrial growth. It was created to develop black industrialists. It was created to expand economic participation. Yet the evidence presented to the committee suggests an institution that in some cases appears quicker to litigate than to rehabilitate, quicker to liquidate than to rescue, quicker to dispose of assets than to preserve industrial capacity.

The result is deeply concerning. More than 1 300 jobs reportedly lost. Factories have been closed. Productive assets have been destroyed. Millions of rand in industrial capital wiped out. Communities have been left poorer. This is not merely a balance sheet issue. This is a developmental issue. This is a transformation issue. This is a national economic issue.

The MK Party knows that the IDC itself has recognised the seriousness of this consent and has indicated that an independent

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investigation under the direction of non-executive directors should verify the allegation. We welcome that step. But internal processes alone cannot satisfy the legitimate public interest questions that have now arisen.

Parliament has a constitutional duty to determine whether public institutions are fulfilling their mandates. The public deserves transparency. The country deserves answers. For that reason, the MK Party supports a parliamentary inquiry into the operations culture developmental outcomes and enforcement practices of the IDC. Such an inquiry must examine funding approval patterns across different categories of enterprises, business rescue interventions versus liquidation outcomes, debt recovery practices, transformation outcomes, industrial capacity preservation, job retention performance, and the alignment between IDC operations and its developmental mandate. This inquiry must be evidence-based, objective, and fair. If the IDC is acting appropriately, the inquiry will strengthen public confidence. If shortcomings exist, the inquiry will assist in correcting them. Either way, South Africa will win.

Hon House Chair, the deeper issue before us is not merely the IDC, it is the future of black industrialisation in South Africa. Access to productive finance has always been at the centre of

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economic exclusion. The legacy of apartheid was not only political exclusion, but it was also exclusion from capital, industry, and ownership. Economic liberation requires more than speeches. It requires institutions that actively ... Thank you, Chair. [Time expired.]

Mr R W T CHANCE: Hon House Chairperson, this report covers our portfolio meeting held on the 24 February when National African Federated Chamber of Commerce and Industry, Nafcoc, presented its petition and the Industrial Development Plan, IDC, gave its response. The IDC send two follow up responses to the committee in a form of a presentation and a letter from Mmakgoshi Lekhethe their chief executive officer, CEO.

On the 6 May the IDC presented its annual performance and strategic plan to the committee including its new vision. As the IDC pointed out, it has not deviated from its mission and remains aligned to their strategic mandate and Department of Trade, Industry and Competition's priorities on transformation.

With regards of not supporting black business, in 2025 it provided R26,6 billion in Transformation Funding and R23,4 billion to black industrials. At our meeting on 6 May it

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committed to establish a board to investigate complaints with no involvement from executive management.

Hon House Chairperson, I mention these facts, because it is clear that Nafacoc petitioned and the meeting of 24 February touched a nerve in the IDC boardroom and executive suits. The nerves send a signal to the IDC corporate brain that something was not right at the state of developmental finance of business in South Africa. Something needs to be done about it.

Notwithstanding the actions the IDC has taken to address Nafcoc's grievances, the key issue is before us. Growth of the heart of both ways remains trapped in the 0,5 to 1,5 range for 15 years. This has led South Africans becoming poorer in real terms and the country perpetually falling down to the gross domestic product, GDP, league table of nations.

The central concern raised by Nafcoc relates to a perceived bias against black-owned businesses to the IDC many of which entered business rescue and were liquidated leading to the large shareholder on IDC loses as well as job losses. The corollary of this is the stubbornly high impairment rate of IDC loans hovering around the 25 to 30% rate. For an enterprise reliant upon internally generated profits to survive, this presents an

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existential threat to IDC. It is a matter the new board realised, and it is taking steps to remedy as part of this new strategy.

The committee report points out the inherent conflict between the IDC as a Development Finance Institution, DFI, as it needs to self-fund. Committee members criticised it for being too much like a bank. For the heavy demands of financial compliance and economic returns it places on its clients. However, the data suggests otherwise. For there is no bank that could survive on a 25% impairment rate. Most commercial banks report an impairment rate of less than 1%.

Thus, a vicious cycle is established to maintain its developmental mandate, the IDC makes risky loans and reliance on loan payments, dividends and exit sales from ... [Inaudible.] ... clients to keep it afloat. When the risky loans go bad, the IDC have no alternative but to call them in leading to inevitable business failures and so on.

Without an injection of capital from its shareholders the taxpayer, its developmental mandate is compromised but the Treasury's habit as bad.

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Loading up a fledgling business with debt can be a killer to cashflow. This is what happens to the businesses Nafcoc use as examples in its petition. There was a growth of new venture equity in South Africa which needs to be in place but there are wider issues here Chairperson, South Africa is not a friendly country to do business irrespective of the colour of the managers, suffocating red tape, bad in maintaining roads, railway and ports, high energy costs, failing municipalities providing substandard services, late payments of invoices, high crime rate and low rates of fixed investments. These are real reasons businesses are failing in South Africa.

Added to these are the pervasive gatekeeping in government on state-owned entities which are often the main customers of failed businesses. It is too often a case of not what you know but who you know.

The IDC and emerging businesses are sailing into a stiff breeze, mitigating the inclement weather. The IDC is evaluating blended finance models including a mix of grants, loans and equity which makes sense to lower the cost of capital for its clients and to provide patient capital. It is also sensibly evaluating recapitalisation options.

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The committee will be scrutinising the IDC on the current financial year to ensure it meets its commitments. Only when South Africa becomes a friendlier place to do business and the IDC behaves like a true DFI will Nafcoc and other businesses sail into calmer waters. Thank you.

Mr M KHOZA: Hon House Chairperson, let us take this opportunity to firstly, greet the commander-in-chief and the president of the EFF, the hon Julius Malema, commissars, fighters, our people in South Africa, Africa and the diaspora. Hon House Chairperson the National African Federated Chamber of Commerce and Industry, Nafcoc, petition is not merely a document before this House, it is a voice of black entrepreneurs, township traders and small businesses who remain excluded from the meaningful economic participation 30 years into democracy. While the committee's report acknowledges the challenges facing ... people need decisive intervention, not ...

This petition exposes the painful reality, hon House Chairperson.

The economy remains concentrated in the hands of a few while black businesses continue to face barriers to markets.

Procurement opportunities and economic ownership.

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Political freedom without economic power is incomplete. On access to finance, incremental reforms are inadequate. We need a state bank that provide affordable funding to black businesses and Small, Medium and Micro Enterprises, SMMEs, without the excessive collateral requirements imposed by commercial banks.

Government procurement must become a genuine instrument of transformation. A significant share of public procurement must be directed to black-owned, youth-owned, women-owned and disabled owned enterprises without strict measures against confronting corruption. We must never forget the everyday struggles of township rural entrepreneurs, who face unfair competition, rising costs and democratic obstacles while trying to sustain their livelihoods and create job.

Competition policy must confront monopoly capital decisively. Economic concentration in retail, banking concentration key sectors continue to undermine the growth and sustainability of black businesses.

Industrialisation cannot be separated from land ownership. Black manufactures and co-operations require access to industrial land if they are to participate meaningfully in production and economic growth.

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To Nafcoc and the broader business community we say your concerns are legitimate and your struggle for economic justice must remain at the centre of the national agenda. We support you and we are with you. We will fight till the bitter end. The EFF calls for a binding procurement framework that advances reindustrialisation for black people as a form of transfer of wealth while we get rid of parasitic traders. The establishment of a state bank for Small, Medium and Micro Enterprises, SMMEs, strong action against monopolies and market concentration. Thank you very much, hon House Chairperson.

The HOUSE CHAIRPERSON (Mr W Horn): Thank you, hon member. Your time has now expired.

Mr M KHOZA: Thank you very much, hon House Chairperson.

We encourage young people and entrepreneurs to vote on 4 November and vote for the EFF. Thank you very much. [Time expired.]

The HOUSE CHAIRPERSON (Mr W Horn): Thank you. The hon Langa.

Mr T M LANGA: Hon House Chairperson, the IFP recognises the important role that the Industrial Development Corporation, IDC, play in advancing industrialisation, economic transformation and

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job creation in South Africa. We note the concerns raised about whether the IDC's operations remained aligned with its developmental mandate particularly regarding support for back-owned enterprises and emerging industrialisation.

The IFP believes that development finance institutions must remain true to their developmental purpose by expanding economic opportunities, supporting enterprise growth and promoting inclusive participation in the economy.

The growth of black-owned enterprises, Small, Medium and Micro Enterprises, SMMEs and emerging industrialists remain essential to building an inclusive and competitive economy capable of creating sustainable employment.

We therefore support efforts to strengthen transparency, accountability and stakeholder engagement within the IDC.

Equally important is ensuring and protection of jobs and contribute to long-term economic growth. Transformation must be reflected not only in policy commitments but in measurable outcomes, broad economic ...

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The HOUSE CHAIRPERSON (Mr W Horn): My apologies hon Langa. Hon Khoza, please remain muted.

Hon Langa, please continue.

Mr T M LANGA: Transformation must be reflected not only in policy commitments but in measurable outcomes that broaden economic participation. Confidence in development finance institutions requires consistent transparency and engagement and impact.

The IFP therefore supports the report and affirms that meaningful transformation must support enterprise growth and create sustainable employment. Thank you. [Time expired.]

Mr S H M VAN WYK: Chairperson, greetings to yourself and greetings to all the other hon members on the platform. The PA recognises the intervention by the National African Federated Chamber of Commerce, Nafcoc, to the Portfolio Committee on Trade, Industry and Competition. It also speaks to the heart of South Africa's ongoing struggle for economic transformation. It reminds us that far too many communities, especially the marginalised and so-called coloured communities, in particular the rural areas as well, remain locked out of opportunity. As the PA, we would like

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to agree with the chairperson of the portfolio committee, and I would also just like to add to it.

When we speak about black business, we must know that we also speak about the coloured communities in South Africa as well. The Industrial Development Corporation, IDC, as the central development finance institution, must therefore do more than speak transformation. It must do more transformation in South Africa.

Afrikaans:

Ek wil net graag sê dat die sogenaamde kleurlinge in Suid-Afrika voel excluded [uitgesluit] uit die ekonomie, hulle voel afgeskeep van finance [finansies] en hulle voel afgesny van groot besluite in hul lewe.

Ons mense het talent, hulle het planne, hulle het ondernemings en alles bly toe vir hulle. Voorsitter, ek is klaar. Dankie.

English:

Ms L M NGOBENI: Hon House Chairperson, Action SA supports this report and we welcome the committee's recognition that serious concerns have been raised about whether the IDC is fulfilling its developmental mandate.

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What should concern every South African is that more than 30 years into democracy, black entrepreneurs are still coming before Parliament to plead for fair access to finance and a meaningful opportunity to participate in the economy.

The allegations raised by Nafcoc are serious and reflect the experiences of many businesses that find development finance inaccessible, unresponsive and disconnected from economic realities.

This comes at a time when South Africa's economy is under immense pressure. In the first quarter alone, 345 000 jobs were lost. Behind those statistics are families who have lost income, dignity and hope.

The tragedy is not a shortage of entrepreneurial talent. Across our townships, rural economies and cities, South Africans are ready to build businesses and create jobs. What they lack is a government that creates the conditions for enterprises to thrive.

Instead, South Africa continues to endure stagnant growth, declining industrial capacity and an expanding illicit economy that punishes legitimate businesses, while law enforcement too often looks the other way.

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Action SA believes in inclusive economic empowerment, not empowerment for a connected elite but empowerment that enables entrepreneurs, industrialists and small businesses to grow and employ people.

The IDC must be an instrument of industrialisation, transformation and job creation. South Africans do not want dependency. We want opportunity. That is the standard by which the IDC, this government and the Government of National Unity, GNU, must be judged. I thank you, hon House Chairperson.

Ms S MOSIKATSI: House Chair, the Portfolio Committee on Trade, Industry and Competition tables the report of the portfolio committee on the letter from Nafcoc referred to the committee by the Speaker on the 21st of October 2025 to the House for consideration, debate and adoption.

In essence, this was a petition to Parliament for a hearing on critical matters affecting the chamber and its constituency relating to the IDC, which is a state entity based on the development finance sector, and therefore the Speaker referred the matter to the committee, in which the IDC accounts, for consideration and report. This is a report being tabled in the National Assembly.

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The petition by Nafcoc requested an opportunity to brief the committee and sought intervention regarding the IDC's perceived deviation from its mandate and alleged prejudicial treatment of black-owned businesses.

On the 24th of February 2026, the committee received a presentation by Nafcoc suggesting that it stood for inclusive economic participation, small business development and transformation of the economy. These are important principles advocated by the ANC-led GNU.

Nafcoc is one of the oldest black business organisations founded in 1964 by black traders in Soweto. It is one of South Africa's oldest, largest business chambers and ... originally established to advocate for the rights of marginalised black entrepreneurs under apartheid. Nafcoc plays a vital role in both economic empowerment and the liberation struggle.

In this presentation to the committee, the chamber argued that there was a misalignment between the departmental mandate of the IDC and its operational application regarding black business.

In its presentation to the committee, the chamber cited five case studies involving black-owned enterprises receiving funding from

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the Department of Trade, Industry and Competition, demonstrating alleged systematic challenges in funding, restructuring, recovery and liquidation processes. In other words, this was not a supportive environment for the nurturing and development of black businesses.

Concerns were raised about the operational mandate of the IDC and its deviation from its core mandate, as it operates similar to a commercial bank rather than a developmental finance institution, DFI, and it engages in premature legal enforcement, business rescue placements and liquidation measures against distressed black-owned firms, while prioritising loan recovery over meaningful restructuring, business sustainability and the retention of industrial capacity, thereby undermining the principle of transformation and support for black entrepreneurs.

In its presentation, the IDC suggested that it did not discriminate against the clients and that each case had to be judged on its merits. The IDC argued that it was committed to black industrialisation and has ring-fenced a major sum of capital for the black industrialists programme.

The committee was concerned about the breakdown in relations between the IDC and businesses seeking financial support, as well

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as about the process of ensuring recovery of businesses in distress.

The committee ... in consultation with the IDC on the extent to which its current operational model ... [Inaudible.] ... due to ... due diligence framework aligned with a developmental mandate, particularly in relation to economic transformation, equitable access to finance and support for new and high growth sectors.

The committee also further suggested reviewing whether existing policies and framework governing business rescue restructuring and enforcement actions adequately balance financial sustainability with turnaround strategies, job retention and the preservation of industrial capacity.

The portfolio committee will engage in enhanced and systematic oversight of all DFIs reporting it to ensure government's mandate on economic transformation through the creation of black industrialists, small, medium and micro enterprises, SMMEs, resulting in inclusive economic growth and job creation is implemented. We further support the creation of the review panel by which it seeks to address such grievances.

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The portfolio committee has adopted the report with the MK Party reserving its right to such an important issue. However, I'm glad to hear that the party is supporting the report.

The ANC supports the report of the portfolio committee and hopes that the National Assembly adopts the report and that the recommendations of the committee are implemented. Black business knows that it can always rely on the ANC for support in the implementation of policies and in the empowerment of the historically disadvantaged. South Africa can never be free until it is economically transformed. I thank you, Chair.

Debate concluded.

The HOUSE CHAIRPERSON (Mr W Horn): Hon members, that concludes this debate. You are again reminded that a decision on the adoption of the report will only be taken in a full plenary session.

We shall now proceed to the last Order of the day, which is the Consideration of the Report of the Portfolio Committee on Employment and Labour on their oversight visit to the Free State province from the 14th to the 18th of October 2025. To introduce the report, I recognise the hon Maneli.

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CONSIDERATION OF THE REPORT OF THE PORTFOLIO COMMITTEE ON
EMPLOYMENT AND LABOUR ON
OVERSIGHT VISIT TO THE FREE STATE PROVINCE FROM 14 - 18 OCTOBER
2025

Mr B M MANELI: Hon House Chair, hon members, fellow South Africans, I rise today to present this report of the portfolio committee on the backdrop of creation tensions in the country of which jobs and economic participation is at the centre. In no doubt, this calls on Parliament to strengthen its constitutional duty of making laws, playing oversight over the executive, passing necessary budgets, and ensure public participation as a way of lawful response to these challenges.

Ours must at all times be about people's needs first, economic transformation first, and no retreat in the advancement of a better life for all agenda.

In line with its oversight mandate, the Portfolio Committee on Employment and Labour conducted an oversight visit to the Free State Province on the 14th - 18th of October 2025 to assess compliance with labour legislation and the enforcement thereof.

The visit evaluated adherence to the basic conditions of Employment Act, Labour Relations Act, Occupational Health and Safety Act, National Minimum Wage Act, the Unemployment Insurance, UI, Act and Compensation for Occupational Injuries and Diseases, COID, Act.

The committee focused on sectors known for high risk of non-compliance to ensure that workers' rights and safety are adequately protected. The farming and hospitality sectors were key areas of oversight, particularly in Bethlehem, Ficksburg, and Clarens, where there are large commercial farms, including fruit, maize, and livestock operations, which employ both seasonal and permanent labourers.

On the other hand, particularly in Clarens, a major tourist destination, was prioritised, covering restaurants, cafes, hotels, and lodges, where possibility of lower rates, unpaid overtime, and non-compliance with sectoral determination may be taking place.

A visit to the labour centres of Bethlehem, Ficksburg, and QwaQwa formed part of the oversight visit, to assess service delivery and Department of Employment and Labour programmes such as the Labour Activation Program, LAP.

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The oversight visit revealed widespread non-compliance with occupational health and safety standards across both sectors, in particular lack of proper safety measures, signage, protective gear, and risk assessments. Inspectors displayed dedication and professionalism, but their work is hindered by resource constraints and heavy workloads.

The impact of our oversight is best measured on live reality of those who receive services as a result of laws Parliament passes and the executive in their execution.

Engagement with organised labour unearthed concerns with recruitment process that prioritises outsiders and deliberately exclude locals even at general worker level with allegations of nepotism. We were also met by a delegation of former employees of the SA Cloth Factory who have been waiting for their Unemployment Insurance Fund, UIF, benefits since 2022, affecting 1,640 former employees.

In the same week, the Department of Employment and Labour issued a statement where they committed national headquarters intervening in their recruitment concerns. On the 27th of May 2026, the committee has been presented with a report to the effect that claims paid out already is 1,488 with different valid

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reasons for the rejected. This once again is a demonstration of the oversight system that works and continues to work.

The payment of R17 241 147,39 in benefits to these former employees as a result of this oversight is not just about numbers, but once more about people's needs first, economic transformation first, and no retreat in the service of the people.

I therefore present the report with committee observations and recommendations for consideration and approval of the House. As I thank all members who attended the oversight, and I thank you House Chair.

Mr L D SELEPE: House Chairperson, hon members, fellow South Africans, let me say this plainly and without apology, what this report described is not a system under pressure. It is a system that has failed the working poor in the Free State Province. And someone must answer for it.

We went to Clarens, we went to Ficksburg, we went to the Bethlehem, we went to QwaQwa, and what did we find? We found workers and farm labourers, hotel staff, restaurant workers, many of them earning below the minimum wage, and many of them without

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written contracts, many of them without UIF protection, many of them sleeping and working in the condition that no human being should be forced to endure. This is not a footnote in the report. This is a daily reality of South African's working class, in 2025, 31 into our democracy!

The single agricultural employer inspected in Ficksburg was a non-compliant, every single one. Dal Tempe Farm was paying workers below the prescribed minimum wage. Rustlers Valley had no records of working hours, no leave records, no remuneration records. And what has happened to these employers? They received notice, they were told to fix things, and we are supposed to trust, and they will. I put it to the House, a compliance notice without consequences is not enforcement. It is a warning with no ... [Inaudible.].

The working people of Free State deserve more than a piece of paper, handed to the employer who has been breaking the law, often for years. And let us speak about the Protea Hotel in Clarens; 53 workers, non-compliant, the employer refused to produce audited financial statement to the inspectors conducting a lawful inspection. This is open contempt of the law. This is a thumb in the eye of Parliament and everything it stands for. Where is the prosecution? Where is the escalation? Where is the

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consequences? Because from where I sit, the answer is this one and the silence is deafening.

Using a manual filing system because the digital infrastructure has collapsed. How in the name of accountability is this acceptable? We are told that the province has 253 vacant posts. And because of the moratorium of filling position, but the inspectors are being asked to cover vast rural territories, farms in the remote areas with no transport. The department cannot simultaneously staff its own workforce or resources and then explain away non-compliance. That is the contradiction.

This committee must refuse to accept it. And I must raise that matter of the workers themselves. When we engage with organised labour, workers told us they are being overlooked, that the local people from the very communities are being passed over every entry level job within the very department that is meant to protect them.

If those allegation are true, then we have a Department of Employment and Labour that is failing to employ the people of its own ... supposed to say. That is not irony, that is disgrace. So let me ... thank you very much. [Time expired.]

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Mr M BAGRAIM: Chairman, on behalf of the DA, we had a careful look at this report. Reports of this nature reflecting on oversight visits are all well and good. However, this report is based on a visit that took place approximately five months ago. When one considers the issues raised and evaluates some of these observations and recommendations made at the time, the critical question is whether anything has changed since then.

There is only partial compliance with the Basic Conditions of Employment Act. Numerous employers continue to operate under incorrect Compensation for Occupational Injuries and Diseases Act and the Unemployment Insurance Fund, UIF reference numbers.

Equally concerning is the persistent weakness in record keeping practices and the lack of financial transparency amongst employers. Most troubling of all is the continued poor coordination between employers, the department and the SA Police Service.

Despite this being repeatedly identified as a critical area requiring intervention, nothing changes. The background to this report calls for fair employment practices, ensuring safe working conditions, protecting workers' rights through the enforcement of labour laws and the contribution to job creation.

This background, in fact, points out the real glaring inadequacies of the Department of Employment and Labour.

Employment practices are invariably unfair and not monitored or punished. There are very few safe working environments. Workers' rights are not protected. Labour laws are inadequately enforced and there's little evidence that the department is making any meaningful contribution to sustainable job creation.

The committee stated that it focused on high risks of non-compliance to ensure that workers' rights and safety are adequately protected. Yet, during last week's UIF deliberations at the portfolio committee, a senior ranking executive of the Department of Employment and Labour, whilst looking out the window during a portfolio committee meeting, he noticed a worker in Parliament with the renovations and with absolutely no personal protective equipment, PPE.

This worker was endangering himself with the flagrant disregard to any of our health and safety standards, laws and regulations. It appears that everyone in Parliament seems completely oblivious to not only the laws of occupational health and safety, but certainly to any sort of enforcement.

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It is refreshing, however, to see that during the overview of the Free State Labour Centres and their various operational challenges, they reported as follows.

The committee reports, the province openly cited political interference in recruitment processes, information, communication and technology, ICT system failures, poor infrastructure at visiting points, non-compliance by government departments, and the limited cooperation from the National Prosecuting Authority in enforcing occupational health and safety laws.

Additionally, Auditor-General findings and consequence management reports pointed to ongoing governments and administrative weaknesses. Not only is it refreshing, but at least we have the Free State province speaking truth to power.

Every single employer was found to be lacking, the hospitality industry in particular, evidence failure of many of our labour laws. What has the inspectorate been doing in between annual oversight visits? We keep hearing how the Ministry has employed thousands of new inspectors and has trained them. Do these inspectors go out and inspect?

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Every time these oversight visits take place, we hear the same concerns from the labour centres. They report persistent power outages, network and system downtime, water cuts, inadequate office space, insufficient tools of trade, such as laptops, furniture, and the shortage of vehicles suitable for field work, particularly in rural areas.

Reports also further note that there is no network point in the Public Employment Services, PES, block and limited resources for interns hindering productivity. Staff shortages, including the temporary absence of an employment counsellor, have also affected performance indicators.

However, what particularly caught my attention, were the repeated complaints about staff shortages, particularly amongst labour inspectors in occupational health and safety. This raises the obvious question, what happened to the 5 000 new inspectors from two years ago and the additional 10 000 inspectors promised by our President from a year ago?

For years, I've raised concern that the inspectors already employed are ill-resourced, badly trained, severely constrained in their ability to conduct effective inspections. Yet the prevailing response seems to be that the solution lies in

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appointing more inspectors rather than properly equipping those that are on the job.

It is encouraging to hear that the QwaQwa Labour Centre ... [Time expired.]

Ms T J MOKWELE: Chairperson, greetings to the commander-in-chief, fighters and fellow South Africans. Chairperson, the report tells a story that has become common in South Africa, the story of workers who are being failed. They are failed by employers who exploit them and disregard labour laws. They are failed by a state that lacks the capacity to protect them.

When the committee visited the Free State, we did not find isolated incidents or few bad employers. We found patterns.

We found workers without proper contracts. We found workplaces that were failing to comply with basic occupational health and safety requirements. We found labour centres struggling with a shortage of staff, resources and infrastructure.

The most alarming findings in Ficksburg, where every agricultural site inspected by the committee was found to be non-compliant, the people who plant, harvest, produce the food that feeds the

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country are subjected to exploitation, unsafe working conditions and violation of labour laws.

The report also paints a deeply troubling picture of occupational health and safety compliance across both agriculture and hospitality sector. Employers repeatedly fail to comply with safety requirements designed to protect workers from injury and harm.

Chairperson, there is a worrying trend where some employers obstruct labour inspection and refuse to provide information required by inspectors. This reflects a growing culture of arrogance among employers who believe they can ignore labour laws because the chances of facing consequences are slim.

The report exposed also the failure by the Department of Employment and Labour itself. The Free State has almost 253 vacant posts, labour centres facing shortage of inspectors, shortage of vehicles, inadequate infrastructure and a weak system for tracking repeat offenders.

The labour centres in QwaQwa and Bethlehem are expected to serve thousands of people with limited resources. The EFF therefore calls for the urgent filling of critical vacancies within the

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department, stronger enforcement measures against repeat offenders, proper resource labour inspectors and regular unannounced inspection in sectors where exploitation remains widespread.

The EFF supports this report, and we call upon all South Africans, young and old, to go in their numbers, register to vote for the EFF and make sure that workers and the working class are protected.

I thank you, Chair.

Mr S L NGCOBO: The IFP has consistently emphasised the importance of protecting labour laws and workers' rights in order to support and uphold the dignity of South Africans. The IFP welcomes the oversight report on the capabilities and challenges affecting the Department of Employment and Labour in the Free State province. We maintain that dignified employment is the cornerstone of the freedom and dignity, and as such, employment remains a central policy priority as reflected in our manifesto.

The IFP observes that many of the challenges identified include non-compliance and administrative errors which negatively impact workers, as well as poor capacity and coordination.

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Hon House Chair, once these challenges are addressed, we will already see an improvement in the quality of life in the affected communities, and despite the issues noted, the IFP acknowledges that the Phuthaditjhaba Labour Centre achieved a 92% performance rate in 2024-25, demonstrating dedication despite resource constraints.

The IFP accepts the report and calls for recommendations contained therein to be implemented in a timeous manner.

Thank you very much, Chairperson.

Ms J A BASSON: Chairperson, after visiting the Free State, I had a bigger eye opener than what I've had sitting in an office discussing reports. This report is 90% a true reflection of what we saw on the ground which was heartbreaking - heartbreaking that 32 years after apartheid, we are living in a different kind of apartheid.

We are now living in an apartheid where the rich become richer and the poor gets treated like the poor. It was alarming to see farm workers living in conditions that animals should not even live in. It was alarming to see restaurant owners employing

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foreigners to be cooks, which is not a scarce skill. Our own laws are not being implemented.

What I observed from this oversight visit is the lack of evidence. We get taken to restaurants and farms, but there are absolutely no reports to prove how the Department of Employment and Labour, DEL, has been engaging with and assisting these businesses. I bet a million bucks as we are sitting in this meeting today, that if we must return to the Free State, what we have found will still be the same as there is no evidence that the changes are being made.

We are complaining about short of staff, short of tools of trade and short of everything as a department. But as a department, we are failing ourselves in the law. If we have a look at the ground forces on the ground, there was hardly any coloured employees in the DEL, nor white employees. If we as the DEL cannot even adhere to the law that we are setting, how can we expect it from the rest of the country? We need to lead by example, not force the law among the rest of our South Africans. I thank you.

Mr A D BEESLEY: House Chair, the report before us paints a deeply troubling picture of the state of labour and law enforcement in the Free State. At a time when unemployment in the province

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stands at nearly 40%, the very department tasked with protecting workers and enforcing labour laws is unable to perform its duties effectively because of chronic capacity shortages. This has serious consequences.

When labour laws are not enforced, workers are exploited. When workplace safety standards are ignored, workers are placed at risk. When compliance inspections are inconsistent, honest businesses that follow the laws are placed at a competitive disadvantage against those that do not.

The report further highlights a continued need for co-ordinated inspections involving the Department of Home Affairs, SA Police Service, SAPS, and labour inspectors to verify the legal status of employees and to ensure compliance with South African labour laws.

ActionSA believes that South Africans should never be forced to compete for scarce jobs in an environment where labour laws are poorly enforced and where government lacks the capacity to uphold the rule of law. The first responsibility of government is to enforce the laws that already exist. Yet, this report shows a department struggling with vacancies, resource shortages and

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administrative failures while unemployment remains at crisis levels.

ActionSA, therefore, supports recommendations aimed at strengthening inspection capacity, filling critical vacancies, improving co-ordination between departments and ensuring that labour laws are applied consistently and without fear or favour. South African workers deserve protection, law-abiding employees deserve fairness and taxpayers deserve a government capable of enforcing its own laws. I thank you, House Chair.

Ms N S NKOPANE: Hon Chair, let me greet you, the leadership on the platform and all the members that have just presented their views on our visit to the Free State.

Hon Chair, the African National Congress, as the custodian of the values of social justice, decent work and human dignity, hereby expresses its full support for the findings and recommendations contained in the report of the Portfolio Committee on Employment and Labour on the oversight visit to the Free State province, held from 14-18 October 2025. This oversight visit affirms the ANC's commitment to advancing the constitutional rights of workers, promoting fair labour practices and ensuring safe working environments across all sectors of the economy,

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particularly those vulnerable to exploitation such as farming and hospitality.

The challenges highlighted, including pervasive non-compliance with occupational health and safety, OHS, standards, underpayment, poor record keeping, lack of formal contracts and insufficient labour inspection capacity, resonate deeply with the ANC's policy imperatives of protecting workers' rights and strengthening institutional effectiveness. The ANC notes with grave concern the report's findings of widespread OHS violations across the Free State's agricultural and hospitality sectors, where workers are exposed to unsafe working conditions without adequate protective equipment or risk assessments. This is contrary to the vision of decent work enshrined in the National Development Plan and the Labour Relations Act and undermines our goals of reducing workplace injuries and fatalities.

We, consequently, wholeheartedly endorse the committee's recommendation calling for intensive targeted OHS training workshops, increased inspection frequency and rigorous enforcement measures to compel employer compliance and safeguard worker health.

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Furthermore, the ANC recognises the systemic challenges within the DEL's regional offices, including staffing shortages, resource constraints and inadequate logistical support, which impede the effective monitoring and enforcement of labour legislation. These challenges hinder the department's ability to conduct timely inspections, follow up on contraventions and engage meaningfully with employers and employees alike. It is, therefore, imperative that the department expedites recruitment processes, addresses capacity gaps and improves operational resources in line with the report's recommendations.

In conclusion, Chair ...

IsiXhosa:

... andifuni ke ukongeza ndiphinde ndithethe nangakumbi kula nto ithetha ...

English:

... about co-ordination in the Department of Employment and Labour, Department of Home Affairs and SA Police Service, SAPS in addressing challenges relating to undocumented foreign workers and ensuring comprehensive compliance enforcement.

IsiXhosa:

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Siqubisene nayo yonke loo micelimngeni ngethuba sisenza lo msebenzi.

English:

In conclusion, Chair, the African National Congress believes that the oversight report provides a crucial roadmap for enhancing labour regulations, addressing non-compliance, empowering workers and improving service delivery in the Free State province. We call upon the DEL, relevant provincial offices and all stakeholders to implement the report's recommendations. By institutionalising regular oversight, increasing inspections, advancing capacity building and promoting stakeholder engagement, as outlined, we will progressively realise a fairer, safer and more just labour environment in the Free State and across South Africa.

The ANC stands resolute in its dedication to these goals as part of our broader mandate to build an inclusive economy that serves the needs of all our people. The ANC stands to support this report. Thank you, Chair.

Debate concluded.

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The HOUSE CHAIRPERSON (Mr W Horn): Hon members, this concludes this debate. Similarly, a decision on the adoption of the report will be taken in a full plenary session of the House. That also concludes the business for the day.

The mini plenary session rose at 11:40.