

UNREVISED HANSARD

MINI PLENARY - NATIONAL ASSEMBLY (VIRTUAL)

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PROCEEDINGS OF THE NATIONAL ASSEMBLY

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

The Deputy Speaker took the Chair and requested members to observe a moment of silence for prayer or meditation.

ANNOUNCEMENT

The DEPUTY SPEAKER: 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 will apply. Members enjoy the same powers and privileges that apply in the sitting of the National Assembly.

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Member should equally note that anything said in the virtual platform is deemed to have been said in the House and maybe 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 the 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 the screens, which has an option to allow a member to put up his or her hand to raise points of order. The Secretariat will assist in alerting the Chairperson to members requesting to speak. When using the virtual system, members are urged to refrain or desist from unnecessary points of order or interjections.

Lastly, I wish to remind you that we are meeting in a mini plenary session and therefore any decisions will be taken in a full plenary session of the Assembly. The first item on the Order Paper is a subject for discussion in the name of the hon S M Gana on: South Africa's gambling crisis, evident from recently published official figures, and the need for measures to better

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regulate the gambling industry to protect South Africans from gambling addiction.

SOUTH AFRICA'S GAMBLING CRISIS, EVIDENT FROM RECENTLY PUBLISHED OFFICIAL FIGURES, AND THE NEED FOR MEASURES TO BETTER REGULATE THE GAMBLING INDUSTRY TO PROTECT SOUTH AFRICANS FROM GAMBLING ADDICTION

SUBJECT FOR DISCUSSION (Mr S M GANA):

Xitsonga:

Tat S M GANA: Ndza khensa, Mutshamaxitulu.

English:

Hon members and fellow South Africans, no country has ever gambled its way to prosperity. Let me repeat that: No country has ever gambled its way to prosperity. Some might win for a moment but many, far too many are losing. The gambling companies operating in our country are not here to make South Africans to win. They are here to make as much money as possible, regardless of the social cost and regardless of the human suffering that follows in their way.

It has been over a year since Rise Mzansi started sounding the alarm about the growing gambling addiction crisis that is

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crippling our nation. When I began in this journey, when I first raised my voice in this House, many dismissed my warnings, many did not yet grasp the magnitude of the problem, the exponential growth of gambling addiction and the quiet but distractive epidemic spreading in our communities. I was in truth a lone voice in Parliament. Nevertheless, today I am heartened, I am grateful because many of you have come to see what I saw then, that South Africa is in the middle of a gambling addiction pandemic, and together we are beginning to respond to it with the urgency and seriousness it deserves.

The human cost of this crisis is staggering. Gambling addiction is not an individual problem, it is national public health and social crisis. Families are breaking apart, homes are being lost, people are drowning in debts and most painfully lives are being lost to suicide. Gambling used to be a form of leisure in the past but not anymore. Today, we are seeing ordinary South Africans gambling money they simply cannot afford to lose. Social grant recipients are gambling away the very funds meant to put food on their tables.

Students are gambling away their National Student Financial Aid Scheme, NSFAS, allowances, risking their education and their dignity ... [Inaudible.] ... In this exam period, school children

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- our nation's future - are gambling instead of studying for a better future. While our people are losing, the gambling industry is booming. It is now the fastest growing industry in South Africa.

In the past year alone R1,5 trillion was wagered. Think about that. A R1,5 trillion of hard-earned South African money syphoned away through gambling platforms, casinos and betting applications. While South Africans are losing, the gambling operators are winning big. They made R75 billion in gross gambling revenue last year yet from that enormous sum, they paid only R6 billion in direct taxes. Do you know how much went to support the rehabilitation and counselling of gambling addicts? A mere R74 million. That is less than the cost of some of their marketing campaigns that cost over R2,6 billion in one year.

These companies are not only extracting money, but they are also normalising gambling through relentless advertising and social media influencer campaigns. Every day our people are bombarded with messages that make gambling look glamorous, easy and even patriotic. Their turning our social media feeds into digital casinos. This cannot continue. We can no longer allow this silent pandemic to erode our communities. That is why today I am

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proposing seven urgent performs to bring accountability and balance to this industry.

Number one, we need to limit advertising hours. There must be no gambling advertising between 5:00 in the morning and 10:00 in the morning. Children and families must be able to prepare for work and school without being bombarded with gambling adverts. Two, we need to raise the provincial gambling taxes to at least 8% of the gross gambling revenue. Three, we need to increase the contribution for the SA Responsible Gambling Foundation from the current 0,1% to 1% of the gross gambling revenue. Four, we need to mandate operators to allocate at least 40% of their marketing budget to promoting responsible gambling.

Five, we need to enhance Financial Intelligence Centre Act, FICA, and know your customer, KYC, compliance for all gamblers and ban gambling using overdraft or credit. No one should gamble with the money they do not have. Six, we need to crackdown on illegal gambling operators, especially online platforms that evade regulation and exploit vulnerable South Africans. Finally, we need to impose strict controls on influencer marketing and sports sponsorships that promote gambling to young people. These reports are not about prohibition, they are about protection.

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We cannot sit an idly while trillion rands industry feeds on the despair of the poor and the hopes of the young. We cannot continue to allow corporate profit to come before public well-being. So, today I say, enough is enough. Enough of unchecked advertising, enough of the spiral debts and enough of the never ending despair. The gambling operators must no longer be allowed to extract wealth from our people while contributing so little in return.

Let us stand together government, opposition, civil society and ordinary South Africans and say, no more! Let us reclaim our social value, our economic health and our people's future because no country has ever gambled its way to prosperity and South Africa will not be the first. The time for urgent gambling reforms is now, not tomorrow, not next year, but now.

Xitsonga:

Ndza khensa, Mutshamaxitulu.

Mr V G REDDY: Deputy Speaker, hon members, and my fellow South Africans. Let me thank the hon Gana for introducing this topic to the House. I rise this morning on behalf of the MK party and let me begin by talking to you about a story that should make each and every one of us stop and think.

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Their names are Velima Naidoo and Guguletu Mkhizi. They are 68 and 72 years old. Every month on pension day, they wake up before sunrise, catch two taxis to town, collect their R2 180 grant, and then walk straight into the casino.

They sit at the same slot machine, whispering a prayer, and maybe this time they hope that they will win enough to fix their leaking roof or buy their grandchildren school shoes. In fact, Velima even takes a photograph of her late husband and places it on the machine, hoping that he will miraculously speak to the angels to make the machine pay the jackpot. Sadly, they never win. By the time they leave, they have nothing. They borrow taxi fares to get home, and the next month they return to try again.

Colleagues, you know what they say, pastors go to heaven because they make many people pray. But let me tell you that if this is the criteria to go to heaven, then the casino owners are guaranteed a place there. Why? Because they make more people pray than the pastors.

Hon members, this is not just entertainment anymore. This is exploitation of the poor and vulnerable, and the winner every single time is the casino. Online betting apps have turned our

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country into one big casino. They lure young people, especially through sports betting.

You watch a soccer match, and an advert pops up, bet R10, win R10,000. And guess what? A teenager, maybe 14 or 15, tries it, wins once, and that's it. He is hooked. He chases that feeling again and again until his money, his hope, and his future are all gone.

These apps, colleagues, are designed to keep you losing, and the money doesn't stay here. It flies overseas to foreign servers and foreign bank accounts. Let's start speaking the truth. Most of South Africa's casinos are not South African. They are owned by foreign companies who hide behind shell names and fancy brands.

The profits leave this country before the ink is dry. Foreign owners get rich while our people, the workers and the players, are left poor. They used to come for our gold and diamonds. Now they come for something far more valuable, our people's hopes.

The new mineral they are mining is our people's desperation. And how do they get away with it? Through advertising. Millions and millions of rands in adverts. They don't just buy adverts. They

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own the media companies that run them. They pay huge sums to themselves, and they call it marketing, and move money between their own businesses to hide profits. It's one big circle. Same owners, same money, same manipulation.

Now, all of you have been to Durban's King Shaka Airport. When you walk through those terminals, you could easily think you're walking into a casino, not an airport. Billboards, posters, flashing lights, gambling, gambling, gambling.

No adverts for education, no ads for jobs, just gambling, selling dreams that end. Behind the glamour are real people. Casino workers who work night after night, weekends and holidays. They stand on their feet for 12 hours, smiling while serving others, but they earn just enough to survive. They are the backbone of the industry, but they remain at the bottom while foreign owners live in luxury abroad. That is modern slavery wearing a suit and a tie.

Yesterday, the Supreme Court of Appeal ruled that it is illegal for bookmakers to offer casino-style games online and disguise them as sports betting. This is a victory for justice, but now Parliament must finish the job. We cannot let betting companies find new loopholes. We cannot let online gambling continue to

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destroy families and communities. The courts have spoken. Now this House must act.

The MK party has a plan. We will not sit quietly, and we urge our colleagues to join us in this fight while our people are being robbed in broad daylight. We are introducing a private member's Bill that aims to bring real change. We are proposing that a special tax be placed on all online gambling, and every cent be ring-fenced for education. Let gambling money start to build schools, hire teachers, and fund skills programmes for our youth.

All gambling servers must be hosted in South Africa. You see, where they get away, they take these servers that host these online gambling apps and move them overseas to countries that are tax havens, and they send their money there. It's a form of illicit financial flows. So, we need to be able to tax, monitor the gambling servers.

All owners of casinos must be made public. No more hiding behind foreign shell companies. Fair play and dignity for casino workers. And most importantly, we agree with the hon Ghana, but we want to go a step further by saying that there must be a total ban on casino and gambling advertising, like we did for cigarette advertising, when we realised how it was killing our people.

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We must ban casino and online gambling adverts that are killing out nations. So, if we could protect our people from tobacco, we can protect them from this new addiction. Our other countries are not sitting by and waiting. They are acting.

India has banned real money gaming apps that were destroying young lives. Ghana has banned gambling adverts during prime time and family shows. Kenya has forced gambling companies to pay full taxes and to shut down those that refused. If they can protect their citizens, why can't we protect ours?

Hon members, this is not about politics. It is about our people. When a pensioner loses their grant money in a casino, when a student loses his National Student Financial Aid Scheme, NSFAS funds on an app, when a worker spends the night dealing cards for minimum wage while the owner buys another mansion abroad, that is our collective failure.

We were elected to serve the people, not to watch silently while they are bled dry. The MK party calls on every member in this house, across all parties, to put our people first, to put our children first, and to put our South Africa first.

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Chairperson, we once fought for our land, then we fought for our freedom. Now we must fight for our future, because foreign companies no longer come with guns and ships. They come with apps and adverts. They take our money, our data, and our dignity. The MK party says enough!

No more exploiting our youth, no more exploiting our pensioners, no more advertising addiction as entertainment. Let gambling be taxed for education, not for greed. Let casinos be places of work and real entertainment, not places of suffering. Let our airports and our cities promote learning and opportunity, not flashing promises of false hope. Deputy Speaker, for once, let's make sure our people win and the casino loses.

I thank you.

The DEPUTY SPEAKER: Thank you hon, Reddy. Before I go to the hon Chance, I saw the hon Mosikatsi for a moment. I've also been informed that the hon Xego will take the hon Mosikatsi's place, so could I please check so that we can make sure that we also give that slot to the ANC? Is there a speaker from the ANC? I don't see anyone so I'm now handing over to the hon Chance.

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Mr R W T CHANCE: Hon Deputy Speaker, hon members and fellow South Africans, the hon Gana's subject for discussion is very well-timed. The National Gambling Board has just released its 2024-25 annual report which includes a staggering array of statistics signifying the explosive growth of gambling and betting in South Africa. For the past two years, gambling operators recorded average gross gambling revenue growth of about 30% in a year.

Online betting overtook casinos in its share of total gambling revenue in 2021 and now accounts a 70% of all gambling revenue compared to casinos' 22%. Gross gambling revenue of R75 billion now accounts for just under 1% of the gross domestic product, GDP. However, accompanying this growth is more thanks to trends. These include expenditure of scarce spending of the income by minors on National Student Financial Aid Scheme, NSFAS, grants and social grant recipients, the surge in gambling addiction and desperate calls for help by victims and the proliferation of intrusive and blanket and sport betting appetising across electronic media platforms, billboards and sports bodies.

The subject for discussion rightly calls for measures to better regulate the gambling industry to protect South Africans from gambling addiction. However, addiction is only one of the negative consequences of our gambling obsession.

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Recently, Old Mutual stated that the impact gambling has on people's spending is so significant that it threatens the country's economy. In its latest annual report Famous Brands raised concerns over the growing impact of online gambling on consumers spending saying that the surge in betting activity is eroding disposable income and waning on restaurant traffic.

Veteran Pick'n Pay chief executive officer, CEO, Sean Summers, has called for an outright ban on gambling advertising accusing a few gambling operators of hoovering up over a billion rand a week and sending mostly at loss with little benefit to the fiscus.

South Africa is not alone in facing these challenges. The Parliament of India passed a new Bill banning online gambling wholesale in August due to concerns of its effects on participants. Members of Parliament, MPs, in the United Kingdom, UK House of Commons launched a comprehensive inquiry into the fruits of gambling regulation in July with specific attention of the volumes of advertising for gambling. Concerns over the gambling market, online and in person have prompted Thailand government to open talks on the legalisation of online gambling. Brazil has begun work on a national self-exclusion system. While regulations in the United States have been tightened leading to gambling giant Betway pulling out of that market.

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Here at home Parliament and the executive notably the Department of Trade, Industry and Competition, DTIC, have been asleep at the wheel.

The National Gambling Act of 2004 came into operation on 1 November 2004. The Act provides that the Minister must, within two years of that date introduce legislation in Parliament to regulate interactive gambling within the Republic.

The resulting 2008 National Gambling Amendment Act passed in both the National Assembly and the National Council of Provinces, NCOP, two years after the deadline had come and gone, has not been implemented and is hopelessly outdated. In state of enacting the 2008 legislation, in 2009 Minister Rob Davies appointed a Gambling Review Commission to conduct the review of the gambling industry. This led to the 2016 National Gambling Policy which recommended a continued prohibition of the online gambling notwithstanding the growing prevalence of it in reality.

I must make it Chair that fixed odds betting, mainly on sports events where the result is uncertain until it happens, is legal, hence the proliferation of sports betting including online. This is opposed to casinos-style online gambling which remains illegal.

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The Supreme Court of Appeal's recent judgment has revealed just how much confusion there is over what types of gambling are and are not legal in South Africa. All the more reasons to move to a system where regulation covers all forms of gambling rather than sticking to a system designed 20 years ago.

Over the past 10 years, the South African public has been exposed to and participated in online and interactive fixed odds betting licence by provincial gambling authorities. At the same time a lack of regulation on online gambling is resulting in revenues and jobs being lost to other gambling jurisdictions to illegal online gambling sites.

A new National Gambling Amendment Bill was tabled in 2018 which aimed to replace the National Gambling Board by the regulator and impose a Central Electronic Monitoring System. The Bill was adopted by the National Assembly in December of that year and was rejected by the NCOP. It was referred to the mediation committee which was not constituted for seven years. It was finally constituted in June this year. However, when it became clear that the committee's report would not receive majority party spot, it was not tabled. Now we sit on a situation of a legislative paralysis.

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The DA is proposing a solution and a way out of this logjam. A DA's Remote Gambling Private Members' Bill was published in October 2024 and received public submissions with many useful recommendations and amendments. The Bill updates the 2008 National Gambling Amendment Act. It takes into account advances in technology and the explosion of online gambling and betting and associated advertising and sponsorship spend.

On Wednesday's meeting at the portfolio committee, I tabled a proposal with the committee processes this as a committee Bill. This would free up the department to focus on the myriad other issues requiring legislative and regulatory attention.

The portfolio committee would take the lead, combining the best elements of the 2008 Act, the 2018 Bill, the Remote Gambling Bill. I would be a joint effort by all parties both within and outside the Government of National Unity, GNU, and would take into account work the DTIC has already done as well as the public submissions received.

Public concerns about the mushrooming of illegal gambling, gambling addiction, under-age gambling and unfettered advertising and market of gambling of sports betting are at fever pitch.

Parliament cannot afford once more to shirk its responsibility to

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provide leadership. I urge members of the portfolio committee to take the bull by the horns and support my resolution next Tuesday to seek permission from the Speaker to initiate this committee Bill.

This will end regulatory uncertainty for gambling operators. Provide comfort for victims of addictive gambling and generate much needed revenue for National and Provincial Treasuries. It would also restore public confidence in Parliament as an institution of by and for the people. Parliament can once more assume its rightful place as a centre of debate and meaningful reform in South Africa for the betterment of all. I thank you.

Mr S TAMBO: Hon Deputy Speaker, South Africa is sinking into a moral crisis that no longer hides behind statistics. Its stares on us on every billboard, every sports jersey, every shopping mall wall and every township street corner. Gambling has become the new face of desperation. A mirror reflecting society on its knees searching for meaning and loss and our people are suffering.

The collapse of our moral fabric is not abstract. It is a lived daily feeder habits that now define the poor and the hopeless. The society's wellbeing is measured by the dominant habits

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amongst its people. In South Africa those habits have been shaped by exploitation and despair.

Gambling like alcohol abuse, corruption and substance addiction has become a coping mechanism for those who have been failed by the state and the false escape from unemployment, hunger and easy loads by Capitec.

At Fort Hare University, students who go six months without National Student Financial Aid Scheme, NSFAS, allowances use what little money they can find. Sometimes even through sex workers seen in fitted institutions to gamble on Betway.

In Technical and Vocational Education and Training, TVET, colleges, young people receive smaller stipends than their university counterparts try to make up the difference by putting the food money into Hollywood bets. The SA Social Security Agency, Sassa, beneficiary trapped in permanent joblessness play the lottery every week in the hope of winning their way out of poverty. This is not leisure; it is the pathology of a broken society.

In the past 12 months alone, South Africans played bets amounting to R1,5 trillion, with the R75 billion representing pure loss to

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consumers. That is the R75 billion that could have fed families, paid rent to educated children which have gone into the pockets of few billionaires who fund political parties and buy silence.

Studies now show that the youth and the middle-aged adults spend almost halve of their income on gambling. Even those who have jobs gamble to pay off debt hopping for a miracle that never comes.

Everywhere we go gambling follows us. Airports, highways and townships are trusted with this propaganda. Outside predominantly black universities, TVETs, high schools, churches, gambling adverts promise wealth. Shopping malls and marathons are branded in gambling logos. You cannot even run a 10-kilometre race without being turned into a walking billboard for gambling addiction.

This is not an accident; it is a calculated assault on the vulnerable. We must ask: How did government allow gambling companies to colonise our public spaces and our imaginations?

Where were we when King Shaka International Airport became a Hollywood bet International Airport? Where were we when football the sport of the working class was sold to gamblers while cricket, rugby and swimming remain untouched?

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Let us be honest, the answer lies in money and political complicity. The gambling industry funds those who protects its interests.

Allow me to introduce to you a man by the name of Martin Moshal the founder of Microgaming. The pioneer of the online casino software and the key funder of the gambling empire that traps our people today.

In 1994 Moshal launched the gaming club which evolved into microgaming. That company powers Betway which was founded in 2006. Moshal remains one of its financiers. Ahead of the 2024 elections Moshal donated R35 million to the DA, R29,5 million to Action SA, R4 million to Bosa to Mmusi Maimane. These are the same political forces that today defend the gambling industry and resist tougher regulations. They are not protecting choice of freedom. They are protecting their funders.

South Africa cannot afford this hypocrisy any longer. We live in a society ravaged by unemployment, illegal substance abuse and gender-based violence, alcohol dependency and record levels of household debt. The majority of black South Africans live in despair. The gambling industry profits directly from that despair. This is why our tone cannot be gentle or accommodating.

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This is not the time to handle the issue delicately for the fear upsetting the DA and its funders.

We must be firm unapologetic and morally clear. Gambling is destroying lives and those who enable it are complicit.

What must be done? Firstly, all forms of illegal gambling including private betting syndicates, clandestine casinos and unregulated online platforms must be declared criminal offences with severe penalties for operators. Apartheid gave Bantustans casinos instead of industries. We must now clean out that mess.

Secondly, in the meantime while we look at ways to burn gambling advertising, sports sponsorships by gambling companies must be severely restricted. Gambling must be removed from our sports in its entirety. Our children must not grow up believing that the love of football is one to bet on. The fact that our football is sponsored by a gambling company is a national shame. They do not sponsor cricket, rugby or swimming, only the sport of the poor where suffering can be monetised.

Thirdly, gambling advertizing must be prohibited outright. The promise of wealth and glamour sold to our people is a lie. It manipulates poverty and hope and equal measure. There is no

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national benefit when every billboard, every application, App, every life sport broadcast becomes a recruitment tool for gambling addiction.

Finally, Parliament must fast-track the implementation of the National Gambling Amendment Bill which has been stalled due to the influence of the gambling oligarchy over politicians. Regulation must include transparency on the political donations from gambling entities. A national register of excluded persons to protect addicts and dedicated rehabilitation programmes funded by the industry itself.

Hon Deputy Speaker, gambling advertising is the biggest threat to the social fabric of our country today. The EFF will not sit silently while political parties funded by the gambling elite turn South Africa into a casino economy. We call on this House to act with courage not caution to defend the people, not profiteers to defend our lives and not casinos and online gambling. I thank you.

Ms S T XEGO: Hon Deputy Speaker, the ANC speaker is ready now.

The DEPUTY SPEAKER: Who is the ANC speaker?

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Mr T M LANGA: Sorry, Deputy Speaker, may I go ahead, ma'am?

The DEPUTY SPEAKER: I will give the ANC an opportunity after hon Langa. Thank you, hon Langa proceed as the ANC.

Mr T M LANGA: Hon Deputy Speaker, may I request to keep my video off for better connectivity purposes?

The DEPUTY SPEAKER: Yes, that is in order.

Mr T M LANGA: Deputy Speaker, maybe one must thank hon Gana for tabling this very important subject for debate. Hon Deputy Speaker, the IFP rises today to note the concern over the growing gambling crisis in our country, the crisis that is quietly eroding the social fabric of our communities. According to the recent published National Gambling Board statistics report, the figures paint a troubling picture. South Africans are spending billions each year on gambling activities, with online betting and instant games leading the surge. This is not just an economic issue, it is a social one. It affects families, livelihoods, and the very moral compass of our society.

Hon Deputy Speaker, the IFP has long maintained that freedom must be matched with responsibility. While the right to entertainment

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and entrepreneurship must be respected, it cannot come at the cost of social collapse. The evidence is clear, gambling addiction is on the rise, the hurt is deepening, and young people are increasingly loaded into high-risk behaviour by aggressive marketing, particularly through unregulated online platforms. Among the factors people attending to gambling is because of high unemployment rate and the high cost of living. Many see it as a quick way out of financial hardship.

If we can create more stable employment opportunities with sustainable remuneration and give people real alternatives, we might see fewer turning into gambling as a form of income or escape. Furthermore, regulation is divided between national and provincial authorities, which creates a loophole for criminal syndicates as well as illegal operators to exploit. We, therefore, call for a comprehensive review of the National Gambling Policy to align it with the realities of the digital era including online and crypto-based betting. Furthermore, hon Deputy Speaker., regulation must not only be about policing, it must be about protection.

The IFP calls for a dedicated public awareness and rehabilitation fund financed by levies from the gambling industry to assist affected individuals and families. Hon Deputy Speaker, this

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crisis is also one of moral leadership. The IFP's founder, Prince Mangosutu Buthelezi, often reminded us that development must be people-centred and grounded in ethics. Gambling, when left unchecked, becomes an attack on desperation, preying on the poor and vulnerable who seek quick financial relief in a system that offers few real opportunities.

We must, therefore, balance economic benefit with social responsibility. The IFP stands firm that South Africa must regulate gambling with humanity, accountability, and foresight.

We must safeguard our people from exploitation, ensure transparency in licensing and operations, and prioritise the well-being of families above profits. Hon Deputy Speaker, the IFP believes a caring state cannot, and I will repeat that, cannot gamble with the lives of its citizens. Thank you very much, hon Deputy Speaker.

The DEPUTY SPEAKER: Thank you, hon Langa. We will now go back to the ANC speaker. Please proceed.

Ms M S LETLAPE: They are not ready those people.

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The DEPUTY SPEAKER: I see that there is a problem. Can the table also perhaps assist because I see ... [Interjections.]

Ms S T XEGO: Deputy Speaker, my apologies for having my speech off video, it is the network connectivity. My apologies to the nation. If you allow me, Deputy Speaker.

The DEPUTY SPEAKER: Yes, that would be in order.

Ms S T XEGO: Deputy Speaker, hon members, Ministers and Deputy Ministers, ladies and gentlemen. It is important to underscore that the gambling industry crisis as an aggressive epidemic, not only cuts across gender and class, but also transcends to borders of South Africa, across the continent, from Nigeria to Uganda, from Ghana to Utopia, governments are grappling with the exact gambling industry crisis, sweeping across South Africa around the globe from India to the United Kingdom from Australia to Brazil. The commercialisation of gambling is increasing, the incidents of gambling harm, even more so.

Yet, the motion for the debate before us today, sponsored by Rise Mzansi, seem to be irresponsible. It presents the gambling industry crisis in South Africa, as though the crisis is a direct result of the ANC-led government regulatory negligence. Perhaps

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hon Gana is not aware that it was the ANC-led government as earlier as 1996 that introduced the National Gambling Act, aimed at enforcing regulations in the gambling industry, that once operated in the shadows to protect vulnerable citizens from seeping into gambling addiction. This act stands out as a beacon of hope and serves as a role model for other African countries to emulate.

Hon members, some parties will not doubt attempt to score cheap points by mentioning that the ANC-led government refused to promulgate the National Gambling Amendment Act of 2008, meant to regulate new forms of gambling, particularly unlicensed and online or offshore gambling, which is fuelling the current gambling industry crisis in the country. Let me be clear, the ANC-led government did not promulgate the 2008 Amendment Act as its provisions were rapidly outpaced by the evolving gambling industry. Instead of enforcing an outdated Amendment Act of 2008, the ANC-led government recognised the need to amend this Gambling Act.

Fellow South Africans, the ANC recognised the negative effects of gambling problem. The problem of gambling tears apart families, ruins lives, diverts money from essential household spending, increases indebtedness, leads to food insecurity, triggers

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depression and anxiety, increases chances of suicide linked to financial distress, and so on. All these risks leave families broken and communities hopeless. In South Africa, triple challenges of poverty, inequality, and unemployment increases the magnitude of these risks because the problem of gambling mostly harms vulnerable, employed and unemployed citizens, as well as students from poor and working-class households who often resort to making impulsive gambling bets out of desperation or out of gambling industries, seductive promises of quick and easy paths to influence wealth and prosperity.

Our progressive policies from student funding through the National Student Financial Aid Scheme, NSFAS, to social grants and public employment programmes are designed to eliminate the effects of triple challenges of poverty. The World Health Organization, WHO, adds that people experiencing significant life crisis and events, including but certainly not limited to divorce, retirement, bereavement, and injury, vulnerable to problem of gambling as they excessively gamble to ease stress. More importantly, problem of gambling incentives encourage victims to engage in illegal ventures such as theft and fraud to feed their children. This is the reason why the ANC-led government established the South African Responsible Gambling Foundation, tasked with responsible gambling interventions and

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programmes such as the National Responsible Gambling Programme meant to mitigate the risk associated with gambling.

Ladies and gentlemen, while we perceive advertising the fuels of the fire of gambling on televisions, stadiums, social media platforms and billboards targeting vulnerable employed and unemployed citizens, as well as students from poor and working-class households, is the backbone of the gambling industry crisis. We cannot allow this House be distracted from the real issue at hand. Much of the gambling industry crisis is linked to unregulated online gambling. The deeper cause of this unregulated online gambling lies in what Marx referred to as technologically determinism defined by the acceleration of smartphones, high-speed internet and mobile banking, offshore betting sites and mobile gambling apps. In conclusion, hon Deputy Speaker, I would like to remind this House that the ANC does not operate in slogans or engage in performative acts like Rise Mzansi Party. We remain committed in strengthening oversight and modernising regulation in the gambling industry to protect the vulnerable citizens who remain motive forces of the ANC's National Democratic Revolution, NDR. I thank you, Deputy Speaker.

The DEPUTY SPEAKER: Thank you, hon member. Our next speaker is the hon Hendricks.

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Mr E HENDRICKS: Hon Deputy Speaker, may I please switch off my video? My network is a little slow.

The DEPUTY SPEAKER: That is in order.

Mr E HENDRICKS: Hon members, politics aside, South Africa is quietly bleeding - not from a rare disease, but from gambling addiction. Recently published figures reveal a nation caught in a dangerous spiral of hope and loss. Behind every flashing casino light is a family in debt, a breadwinner broken, a child going to bed hungry because parents spend their last rand chasing luck.

This is not entertainment anymore. It is exploitation. And it is time we fight back as South Africans. We must limit gambling advertisement, especially during family hours between 5am and 10am.

Why should a school child hear betting jingles before going to class? Why should workers be lured into gambling before sunrise? Let the psychological warfare of constant temptation rise taxes on gambling profits. The industry rakes in billions while communities pay the price. And 8% provincial tax insurance, that is the same money, destroying livestock, rebuilding them through addiction clinics, awareness campaigns and social programmes. We

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must also increase the contribution to the South African Responsible Gambling Foundation from 0,1% to 1%. That is not punishment, it is justice. The industry must help clean up the mess it created.

Hon members, the time for excuses is over. The gambling industry has had its fun. Now it is time for responsibility. Let us protect our people before we lose another generation to addiction. This is not anti-business. This is pro-South African. I stand for the motion for responsibility, accountability and the future of our nation. Thank you, Deputy Speaker.

Ms L M NGOBENI: Deputy Speaker, you got it right today. I am also going to switch my video off, so I do not go through what I did yesterday. Thank you very much, Deputy Speaker.

Colleagues, we are facing a black hole of uncontrolled gambling. It has quietly grown to consume the income, dignity and hope of millions of South Africans. We cannot blame ordinary South Africans who turn to gambling out of desperation.

Under this current Government of National Unity, GNU, government, unemployment continues to skyrocket, poverty is deepening and violence engulfs our communities. For many, gambling feels like

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the only flicker of hope in the darkness. Many speakers in this debate have rightly raised the issue of advertising, the constant bombardment of gambling promotions that glamorise a dream of instant wealth.

Open any social media platform, turn on the TV or walk through our airports and you are surrounded by these messages. Gambling advertising has become excessive, and it has effectively turned every cell phone into a slot machine. We agree that fair regulation is urgently needed.

But let us go further. How do we fund education campaigns that teach financial literacy and the real dangers of uncontrolled gambling? How can we support rehabilitation services for those already trapped? How do we ensure we are investing in the future of our people through education, safety and basic services? The proposal for the gambling industry to continue a fairer shareholders merit when viewed against fair regulation practises in other parts of the world. Take just the online gambling sector with a R1,5 trillion turnover in the 2024/25 financial year, an increase of R400 billion from the year before.

Countries such as India and Kenya have introduced a novelty, fair share levies on turnover in their online gambling sectors ranging

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from 7,5% to 28%. If South Africa implemented even a modest 1% fair share levy on a R1,5 trillion turnover, we could generate R15 billion in additional revenue. That funding could expand the gambling addiction hotline, support rehabilitation centres and invest further billions directly into education, safety and essential frontline services. Ultimately, as Members of Parliament do not introduce Bills that amend tax codes, it is the responsibility of the Minister of Finance to ensure that this loophole is fairly addressed.

Hon Deputy Speaker, we must urgently find ways to fairly and transparently regulate the industry, not to punish but to protect, uplift and invest, to spark genuine hope in our people. Thank you, hon Deputy Speaker.

Mr W M THRING: Thank you, hon member, hon Deputy Speaker, the ACDP thanks the hon Gana for raising this important topic. Since its inception, the ACDP has vociferously opposed the gambling industry in South Africa. Sadly, our warnings were not heeded and now the gambling crisis has deepened.

We have a staggering R1,5 trillion wagered in 2024/25 years and simultaneously mounting public resistance to new casino developments like the one proposed in Somerset West. After ten

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years, the Western Cape Gambling and Racing Board in September recklessly granted approval to Tsogo Sun to relocate its Caledon Casino despite continuing strong community opposition and concerns about social harm. This large-scale gaming and hospitality complex will be exploding on a tranquil, historic town in the pristine wine belt known for its medical and educational characteristics.

The two hardly mix. South Africa is certainly facing a gambling epidemic. The National Gambling Board's 2024/25 report reveals that total gambling turnover surged to R1,5 trillion, as indicated, a 36% increase from the previous year.

Online sports betting is now surpassing the national lottery in popularity, especially among 18-to 34-year-olds, with some individuals gambling their National Student Financial Aid Scheme, NSFAS, funds and pensioners using their South African Social Security Agency, SASSA, grants. Addiction cases have increased by 55%, with many gamblers using essential or borrowed funds. The South African Responsible Gambling Foundation warns that this surge is causing financial ruin, mental health distress, and family breakdowns.

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And so, against this backdrop, the proposed casino in Somerset West, not surprisingly, has sparked fierce local opposition, citing concerns about easy access to gambling, youth exposure, and community degradation, with critics accusing authorities of bulldozing the process despite public objection. The ACDP encourages communities to mobilise ethically, resist normalisation of gambling, and demand accountable governance. Gambling destroys families and undermines the moral fibre of our communities.

Furthermore, the ACDP urges governments to prioritise rehabilitation services and public awareness campaigns about the dangers of gambling. As Kingdom builders, we have consistently opposed gambling and the expansion thereof, calling for gambling reform, stricter regulation, community-centred planning, and greater transparency in licencing decisions. Thank you, Deputy Speaker.

Mr N L S KWANKWA: Hon Deputy Speaker, according to the latest report from the National Gambling Board, in the 2023/24 financial year, South African gamblers placed bets totalling about R1,1 trillion and gross gambling revenue reached R59 billion, signalling a sharp rise of about 25% from the previous year. This surge is driven in part by a fundamental shift within the

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industry. Once dominated by casinos, gambling has now migrated to digital platforms. Platforms such as Betway and Bollywood Bets have revolutionised the sector, offering cheaper, faster and more accessible avenues for participation.

Online gambling alone has seen a 550% increase in only four years, with no sign of stopping. Yet, beneath this facade of convenient lines, the deeper, more troubling reality. However, another disturbing reason is that people are searching for hope in this industry due to desperation. According to the Credit Bureau experience, more than 36 percent of South African gamblers do so because they need money for not and for leisure. This is a glaring reflection of an economy that is failing the people so badly that they have given up looking for job opportunities, but rather to roll the dice in order to survive. Simply put, gambling is a symptom of yet another failure by the government and our economy to provide the necessary socioeconomic needs of our people.

What compounds this crisis is the growing corporate entrenchment of gambling interest in our social fabric. Last year, the Premier Soccer League closed a sponsorship deal which was granted one of the single largest investments in sports in the history of our country. They have not stopped there. Gambling corporations have

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also cast their nets over rugby and cricket in our country. They are everywhere, on sports jerseys, sports stadia, in youth programmes, even at the Cape Town International Airport.

What many interpret as philanthropy is, in truth, an exercise of soft power. The purpose of this investment is clear. It is to bridge political indecision and push back on regulating the industry. As many of the current politicians seem to support the crisis of titanic fortunes, which is going to endear people and trap them in a cycle of poverty. I thank you.

Mrs N L HLAZO-WEBSTER: Madam Deputy Speaker, it is very clear that the conclusion from all the data that is available is that South Africa is facing a national gambling crisis, and that online dating in particular has become a counterproductive force in our society, and that it is preying on vulnerable citizens and this includes the poor and the jobless.

But it is not only data. It is when you look around and you see the realities of this pandemic that we are faced with. When you see what it does to families, when you see what it does to finances, when you see what it does to the mental well-being of young people in our country, but also of even older people. So, we must tackle this issue that we are faced with as a country.

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Online gambling companies in particular continue to profit of what is actually desperation of millions. And what needs to happen is, if anything, a contribution that is meaningful to the country's well-being. Many of them are domiciled in other countries, and so government collects only a fraction of what it would if these companies were in South Africa when it comes to tax revenue. So, it is time for the companies to pay their fair share of more than one trillion South African rands that are spent on gambling.

So BOSA's solutions are twofold. We have long, as Build One South Africa actually proposed, the introduction of a 6% national sin tax on online gambling. And I want to say at this point that who donates to the work that we do, particularly as Build One South Africa, does not take away from the responsibility to legislate for the good of this country and for the good of its citizens. And so, we have long called for the introduction of a 6% national sin tax on online gambling.

We actually have stood against, for example, the raising of a tax, including VAT, to actually cover the needs of the country, the fiscal needs of the country, and have called for this as one of the alternatives. We have called for the creation of a unified gambling tax regime that includes a 10% to 15% withholding tax on

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large wins above a set threshold on classifying gambling under treasury as a sin tax and on earmarking a portion of all gambling revenue for prevention, rehabilitation, and youth upliftment programmes.

Secondly, our second aspect of intervention is that we have to put a ban on gambling adverts before 10 pm, amongst other interventions, which will look at restrictions on advertising, a prohibition on public figures and celebrities endorsing gambling, stronger enforcement powers for authorities to order fine and shut down illegal or unethical operators, and banks and internet providers not being enabled to block gambling transactions and websites, particularly those that target underage users.

Madam Deputy Speaker, tax gambling properly restricts predatory advertising and protects our youth and students from exploitation, and that is long overdue. [Lost in changing tapes] 10:45 - 11:00 ... build a prosperous future by actually betting for our people instead of betting against them.

The DEPUTY SPEAKER: Our next speaker is the hon Masina. Is the hon Masina online? I don't see that.

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Mr M C MASINA: Yes, I'm here. I'm just trying to unmute myself. Thank you very much. I think, firstly, let's welcome the debate as raised by hon member Gana. The subject of debate today is a critical conversation of national importance. The gambling industry crisis in South Africa is viral in all its manifestations, as depicted by staggering figures of gambling turnovers, which our colleagues have mentioned, gross gambling revenue, as well as prevalence and problems of gambling prevalences. The cost of the crisis is overwhelming, and this is why the ANC-led government has introduced the National Gambling Act of 1996 and currently advances the National Gambling Amendment Act of 2018, as well as the current process that we're involved in, ensuring that we realign the regulation in this particular industry.

Though this debate is of national importance, it has a much shorter intellectual pedigree for the obvious reasons. It is framed in a way that fits into a false narrative that whenever there is a crisis on the national basis, it is liable to interpret that the ANC-led government has failed or is inaction. In other words, this debate implicitly suggests that the gambling industry crisis has become a daily routine consuming allowance share of poor and working-class household income, while the ANC-

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led government remains largely idling or silent. This is remarkably untrue.

The ANC-led government has acted before and continues to act against the gambling industry crisis even though its actions are triggered with suspicion and cynicism at some point by other opposition parties, as demonstrated today. As I must hasten to state here that we have been engaged in amending the regulations and we are being stopped by some of the parties that ...

The DEPUTY SPEAKER: Hon Masina, I think that we've lost your connection. Let's just make sure. I think the hon Masina has lost his connection to the platform. So, if someone at the Table can please just contact him and then we can proceed with the next speaker. I do have his time. He still has seven minutes left. Then I will, in the meantime, just ask hon Moosa, are you participating in this debate? I don't have a name here for our Al Jama-ah. It doesn't seem like that. Then we move on to the hon Masango.

Ms B S MASANGO: Hon Deputy Speaker, may I please also stay off the video? Hon Chair, hon members, good morning. The topic we are debating today is a rude wake-up call for all of us as members of this House. We thank the hon Gana for bringing this important

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matter for debate. One has only two plans at the October 2025 Household Affordability Index, which tracks the prices of 44 basic foods from 47 supermarkets and 32 butcheries, to see that government's efforts to provide for the poor and vulnerable are simply not making a dent in what has become a crisis of food insecurity in South Africa.

The Pietermaritzburg Economic Justice and Dignity Group reports that the average cost of the household food basket in October 2025 is R5,444,60, an increase of R61,18 or 1,1% from the previous month.

Hon Deputy Speaker, when we compare these shocking figures with data from the SA Responsible Gambling Foundation, which shows that 35% of people seeking help for gambling addictions are unemployed and relying on the SA Social Security Agency, SASSA, grant, we begin to see a deeply troubling picture. For the 27% of SASSA grant recipients who are trapped in gambling, it is not a form of entertainment. It is a desperate attempt to augment their grants in order to feed their families. The hope of a win becomes the only flicker of survival in an economy that has left them behind.

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Collectively, the state spends billions on social grants, but individually, those grants fall far short of even covering the basic food basket. So, for many desperate South Africans, gambling becomes the last resort, a fragile hope against hunger. We must ask, where is the enforcement of our laws when gambling machines are found in tuckshops, luring teenagers to risk their lunch money? A recent SA Broadcasting Corporation, SABC, interview revealed how learners are gambling right at their school tuckshops. This is not only unethical, but also illegal. Underage gambling is a crime, and the presence of gambling machines near schools should concern every one of us. While grant recipients are the most visibly affected, the crisis reaches far beyond them.

The 2025 Old Mutual Savings and Investment Monitor found that 52% of employed adults in South Africa participates in gambling, with the highest incidence among 30 to 49-year-olds, that is 58%, and men make 57%. Behind these numbers are breadwinners, parents and caregivers, people whose families depend on their income. The results? Lost jobs, depleted savings and broken family structures. These are the real human costs of unchecked gambling, and they demand that we, as legislators, review our laws and strengthen our oversight mechanisms. It is therefore not surprising that the Responsible Gambling Foundation has

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repeatedly warned of the growing socioeconomic impacts of gambling addictions across South Africa. Illegal gambling, in particular, is spreading rapidly, worsening many of the crises that already face our nation.

While legislation alone cannot be the silver bullet, there is a clear need for a strong and forcible framework, one that both promotes responsible gambling and protects the vulnerable from being stripped of the little they have. It is here where the DA's push for a committee process comes in. It would build on the work done in our proposed remote Gambling Bill in order to establish a legal basis for regulating, licensing and controlling all online gambling activities. It would preserve South Africa's integrity as responsible global citizens through an efficient regulatory regime. It would introduce provisions for responsible gambling to reduce the risk of children having access to gambling and to help those in need of counselling. It would also more strictly regulate how and where gambling companies and to who they advertise to.

Hon Deputy Speaker, gambling in South Africa is no longer a niche activity. It has become a national concern that touches every class, every community and every family. We cannot stand idle

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while the most vulnerable gamble away their survival out of sheer desperation.

The DA's framework for a committee Bill seeks not only to regulate but also to protect, to ensure that gambling happens within a framework of accountability, responsibility and compassion. I thank you, hon Deputy Speaker.

Mr M C MASINA: Apologies. I don't even know where I ended. I just realised later that I was talking alone. My apologies for that. Just a minute for me hon Deputy Speaker.

The DEPUTY SPEAKER: It does seem that we have a bit of a problem. So, hon Masina, let me just check, can you proceed?

Mr M C MASINA: Yes, my apologies ... [Inaudible.]

The DEPUTY SPEAKER: Okay, please proceed. You have seven and a half minutes left.

Mr M C MASINA: Okay. So, I think where I left hon members, I apologise. I didn't realise that I was disconnected. I continued until there was no indication on the part. I was saying that the ANC does not advocate for the prohibition of legalised gambling

industry, because this industry remains one of the few labour-intensive sectors of the economy outside of traditional value-added agriculture and manufacturing industry. As such, it contributes to the much-needed jobs in South Africa that are needed desperately.

The ANC supports the continuation of exactly the expansion of the legalised gambling industry, informed by the regulatory changes in the pipeline that are aligned with the international best standards for responsible gambling contained in the National Gambling Amendment Bill of 2018 currently before the House.

This Amendment Bill will seek to transform the nature and the way in which gaming industry operates with a shift towards a transparent, accountable and compassionate gaming industry. This will be done through, among other things, strengthening the coordination between national and provisional regulators, thereby closing regulatory gaps that enable unlicensed online gambling operations to thrive.

Secondly, establish a national register of self-exclusive persons meant to reduce the stigma and shame experienced by gambling addicts, by allowing them to voluntarily block themselves from gaming activities. Thirdly, banning predatory gambling

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advertising that glorifies gambling as a shortcut influence, wealth and prosperity. Fourthly, modernising the gambling industry oversight amid the rapid advancement on the online casinos, mobile gambling apps as well as offshore gaming black betting.

The ANC's support of the National Gambling Amendment Act of 2018 is not a desperate rhetoric attempt to regain legitimacy, it is principled. We support National Gambling Amendment of 2018 because it bears relationship with the ANC's position that, unrestrained gambling advertisement in reduces gambling addiction, especially amongst the youth. Therefore, the provision that restricts where and how gambling may be advertised is enshrined in this amendment Act. This is a responsibility and a step in the right direction ... [Inaudible] ... to step amongst others, which is what we have experienced in other countries in Europe and elsewhere in the continent.

In conclusion, we must not allow this debate to distract us from a bigger picture. The gambling industry Just like telecommunications, real estate, banking and grocery retail is dominated by a few large operators owned by a racial minority with a split of loyalties. Adequate reform in the gambling industry must go beyond regulation and involve transformation of

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ownership patterns, to ensure inclusive growth rather than perpetuation of income, wealth and inequality skewed by race.

Through its licensing framework, the National Gambling Board must prioritise inclusive participation of historically disadvantaged operators in the gambling industry, so that historically disadvantaged persons which are mostly affected by the impact of the gambling industry can also equally benefit. The country can benefit a great deal from inclusion of historically disadvantaged operators in the gambling industry, as well as to minimise the concentration of corporate savings in the hands of few minorities unwilling to reinvest back into South Africa's economy.

Moreover, this will curb the repatriation of gambling profits by a few large foreign operators, as our colleagues have said, while vulnerable citizens from poor and working-class backgrounds bear the brunt of the gambling industry in the main. This is the only way that we can build a gambling industry that uplift our people rather than to exploit the most vulnerable.

Now, I want to turn to some of the proposals that have been raised by some of our colleagues here. Firstly, on raising taxes, I think that is a proposal that is sound and must be entertained by Parliament. We implore all parties to work with us to ensure

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that as we enact changes in the legislation, this is realised. Secondly, the ban in the gaming overdraft is a proposal that is sound and must be supported as well as the sin tax that has been proposed in this particular debate, and the restriction of the advertisements amongst others.

These are the things we are willing to put on the table as the ANC and make sure that we tighten this area because this is seen as one of the weaknesses of a democratic era. We do implore parties to work with us to ensure that we make these changes. I thank you Madam Deputy Speaker.

Mr L MKUTU: Deputy Speaker and hon members, while this debate has highlighted the root causes of the gambling industry crisis and the ensuing harmful effects thereof, it is important not to ignore the contributions this industry has on our economy. Because, hon members, there is tangible evidence the effect that gambling industry taxes and levies flow into provincial treasuries accounts and serve as critical public finance instruments in the delivery of education infrastructure, transport and public works infrastructure, health care facilities, community facilities and social protection programmes that benefit poor and working-class citizens who remain the motive forces of the ANC.

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Aside from serving as an important source of provincial income, gross gambling revenue accounts for a sizable share of grant and finance funding of the National Lottery's Commission, NLC, used to financially support black-owned small, medium and micro enterprises, charities, arts and culture initiatives and community upliftment projects that benefit the most vulnerable in the rural and township areas across the country. For illustrative purposes, the National Lottery's Commission Board decided in February 2025, to commit \$100 million to counter the termination of United States Agency for International Development, USAID, funding and, consequently, this commitment will sustain human immunodeficiency virus, HIV, treatment and prevention programmes in the country.

This, hon members, demonstrates that the gambling industry revenues under the ANC-led government are not exclusively captured by private gambling operators. Rather, the gambling industry revenues are reinvested back into the South African economy to advance socioeconomic priorities through the NLC. Therefore, it is important, Deputy Speaker, to make this point that the gambling industry also is responsible for a huge chunk of people who are unemployed into the industry through direct and indirect job opportunities, and this does much to create much-needed jobs in South Africa.

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What the debate, Deputy Speaker, is missing is the transformation of the industry to reflect the demographics of the South African society, that the monopoly in the industry must be broken so that surplus revenue is shared amongst South Africans, and South Africans, particularly Africans and blacks, are able to participate more productively in the industry as owners and people who control the gambling industry. I think that the DA and Bosa are reluctant to raise this question of transformation within the industry.

Now, we acknowledge as the ANC, Deputy Speaker, that the socioeconomic value of the gambling industry is, yes, important. However, we are not ignorant to its social and moral harms, such as addiction, depression and anxiety, and over-indebtedness, to name a few. Therefore, we think that the proposals that have been raised by colleagues around the tax, around the rejection of using overdraft to gamble, are quite important as part of the regulatory framework that needs to be brought in place.

However, I dare say, when I'm listening to the members, that the sum total of their inputs, because regulation is there, and we continue to build a regulatory framework that guides the gambling industry in a manner that ensures that it does not super-exploit the poor and the marginalised in South Africa. However, sum total

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share of what I'm listening to, which I think hon Gana is afraid to raise, is the nationalisation. What they are saying, and the DA, is the nationalisation of the gambling industry. I'm glad that the DA, in certain aspects, agrees that the state has a role more than just being a facilitator in the economy but also has a role to regulate and intervene in the economy.

I wish that the DA can sustain this view throughout other debates around the issue of broad-based black economic empowerment, BBBEE. It must sustain this argument of the state, ensuring that it intervenes on behalf of the marginalised and the poor masses. I think that if they are talking about the state regulating, it's already doing that. However, they must just say, hon Gana, come out and say it, don't be afraid. Say that the state must nationalise the gambling industry. It's a debate that we're prepared to have with you. That, of course, if we nationalise the gambling industry and there's a full control of government, the government could direct all gambling profits towards the state budget. This revenue could fund public services, lower taxes or finance good causes, as you are saying.

Therefore, the nationalisation of the industry could ensure that there's an enhancement of social responsibility. It could prioritise public health care over profits, potentially

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implementing the stricter measures that you are talking about to address the gambling problem. This could include monetary spending limits, more robust, as you are saying, around the overdraft, a self-exclusion programme and reduced advertising, which is known, as you are saying, to influence vulnerable groups. Therefore, we could have a debate, come out and say it, that the state must nationalise the gambling industry. Let's have that debate. Don't say that the state is not doing enough to regulate.

We're doing enough and we're continuing, as the ANC-led government, to ensure that the proceeds of gambling play a positive role in ensuring that they feed back into communities. However, if you are saying to us today, and as the DA is saying, Bosa I can't say much because they've got their hand in the cookie jar. If you are saying, let's have a debate about stricter measures, which, of course, when you analyse them, the sum total of the inputs between you and the DA are saying, actually, we must nationalise the gambling industry. Therefore, come out and say, and put on a debate that says, what would be, what would nationalisation of the gambling industry mean, and not go around in corners. Please, when you do that, sustain it in all other debates, because the issue here is that if you don't address the issue of the socioeconomic reality of ownership management and

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control of the economy, you will always have these social ills as spin-offs to the issue of poverty and inequality in South Africa, particularly that is racialised.

If you are saying, and therefore the interventions of the state become very important, and part of that intervention is not a half-stopgap measure, but if you are saying to us, let's nationalise the gambling industry to ensure that the state has a strong hold on the industry so that it can direct its activities. Thank you very much, hon Deputy Speaker. We are looking forward to debating the nationalisation of the gambling industry, as would be sponsored by the DA or Mr Gana. Thank you very much.

Xitsonga:

Ttn S M GANA: Xandla xa Xipikara ...

English:

... let me first thank the hon Reddy from the MKP, the hon Tobias from the DA, hon Thambo from the EFF, hon Langa from the IFP, hon Hendricks from the PA, hon Ngobeni, hon Thring, hon Hlazo-Webster, Masina, Mkutu, Masango and Xego for their participation. What we agree with, as members convened this morning, is that the regulations around advertising are inadequate. We agree that we need to look at the taxes. These are the points that we all

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agree. There is no party that has said, no, no, reduce the taxes. We agree that we need to up the taxes. We agree that there needs to be more money that is spent towards rehabilitation and cancelling of gambling addicts. We agree on that.

We equally agree that there should not be South Africans that are gambling using overdrafts of money that they don't have, because we have a crisis. We equally agree, all of us, at least those that have spoken, that we are dealing with a pandemic. We are dealing with a crisis. That's what we agree with. I want to thank all the members that have come out in support of that. There are two things that I need to deal with. One, is the point that has been raised by the ANC. I will be failing in my duty as a Member of Parliament if I do not correct it. These are the facts. The fact is that the National Gambling Policy Council did not meet for seven years. It's not an opinion. It's a fact.

Therefore, when you say that there was no negligence, whatever you call that as the ANC, I don't know what it is, because it's negligence. The National Gambling Board does not have a board since 2014. In my book, that's negligence. You might want to say whatever you say, yes, I agree. I like that you support my proposal. However, that there's been negligence in this particular space, it's not in question. Even the current Minister

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of Trade, Industry and Competition agree, and the Deputy Minister Zuko agrees that the previous Ministers in the portfolio were negligent in properly regulating this industry. We are here now ... Let's make things ... [Interjections.]

The DEPUTY SPEAKER: Hon Moodley, please mute your phone. Hon Moodley! My apologies, hon Gana, please proceed.

Mr S M GANA: Thank you very much. I don't want to sit here and say what did not happen in 2018 or 2024. We are here now. What can we do? We can limit the advertising hours. We can make the marketing budgets of these gambling operators to 40% of that being spent on responsible gambling. That's what will go towards education as it was proposed for tax on education. We can move with speed to increase the contribution to the responsible gambling foundation to at least 1%. We can introduce interventions to ensure that South Africans do not gamble the money that they do not have. That's what we need to do. We need to do that with urgency. I'm not here to start debating what could have happened in 2024, and so forth. Are there regulations now? They just exist on paper. They are so outdated.

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The DEPUTY SPEAKER: Hon Gana, my apologies, if you could just pause for a moment. I see a hand raised by the hon Kobane. What is your point of order, hon member?

Mr G E KOBANE: Madam Speaker, it's not because of point of order, I just want us to ... after this proposal for hon Gana, what is the way forward, because we can talk today, and tomorrow we cannot continue with that. We must do things and move forward. Thank you so much.

The DEPUTY SPEAKER: Hon Kobane, that is totally out of order. You do not raise your hand in the debate. That was not part of the debate. You had a speaker that had an opportunity, and that can be taken further in the relevant committee. Hon Gana, please proceed, and I will also allow you the extra time. Thank you.

Mr S M GANA: Thank you very much. Hon Mkutu, the regulation that we have is inadequate, and it is so outdated. It is very outdated on all aspects. It's outdated on the taxes that are being paid. It's outdated insofar as the regulations around the advertising. It's outdated insofar as the use of the marketing budget of the gambling operators. Therefore, we cannot sit here and pretend that we have adequate regulations. We do not have. By the way, I'm not yet arguing for the nationalisation of the gambling

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industry. I'm advocating for a proper regulation that protects South Africans.

You know what? We will read in January, February next year how the retail sector has suffered because of this gambling, because people are no longer buying food. They are no longer buying clothes. They are gambling away everything. It is for that reason that even the chief executive officer, CEO, of Pick n Pay had to voice his concern.

As a final thing, Deputy Speaker, on 14 November, Friday the 14th, we are taking the fight to the department, because they are sleeping on the wheels. We are taking the fight to the Department of Trade, Industry and Competition to say that let's introduce urgent reforms to this industry. Therefore, we are inviting all the political parties that have supported this debate this morning to join us so that together we can introduce gambling reforms in South Africa.

Xitsonga:

Ndzi khensile swinene, Xandla xa Xipikara.

Debate concluded.

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The CHAIRPERSON (Mr W M Douglas): Hon members, sorry, this is hon Douglas, I have been asked to take over, and to continue with the proceedings. I will allow the hon member to raise her hand as it wasn't seen. Please, proceed, hon Khawula. Thank you. I will just take your point of order.

Ms M S KHAWULA: Hon Chairperson, on a point of order: You know

...

IsiZulu:

... ngifuna ukwazi ukuthi ithini ...

English:

... way forward about these things ...

IsiZulu:

... ngoba ...

English:

... it is dangerous.

IsiZulu:

Ngiphinde ngimbonge futhi nomhlonishwa u-Gana ukuphakamisa le nto enjena. Okwesibili, namajoyinti, utshwala buyababulala abantu.

English:

Next time, we have to talk about those things.

The CHAIRPERSON (Mr W M Douglas): Thank you, hon Khawula. Thank you very much. Your point of order is noted, but is not supported.

**BUILDING THE CAPACITY OF DISTRICT AND LOCAL MUNICIPALITIES
TO DEVELOP AND SUPPORT TOWNSHIP AND VILLAGE ECONOMIES, AND
THEREBY ADDRESS THE SPATIAL CONCENTRATION OF ECONOMIC ACTIVITY IN
THE COUNTRY**

(Subject for Discussion)

Mr M C MASINA: Chairperson, our oversight responsibility calls for us to interrogate how we can better the lives of our people, not only in certain geographical areas, but across our country. In this regard, we are called to evaluate the impact of programmes that the department and entities that we are overseeing are implementing.

Historically, economic growth and development have been concentrated around urban areas such as Gauteng, KwaZulu-Natal, and the Western Cape province, with pockets of excellence in

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other provinces. This is perpetuated by the patterns of funding by the Development Finance Institutions, DFIs, which deepened the existing economic concentration and our spatial inequalities. The government's programme on economic policies has sought to decentralise economic activities to create business and employment opportunities across the provinces and include rural areas and township economies. Rural and township economies tend to have relatively high levels of unemployment and poverty, as well as a concentration of more vulnerable segments of our society. As a result of this, these areas lend themselves to a plethora of socioeconomic ills and migration of working-age populations to urban areas. Therefore, the development of rural and township economies is central to ensuring that there are business and employment opportunities in these areas and to integrating marginalised black people into the mainstream economy.

The Portfolio Committee on Trade and Industry Competition has prioritised the oversight of the Department of Trade and Industry and Competition to roll out special economic zones, SEZs, and the Industrial Parks Revitalisation Programme, amongst others, as well as incentives to support businesses operating in these facilities, which seek to support economic decentralisation. In this regard, it has undertaken oversight visits in six SEZs

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within Gauteng, KwaZulu-Natal, and the Western Cape provinces, as well as the Isithebe Industrial Park in KwaZulu-Natal. There are success stories among the SEZs, such as the Coega SEZ, which is currently expanding, and the Tshwane Automotive Sector, which is the fastest-developing and employment-creating SEZ thus far. These SEZs play a significant role in supporting the country's industrial policies by creating an environment conducive to export-led growth, investment, as well as job creation. However, several SEZs and industrial parks are struggling due to common threats, namely the lack of co-ordination between national, provincial, and local governments, which is essential to drive economic development.

At the local government level, these programmes face implementation bottlenecks due to weak municipal capacity, poor water, electricity, and road infrastructure. Inconsistent service delivery patterns and administrative blockages, such as the delay in processing of business licencing, rezoning of land, and building plans approvals, amongst others. Capacity-building has been identified as a key lever to address these implementation bottlenecks within municipalities.

These will include administrative, technical, financial, and political aspects of running municipalities, as well as the

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understanding of the importance of the role in contributing to local economic development. The District Development Model is an intergovernmental strategy for improving government service delivery by having all spheres of the government working together to create a single, integrated plan at the district and municipal, as well as metropolitan level. This strategy seeks to achieve the comprehensive development of outcomes ... [loss of audio/member disconnected from virtual platform at 11:39:46] ...

The CHAIRPERSON (Mr W M Douglas): Hon, are you there? Hon Masina, can you hear us? I think we may have lost hon Masina. We will continue with the next speaker, and if the Table can give me an indication of how much time hon Masina has left. We will continue with the next speaker until we can get hold of hon Masina again. The next speaker will be from the MKP, hon Gama.

But before hon Gama starts, I want to address hon Khawula. The issue you raised is valid, and these debates will be taken to the House for a decision, as mini plenaries cannot make decisions. If approved, the resolutions will be communicated to relevant authorities for implementation. So, please go ahead, next speaker, who will be hon Gama from MKP. Thank you.

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Mr S I GAMA: Chair, good morning. If you will allow me not to play the video so that the bandwidth can be preserved. Good morning, hon members, colleagues and fellow South Africans. Today, I bring you not just a policy discussion, but a bit of MKP Gogo Wisdom. Gogo Wisdom always said: "a tree that forgets its roots cannot stand when the storm comes". And in many ways, that is our story.

South Africa's economic tree has grown tall, but most of its roots are still planted in the cities - Johannesburg, Cape Town, Durban - the bright lights, the fast life, and the strong Wi-Fi. But beyond those skylines, in our townships and villages, life tells a different story, where service delivery struggles and hope sometimes travels long distances just to find a home. This is about the geography of inequality. This imbalance is no coincidence. It is the living memory of apartheid spatial planning - a system that concentrated economic activity in cities and left rural and township economies behind.

Despite our progress, the lived experience of a township or village resident still falls short of that of a city dweller. Gogo Wisdom also said: "If you want to know the heart of a government, look where its people fetch their water". For most South Africans, government isn't something far away in Pretoria

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or Cape Town; it's the local municipality. That is where service delivery is felt, where dignity is tested and where trust is built or broken. If we want transformation that people can truly feel, we must start where they live, in the districts, villages, and townships.

We have what is called a District Development Model. It is supposed to be a one-stop shop where we have one district, one plan, and one budget. However, it has failed to do what it's supposed to do because people continue to work in silos and we need to start working together. The District Development Model, DDM, is supposed to bring government, business and communities into one co-ordinated plan that is spatially, just, and inclusive. But the plan is only as strong as the people implementing it.

The DDM can only succeed if local municipalities have the capacity to deliver and the enterprise energy to grow. Our focus, therefore, must be on institutional capacity and enterprise capability. Institutional capacity means that strong local institutions are the backbone of any functioning economy. Without them, the body of government cannot stand.

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We have to invest in our municipal officials, planners, engineers, project managers, and financial managers. These are the people who make service delivery real. As Gogo Wisdom used to say: "you can't milk a cow if you don't know which end is which". That means creating local government academies to train officials, offering incentives for skilled professionals to work in rural areas, and building mentorship systems that link experienced leaders to young municipal talent.

We must modernize planning. You can't fix what you cannot measure. Local municipalities need digital dashboards, spatial data systems, and real-time monitoring supported by partnerships with universities and research institutions. And no amount of data replaces trust. Transparent procurement, participatory budgeting, and citizen scorecards must become standard. When people trust their municipality, they stop protesting and start participating. That is what the MK thinks we should do.

Now let us talk business or as Gogo Wisdom would say: "bread and butter issues". If institutional capacity is the engine, enterprise capability is the fuel. For too long, township and village enterprises have been left outside the gates, excluded from credit, excluded from markets, and excluded from value chains. It is time to unlock that potential. We can create

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district-level enterprise funds that blend public, private, and community capital. Application processes must be simple and accessible. We can use mobile-based grant systems to open the door for entrepreneurs and close the door on corruption.

The MK believes that we must begin locating manufacturing and processing facilities in rural and township areas. Why should every ... [Inaudible.] ... be in Ekurhuleni or Durban? Imagine agro-processing in Vhembe, textile hubs in Bushbuck Ridge, light manufacturing in Lusikisiki. That is how we reduce rural to urban migration, by taking jobs to the people instead of forcing people to chase the jobs.

We need to connect skills to opportunity. We must partner with TVET colleges and local hubs to train young people in agro-processing, digital services, renewable technologies. The economy of tomorrow can and should be built in our townships and in our villages. When strong institutions meet capable enterprises, something extraordinary happens - a transformative nexus.

The MK believes that municipalities with good governance start delivering sustainable infrastructure, roads, water, energy, housing, and broadband. Enterprises use that infrastructure to grow, employ, and innovate. That partnership becomes the engine

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of shared growth, creating new economic ... [Inaudible.] ... expanding the gross domestic product, GDP, base, and modernizing the nation from the ground up. As Gogo reminds us: "If you water the roots, the fruit will feed everyone".

Picture a model rural district municipality where young people code from a local innovation hub where solar power lights, homes and small factories and warehousing, sport and culture bring people pride. This is not a dream; it is a developmental choice. If we invest in skills, infrastructure, housing and recreation, we can create communities people want to live in, not to escape from.

No one dreams of building a shack next to a freeway. People migrate because poverty pushes them away. Let's give them a reason to stay by bringing opportunity home. We must keep it real. But South Africans are built for hard work. If we can survive load shedding, we can survive anything. If we can queue peacefully at Home Affairs, we already have the patience for long-term development. All we need is focus, co-ordination, and belief. Believe that the next wave of growth will not come from Sandton, but from Standerton, not from Umhlanga, but from Umzimkulu. Gogo Wisdom teaches us that: "A home is not rich because it has money, it is rich because it has purpose". Our

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municipalities are the home of our democracy. If we build institutional strength, nurture enterprise capability, and invest in people and infrastructure, we will make that home rich in purpose for everyone.

The future of South Africa's economy lies not only in its cities, but also in its districts, in its villages, and in townships. In the hands of ordinary people who are ready to build if we simply give them the tools. Let us make every municipality a place where governance works, enterprise thrives, and dignity is lived daily. And as Gogo would remind us: "You don't need to leave home to find your future if your future is being built right where you are".

We must make sure that illegal foreigners who dominate the township economy can actually be rendered and managed in a way that makes sure that the situation does not become volatile. It is high time we think outside the box and come up with a transformative agenda - to not only arrest the current situation - but set new strategic pathways to make local citizens the centre of their own economic transformation.

District and local municipalities must be capacitated through special purpose local economic development agencies and dedicated

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funding from the national fiscus to play their critical role in social and economic upliftment. I thank you.

Ms M L MMOLOTSANE: Chairperson, will you allow me to switch off the video so that I do not lose the network?

The CHAIRPERSON (Mr W M Douglas): Please proceed, ma'am.

Ms M L MMOLOTSANE: Thank you, Chair, and good morning, hon members. Micro, small, and medium enterprises, MSMEs, form the backbone of most economies worldwide. They are pivotal in driving inclusive economic growth, fostering innovation, and generating employment opportunities. In both developed and developing nations, MSMEs bridge the gap between large corporations and informal businesses, ensuring a diversified and resilient economic structure. In South Africa, as in many parts of the world, MSMEs are increasingly recognised as critical instruments for reducing unemployment, alleviating poverty, and stimulating local economic development.

In South Africa, MSMEs contribute more than R5 trillion to the economy and employ 80% of the workforce. Globally, MSMEs represent more than 90% of all registered businesses and are instrumental in driving employment, innovation, and

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competitiveness. According to the Department of Small Business Development and Statistics SA, MSMEs contribute between 35% and 40% of our country's gross domestic product, GDP. The global average is that MSMEs contribute some 70% of GDP, which indicates the importance of growing the sector in South Africa. MSMEs span diverse industries such as manufacturing, agriculture, construction, retail, tourism, and information technology and are crucial in township and rural economies, providing livelihoods and contributing to social stability.

Beyond their GDP contribution, MSMEs play a critical role in achieving sustainable and inclusive economic development. They provide economic opportunities to women, youth, and marginalised communities, helping to reduce inequality and poverty. They are also integral to achieving several United Nations Sustainable Development Goals, including decent work and economic growth, industry and innovation, and reduced inequality.

The District Development Model, DDM, which is a transformative governance and development framework introduced to promote integrated, inclusive, and sustainable local development, is imperative for microeconomic development. The DDM has immense potential to stimulate microeconomic growth by connecting markets, infrastructure, and logistics with the economic

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potential of people in rural and township areas. The DDM is vital to addressing South Africa's structural inequalities, spatial disparities, and the exclusion of rural and township economies from mainstream economic participation.

Investment in microeconomic growth and the diversification of markets through the DDM coincide with the ANC's 2024 manifesto, which states that monopoly concentration impedes the expansion of co-operatives, small enterprises, and new market entrants. In order to support small businesses and co-operatives in township and rural economies, we must ensure that these businesses are included across all value chains through public-private partnerships, infrastructure development, procurement policies, skills development, and innovation.

One way in which we can utilise microeconomic development through district and local initiatives to enhance the development of small, medium, and micro enterprises is through industrial parks and agro-processing zones. Industrial parks and agro-processing zones are strategic instruments for promoting industrialisation, inclusive growth, and economic transformation. They serve as catalysts for investment and innovation, and for job creation, by providing structured environments in which businesses can operate efficiently and competitively. For developing economies such as

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South Africa, these zones are critical for diversifying the economic base, strengthening value chains, and enhancing rural and regional development. The National Development Plan, NDP, projects that, by 2030, MSMEs will generate around 90% of all new jobs, demonstrating the significance of MSMEs in tackling South Africa's high unemployment rate.

The strategic significance of MSMEs in absorbing labour is highlighted by this projection, especially for women, young people, and unskilled or semi-skilled workers who are frequently excluded from formal opportunities. As the country works towards the objectives of the NDP, industrial parks and agro-processing zones offer practical mechanisms for revitalising local economies, linking rural production with markets, and promoting export-orientated growth.

In order for this to be achieved, we need to unlock venture capital and low-cost loans for MSMEs. The financial ecosystem for MSMEs is often characterised by structural and systemic barriers. Traditional financial institutions perceive small businesses as high risk due to limited collateral, weak credit histories, and uncertain cash flows. Consequently, many MSMEs struggle to access bank loans, and, when they do, they face high interest rates and onerous collateral requirements. The lack of adequate funding for

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MSMEs hampers their ability to start, sustain, and scale operations. Venture capital and low-cost loans are essential financial instruments to address funding gaps, promote innovation, and support inclusive economic development. These mechanisms not only provide capital but also enhance MSME resilience and competitiveness in a challenging economic environment.

We are pleased that, in the state of the nation address, the President highlighted that the state is increasing its assistance for the informal economy, which provides millions of employment opportunities and the means of subsistence throughout our nation, as well as for small and medium-sized businesses. This entails simplifying financing for small organisations, opening up venture capital for rapidly expanding startups, and creating a legal framework that supports rather than hinders informal businesses.

An effective MSME financing ecosystem requires both venture capital and low-cost loans. These two instruments complement each other. Venture capital supports innovation-driven enterprises with high growth potential, whilst low-cost loans provide working capital and operational support to traditional and community-based enterprises. As the ANC, we recognise and acknowledge the importance of venture capital and low-cost loans. The ANC's 55th

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National Conference even decided that solutions are required to address the unfair lack of access to finance, especially for MSMEs, women-owned businesses, and youth-owned businesses.

The ANC acknowledges the Small Enterprise Development and Finance Agency, Sedfa, as an important entity within the department. The Sedfa is a one-stop institution providing both financial and nonfinancial support to small businesses and co-operatives and has a responsibility to foster sustainable enterprise growth, enhance financial inclusion, and accelerate local economic development, especially within rural and township economies. Financing MSMEs in rural and township economies through Sedfa is essential for promoting spatially inclusive development.

Township and rural areas tend to represent untapped markets and labour reserves that can contribute significantly to South Africa's GDP if adequately supported. The Sedfa intervention, which aims to localise economic growth, stimulate value chains, promote co-operatives and social enterprises, and leverage the District Development Model, will profoundly support entrepreneurs within their communities. This will, in turn, reduce rural-to-urban migration and will potentially improve sectors such as agro-processing, manufacturing, and tourism through targeted financing and technical support. Through these strategies, Sedfa

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becomes a key instrument for transforming rural and township spaces into vibrant, self-sustaining economic hubs.

Over the past 31 years of democracy, our goal has been to bring those historically disadvantaged closer to the mainstream economy for job creation and innovation. One of the key policy interventions for this integration has been the Township and Rural Entrepreneurship Programme, an initiative by the Department of Small Business Development. It aims to stimulate and support entrepreneurship by providing financial and nonfinancial support to informal, micro, and small enterprises, including co-operatives. The Township and Rural Entrepreneurship Programme plays a vital role in bridging the economic divide and enabling local enterprises in rural and township economies to become competitive, formalised, and linked into broader value chains.

By focusing on township and rural areas, the Township and Rural Entrepreneurship Programme ensures that small enterprises from historically marginalised communities gain access to finance and the formal market. This is the key to economic transformation and addressing spatial inequality. The Township and Rural Entrepreneurship Programme allows the department to support rural and township enterprises. This support means jobs are created

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close to where people live. This, in turn, reduces pressure on urban migration, enabling more balanced regional development.

As the ANC, we believe that one of the aspects that allows us to build an ethical ... Thank you very much, Acting Chairperson.

[Time expired.]

Afrikaans:

Mnr H C C KRÜGER: Agb Voorsitter, ...

English:

Hon Chairperson, the DA is the voice for entrepreneurs in our villages, small dorpiés [towns] and rural South Africa. We don't forget that it is in the dusty roads of our dorpiés [towns], rural villages and in the silence of empty spaza shelves where the pulse of the real economy beats. The spatial concentration of economic activity in our metros is no accident; it is the product of decades of underinvestment, poor governance and misguided policy.

BBEEE have become burdens more than changing lives. Compliance regimes lock out the informal sector. The rural entrepreneurs without network coverage trying to register a business in a town

without a functioning LED office don't need BEEE; they need real economic empowerment for all.

We must also be wary of centralising reforms to the Presidency.

Growing our economy and wiping out poverty essentially starts from local governments up to the national government.

Entrepreneurs constantly ask: How does centralising reforms in the Presidency fix a broken local system? How do presidential delivery units cut through provincial red tape?

The Small Enterprise Development and Finance Agency, Sedfa, were meant to be the oxygen to rural enterprise. Yet, their footprint remains limited, and their processes impregnated with red tape. We must expand Sedfa's footprint into every small dorpie [town], every village, every municipality to empower start-ups with real-time turnaround.

Afrikaans:

Ek praat van daardie gemeenskappe waar 'n winkel oopmaak sonder krag of lopende water, waar 'n entrepreneur spaza-shop produkte in die bakkie moet bêre, omdat die winkel gesluit is sonder rede. In daardie dorpe, word bemagtiging gemeet in dade en nie sertifikate nie. Ons moet beleid ontwikkel wat werk, waar dit

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saak maak, in Hertzogville, in Dr J S Moroka, in Wakkerstroom, in elke vergete klein dorpie.

English:

We must support kasipreneurs and small businesses in rural areas to access markets by funding infrastructure for local trade fairs, agri-hubs, and cross-border value chains. If a farmer in Thembisile Hani can't move her produce to town because of potholes and permit delays. We have not liberated the economy; we have failed it.

The DA believes in building a government that enables, not controls, that trusts entrepreneurs, not stifles. We are already implementing smart governance models in towns we govern, where permit timelines are fixed, procurement is transparent, and small business desks are functional. We must bring that same energy to the national stage. We want a village economy that thrives, that competes, that matters.

Afrikaans:

Ons moet weer hoop bewerkstellig in ons klein dorpies en landelike gebiede, waar 'n kind kan sien hoe haar ma se bakbesigheid groei tot 'n winkel, waar plaaslike owerhede nie struikelblokke is nie, maar brugbouers, waar ekonomiese groei nie

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begin in Sandton nie, maar in Steynsburg. Dit is moontlik, maar ons moet die koffie begin ruik en skouer aan die wiel sit.

English:

The DA proposes massive rural skills development rollout and a broadband initiative. It is one that brings Wi-Fi hubs to every village and small dorpie, partners with TVET colleges and NGOs to deliver mobile skills programmes and ensures that a young person in Msukaligwa has the same digital access as one in Midrand.

This Parliament must also reconsider how we allocate development funding. Far too much is spent on overheads, and too little reaches the ground. We must introduce performance-based funding models, where local economic development funding to municipalities is based on measurable job creation, infrastructure rollout, and business registration improvements. We must reward delivery and not intention.

As part of the Government of National Unity, Deputy Minister Jane Sithole has demonstrated that co-operative governance should be focused, accountable and relentlessly practical.

Her efforts in facilitating access to the Township and Rural Enterprise Programme and her outreach have resulted in real,

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visible impact in previously overlooked regions. For the first time, many informal traders and co-operatives in provinces like Mpumalanga, Limpopo, Northern Cape, and Eastern Cape feel like real entrepreneurs.

If we don't tear down the walls of exclusion that red tape and government policies have built, we will have failed the small dorpie and rural entrepreneur, the informal trader, the co-operative member and the emerging farmer.

Afrikaans:

Ek dank u.

Mr C G NIEHAUS: Hon Chair, fellow Members of Parliament, I rise on behalf of the EFF to address the subject for discussion before us. When issues addressed in this subject are approached in a manner that the EFF does, it is no longer mere superficial tinker; it is a revolutionary tool for black empowerment.

Apartheid's spatial design funnels wealth to urban elites while starving townships and villages. The hon Masina talked about deconcentrated economic development, but the ANC has failed for 31 years to do exactly that. In contrast, the EFF demands real economic empowerment, starting with land return through

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expropriation without compensation, which is our official policy, our cardinal pillar number one, and an absolutely critical key for justice. This must be channelled to strengthen local municipalities as engines of change.

Apartheid spatial development remains a crime. It confines black people to peripheral townships like Soweto and Khayelitsha, or to rural villages far from economic hubs. Unemployment exceeds 50%, infrastructure crumbles, and youth migrate to metros for menial jobs. This is no accident; it is colonial apartheid planning that hoards resources in white spaces.

Rural minerals still enrich mainly white foreigners, while black communities stay poor. We must decentralise and empower local municipalities to distribute wealth and to build self-sustaining economies.

The EFF insists that local municipalities are the frontline warriors. Our long-standing policy position has been that local municipalities can transform and must be strengthened without the inefficient layers of district municipalities, which just add another expensive layer of bureaucracy.

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We call for 50% of the national Budget to be devolved directly to local municipalities for roads, water, and broadband that link townships and villages to markets. We propose economic development agencies, EDAs, in every region, specifically to empower local municipalities.

This must include state teams of economists, engineers and community licenses to industrialise idle land for agro-processing, renewables, and co-operatives that create thousands of jobs.

Our concrete proposals in order to achieve this are: a 100 billion township and village economy revival fund, administered locally with strict oversight; a 50% local empowerment in the form of a R2,3 trillion infrastructure development pipeline, so that township firms can build schools, clinics, and solar mini-grids; state agro-processing plants in every local municipality within 24 months, complete with training in coding, welding, and sustainable farming; spaza shops must become formal suppliers, and backyard mechanics must become manufacturers.

The government must lead and reject new liberalism. The EFF's socialist vision must be embraced with the nationalisation of key

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sectors and redirecting profits to municipal programmes that support township traders.

In Johannesburg, the Member of the Mayoral Committee, MMC, for Public Safety, Dr Dr Mgcini Tshwaku has restored safety to our communities and was named the best MMC for 2024. The MMC for Health and Social Development, Cllr Ennie Makhafola delivers 24-7 clinics, such as the upgraded Naledi facility. In Tshwane, MMC Cllr Obakeng Ramabodu launches projects for food security, and the Ekhurileni, MMC Thembi Msane improves township water and sanitation.

Yet, the so-called Government of National Unity corruption under the largest party of the coalition, the ANC, continues unabated, perpetuating corrupt audits and elite captors. Instead, the EFF demands accountability, an end to cadre deployment, and properly balanced and regularly ordered budgets.

Youth unemployment at 62% is a ticking time bomb fuelled by spatial apartheid. Building local municipality capacity that will empower and create jobs will diffuse it, turning townships into industrial hubs and villages into export powerhouses. This is black economic empowerment in action -government assisting the people, returning land for productive use and decentralising

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wealth to the grassroots. The struggle indeed continues until justice and economic freedom in our lifetime will be spatial, with grassroots directed at economies and real. Thank you.

Ms B E MACHI: Hon Chairperson, the Inkata Freedom Party welcomes and supports this important debate. It comes at a time when our nation is actively working to transform the local government spheres into a true engine of inclusive growth and development.

As a party that believes in servant leadership and people-centred governance, the IFP recognises that building the capacity of municipalities is key to unlocking the potential of our townships and villages. These communities hold immense entrepreneurial energy, cultural richness and untapped economic potential. What they require is the right support and this is precisely what the government through the Department of Cooperative Governance and Traditional Affairs, Cogta, is determined to provide.

Hon Speaker, under the leadership of the Minister of Cogta, hon Minister Hlabisa, the department is driving a renewed focus on strengthening local government capacity, not only to deliver basic services, but also to stimulate sustainable economic development at the grassroots. This includes professionalising

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local government to ensure that municipalities are staffed by competent and qualified officials.

The IFP fully supports this shift towards merit-based recruitment and continuous skills development; investing in local infrastructure because roads, water, sanitation, energy, and digital connectivity form the backbone of thriving township and village economies; enhancing intergovernmental co-operation so that municipalities, provinces and national departments work in harmony to channel resources where they are needed most; partnering with traditional leaders and community structures, we strongly believe that amakosi must play an active role in planning and implementing development in rural areas. Their leadership and insights are invaluable to inclusive growth; empowering small and emerging enterprises by facilitating access to finance, skills training and local markets. Through these initiatives, our townships and villages can become hubs of innovation, production and job creation.

Hon Speaker, we remain encouraged by the ongoing efforts to rebuild trust and capacity within the local government sphere. We are seeing a growing recognition that municipalities are not just service providers, they are catalysts for development and opportunity. With sound leadership, strengthened institutions and

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active community participation, we can transform the spatial and economic landscape of our country.

We can ensure that young entrepreneurs in Nongoma, Ulundi or Thohoyandou have every opportunity to succeed right where they are. The IFP is confident that working together through capable municipalities, empowering communities and visionary leadership, we can build a South Africa where prosperity reaches every township and every village. I thank you, Chairperson.

Ms S M PETERS: Chair, hon members, for too long, South Africa's economy has lived in two worlds - the glittering urban centres where opportunity thrives, and the forgotten townships and villages where poverty lingers generation after generation.

This spatial divide is not accidental. It is a legacy of a system that kept wealth in cities and left the townships with empty promises. Today, the Patriotic Alliance says, "Enough!" It is time to build the capacity of our district and local municipalities to give them the tools, resources and authority to ignite real economic growth in the townships and villages of this country.

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How can we talk about equality when a young entrepreneur in Nigel, Geluksdal or Giyani has to travel hundreds of kilometres just to find funding or business support? How can we speak of progress when local economies depend entirely on what happens in Sandton or Cape Town?

Let's create jobs where people live, instead of forcing them to migrate to already overcrowded cities, for more resilient, diversified local economies that contribute to national growth and social cohesion. Thank you, Chair.

Mrs H DENNER: House Chairperson, the core mandate underpinning the national development strategy is clear and similar to today's topic, namely, building the capacity of district and local municipalities to develop and support township and village economies, and thereby address the spatial concentration of economic activities in the country.

This legislative vision requires local government to act as efficient frontline development agencies dedicated to promoting the social and economic development of the communities they serve. This is the promise of how it should be.

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The legislative and policy frameworks outline a vision for inclusive growth. The Constitution and the Local Government: Municipal Systems Act 32 of 2000 mandate municipalities to promote the social and economic progress of the people they serve.

The National Framework for Local Economic Development encourages effective implementation of sustainable community investment programmes and innovative local ideas. If the system functioned as intended, we would see local government facilitating tangible growth.

Dedicated initiatives such as the Township and Rural Entrepreneurship Programme, Trep, would successfully provide blended finance and business development support to informal, micro and small enterprises in these areas. In this ideal scenario, dedicated infrastructure grants such as the Municipal Infrastructure Grant, Mig, would effectively eradicate backlogs in basic services like water, sanitation roads and lighting, which are essential for business development.

We would witness the active revitalisation of industrial infrastructure in townships through the Industrial Parks Revitalisation Programme, IPRP, to enhance competitiveness and,

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ultimately, district and local municipalities would drive the active development of village and township economies, and remove inhibiting regulations.

This is the blueprint for prosperity. This is how it was meant to work. Yet, the reality that confronts millions of South Africans daily is one of widespread municipal decay. The vision of efficient development agencies has been overshadowed by failure. Far too long, chronic underfunding of maintenance, with many municipalities spending 4% or less of their budget on infrastructure upkeep, has resulted in the acceleration or accelerated deterioration of crucial municipal assets. We see this failure manifest daily. Water leaks in aging and poorly maintained pipes account for over 40% of water losses.

This collapse is not accidental. It is a direct consequence of poor governance and even poorer financial management. Corruption, including tender rigging and fraud, diverts funds away from essential infrastructure projects. Over 60% of municipal wastewater treatment works are in a poor or critical state, discharging raw sewage in our water sources and creating serious health threats. Residents face dry taps, if they have taps at all, overflowing sewers, pervasive potholes and unreliable electricity, which directly impacts their quality of life and

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hinders economic activity and growth opportunities, particularly for small businesses.

This poor service delivery also erodes public trust and drives frequent service delivery protests. This is a predictable outcome of failing local government over the past three decades under the ANC. But despite the squalor decay and the crippling difficulties imposed by unreliable services and poor local government, South Africans demonstrate an incredible, often overlooked, resilience every single day, making livelihoods and driving commerce through sheer determination.

Now, imagine the potential if that immense individual resilience was supported by a caring, competent government with the actual political will to improve our municipalities. What are the possibilities? I thank you.

Mr A D BEESLEY: House Chairperson, it's Alan Beesley standing in for hon Ngobeni. South Africa's economic map is still divided by the same invisible lines that separated our people decades ago. Economic activity remains heavily concentrated in a few urban nodes, while township and rural villages, where most South Africans live, remain disconnected from opportunity, growth, and meaningful development.

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If we are honest, we have failed to bring the economy closer to the people. The reality is that most local and district municipalities lack the capacity to drive local economic development. The very institutions meant to enable growth are paralyzed by cadre deployment, corruption and incompetence.

The Auditor General's report tells a consistent story. Billions in irregular expenditure, collapsing infrastructure, and empty economic developments ...

Mr T B MUNYAI: Are you a cadre, Alan?

Mr A D BEESLEY: ...sorry, Chair.

The CHAIRPERSON (Mr W M Douglas): Hon, we were just disturbed. Could all members please mute their mics? Please continue, hon Beesley.

Mr A D BEESLEY: ... the Auditor General reports tell a consistent story: billions in irregular expenditure, collapsing infrastructure, and empty economic development units that exist only on paper.

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Action SA has long said that South Africa cannot graze economy without fixing local government. This can be done through professionalizing municipal administration, restoring fiscal discipline and accountability, enabling local economic ecosystems, and unlocking land and infrastructure while supporting township and village entrepreneurs.

Hon Chair, we cannot speak about township economies and municipalities that cannot even fix a pothole or issue a trading permit without corruption. We need to create a local environment where people can start a business, employ others, and grow, similar to what we have done in Tshwane under Dr Nasiphi Moya, South Africa's favourite mayor.

We envision a South Africa where every town, township, and village becomes a centre of productivity, not poverty, where a young entrepreneur in Giyani or Kwamashu has the same chance to succeed as someone in Sandton, because their municipality works, because their roads work, and because their government works.

Action SA stands ready to do what this government has failed to do for 30 years, to build a capable state that delivers, municipalities that serve their people and an economy that

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finally includes those who have been left behind for far too long. I thank you, Chair.

Ms C T NONTENJA: Hon Chair, building the capacity of district and local municipalities to develop and support townships and village economies is not just important. It is a necessity for South Africa's future. For far too long, economic activity has been concentrated in a few urban areas, leaving rural areas and townships behind.

By strengthening local and district municipalities, that would empower them to create jobs, attract investment, and support small businesses where people actually live. This will reduce poverty, cut unemployment, and bring dignity to communities that have been historically neglected. Building this capacity will need a strong collaboration between all the local stakeholders, i.e., local government, businesses, nonprofit organizations, and communities to foster sustainable local economic growth and improve overall quality of life within the local and district municipalities.

Furthermore, it will need investing in specialized infrastructure to support economic activities. The initiatives must be adaptable

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to national and global economic changes and designed to help local areas respond creatively to the changes.

Most of all, municipalities have to do away with cadre deployment and employ people on merit. A strong local government means better service delivery, improved infrastructure, and inclusive economic growth. If we truly want to build a better and equal South Africa, the change must start at the local level. We need a bottom-up approach. I thank you Chair.

Mr V A NKOSI: Chair, I'm hon Nkosi. I will stand in for hon Mosikatsi.

During the month of October, peace-loving South Africans and progressives all over the world commemorated the life of a revolutionary giant and an internationalist par excellence, Comrade OR Tambo. This visionary icon of our liberation fought tirelessly against the brutal and barbaric system of oppression and institutionalised racism in this land. Comrade Tambo inspired many generations of freedom fighters and mobilised strong and principled global support for a free, nonracial, nonsexist, democratic and prosperous South Africa united in its diversity.

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This enduring vision which Tambo shared continues to shape our endeavours to transform South Africa from the vagaries of apartheid manifesting in racial segregation, underdevelopment and impoverishment.

Our principal task is to dismantle the colonial and apartheid legacy and transform our country, and place it on a developmental path where there shall be shared prosperity for all and a common pursuit of our collective destiny.

The ANC has an abiding commitment to build a redistributive economic environment for thriving enterprise development across the rural and township landscape. Our manifesto's commitments, as reinforced by the marching orders articulated in the seminal January 8th statement of the ANC, remains building inclusive economic growth.

Economic inclusion is a necessary precondition for the success of the transformation agenda for current and future generations.

In this debate, we underscore that the microeconomic climate must become favorable to the development of economic hubs in rural areas and townships to change the face of rural and township life into one of economic dynamism and prosperity.

Economic policy frameworks must support and enhance township and village economies to unlock the untapped potential of entrepreneurial opportunities and skills. This calls for direct investment in these economic segments to boost and upscale the nascent productive sectors.

International experience confirms that small, medium and micro enterprises, SMMEs, contribute significantly to the GDP and job creation. In fact, it is recorded that small and medium enterprises, SMEs, contribute approximately around 40% to the country's GDP and account for 50% of formal employment, and continues to expand each year.

The net effect of this trend is economic empowerment, which impacts on the relations of production, reduces unemployment and fights poverty.

According to a report by the Department of Trade, Industry and Competition, businesses in and around townships and rural townships are operating in various sectors, including property, retail, tourism and manufacturing.

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Some examples of these industries and products include agro-processing products such as castor oil, fruit juices, condiments, clothing, textiles, leather and footwear.

Manufactured products include man-made fibres, textiles, towelling, clothes, cotton, yarn and footwear.

Steel and metal fabrication products include a variety of fabricated components mainly used in the construction and automotive industries.

Retail products include cosmetics and beauty products. They are hair products, groceries, fast foods, building materials, fuel, pharmacies and poultry.

Mining and mineral beneficiation products include mined coal, lignite and precious fine chemicals.

Machinery and equipment products include the manufacturing of mining and construction equipment, pumps, compressors, taps and valves.

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Importantly, these sectors require support to scale, and surely as the sector grows, it also improves competitiveness of local economic subsectors on global markets.

Therefore, an enabling environment must be created to play a more catalytic role in economic development in marginalised communities.

As we continue to dismantle the tyranny of colonial economic duality and the tale of two nations, a recent study on the state of SMEs reflects a stark spatial disparity, which we must overcome.

The report shows that the geographic distribution of SMEs highlights significant disparities in access to resources and markets.

Gauteng leads with 34,6% of SMMEs, followed by the Western Cape with 31,3% and KwaZulu-Natal with 15,1%. Provinces such as the Northern Cape with 1,1% and the North West with 1,8% are starkly underrepresented, reflecting a concentration of entrepreneurial activity in major economic hubs.

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It behoves the democratic government to actively direct infrastructure development in the form of physical road, rail, and other logistic networks to stimulate the economic activity and operating environment for SMMEs in townships and villages.

This concentration of economic activity, and by extension investment, requires a fundamental shift in thinking about development and investment orientation. In fact, the uneven distribution exposes disparities in infrastructure, market access and institutional support.

In concrete terms, the urban-rural divide persists as urban areas, particularly in Gauteng and the Western Cape, benefit from robust transport networks, financial services and a high concentration of skilled labour, all of which attract and sustain businesses.

In contrast, rural and underrepresented provinces face challenges such as limited internet connectivity, inadequate funding opportunities and lower levels of consumer demand.

Under successive ANC governments, there has been focused attention in the development of spatial initiatives to shift from the concentration of economic activities in a few urban areas

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through industrial development zones, special economic zones, as well as industrial parks. These interventions need to be intensified and distributed across different districts and secondary cities for a balanced development.

It is in this respect that an overarching microeconomic approach, which is echoed on an aggressive industrial policy, plays a vital role. It is vital that the industrial base is developed in townships to enhance the upscaling of local enterprises in townships and rural communities.

There is commendable work in terms of infrastructure and a diversification of our industrial footprint. We can report that under the Critical Infrastructure Programme, CIP, the Department of Trade, Industry and Competition supports infrastructure development in state-owned industrial parks as part of the state-owned Industrial Parks Revitalisation Programme, IPRP.

The IPRP is considered one of the Department of Trade, Industry and Competition's key interventions, promoting the decentralisation of industry to less developed areas and within rural and township economies.

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In this regard, over R823 million was dispersed to 15 industrial parks located in and around townships and rural towns since the inception of the IPRP in 2015-16.

Funding was provided for road infrastructure, security upgrades, the installation of sewerage ... water and electricity infrastructure, and the refurbishment of top structures. Twenty-four construction phases were conducted on the 15 industrial parks, which employed an estimated 64 023 people in November 2024.

We are revising the spatial distortions of apartheid and we are advancing integrated spatial development, and we will not relent on this mission.

There are different models of rural and township business development, which include enterprise building, franchise and joint venture models. All these models demand business support and investment in order to make a meaningful economic impact beyond the current levels.

Barriers to economic development must be eradicated to unlock the potential of SMEs and encourage innovation through investment.

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It is for this reason that we as the ANC believe that the financial sector must transform and change its investment approach to provide access to finance to support the growth of the SME sector.

In the same vein, we continue to advocate that development finance institutions must also create a financing ecosystem for SMMEs. [Time expired.]

Mr K H WAKELIN: Hon Chairperson and hon members and fellow South Africans, the question we need to ask is: Has any of the ANC's interventions in the last 31 years impacted economic growth and development in townships and villages? The answer is a resounding no. We can see the state of most townships and villages. There is a clear history of neglect, political patronage, and infrastructure collapse.

Hon Chairperson, the DA agrees with the goal of growing township and village economies to uplift and eradicate unemployment. But we reject the methods that have been used in the last 31 years. Because after 31 years, it is very clear - South Africa's ANC-led municipalities are not failing because people lack potential. They are failing because the ANC government has stripped

municipalities of power, professionalism, accountability, and political interference.

Firstly, the question is: How do we turn this around? Good governance is the starting point. Hon Chairperson, you cannot build a township economy on broken roads, irregular supply of water, and unreliable power. As it stands, we have over 160 municipalities that are in financial distress. Many cannot pay creditors, and many cannot deliver even basic services. This is not a financial problem. It's a governance crisis. To grow local economies, we must first fix local government. What does it mean? It means that we appoint staff based on merit, not political connection, enforcing clean audits and financial discipline, and ending cadre deployment once and for all.

Where the DA governance in Midvaal, Drakenstein, Stellenbosch, and Cape Town, clean governance has attracted investors, created jobs, and restored hope. It is for this reason, and the reason for this is simple - good governance lays the foundation for good economics. Secondly, importantly, the DA's position against the District Development Model, the DDM. Let me be very clear. The DA rejects the DDM. We see it for what it is - a centralised power grab that violates the Constitution and undermines municipal autonomy.

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The DA's objections are clear. Firstly, it violates Section 151(4) of the Constitution, which says national and provincial government may not impede on a municipality's powers. Secondly, the DDM makes provision for the ANC to impose and control larger districts with their one plan and one budget model on municipalities that they don't even govern. This will be a disaster in particular where the DA governs. We cannot allow that. The DDM is ineffective, bureaucratic, and costly with no proof of success from any of its pilot projects. What the DDM also does is ignore local realities, forcing every community into a centralised plan.

However, Chairperson, the DA has real solutions for this fundamental problem of growing township and village economies. As a principle, the DA's economic justice policy ensures and mandates local economic growth in stark relations of the current ANC BEE model by comparison. The current BEE model targets elites, the small group of people, whereas the DA's policy targets the vulnerable and the disadvantaged. The current BEE model enables corruption and patronage, whereas the DA SDG model identifies areas of need and disadvantage. It makes it more difficult for benefits to go to those who have not worked for it. The current BEE model follows a very narrow criteria, which ignores the many economic, environmental, and social

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contributions the private sector can make, whereas the DA's economic policy has 17 SDG goals, which, when it's achieved, will result in an inclusive and sustainable society.

The current BEE model deters investment by private companies in particular township and village economies, but the DA's sustainable economic policy has huge potential to drive returns as investors, shareholders, and analysts look for companies with strong SDG awareness and commitments. The DA's policies are clear, local power for local economic growth. We believe to decentralise power, build capacity where people live, unleash the energy of local communities. We advocate for a professional local government, hire skilled, ethical officials through an independent process out of the reach of politicians. Develop more powers towards housing, transport, policing, and energy to capable municipalities. Decisions must be made closer to the people.

Then also, we need to cut the red tape. Municipalities must simplify bylaws, streamline their permits, and open procurement to townships and villages so that SMMEs can compete fairly. We also need to reward performance. Municipalities that deliver should receive more support, not less. Chairperson, that is how we enable entrepreneurship in our townships and villages. This is

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how we restore confidence. This is how we grow local economies from the ground up. Our townships and villages are not spaces of despair. They are engines of potential.

What our entrepreneurs need is very simple. They need infrastructure that works. They need access to markets and finances, as described by the DA's economic justice policy, which is an alternative to the BEE. They need real partnership and not to be dictated by some oblivious government that lives far from the realities of today. When municipalities are functional and transparent, investors come, jobs are created, and hope returns. When municipalities are mismanaged, businesses close, and people lose faith. The choices are ours, and we need to make those choices now, as time is not on our side, Chairperson. Why would we support political expediency to thrive over good, common business sense? Have we not suffered enough as a nation, Chairperson? As our hon President has said to the ANC councillors, go and learn from the DA on how they do things. We have said, and we have said again, we open our arms, and we invite whoever wants to listen and to learn and to experience the DA way.

In conclusion, South Africa recovery will not come from the ANC's centralised plans in government. It will come from capable and

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committed local governments and determined entrepreneurs in every township, every village that is prepared to walk the long road to freedom, to economic freedom. The ANC's DDM wants to centralise control. The DA wants to empower communities. The DA chose decentralisation over domination, partnership over politics, and freedom over control. Let us build municipalities that work, economies that include, and a South Africa that grows from the ground up. I thank you, Chair.

Mr M C MASINA: Thank you very much to all the members who have participated in the debate. As we conclude this debate, it is clear that 30 years after democracy, some of the country's economic challenges remained. And most affected are those living in rural areas and township areas, the youth and the most vulnerable in our society. The Executive and Parliament have a constitutional responsibility to ensure that the Bill of Rights is realised for all citizens. In particular, Section 7(2) states that the state must respect, protect, promote and fulfil the rights of the Bill of Rights.

In addition, Section 9(2) states that equality includes the "full and equal enjoyment of all rights and freedoms". To promote the achievement of equality, equality, legislative and other measures designed to protect and advance persons and categories of persons

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disadvantaged by unfair discrimination may be taken. This is the foundation upon which we must build our society.

Therefore, inclusive economic growth is imperative. Hence, building the capacity of district and local municipalities is critical to develop and support township and village economies, and thereby address spatial inequalities in the country.

Notwithstanding that, there are other role players, including national and provincial governments, that must also fulfil their responsibilities to ensure co-ordinated service delivery. Beyond spatial economic challenges, it is also evident that the country has not transformed to acceptable levels despite efforts to do so. Therefore, it is important that we remain committed to economic transformation and inclusion. In this regard, it is important that we continue implementing the Broad-Based Black Economic Empowerment. I know that the DA is very much opposed to this. But we're not going to back down in terms of ensuring that we promote black economic empowerment in terms of the act.

As a key legislation framework, one of its objectives is to facilitate Broad-Based Black Economic Empowerment by increasing effective economic participation in black-owned and managed enterprises, including small-medium enterprises and co-operatives, and enhancing their access to finance and non-

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financial services. One of the challenges faced by the black economic empowerment programme has been access to finance by black individuals. One of the elements is an enterprise and supplier development, which has not fully had the desired impact of integrating black business into its supply chains.

The Transformation Fund, which is being launched by Minister Parks Tau now, as a concept, seeks to address the shortcomings of accessing funds to enable such economic transformation, supply chain integration, and spatial redress. Furthermore, the Transformation Fund seeks to grow the economy and foster job creation through support of rural and township economies and small and micro-enterprises.

Furthermore, it has necessitated the challenges faced by SMMEs, including the lack of access to affordable financing, pre-and post-investment, and non-financial support. In addition, the development finance institutions such as the DBSA as well as the IDC should play a crucial role in building municipal capacity, offering project development and technical support, enterprise finance, and funding models to municipalities and enterprises.

This is necessary to enable the economic infrastructure upon which the development of SCZ, which I spoke about, and industrial

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parks and other economic activities in rural areas should occur. Other DFIs such as IDC and NEF should directly fund and support rural and township enterprises by offering them financial and non-financial support. However, the DFI's capacity to offer funding also is constrained, and this is one area that must be addressed. Therefore, there is a need for additional state support to improve their funding capacity to build on the work that they have been doing and increase funding available to businesses.

In addition to funding tools, we also have at our disposal the DFI's fund from National Lottery that could be considered to provide much-needed capacity to fund enterprises, co-operatives, as well as local industries that contribute to job creation and economic participation in rural townships and economies. These funds could contribute towards the diversification of South Africa's economy through, for instance, funding enterprises involved in manufacturing, green industry, amongst others. In closing, an integration of national and provincial and municipal planning through district development is critical to address the misaligned policies and mismatch of resources to drive rural and township development. I thank you.

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The CHAIRPERSON (Mr W Douglas): Thank you, hon Masina, and thank you to all the speakers. That concludes the debate in the business of this virtual mini-plenary session. The mini-plenary will now rise. Thank you.

The mini-plenary rose at 12:53.

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