Wednesday, 26 November 2025]

No 207—2025] SECOND SESSION, SEVENTH PARLIAMENT

PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

WEDNESDAY, 26 NOVEMBER 2025

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1. Referral to Committees of papers tabled

(1) The following papers are referred to the **Portfolio Committee on Cooperative Governance and Traditional Affairs**:

(a) Government Notice No. 6684, published in *Government Gazette* No. 53443, dated 30 September 2025: Consolidated Annual Local Government Performance Report for 2021/2022, tabled in terms of section 48 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

(b) Government Notice No. 6685, published in *Government Gazette* No. 53443, dated 30 September 2025: Consolidated Annual Local Government Performance Report for 2022/2023, tabled in terms of section 48 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

(c) Government Notice No. 6766, published in *Government Gazette* No. 53594, dated 29 October 2025: Consolidated Annual Local Government Performance Report for 2023/2024, tabled in terms of section 48 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

(2) The following paper is referred to the **Portfolio Committee on Defence and Military Veterans**:

(a) Agreement between the Government of the Republic of South Africa and the Government of the Russian Federation on the Organisation of Maintenance, Repair and Modernisation of MI-17 (MI-8), MI-35 (MI-24) type of helicopters and their modifications in the territory of the Republic of South

Africa, tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.

(3) The following paper is referred to the **Portfolio Committee on Trade, Industry and Competition** for consideration and report:

(a) Report of the Competition Commission on the Media and Digital Platforms Market Inquiry (MDPMI) – November 2025.

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1. The Minister of Justice and Constitutional Development

(a) Proclamation No. R.297, published in *Government Gazette* No. 53707, dated 21 November 2025: Referral of matters to existing Special Investigating Unit and Special Tribunal: In respect of the affairs of the South African Tourism Board (hereinafter referred to as "the Board"), in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996).

2. The Minister of Land Reform and Rural Development

(a) Extension of the Application of the Interim Protection of Land Rights Act, 1996 (Act No. 31 of 1996) – published in *Government Gazette* No. 53490, dated 10 October 2025.

3. The Minister of Social Development

(a) Report and Financial Statements of the Central Drug Authority for 2024-25.

4. The Speaker and the Chairperson

(a) Report of proceedings of the **2025 P20 Women's Parliament**: 13 – 14 August 2025.

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PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

REPORT:

PROCEEDINGS OF THE 2025 P20 WOMEN'S PARLIAMENT

13-14 August 2025

NCOP CHAMBER (HYBRID)

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

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1. Executive Summary

1.1. Overview

The 2025 P20 Women's Parliament was convened as a strategic build-up event to South Africa's G20 Presidency, held under the theme: **"Accelerating Equality, Sustainability and Shared Growth: *Correcting the gender re-distributional bias of growth and development - through the Women's Charter, the MTDP and the 2025 G20 Development Priorties"***

Hosted in a hybrid format at the NCOP Chamber, the event brought together Parliamentarians, government officials, civil society, international partners, and grassroots activists. It aimed to reflect on the legacy of the Women's Charter and align South Africa's gender transformation priorities with global development agendas.

1.2. High-Level Session

This session set the tone for the Parliament, with opening remarks from Hon. P Govender and Hon. C Frolick, and a keynote address by Speaker Thoko Didiza. The speakers reflected on the historical exclusion of women from political spaces and celebrated the progress made since 1994. They called for renewed commitment to gender equality, inclusive governance, and the empowerment of women across all sectors.

1.3. Strategic Insights and Analysis

Presentations by Statistics South Africa and the National Planning Commission provided a data-driven overview of women's socio-economic status. Key findings included high unemployment rates among women, especially Black African women, and the gender blindness of national development plans. The need for institutionalised gender mainstreaming and revived national gender machinery was strongly emphasised.

1.4. Keynote Address

Deputy President Paul Mashatile delivered a powerful address highlighting the historical role of women in the liberation struggle and the persistent inequalities they face today. He outlined government interventions such as gender-responsive budgeting, procurement reforms, and strengthened GBVF legislation, and called for decisive action to dismantle patriarchal structures and promote inclusive growth.

1.5. Interactive Sessions

These sessions featured contributions from the Finance and Fiscal Commission, UNDP, NEF, and others. Discussions focused on systemic barriers to women's economic participation, including lack of access to finance, market exclusion, and gender-insensitive budgeting. Lived experiences of women entrepreneurs underscored the urgency of transforming rhetoric into measurable support and outcomes.

1.6. Panel Discussions

Panelists explored themes such as economic inclusion, climate justice, health equity, and the care economy. The discussions highlighted the intersectionality of gender with race, geography, and socio-economic status. Emphasis was placed on empowering rural women, recognising unpaid care work, and ensuring inclusive access to digital and economic opportunities.

1.7. Policy Statements

Provincial delegates and political party representatives presented their commitments and recommendations. These statements reflected diverse perspectives but converged on the need for legislative reform, gender parity, economic empowerment, and stronger accountability mechanisms. The importance of grassroots engagement and inclusive development was repeatedly affirmed.

1.8. Summary of Challenges

Delegates identified persistent barriers to gender equality, including:

- Economic exclusion of women due to unpaid care work, lack of funding, and market access.
- Prevalence of GBVF, driven by patriarchal norms and weak enforcement.
- Ineffective implementation of gender-focused policies and programs.
- Lack of gender-responsive climate disaster management.

These challenges were framed as urgent priorities requiring coordinated, multisectoral responses.

1.9. Summary of Recommendations

To P20 Speakers of Parliament

- Institutionalise gender-responsive oversight and budgeting.
- Mandate gender impact assessments for all legislation.
- Ensure inclusive participation and support structures for women MPs.

To G20 Governments

- Adopt gender-responsive disaster frameworks.
- Legislate preferential procurement for women-owned businesses.
- Relax business regulations for women entrepreneurs.

To South African Parliament

- Report back on measurable outcomes from the P20 process.
- Rotate Women's Parliament hosting across provinces.
- Ensure intersectional representation in all parliamentary activities.

To South African Women MPs

- Collaborate across party lines to advance gender equality.
- Empower constituencies and advocate for voluntary gender quotas.

To South African Government

- Fully implement gender-responsive planning and budgeting.
- Address GBVF with data-driven, intersectional approaches.
- Regulate alcohol availability as a GBVF prevention strategy.

To Key Departments

- **Planning, Monitoring and Evaluation**: Ensure gender targets in strategic plans.
- **Public Services and Administration**: Institutionalise gender-responsive workplaces.
- **National Treasury**: Include gender budget statements in national budgets.
- **Justice and Constitutional Development**: Establish specialised GBV courts and a Femicide Watch.
- **Cooperative Governance and Traditional Affairs**: Empower municipalities on gender-responsive disaster planning.

To Political Parties

- Adopt voluntary gender quotas and zebra listing.
- Mentor young women and make politics more inclusive.

2. INTRODUCTION

The Parliament of Republic of South Africa hosted the 2025 P20 Women's Parliament on 13-14 August 2025, under the theme, "*Accelerating Equality, Sustainability and Shared Growth: Correcting the gender re-distributional bias of growth and development - through the Women's Charter, the MTDP and the 2025 G20 Development Priorities*". The event was hosted in a hybrid format, with the in-person component taking place at the National Council of Provinces Chamber in Parliament. The event brought together various stakeholders, including government officials, international partners, civil society organisations, and gender activists.

The Parliament of the Republic of South Africa, as the host of the 11th P20 Speakers Summit, due to South Africa's 2025 G20 Presidency, decided to host a series of build-up events leading up to the Speakers Summit to be convened in September-October 2025. The 2025 P20 Women's Parliament, as one of the build-up events, was convened to align with the 2025 South African G20 Presidency's development priorities and objectives, which include promoting global economic stability, strengthening global economic growth, and improving global economic governance.

The 2025 P20 Women's Parliament also sought to acknowledge the legacy of South African women's struggles and fight for gender equality. In acknowledging the struggle history of women, the event reflected on the journey travelled towards achievement of the commitments made through the adoption of the 1954 Women's Charter, the 1994 Women's Charter for Effective Equality, and the 2021 Women's Charter for Accelerated Development.

In addition, this strategic event also aimed to strengthen the legislative sector's role in advancing gender equality, inclusive development, and women's empowerment, while aligning South Africa's policy priorities with international commitments. It also provided a platform for reflecting on policies, strategies, and the sharing of ideas to create a convergence that would shape the space for women's participation in global policy-making processes. In this regard, various recommendations were proposed to G20 governments and P20 Speakers of Parliaments.

The two-day event comprised a high-level opening address, messages of support, a keynote address, strategic insights and analyses, interactive sessions, panel discussions, and the

delegates were provided with opportunities to make inputs, comments, and propose recommendations.

The topics and deliberations for the two days were informed by the thematic issues from the 2021 Women's Charter for Accelerated Development, the developmental goals as outlined in the Medium-Term Development Plan, and the objectives of the African Union's Agenda 2063. The deliberations focused on the following thematic areas:

- Gender sensitive, inclusive economic growth and care economy
- Industrialisation and employment
- Custom, culture and religion
- Patriarchy and inequality
- Women and climate justice
- Gender-Based Violence and Femicide (GBVF).

3. HIGH LEVEL SESSION

3.1. Opening Remarks: Hon. Mr P Govender, MP - Deputy Chairperson of the National Council of Provinces

The 2025 P20 Women's Parliament, the first of the seventh administration, was officially opened by the Deputy Chairperson of the National Council of Provinces, Mr Govender. He acknowledged the presence of the Speaker of the National Assembly, Ms Thoko Didiza; the Minister of Women, Youth and Persons with Disabilities, Ms Sindisiwe Chikunga; the House Chairperson, Mr Cedric Frolick; as well as other members of Parliament, ministers, deputy ministers, and delegates attending both in person and virtually.

In his opening remarks, the Deputy Chairperson reminded the delegates of Shirley Chisholm's famous words, "*If they don't give you a seat at the table, bring a folding chair*," linking this to the historic 1956 women's march to the Union Buildings. He positioned the 2025 P20 Women's Parliament as a high-level, strategic platform building up to the hosting of G20 and P20 summits, aimed at ensuring women's meaningful participation in global policy and legislative debates. The session, he emphasised, was convened to advance South Africa's transformation agenda by articulating gender-responsive and developmental priorities, strengthening parliamentary oversight across all three spheres of government, and monitoring the implementation of gender transformation policies.

Hon. Govender reminded delegates that one of the 2025 Women's Parliament's key tasks was to review the 2021 Women's Charter for Accelerated Development, acknowledging progress made, identifying gaps, and proposing actionable steps. Delegates were urged to challenge entrenched norms, share innovative solutions, and build partnerships that would drive equality and shared growth.

Hon. Govender voiced a critical concern about the ongoing scourge of gender-based violence, which increasingly affects children as well. Delegates were therefore called to develop outcome-based oversight priorities and strategies to ensure that the discussions translate into tangible, measurable change in the lives of women and girls.

In closing, the Deputy Chairperson expressed gratitude to Ms Stella Ndabeni from the Department of Small Business Development for organising the women-owned business displays outside the NCOP Chamber. He then handed the session over to Mr Frolick.

3.2. Welcoming Remarks: Hon. Mr. C Frolick, MP-House Chairperson, Committee on Oversight and Public Participation

The House Chairperson of the National Assembly, Mr Frolick, welcomed all distinguished guests, including the Speaker, ministers, and representatives from various sectors. He acknowledged the presence of former leaders, former Deputy Minister Kota-Hendricks, Ms Maseko, and Ms Ngwenya and expressed appreciation for their attendance. He concluded by introducing the Speaker of the National Assembly, Ms Thoko Didiza, highlighting her extensive experience in various leadership positions, as Deputy Minister, Minister, and Presiding Officer, before inviting her to deliver the high-level opening address.

3.3. High level opening -Setting the Scene: Hon. Ms. AT Didiza, MP-Speaker, National Assembly

The Speaker of the National Assembly began by acknowledging current and former leaders, ministers, members of Parliament, representatives from women's formations, and partners, including the United Nations Development Programme (UNDP), while reflecting on how women were historically excluded from Parliament prior to 1994. She reminded delegates that in 1993, there were only two women ministers and even basic facilities for women were lacking, underscoring how far the country has come.

Hon. Didiza traced the women's struggles across different eras, as far back as early resistance to pass laws and land dispossession before 1913; the 1954 formation of the Federation of South African Women and their Women's Charter, which defined a vision for society; and the iconic 1956 march where women of all races, classes, and religions united against apartheid pass laws. She highlighted how women consistently built solidarity across divides, often at great personal risk, and played a crucial role in shaping South Africa's democracy. This included convening diverse women's structures in 1992 to draft the Women's Charter for Effective Equality, ensuring that women were included in negotiations for a democratic South Africa, and securing constitutional guarantees, such as the equality clause and the creation of gender machinery, including the Commission for Gender Equality.

The Speaker emphasised that women's agency has secured many gains, including a women's ministry, stronger representation in legislatures, women judges and chief justices, women pilots, doctors, and professionals across sectors. These achievements, she noted, are rooted in the sacrifices of women who were often uneducated but resilient in fighting for a free and equal society. She stressed the importance of women continuing to function as "*bridge builders*," prioritising people and communities above party divides, and urged the Multi-Party Women's Caucus to embody this spirit in its work.

She called for renewed connections between women in legislatures and grassroots women's movements to ensure women's voices continue to shape the national agenda. Finally, she urged delegates to use the 2025 P20 Women's Parliament as a platform to influence the G20, ensuring that global economic agendas promote inclusivity, sustainability, and intergenerational justice. She concluded by encouraging South African women to present a united voice across party political lines on what they want for an inclusive and sustainable world.

3.4. Message of Support: Hon. Ms. S Chikunga, MP-Minister of Women, Youth, and Persons with Disabilities

Minister Chikunga expressed gratitude for the invitation and situated the 2025 Women's Parliament within a historic moment marked by major milestones: 30 years since the adoption of the Beijing Platform for Action, 70 years since the adoption of the Freedom Charter, and the upcoming 70th anniversary of the 1956 Women's March. She paid tribute to heroines of the liberation struggle and early trailblazers in politics and the trade union movement, such as Helen Joseph, Rahima Moosa, Charlotte Maxeke, Sophia Williams-DeBruyn, Happy Joyce

Mashamba, and many others, reminding delegates that today's gains are rooted in their sacrifices.

Hon. Chikunga acknowledged the persistence of structural inequalities, women's marginalisation in political, social, and economic life; undervaluation of care work; exclusion from land and productive assets; limited protection in informal economies; the digital divide; and the ongoing scourge of gender-based violence and femicide. At the same time, she highlighted progress since 1994, including the current 43.5% representation of women in Parliament and 43% of women in the Executive, women surpassing gender parity in higher education, and women occupying senior roles across sectors. She also alluded to recent legal reforms and advances, including assenting to law various pieces of legislation, aimed at tackling gender-based violence and femicide, including the establishment of a National Council on Gender Based Violence and Femicide, as well as the adoption of evidence-based interventions guided by relevant studies.

Looking ahead, she outlined bold commitments to be achieved by year 2029, such as ensuring that half of all registered enterprises are women-owned and that 40% of government procurement goes to women-owned businesses. She further committed that government initiatives will support women's economic empowerment through agricultural cooperatives, access to advanced technologies, modernised manufacturing, streamlined certification processes, land reform, and financing mechanisms to turn land into productive assets.

She underscored the role of Parliament, particularly the Multi-Party Women's Caucus and oversight committees, in ensuring gender mainstreaming, gender-responsive budgeting, and accountability across all sectors. In conclusion, she reaffirmed the call for full equality in politics, the economy, and society, declaring that the struggle for gender justice continues.

4. STRATEGIC INSIGHTS AND ANALYSIS

4.1. *Unpacking the Status of Women in South Africa - Providing High-Level Statistical insights on Women's Poverty, Unemployment and Economic Exclusion*": Statistics South Africa - Mr S Molayi, Deputy Director General: Population and Social Statistics

Mr Molayi from Statistics South Africa (Stats SA) provided key statistics and insights on the women's population and social statistics. The presentation highlighted as follows:

- Women constitute 51.1% of the total South African population and live longer than males.
- Female-headed households, constituting about 42.4% of all households, earn significantly less income than their male counterparts, spend more on housing and food items, and more likely to be benefitting from a social grant compared to male-headed households. However, female-headed households reported to likely be up to date with debt repayments compared to male-headed households.
- About 45.5% of children lived with mothers only.
- The unemployment rate for women at 35.9 % as reported in Quarter 2 of 2025.
- Black African women regarded as most vulnerable, with an unemployment rate of 40.2% as reported in Quarter 2 of 2025.
- Women are more likely to be employed in community and social services and private households compared to men.
- Women occupying managerial positions account for 6.8% compared to 10.7% for men.

The presentation also detailed ongoing challenges that need to be addressed. In that regard, Stats SA advised that to achieve gender equity in decision-making roles, the empowerment of women within planning, policymaking, and coordinating should be prioritised. Stats SA further advocated for the adoption and implementation of programs aimed at:

- Increasing the number of females in the employment sector to reduce unemployment.
- Increasing economic participation of females.
- Increasing the number of women-owned businesses.

4.2. Re-Engineering Government's Planning Machinery, by Institutionalising Gender Mainstreaming in Planning Processes, Across the Three Spheres of Government: National Planning Commission - Ms T Cohen, Commissioner

Ms Cohen started the presentation by locating the concept of gender equality in various local and international instruments and further articulated the importance of gender mainstreaming in achieving gender equality. To this end, Ms Cohen further defined gender mainstreaming as a strategy used to ensure the gender responsiveness of plans and programs to attain gender equality.

She raised a concern about the gender blindness identified in the country's critical developmental plans. She reported that the assessment of the country's development plans,

such as Medium-Term Development Plan; strategic plans of government departments, including sector and district plans, had been found to be gender blind. Ms Cohen called upon the delegates to unpack for themselves the underlying reasons behind gender blind plans.

Ms Cohen emphasised the importance of gender mainstreaming in policy reforms and plans, as well as the critical roles played by key stakeholders, such as the Department of Women, Youth, and Persons with Disabilities, and other relevant structures. She indicated the need to revive the national gender machinery (NGM) as an essential aspect of the gender mainstreaming strategy. She further discussed the policy framework for developing the NGM, its structures and key stakeholders, current efforts to revive and review the NGM, and the current challenges facing the NGM.

Ms Cohen identified various challenges that hinder the effective realisation of gender transformation in South Africa. She pointed out that some of the difficulties could be attributed to the following:

- Limited connection between national, provincial, and local plans.
- Weak timelines for realisation of gender targets.
- Fragmented efforts by key stakeholders.
- Lack of effective monitoring and evaluation.
- Women's issues mentioned alongside other aggregated groups, such as youth, children, and persons with disabilities.
- Developmental plans failing to address specific gender targets.

Ms Cohen advised that to enhance the effectiveness of South Africa's national gender machinery and ensure gender is mainstreamed across all government policies, programs, and plans, the government should consider the following recommendations:

- The National Treasury and the Department of Planning, Monitoring and Evaluation (DPME) should jointly conduct a comprehensive monitoring and evaluation process. This process should inform the structural redesign of the national gender machinery to ensure coherence and coordination across all spheres of government.
- The DPME to regularly evaluate the impact of key policies and programs affecting women, including employment equity, skills development and Black Economic Empowerment (BEE) legislation. This implies investing resources to understand the actual impact of these policies on women.

- The Department of Women, Youth and Persons with Disabilities (DWYPD), in collaboration with the National Treasury, to conduct a comprehensive costing of gender mainstreaming initiatives.
- The DWYPD to conduct regular assessments of the effectiveness of the national gender machinery and ensure coordination across all spheres of government.
- Government to ensure adequate and dedicated funding to support implementation for institutions responsible for gender coordination and delivery.
- Government to ensure effective interdepartmental coordination mechanisms with clearly defined roles and responsibilities for effective gender mainstreaming across all sectors.
- Government to prioritise investing in labour-intensive sectors with high job creation potential for women.
- Government to adopt a gender conscious legislative process wherein gender is a standard agenda item in all policy reform processes.
- Parliament to adopt a legislative consciousness process, mandating gender impact assessment statements for every Bill introduced.
- Government to determine and analyse the current and potential economic contribution of the care economy.
- Government to identify and address regulatory barriers that hinder effective participation of women in the economy.
- Government to use gender-disaggregated baseline data to set clear gender targets and to measure progress.

5. KEYNOTE ADDRESS

5.1. Keynote Address: "*Engendering South Africa's Medium-Term Priorities: Advancing Equality, Transformation, and Inclusive Governance*": the Deputy President of the Republic of South Africa - Mr P Mashatile, MP

In delivering a keynote address, His Excellency, the Deputy President, traced women's historic role in the liberation struggle, from the 1954 Women's Charter and 1956 Women's March to today's democratic gains, noting the increased representation of women in Parliament and those occupying significant leadership positions. The Deputy President applauded the role played by women in fighting for the past injustices and gender inequality without fear by citing the song chanted during the 1956 mass demonstration, " *Wathint'abafazi, wathint'imbokodo*."

However, the Deputy President emphasised that despite these advances, gender inequality still persists in the economy, with most sectors still male-dominated and women facing barriers such as the gender pay gap, underrepresentation in leadership, lack of access to finance and productive assets, and the continued violence against women and children. He stressed that gender equality should be central to democracy, sustainable development, peace, and economic growth. In addition, he outlined some gender transformative government interventions adopted to empower women, including the following:

- Progressive constitutional protections (1996 Constitution, equality clause) and key legislation such as the Employment Equity Act, Broad-Based Black Economic Empowerment (BBBEE) Act, and the National Council on GBV and Femicide Act (2024).
- Public procurement reform, with 40% of contracts reserved for women-owned businesses, and financial/non-financial support *via* the National Empowerment Fund (NEF) and the Small Enterprise Finance Agency (SEFA).
- Innovation initiatives, such as the Technology Innovation Agency's funding and mentorship for women in technology.
- Strengthened GBVF legislation (amendments to criminal law, sexual offences, and domestic violence laws) to close gaps in protection and accountability.

The Deputy President called for decisive action to dismantle patriarchal structures, mainstream gender-sensitive policies across all sectors, and ensure women's full participation in economic and political life. He urged alignment of the 2025 P20 Women's Parliament with South Africa's G20 presidency priorities, particularly in areas such as the care economy, rural empowerment, financial inclusion, agriculture, and GBVF prevention, utilising forums like the Women 20 Engagement Group and G20 working groups as platforms.

Furthermore, the Deputy President urged leaders to prioritise women's empowerment to promote growth, reduce poverty and foster a just and equal society. He concluded by stressing that women's rights are human rights, and achieving true equality requires persistent advocacy, legislative reform, and collective action across government, civil society, and international platforms to secure an inclusive and democratic future.

6. FIRST INTERACTIVE SESSION

6.1. "*The role of the Finance and Fiscal Commission in ensuring that the Government's medium-term budget commitments effectively make provision for the youth and women development agenda*":

6.2. Finance and Fiscal Commission - Dr PN Mbava, Chairperson

Dr Mbava's presentation covered the role of the Finance and Fiscal Commission (FFC) and the constitutional mandate. This entailed making recommendations to Parliament, provincial legislatures, and any other authority determined by national legislation on equitable shares and allocations of revenue, among other things. The presentation emphasised the crucial role of fiscal policies and budgeting processes in addressing gender disparities and promoting gender equality through mechanisms such as Gender-Responsive Budgeting (GRB). Dr Mbava explained the role of gender-responsive budgeting in deliberately making the intergovernmental fiscal relation (IGFR) systems to be responsive to the needs of women, thus contributing to moving women out of poverty. He explained that gender-responsive budgeting should not be regarded as a separate budget for women, but rather as the integration of gender approaches into all stages of the budget process.

Dr Mbava informed the delegates that the latest national budget included a "*Gender Budget Statement".* According to Dr Mbava, the inclusion of the Gender Budget Statement appears to indicate a commitment by the government to integrate gender budgeting into the budget process. However, Dr Mbava reported on identified gaps within the Gender Budget Statement, including the following:

- Lack of structural root cause analysis on gender inequalities.
- Non-addressing of patriarchal labour practices that continue to disadvantage women.
- Lack of disaggregated impacts by race, location, disability, and age, for understanding distributional bias.
- Lack of intersectional lenses for understanding the distributional bias from different groups of women who experience inequality.
- No assessment on how taxation and expenditure affect men and women differently.

Dr Mbava reported that the FFC assessed the gender responsiveness and sensitivity of the May 2025 budget. According to Dr Mbava, the FFC's observation was that the May 2025 budget did not explicitly incorporate gender redistribution as a developmental strategy. He further provided that while the budget included significant allocation for social spending,

employment support, and community development, these funds had no clearly defined gender-based outcomes. The FFC also observed a lack of alignment across specific budget areas, particularly in the areas of job creation and labour, with a budget allocation of R23.7 billion, but without any gender-specific details in terms of programmes mentioned in the budget.

Dr Mbava also reported on the assessment of Budget Vote 20 for the Department of Women, Youth and Persons with Disabilities. It was reported that the assessment of Budget Vote 20 considered the performance metrics of the Department. He noted that although the Department is a gender-focused entity, some gaps were identified, such as a lack of clear evidence of coordination with other departments in terms of gender budgets. Dr Mbava further informed the delegates that Programme 2 (Advocacy and Mainstreaming for the Rights of Women), within Vote 20, caters for small-scale partnerships on gender-related issues but not integrated into other broader government departments. Some of the issues reported by Dr Mbava that were regarded as a cause for concern include the following:

- Under Programme 3 (Monitoring, Evaluation, Research and Coordination), a lack of disaggregated data on beneficiaries was identified, including an inability to demonstrate how the budget promotes gender redistribution.
- Some indicators within Programme 2 are not specific enough to show redistribution and gender outcomes.

According to Dr Mbava, the FFC's analysis of key fiscal planning documents revealed the following:

- Gender redistribution bias of growth and development remains a structural challenge.
- Efforts to address gender disparities remain limited in scale, fragmented and insufficiently institutionalised.
- Lack of nuanced understanding of the gender-dynamic root causes across multiple sectors.
- Gender considerations are not embedded in planning, budgeting and implementation in all sectors and spheres of government.
- The absence of gender disaggregated data weakens effective planning and targeted policy interventions.

In conclusion, the FFC forwarded some recommendations, summarised as follows:

- Gender-responsive budgeting should be integrated across all sectors with clearly defined equity targets, gender-disaggregated data and the design of inclusive programs.
- Budget Allocations should be clearly aligned with clearly defined gender-based outcomes.
- Continuous review and rationalisation of performance indicators on Program 2 of the Department of Women, Youth and Persons with Disabilities, to target poor and marginalised women more specifically, including those in rural and informal sectors.
- Include intersectional gender disaggregation across all performance indicators.
- Gender-cognizant monitoring should be integrated to assess how different groups of women experience inequality in public programs.
- Undertake a national gender inequality diagnostic for understanding the underlying social and dynamic drivers of gender inequalities.

6.2.1. United Nations Development Programme (UNDP)– Mr M Gomera, Resident Representative South Africa and Director, UNDP Africa Sustainable Finance Hub

Mr Gomera reflected on the various systemic barriers facing informal traders when seeking financial assistance for their businesses. He shared how his own mother, who possessed impeccable entrepreneurial and business acumen, had developed these skills over the years, but still faced various systemic barriers when seeking finance. He acknowledged the issue of systemic obstacles limiting access to finance for women-owned businesses as a global phenomenon. Mr Gomera addressed the use of government intermediaries in funding women entrepreneurs, stating that the use of intermediaries should be tailored to benefit these entrepreneurs.

Mr Gomera explained that, despite the statistics showing that women repay their loans more frequently than men, women entrepreneurs still struggle to get funding for their businesses, and female enterprises only access 10% of the venture capital. He informed the delegates about the capital markets' demand for collateral-based lending, despite several statistics showing benefits for investing in women, such as women being found to be low-risk and high-return investments.

Mr Gomera urged Parliamentarians to ensure that public outcomes shape the allocation of public funds. He strongly advised against the use of intermediaries that implement rules that

prevent women from accessing those funds. He further advised on the implementation of fiscal disruptions to unlock capital for women entrepreneurs, as follows:

- The government must set targets for lenders and reward those lenders for meeting agreed-upon targets in financially backing businesses owned by women. These targets must be clearly outlined in the budget process and should be publicly tracked.
- The government must make lending to women in high value sectors more attractive to lenders by sharing risks and lowering the costs by using public funds to lower lending risks to women.
- The government must turn contracts into cash flows by ensuring that women-owned businesses have quick access to funds immediately after securing a tender/contract to enable them to start working immediately.
- The government must open the field beyond banks by bringing in cooperatives and specialist funds.
- The government must make every budget gender smart, ensure inclusion of gender targets and continuously conduct gender impacts and ensure implementation of consequence management for non-compliance.

Mr Gomera concluded by advising that fiscal and monetary tools should be mobilised to assist women businesses, more especially in sectors with undercapitalisation of women entrepreneurs, such as in green energy, manufacturing, and agriculture. He urged that fiscal policies must be adapted to deliver the desired results, ensuring increased access by women-owned businesses to the proper funding, which enables them to flourish, multiply, and transform the economy. He further pleaded for financial support for every woman with the will and talent to succeed.

6.3. Unlocking the Potential of Women Entrepreneurs: Advancing Women's Employment and Economic Justice through Budget- Driven Small Business Development: Correcting the Gender Bias in Economic Participation: Tackling Women's Unemployment through Effective Support and Inclusive Budgeting for Small Business Development

6.3.1. National Empowerment Fund (NEF) - Mrs K Govender, General Counsel

Ms Govender hailed the Women's Charter as one of the guiding frameworks that obligates everyone to go beyond compliments towards delivering measurable change for women. She advised that the Women's Charter calls for boldness, urgency and for the dismantling of structural barriers that continue to exclude women from the heart of the economy.

Furthermore, Ms Govender referred to the progress attained by South Africa since 1994; however, she urged the delegates to be aware of the current realities of black women, especially Black African women, who remain overrepresented amongst the unemployed and underrepresented in business ownership. She pointed out various structural barriers hindering women, including a lack of start-up capital, exclusions from procurement value chains, limited financial literacy, limited access to business methods, high credit costs, restrictive collateral requirements, and limited market access.

Ms Govender reported on additional challenges faced by women in rural areas and townships' economies, including geographic isolation, infrastructure deficiencies, and, in some cases, traditional norms that restrict women's economic participation. She indicated that correcting these gender biases in economic participation should be achieved through targeted, budget-driven economic interventions that create real opportunities for women to lead and own businesses.

Ms Govender informed the delegates about the mandate of the National Empowerment Fund to drive sustainable participation by black people in South Africa's economy, with a focus on women, youth, rural, and township economies. She further reported on the assistance provided by the NEF since its inception in 2014, which includes disbursing more than R2.4 billion to black women entrepreneurs and creating 13,000 new jobs. She claimed that during the past financial year alone, women-owned businesses accounted for 36% of the disbursements of the NEF. She reported on the current determination by NEF to increase women's beneficiation to 50%.

Ms Govender also empowered the delegates about NEF's funding ranges, which range from R250,000 to R75 million, disbursed as term loans, equity finance, credit facilities, and other instruments. She informed the delegates about NEF not requiring the traditional collateral, rather focussing on commercial potential and empowerment impact. It was reported that the NEF supports businesses across various value chains and sectors, including retail, manufacturing, agriculture, logistics, and construction. She assured the delegates of NEF's position to offer more than just finance by acknowledging the current gaps in the market and being able to ensure the provision of mentorships, business turnaround services, and support beyond capital funding.

Ms Govender cited examples of businesses supported and funded by the NEF, as follows:

- ***Atrium Boutique Hotel in Polokwane***: Black owned, women-led business in the hospitality sector. A project that came about because of strategic partnerships between the Department of Tourism, the NEF, the Small Enterprise Development and Finance Agency (SEDFA), and the Tourism Equity Fund. The combined funding of R24 million enabled the development of this world-class hotel, creating employment opportunities.
- ***Denic Cabinets*:** Owned by Ms Dipuo Phakathi, a first woman to exhibit at the Decorex Africa, under the kitchen and bathroom category, highlighting a commitment to innovation and excellence. The NEF's investment in Denic Cabinets has enabled the business to acquire modern machinery, enhancing production capabilities, reducing delivery times, and allowing the company to export to other parts of the continent. The success of this business serves as testimony that providing relevant support and resources is crucial to enabling Black businesses to thrive.
- ***Isipho Capital Engineering:*** The NEF funded Isipho's acquisition of Smith Capital Equipment, a company that manufactures aerial platforms.

Ms Govender concluded by recommending several priorities that need to be considered in unlocking the potential of women entrepreneurs, as follows:

- Ring-fencing the budget allocation at all levels of government for women-owned businesses.
- Alignment of gender budget allocations with the National Development Plan (NDP) and sector master plans.
- Effective implementation of the Preferential Procurement Policy Framework for women-owned businesses.
- Incentivise financial institutions to develop affordable and accessible financial products for women.

She further urged Parliament, government, private sector, and development finance institutions to work together to scale the successes of women entrepreneurs. She encouraged all key role players to ensure that budgets, policies, and partnerships place women at the heart of the economic and growth strategies, because she believes that when women lead, they do not just create jobs, they create lasting legacies.

6.3.2. She PowHer Medical Manufacturers – Dr R Apostolov, Chief Executive Officer

Dr Apostolov started her presentation by voicing what she viewed as a betrayal of the history of women's struggles. She voiced this frustration on the premise that South African women are currently struggling to fight for the most basic of rights, including the right to participate fully in the economy. She indicated that women, as backbones of families, economies and industries, should not still be experiencing discrimination.

Dr Apostolov shared her own experience because of systemic exclusion of women entrepreneurs, with government institutions and funding agencies denying women support, particularly in male-dominated industries. She relayed how every government agency she approached, requesting financial assistance, closed its door in her face, even for the smallest requests, such as market access and exposure, which were declined. She informed the delegates that, after three years of knocking on every door to no avail, only her resilience and determination to persevere had ensured that her company was still standing.

Dr Apostolov questioned the government's commitment to providing financial assistance to women-owned businesses, as she had never received any assistance for her world-class medical manufacturing facility, which produces premium, sustainable, and South African Bureau of Standards (SABS) compliant menstrual cups. She argued that the production of menstrual cups should be regarded as a form of cooperation with the government in addressing a national crisis of period poverty.

Dr Apostolov informed the delegates that the period poverty crisis implies that millions of women and girls lack access to appropriate menstrual products, resulting in school absenteeism and entrenched inequality. She reported about 30% of school-going girls missing school activities due to a lack of menstrual pads.

Dr Apostolov expressed interest in the government's commitment to the 40% public procurement set aside for women-owned businesses. However, she voiced her reservations and wondered whether it would remain rhetorical with little tangible impact. She reported on the challenges faced by women entrepreneurs that salaried individuals would never experience, including making daily tough decisions and choices about whether to continue running the business or close it down and lose everything they had sacrificed. She claimed

that women entrepreneurs face emotional and financial burden without safety nets nor institutional backing.

Dr Apostolov appealed to decision-makers to be aware of the struggles that women business owners face, and that a poorly written business proposal should not be regarded as incompetence, but rather as the exhaustion that women often face. She further pointed out that the desperate call for help should not be regarded as weakness, but as courage in the lowest form, and, as women standing at the edge of the unknown, willing to reach out. She further advocated that women seeking help should be treated fairly by those in power, and that government officials should realise that the smallest act of genuine assistance could be a thin, fragile thread between a dream realised and a life shattered. She argued that economic inclusion should not be regarded as a favour for women, but rather as a pathway towards the realisation of national development, because, she claimed, the economic inclusion of women benefits the whole society.

Dr Apostolov proposed the following recommendations:

- Government to be an off-taker: Government should prioritise buying from women-owned businesses, making the state a first and reliable market for women entrepreneurs.
- Action on the 40% procurement policy: The procurement promises should translate into action through measurable implementation and accountability.
- Inclusive gender budgeting: Allocate resources specifically for women-owned small businesses.
- Address period poverty urgently: Support local solutions like sustainable menstrual cups to tackle the crisis and stimulate the economy.
- Shift from rhetoric to measurable outcomes: Ensure to track and report on women's economic inclusion and ensure a results-driven approach.
- Humanise support for women entrepreneurs: Recognise women's struggles, provide accessible market entry points, and reduce bureaucratic barriers.

6.3.3. Oxfam South Africa - Ms P Nkomo, Programmes Director and Acting Executive Director

Emphasising the importance of gender budgeting, Ms Nkomo's opening statement was "*if it's not budgeted for, it's not a priority*". She further addressed the delegates about some of the challenges that hinder economic inclusion of women, such as the public governance system being based on patriarchal norms; not recognising the value of care work; lack of resources

for women entrepreneurs, as well as, assuming access to education to be an equaliser without recognising other barriers (race, gender, and geographic locations).

Ms Nkomo pointed out additional barriers that hinder effective participation of women in the economy, such as limited access to land, lack of financial support, and lack of access to markets. She emphasised the importance of recapitalising development finance agencies to facilitate their continued growth and improved economic inclusion of women, made possible by access to adequate financial support. She advised that the government must demonstrate support for women by providing certain guarantees that support women's businesses, including access to bridging finance, to avoid relying on commercial banks or the private sector.

Ms Nkomo advised that South Africa's 2025 G20 Presidency should ensure real benefits for women in the country, such as free trade agreements, opportunities to champion gender-aware financing and procurement standards, and the removal of market barriers.

Ms Nkomo concluded by making the following recommendations, as Oxfam's call to action:

- Government to fund the economic and social inclusion by introducing a universal decent basic income.
- Government to build procurement pipeline to support women.
- Government to capacitate and partner with development finance institutions to relax the lending requirements for women-owned businesses.
- Government to share the risks regarding collateral demand in order to secure funding.
- Government to eliminate cashflow cliff by providing bridging finance, making it easier for women to access the capital funding without bearing additional risks.
- Government to ensure that, as women constitute more than 51% of the population, the economy should reflect this.

7. DISCUSSIONS AND COMMENTS

The delegates were given an opportunity to interact and analyse the presentations, and the following comments were noted:

a) The delegates voiced concern about the outcome of the FFC's assessment of Budget Vote 20 (Department of Women, Youth and Persons with Disabilities), highlighting some targets

to be incongruent to the specific needs of vulnerable women. This also raised concern about the impact and ability of the Department of Women, Youth and Persons with Disabilities in empowering women.

b) The delegates attributed the economic exclusion of women to the inadequate implementation of a gender-responsive planning, budgeting, monitoring, and evaluation framework by all government institutions.
c) The failure to implement consequence management for those institutions failing to implement gender targets was also viewed as one of the contributing factors to the economic exclusion of women.
d) The issue of land ownership by women was also put forward as a concerning matter that needs to be addressed.
e) The participants also addressed the issue of sanitary dignity for indigent women and girls and further advised that the government should consider the provision of menstrual cups instead of sanitary pads.
f) The fragmentation of the women's movement, including a lack of unity, was also addressed.
g) The participants also discussed the role of the private sector in ensuring gender equality through the implementation of women empowerment and preferential procurement frameworks.

8. SECOND INTERACTIVE SESSION

8.1. Inclusive economic growth: Prioritising economic growth that prioritises all segments of society: Parliamentary Budget Office (PBO) – Prof. D Jantjies, Director

Prof. Jantjies reiterated the importance of the opportunity afforded to the country as host of G20 in pushing for concrete actions to benefit women in the country. He also referred to the significant responsibility of the G20 countries to drive inclusive economic growth globally. Furthermore, he provided a high-level overview of the macroeconomic challenges, the impact of monetary policy on gender inequality, and forwarded recommendations for the G20 summit.

Prof. Jantjies informed the delegates about the challenges of the current fiscal framework. He advised that the current fiscal framework, with expenditure ceilings and an incremental approach, was not designed for the meaningful implementation of gender-responsive budgeting, as the austerity mindset was counterproductive to the goals of gender-responsive

budgeting. He further reported on the disproportionate impact caused by the current fiscal framework on poor women from marginalised groups, thus exacerbating existing structural inequalities.

Prof. Jantjies advocated for the introduction of gender tagging as a key component of the budget framework. He explained that gender tagging relates to marking of budget items based on their impact on different genders. He advised that effective implementation of gender-responsive budgeting should include both the expenditure side of the budget and the revenue collection side. He argued that tax policies should also consider gender sensitive issues. He then commended a decision taken in 2018 by the government and Parliament to exempt sanitary pads from Value-Added Tax (VAT).

Prof. Jantjies provided several recommendations, including requiring G20 Member States to produce annual, publicly accessible gender budget statements that detail how national budgets address gender priorities, along with disaggregated data on spending and outcomes. He emphasised the importance of adopting accountability mechanisms linked to budgeting and implementing gender equality targets. He recommended that gender equality targets should be specific, measurable, achievable, relevant, and with time-bound indicators, covering areas such as closing the gender pay gap, increasing women's representation in leadership, and expanding access to finance for women entrepreneurs. He urged G20 states to commit to increased public and private investments; affordable, quality childcare, elder care, and other services that disproportionately burden women.

He forwarded various recommendations for the G20 summit, and summarised as follows:

- Mandate comprehensive gender budget statements.
- Establish G20 gender equality targets with accountability mechanisms.
- Prioritise investment in the care and community development economy.
- Promote gender-responsive infrastructure development.
- Strengthen data collection and disaggregation.
- Foster corporation and knowledge sharing.
- Integrate gender into climate finance.

8.2. Gender Equality and the Freedom Charter: Advancing Industrial Development through Public Service: Public Service Commission - Ms Z Mqolomba, Deputy Chairperson

The Deputy Chairperson of the Public Service Commission (PSC) referred to the Freedom Charter, which was adopted in 1955. She reminded the session that the Charter envisioned a democratic state that would actively promote industrialisation and ensure equitable distribution of wealth for all citizens. However, she reported that South Africa has not realised this vision due to several reasons.

Ms Mqolomba covered the topics of industrialisation, labour, and employment creation. She advised that women should enjoy equal rights in the promotion of industrialisation in the country, and this should extend to equal pay. She reminded the delegates about the historic role of governments in industrial development. She reported that the role of government has always been to enact laws to safeguard property rights, enforce contracts, implement targeted tariffs, develop infrastructure such as railways, ports, and power grids, dismantle barriers to labour mobility, and invest in the skills required by industries.

The Deputy Chairperson emphasised that the country's economic transformation should rely on the state as the primary catalyst, responsible for bridging structural gaps, coordinating large-scale investments, and collaborating with the private sector. She attributed South Africa's industrial decline to macroeconomic uncertainty, deteriorating infrastructure, shifting global trade patterns, and inefficiencies within state-owned enterprises.

Ms. Mqolomba reported on initiatives undertaken by the South African government since 1994 to revitalise and implement the industrialisation programme, aimed at promoting local production and fostering economic growth through various initiatives and policies. She reported on the key components of South Africa’s industrialisation programme as including the following:

- National Industrial Policy Framework.
- Industrial Policy Action Plans.
- Black Industrialist Programme.

In relation to the Black Industrialist Programme, initiated in 2016, Ms Mqolomba reported that the Programme managed to unlock potential in black-owned businesses through deliberate, targeted financial and non-financial interventions. She reported that the Department of Trade, Industry and Competition, through its agencies, ensured the availability of funds to promote industrialisation in the country. However, she reported on challenges facing the Black Industrialist Programme, which includes the following:

- Limited support from the commercial banks, attributed to the limited establishment of business trade records.
- Concentrated markets that limit the entrance of competitive markets, such as exclusive leases in shopping malls that prevents smaller businesses from accessing major market platforms.
- Limited market experience in certain sectors preventing small businesses from accessing the markets.
- Excessive dependence on single contracts considered as unsustainable and uncompetitive overall.

Despite the challenges experienced, Ms Mqolomba reported on notable achievements of cases of women who have successfully dominated in sectors previously male-dominated for a very long time, and these include women who have led successful industries, such as:

- ***AfroBotanics (Pty) Ltd***: Black women-owned and operated, specialising in the production and retail of natural hair and body care products using African botanical ingredients.
- ***Phakamile Industries (Rise Uniforms):*** 100% black women-owned enterprise specialising in large-scale production of corporate and school uniforms, as well as disposable and reusable surgical masks and gowns.
- ***Wasaa Gasses****:* Fully woman-owned company specialising in the distribution of liquid petroleum gas and petrochemicals. This enterprise was established in 2008 with the assistance of NEF and received additional support in 2016.

Ms Mqolomba concluded by advising the government to advance towards an industrially robust South Africa, one that is economically inclusive and socially just, thereby transforming the nation into a dynamic construction site. She emphasised the need for reliable and effective maintenance of the eroding transport networks, power systems, and water infrastructure to achieve the desired level of economic growth. She also advanced the following recommendations on behalf of the Public Service Commission:

- The government should fundamentally reassess its industrialisation strategy.
- The government should prioritise infrastructure development as an urgent national crisis.
- The government must implement programs aimed at transforming the nation into a dynamic construction site, not only of physical infrastructure but also of hope, opportunity, and dignity.

9. THIRD INTERACTIVE SESSION

9.1. Culture, Custom and Religion shall be subject to the Equality Clause in the Bill of Rights

9.1.1. Commission for Gender Equality – Adv. N Sepanya-Mogale, Chairperson

The Chairperson of the Commission of Gender Equality (CGE), Adv. Sepanya-Mogale highlighted the significant role that the South African Constitution plays in safeguarding the rich tapestry of both religion and culture in the Country. She outlined the guarantees in the Constitution regarding respect, protection and promotion of culture and religion. She acknowledged the vital contribution of culture and religion in being a fabric of a diverse and democratic society.

Adv. Sepanya-Mogale advanced the critical importance of the establishment of institutions that support constitutional democracy, such as the Cultural, Religious, Linguistic Communities Rights Commission and the Commission for Gender Equality, in ensuring the achievement of rights pertaining to culture, religion, and gender equality. She mentioned that culture and religion can serve as profound and uplifting forces within society, nurturing a sense of community, belonging, and shared identity. However, Adv. Sepanya- Mogale also pointed out that, paradoxically, gender inequality and exploitation of women also happen under the guise of culture and religion. She addressed how numerous cultural and religious traditions have historically been interpreted through patriarchal lenses, serving to reinforce male dominance while significantly limiting the role and rights of women. She pointed out visibility of patriarchal norms through the interpretation of sacred texts, the conducting of certain spiritual rituals, and the establishment of religious norms.

The CGE Chairperson pointed out cases of women permitted to serve as regents, acting temporarily in leadership capacities, yet denied the authority to make decisions to govern permanently and independently. She reported on the research conducted by the CGE on women in traditional leadership positions, which revealed prejudice against women. She reported incidents of older women who must rely on young boys to be allocated land.

Adv. Sepanya- Mogale cited various scripture verses from different religions used as an authority to justify male dominance. She cited verses from the Islam, Judaism, Hinduism and Buddhism scriptures that contribute to the normalisation of certain social controls of male dominance. She advised on the importance of advocacy and research as critical components

in promoting gender equality to foster meaningful change. Hence, the decision by CGE to foster effective collaborations with cultural and religious leaders. She recommended the following strategic approaches to be considered in promoting gender equality to foster meaningful change:

- Hold community dialogues and engage religious and cultural leaders.
- Implement effective public education campaigns.
- Ensure policy advocacy.

Adv. Sepanya Mogale emphasised the need for tangible and implementable action plans to achieve tangible transformation, and that, such transformation requires champions to address historic imbalances and serve as role models of progressive behaviours. She ended by encouraging delegates to be progressive role models working towards unleashing the potential of all and improving the quality of life for all citizens, aiming for a truly democratic country.

9.1.2. Confirmation of the United Congregational Church of Southern Africa (UCCSA) Reformed Tradition– Rev. HL Petersen, SA Synod Chairperson

Rev. Petersen commenced by informing the delegates about the various injustices she has witnessed since starting her ministry work in 1997 in Eldorado Park. She related incidents of gender-based violence, femicide, and other atrocities brought to the attention of their Church. She addressed how the government expects the Church to partner with and address societal injustices without providing any form of assistance to educate, equip, and capacitate the religious organisations.

Rev. Petersen informed the delegates about her Ministry's voluntary commitment to implementing programs aimed at addressing the prevalent and identified injustices. She mentioned her Ministry's involvement in a campaign called "*Thursdays in Black campaign*"**,** a global movement intentionally advocating for a world free of rape and violence. She reported that this campaign includes dressing in black weekly as an advocacy stance against sudden death caused by gender-based violence and femicide. She reported on her Ministry's involvement in other initiatives, including the following:

- ***Act Africa:*** An organisation established and committed to saving lives through awareness and education, focusing on preventing and breaking the vicious cycle of gender-based

violence and human trafficking. The organisation's adopted prevention strategy focuses on empowering children in schools about risk factors and safe spaces when in danger.

- ***My Life Matters so I Spoke*:** This initiative was adopted in Eldorado Park to provide a safe space for the community to meet once a month to talk and share experiences.
- ***Growing Champions:*** A youth mentoring program aimed at changing lives, with passionate professional volunteers offering their services to provide a scaffolding for children born into the depths of poverty, addiction, violence, and abuse to rise and free themselves of the shackles of inheritance.

Rev. Petersen reported on the development and implementation by her Ministry of a board game called "*No to Violence"*. She reported that the board game is aimed at increasing understanding about the dehumanising effects of gender-based violence, as well as the deprogramming of any undesirable social behaviours learned both at home and in schools. She encouraged the government to buy that board game as a teaching tool for every school.

Rev. Petersen read out an inscription on a cross she was wearing with a message of "*Christ is counting on you*". She informed the delegates that the inscription serves as a reminder of the responsibility that Christ is counting on her to be an advocate for justice. She empowered the delegates about the ancient biblical command to choose life, to do good, and to work for justice, explaining how this command obligates every believer with a responsibility and an understanding of the mission's imperative to create safe spaces for victims and those rendered voiceless by violence to find their voices again.

Rev. Petersen informed the delegates that her ministry's involvement in various community-building initiatives serves as an illustration of the church's presence in communities. In conclusion, she encouraged the delegates to recognise that challenges, injustices, suffering, and pain are inherent to living in this world, but also to be aware of the opportunities presented by those challenges, including opportunities for growth, learning, and illumination. She advised that people should always act with empathy, fight for fairness, and nurture kindness, which will be a testimony to the resilience of the human spirit. Rev. Petersen voiced her Ministry's commitment to act with courage and to lead with justice.

9.1.3. Congress of Traditional Leaders of South Africa (CONTRALESA) Women's Wing– Her Excellency, Queen Dlamini, National Chairperson

Her Excellency, Queen Dlamini, provided a brief history of CONTRALESA as an organisation formed to give rise to a collective voice for traditional leaders during the apartheid era. She referred to the role played by the Organisation in the transition towards democracy. She reported that the formation of the CONTRALESA women's wing was a response to numerous debates questioning CONTRALESA's commitment to respecting the voices of women and youth. She informed the delegates that the Women and Youth Wings have fully fledged and legally elected structures.

Queen Dlamini addressed the current challenges facing traditional leadership in the country, including recognition challenges brought about by democracy, where traditional leaders are expected to receive recognition from the government, rather than the other way around. She indicated that traditional leaders, as indigenous leaders representing the voices of the people, should not be seeking recognition from the government. She addressed the various roles played by women in traditional leadership, as defined by the titles given by the nation, tribe, and clan.

Her Excellency referred to the Stats SA report, which states that the female population represents 51% of the total population. She pointed out the prevalence of males within the traditional leadership space as compared to females. She claimed that through tradition, different roles were assigned to women and men, with women being regarded as the natural nurturers of the family, and men being regarded as the heads of the households. She advanced that the role assigned to men as heads of households has various meanings, open to multiple translations, and has led to various kinds of abuse. She reported that the role of women as carriers of human life came with the responsibility of empowering children about the culture and traditions of the family and the clan to which they belong.

Queen Dlamini indicated that certain aspects of tradition may require women to lead, while others require men to lead, as well as the division of tasks and responsibilities, with some responsibilities assigned to men only and vice versa. She claimed that even within the religious sector, women play various roles depending on what religion the woman belongs to; however, the right and ability to lead may be questioned. She claimed that men and women

are supposed to have equal responsibilities with different roles, but women find themselves in difficult situations with their rights as women being trampled upon in the name of tradition.

She concluded by voicing her confidence in the capabilities of women to excel in various leadership positions and roles, and that CONTRALESA Women's Wing is looking forward to a time in this country when a female president and a female deputy president will serve two full terms in office.

9.2. Deconstructing Patriarchy and Inequality in Political, Civil Life (Governance and Decision Making): Advancing Women's Adequate Representation Across the Three Spheres of Government

9.2.1. United Nations (UN) Women South Africa - Ms H Gooding, Deputy Representative

Ms. Gooding started off by mentioning that the theme of the 2025 P20 Women's Parliament challenges women to look beyond numeric representation and to really interrogate the deeper social, institutional, and normative structures that continue to limit women's agency and access to decision-making spaces. She explained that deconstructing patriarchy in governance should not only be about addressing discrimination in appointments or elections but also be about shifting the definition of leadership as well as the distribution of power. She reminded the delegates that the process of deconstructing patriarchy should not just be a symbolic task, but a transformative one, and that it should be inseparable from the broader goals of peace, democracy, and sustainable development.

The Deputy Representative reminded everyone that the international community has agreed that gender equality leads to better outcomes for all of society, and that men, women, girls and boys should participate equally in economic growth. However, she reported that both locally and globally, trends show lower levels of representation of women. She reported that UN Women affirms that gender equality is not just about representation, but also about creating systems that enable women to lead safely, effectively, and with impact. She indicated that too often, women leaders are expected to thrive in political environments that were never designed for their inclusion to begin with. She strongly emphasised that women should not be expected to lead in unsafe spaces.

Ms. Gooding affirmed the Women's Charter as a strong national commitment to gender equality, rooted in a proud legacy of struggle, solidarity, and progress. She reported that UN Women urges all to move from policy to action because, while these policy frameworks exist, emphasis should be placed on actioning these policies. In addition, she emphasised the importance of always considering the experiences of rural women, who remain disproportionately excluded from decision-making, particularly in traditional leadership structures. She also advanced the importance of considering the leadership, insights, and lived realities of rural women as crucial to building a democratic system that works for all. Further, she reported that the UN Women reaffirms its commitment to supporting South Africa in this journey through its partnership with the government, civil society, and the private sector.

9.2.2. Progressive Women's Movement of South Africa (PWMSA) -Ms L Nare, Chief Executive Officer

Ms Nare opened with a quote by Frantz Fanon, "*Each generation must discover its mission, fulfil it or betray it*". She referenced the direct relevance of the quote to the current position of women in South Africa. She mentioned that the issue of gender should not only be in binary terms, but also take into consideration and recognise the Lesbian, Gay, Bisexual, Transgender, Queer/Questioning, Intersex, and Asexual (LGBTQIA+) community.

Ms Nare voiced disappointment due to the proceedings of the day being conducted in English only. She highlighted how the use of English contributes to the exclusion of many women due to the specialised language and terms used in presentations. She advised that the 2025 P20 Women's Parliament should be aware of the lack of representation and the voices of non-English speaking individuals during the event.

Ms Nare acknowledged the presence of a delegate from an NGO for albinism and further alluded to various vulnerabilities of the albinism community. She reported on the prevalence of women in the 70-79 age category as voters during elections, thus showing the commitment of women in this country to advancing change. She concluded by inquiring whether hosting the P20 Women's Parliament would yield actionable and measurable benefits for women or be dismissed as merely a talk show event.

9.2.3. Multi-Party Women's Caucus – Hon. Ms LP Sapo, MP, Member

On behalf of the Chairperson of the Multi-Party Women's Caucus(MPWC), Ms Sapo opened by defining patriarchy as an adopted system used to promote perceiving women as less capable leaders compared to their male counterparts. She pointed out the contribution of patriarchy in excluding women from participating or being part of the key decision-making roles and positions within the structures of organisations and in government. Furthermore, she reported that the dominant feature of patriarchy of giving power and authority to men, had shaped social systems and norms and contributed to the exclusion and marginalisation of women.

Hon. Sapo identified several barriers that hinder women from actively participating in politics. She identified the prevalence of violence in politics as a strong barrier hindering women because verbal abuse, intimidation, threats, physical assault, and sexual harassment exist within political structures, with men using this to advance their own interests.

Hon. Sapo emphasised the importance of development programs for boy children, as more efforts had been implemented trying to protect and capacitate girl children. She advised that similar programs should be implemented for the boy child to nurture them towards being responsible citizens in communities. She encouraged the government to implement developmental programs, especially for child-headed households, because their vulnerabilities provide opportunities for exploitation and harm.

Hon. Sapo reminded the delegates that the world is becoming younger and faster than anticipated; therefore, young women should be empowered to find politics attractive and be integrated into politics to build the second layer of leadership. She advocated for programmes to ensure 50/50 representation in Parliament for both Houses and further urged for a discussion on how to legislate the 50/50 gender quota in the structures of parliament and provincial legislatures.

Hon. Sapo highlighted the importance of revising the curriculum at both the primary and secondary levels of education to incorporate gender-sensitive issues. In closing, she confirmed the progress made by South Africa in empowering women, however, she encouraged everyone to move forward and to continue to fight patriarchy in all its forms.

9.3. Women and Climate Justice

9.3.1. Inclusive Land Reform and Sustainable Resource Management: Advocating for equitable access to land, water, and natural resources, and empowering women as stewards of sustainability within their communities: Black Girls Rising- Ms X Fuyani, Founder

Ms Fuyani noted the absence of disaster-affected women at the 2025 P20 Women's Parliament. She reported that her presentation would focus on amplifying the voices of women who have been impacted by climate change. She informed the delegates about her organisation's commitment to empowering young girls from the age of nine (09) coming from marginalised communities to become climate leaders. She indicated that these girls from these communities lack access to water, healthcare, and other basic needs, yet they have shown a willingness to be at the forefront and fight for change. Ms Fuyani detailed the daily realities of the negative impact of climate change as witnessed through her interactions with these young girls and young women.

Ms. Fuyani referred the delegates to a report recently released by UN Women and the Intergovernmental Panel on Climate Change (IPCC), detailing the high likelihood of women dying due to climate change as compared to men. She highlighted some of South Africa's successes, including the use of technology to address climate change; however, she further indicated that South Africa should consider concentrating on all sectors involved in climate justice.

Ms Fuyani advised that there should be effective empowerment of women and improved access to land and water, as the status and livelihood of women determine the severity of the impact of climate change. She claimed that even when women own land, the lack of paperwork and title deeds confirming ownership of land also means that in cases of big natural disasters that happen in rural areas, women would not be able to lodge claims for compensation of their losses.

Ms Fuyani indicated that the lack of access to water by children in South Africa, including those children who must travel more than 2 kilometres to access water, should be urgently addressed. She cited an example of a 10-year-old girl named Yola Mgogwana, who resides in an informal settlement and has no access to water. She reported that Yola had to take 1,500 steps while carrying a 25-litre bottle to access water and another 1,500 steps to return home.

She further reported that the lack of access meant Yola had to risk her health, her education, and her childhood daily. She reported that through the interventions of her organisation, Yola has become a voice of change and an activist for climate change, responsible for empowering other young children in her community about the impact of climate change.

Ms Fuyani indicated that sharing these experiences is about showcasing the resilience of women as active agents of their own change. She advised that for women's potential to be unleashed, the systems should change to be pro-women. She also reported that in South Africa, women make up half of the agricultural workforce, yet only a fraction hold legal land titles. She concluded by informing the delegates that the girls her organisation interacts with must be regarded as true heroines, with proven determination to stand up and fight, as well as being regarded as innovation drivers, coming up with solutions to mitigate their own community's environmental issues.

9.3.2. Entrenching a Gender Aligned/Feminist- Inclusive Economic Growth Policy Paradigm and Implementation: National Planning Commission (NPC) - Dr L Pheko, Commissioner

Dr Pheko highlighted critical issues concerning gender inequality within the country's economic structures. She addressed how patriarchal systems intersect with economic policies such as globalisation and international trade, further reinforcing the marginalisation of women. She identified various examples of the negative impact of intersectionality between patriarchal systems and these economic policies. She identified and explained as follows:

- ***Social reproduction***: This referring to unpaid care work, regarded as a structural barrier and a disproportionate burden on women; also essential for the functioning of the economy, yet remains unvalued and unaccounted in Gross Domestic Product.
- ***Increased demand for female labour***: This explained to demonstrate the export-oriented industries' reliance on cheap female labour, intensifying pressure on women who must balance paid work with household responsibilities.
- ***Erosion of social safety nets:*** The point of reference for this issue was on showing how the implementation of government austerity measures to curb public spending on social services like childcare and healthcare increases the burden of unpaid care work on women.

- ***Labour market dynamics***: This pointing to identified gender disparities in labour market participation, unemployment, and sector-specific earnings, with African women always disadvantaged.
- ***Informalisation of labour*****:** This attributed to a result of increased competition from international markets, and informal labour has been shown to be overly concentrated with women, offering little security, low wages, and no benefits. Dr Pheko indicated the reason for choosing to use the term “informalized” instead of “informal labour”, as “informal” seems to give the impression of being a random occurrence. She cited examples of women who, through selling “vetkoek”, fruit and newspapers, had managed to pay for their children’s education, and how terming it informal labour seems to be a great disservice.
- ***Job displacement*****:** This refers to the potential of globalisation, including technology, in displacing workers in certain traditional industries, with women often disproportionately affected due to occupational segregation.
- "***Feminisation" of labour***: This addressed as being a situation when certain sectors of the economy deliberately hire women for lower wages in more precarious conditions. It was reported to include the international care economy, with millions of women around the world leaving their countries to work as caregivers for other people's children or elderly individuals in different parts of the world, while leaving their own children and parents to be cared for by others, and not by choice.

Dr Pheko outlined the intended commitment of Article III of the Women’s Charter for Effective Equality in securing a central place for women in the economy. She pointed out that Article III was meant to ensure that economic policies prioritise gendered equality as a central goal, not as a peripheral concern. She also claimed that Article III was also about identification and removal of barriers hindering the effective participation of women in economic activities. In closing, Dr Pheko advised that the decrease in manufacturing and industrial sectors and capacities should not be attributed solely to the electricity crisis, but also to de-layering within these industries.

9.3.3. Gender-Responsive Climate Policy and Governance: Advancing national and local climate frameworks that integrate gender equality, recognising the unique vulnerabilities and contributions of women in climate action: National Planning Commission - Dr L Pheko, Commissioner

Dr Pheko started her second presentation by advancing the gendered impact of climate change. She claimed that climate change should be regarded as a justice crisis rooted in the

Minerals Energy Complex. Furthermore, she claimed that the Minerals Energy Complex, built on theft and distributed along lines of race, class, and gender, should also bear blame for polluting nature and the environment, and the resultant negative climate change.

Dr Pheko voiced a preference for a feminist approach to climate justice due to its ability to address root causes, rather than just symptoms. She hailed the Feminist Approach for the ability to recognise intersectionality, race, rural, class and labour. Dr Pheko reported that the preferred approach values ecological knowledge systems, setting it apart from the gendered approach and the African feminist approach.

Dr Pheko advocated for a climate justice approach that addresses the structural roots of vulnerability, redistributes resources, and harnesses the knowledge and survival strategies that have sustained communities in the face of both historical and ecological adversities. She indicated that women possess knowledge of the importance of indigenous farming techniques, seed preservation, biodiversity, sustainable water management, and climate-adaptive practices. In addition, she indicated that the current climate vulnerabilities of women and communities should be attributed to apartheid industrialisation, colonial expropriation, and neoliberal restructuring post-apartheid. Therefore, she emphasised the need for a decolonial policy approach to a just climate transition, coupled with a reparative project aimed at rectifying historical injustices.

Dr Pheko concluded by indicating that various systemic barriers include land tenure insecurity, limited access to credit and input, exclusion from extension services, and underrepresentation in decision-making. She further indicated that to build a reparative climate future, measures should be adopted to deal with racial capitalism, ecological exploitation, and patriarchal exclusion. She recommended the adoption of the following:

- ***Distributive justice***: Redistribution of land, finance, economic opportunities, and for the land to be viable.
- ***Restorative justice***: Gendered reparations for disproportionate harm, such as unlawful land seizures and unlawful inheritance laws.
- ***Procedural justice***: Ensuring inclusion of women's leadership in decision-making.

9.3.4. Climate Adaptation and Rural Women's Empowerment: Exploring community-driven adaptation strategies and resilience-building programmes tailored to rural women and smallholder farmers: **Open Society Foundation, Mr B Kangoro, MD: Programmes Geographic Lead in Africa**

Mr Kangoro started his presentation by emphasising the need for consciousness to translate into practical action. He argued that meaningful transformation requires a critical examination of where power resides. He further indicated that power resides in finance and technology, and these sectors will significantly shape future visions of emancipation and liberation. He acknowledged the input by previous speakers on food insecurity, the health impacts of climate change displacement, increased care burden, and an increase in gender-based violence.

Mr Kangoro indicated that most challenges encountered should not only be attributed to inappropriate and inadequate resources, outdated policies, or ineffective institutions, but also to a lack of consideration of the gendered impact of policies and programs. He claimed that the structure of formal and informal labour markets reflects the choices made by citizens according to their ascribed identities, aspirations, and envisioned future. He encouraged the delegates to reflect on the questions of asset ownership and access to capital and credit, including understanding the reasons why women, who produce most of the food consumed, continue to hold capital precariously and continue to face an unequal gender pay gap.

Mr Kangoro reminded the delegates about the historic nature of the formation of capital in this country, as being based on undervaluing the resources. He indicated that the undervaluing of labour, especially African labour, and the undervaluing of African ideas, has led to Africans' inability to acknowledge and respect their own ideas. He tied the same scenario to women, who had been taught to think of themselves as less talented than their male counterparts. He urged for the urgent transformation of mindsets and the adoption of programs aligned with changed hearts and minds.

Mr Kangoro addressed the issue of stokvels, indicating that South Africa has approximately 820,000 stokvels, which generate savings of R50 billion annually, with 60% of the membership in these stokvels being women. He reported on the lack of a real symbiotic relationship between these stokvels and financial architectures such as pension funds and concessionary lending mechanisms. He continued to point out the failure by these trust-based economies in recognising the bankability of women-owned financial initiatives, such as stokvels.

Mr Kangoro encouraged the delegates to consider the services offered by cooperative banks, as well as those of the National Development Banks. He reasoned that perhaps the major problem facing South African women should be attributed to the value chain of production not being controlled by women. He emphasised this point by referring to the issue of organic food in South Africa, grown in the villages by women, which is most expensive when in stores and unaffordable to many women. He concluded by advising on the need to acknowledge women as effective managers of natural resources and to consider hybrid financing to address climate impacts, stimulating women in production, particularly in agriculture and Agri-Based industries, as well as encouraging women to provide climate solutions.

10. FOURTH INTERACTIVE SESSION

10.1. Advancing Gender Sensitive Workers' Rights - Addressing the Gendered and Disproportionate Poverty Impact on Working Class and Poor Women: Congress of South African Trade Unions (COSATU) - Ms Z Losi, President

Ms Losi started by acknowledging the plight of women in various parts of the world because of wars, climate disasters, economic instabilities and other injustices facing women worldwide. She remarked on the overrepresentation of women in various untoward circumstances, yet they remain underrepresented in the spaces of decision-making. She highlighted the similarities in suffering between South African women and women worldwide. She further indicated that the South African reality demands utilising the Women's Charter as the blueprint for advancing gender-sensitive workers' rights and eradicating the gendered poverty that has kept millions of women trapped.

Ms Losi reported on the prevalence of patriarchy within the labour market, economy and diplomacy. Ms Losi reported on certain demands forwarded by COSATU women, as follows:

- Equal pay for work of equal value.
- Paternity and maternity leave without career penalties.
- Affordable and accessible childcare.
- Enforceable protection against workplace harassment, in line with the International Labour Organisation Convention 190.
- Gender parity in decision-making positions.

Ms Losi reported that women make up the majority of the unemployed, with those employed being concentrated in the lowest-paid and most insecure sectors. She also referred to the issue of the burden of unpaid care and its undervaluation in terms of GDP but regarded it as

essential for the survival of society. She urged the delegates to ensure translation of the Articles of the Women's Charter into laws, policies and programs aimed at improving the lives of South African women.

Ms Losi forwarded the following recommendations on behalf of COSATU:

- A mandatory gender-pay audit for all large employers with penalties for non-compliance.
- Strengthening of the Unemployment insurance Fund(UIF) maternity benefit and equal paternity leave to promote childcare.
- Funded public childcare and workplaces that have creches as part of the national infrastructure.
- The ratification and domestication of the International Labour Organisation Convention 183 on Maternity Protection, alongside Convention 190 on Violence and Harassment.
- Gender-responsive procurement policy prioritising women-owned enterprises.
- Guaranteed decent work for Extended Public Works Programme(EPWP) and other public employment programs with real career pathways.
- Universal basic income grant targeting the unemployed, especially women.
- Gender-responsive national budget to advance gender equity.

Ms Losi urged Parliament to ensure effective oversight over the state towards the provision of frontline public services that the working-class women depend upon. She encouraged the delegates to ensure that the whole of society, including employers, civil society, parliament, and organised labour, form part of the journey and play their respective roles in making the Women's Charter a lived reality for old women in rural areas like Mount Frere, young students in universities and female mine workers. She advised that the Women's Charter should live in every payslip, in every creche, in every collective agreement, and in every budget vote. She indicated that the upliftment of women should be regarded as tantamount to uplifting the whole of South Africa, and giving power to working-class women should be regarded as building a just future for all.

11. DISCUSSION AND COMMENTS

The delegates were provided with an opportunity to interact with the presentations, and the following comments were noted:

a) The delegates urged that women Parliamentarians should be empowered with skills and be encouraged to introduce Private Member's Bills on any matter of interest related to gender equality.
b) The delegates advised that forums and gatherings such as the 2025 P20 Women's Parliament should reflect on the issue of abuse of children by their own mothers.
c) The impact of climate justice and the gendered impact of climate change was identified as a matter to be amplified, and that considerate amount of time should be dedicated towards discussing intersectional issues around it.
d) The overrepresentation of women within the informal sector should be addressed by the adoption of programs aimed at ensuring that women dominate not only in the economic value chain but throughout all sectors, including in the political arena, where women are the majority voters.
e) The delegates voiced concern about the lack of gender parity within various political organisations, and hesitation by political parties in adopting voluntary gender quotas.
f) The delegates noted and welcomed the establishment of the CONTRALESA women's wing and further called for the Multi-Party Women's Caucus to establish relations and host empowerment sessions with all stakeholders about women's issues. The engagement and empowerment of religious and cultural organisations on gender equality programs were viewed as being critical and to be amplified.
g) The importance of changing socialisation and parenting patterns was identified as a critical strategy towards the realisation of gender equality commitments.
h) Women Parliamentarians were urged to adopt measures to make politics attractive and appealing to young women.
i) The delegates were of the view that the issue of gender sensitive worker's rights and workplaces should be urgently addressed.
j) The delegates agreed on the importance of imparting skills and knowledge to implementers of programs, as at times, lack of progress may not be due to inadequate funding but due to lack of knowledge and skills.
k) The Women's Charter should be cascaded down to grassroots communities to empower all women about the gender commitments contained therein. The empowerment of women at the grassroots level was identified as an important aspect towards adequate involvement and participation. The empowerment of grassroots communities on the principles of all the Women's Charters would also ensure effective participation when the current Women's Charter for Accelerated Development is reviewed.

l) The participants noted the information by Stats SA about women being more up to date with loan repayments as compared to men, as a matter to be forwarded to finance institutions to count as an advantage for women when requesting financial assistance.

m) The participants questioned the call by the government to religious organisations to undertake some of the work of the government without allocating funds to those religious organisations.

12. SUMMARY OF DAY ONE, PROGRAMME OVERVIEW AND EXPECTATIONS FOR DAY TWO: Hon. Ms D James (MP), Deputy Chairperson of MPWC

Hon. James in summarising what had transpired on the first day of the 2025 P20 Women's Parliament, started by calling for a moment of silence on behalf of Nikita, a four-year-old child from Eldorado Park, allegedly brutally murdered by her own father. She reminded the delegates about the plight of children in the country, trapped behind closed doors of violence and destruction at the hands of their parents, guardians, and relatives.

Ms James voiced appreciation for the active participation and insightful contributions, demonstrating an unwavering commitment by all towards gender equality. She also took note of the recommendations forwarded by the presenters and the delegates, suggesting measures to intensify efforts aimed at empowering women. Furthermore, she noted the voiced need to actively identify and challenge negative societal norms without destroying valuable cultural norms and heritage. She agreed on the importance of implementing targeted educational programmes, community outreach, and focused community dialogues as critical. In addition, she encouraged women Parliamentarians to address the identified challenges by conducting effective, gender-responsive oversight and ensuring adequate budgeting for gender commitments, as well as adopting programs that consider the needs and experiences of all genders.

13. OPENING AND WELCOMING ON DAY TWO

The House Chairperson of the National Assembly Committees on Oversight and Public Participation, Mr Frolick, extended a warm welcome to all participants on day two of the P20 Women's Parliament. The House Chairperson outlined the program for the day, highlighting key discussion points and outlining the day's sessions. Following the introduction, the Chairperson invited the Moderator of the first session to take the stage and chair the panel discussion.

14. PANEL DISCUSSIONS

The panel discussions were moderated by Ms. S Majozi, former SRC President of the University of KwaZulu-Natal, Howard College.

14.1. Economic Inclusion and Care Economy; Climate Justice; Digital divide & Health equity

14.1.1. Remarks by the Panel Discussion Moderator - Ms. S Majozi

Ms Majozi highlighted that women comprise a significant portion of the working population, yet they face disproportionate challenges in employment and economic participation. She addressed various vulnerabilities facing women, including the 48.1% of young women not in education, not in employment, nor in training, as compared to 42.2% of men. She recommended implementing targeted interventions to address the identified disparities, aiming to create an equitable society where all individuals have equal opportunities to thrive.

14.1.2. Economic Inclusion and Care Economy: National Youth Development Agency- Dr S Myende, Chairperson

The speaker referenced the Asian Tigers' rapid economic growth, which serves as a powerful example of the importance of proactive, deliberate, and strategic actions in driving economic development. Dr Myende emphasised the importance of a robust and supportive state that adopts and implements transformative interventions, such as providing necessary infrastructure, adequately resourcing economic growth programs, and adopting a responsive regulatory framework.

In relation to the care economy, Dr Myende confirmed the disproportionate burden of unpaid care work on women and girls. She referred to the burden of unpaid care work on women as a structural barrier hindering active participation in educational and academic activities, as well as being a hindrance in actively pursuing employment opportunities. The speaker emphasised the importance of leveraging the government as a vehicle for empowering women and recognising care work as a critical economic sector. She argued that measures must be adopted to lessen the load of unpaid care work on women and girls, and the recommended measures include flexible working hours, adequate funding, and increased access to childcare facilities. She advised that program designs and implementations should always cater for the complex realities facing women, including caregiving responsibilities.

Responding to the question of closing the digital divide, the Chairperson of the National Youth Development Agency reported of plans to launch a zero-rated APP to bridge the digital divide while increasing the accessibility of services offered by NYDA to the youth. According to Dr Myende, this initiative aims to provide equal opportunities for all youth, regardless of their socioeconomic status or geographic location.

Dr Myende concluded by detailing some of the initiatives on the pipeline by NYDA, such as reducing the turnaround time for processing grant applications and establishing kiosks in certain areas to address the issue of accessibility.

14.1.3. Climate Justice: Should All Be Feminist Collective - Ms S Mokwebo, Founder

Ms Mokwebo focused on addressing the impact of climate change on women and girls. She advised the delegates about the gendered impact of climate change, with women and girls more likely to lose their livelihoods due to the impact of climate change. She provided an example wherein women and girls had to travel long distances to fetch water for their households due to the scarcity of water caused by drought. She emphasised that those activities limit the chances of women and girls in accessing education and employment.

Ms. Mokwebo outlined the negative impact of displacement of women and girls in times of disasters. She advised of an increased likelihood for women and girls to be at risk of being victims of gender-based violence and femicide during displacement. She also addressed the issue of climate finance. To this end, Ms Mokwebo voiced a grievance about how government and development agencies responsible for financing renewable energy projects often fail to target women-owned businesses in that space, including women in green agriculture projects. She pleaded for urgent interventions to address the mentioned disparity, and for promotion of women's participation in the green economy through the adoption of programs such as setting quotas for women-owned businesses in renewable energy projects. She concluded by advising the government and relevant stakeholders to equip women to respond effectively to all stages of disasters.

14.1.4. Health Equity: Thompson Trust- Ms R Thompson, Founder

Ms Thompson questioned the government's commitment and readiness to assist women-owned businesses in achieving effective economic inclusion. She shared her personal frustration and experience regarding the lack of commitment to assist women in starting businesses; she further related how she was turned down by every government agency while seeking financial assistance.

Ms Thompson highlighted crucial challenges facing women entrepreneurs, such as bureaucratic red tape, a lack of available mentorship programs, and a lack of funding opportunities and initiatives that cater specifically to women-owned and led businesses. She reiterated that the daunting and stringent regulatory framework for registering businesses further highlights the government's lack of commitment to assisting women in starting businesses. She emphasised the urgent need to simplify and streamline the application processes for startup registration, funding, and licensing, aiming to alleviate the administrative burden on women entrepreneurs.

Ms Thompson emphasised that the increased representation of women in Parliament should translate into tangible outcomes for all women, and she urged women parliamentarians to hold the government strictly accountable for implementing policies and programs that benefit women.

14.2. Strengthening the implementation of the National Strategic Plan on Gender Based Violence and Femicide: Addressing gender-based violence and femicide

14.2.1. DG Murray Trust - Ms K Ancer, Campaign Manager

Ms Ancer noted that the relationship between alcohol and gender-based violence is a significant concern which requires a multi-faceted approach. She highlighted that research has shown that alcohol consumption can increase the risk of GBV and that low-income communities are disproportionately affected. She called on legislators to advance policies aimed at reducing alcohol availability and accessibility in low-income communities and proposed that taxes be used as a strategy to reduce alcohol abuse and to channel those funds towards gender-based violence prevention and support services.

14.2.2. The Southern African Alcohol Policy Alliance (SAAPA) - Ms N Dlamini

Ms Dlamini emphasised the role played by alcohol consumption in driving up gender-based violence and femicide. She informed the delegates about plans in place by the Central Drug Authority (CDA) to amplify the negative role played by alcohol. According to Ms Dlamini, the campaign by CDA to empower communities about a dangerous link between GBVF and alcohol would be backed by alarming statistics reporting the influence and involvement of alcohol in about 60% of reported gender-based violence and femicide cases.

Ms Dlamini concluded by also voicing the need to regulate the availability of alcohol. She further called on Provinces to reduce the hours of sale of alcohol and for the establishment of extremely strict criteria for awarding liquor licences.

14.2.3. South African National AIDS Council (SANAC) Women's Sector - Ms K Dunjwa, Chairperson

Ms Dunjwa empowered the delegates about the role played by alcohol in driving up GBVF. She relayed how the rate of gender-based violence and femicide decreased during the coronavirus disease 2019 (COVID-19) hard lockdown when alcohol was banned.

Ms Dunjwa reiterated the need for the adoption of measures to regulate the availability of alcohol, especially in low-income communities. She further advised that the National Treasury should consider increasing the price of alcohol by imposing more excise taxes on alcohol, as well as introducing minimum pricing of alcohol, thus making alcohol more expensive and unaffordable.

The SANAC Women's Sector called for a more collaborative approach to address the challenges facing all strata of women. They further called for an end to working in silos and emphasised the need for a holistic and integrated strategy that brings together different stakeholders and sectors.

14.2.4. Visual Artist, Curator, Entrepreneur and Muralist - Ms N Mbonambi

Ms Mbonambi addressed the delegates about the importance of implementing effective programs tailored to each targeted audience. She advised about the powerful role and importance of utilising art, games and murals when designing and implementing programs targeting children and young people.

15. DISCUSSIONS AND COMMENTS

a) The participants noted the efforts by the government in addressing gender-based violence and femicide, including the launching of the GBVF Response Fund, which has managed to harness funding of about R240 million, leading to funding over 200 community-based organisations from identified GBVF hot spot areas.
b) The intersectionality of drivers of GBVF was also considered, and a call was made that programs implemented to eliminate GBVF should always consider this intersectionality.
c) The issue of the safety of women during times of displacement due to disasters was viewed as a matter to be urgently addressed.
d) The participants advised that equity and restorative justice should be embedded in program designs and implementations.
e) The delegates highlighted the critical role of care work towards supporting economies and societies but further voiced concern about the undervaluation of care work, and its disproportionate burden on women.

16. POLICY STATEMENTS SESSION

16.1. South African Local Government Association (SALGA) (Councillor Phukunsi)

Councillor Phukunsi addressed the numerous systemic barriers and challenges faced by women, such as earning 27% less than men and being the face of poverty, with approximately 50% of women reportedly living below the poverty line. She advised that during forums such as the 2025 P20 Women's Parliament, gender imbalances should be highlighted, and strategies be devised to address those imbalances, including calling for the effective institutionalisation of gender mainstreaming in government planning across all spheres. She emphasised the importance of gender-responsive budgeting to ensure equity and close the gender gap.

Councillor Phukunsi reported on the establishment and mandate of the SALGA Women's Commission, as well as its important role in guiding the gender transformation agenda in local government. She also reported on their advocacy initiatives, including lobbying for the establishment of women's caucuses in local government as Section 79 committees of the Local Government Municipal Structures Act. She further indicated a need to ensure the establishment of women's caucuses in all municipal councils.

The presentation by SALGA Women's Commission also referred to some challenges encountered within the local government sphere, such as low representation of women as councillors due to a lack of legislated/mandated gender quotas. She reported on efforts to mainstream and ensure representation of vulnerable groups such as the elderly, LGBTQIA+ and persons with disabilities. Councillor Phukunsi concluded by reminding the delegates about the widened gender gap brought about by COVID-19 and urged everyone to be champions of gender equality. She then proposed the following recommendations:

- Urgent elimination of harmful cultural and religious practices while preserving and promoting respect for valuable cultural customs and traditions aligned with the Constitution.
- Adoption and implementation of gender sensitive and responsive workers' rights and policies.

16.2. Provincial Statements by NCOP Permanent Delegates

16.2.1. Eastern Cape Province - Ms M Ndlangisa-Nodada (MP)

The delegate from the Eastern Cape Province reported on various investments from multinational companies to assist the government in alleviating poverty. She affirmed the importance of ensuring women's involvement in government economic opportunities. She emphasised the importance of solidarity in uniting the world through the principles of ubuntu, mutual respect, and solidarity. She conveyed the message of solidarity with the women in Congo, Palestine, Sudan, and women across the world who have been displaced as a result of wars and conflicts in their countries. She advised that patriarchy should be rejected as well as policies which place men at the centre of policy development and implementation.

16.2.2. Free State Province - Ms NS Leeto (MP)

Ms Leeto addressed the achievements made in the emancipation of women, building on the legacy of women laid in 1956. She reported that the Free State Province had been led by six female premiers since the dawn of democracy, and that currently, six out of ten Members of Executive Council, including the Premier, are women.

Ms Leeto reported on the Free State's gender mainstreaming efforts, including the establishment of dedicated gender units in all departments. She advanced the provinces'

commitment to ensure appointment of women at senior management level, and current achievements include having sixty-three percent (63%) of the Department of Social Development's senior managers as females, and five percent (5%) of the staff complement as persons with disabilities.

Ms Leeto reported on various initiatives by the Free State Province aimed at improving economic growth. These initiatives include prioritising infrastructure development, developing a bankable provincial project pipeline, localisation and industrialisation, and increasing the competitiveness of small businesses, focusing on rural and township economies and unlocking the potential of ICT and the digital economy. She reported about the province's efforts towards beneficiation, generation, and distribution, such as the commencement of work on the Central Energy Logistics Hub, increased support provided to small-scale miners, as well as investment in energy and agro-processing for the benefit of women.

The Free State delegate emphasised the need to increase women's participation in the economy. She indicated that the lack of monitoring and evaluation systems to assess the impact of programs on women should be addressed. She reported on plans by the Free State government to develop a system aimed at tracking and evaluating the impact of programs on women.

Ms Leeto reported on the efforts by the province to tackle gender-based violence and femicide, and the efforts reported on include the following:

- Establishment of six GBV centres and one safe house.
- Effective collaboration with the National Prosecuting Authority through the five Thuthuzela Care Centres.
- Establishment of a provincial GBVF Forum chaired by the Premier.
- Employment of GBV coordinators.
- Allocation of a total of R14.5 million to NPO funding for the 2025/26 financial year.

Ms. Leeto recommended that legislation dealing with parole, especially of repeat offenders, should be strengthened. She concluded by advising that government should consider adopting programs aimed at strengthening families towards transformative socialisation practices.

16.2.3. Gauteng Province - Ms JS Mananiso (MP)

The NCOP delegate from the Gauteng Province reported on hosting a conference on gender mainstreaming in collaboration with the DPME to ensure equality and affirmative action. She relayed the commitment by the Gauteng government to ensure effective gender mainstreaming, including having the Premier of the Province as a champion for gender equality. She advised that the deliberations and outcomes of the 2025 P20 Women's Parliament would be used as a problem statement by the Gauteng Province.

Ms Mananiso outlined the commitments by Gauteng Province as follows:

- To ensure accelerated cooperative governance.
- To ensure effective implementation of the 40% procurement commitment for women-owned and led businesses.
- To ensure improved access to information in Indigenous languages.
- To ensure implementation of gender-wise and not just gender-sensitive policies.
- To ensure inclusion of all and leaving no one behind, including the implementation of programs aimed at the development and protection of the boy child.

Ms Mananiso indicated that the lack of uniformity amongst provinces or regions should be addressed through the adoption of an institutionalised approach for dealing with gender issues. In conclusion, she proposed the following recommendations:

- Broad-based participation should be mandatory for engagements such as the P20 Women's Parliaments to ensure inclusivity, collaboration, and informed dialogue.
- Delegates of the session should sign a petition to the Minister of Justice and Constitutional Development to fast-track the National Register for Sex Offenders (NRSO).
- Women in senior positions should be encouraged to further the interests of women by mentoring other women.

16.2.4. KwaZulu-Natal Province – Ms SM Mokoena (MP)

Ms Mokoena hailed the efforts of women in the province in breaking down barriers that had shaped the economic and social trajectory of the province, and that the women of KwaZulu-Natal should be encouraged and supported to continue their efforts.

16.2.5. Limpopo Province- Ms S Ndhlovu (MP)

Ms Ndlovu indicated that despite progress made since 1956 and the achievements of the democratic government, the face of poverty was still a woman in general and a Black woman in particular. Ms Ndlovu emphasised the importance of identifying and addressing the prevalent disparities in the labour market and stressed that the economic emancipation of women should be prioritised. She concluded by addressing the issue of objectification of women and the violence meted out by men. Furthermore, she indicated that dependence of women on men exacerbates violence, and that the government should implement necessary interventions to lessen the economic hardships faced by women.

16.2.6. Mpumalanga Province - Ms S Nxumalo (MP)

Ms Nxumalo addressed issues related to the unemployment of women, challenges faced by female-headed and child-headed households in Mpumalanga, and the burden of unpaid care work. She encouraged the prioritisation of economic initiatives by women, such as fresh food markets run by women in Mpumalanga. She recommended the following:

- Implementation of gender responsive budgets.
- Improved access to economic opportunities and strengthened women in rural and township economies.
- Effective implementation of 40% procurement promises for women-owned and led businesses.
- Ensure gender parity in leadership positions.
- The Women's Charter for Accelerated Development should be reevaluated through robust debates and dialogues on issues affecting women.
- GBVF should be addressed by all departments and municipalities, and targets should be budgeted for and included in all sector plans, including the Integrated Development Plans.

16.2.7. Northern Cape Province – Ms D Fienies (MP)

Ms Fienies reaffirmed the role of Parliament as an institution with the legitimacy to represent the diverse interests of the people. She also confirmed the significant contribution of women in the fight for liberation in South Africa. She encouraged the delegates to address the challenges faced by women working and staying on farms, including those experienced by seasonal workers.

She emphasised the importance of empowering women and promoting gender equality. She conveyed the Northern Cape Province's commitment to building a society that respects and protects women. In that regard, she reported on the development and adoption of the Women Empowerment and Gender Equality Strategy and Implementation Plan by the Northern Cape Province, which provides an integrated framework to accelerate and manage women's empowerment. She also reported the following successes attained by the province:

- Induction of municipalities on the implementation of the Gender Policy Framework by the Office on the Status of Women in the Office of the Premier.
- Establishment of the Provincial Employment Equity Forum for women.
- Increase in the number of women in senior management positions, with current representation as follows:
  - Department of Social Development – 50%.
  - Office of the Premier – 41%.
  - Department of Education – 38%.
  - Provincial Treasury – 37.5%.
  - Rural Development, Land Reform and Agriculture – 36%.

While noting progress in addressing gender parity, Ms. Fienies advised that Gender Equality Bill should be introduced, participation of women in the economy should be increased, and collaboration with civil society should be strengthened to promote gender equality.

16.2.8. North-West Province – Ms LS Sithole (MP)

Ms. Sithole recommended the following:

- All government departments should align their policies and programs with the women's development agenda. Some of the challenges faced by women include the underrepresentation of women in senior positions.
- All departments should be encouraged during the Provincial Weeks to implement gender mainstreaming.
- All relevant stakeholders should intensify GBVF awareness and ensure implementation of gender responsive and sensitive support services to victims of GBVF.
- Diplomacy and lasting solidarity should be encouraged due to similar problems faced by women across the world.

16.2.9. Western Cape Province - Ms Kaizer-Philander (MP)

Ms Kaizer-Philander hailed the Freedom Charter for recognising women as equal partners in building the nation. However, she voiced disappointment due to the lack of fulfilment of some of the Freedom Charter promises. She pointed out the availability of women heroines who have chosen to break barriers faced by women throughout history. She advised that gender-based violence should not be negotiable and should end, and opportunities to support and mentor women should be created.

16.3. Political Party Statements

Women representatives from various political parties presented party submissions on subthemes aligned with the P20 Women's Parliament Agenda.

16.3.1. African National Congress (ANC) - Ms D Pule (MP)

The ANC reaffirmed its historic mission of advancing gender equality and women's emancipation, rooted in the Freedom Charter and reinforced by President Nelson Mandela's words in 1996, that the struggle for women's emancipation should not be separated from the national struggle for freedom. The party highlighted progress made through policies that prioritise women's empowerment and representation, including a commitment to achieving 50% gender parity in government structures.

However, the ANC acknowledged the prevalence of significant challenges facing women in South Africa and globally, including exclusion from economic opportunities, vulnerability to climate change, health crises, global conflicts, and displacement, compounded by persistent gender-based violence and femicide.

The ANC emphasised that South Africa, as the only African member of the G20, should shape the global discourse on gender equality, social protection, and sustainable development, in line with the 2030 Agenda. Central to this is ensuring women's equal participation in an inclusive and functional economy, since economic exclusion perpetuates inequality and fuels gender-based violence.

Key recommendations proposed:

- Accelerated Inclusive Economic Growth: Promote equal participation of women in the mainstream and digital economy.
- Skills Development and Entrepreneurship: Expand access to training, particularly in agriculture, entrepreneurship, and sector-specific skills.
- Strengthen Gender Mainstreaming: Intensify initiatives to combat gender-based violence and femicide.
- Prioritise Women's Health and Safety: Ensure improved access to healthcare and protection for women.

16.3.2. **Democratic Alliance (DA) - Ms A Khanyile (MP)**

The Democratic Alliance welcomed the opportunity to contribute to the 2025 P20 Women's Parliament, stressing its commitment to strengthening democratic participation, amplifying women's voices, and shaping inclusive global agendas. Positioning itself as a centrist liberal democratic party, the DA emphasised its values of constitutionalism, non-racialism, the rule of law, and a social market economy that balances enterprise with protection for the vulnerable.

The party identified gender-based violence and women's health as priority areas, calling for innovative institutional reforms, stronger accountability mechanisms, and greater access to healthcare, including mental health services. In conclusion, the DA reaffirmed that the Women's Parliament is a vital platform for dialogue, innovation, and collaboration to advance women-centric policies and build a more inclusive, prosperous South Africa within a thriving African continent.

Key recommendations proposed:

- Establish a Femicide Watch to publish annual disaggregated data on gender-based killings.
- Create a National Council on Gender-Based Violence with multi-sector representation.
- Reallocate funds from the Ministry for Women to the Commission for Gender Equality and the new council on GBVF.
- Ensure equitable access to healthcare and mental health services to strengthen women's agency and participation.

16.3.3. UMkhonto we Sizwe Party (MKP) - Ms M Muhammad (MP)

The MK Party rejected symbolic gestures of gender equality and called for radical transformation to dismantle patriarchy, corruption, and elitist empowerment. They argued that South Africa's crisis should not be attributed to the absence of policy but rather the absence of political will, with black women still the poorest and most excluded. The party emphasised that gender equality must be a binding, enforceable economic policy, grounded in women's ownership of land, industry, and resources. They condemned cultural practices that continue to oppress women, declared GBVF a national crisis that indicts male leadership, and demanded accountability from state institutions that fail survivors. The party indicated that their vision centres on economic liberation for women through industrialisation, grassroots procurement, access to land and finance, and meaningful 50/50 representation in decision-making.

Key recommendations proposed:

- Gender equality should be a binding and enforceable economic policy, not symbolic quotas.
- Land, industrial, and resource ownership for women, particularly rural women.
- Effective implementation of preferential procurement and financial systems that directly support women-owned enterprises.
- A zero-tolerance approach to GBVF, with accountability for leaders and institutions that fail survivors.
- Genuine 50/50 political representation with real influence in decision-making.

16.3.4. Economic Freedom Fighters (EFF) – Ms S Letlape (MP)

The EFF condemned the persistence of women's economic exclusion, gender pay gaps, sexual exploitation in the workplace, high unemployment and GBVF rates facing women, especially in rural and township areas. They warned against reducing the 2025 P20 Women's Parliament to a symbolic event, instead calling for a radical restructuring of power, land reform, financial access, and the development of black women-owned industries to dismantle structural oppression and build an inclusive economy.

16.3.5. Inkatha Freedom Party (IFP) - Ms B Machi (MP)

The IFP emphasised the need for a shift from symbolic gestures to measurable, well-resourced action on gender equality. They argued that women's voices, needs, and leadership must be central to the national policy. They outlined a comprehensive vision that spans economic empowerment, protection from violence, climate justice, education, and health, with a specific focus on reaching rural and township communities.

Key recommendations proposed:

- Implement measurable economic empowerment by providing women, especially in rural areas, with direct access to capital, markets, and training, and by formally recognising and investing in the care economy.
- Enforce a zero-tolerance approach to GBVF by fully implementing the NSP and establishing more specialised courts to protect women and children.
- Guarantee inclusive access to opportunities in the green economy; Science, Technology ,Engineering, Mathematics(STEM) education; and essential health services to close the equality gap.

16.3.6. Patriotic Alliance (PA) – Ms S Peters (MP)

The PA paid tribute to the legacy of women who fought for freedom and emphasised the duty to secure a safer and more empowering future for the next generation of women. The PA rejected empty slogans, calling for decisive action to build a society that respects, protects, and economically empowers women. They highlighted the urgency of tackling gender-based violence, strengthening community safety, and creating real opportunities for women across all communities.

Key recommendations proposed:

- Respect and Accountability: Teach boys to honour women and hold men accountable for abuse.
- End Gender-Based Violence and Femicide: Build strong community support and enforce zero tolerance for abuse.
- Safety and Empowerment: Tackle crime decisively and expand economic opportunities for women.

16.3.7. Action SA – Ms K Morodi (Councillor)

Action SA called for bold and practical measures to dismantle the systemic barriers facing women in South Africa. The party emphasised dignity, opportunity, and justice, highlighting urgent interventions in education, economic empowerment, health, and safety. Their vision is a South Africa where every woman can reach her full potential through ethical governance, accountability, and inclusive growth.

Key recommendations proposed:

- End Period Poverty: Provide free sanitary pads in schools, clinics, and community centres, legislated as a right.
- Economic Empowerment for Women: Establish a Women's Entrepreneurship Fund, expand access to finance (40% of bank funding to women), and create enterprise hubs.
- Protect Women and Value Care Work: Introduce specialised GBV courts, mandatory life sentences for femicide, safe houses, and formal recognition of domestic work with fair wages.

16.3.8. African Christian Democratic Party (ACDP) - Ms RM Dees (Councillor)

The ACDP framed gender-based violence (GBV) and femicide as a national emergency, highlighting that despite strong laws, weak enforcement and systemic failures leave women vulnerable. They stressed that laws must translate into absolute protection, accountability, and cultural change. The ACDP called for stronger oversight, education that transforms mindsets, and greater accountability in the fight against GBV**.**

Key recommendations proposed:

- Stronger Implementation and Oversight: Improve law enforcement, ensure enforcement of protection orders, expand shelters, and strengthen monitoring with real-time GBV data.
- Transform Education and Mindsets: Reform life orientation to properly teach respect, dignity, and consent from a young age.
- Regulate Alcohol and Fund the Fight: Give communities control over alcohol sales and increase funding for GBV response, shelters, and survivor support services.

16.3.9. United Democratic Movement (UDM) - Ms CT Nontenja (MP)

The UDM argued that while South Africa has strong legal frameworks on gender equality, they remain ineffective due to poor implementation. Women, particularly in rural and informal settlements, face deep economic exclusion, unsafe working conditions, and justice system failures in cases of gender-based violence and femicide. The UDM stressed that inclusive development must prioritise grassroots women and combine economic empowerment with justice reforms.

Key recommendations proposed:

- Support Grassroots Women's Economic Empowerment: Increase visibility and accessibility of government departments (Local Economic Development, Trade & Industry, Small Business Development) to assist women in informal and rural economies with funding and protection.
- Reform the Justice System for GBVF: Improve case management, survivor support services, and conviction rates to ensure perpetrators are held accountable and prevent the secondary victimisation of survivors.
- Dedicated Funding for GBVF Response: Allocate resources specifically for GBVF prevention, survivor support, and systemic reforms, integrating these into broader development strategies.

16.3.10. Build One South Africa (BOSA)- Ms Hlazo- Webster

BOSA highlighted that black women remain the face of poverty despite working hard, facing barriers to capital, fair pay, and economic exclusion. The party stressed the need for practical and accountable interventions to ensure women's full participation in the economy, calling for reforms that directly empower women in entrepreneurship, employment, and financial access.

Key recommendations proposed:

- Establish a Women's Development Agency: A dedicated body to fund, mentor, and support women entrepreneurs, modelled on successful examples from Rwanda and Malaysia.
- Enforce Pay Equity: Pass and implement the Fair Pay Bill, requiring companies to disclose and address gender pay gaps.

- Remove Systemic Barriers to Finance and Procurement: Reform banking and procurement systems to ensure women, especially in townships, rural areas, and informal markets, have fair access to capital and opportunities.

16.3.11. African Transformation Movement (ATM)- Ms G. Ntumba

The ATM criticised the government for spending millions on endless summits and dialogues without delivering real solutions for women, especially in rural South Africa. The ATM emphasised that development must be practical, tangible, and life-changing, such as building roads, improving safety, and ensuring prosperity reaches marginalised women. They urged action over rhetoric to restore dignity and protect women's lives.

Key recommendations proposed:

- Prioritise practical development over dialogues: Redirect funds set aside for conferences and summits toward tangible projects like infrastructure, services, and community development.
- Focus on rural women's needs: Invest in roads, local trade support, and essential services that directly impact rural women's daily lives.
- Protect women from violence: Take decisive action against gender-based violence by shifting from symbolic gestures to concrete safety measures and justice for victims.

16.3.12. Aljama'ah- Adv. S. Salie

Al Jama'ah emphasised that while South African women have historically led struggles for justice and equality, profound inequality, unemployment, and gender-based violence persist today. They highlighted the crucial role of grassroots women, NGOs, and local initiatives in holding communities together, but stressed that government bureaucracy, poor infrastructure, and weak justice responses undermine women's progress. The party called for accountability, stronger local representation, and greater support for women's empowerment at all levels of society.

Key recommendations proposed:

- Strengthen Accountability and Justice: Enforce accountability for officials mishandling GBV cases, speed up court processes, and ensure empathy and fairness for survivors.
- Empower women in Local Governance and Leadership: Ensure women's representation in municipal IDPs, political parties, and government decision-making at all levels.

- Support grassroots and community initiatives: Remove red tape on NGOs and community projects (like soup kitchens), improve infrastructure (water, housing), and expand awareness programs on women's rights and harmful gender norms.

16.3.13. United African Transformation (UAT)- Ms R Seanego

The UAT grounded its message in Pan-Africanism and Ubuntu, emphasising that women's struggles in villages, on farms, and in households reflect the broader struggle for equality and justice across Africa. They highlighted systemic barriers faced by rural and smallholder women farmers, such as insecure land rights, poor infrastructure, lack of market access, and climate shocks that perpetuate poverty and exclusion. The party called for concrete development policies that value women's labour, improve resources and ensure inclusion in all economic spheres.

Key recommendations proposed:

- Secure land and resource rights for women: Guarantee land tenure, access to water, energy, and infrastructure to support smallholder farmers and rural women.
- Expand market access and local development: Provide transport, irrigation, and market information systems to empower women in farming, trade, and entrepreneurship.
- Invest in social and public services: Strengthen quality education, public works, and climate resilience programs that recognise and reduce the burden of unpaid care work on women.

17. CLOSING REMARKS BY MR C FROLICK (MP)

In his closing remarks, the House Chairperson of the National Assembly struck an optimistic and unifying tone, emphasising the immense potential of South Africa as a country. He framed the deliberations of the 2025 P20 Women's Parliament as a reflection of the nation's bright future, noting that the contributions made during the proceedings point toward progress and collective possibility. His words carried both gratitude and encouragement, acknowledging the active participation of the delegates and expressing special thanks to the Deputy Chairperson of the National Council of Provinces for their partnership and cooperation in hosting the gathering.

18. SUMMARY AND WAY FORWARD: MR P GOVENDOR (MP)

The Deputy Chairperson of the National Council of Provinces expressed deep gratitude for the participation and valuable contributions made during the sessions, as well as the commitment to promoting gender equality. He provided the way forward as follows:

- A comprehensive report to be developed, accurately reflecting the deliberations, resolutions, and recommendations. The report is to be sent to participants and the Multi-Party Women's Caucus for review and acceptance as a true reflection and to be scheduled in the Order Paper for debate and adoption by both Houses of Parliament. It will be shared with all relevant government spheres to ensure prompt action.
- The national gender machinery should be reactivated and leverage the expertise and knowledge of all key players towards implementing the policy priorities and recommendations that were made during the 2025 P20 Women's Parliament. This will enable work to be conducted in an integrated manner to achieve South Africa's gender transformation priorities, as outlined in the 2021 Women's Charter, the MTDP, and the 2025 G20 Policy priorities.
- Lack of effective implementation of gender-responsive budgeting hinders the advancement of gender equality and women's empowerment. To this end, it is recommended that the committees of Parliament ensure the integration of gender transformation issues into their work, followed by concerted efforts to ensure that government departments allocate their budgets more effectively for gender transformation.
- Parliament should ensure that government departments take the necessary action to integrate gender considerations into climate change mitigation and adaptation strategies and to institutionalise gender responsive planning, budgeting, and implementation to advance gender equality. This will ensure that resources are allocated more effectively to address gender inequality.
- The Women's Charter should be implemented and taken to provinces for engagement with communities and stakeholders. Government officials should promote awareness, understanding and action.
- The necessary networks must be created across provinces and the local sphere to oversee the implementation of gender transformation priorities. This will be done through the women's caucuses and the NCOP's Intergovernmental Relations and Cooperative Governance mandate.
- Parliament should play a proactive and robust oversight role to ensure effective implementation of the provisions of the Women's Charter.

19. SUMMARY OF CHALLENGES AND CONCERNS

The delegates identified certain barriers that still hinder the practical realisation of transformative gender equality. The following summarises the challenges raised by delegates during the 2025 P20 Women's Parliament:

19.1. Economic exclusion of women

The delegates identified various barriers hindering the effective participation of women in the economy. The various barriers identified and regarded as of major concern that should be urgently addressed are reported as follows:

- Unpaid care work: The burden of unpaid care work, which falls disproportionately on women, was identified as an obstacle that hinders the effective participation of women in the economy of the country.
- Lack of adequate, accessible and affordable childcare facilities leads to increased burden of unpaid care work on mothers while also hindering their effective participation in the economy.
- Stringent business regulations create financial and compliance burdens for start-up businesses and further discourage women from registering businesses.
- Lack of access to markets, coupled with the digital divide, contributes to the inability of women-owned businesses to forge professional networks towards accessing clients.
- Inadequate funding of programs targeting women businesses: Lack of funds is regarded as hindering many women from growing and scaling up their businesses.
- Gender blind Budget Votes of Departments: The gender neutrality of government budgets is regarded as a major contributor to the identified unequal access to resources, further disadvantaging women.

19.2. Prevalence of Gender- Based Violence and Femicide (GBVF)

Gender Based Violence and Femicide was identified as one of the critical challenges facing women in the country, with women being the majority victims of GBVF. The reasons forwarded and regarded as contributing to the scourge of GBVF are as follows:

- Misogyny and patriarchal norms: The deep-seated prejudice and negative stereotyping of women; normalisation of violence; sexist attitudes demeaning women while portraying men as superior, were amplified as major drivers of GBVF. The change in socialisation of children, including the introduction of school-based curriculum addressing misogyny and

patriarchy, was identified as one of the possible solutions for effectively rooting out harmful norms and stereotypes against women.

- Ineffective implementation and oversight over laws and programs for GBVF: While acknowledging the intersectionality of GBVF, however, the lack of effective implementation of GBVF legislation was regarded as a violation of the human rights of women and children. The lack of effective gender responsive oversight by Parliament was also identified as contributing to the prevalence of GBVF in the Country.
- Fragmented efforts between relevant stakeholders are hindering the effectiveness of programs aimed at eliminating GBVF.
- Lack of affordable and adequate elder care facilities: The inability to have access to appropriate elder care facilities is regarded as contributing to abuse and harm of older women staying alone.
- Violence against children: The delegates voiced a concern about a noticeable and emerging trend of mothers as perpetrators of violence against their own children.

19.3. Lack of effective implementation of policies and programs

The delegates agreed that the adoption of certain policies and programs is aimed at achieving specific goals. Still, ineffective implementation undermines the intended purposes, leading to a loss of trust in the government as a whole. The delegates were of the view that the lack of effective implementation of policies and programs by government institutions can be attributed to the following:

- Corruption by government officials as well as negative attitudes towards citizens.
- Failure to implement a gender-responsive planning, budgeting, monitoring, evaluation, and auditing framework, leading to the adoption of gender-neutral budgets; strategic plans and annual performance plans not adequately catering for gender equity targets.
- Lack of effective monitoring and evaluation practices to track implementation and impact of gender transformation targets.

19.4. Climate Justice

The delegates were of the view that the South African Government's response to disasters fails to take into consideration the impact of climate change on women, including the provision of adequate measures to ensure that displacement measures in place prioritise the needs and safety of women.

20. RECOMMENDATIONS

One of the stated objectives for convening the 2025 P20 Women's Parliament was to provide an opportunity for South African women, through their collective voice, to make meaningful contributions to global policies. This then translated into having recommendations not only for the South African Legislature and Government, but also provided some recommendations for considerations by the P20 Speakers of Parliament and the G20 Government as follows:

20.1. Recommendations to the P20 Speakers of Parliament

P20 Speakers of Parliament are respectfully urged to consider the following recommendations:

a) Adopt Gender Responsive Oversight Frameworks: This should be a tool used by all Parliamentary Committees in tracking and monitoring the implementation of programs aimed at empowering women. This is to ensure that oversight of women's issues is not left solely to Portfolio Committees tasked with this responsibility. Indicators to form part of the gender-responsive oversight framework can include monitoring the implementation of policies and programs, such as preferential procurement for women-owned businesses.

b) Ensure Gender responsive Parliaments: Speakers to establish and adopt measures towards ensuring that legislatures can meet the needs of both male and female parliamentarians. This includes the establishment of support structures for women members of Parliament, such as Multi-Party Women's Caucuses; the establishment of gender-responsive facilities (such as daycare centres within legislatures) to enable women Members to balance family and political lives effectively; as well as adoption of policies that effectively address violence against women. Training and empowerment of women Members of Parliament to include issues related to gender responsive oversight and budgeting.

c) Ensure Gender impact assessments of Bills: Parliaments should consider mandating all Departments introducing the Bills for consideration by Parliament to include gender impact assessments on the likely impact of the proposed legislation on all genders.

d) Ensure adequate participation of women: The adequate participation of women in all legislative activities is about giving women a voice to influence laws. The Parliaments should identify and address barriers that hinder women from being adequately represented and effectively participating in legislative initiatives.

e) Mandate Gender Budget statements: Parliaments to compel National Treasuries to ensure that national budgets tabled in Parliament include gender budget statements detailing budgeted activities targeting women.

f) Consider intersectionality of women: Parliaments to be cognisant of intersecting identities of women as shaped by various factors, including race, socio-economic factors, sexual orientation, geographical area, educational status, as well as disability status. Recognising and acknowledging intersectionality is key when hosting women-focused events and activities.

20.2. Recommendations to the G20 Governments

a) Adopt Gender Responsive Humanitarian Disaster Management Frameworks: The Governments should acknowledge the effect of climate change and its differentiated effects on genders. The adoption of gender responsive policies will enable governments to ensure the safety of women and children during times of disasters.
b) Adopt, legislate, and implement Preferential Procurement Frameworks: This is about setting aside a certain percentage of all government procurement for women-owned and led businesses. This should include empowering women-owned businesses about the procurement and tendering system to enable effective competition and successful bidding.
c) Review stringent business regulations for women-owned start-up businesses: Governments should consider relaxing certain regulations for women-owned start-up businesses. This acknowledges that overly stringent business regulations can discourage many women from starting businesses and securing financial aid.
d) Include gender impact statements for all Bills sent to Parliament: Governments to ensure that Bills forwarded for consideration by Parliament contain gender impact statements.
e) Adequate funding for women-focused programs and agencies: Governments should ensure adequate funding for agencies tasked with the implementation of women-focused activities.

20.3. Recommendations to the South African Parliament

a) Report back to the women on actionable and measurable outcomes of how South African women benefited through the South African Parliament's hosting of the 11th P20 Speakers. This is to ensure that events hosted by Parliament are developmental and have a positive impact on women in the country.
b) The annual hosting of women's parliament events should be rotated and hosted in various provinces to ensure adequate access by women in various provinces.

c) Ensure adequate inclusion of all women (sex workers, LGBTQIA+, women with disabilities, women with no formal education) in all parliamentary activities. The South African Parliament should ensure that women-focused events acknowledge the intersectionality of women and implement measures to cater for all women.
d) Develop effective mechanisms to hold accountable those government departments for failure to meet gender equality targets, including failure to implement the pillars of the National Strategic Plan on Gender Based Violence and Femicide. Oversight mechanisms should include holding the private sector, religious and cultural institutions accountable for abuse of women in those spaces.

20.4. Recommendations to South African Women Members of Parliament

a) Unite across political party affiliation and partner with all relevant stakeholders towards the empowerment of women both within and outside of Parliament.
b) Empower constituencies about GBVF, available economic initiatives and resources; and assist constituencies to challenge harmful patriarchal norms and encourage participation in legislative processes.
c) Lobby and advocate for political parties to adopt voluntary gender quotas and to implement the zebra listing in the election of office bearers.
d) Address and challenge the negative gender stereotyping of women politicians across political party affiliation.

20.5. Recommendations to the South African Government

a) Ensure effective implementation of the Gender Responsive Planning, Budgeting, Monitoring, Evaluation, and Auditing Framework.
b) Ensure effective implementation of the pillars of the NSP GBVF and adequately budget for the implementation of relevant pillars as allocated. Programs adopted to eliminate GBVF to acknowledge the role of alcohol as a major and critical driver of GBVF.
c) The adoption of programs and interventions to address gender-based violence and femicide should be informed by GBV disaggregated data.
d) All relevant government departments to adopt and implement measures aimed at the development and protection of a boy child.
e) All government entities to conduct annual gender audits and analysis of programs and table these in Parliament together with annual reports.

f) Quarterly reporting in Parliament to include tracking and reporting on gender targets.
g) To implement effective measures aimed at regulating the availability of alcohol, including tightening the licensing requirements; making alcohol expensive to purchase, as well as ensuring effective enforcement of liquor regulations.
h) Adopt and implement a gender responsive and humanitarian response for disaster victims and recognise the importance of empowering women about disaster management, prevention, and response plans.
i) Acknowledge that effective program implementation to have a meaningful impact, should be action-driven and be informed by adequate inclusion and participation of women from grassroots levels.
j) Empowerment programs targeting youth and children should consider integrating and utilising art, games, and murals. This is about providing essential skills in a youth-appealing and engaging manner to achieve lasting impact.
k) Forge effective partnerships with civil society organisations and the private sector.

20.6. Recommendations to the Department of Planning, Monitoring and Evaluation

To ensure that the strategic plans and annual performance plans of all government departments include gender equality key targets.

20.7. Recommendations to the Department of Public Services and Administration

Consider adopting policies aimed at institutionalising gender responsive workplaces

20.8. Recommendations to the National Treasury

Ensure that National budgets tabled in Parliament include gender budget statements with clearly identified and budgeted for gender equality targets.

20.9. Recommendations to the Department of Justice and Constitutional Development

20.9.1. Establish more specialised courts to deal with gender-based violence especially in rural areas.

20.9.2. Establish a Femicide Watch to publish annual disaggregated data on gender-based killings.

20.10. Recommendations to the Department of Cooperative Governance and Traditional Affairs

a) Empower municipal councils about gender responsive disaster management plans.
b) Strengthen municipal councils towards affirming their position as a delivery arm of government closest to the communities.
c) Localise the G20 priorities.

20.11. Recommendations to political parties

a) Consider adopting voluntary gender quotas and implementing the zebra listing in the appointment of office bearers.
b) Mentor and empower young women to find politics attractive and appealing to increase the number of women participating and represented in politics.

LIST OF PRESENTATIONS

ACDP P20 Women's Parliament Submission.docx
ANC P20 WOmen's Parliament Written Submission.docx
12082025 ATMWL P20 Women's Parliament Debate.pdf
Black Girls Rising _ X Fuyani.pdf
BOSA P20 Women's Parliament Written Submission.pdf
Commission for Gender Equality Nthabiseng Sepanya-Mogale.pdf
CONTRALESA _ Princess M Pilane.pdf
Closing remarks of the _P20 Women's Parliament by Hon. CT Frolick.pdf
DA P20 Women's Parliament Written Submission.pdf
EFF SUBMISSION TO THE 2025 P20 WOMEN-3.docx
IFP Women's Parliament Submission.docx.pdf
Financial and Fiscal Commission_Dr PN Mbava.pdf
MINISTER SINDISIWE CHIKUNGA.pdf
National Planning Commission _Liepollo Pheko.pdf.zmdownload
National Planning Commission_Lebohang Pheko.pdf
National Planning Commission _T Cohen.pdf
Oxfam South Africa _Phelisa Nkomo.pdf
Parliamentary Budget Office _ Prof Dumisani Jantjies.pdf
Progressive Women's Movement SA _L Nare.pdf
Public Service Commission_Zukiswa Mqolomba.pdf
Statistics South Africa _S Molayi.pdf
UAT P20 Women Written Submission.pdf
UDM P20 Women Written Submmission.docx
UN Women _Ms M Ramoroka.pdf

National Council of Provinces

1. The Chairperson

(a) Report on **P20 Youth Parliament**: 13 June 2025.

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PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

REPORT ON P20 YOUTH PARLIAMENT

HELD AT PARLIAMENT OF REPUBLIC OF SOUTH AFRICA
ON A HYBRID VIRTUAL PLATFORM

DATE: 13 JUNE 2025

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1. INTRODUCTION

The Parliament of the Republic of South Africa convened its first Youth Parliament of the Seventh Dispensation on 13 June 2025, under the theme, 'Youth Economic Participation, Employment and Opportunities – Developing a Medium-Term Youth Development Agenda for South Africa's Youth.' The event brought together a diverse group of youth from various sectors, including political party youth formations, civil society organisations, disabled youth, student leaders, and young entrepreneurs. It served as a platform for youth to engage directly with Parliament, share their lived experiences, and propose concrete solutions to shape inclusive, youth-centred development policies.

"On 01 December 2024, South Africa officially assumed G20 Presidency and by extension, the South African Parliament also assumed the responsibility of hosting the 11th P20 Speakers Summit. The group of twenty (G20) is an international forum for economic cooperation whose aim is to develop policies and strategies to tackle current and future global challenges. The objectives of the group of twenty countries are to promote global economic stability; strengthen global economic growth and improve global economic governance.

South Africa's G20 Presidency also takes place when the world is facing a series of overlapping and mutually reinforcing crises, including climate change, underdevelopment, inequality, poverty, hunger, unemployment, technological changes and geopolitical instabilities."[1]

South Africa has therefore indicated that its G20 *Presidency 'fully supports the approach of strengthening partnerships and expanding dialogue with a wide range of actors; including States, international organizations and civil society; to collectively shape the G20's approach to issues requiring international cooperation'.*[2]

To this end, the G20 Priorities and Objectives deliberated during the *2025 P20 Youth Parliament* are as follows:

- **Inclusive Economic Growth:** Prioritizing Economic Growth that prioritizes all segments of Society

[1] https://g20.org/g20-south-africa/g20-presidency/
[2] https://c20brasil.org/about-c20/ (accessed on 06 January 2025)

- **Industrialization and Employment:** Supporting Industrial Development and Creating Employment **Opportunities**
- **Meaningful Youth Engagement:** Involving Young People in Shaping Global Policies
- **Inclusive Social Development:** Promoting Social Inclusion and Reducing Inequality
- **African Development:** Aligning with the African Union's Agenda 2063 and Promoting the **Development of the African Continent**
- **Universal Access to Education:** Advancing Universal Access to Higher Education

The Objectives for the Nationwide P20 Sectoral Buildup Activities are as follows:

- In line with South Africa's G20 Presidency commitment to 'fully support the approach of strengthening partnerships and expanding dialogue with a wide range of actors; including States, international organizations and civil society; to collectively shape the G20's approach to issues requiring international cooperation,'[3]: the P20 Youth Parliament seeks to create a strategic platform of engagement, to determine the youth development agenda and priorities, for targeted implementation and oversight over the medium term;
- Ensure that all sectors of society participate in Sector Specific discussions aimed at accelerating the implementation of South Africa's key development priorities
- Bring into sharp focus South Africa's long term development goals and priorities, (as articulate across national and multilateral platforms).
- Deepen Governance Coherence and collaboration, to accelerate the achievement of South Africa and Africa's development priorities, including the developing nations of the global south.
- Enable strategic multi-sectoral social compacting across all sectors of society, to accelerate policy implementation.
- Support the realization of South Africa's development agenda across various multilateral platforms, which are aimed at influencing global policies advocating for Africa's interests.
- Deliberate on matters for targeted implementation and oversight over the medium term.
- Coordinate the three-spheres of government, particularly towards advancing the implementation of South Africa's National and G20 related priorities and targets.

[3] https://c20brasil.org/about-c20/ (accessed on 06 January 2025)

- Create the necessary platforms for strategic intersections and engagement between the legislative sector and the executive, on G20 development priorities and partnerships.
- Create the appropriate oversight, monitoring and tracking mechanisms and systems, to ensure sustained implementation of South Africa and Africa's development priorities.
- Ensure that the overarching and far-reaching G20 objectives and priorities are articulated across all multilateral platforms over the medium term.

The P20 countries are derived from the G20 member states, representing the parliamentary dimension of the G20 process. The member countries are:

Argentina	China	Indonesia	Russia	Turkey
Australia	France	Italy	Saudi Arabia	United Kingdom
Brazil	Germany	Japan	South Africa	United States
Canada	India	Mexico	South Korea	European Union[4]

[4] European Union (as a collective member representing its institutions and member states)

2. OPENING ADDRESS: SETTING THE SCENE

The House Chairperson for Committee Oversight and Public Participation in the National Assembly (NA), Mr CT Frolick, welcomed all delegates to the first hybrid Youth Parliament in the 7th Administration scheduled on a hybrid platform. Mr Frolick reflected on the symbolism and significance of the day set aside for hosting the P20 Youth Parliament.

The Deputy Chairperson of the National Council of Provinces (NCOP), Mr L Govender rendered the opening remarks and welcoming address for the P20 Youth Parliament. He emphasized that under the bold theme **"***Youth Economic Participation, Employment and Opportunities – Developing a Medium-Term Youth Development Agenda for South Africa's Youth***,"** Youth Parliament would serve as a platform for not only discussing policy but to ensure that it was personal, practical, and impactful. As such, attention was given to design the programme to facilitate meaningful engagement based on the principle that nothing can be done about youth matters without youth involvement. To this end, Deputy Chairperson noted that the Constitution was developed based on inclusivity with the clear intent of leaving nobody behind and it is with this spirit that Youth Parliament would be conducted.

Moreover, he went on to state that, "*Youth are not the leaders of tomorrow, you are leaders today and you will lead the process towards achieving the change that South Africa needs***.**" The Deputy Chairperson reiterated that the decisions made at Youth Parliament have the potential to shape strategies, budgets, reforms, and opportunities that will define the next decade. Thus, youth participants can shape the future. In keeping with the approach, Deputy Chairperson shared at the Africa day lecture, he presented a challenge for the youth to firstly; be bold in their ideas, secondly; be fearless in their participation and lastly be united in their commitment to a more inclusive, innovative, and youth-driven future.

As the Deputy Chairperson concluded his opening remarks, he reiterated that voices of youth matters, that they should challenge assumptions; propose real, practical solutions and proceed together with purpose, passion, pride and patriotism.

The Speaker of the National Assembly, the Honourable Ms AT Didiza, proceeded with her opening address and welcomed participants to the P20 Youth Parliament. She emphasised the importance of youth involvement in shaping South Africa's future and focused on youth economic participation, employment, and opportunities.

The Speaker commenced by reflecting on the role of Parliament which is to oversee executive action and hold the executive to account. She went on to state that Parliament brings to life concerns of the electorate and that it becomes a platform for debate as well as to ensure that society's concerns are addressed. In addition, the Speaker highlighted the importance of youth activism, solidarity, the need for inclusive, sustainable development and that the P20 Youth Parliament aimed to gather young people's voices and insights to inform the P20 and G20 Summits. The P20 Youth Parliament was also expected to stimulate robust debates and formulate solutions that can positively impact the lives and aspirations of all young people in the country. She stated that, "Young People Are a Solution to Global Challenges".

Due recognition was given to the role played by youth in the development of the Freedom Charter, in forming part of the first democratic parliament and legislatures that laid the foundations of a democratic state as well as in the fees must fall campaign in ensuring expanding access to education. The Speaker recalled that because of the youth activism of the 1970s against the immorality of imposing a certain language as a sole medium of instruction in schools, the country prides itself in current Democracy Institutions such as Pan South African Language Board (PanSALB) and the Cultural, Religious and Linguistic (CRL) Rights Commission.

Notwithstanding that, youth comprise the majority of unemployed in the country despite completing their studies hence the theme for Youth Parliament which focuses on economic participation and employment. Despite the advances made in attaining democracy, the Speaker reiterated that the challenges of unemployment and in particular youth unemployment remains as a significant challenge in the attainment of the country's democratic dividend. A call was made to reflect on ways in which the country's economy can grow and that allows for participation for all South Africans. In addition, the Speaker encouraged participants to need to find solutions that address the immediate challenges to give hope to those young people who feel excluded and on the periphery of society with the understand that South African forms part of the global community and therefore affected by geopolitical shifts that occurs because of pandemics and conflict.

She went on to state that economic participation cannot be realised unless conducive enabling environments are created. Furthermore, the Speaker noted that how corporate citizens support the transformation agenda should also be explored. To this end key questions were posed for discussion namely, are South Africa's financial institutions friendly to young entrepreneurs and are trade promotion strategies considering the concerns of young traders?

In addition, the Speaker indicated that current policies need to be examined, and inputs are required on what needs to be done to address the scourge of unemployment in particular youth employment.

Reference was also made to the fiscal framework that was passed to unlock the finances of the Medium-Term Development Goals. As such, it was imperative to frame what should be the priority for youth in those medium-term goals. The Speaker indicated that the debate and political party statements should unpack the issues and propose solutions that will improve youth inclusion in the job market and business. She proposed measures that will empower youth to maximise the opportunities brought by the Artificial Intelligence using local languages.

The Speaker stressed there was an urgent and significant need for solutions for youth to resist the temptation of hegemony in dealing with the high levels of unemployment, poverty and crime in the country. To this end, she went on to state that "the current trajectory cannot be altered if the voice of the youth is mute and if young people are disengaged from activism and politics."

In conclusion, the Speaker stated that key insights can be derived from the youth of 1940s; 1960s and 1970s which pertained to the solidarity and their pursuit based on common interests. To reflect those times, it required youth to drift away from the "us-and-them politics" towards a politically apathetic activism. She indicated that the present economic realities demand of the youth to form solidarity based on the desire for social justice and economic inclusion. Moreover, the solidarity to promote sustainable development and defeat any form of discrimination within society.

3. MESSAGES OF SUPPORT

Messages of support were rendered by the Minister of Women, Youth and Persons with Disabilities, Ms S Chikunga followed by Ms L Jacobs, the Miss Teenager Universe Africa and then the Junior Mayor for Cape Town, Mr MD Bam.

3.1. HON. MINISTER CHIKUNGA – MINISTER IN THE PRESIDENCY: WOMEN, YOUTH AND PERSONS WITH DISABILITIES

Minister Chikunga conveyed the Message of Support on behalf of the Ministry in the Presidency for Women, Youth and Persons with Disabilities. She indicated that the sitting was

not only national in scope but formed part of the broader P20 process, which brings together Parliaments from G20 countries to amplify voices across sectors, including women, youth, and persons with disabilities. Hence, Youth Parliament was not regarded as a peripheral but a core platform in the architecture of global democratic dialogue. Minister Chikunga welcomed the forthcoming P20 engagements set aside for young parliamentarians and women parliamentarians across the G20 countries. To this end, the Minister reiterated the commitment to Disability Inclusion and urged that this finds expression in the discussions.

In reflecting on the historical significance of Youth Month and the unfinished work of generational justice, the Minister reminded participants that democracy is not only defended through elections, but also deepened through active, inclusive participation. She went on to state that Youth Parliament was not merely a youth event but a constitutional moment, a demonstration that the voices of young people are not ornamental, but fundamental to the integrity of our democracy.

With respect to Sectoral Parliaments as tools of participatory democracy, the Minister noted that the sitting was part of Parliament's formal public participation architecture, which includes sectoral engagements such as the Youth Parliament, Women's Parliament and call was made for the resuscitation of the Disability Parliament. In terms of youth participation as a constitutional right and a strategic necessity, the Minister stated that the Constitution does not suggest public participation, but it demands it. Hence, Youth Parliament was a practical expression of that constitutional promise and a reminder that young people are not just the future, they are present-day stakeholders in the life of our democracy. This was pertinent given that over 60 percent of the population is under the age of 35 therefore youth should be heard, respected, and reflected in the highest decision-making spaces. To this end, the Minister acknowledged that the representation of young people in Parliament was improving, with approximately 12 MPs under the age of 30, and several more under 35. As such the Minister reiterated that Youth Parliament must not be treated as a symbolic event but instead be institutionalised as a strategic mechanism of governance.

The Minister acknowledged the intersecting crises faced by youth namely unemployment, exclusion, GBVF, mental health challenges, and climate injustice. But she went on to state that "young people are not simply vulnerable, they are valuable. They are not just a constituency in need; they are a generation in motion." To this end, she indicated that across South Africa, youth were developing AI tools for education, launching agritech ventures, organising climate action campaigns, expanding the creative economy, and reimagining what

public service can look like. Hence what youth needed was not charity but capital, connection, and trust. Thus, reiterating again, the valuable opportunity presented through Youth Parliament creating a platform for young people to present their own solutions, in their own voices, to those who hold the levers of policy and implementation. She said, “It is not consultation, it is co-governance.”

As the Ministry responsible for coordinating youth development across government, the Minister reaffirmed the importance of that mandate. She noted that through the Medium-Term Development Plan (2024–2029), the Department was embedding measurable youth development indicators across sectors, from education and employment to entrepreneurship and participation, that it was not merely data for data’s sake but how the Department would track progress, expose inertia, and drive accountability. In addition, the Department was also working to institutionalise Youth Desks and Youth Focal Points across all departments, not as tick-box admin roles, but as sites of policy influence and innovation. The Minister reiterated that these structures must be capacitated, respected, and integrated into core decision-making. And at the programme level, the Department supported a series of catalytic initiatives such as the South African National Service Institute (SANSI); the Presidential Youth Employment Intervention (PYEI) and the Youth Endowment Fund.

The Minister concluded by stating that “Youth Parliament must not be a moment, it must be a movement.” And to the youth she indicated “May your voices today echo far beyond this chamber. May they shape policies, shift power, and sharpen our democracy. I am here, not just to speak, but to listen, to learn, and to be held accountable.”

3.2. MS L. JACOBS (MISS TEENAGER UNIVERSE AFRICA)

Ms Jacobs welcomed the opportunity to acknowledge the youth of South Africa and to come together with a shared vision for a brighter future, driven by the power of youth. She reiterated the potential of young people to shape change. Furthermore, Ms Jacobs indicated that empowering youth for a sustainable future resonated deeply with her and that she recognised that “our generation holds the key to unlocking innovative solutions, driving economic growth, and promoting social justice.” To this end, she listed six pivotal sub-themes that would shape the future of our nations and our continent these included:

a) Inclusive Economic Growth where we can restructure economies to benefit all, addressing oligopolies and promoting fair competition. This will create opportunities for entrepreneurship, innovation, and job creation.

b) Industrialization and Employment is important because supporting industrial development, creates jobs and opportunities for youth. By investing in industries that drive growth, we can reduce unemployment and stimulate economic progress.
c) Meaningful Youth Engagement where young people must be given such opportunities and have a seat at the table, shaping global and national policies. Our voices, perspectives, and ideas are crucial in driving change and ensuring that policies are responsive to our needs.
d) Inclusive Social Development promoting social inclusion, reducing inequality and ensuring everyone thrives. By addressing social injustices and promoting equal opportunities, we can build a more equitable society.
e) African Development where we collaborate to align with the African Union's Agenda 2063, driving continental progress. This ambitious plan outlines a future of prosperity, peace, and development for Africa, and we must work together to achieve its goals.
f) Universal Access to Education is the most fundamental right; let's advance access to higher education for all. By investing in education, we can equip young people with the skills, knowledge, and competencies needed to drive innovation and growth.

Ms Jacobs, representing youth of South Africa and an advocate for youth empowerment including young leaders noted the unique opportunity to shape the future of the continent, and called on youth to work together to drive innovation and entrepreneurship; foster partnerships and collaborations; promote social justice and equality; empower marginalized communities and build a brighter future for all. She concluded by stating, “Let's make our voices heard, leveraging our unique perspectives and experiences. We will learn from each other, share ideas, and build partnerships that will last a lifetime.”

3.3. MR MD BAM (JUNIOR MAYOR FOR CAPE TOWN)

Mr Bam, Junior Mayor of Cape Town, expressed his appreciation for the opportunity to participate in the Youth Parliament, highlighting the significance of this platform in a historic moment as South Africa prepares to assume the Presidency of the G20. He emphasised that the world is watching, and this presents a unique opportunity for South Africa to lead with purpose and integrity.

He stated that the gathering should not be reduced to a spectacle or limited to words alone. Instead, it must be a catalyst for meaningful action.

Mr Bam drew attention to the daily realities faced by many young South Africans: the unemployed graduate searching for opportunity, the child who walks into school hungry, the learner without access to quality education, and the matriculant with great potential who cannot afford university fees. These, he stressed, are not abstract statistics, they are real people with real lives and futures. "They are watching us today," he said.

He called on the youth to start leading now, rather than waiting for the future. He stressed the need for a Youth Development Agenda that goes beyond ticking boxes, to one that breaks down barriers and unlocks the full potential of young people. He questioned whether jobs are truly being created, whether youth voices are meaningfully included, and whether social policies adequately address the invisible battles, including mental health challenges.

Addressing his fellow young leaders, Mr Bam reminded them that there is no perfect plan for progress and emphasised that change must begin now rather than waiting for ideal conditions. He thanked Parliament for providing the platform and urged that the Youth Parliament should not be a one-time event, but rather a living, breathing institution that ensures the voices of young people are meaningfully embedded in policymaking, governance, and global discourse. He concluded with a powerful message, stating that if South Africa is to lead the G20 with courage and conviction, it must first lead its own youth with justice and resolve, and called on all stakeholders to let the work begin.

4. SESSION 1: STRATEGIC INSIGHT AND ANALYSIS

4.1. Statistics South Africa

"*Unpacking the status of Youth Development in South Africa: Providing High Level Statistical insight on Youth Poverty, presenter: Mr. Solly Molayi, Acting Deputy Director-General: Population and Social Statistics***"**

Mr. Molayi presented on behalf of Statistics South Africa and reflected on the status of youth development in South Africa. He indicated that the South African population constituted about 63 million people with a population growth of around 1.3 percent. Youth comprised about 2.8 million in South Africa, and combined with children, amounts to 38 million. In turn, this means that about 60 percent of the population is below 35 years of age. The statistics indicate that there are 4.7 million youth-headed households in South Africa that is increasing over time. Of particular interest, which the presenter drew attention to, was the number of young mothers who gave birth aged between 10 and 19 years, which amounts to 11 percent and 12 percent of all the deliveries in hospitals. Mr Molayi drew attention to this as some of the challenges that the Youth Parliament should discuss.

With reference to living arrangements of children, nationally 45.5 percent of children live with their mothers only and less than a third (31.4 percent) of children lived with both parents. The statistics further show those who indicated that they do not live with either a mother or a father. With respect to provinces, the Eastern Cape, KwaZulu-Natal, and Limpopo Provinces are leading in terms of the proportions of children living with their mother but also in terms of children living with neither parent. The Eastern Cape records 32.1 percent of children living with neither parent. Regarding the two provincial economic hubs, Gauteng and Western Cape, the proportions of those children who live with both parents are quite high - 40.4 percent and 36.8 percent respectively while Western Cape records the lowest of children not living with their parents at 9.1 percent. Furthermore, the number of youth-headed households increased from 3.2 million to 4.7 million between 2002 and 2024.

Mr Molayi presented key issues related to education and requested the Youth Parliament to focus on these issues. He went on to state that there is universal access to pre-school, primary, and secondary schooling. However, challenges related to the post-matric phase as the proportions are still quite low. Statistics revealed a sharp decline from 15 years to the

largest proportion of 22–24-year-olds not in employment, education or training (NEET). Solutions are required to address these challenges.

The presentation also examined the reasons why some youths are not attending school, with a stark comparison in the age gap between young males and females. For females the reason was family commitment and for males it was poor academic performance. In terms of family commitments, this often-entailed girl children staying home, missing school to take care of and assisting the sick at home, which would not be expected of the boy child. Mr Molayi noted that these gendered dynamics required discussion as it had a negative bearing on the girl child in terms of access to education.

With respect to unemployment, Mr. Molayi indicated that the official unemployment rate increased by 1 percentage point to 32.9 percent in Q1 of 2025 as compared to Q4 of 2024. He went on to state that youth aged 15-24 years and 25-34 years continue to have the highest unemployment rates at 62.4 percent and 40.4 percent respectively. Moreover, 73.5 percent of those in the working age 25-34 years are participating in the labour market with 43.8 percent of the working age population in employment. Furthermore, he reiterated that youth unemployment remained high over the past decade. The official unemployment rate amongst youth aged 15-34 years stood at 35.9 percent in Q1 of 2015 and a decade later in Q1 of 2025 that figure increased to 46.1 percent. Hence a 9.2 percentage point increase signaling worsening conditions for the youth. When considering discouraged job seekers, approximately 2.0 million out of 3.5 million discouraged work-seekers were youth between the ages of 15-34 years in Q1 of 2025. To this end, Mr. Molayi indicated that the challenge was to look at ways of ensuring that the youth became part of the production needs. He acknowledged that the challenge was compounded by youth NEET.

Having examined the provincial youth unemployment rate and labour force participation rates for Q1 of 2025, the North-West and the Eastern Cape showed both the highest unemployment rates and the lowest participation rates amongst youth (15-34 years). The Eastern Cape unemployment rate was 54.3 percent and the labour force participation rate 39.8 percent. For the North-West, the unemployment rate was 58.8 percent, and the labour force participation rate was 43 percent.

The employment statistics by industries and occupations for Q1 of 2025 indicate that most of the youth who are employed fall within the trade, community, social services, and finance and elementary sales and services and clerking occupations. The presenter noted that “one would

hope that managerial positions and professions for youth would be at the top considering we are building a new society with the youth as our future." Mr. Molayi went on to state a key challenge related to affording young people an opportunity to acquire experience but the data, over the last decade, revealed that those without experience are more likely to struggle to get into the job market. Notwithstanding that, youth with experience are 12.3% more likely to be employed. Emphasis was thus placed on the need to provide a space for young people to have access to employment and gain experience.

The informal economy has demonstrated to be the lifeblood of the economy of South Africa over the years. The data indicates that about 1.9 million South Africans are running non-VAT registered businesses in 2023. However, research findings indicate that in 2023, 1.9 million were running at least one non-VAT registered business, but this was lower than 2.3 million individuals recorded in 2001. Similarly, a decline in the percentage of youth cohort was also noted for the same period. Hence discussions are ongoing about how to ensure that the youth have access to resources that would enable them to run their own businesses.

With respect to household income and expenditure in terms of race, as per the Income and Expenditure Survey of 2022/23, White headed-households earned five times more than Black African-headed household. The average expenditure for a White household was R410 141 compared to a Black African that was R94 271. The average income for a White household was R609 848 compared to a Black African which was R115 977.

Households headed by those with tertiary education earned twelve times more than those with no schooling. Thus, the distribution of the average annual household expenditure and income by education level of youth (15-44-years) household head showed that youth with tertiary education had an average income of R364 288 and expenditure of R260 410. This was in sharp contrast to youth with no schooling having an average income of R30 925 and an average expenditure of R41 121.

Youth that have specifically benefited from the social grant have seen an increase from 2009 to 2024. The increase affects the household perspective as well as the individual. The social grants have increased and started to grow significantly immediately during or after COVID-19, and it was driven by the SRD grants. The provision of the grant has also increased over time.

The presenter summarized by drawing attention to what was highlighted by the data; by reminding the Youth Parliament that almost 60% of the population is youth; that most youth

are unemployed; and that there are some challenges related to gendered dynamics within in the household. In addition, he reminded the sitting of the living conditions and the living arrangements within the household where very few children are living with both parents and where the youth are benefiting significantly in terms of the social grant as demonstrated over the last decade and that this increase is driven by the SRD grants.

4.2. National Planning Commission Analytical Perspectives

"National Planning Commission Analytical Perspectives on G20 and P20 Priorities to Advance Youth Development: Proposals to Drive Youth Economic Participation, Employment, and Opportunities" Presented by Ms Phumzile Chifunyise, Dr Tshepo Feela, and Dr Morne Mostert – Commissioners, National Planning Commission

Ms Chifunyise provided a background on the National Planning Commission (NPC), with reference to how it was established. The NPC is an independent advisory body that is a custodian of South Africa's long-term plan, the NDP. There are 27 Commissioners in the NPC, who were selected for their expertise across finance, economics, policy, science, technology, rural development, youth and other sectors. The first NPC drafted the NDP: Vision 2030, which was adopted by government in 2012 to eradicate poverty and reduce unemployment and inequality in the country. The current NPC is the third established and was appointed by President Cyril Ramaphosa in December 2021. The expanded list of key issues noted, and advice developed includes economic development, food security, water security, energy policy and planning, social cohesion, education, health, 4IR, public transport, industrial development, spatial planning, and climate change.

Following an overview of the planning focus, a brief introduction was provided on the role of the NPC, highlighting its evidence-based research and advisory functions. The research is aimed at being able to influence policy in the workstreams of economy, society, and governance. The advancement of youth is currently anchored in the social workstream of the NPC, named 'Enhancing the Quality of Life', which addresses the NDP's goals for youth in areas such as

- education,
- health,
- social protection, and
- children.

Acknowledging the cross-cutting nature of matters affecting the youth, the NPC has resolved that youth development should be embedded across all socio-economic aspects of the NDP to ensure the full participation of youth.

The NPC is in the process of developing a diagnostic advisory note about youth in South Africa, which aims to advise government about mainstreaming youth development across government, outlining best practices for effective solutions to ensure its successful implementation as outlined in the current NDP and for any future long-term plans. In addition, the NPC have evaluated the targets of the current youth policy instruments, particularly the Medium-Term Development Plan (MTDP), National Youth Plan (NYP), and the Integrated Youth Development Strategy (IYDS), to determine whether national youth policy targets align with the NDP indicators to adequately track progress against the NDP youth targets.

Identifying challenges and opportunities with the three youth policy instruments highlights the following:

- There is an absence of targets and benchmarks in the National Youth Plan, despite clear, high-level indicators provided.
- youth mainstreaming has not been integrated across all priority areas of the Medium-Term Development Plan.
- The current IYDS term ends at the end of 2025, presenting an opportunity for a new IYDS to align with MTDP indicators and the NDP.

Through its review of progress made on the achievement of goals set out in policy instruments, the NPC noted that most of the country's economic indicators are going in the wrong direction, most particularly pertaining to youth. The NPC recommends an economic roadmap to put South Africa on a path to address challenges of youth unemployment, poverty, and inequality, where the action plan and accountability are shared by government and the private sector.

The roadmap recommends:

- A particular focus on youth employment through a targeted and co-ordinated youth employment strategy.
- A call to action to develop the skills and expertise of employable young graduates and professionals in implementing a sustainable, just energy programme.
- Implement practical partnerships between the state and sector-focused private sector bodies to promote investment, exports, and job creation in future-facing sectors.

- Enable affordable financing for small businesses, including youth-owned businesses.
- Develop digital infrastructure, with particular focus on townships and schools, which will significantly benefit faster adoption of new technologies and integration of 4IR-related education opportunities for young students.
- Unlock the potential of the agricultural sector, including for young farmers, graduates and youth throughout the value chain,

Additionally, the NPC advocated a non-traditional approach to addressing youth unemployment in the public sector by matching unemployed youth with work opportunities using flexible labour practices that recognise, stimulate, and protect youth in short-term, precarious and multiple task-based work. This approach would enable youth to obtain multiple income streams rather than focusing on one full-time 'job', in both South African and global markets. Additional avenues through which additional public service employment for youth can be developed were also discussed, including:

- A National Youth Employment Accelerator (NYEA)
- Youth Service Corps Expansion
- Youth Employment Zones (YEZs)

The NPC further emphasized that youth SMME development and economic participation should be quantified and tracked to targets that will amplify national priorities. Efforts should include the development of youth-focused sector master plans and the development of startup legislation akin to the African Union Start-up Law Framework that characterises and creates a supportive regulatory environment for a fast-growing startup culture, especially for youth startups. Government was further urged to implement strategies to radically increase the state of a localised commercial innovation sector, which is led by youth-owned businesses, and youth in urban, township, and rural localities.

Youth empowerment to drive key sectors of the country's economy in specific sectors need to be recognised in plans like the Decadal Plan (2022-2032) published by the Department of Science, Technology and Innovation, which recognises the importance of youth as a key driver for the National System of Innovation. Youth-centred economic policy development could also be stimulated through the inclusion of Youth Impact Assessments (YIA) for all national policies and Bills, and to expand the use of Youth Economic Advisory Panels. Sectors where this could be done includes:

- The green economy

- The creative and cultural economy
- The social economy
- The digital, knowledge and innovation economy
- Public procurement

Finally, the speaker focussed on a building inclusive rural economy focused on:

- Agriculture and Food System Reform
- Agricultural Technical Training
- Youth Agribusiness Parks
- Land Access and Reform
- Agri-Processing Incentive Scheme
- Commercial market integration

The concluding recommendations made by the speaker focused on the establishment of a youth development results framework aligned to the G20/NDP and the development of an annual youth development impact report to be tabled in Parliament. There was a call for the creation of a youth participation platform for monitoring delivery via mobile/web tools, and the launch of a public dashboard to track key metrics (youth employment rate, SMME support uptake. Delegates were urged to consider the adoption of a Presidential Youth Development Compact to coordinate youth development efforts, and to prioritise intergovernmental coordination and youth-led implementation of key interventions. Finally, the need to mobilise public, private, and international partners in resourcing the agenda, including prioritising existing catalytic programmes was emphasized.

4.3. Financial Fiscal Commission

Dr Patience Nombeko Mbava, Chairperson of the Finance and Fiscal Commission (FFC) delivered her presentation structured around key focus areas: role of the Financial and Fiscal Commission (FFC); driving inclusive growth and job creation, framed based on State of Nation Address, contextualising youth unemployment in South Africa including the Intergovernmental Fiscal Transfer System and youth unemployment. Further, discussion covered government education spending on skills development (SETAs), FFC research on youth unemployment outlining the key findings and laying out FFC policy recommendations.

The FFC plays a strategic role as the nation’s financial and fiscal policy advisory body. Its role is enacted in the national Constitution.

Dr Mbava highlighted that South Africa's youth population (defined as individuals aged 15 to 34) makes up just over one-third (i.e. 21 million youths) of the country's total population of 62 million and has a slight female majority (50.1 per cent female vs 49.9 per cent male). Further, South Africa is currently experiencing a demographic transition: a phenomenon where declining mortality and fertility shift the country's population structure. South Africa has the potential to benefit from its youth demographic divided. Reports indicate that other nations with similar demographic shifts have benefited enjoying strong economic growth. In South Africa the case is different. For the past 15 years South Africa has recorded low economic growth, low investment and registered high inequality rate. Coupled with increasing poverty level in society and stubbornly increasing rate of unemployment affecting more young people, women and people with physical disabilities.

The presentation of the FFC underscored the fact that youth unemployment presents a national crisis that need to be urgently tackled to avert social instability. It was registered that at the national level, youth unemployment has increased from per cent in 2014 to 45.5 per cent in 2024. Most provinces have youth unemployment exceeding the national rate, with the highest rates occurring in the North-West (53.2 per cent), Free State (52.1 per cent), and Mpumalanga (50 per cent). Reports show that between 2014 and 2024, the rate of youth unemployment across most provinces has increased over time. The Western Cape registering better performance than other provinces. Limpopo has underperformed over the period from 24 per cent to 47 per cent.

According to the FFC, Statistics South Africa reports attribute the disparities across provinces due to rurality of the provinces. However, Dr Mbava advanced that the data disputes this interpretation as youth unemployment in Gauteng increased from 35.2 to 48.9 per cent.

Further, FFC stressed that the data shows that in 2014, female youths were more likely to be discouraged than male youths, while in 2024 the converse picture has emerged. Between 2014 and 2024, male discouraged youths increased marginally from 11.1 to 11.2 per cent, while female discouraged youths declined from 11.7 per cent to 10.5 per cent. The presentation pinpointed that Gauteng and the Western Cape have seen the largest increase in both male and female discouraged youths. According to the FFC this development suggests that the decrease in the rate of youth unemployment in the Western Cape between 2014 and 2024 could be driven by the increase in discouraged work-seekers, rather than an actual increase in youth employed.

However, in South Africa distribution of resources, jobs and opportunities are concentrated in three main provinces, Gauteng (Johannesburg), Western Cape (Cape Town), and KwaZulu Natal (Durban). This development trend needs to be corrected to rebalance economic development to reach economic regions lagging. According to the FFC the trends in terms of net inter-provincial migratory patterns between 2016 and 2021 show significant in-migration to the Western Cape (WC) and especially Gauteng (GP) provinces, broadly corresponding to the increases in the number of discouraged youths in these provinces.

The FFC presentation highlighted that that migration across provinces may be driven by various factors, including the search for better service delivery and job opportunities. These factors have a role to play in the concentration of discouraged youths in certain provinces. Hence there is a need for government in partnership with the private sector to increase investment economic infrastructure such as electricity and water supply. Further, to create a creating a conducive policy environment for businesses to develop into industrial activities and employment opportunities for youth.

The FFC advances that youth should be mobilized into entry-level employment opportunities with routine tasks and labour-intensive work. Shifting the policy focus from only on bolstering educational attainment and skills development to practical, on-the-job training and skill-work transition. Aligned with the National Planning Commission, the FFC highlighted that South Africa has poorly educated, poorly skilled, and poorly socialised youth who are largely unemployable in the South African economy or who find it hard to adapt to the demands of the world of work and entrepreneurship.

The FFC presentation introduced a discussion about the need to review the provincial equitable share (PES) formulae as a mechanism to allocate the provincial share of nationally raised revenue equitably across the nine provinces. Dr Mbava argues that the current PES is largely population-driven and captures shifts in demand across provinces. It does not accommodate youth unemployment dynamics. As such it needs to be reviewed. However, the presentation submitted that the current PES mechanism covers social and human development funds like basic education, health, and social development. In addition, Local the Government Equitable Share LGES although vital to investing in basic infrastructure such as water, sanitation and electricity, sanitation lacks a job creation component. These funds have an indirect effect to boosting long-term employability. However, the FFC presentation emphasised a need for the creation of job creation component.

It was noted that government has in the past and continues to increase spending on learning and culture. However, there is a significant gap in terms of quality of outcomes including employability. Dr Mbava advanced that there is a lack of a tangible return on investment. Public spending should move beyond improving training and skills development. Performance of the Training and Skills Development Programmes, and the job seekers programme should be scaled up. The FFC presentation pointed that between 2013/14 and 2023/24, Sector Education and Training Authorities (SETA), which was designed to support and fund workplace-based learning programmes (such as learnerships, apprenticeships, and internships). Its spending has grown at an average growth rate of 6.74 per cent. However, the increase in funding for skills development has not resulted in significant reductions in youth unemployment.

Further, there is a need to elevate qualitative improvement in training and the workplace linkages within the TVET sector including general higher education and training. It is advanced that TVET colleges should be brought closer to employers to facilitate workplace training for learners and the continuous up-skilling of lecturers.

Despite increase in public spending, unemployment remained high. Hence there is a need to reshape government spending composition. The FFC advocates like many public policy commentators that the proportion of gross fixed capital formation expenditure as the composition item of the budget should be progressively increased to tackle high unemployment crisis. Thus, spending must support productive sectors to spur economic growth.

Dr Mbava highlighted a need to fix the gap between supply and demand measures including institutional capacity and capability. From a supply side, South Africa needs to address poor-quality education system, weak foundational, practical and artisanal skills, low completion rates and high dropout rates at the school level, emphasised FFC. Regarding demand side measures, FFC advances that the economy must grow faster, and be inclusive. Structural reforms need to be implemented and opportunities at firm level must be created including reforming labour laws to make it easy to absorb young people in the labour market. Further efforts must be activated to revive labour intensive industries.

Further, government needs to tackle misalignment challenges such as lack of information on available jobs and weak employment services (e.g. counselling and career guidance) including lack of clear policy coordination and leadership regarding development initiatives.

Highlighted in the FFC presentation was also the lack of coordination in the implementation of the NYDA development initiatives, Jobs Fund, Expanded Public Works Programmes, labour activation intervention conducted by the Department of Employment and labour and Presidency including Employment Tax Initiatives.

Regarding the Employment Tax Initiatives, FFC stressed that there is a need to revise the employee eligibility age from 18 to 29 years old to cover for age groups that have a relatively high rate of individuals not in education, employment or training (NEET). Young women need to be prioritised. Since their NEET rate is higher than their young male counterparts.

The role of the departments of Employment and Labour, Higher Education and Training, Women, Youth and Persons with Disabilities, Small Business Development and Trade, Industry and Competition do not need to be overemphasised. Their institutional capacity and ineffective governance should be addressed to improve policy and programme coordination. The key issue is to ensure that young people transition smoothly from education and training skills to labour market participation.

Finaly, the FFC made the following policy recommendations:

- Refocusing the policy attention, emphasising shift from strictly educational attainment and classroom learning to practical, on-the-job training opportunities of the youth.
- Underscored that fiscal policy be redirected to bolster labour demands, in accordance to structure of the industries. Further, increase support of labour-intensive industries.
- Government policy and funding should create incentives for businesses to employ young workers in entry-level positions which are not conditional on level of educational attainment.
- Further, funding should incentives SMEs to create more internship opportunities and vacation job placements by providing subsidies that will assist the youth in gaining practical work experience and exposure to different industries in the labour market.
- In addition, government should encourage the private sector to address the issue of youth unemployment and unemployment in general. This would need government to create conducive regulatory reforms to incentives the private sector to support youth employment initiatives.
- Government entities should work in partnership with the private sector to strengthening youth-labour demand and job placements.
- There is a need to coordinate efforts and streamline labour market programmes to help with the inclusion of the private sector, which could maximise the impact of labour

market interventions. A more integrated and impactful approach to supporting youth employment could reduce youth unemployment.

The FFC contribution underscored that South Africa needs to take advantage of its youthful population. If properly harnessed, it has the potential to make significant contribution to economic growth and stability. Investing in young people has a positive effect to contribute to South Africa's economic transformation agenda.

5. FIRST INTERACTIVE SESSION

5.1. INCLUSIVE ECONOMIC GROWTH - RESTRUCTURE THE ECONOMY, ADDRESSING OLIGOPOLIES AND CONCENTRATION - *BY YOUTH CIVIL SOCIETY ORGANISATION*

The South African Youth Council (SAYC), as a national representative body of youth formations, submitted its expanded strategic blueprint to offer clear, measurable, and evidence-based recommendations to influence policy and implementation. The organisation indicated that its intention is not only to participate in national discourse but to lead a generational transformation rooted in dignity, agency, and equity.

5.1.1. Submissions made by SAYC

The organisation suggested that youth unemployment can be reduced by 15 per cent in 2030 through targeted, sector-specific and structural interventions including:

- Establishing a youth employment war room at a cost of R15 million.
- The call for a labour readiness market campaign at an estimated cost of R8 million targeting 200 000 young people.
- The call for a private-public employment programme for drive internships for 100 000 young people.

With regards to breaking the generational poverty, the organisation suggested the following strategy:

- Nutrition Expansion: Integrate school feeding schemes with local subsistence and emerging commercial agriculture to support both food security and rural economies.
- Social Support Audit: Conduct an annual audit of youth access to social grants, UIF, and other safety nets, with digital mapping of coverage gaps.
- Mental Health Pilots: Launch school-based and community-led mental health pilot programmes in 5 districts by Q4 2025, using tele-psychiatry and peer-counselling models.

When responding to the 2025 State of the Nation Address commitments, the following were suggested:

- Grade R expansion: Track infrastructure and ECD teacher training.

- SME Support: Launch a youth Biz accelerator in 9 provinces to fund 1000 youth led SMEs.
- TVET strengthening: 10 sectoral Memorandum of Understanding (MoUs) must be signed with business.

5.1.2. Sector-Specific recommendations by SAYC

Tackling systemic youth exclusion demands integrated and responsive policies across five pillars: Education, Health, Economy, Environment, and Governance.

Pillar 1: Education

- Objective: Modernize curriculum and link learning outcomes to job readiness.
- Tactics: Introduce coding, robotics, and financial literacy into TVET and secondary school curricula; invest in digital classrooms.
- Indicator: Employment rate within 12 months of graduation.

Pillar 2: Health

- Objective: Improve access to youth-specific health services.
- Tactics: Partner with mobile clinics; expand youth-friendly services in existing clinics; promote peer health education.
- Indicator: % increase in clinic uptake by youth.

Pillar 3: Economy

- Objective: Double youth-owned formal enterprises by 2030.
- Tactics: Establish Youth Enterprise Development Hubs in all 44 districts; integrate with local SMME development units.
- Indicator: % growth in youth-owned business registration and sustainability after 1 year.

Pillar 4: Environment

- Objective: Empower youth to lead climate adaptation and green job creation.
- Tactics: Create Green Youth Brigades under EPWP; provide climate skills training.
- Indicator: number of green jobs created; CO2 savings per annum.

Pillar 5: Governance

- Objective: Institutionalize youth voice in decision-making.
- Tactics: Strengthen Youth Desks at municipal level; monitor implementation of the Integrated Youth Development Strategy (IYDS).
- Indicator: % compliance rate; civic engagement score by province.

5.2. OUTCOMES OF FIRST INTERACTIVE SESSION

The following key outcomes could be noted:

- There was a call for the 80 percent job reservation for South Africans and 20 percent for foreign nationals only in scarce skills.
- There was a call for statistics SA to indicate what type of jobs are young people working in for those employed.
- There was a concern over lack of implementation of youth desks within government departments.
- Theres a need for flexible labour policies on income generation activities that youth are involved in.
- SMME targets to youth business owners must not only be in legislation, but also in access to finance.
- Formular for equitable share in provinces and local government must deal not only with service delivery matters, but youth unemployment.
- The was concern over the need to advance education in AI while majority of young people in rural areas still have no access to internet.
- There are limitations of access to government youth programmes such as NYDA, SETA programmes, etc.
- There was a concern over growing rates of unemployment graduates in the country.
- There was a call for AI to be embraced and not be seen as a threat.
- There was a question on how government is dealing with corruption which steals opportunities from the youth.
- There was a concern that in the age of 4IR there are still high levels of South African youth who don’t have basic computer skills.
- There was a call for artisan skills colleges to train higher levels of youth to become artisans
- There was a disappointment that the programme of the session and discussions are not factoring in people living with disabilities.
- There was a concern that over 16 million of young people in South Africa are not participating in the economy, and they indicate that foreign nationals are to blame.

- Fiscal policy must be used to drive labour demand to enable young people are absorbed into entry level positions.
- Statistics SA indicated that the biggest challenge they face is the issue of measuring the number of undocumented foreign nationals that are in employment, as they are difficult to track.
- There was a concern that government youth employment initiatives do not provide long-term job security.

6. SECOND AND THIRD INTERACTIVE SESSIONS

6.1. INDUSTRIALISATION AND EMPLOYMENT

"Industrialisation and Employment - Supporting Industrial Development and Expanding Employment Opportunities to benefit the Youth" - Mr. Luvuyo Msindwana: Owner, Msindwana Holdings (Waste Management and Recycling)

This session explored how industrialisation can serve as a powerful driver of youth employment and economic growth. It will feature insights from young entrepreneurs who have successfully built and sustained businesses in various sectors. Through their experiences, the discussion will highlight practical pathways for promoting industrial development and job creation for South Africa's youth.

Mr. Msindwana founded Msindwana Holdings in 2016, focusing on waste management services and recycling. His journey reflects both the challenges and opportunities young entrepreneurs face in South Africa's industrial and environmental sectors.

Key Reflections and Recommendations:

- **Understanding Industrialisation:** Industrialisation refers to the development and expansion of industries within a country, particularly in manufacturing, infrastructure, and processing sectors. It is a proven engine for job creation, economic diversification, and technological advancement.
- **Industrialisation and Youth Employment:** In many countries, industrialisation has been pivotal in reducing unemployment by absorbing large segments of the youth into skilled and semi-skilled jobs. South Africa can emulate best practices from other developing economies where industrial zones and targeted incentives have catalysed youth-led enterprise growth.
- **Reducing Red Tape:** Emerging businesses often struggle with excessive bureaucratic requirements related to company registration, SARS compliance, and labour regulations. Mr. Msindwana emphasized that government intervention is essential to streamline processes and eliminate administrative bottlenecks that hinder small business development.
- **Access to Funding:** While support for small businesses is welcomed, the slow disbursement of approved funding remains a significant barrier. There is a critical need

for the government to fast-track funding mechanisms to ensure timely and efficient support to youth-owned enterprises.

- **Role of B-BBEE:** Black Economic Empowerment (BEE) remains a vital tool for advancing black entrepreneurship. However, more practical support and accessible compliance processes are required to make BEE a more effective catalyst for inclusive industrial development.
- **Call to Action:** To realise the full potential of industrialisation, there must be coordinated efforts across government departments to:
    - Cut regulatory red tape,
    - Strengthen access to capital,
    - Promote technical skills development,
    - Support the growth of youth-owned enterprises in industrial and green economy sectors.

6.2. MEANINGFUL YOUTH ENGAGEMENT

This session was based on involving young people in shaping global policies. Discussions were guided by the following sub themes serving as headings below:

6.2.1. Building a Bold Future: Youth Economic Participation for Sustainable Development and Global Solidarity

Ms. Lolwethu Luthuli, IT Coordinator, Faculty of Business and Management Sciences, Cape Peninsula University of Technology, emphasised an increasing trend in youth unemployment alongside an increasing trend in population size.

Structural transformation was emphasised along with the need to de-colonise the curriculum to ensure that the youth are empowered with a mindset for the future to overcome the historical imbalances of South Africa's past. The argument was to put education first and to focus on amongst other aspects, the following: decolonise the curriculum; embed digital skills; invest in and respect TVET colleges; provision of devices and connectivity for all learners.

The discussion further noted the importance of literacy and languages, as not all official languages are being accommodated as a language of instruction. Besides supplying devises, is the follow up on skills being in place to make the best use of the said devices. Furthermore, after being engaged in skills training, there needs to be an opportunity to practice the skills

developed to ensure that such skills become embedded and serve as evidence in terms of experience in completing a task in a place of work.

6.2.2. Driving Africa's Future through Development, Inclusion, and Youth Empowerment

Their/them. Busisiwe Nandipha Nxumalo - National Spokesperson, Embrace Diversity Movement argues that South Africa must lead human rights diplomacy across Africa. Remaining silent as anti-LGBTIQA+ laws spread is complicity. Inclusion must extend beyond borders. Collective responsibility for this must be taken:

- Civil society must advocate;
- Youth must lead;
- Departments must collaborate;
- Parliament must act; and
- All must uphold dignity and justice

Young people who are queer are often excluded from opportunities and there seems to be silence on international legislation which is anti LGBTIQA+. A key challenge highlighted is cultural and social acceptance

6.2.3. Nothing without us: Enabling economic participation of youth with disabilities, through structural reforms and participatory governance

Ms Thembelihle Ngcai, representing Disabled Youth South Africa spoke eloquently in front of the podium with a roaming microphone, emphasising the challenges experienced by persons with disabilities. She alluded that these challenges ought to be accommodated by society at large.

The speaker emphasised the following:

- individuals with a disability are often spoken about but not always spoken with.
- Less than 10 percent access meaningful employment opportunities and related opportunities is not enough to address the disability challenges;
- Organisations have taken up the gap not filled by government linked to the disabled; and
- Good policies without budget are only a decoration.

The Eastern Cape Disabled Youth urge Parliament (beyond P20), under the historic G20 Presidency, to lead by example in upholding the intersectional dignity and agency of youth with disabilities. No transformation strategy is complete unless disabled youth are not only consulted but empowered to lead and co-implement.

6.2.4. Involving Young People in Shaping Global Politics

The SADC Youth Parliament, convened under the auspices of the Southern Africa Youth Forum (SAYOF) and mentored by the SADC Parliamentary Forum, has articulated a case for embedding meaningful youth engagement in the design, implementation, and monitoring of global and regional policy frameworks. The submission underscores that youth are not only demographic majorities in the region but also carriers of innovation, energy, and lived experience, uniquely positioned to inform future-ready, inclusive governance.

The Importance of Youth Engagement: Youth engagement is positioned as a pillar of sustainable development and policy relevance, underpinned by four core principles:

- **Policy Relevance**: Young people face emerging global challenges, climate change, migration, and unemployment, first-hand. Their inclusion ensures that policies are rooted in present-day realities and future-focused solutions.
- **Sustainability**: Policies made today directly affect tomorrow's generation. By actively engaging youth, governments ensure greater long-term buy-in, intergenerational continuity, and public accountability.
- **Innovation and Creativity**: Youth bring digital fluency and innovative thinking critical to resolving complex socio-economic and environmental challenges. Their adaptability to new technologies makes them indispensable actors in developmental agendas.
- **Social Equity**: Engaging young people helps dismantle structural barriers that historically excluded them from policymaking. Inclusive governance promotes equity and representation of diverse youth perspectives, especially from marginalized communities.

Regional and International Advocacy Efforts: SADC Youth Parliamentarian Thakane Manong shared key milestones that illustrate the growing momentum for youth inclusion:

- In her role as Rapporteur of the Disability Rights, Gender, and Young Women Development Standing Committee, she engaged youth across 16 SADC countries to

discuss inclusive financing models and rights-based development strategies for persons with disabilities.

- She also represented the African Union and SADC Youth Parliament at the EU-AU CSO Youth Forum (20 May 2025), contributing to dialogues on migration and mobility, where she emphasized youth-responsive policies for integration, protection, and economic participation of young migrants.

These engagements exemplify the transformative impact of youth when provided structured platforms for policy influence.

Recommendations for Institutionalizing Youth Engagement: To transition from symbolic inclusion to meaningful participation, the SADC Youth Parliament recommends the following:

- **Institutional Representation**: Establish youth quotas and formal youth advisory bodies within government and multilateral institutions.
- **Capacity Building**: Support mentorship, civic education, and training to enhance youth contributions in governance and advocacy.
- **Accessible Platforms**: Ensure that rural, low-income, disabled, and marginalized youth have equitable access to engagement opportunities.
- **Accountability and Feedback Loops**: Establish transparent mechanisms that integrate youth inputs into policy outcomes and provide feedback on how such contributions shape decisions.
- **Funding and Support**: Allocate resources for travel, participation, training, and connectivity to enable effective youth engagement across all socio-economic backgrounds.

The SADC Youth Parliament reaffirms its commitment to championing youth-led development and inclusive policymaking across Southern Africa. It calls on global and regional institutions to move beyond rhetoric and meaningfully embed youth in decision-making structures, transforming policies from abstract commitments into instruments of empowerment and equity. Platforms like the P20 Youth Parliament and AU-EU dialogues offer vital models of what inclusive, youth-driven governance can and should look like.

6.3. OUTCOMES OF INTERACTIVE SESSIONS

Discussions were once again guided by the sub themes serving as headings below:

6.3.1. Industrialisation and Employment - Supporting Industrial Development and Expanding Employment Opportunities to benefit the Youth

Here are the key outcomes derived from Mr. Msindwana's presentation on industrialisation and employment:

- **Enhanced Understanding of Industrialisation**: Industrialisation was reaffirmed as a strategic driver for job creation, economic diversification, and technological advancement, especially for youth employment.
- **Promotion of Youth Participation in Industrial Sectors**: South Africa should adopt best practices from other developing nations by establishing industrial zones and targeted incentives to absorb youth into skilled and semi-skilled employment.
- **Streamlining Regulatory Frameworks**: Excessive red tape and compliance burdens (e.g., SARS, labour registration) were identified as key barriers to youth entrepreneurship. A call was made for government to simplify processes to facilitate business entry and sustainability.
- **Accelerated Funding Support for Youth Enterprises**: While funding mechanisms exist, delays in disbursement hinder growth. A recommendation was made for government to **fast-track funding approval and distribution** for small and youth-owned businesses.
- **Strengthening B-BBEE Implementation**: While BEE is an important policy instrument, its practical impact is diluted by inaccessible compliance processes. Simplified and supportive BEE frameworks are needed to empower black youth entrepreneurs.
- **Integrated Government Support for Youth Industrialisation**: A coordinated, multi-departmental approach is required to:
    - Cut regulatory red tape,
    - Improve access to capital,
    - Boost technical and industrial skills training,
    - Scale up support for youth-led enterprises, particularly in the green and environmental sectors.

6.3.2. Building a Bold Future: Youth Economic Participation for Sustainable Development and Global Solidarity

Ms. Lolwethu Luthuli, IT Coordinator, Faculty of Business and Management Sciences, Cape Peninsula University of Technology, asked how deep are youth involved in decision-making? Emphasising that beyond legislatures, what is happening at the level of government and industry leaders' offices.

Areas argued through which youth can be empowered were presented as follows:

- Political representation
- Mental and physical health
- Education and professional training
- Economy and employment
- Culture and sports
- Considering enhancing youth participation and representation, the key sectors that need to be focused on to reduce youth exclusion and ensure their effective and balanced representation include:
- Civil society and non-governmental organizations
- Armed forces and security sector
- Governance and politics
- Scientific research, innovation and technology
- Other areas

Overall, the answer is not more policy. It is implementation, inclusive, funded, youth-driven and Pan-African in its outlook.

6.3.3. Driving Africa's Future through Development, Inclusion, and Youth Empowerment

Their/them. Busisiwe Nandipha Nxumalo, National Spokesperson, Embrace Diversity Movement stated that we have a choice: uphold the status quo or pursue real justice. Let us not fail the youth who are watching. The time to act is now. The responsibility is ours. What We Need, according to the speaker, is the following five (5) Solutions:

- Institutionalise queer youth participation
- Enforce hate crimes legislation
- Inclusive education and affirming healthcare

- Use foreign policy to defend rights
- Fund grassroots-led safe spaces

The speaker made the following recommendations specifically to the legislative sector:

- Mention LGBTIQA+ youth in policy
- Oversee law implementation
- Promote rights in diplomacy
- Fund inclusive education and shelters
- Champion civil society partners

The speaker emphasised that it is, in addition to youth month, international pride month, which also demands representation. The speaker asks if there are any programmes linked to pride month during youth month championed by the state.

6.3.4. Nothing without us: Enabling economic participation of youth with disabilities, through structural reforms and participatory governance

The Eastern Cape Disabled Youth recommend that South Africa institutionalise:

- Seats for DYSA/DPSA in working groups, oversight delegations, and executive advisory panels.
- Legislate funding for DPO-driven youth employment projects.
- Annual Youth Disability Reports to be tabled in Parliament and provincial legislatures.

The Eastern Cape Disabled Youth further urged for the establishment of Disability Implementation Hubs, the implementation of a Youth Disability Inclusion Scorecard across all initiatives implemented in South Africa, and to enforce representation of youth with disabilities at all institutional levels.

The submission closes with a decisive call: "'Nothing about us without us' is no longer enough. The call is: *With us. At the centre. With power.* Let us stop managing disability and start governing it, co-constructing a world that includes us all."

6.3.5. Involving Young People in Shaping Global Politics

The SADC recommends that for strengthening youth engagement to institutionalize meaningful youth engagement in global policy processes, the following steps are essential:

- **Institutional Representation:** Governments and global institutions must create formal mechanisms for youth participation in decision-making bodies, such as youth advisory councils and youth quotas in delegations.
- **Capacity Building:** Investing in the skills and knowledge of young people enhances their ability to effectively contribute to policy development. Initiatives such as mentorship programs and youth-specific training on governance and advocacy are key.
- **Accessible Platforms:** Engagement opportunities must be inclusive, prioritizing accessibility for marginalized youth, including those from rural areas, low-income backgrounds, and minority groups.
- **Accountability and Feedback:** Institutions must ensure that youth contributions are acknowledged and reflected in Southern Africa Youth Forum policy outcomes. Mechanisms for feedback and transparent decision-making are essential in building trust between youth and policymakers.
- **Funding and Support:** Adequate resources should be allocated to enable young people to actively participate in policy processes, particularly for travel, training, and networking opportunities.

6.4. Q & A (INTERACTIVE SESSION)

During the sessions, participants raised a range of critical questions and opinions reflecting their lived experiences, concerns, and proposals for improving youth development initiatives. The following key issues were addressed:

- Concerns were raised that poor policy implementation is often the result of ineffective monitoring and evaluation systems.
- Participants expected regional bodies such as SADC to play a more visible role in addressing global geopolitical tensions impacting youth.
- Participants criticised the NYDA for poor administration and a lack of responsiveness. One participant shared their experience of applying for a youth business training programme without ever receiving a response, despite follow-ups.
- There were concerns about inadequate coordination in implementing youth services and programmes.
- Questions were raised about how the NYDA could be held accountable and how its performance could be improved to better fulfil its mandate.

- Participants also questioned what recourse was available when youth experienced challenges with the NYDA.
- Concerns were raised about the absence of structured political education in society, limiting the ability of youth to critically engage and take ownership of national development.
- Participants highlighted a shortage of trained educators and healthcare workers capable of identifying and supporting learning disabilities.
- A lack of schools for learners with disabilities in township areas was identified as a major gap.
- Stigma and workplace discrimination against persons with disabilities were also flagged as ongoing concerns.
- Participants expressed concern over the lack of practical, hands-on learning in the school curriculum, particularly in technical and vocational areas from Grade 10 onwards.
- There was concern about the absence of stipends or structured opportunities for graduates to gain work experience while earning an income, especially given that many job opportunities require both qualifications and experience.
- Suggestions were made to incorporate practical experience directly into higher education curricula.
- Concerns were raised about the lack of meaningful youth involvement in decision-making structures at local and regional levels, limiting opportunities to cultivate young leaders.
- Participants emphasised that township revitalisation remains a critical but underdeveloped priority, with minimal evidence of transformation or meaningful support reaching local youth entrepreneurs.
- The administrative and regulatory landscape was identified as a major obstacle, with excessive red tape, fragmented processes, and a lack of coordination hindering access to business opportunities and resources for young people in township settings.
- Concrete support structures for township-based youth entrepreneurs remain limited, with existing mechanisms often inaccessible, poorly coordinated, and ineffective in addressing the practical needs of young business owners.
- There was a clear call for streamlined, youth-responsive administrative systems that reduce bureaucratic burdens related to business registration, tax compliance, and funding applications.

- The lack of disaggregated data on youth entrepreneurship and job creation in townships was flagged as a major oversight. Participants urged for demographic-specific reporting to track the impact and reach of existing youth-focused interventions.

7. SESSION 2: SOCIAL INCLUSION AND EDUCATION ACCESS

The scheduled presenter for this session from the South African Union of Students (SAUS) was not in attendance. It was reported that the term of office of the South African Union of Students (SAUS) Executive had concluded, and that a process to appoint a new executive was underway.

In the absence of a formal presentation, this section consolidates and highlights key challenges and recommendations related to youth access to education, drawn from various other presentations delivered during the P20 Youth Parliament. The inputs included were selected for their relevance to the theme and reflect the broader concerns raised by multiple stakeholders. This consolidation is intended to provide a comprehensive and representative overview of the issues discussed.

7.1. Key challenges identified

The challenges outlined below were compiled from contributions made by various stakeholders as below:

- Limited access to data and connectivity restricts access to university, TVET college, and Sector Education and Training Authority (SETA) application platforms.
- The education system, from Early Childhood Development (ECD) through to higher education, does not adequately prepare young people for the demands of the world of work.
- The government's discontinuation of artisan skills training colleges has reduced access to vocational skills development.
- Between 2013/14 and 2023/24, SETA expenditure grew at an average rate of 6.74%. However, this increase in funding has not translated into significant reductions in youth unemployment.
- SETAs' poor performance in placing university students in workplaces reflects a major disconnect between academic training and employment opportunities.
- Learners with learning barriers are not receiving appropriate support due to the severe shortage of educational psychologists and the absence of learner assessments or intervention strategies.
- Despite protective legislation, implementation failures, particularly in the Eastern Cape, continue to marginalize youth with disabilities across education, skills development, employment, and entrepreneurship sectors.

- Fewer than 0.5 per cent of recipients of the National Student Financial Aid Scheme (NSFAS) are students with disabilities, despite the existence of ring-fenced funding provisions.
- The 2022 Auditor-General's Report flagged 41% of public schools in the Eastern Cape as non-compliant with physical accessibility norms and standards.

7.2. Key outcomes and recommendations

The following recommendations and outcomes have been drawn from a range of other presentations delivered during the session.

While no dedicated presentation on youth access to education was made due to the conclusion of the SAUS Executive's term, these inputs reflect the broader concerns and proposals raised by various stakeholders throughout the deliberations. They are presented here to ensure that the discussion on youth education remains comprehensive, actionable, and representative of the issues raised:

- Decolonise the curriculum to integrate digital skills and make education more relevant to current and future economic demands.
- Invest in the development of digital infrastructure, with a particular focus on townships and schools, to facilitate the adoption of new technologies and the integration of Fourth Industrial Revolution (4IR) education.
- Increase investment in Technical and Vocational Education and Training (TVET) colleges to expand access to alternative skills pathways.
- Restore and adequately fund artisan skills training colleges to develop technical capacity among young people.
- Shift policy focus from purely academic achievement toward practical, on-the-job training as a key strategy to combat youth unemployment.
- Ensure that all learners are provided with learning devices and connectivity to enable equitable access to digital education platforms.
- To address the current gaps, allocate funding to support young people pursuing careers as educational psychologists.
- National Treasury should ensure that conditional grants to the Eastern Cape Department of Education are utilised for universal design infrastructure upgrades across all quintile schools.

- Enforcement of a minimum 5% disability inclusion threshold across SETAs, should be monitored through regular reviews by the relevant Parliamentary Portfolio Committees.

8. WRITTEN SUBMISSIONS RECEIVED

8.1. Congress of South African Trade Unions (Cosatu) Young Workers Forum

COSATU Young Workers emphasised their commitment to addressing the social ills affecting young people, particularly youth unemployment, gender-based violence (GBV), substance abuse, and teenage pregnancy. They called for inclusive economic strategies that focus not only on urban areas but also on marginalised communities. Key concerns included:

- Poor departmental responsiveness on youth, women, and disability matters.
- High rates of poverty and GBV.
- Inequity in access to sustainable jobs and resources.
- Foreign nationals perceived as prioritised over local youth in SMME development.
- Underutilization of abandoned factories.
- The need for Sector Education and Training Authorities (SETAs) to prioritise skills development aligned with national industrialisation goals.

Industrialization and Employment

COSATU acknowledges the dual impact of industrialisation:

- **Negative**: Displacement of certain workers due to automation and sector shifts.
- **Positive**: New job creation and economic diversification.

  To harness its benefits:
  - Upskilling and reskilling of workers are essential.
  - More specialised schools and STEM education (e.g. coding, robotics) should be promoted.
  - Technology innovation competitions are encouraged.
  - Industrialisation can combat food scarcity by creating agribusiness job opportunities.

Meaningful Youth Engagement

Youth should:

- Actively engage in policy discourse through civil society networks.
- Collaborate across shared goals to influence global policies, including G20 matters.
- Participate in mentorship programmes to enhance workplace and societal participation.
- Use social media for awareness-building and policy advocacy.

Inclusive Social Development

Challenges identified:

- High unemployment and HIV rates among youth.
- Increased workplace absenteeism due to health issues.
- Need for workplace HIV education and support systems.

Solutions proposed:

- Empower unskilled youth through structured upskilling pathways.
- Address the gender pay gap and promote salary negotiation skills among young women.
- Improve reproductive health education and access to healthcare for youth.
- Enhance support for child-headed households.

African Development

COSATU calls for:

- Shifting from exporting raw materials to producing finished goods.
- Regional trade at preferential rates within Africa.
- Monitoring progress on African Union Agenda 2063.
- Strengthening Africa's position in global health and education systems.

Universal Access to Education

- Free basic education should be a global priority to uplift the poor.
- Address classroom overcrowding and learner neglect.
- Prioritize literacy and numeracy at the foundational level.
- Equip teachers continuously and align curricula with employability skills.
- Harmonize G20 education systems for mutual recognition of youth qualifications and mobility.
- Promote accountability among G20 nations for youth-friendly policies.

COSATU Young Workers look forward to effective deliberations and resolutions at the P20 Youth Parliament. They stress that youth challenges such as unemployment, GBV, and poverty are national crises requiring urgent action. Their message: "NOTHING ABOUT US WITHOUT US" – Aluta continua.

8.2. National Union of Mineworkers (Num) Youth Structure

NUM views the P20 Youth Parliament not as a symbolic event, but as a political intervention under South Africa's G20 Presidency. The union calls for real change that prioritises working-class youth through decent work, skills development, social support, and accountability. Youth are seen as present agents of change, not just future leaders.

South Africa's youth face intersecting crises: unemployment, poor education, mental health struggles, and social exclusion. NUM criticises the current education and health systems for failing youth and argues for a new, coordinated, and accountable development agenda that centers working-class realities. NUM affirms its historic mission to uplift marginalised youth, especially in mining, rural, and industrial zones. The NUM Youth Desk advocates for education reform, skills investment, and workplace rights.

The submission aligns with the *National Youth Policy (2020–2030)* and NUM's internal resolutions, which promote youth participation in policy, collective bargaining, and skills development across sectors.

South Africa's 2025 G20 Presidency and the P20 Summit offer a critical opportunity to reshape youth policy. NUM warns against elite-led, technocratic agendas and calls for a Global South, working-class-centred approach.

- **G20 Presidency and P20 Summit:** NUM urges that the G20 platform be used to tackle youth poverty and wage inequality with bold commitments.
- **Youth Challenges in the MECM Sectors:** NUM identifies systemic exclusion of youth from mining, energy, construction, and metals due to:
  - Collapsed skills pipeline
  - Retrenchments and lack of investment
  - Exclusion from Just Transition and decision-making forums
- **Strategic Importance of Youth Parliament:** The P20 Youth Parliament is framed as a battleground for youth and labour voice, not a symbolic engagement.

G20-Aligned Priorities: Labour Perspective

- **Inclusive Economic Growth:** NUM criticises "jobless growth" and calls for public-sector-led, redistributive, wage-led development.
- **Industrialisation and Employment:** Young workers are marginalised. NUM proposes:

  - Youth absorption into core mining jobs
  - Worker-controlled beneficiation
  - Youth co-ownership of new mineral and energy projects
- **Meaningful Youth Engagement:** Current structures are seen as symbolic. NUM calls for institutionalised youth worker forums with decision-making power.
- **Inclusive Social Development:** NUM supports:
  - A Universal Basic Income Grant (UBIG)
  - Expanded TVET colleges
  - Structural, not charitable—social programmes
- **African Development:** Warns that AfCFTA could become extractive. Proposes:
  - Youth-led cooperatives
  - Cross-border training
  - Regional worker-controlled productive capacity
- **Universal Access to Education:** TVET reform is urgent. NUM calls for:
  - Mandatory technical education from Grade 8
  - Union-industry-aligned curricula
  - Public resourcing of training centres

NUM Youth Development Priorities and Proposals

- **Decent Jobs:** Rejects exploitative internships. Calls for unionised, regulated, permanent youth jobs.
- **Skills Pipeline and Artisan Training:** Proposes:
  - State-funded mining/energy colleges
  - Public ownership of artisan training
- **Social Protection and Mental Health:** Proposes:
  - UBIG for unemployed youth
  - Mental health services in mining towns
- **Labour Rights:** Interns must be covered by labour laws. Calls for youth desks in bargaining councils.
- **Green Economy and Just Transition:** Youth should be co-owners in renewables. Advocates for skills hubs in green tech.
- **Collective Bargaining for Youth:** Legislation should mandate youth representation in unions, SOEs, and training bodies.

Recommendations for the Medium-Term Youth Development Agenda: NUM asserts the MTYDA must be, redistributive, worker-led, and grounded in structural reform.

Policy Reform Proposals

- 30% youth employment quotas
- Reform of Skills Development Act to empower unions
- Rebuilding public technical colleges
- Procurement tied to youth employment
- Labour protection for interns and apprentices

Stakeholder Partnerships

- Youth Employment Council co-chaired by labour
- Youth presence in local economic forums
- Binding private-sector compacts with penalties

Oversight Mechanisms

- Parliamentary oversight on youth employment
- Corporate transparency on youth employment stats
- Community-led social audits of TVET and placement programmes

Role of Trade Unions

- Youth committees at workplaces
- Youth clauses in collective agreements
- Collaboration with educational institutions for curriculum design

NUM rejects tokenism. The union reaffirms its revolutionary role in building youth power through structural change and socialist principles. It commits to mobilising and organising for a youth agenda rooted in solidarity and economic justice.

8.3. United African Transformation – Task Force (UAT-TF)

The UAT-TF is a Pan-African movement committed to restoring the dignity of African people by addressing poverty, hunger, and the socio-economic legacy of slavery, colonisation, and apartheid. The movement calls for development rooted in justice, land access, and the dismantling of exploitative systems that continue to marginalise African youth.

Land Expropriation and Access

- Land is presented as the foundation for economic activity and national development.
- True youth economic participation depends on access to land for farming, building, and resource extraction.
- Young people must be supported with the necessary tools, training, and mentorship to become economic contributors rather than passive observers.

Education and Skills Development

- The UAT-TF advocates for decolonised, quality education that empowers youth to be self-reliant, sustainable, and economically active.
- The current education system must be overhauled to eliminate dependence on foreign systems and focus on skills that improve local economic output.
- Emphasis is placed on practical, technical, and productive skills over those that reinforce dependence on the capitalist economy.

Social and Family Values

- The breakdown of African social and family values is seen as a root cause of moral and economic decline.
- A call is made for moral regeneration to rebuild character, self-reliance, and a sense of responsibility among African youth.
- Rebuilding values is essential for forming individuals who can contribute meaningfully to their families, communities, and economies.

Peace and Security

- A safe and peaceful environment is essential for meaningful youth economic participation.
- Economic activity must be free from threats or violence that hinder productivity.
- Peace and security are inseparable and must be prioritised to enable youth to thrive economically.

This agenda strongly links youth development to systemic transformation, land justice, moral revival, and educational reform, positioning African youth as central agents in economic development and national renewal.

8.4. University of the Western Cape Student Representative Council (UWC SRC)

In its submission, the Student Representative Council (SRC) of the University of the Western Cape (UWC) highlighted the following key points:

Inclusive Economic Growth

The UWC SRC calls for radical economic transformation to dismantle apartheid-era economic structures. It argues for stronger Black Economic Empowerment (BEE) laws and closer parliamentary and executive oversight of corporate transformation. The submission emphasises support for the informal and small business sector, warning against its erosion by monopoly capital. Economic growth must be inclusive and ensure that all sectors contribute to transformation.

Industrialisation and Employment

The submission links high youth unemployment to the underutilization of South Africa's natural resources. It argues for expanded industrialisation, specifically the local manufacturing of goods, to reduce dependency on imports. Government must enact pro-industrial policies that favour local manufacturers and reduce the export of raw materials. Industrial development is seen as essential for sustainable employment creation.

Meaningful Youth Engagement

The SRC stresses the principle of "nothing about us without us." Youth must be meaningfully included in the shaping of global and national policies. This includes structured dialogues and consultations with youth in universities, communities, and other spaces. The submission calls for the direct involvement of youth in all decisions affecting their futures.

Inclusive Social Development

Government must implement proactive measures to improve the social development of historically disadvantaged communities. This includes universal access to healthcare, housing, education, and nutrition, as well as sports and recreation programmes in black communities. Reducing inequality requires both state intervention and support from privileged sectors of society.

African Development

UWC SRC aligns with the African Union's Agenda 2063, calling for interstate cooperation in economic, cultural, and security matters. It asserts that Africa's development must be driven

from within and that the AU should play a stronger unifying role. Key themes include Pan-Africanism, good governance, democracy, peace, and human rights.

Universal Access to Education

The submission argues that higher education must be universally accessible and free for all academically qualifying students. It criticizes the NSFAS model for excluding the "missing middle", students who don't qualify for NSFAS or student loans. It also points out that postgraduate students are left unfunded. The SRC urges government to reallocate public funds to achieve free, quality education for all.

9. STATEMENTS: PROVINCIAL LEGISLATURES

9.1. The Eastern Cape Provincial Legislature

The Eastern Cape Provincial Legislature delegate reflected on the recent floods that devastated infrastructure and livelihoods across the province, noting that emergency recovery efforts were underway. Despite these setbacks, the Legislature affirmed its understanding of Youth Parliament as a critical platform for public advocacy and civic engagement. The province continues to face stagnant economic growth and high youth unemployment. In response, the Premier has introduced several initiatives, including:

- Skills development programmes in partnership with SETAs;
- A provincial Basic Employment Initiative targeting 28,000 youth;
- A culinary training programme for youth with disabilities; and
- A student debt relief fund of R70 million.

The delegate stressed the need for strong parliamentary oversight to ensure effective implementation and noted the province's legacy as an apartheid-era labour reserve, which has left a lasting impact on its economic trajectory.

9.2. The Free State Provincial Legislature

The Free State Provincial Legislature delegate opposed the view that labour migration to foreign countries should be a solution to youth unemployment, arguing it would result in exploitation and alienation. Instead, the province expressed strong support for the Youth Parliament's recommendations and highlighted its focus on:

- Strengthening SMMEs, particularly in agriculture;
- Promoting local beneficiation of mining resources; and
- Ensuring that skills development initiatives are well-funded.

The delegate welcomed the skills revolution supported by BRICS as a potential opportunity for youth empowerment.

9.3. Gauteng Provincial Legislature

The Gauteng Provincial Legislature delegate outlined the following youth development priorities:

- Advancing the Fourth Industrial Revolution (4IR) as a strategic pillar of youth empowerment.
- Establishing a uniform, professionalised, and focused budget for youth development across all spheres of government.
- Promoting access to quality and sustainable employment opportunities, including initiatives such as AmaPanyaza.
- Recognising and supporting young people as job creators.
- Strengthening support for Small, Medium and Micro Enterprises (SMMEs), with a particular focus on the informal and township economy.
- Ensuring the full inclusion of persons with disabilities and members of the LGBTQIA+ community in both rural and urban development strategies.
- Enhancing coordination and collaboration among key stakeholders involved in youth development.

9.4. KwaZulu-Natal Provincial Legislature

KwaZulu-Natal Provincial Legislature delegate acknowledged the inspiring nature of the Youth Parliament and pledged to do more to uplift the youth. The province remains one of the most dynamic but also deeply affected by unemployment, inequality, and poverty. Alarmingly, 60% of young people in the province are not in education, employment, or training. The Legislature called for:

- Urgent action to align youth skills development with opportunities in tourism, agriculture, technology, and renewable energy;
- Greater resourcing of TVET colleges to meet market and community needs;
- Support for youth entrepreneurship, including reducing red tape; and
- Private sector partnerships, particularly in townships and rural areas.

The delegate concluded that no young person’s future should be defined by their place of birth and praised the role of the Government of National Unity (GNU) in driving change in the province.

9.5. Limpopo Provincial Legislature

Marking the 50th anniversary of the 1976 Soweto Uprising, the Limpopo delegation reflected on the responsibility of today’s youth to carry forward the legacy of past struggles through

action. Key challenges include high youth unemployment and the export of unprocessed minerals. The Legislature called for:

- The establishment of beneficiation industries near mining sites;
- Leveraging Special Economic Zones (SEZs) to create over 21,000 jobs;
- Enhanced support for youth entrepreneurs;
- Investment in agro-processing, especially for youth-led businesses; and
- Empowerment of youth to participate in tourism, hospitality, and digital content linked to the province's rich natural and cultural heritage.

9.6. Mpumalanga Provincial Legislature

The Mpumalanga Provincial Legislature delegate stressed the importance of early financial and legal literacy and advocated for skills alignment between higher education institutions and local economies. With a provincial economy heavily reliant on coal mining, the Legislature called for:

- Transparency and consequence management in state contracting;
- Climate-smart business support for youth-led enterprises;
- Enforcement of the 30% local beneficiary clause;
- Stronger immigration regulation to protect local labour markets; and
- Increased support for SAPS youth desks and community safety programmes.

Housing and reproductive health services, along with policies that foster youth inclusion in law enforcement and economic development, were also prioritised.

9.7. The Northern Cape Provincial Legislature

The Northern Cape Provincial Legislature delegate lamented that socio-economic exclusion continues to betray the spirit of the 1976 youth. Youth poverty in the province is exacerbated by poor education outcomes and unfulfilled promises tied to mega-projects. The Legislature called for:

- Educational reforms to improve matric outcomes;
- Job creation beyond election promises;
- Youth-centred development in the renewable energy sector; and
- Support for sustainable youth enterprises, not temporary or symbolic interventions.

The delegation concluded by emphasising that honouring the youth of 1976 requires concrete action to empower today's young people.

9.8. The North-West Provincial Legislature

No delegate was present from the North-West provincial legislature during the session.

9.9. The Western Cape Provincial Legislature

No delegate was present from the Western Cape provincial legislature during the session.

10. STATEMENTS BY POLITICAL PARTIES

10.1. African National Congress (ANC)

The African National Congress (ANC) remains committed to addressing the socio-economic crises facing South Africa's youth, including entrenched inequality, high unemployment, and lack of access to resources. This Youth Development Agenda outlines key policy priorities to drive inclusive development and empower the youth as central actors in the country's transformation.

Re-Industrialisation and De-Financialisaton: South Africa's economy has experienced prolonged de-industrialisation, with a significant decline in the manufacturing sector's contribution to GDP. This has eroded job-creating capacity and deepened inequality. The ANC proposes a strategic shift towards re-industrialisation, prioritising domestic production, value-added beneficiation, and the revival of key industries. Simultaneously, the financial sector must be transformed to play a more developmental role, channelling capital into productive sectors rather than speculative activity. Addressing high market concentration and supporting youth-owned SMEs are central to this structural reform.

Youth Employment and Skills Development: With youth unemployment exceeding 50%, urgent action is required to equip young people with relevant skills and link them to employment opportunities. The ANC advocates for the expansion of vocational training, internships, and apprenticeships in growth sectors such as construction, healthcare, ICT, and renewable energy. These interventions must be accessible across rural and urban communities and aligned to industry demand. Long-term employment strategies must be integrated with economic planning to absorb new entrants into the labour market.

Land Reform and Access: Access to land remains a fundamental issue for economic inclusion, particularly for youth in agriculture and agro-processing. The ANC calls for the acceleration of land reform programmes to provide equitable access to agricultural and urban land for youth enterprises. Targeted support, such as low-interest loans and agricultural finance, must be prioritised to unlock the productive potential of rural provinces. Land reform should also address spatial inequalities inherited from apartheid and facilitate urban livelihoods and entrepreneurship.

Digital Economy and Skills: The digital economy offers a transformative opportunity for youth participation in the global economy. However, access to digital infrastructure and skills remains unequal. The ANC proposes nationwide training programmes in coding, data analysis, cybersecurity, and digital marketing, aimed at preparing youth for technology-driven industries. These initiatives should include public-private partnerships and leverage community training hubs to ensure inclusivity and scalability.

Green Economy and Climate Resilience: Youth must be central to the transition toward a green economy. Climate-resilient infrastructure development should prioritise vulnerable communities, ensuring that the shift to sustainability does not exacerbate existing inequalities. The ANC supports developing local manufacturing capabilities for renewable energy components and mapping strategic minerals needed for green technologies. Youth involvement in climate finance, green enterprise, and sustainability innovation must be actively supported through education and enterprise development.

Education Reform: Access to quality education remains unequal, with rural and marginalised youth often excluded from meaningful learning opportunities. The ANC calls for investment in technical and vocational education and training (TVET) colleges and expanded funding for tertiary education, especially for the rural poor. Education must be reformed to meet the demands of the modern economy, with curricula aligned to emerging sectors and the Fourth Industrial Revolution. Support systems must also be strengthened to improve completion rates and lifelong learning.

Financial Sector Transformation and State Bank: The financial services sector holds vast reserves but remains exclusionary, particularly for youth and black-owned enterprises. The ANC calls for the establishment of a State Bank and provincial financial institutions to increase access to affordable credit and developmental finance. Regulatory reforms must address the dominance of large financial institutions and promote inclusive financial practices. A restructured financial ecosystem should prioritise youth entrepreneurship, especially in rural and underserved communities.

Small Enterprise Development: Small and Medium Enterprises (SMEs) are key drivers of job creation and innovation. The ANC proposes the creation of a robust support system for youth-led SMEs, including access to start-up capital, micro-grants, and business development services. This ecosystem should facilitate mentorship, market access, and incubation

services. A focus on township and rural economies is essential to ensure that youth enterprise development contributes to equitable growth and localised economic transformation.

Trade and Industrial Policy: Trade policies must be leveraged to protect and advance youth enterprises. The ANC recommends renegotiating or crafting trade agreements that protect infant industries and promote local production. Platforms must be created to connect youth entrepreneurs with chambers of commerce, trade expos, and international partners. Ensuring youth representation in trade dialogues will amplify their role in economic diplomacy and global markets.

10.2. Democratic Alliance (DA)

The Democratic Alliance (DA), guided by the principles of Freedom, Fairness, Opportunity, and Diversity, presents its Youth Development Agenda with a focus on sustainable economic growth, social inclusion, and youth empowerment. This submission aligns with the six thematic areas of the 2025 P20 Youth Parliament and outlines practical, scalable proposals grounded in the DA's governance experience.

Inclusive Economic Growth: The DA envisions a vibrant economy where young South Africans can meaningfully participate in job creation and entrepreneurship. To achieve this, the party proposes the implementation of a youth wage subsidy and the introduction of a Youth Employment Opportunity Certificate to incentivize businesses to hire young people. The establishment of "Opportunity Zones" in rural and township economies is proposed to stimulate investment and development in under-served areas.

Furthermore, the DA seeks to streamline business registration processes and reduce red tape, making it easier for youth to establish and formalize their enterprises. These measures aim to foster inclusive growth and reduce the systemic barriers that often exclude youth from economic participation.

Industrialisation and Employment: Recognising the importance of industrial policy in job creation, the DA supports a modern re-industrialisation strategy anchored in green economy transitions and circular economy models. This includes fostering green manufacturing, reducing waste, and embracing sustainability.

The DA proposes the expansion of TVET colleges through strategic partnerships with the private sector, ensuring curricula align with labour market demands. This approach ensures that training leads to actual employment opportunities in sectors such as renewable energy, manufacturing, and logistics.

Meaningful Youth Engagement: To ensure democratic processes are representative and participatory, the DA proposes the institutionalisation of Youth Parliaments at local, provincial, and national levels. These platforms should feed into policymaking and oversight mechanisms to give young people real influence.

In response to the growing importance of digital platforms, the DA advocates for the creation of a National Youth Digital Democracy Platform, enabling youth to engage in policy consultations, submit e-petitions, and participate in reviews. Additionally, the party calls for youth representation in international delegations, particularly on matters relating to education, trade, climate change, and innovation.

Inclusive Social Development: Acknowledging the socio-economic exclusion many youths face, particularly in marginalised communities, the DA promotes a development agenda centred on human dignity, inclusion, and responsive governance. Key interventions include scaling community-based healthcare services, mental health programmes, and addiction support services tailored to youth needs.

The party also supports the integration of housing, transport, and recreational infrastructure in poor urban and peri-urban areas, aimed at creating safer, inclusive, and opportunity-rich environments for young people.

African Development and Agenda 2063 Alignment: The DA champions the role of youth in Africa's continental development. It calls for the creation of youth-led African innovation hubs, supported in partnership with the African Continental Free Trade Area and other regional bodies. To strengthen educational and cultural exchange, the DA proposes cross-border student exchange programmes aligned with the African Union's Continental Education Strategy. Furthermore, the DA supports the development and adoption of a Continental Youth Charter that institutionalizes youth participation in all AU member states and organs.

Universal Access to Education: The DA proposes a holistic education strategy that includes reconfiguring higher education funding through a sustainable student loan guarantee model

supported by public-private partnerships. This would expand access while ensuring fiscal sustainability.

To improve learning outcomes and accessibility, especially for rural and working youth, the DA calls for the expansion of digital and blended learning platforms. Early education must be strengthened by reinforcing literacy and numeracy via transparent performance contracts with provincial education departments.

A notable innovation is the National Skills Passport system, which would recognise informal learning, skills development, and micro-credentials, improving youth mobility and employability across the SADC region.

Youth Empowerment Initiatives: The DA promotes the Young Leaders Programme, a fully funded development initiative for South Africans aged 18–35 who share the party's core values. This programme seeks to build a pipeline of capable, ethical, and policy-oriented young leaders. It complements the broader vision of equipping youth with the tools, networks, and platforms to influence public discourse and governance.

10.3. uMkhonto weSizwe (MK)

Key priorities or recommendation as outlined in the statement were as follows:

- Addressing youth unemployment.
- Inability of the current government to implement policies that provide opportunities for youth development.
- Policies in place that are relevant to needs of youth.
- Proposals: Youth should consider belonging to MK so that the party can obtain majority and be able to be in government.

10.4. Economic Freedom Fighters (EFF)

The Economic Freedom Fighters (EFF) submitted a wide-ranging policy proposal aimed at tackling youth unemployment, stimulating inclusive economic growth, and advancing economic freedom for young people. Rooted in a radical, anti-capitalist and anti-imperialist ideology, and drawing from Marxist-Leninist and Fanonian traditions, the submission positions youth as central to the broader struggle for economic emancipation.

Job Creation and Economic Transformation

To address South Africa's high youth unemployment, the EFF proposes the establishment of several state-owned enterprises in housing, roads, security, cleaning, horticulture, and landscaping, together projected to create over 7 million sustainable jobs. Additional job creation proposals include:

- The creation of Special Economic Zones (SEZs), offering tax incentives and infrastructure support to investors who create and sustain a minimum of 2,000 jobs per factory.
- Legislation to ensure that 80% of state-procured goods and 50% of mineral beneficiation are locally produced to stimulate domestic industries.
- The development of sustainable food processing zones, agro-fishing businesses, and support for small-scale farming, especially in coastal communities.
- The promotion of import substitution and the development of basic goods industries such as textiles, electronics, solar products, and energy-efficient building materials.
- Strategic support for SMMEs, coupled with legal protections for street traders and informal workers.

Youth Development and Economic Inclusion

The EFF calls for legislative and institutional reforms to prioritise youth in employment and economic participation. Key proposals include:

- Making it compulsory for government departments and public institutions to allocate 40% of their workforce and 50% of their procurement to youth (ages 18–35).
- Amending the Public Finance Management Act (PFMA) to require SOEs to procure at least 40% of goods from youth-owned enterprises.
- Introducing a Monthly Job-Seeking Allowance for unemployed youth and establishing a Youth Loan Guarantee Scheme to support youth entrepreneurship, conditional on job creation.
- Reforming the National Youth Development Agency (NYDA) to ensure independence and allocating at least 50% of its R2 billion budget to women-led youth initiatives.
- Decentralising youth agencies to improve outreach and providing accessible career and skills development resources across communities.
- Requiring private firms and corporations to employ a minimum of 35% of their workforce from the youth demographic.

Pillars of Economic Emancipation

The EFF's proposals are framed by seven non-negotiable pillars that guide its broader political project:

1. Land expropriation without compensation for equitable redistribution.
2. Nationalisation of mines, banks, and strategic sectors without compensation.
3. Building state capacity and abolishing the tender system.
4. Universal access to quality education, healthcare, housing, and sanitation.
5. Massive industrialisation supported by minimum wage legislation to reduce inequality.
6. Pan-African economic development, shifting from reconciliation to justice on the continent.
7. An open, accountable, and corruption-free state that upholds civil liberties and protects against institutional victimisation.

10.5. Inkatha Freedom Party (IFP)

The Inkatha Freedom Party (IFP) emphasises that addressing youth unemployment is not only a moral and economic priority but also a matter of national stability and security. The party urges Parliament to adopt a coherent and accountable youth development agenda grounded in practical interventions, institutional oversight, and the empowerment of young people across all sectors.

Youth Skills Development and Education Reform: The IFP advocates for a skills revolution through targeted investments in vocational and technical education, particularly in partnership with TVET colleges and the private sector. These collaborations are essential to ensure that training is responsive to real-world labour market demands.

Furthermore, the IFP proposes the integration of entrepreneurship modules into the school curriculum from Grade 10 onwards, fostering a culture of innovation and self-reliance from a young age. A key focus is also placed on improving educational infrastructure and teaching quality in rural and township schools, especially in historically under-resourced provinces such as KwaZulu-Natal and the Eastern Cape. These reforms aim to ensure equal access to quality education and career-readiness across geographic and socio-economic divides.

Youth Entrepreneurship and Economic Participation: The IFP highlights youth entrepreneurship as a critical engine for job creation and economic inclusion. The party calls for the expansion of youth-targeted micro-finance and grant funding and recommends that the

application processes for SEDA and NYDA funding be simplified to reduce bureaucratic barriers.

A flagship recommendation is the creation of Youth Enterprise Zones in each province, where youth-owned businesses can benefit from tax incentives and streamlined regulation. Additionally, the IFP proposes that local government procurement be strategically directed toward youth cooperatives and small enterprises, thereby increasing access to public sector supply chains and building economic resilience from the ground up.

Public Employment and Job Placement: To combat persistent unemployment, the IFP proposes the establishment of a National Youth Apprenticeship Programme, targeting key infrastructure sectors such as water, energy, and roads. This initiative is aimed at creating structured, on-the-job training and employment pathways for unemployed youth.

Moreover, the party recommends the enforcement of a 50% youth representation quota in public employment schemes such as the Expanded Public Works Programme (EPWP) and Presidential Stimulus Programmes. National departments and state-owned enterprises (SOEs) should also be mandated to offer structured internships and learnerships, ensuring that every public entity contributes to youth workforce development.

Inclusive Digital Economy: Recognising the transformative potential of the digital economy, the IFP places emphasis on expanding rural internet access and creating digital skills training hubs, particularly benefiting young women who face additional barriers to digital inclusion.

The party also proposes fostering public-private partnerships with technology companies to deliver training and employment in key digital areas such as artificial intelligence, coding, cybersecurity, and remote services. These initiatives are essential to equip youth for the jobs of the future and to close the digital divide that excludes rural and marginalised communities.

Oversight and Implementation: The IFP strongly recommends the establishment of a Youth Development Implementation and Oversight Framework (YDIOF) by Parliament. This framework would serve as a mechanism to:

- Track progress against youth development targets;
- Ensure regular reporting from departments on youth programmes; and
- Embed youth-focused indicators into the oversight work of parliamentary committees.

This would institutionalise accountability and ensure that youth development commitments translate into measurable outcomes.

Youth Ministry: To ensure sustained attention to youth issues, the IFP proposes the creation of a dedicated Youth Ministry, led by a young leader. This ministry would coordinate youth policies across departments and champion the inclusion of youth voices at the highest level of government. Establishing such a portfolio signals a long-term political commitment to youth empowerment and national renewal.

10.6. Patriotic Alliance (PA)

The Patriotic Alliance (PA) envisions a unified, empowered society where every citizen—particularly the youth, is given a fair chance. Reconciliation, in this context, must be realised through dignity, inclusion, and opportunity. South Africa's youth deserve meaningful access to economic participation, skills development, social justice, and governance. The PA's youth agenda proposes bold and actionable reforms to break intergenerational poverty and inequality.

Industrialisation: The PA underscores that economic exclusion cannot be addressed without bold reindustrialisation. The party advocates for the creation of industrial hubs in historically marginalised communities, with a strong emphasis on light manufacturing, agri-processing, and digital industries. These hubs should leverage state-owned land and infrastructure to reduce costs and facilitate the development of viable industrial clusters.

Beneficiation of natural resources is central to the PA's strategy. Instead of exporting raw materials, the party calls for domestic processing and value addition, which would drive skills development, job creation, and technology adoption.

To support new entrants into the economy, the PA proposes the establishment of a national Trust, funded through a business tax, that would provide low-interest loans to youth and small business owners. This aims to correct the shortcomings of commercial banks in supporting grassroots entrepreneurs.

Foreign Direct Investment (FDI): Foreign investment must align with national developmental goals. The PA promotes a strategic approach to FDI, focusing not just on capital inflow, but on technology transfer, job creation, and skills development. Priority sectors include green energy, infrastructure, value-added exports, and beneficiation. FDI agreements should be conditional on meaningful contributions to South Africa's socio-economic transformation and long-term capacity building.

People's Empowerment Partner: To ensure that industrial and economic growth benefits all South Africans, the PA proposes the creation of a “People’s Empowerment Partner”, a sovereign wealth-style fund. This fund would hold equity in key industries and distribute dividends to historically disadvantaged South Africans. The goal is to provide direct economic returns to citizens, deepen equity ownership, and dismantle persistent wealth inequality.

Immigration and Employment: The PA holds that citizens must be prioritised in employment and economic opportunities. The party calls for strict enforcement of existing immigration laws, including the removal of illegal foreign nationals from the job market. It rejects the drafting of new laws in favour of full enforcement of current statutes. This, the PA argues, is essential for job preservation, national cohesion, and economic justice.

Meaningful Youth Engagement: Youth should not be passive recipients of policy but active architects of national development. The PA proposes a multi-layered engagement strategy, including:

- The introduction of a targeted national service programme for unemployed youth, combining military and civil service. This initiative will instil discipline, build civic duty, and equip youth with technical and soft skills, eventually feeding into employment or enterprise support.
- Investment in digital education platforms, with a focus on townships and rural areas. These platforms should deliver labour-aligned curricula, supported by real-time mentorship and facilitation.
- The establishment of Youth Advisory Councils at municipal, provincial, and national levels, with legal recognition and authority to influence budgeting and programming decisions.
- Youth-led initiatives in sport, arts, and culture, which serve as vehicles for community engagement, identity formation, and crime reduction.
- Institutionalisation of Youth Parliaments to ensure regular, accountable, and televised platforms for policy interrogation and youth participation.

Inclusive Social Development: For the PA, inclusive development begins with co-creation. The state must shift from top-down delivery to community-led service models, supported by local facilitators and pilot programmes. The party calls for recognition of traditional leaders as agents of development, with structured roles in land use planning, social cohesion, and local economic strategy.

Furthermore, the PA champions the protection of marginalised groups, including LGBTQ+ persons, women, and children. It calls for robust enforcement of gender-based violence (GBV) laws, enhanced psychosocial support in schools, and greater visibility for GBV interventions at community level.

A national mental health strategy is also proposed, which would expand access to trauma counselling, addiction recovery, and community wellness programmes. For the PA, a healed and cohesive society is the foundation for all sustainable economic or political progress.

10.7. Freedom Front Plus (FF PLUS)

The Freedom Front Plus (FF Plus) presents a youth development vision grounded in freedom, opportunity, and accountability. The party believes in empowering young South Africans through practical, non-ideological solutions that restore dignity, foster enterprise, and build self-sufficiency. Its proposals are underpinned by principles of academic freedom, meritocracy, and decentralisation, rejecting centralised bureaucracy and race-based engineering in favour of community-based development.

Inclusive Economic Growth: The FF Plus promotes free-market principles and entrepreneurship as the core of inclusive growth. It rejects overregulation and redistribution-based inclusion, arguing instead for enabling all youth through fair access to economic opportunity.

Key measures include:

- Tax relief for youth-owned businesses.
- Simplified business registration for SMMEs.
- Creation of decentralised business incubators in rural and township areas.
- Elimination of race-based procurement policies to foster competitive, merit-driven enterprise.

The FF Plus prioritises equal access to opportunity rather than equal outcomes, supporting youth-led innovation through deregulated and entrepreneur-friendly environments.

Industrialisation and Employment: The party supports private sector-led reindustrialisation, with a focus on skills development and economic freedom. It critiques state-driven employment programmes as inefficient and advocates for industry-led vocational training, especially in areas facing critical skills shortages such as trades, digital technologies, and renewable energy.

Key recommendations include:

- Replacing underperforming SETAs with private-sector vocational programmes.
- Implementing dual vocational education systems, modelled after Germany.
- Building regional technical colleges focusing on trades, engineering, coding, and green economy sectors.

FF Plus believes that a functional industrial base must empower youth with relevant, industry-aligned skills and that sustainable employment stems from private investment and training partnerships, not bloated state schemes.

Meaningful Youth Engagement: The party rejects tokenistic representation and quotas. Instead, it calls for merit-based youth engagement, grounded in democratic participation, civic education, and critical thinking.
Proposed actions include:

- Establishing community-based, non-partisan leadership academies.
- Setting up Youth Parliaments in all provinces with real policy influence.
- Integrating civic education into school curricula.

The FF Plus sees youth not as passive recipients but as active participants in governance and nation-building, and it promotes initiatives that develop ethical, informed, and capable leaders.

Inclusive Social Development: FF Plus defines social development as upliftment through dignity, opportunity, and community support, rather than dependency on the state. It favours grassroots empowerment and local service delivery over centralised interventions.

Key steps include:

- Supporting NGOs and faith-based organisations to deliver social support.
- Promoting community-run cooperatives for local job creation and food security.
- Ensuring that family structures, education, and entrepreneurship are core to long-term development.

The party believes that welfare should function as a safety net, not a permanent solution, and that lasting empowerment must come from within communities.

Healthy Global Trade and Development Relations: The FF Plus advocates for economic partnerships rooted in mutual respect and the rule of law. It supports regional development through strategic trade, infrastructure investment, and anti-corruption reforms.

Recommendations include:

- Promoting youth-led intra-African trade, especially in agriculture and technology.
- Expanding South Africa's role in AfCFTA trade opportunities for young entrepreneurs.
- Investing in infrastructure that connects rural youth to economic markets.
- Prioritising local value chains and export-readiness for youth-owned enterprises.

Universal Access to Education: The FF Plus champions mother-tongue instruction, academic freedom, and technical training. It opposes political interference in education and supports decentralised models that reflect community priorities.
Key proposals:

- Protect and promote home-language education in all official languages.
- Depoliticise the curriculum and promote academic rigour.
- Support community-run schools.
- Expand vocational and technical training, linked directly to industries.

Citing research by UNESCO, the party notes that mother-tongue education significantly improves literacy and comprehension. FF Plus maintains that quality, apolitical education is foundational to economic participation and social mobility.

Practical Implementation Steps: The FF Plus outlines a concrete, pragmatic roadmap to youth empowerment:

- Tax relief for youth enterprises.
- Decentralised business support hubs.
- Industry-led vocational training, replacing dysfunctional SETAs.
- Dual vocational education models.
- Regional technical colleges in trades and technology.
- Establishment of youth-focused civic leadership academies.
- Functional Youth Parliaments in every province.
- Civic education integration into national schooling.

The FF Plus envisions a youth development agenda based on freedom, responsibility, and practical opportunity. It asserts that young South Africans must be equipped not with handouts, but with the tools, freedoms, and institutions needed to build their own futures.
"The future is in our hands, let us shape it with integrity."

10.8. Action SA

ActionSA envisions a South Africa where economic growth, social inclusion, and human development are driven by a capable, ethical state and the active participation of its youth. The party acknowledges the structural barriers that perpetuate poverty, unemployment, and inequality, and calls for targeted, transformational reforms rooted in accountability, dignity, and opportunity for all.

Industrialisation and Employment: ActionSA highlights industrialisation as an urgent and necessary transition to address the country's intertwined social and economic challenges, particularly youth unemployment. With South Africa's agricultural sector stabilising, the party advocates for a shift toward mechanised manufacturing as the foundation for sustainable job creation and improved living standards.
Key proposals include:

- Government-led industrial policy to reduce red tape and promote mass production.
- Incentives for domestic manufacturing to reduce reliance on raw exports.
- Support for entrepreneurship and skills training in industrial sectors.
- Learning from global models such as China's industrial transformation to guide policy implementation.

The state must play an active role in coordinating this transition, providing a stable policy environment and supporting the private sector to build labour-absorbing industries that offer dignified work and upward mobility for young South Africans.

Meaningful Youth Engagement: ActionSA insists that youth engagement must transcend tokenism and become a structured, inclusive, and sustainable part of governance. With young people constituting over 33% of the population, the party affirms their central role in shaping national and global policies.

Core pillars of youth engagement include:

- Equal partnership in policymaking, not just consultation.
- Inclusivity across class, gender, race, and geography.
- Leadership development, civic responsibility, and political literacy.
- Accountability mechanisms to track youth policy impact and provide feedback loops.
- Creation of long-term platforms for youth input, such as advisory councils and digital feedback systems.

This vision of meaningful engagement empowers youth to influence decisions that affect their lives, strengthens democratic accountability, and builds more responsive and effective public policy.

Inclusive Social Development: ActionSA's approach to inclusive development centres on empowerment over dependency. The party calls for dismantling structural inequalities that limit access to services, economic participation, and safety, particularly in historically marginalised communities.
Priority actions include:

- Investing in public services, especially healthcare, housing, and safety, in underdeveloped communities.
- Improving service delivery capacity by building a capable, ethical state and devolving powers to local governments.
- Empowering women, youth, and persons with disabilities through targeted development programmes.
- Promoting community-specific solutions to bridge inequality and foster ownership of development outcomes.

This agenda envisions a society where opportunity is not determined by geography or socio-economic background, and every citizen has the tools to succeed.

African Development: Aligning with the African Union's Agenda 2063, ActionSA supports a future for Africa rooted in self-reliance, intra-continental trade, and ethical leadership. South Africa, as a regional power, must promote peace, good governance, and infrastructure-led growth across the continent.
Key priorities include:

- Strengthening AfCFTA as a tool for youth-driven trade and industrial growth.
- Promoting fair and regulated trade that benefits citizens, not elites.
- Fighting corruption and illicit financial flows to safeguard African wealth.
- Investing in critical infrastructure and human capital to drive growth from within.

ActionSA calls for a shift from externally dictated development to African-led solutions, with youth and communities at the forefront.

Universal Access to Education: Education is positioned by ActionSA as the cornerstone of long-term development. The party advocates for universal, equitable access to quality higher education to break the cycle of poverty and uplift entire communities.
Key interventions include:

- Expanding funding models beyond NSFAS to include blended public-private mechanisms.
- Investing in TVET colleges, digital learning platforms, and skills development for modern, tech-driven economies.
- Improving education infrastructure and outcomes, especially at the basic education level.
- Holding institutions accountable for governance, student support, and performance.

Education must become a public good, with no young South African denied the chance to study because of financial constraints. It must also be future-facing, preparing youth for a rapidly evolving global economy.

Practical Implementation Steps: To translate vision into impact, ActionSA recommends:

- Government leadership in driving industrialisation and reducing policy barriers.
- Structured and accountable youth participation in policy design and implementation.
- Community investments in historically disadvantaged areas.
- Intra-African trade promotion aligned with AU objectives.
- Education reform through expanded funding, modernised infrastructure, and governance improvements.

ActionSA's Youth Development Agenda envisions a South Africa where every young person is empowered to contribute to national development, where opportunity is distributed equitably, and where leadership is grounded in accountability, dignity, and public service. By investing in youth, industrialisation, inclusive policy-making, and African cooperation, South Africa can become a beacon of innovation, justice, and hope.

10.9. African Christian Democratic Party (ACDP)

The African Christian Democratic Party (ACDP) Youth Foundation presents a values-driven, intergenerational, and actionable agenda grounded in the principles of faith, justice, stewardship, and co-governance. The agenda recognises South Africa's youth as a vital force

in confronting national challenges, from economic exclusion to social fragmentation and emphasises the need for youth to be co-creators of policy, not passive recipients.

Empowerment: Meaningful Youth Engagement and Intergenerational Collaboration: ACDP asserts that governance without youth is unsustainable. The party calls for the institutionalisation of youth participation at all levels of government through:

- Youth advisory councils embedded in municipal, provincial, and national institutions.
- A “Youth Address Week”, allowing youth to submit formal questions in legislatures.
- Use of digital democracy tools, such as SMS surveys, civic apps, and youth-led monitoring committees, to ensure accountability and responsiveness.
- Youth-led performance monitoring of public programmes.

The party also promotes intergenerational co-governance, where the energy and innovation of youth complements the experience of older leaders to co-create solutions with national relevance and local impact.

Education: Universal Access, Equity, and Skills for the Future: The ACDP views education as a non-negotiable right and a national investment priority. The agenda promotes:

- Universal access to quality education, including tuition-free models where constitutionally feasible.
- Expansion of education infrastructure, especially in rural areas.
- Digital learning, green-powered infrastructure, and STEM-aligned curricula.
- Local language content, inclusive education for differently abled learners, and a focus on critical thinking and employability.
- Youth-run oversight systems to track textbook delivery and resource allocation.

The ACDP also calls for addressing student debt through public service-linked loan forgiveness, and for tailoring support systems to reduce dropout rates.

Employment: Inclusive Economic Growth and Labour Market Readiness: Youth unemployment is a national emergency. The ACDP proposes:

- Inclusive economic models that promote SME development, township enterprise hubs, and public procurement for youth-owned businesses.
- Transition support from the informal to the formal economy.
- Intergenerational business ownership models to pass down skills and capital.

- Labour protection and skills development linked to industrial and infrastructure programmes.

The agenda positions employment as both an economic necessity and a human dignity imperative.

Entrepreneurship: Youth Innovation, Cooperatives, and Enterprise Development: The ACDP believes in unlocking the entrepreneurial potential of young people by:

- Prioritising youth cooperatives and youth-led agri-parks in public sector infrastructure.
- Supporting innovation hubs, digital start-ups, and small businesses with capital, mentorship, and regulatory ease.
- Establishing sector-specific employment compacts between youth, government, and private industry to guarantee market access and supply chain inclusion.

Emotional and Physical Wellbeing: Health as a Cornerstone of Youth Development: The ACDP identifies health, particularly mental and reproductive health, as a system-wide enabler. Its key proposals include:

- A National Youth Wellness Strategy integrating health services into schools, TVETs, and communities.
- Investment in mental health support, addiction recovery programmes, and trauma counselling.
- Expansion of mobile clinics and youth-friendly services, especially for menstrual health.
- Ensuring dignified health access as part of education and development policy.

Without a healthy youth population, none of the development goals are achievable.

Inclusive Social Development: Justice, Belonging, and Protection of Vulnerable Groups: Social cohesion requires policies that address exclusion, GBV, xenophobia, racism, and disability. The ACDP supports:

- Constitutional protection of diversity, including gender, faith, ability, and identity.
- Youth-responsive services that ensure inclusion at every developmental level.
- Integration of youth into local development planning to reflect community-specific needs.

Industrialisation and Employment: Building Economies That Work for People: Industrialisation must be youth-inclusive, ethical, and future-proof. The ACDP recommends:

- Sector-based skills training, decentralised and linked to guaranteed employment pathways.
- Public-private-youth partnerships to develop export-oriented production, especially in manufacturing and agro-processing.
- Responsible automation policies that don't displace young workers but reskill them for evolving markets.

The party also calls for youth-led procurement in infrastructure and trade projects, especially in Special Economic Zones.

African Development: Aligning with Agenda 2063: The ACDP supports regional integration aligned with the African Union's Agenda 2063, proposing:

- Youth-driven participation in intra-African trade, especially under AfCFTA.
- Local beneficiation policies in mining and agriculture.
- Youth-led logistics reforms and infrastructure innovation.
- Migration frameworks that welcome skilled contributors while enforcing sovereignty and legal entry.

Fiscal Responsibility and Intergenerational Debt: The ACDP raises deep concerns about the growing national debt, which it sees as a moral and economic burden on the youth. It calls for:

- A Youth Fiscal Accountability Forum to assess long-term budget impacts.
- Debt reduction through procurement reform, fiscal discipline, and zero tolerance for corruption.
- Macroeconomic reforms to grow GDP via green infrastructure and youth-driven SMMEs.

Crime and Safety: Youth-Led Community Resilience: The party warns that crime and violence undermine every youth development goal. Recommendations include:

- Creation of Municipal and National Youth Safety Councils.
- Strengthening the justice system through anti-corruption measures, expanded GBV courts, and public trust restoration.
- Expansion of youth-led partnerships with law enforcement and trauma support services.

The ACDP calls for a national co-governance compact that unites the vision of older leaders with the energy of youth. Through the 5 E's Framework, Empowerment, Education, Employment, Entrepreneurship, and Emotional & Physical Wellbeing, the party lays out a faith-anchored, pragmatic, and intergenerational roadmap for transforming South Africa.

"Include us, because you are borrowing from us."

10.10. United Democratic Movement (UDM)

The UDM Youth emphasizes the importance of intergenerational collaboration, servant leadership, and fiscal responsibility to address the challenges faced by South Africa's youth.

Key priorities or recommendations as outlined in the statement were as follows:

- Addressing Youth unemployment.
- Addressing Gender based violence.
- Addressing the issue of non-existent or poor consultation of youth in decision making.
- Enhancing access to funding for aspiring entrepreneurs.
- Enhance the National Student Financial Aid Scheme (NAFSAS) payment to access education.
- Development of a viable new social contract to enhance youth participation and address drug abuse.

10.11. RISE Mzansi

RISE Mzansi's Youth Development Agenda proposes a bold, integrated approach to addressing the social, economic, and safety challenges confronting young South Africans. Grounded in principles of inclusion, empowerment, and structural reform, the agenda centres on transforming youth from passive recipients of development into active co-creators of South Africa's democratic and developmental future.

Youth Representation in Governance and Leadership: RISE Mzansi affirms that youth should not be relegated to marginal forums but must be integrated into the core of decision-making structures at all levels of government.
Key proposals include:

- Ensuring youth representation across all institutions of governance, not just youth-focused platforms.
- Equipping young people with the expertise and tools to meaningfully engage in public policy formulation.
- Establishing youth leadership programmes as public-private partnerships, including:
    - Stipends for identified youth leaders.
    - Access to mentorship and corporate networks through CSI funding.

The agenda recognises that youth inclusion must be institutionalised and underpinned by intergenerational equity and accountability.

Education and Training: Reform and Alignment: South Africa's education and training system is misaligned with the demands of the labour market. RISE Mzansi calls for urgent, comprehensive reform to build a future-ready workforce.

Recommendations include:

- Establishing an expert commission to determine:
    - The country's job deficit.
    - Required education/training pathways.
    - Budgetary needs to upskill the youth.
- Increased funding for TVET colleges, Community Education and Training (CET) centres, and other tertiary facilities.
- Prioritising STEM education while also supporting skilled trades (e.g., plumbing, construction, entrepreneurship).
- Combatting stigma around non-degree qualifications.
- Expanding access to post-school education, including:
    - Reducing cost and accommodation barriers.
    - Increasing awareness of alternative training options.
    - Aligning regional training to local economic sectors (e.g., agriculture, tourism, construction, healthcare).
- Introducing a 3-month conditional jobseekers' grant linked to participation in a skills development programme.

The focus is to equip every young person to earn a dignified living and contribute meaningfully to national development.

Economic Access and Employment: RISE Mzansi recognises the need for inclusive and sustainable economic growth, with an emphasis on correcting the legacy of racial, gender-based, and ability-related exclusion.

Key initiatives:

- Supporting black people, women, and persons with disabilities to create wealth through:
    - Skills development.
    - Access to capital.
    - Supportive enterprise development.
- Addressing the specific barriers faced by young single mothers and youth with disabilities, including:
    - Creating childcare facilities in communities.
    - Ensuring workplace accessibility and non-discrimination.
- Advocating for the reindustrialisation of South Africa, focused on:
    - Green industries.
    - Tourism and the creative economy.
    - Cannabis and hemp development.
    - Advanced manufacturing.

The approach combines structural transformation with entrepreneurship, innovation, and sectoral investment to stimulate youth-led economic activity.

Youth Safety and Well-being: Recognising the intersecting crises of gender-based violence (GBV), mental health, and community trauma, RISE Mzansi places youth well-being at the centre of development.

Strategic responses include:

- Implementing education and behavioural change campaigns to confront:
    - Male-on-male violence.
    - GBV and harmful masculinity norms.
- Enhancing support systems for GBV survivors, especially in schools, TVETs, and tertiary institutions.
- Strengthening the criminal justice system to improve response and accountability.
- Expanding mental health services in local clinics and addressing barriers to care, particularly for young people.
- Promoting community sport, arts, and culture programmes to:
    - Foster peer mentorship.
    - Encourage discipline and competitiveness.

- Serve as safe, creative outlets and pathways to opportunity.

These initiatives affirm the importance of psychosocial support and community identity in enabling youth resilience and success.

RISE Mzansi's agenda is built on the principle that youth must be respected, included, and enabled. It calls for a comprehensive, interlinked strategy addressing governance inclusion, education reform, economic equity, and personal well-being.

"The youth are not only the future. They are the present, and must be heard, trusted, and empowered to build a better South Africa, starting today."

10.12. Building One South Africa (BOSA)

Build One South Africa (BOSA), through its Young Builders Movement, presents a bold, youth-led proposal to tackle the country's most urgent crisis: youth unemployment and economic exclusion. With over 4.7 million young people Not in Education, Employment, or Training (NEET), BOSA calls for a generational shift, moving youth from the margins to the centre of South Africa's economic recovery.

Special Economic Zones (SEZs) for Youth Jobs: BOSA proposes restructuring existing SEZs to become launchpads for youth employment:

- 25% of all employment opportunities in SEZs to be reserved for youth.
- Youth Enterprise Desks established within each SEZ to provide support, placement pipelines, and learnership coordination.
- Township youth to be directly connected to industrial opportunities through structured recruitment and skills alignment.

This approach redefines SEZs as inclusive platforms that serve not only established businesses but also young South Africans entering the workforce.

Township Opportunity Zones (TOZs): To reverse spatial and economic exclusion, BOSA advocates for Township Opportunity Zones (TOZs), a locally embedded economic development model:

- Selected townships converted into economic engines through:
  - Tax incentives
  - Fast-track permits

    - Co-working and business hubs
- 5% of public procurement to be ring-fenced for youth-owned township businesses.
- Basic economic infrastructure (e.g., broadband, transport, light industrial space) to be prioritised.

These zones will empower youth where they live, turning townships into opportunity centres rather than areas of despair.

3. Funding Youth-Owned Businesses: To overcome barriers to entrepreneurship, BOSA calls for the creation of new financial instruments:

- National Graduate Venture Fund targeting TVET and university graduates starting new ventures.
- Expansion of venture capital access via public-private partnerships, prioritising youth in sectors such as manufacturing, tech, and the green economy.
- Reforms to banking regulation and red tape that currently exclude youth-led SMMEs from financial support.

This plan seeks to shift capital towards innovation and inclusion, not bureaucracy and elitism.

Jobs and Justice Fund: BOSA proposes establishing a transparent, corruption-free public fund to drive real outcomes:

- A Jobs and Justice Fund, administered by public finance professionals, not politicians.
- Channels BBBEE and CSI funding into high-impact youth-led initiatives.
- Supports programmes that bridge the gap between talent and tools, delivering scalable, monitored projects.

The Fund will ensure resources reach the grassroots, not elite gatekeepers.

Voluntary National Civilian Service: To offer youth structured experience and community contribution, BOSA recommends:

- A one-year voluntary service for post-matriculants in sectors such as:
    - Health
    - Education
    - SAPS
    - Social services
- Participants receive a stipend, mentorship, and on-the-job training.

- Focus on building skills and civic values while contributing to under-served communities.

End Tenderpreneurship and Restore Fairness: To break the culture of patronage, BOSA urges systemic reforms to public procurement:

- Ban cadre deployment in SMME and public procurement processes.
- Launch a transparent, digital procurement platform, accessible to all youth entrepreneurs.
- Establish a merit-based system, ensuring fairness replaces favouritism.

Expected Outcomes by 2028: If implemented, BOSA projects the following outcomes:

- 500,000 youth employed through SEZ and TOZ initiatives.
- 100,000 new youth-owned businesses operational.
- 50,000 graduates funded to start ventures.
- 100,000 post-matriculants gain work experience through national service.
- A 10–15% reduction in the NEET rate.
- A transformed, transparent public procurement culture that prioritises inclusion, fairness, and delivery.

Call to Action: BOSA calls on the P20 Youth Parliament to:

- Table and prioritise this proposal as a national youth resolution.
- Direct relevant departments to provide regulatory, funding, and operational support.
- Engage civil society and youth movements to ensure broad-based rollout.
- Partner with provincial and local government to pilot TOZs by 2026.

This is a call not for charity, but for investment in South Africa's greatest asset: its youth.

In conclusion, BOSA stated: "This submission is not just a policy. It is a declaration that youth are not a problem to be managed, but the solution we've been waiting for."
BOSA's youth agenda is bold, measurable, and implementable. It shifts the conversation from crisis to action, and from exclusion to shared prosperity.

10.13. African Transformation Movement (ATM)

The African Transformation Movement Youth League (ATMYL) emphasises the urgency of fixing South Africa's domestic challenges before fully engaging in global development

conversations. With a youth unemployment rate of over 62% among 15–24-year-olds, ATMYL warns that exclusion from the economy leads to spiralling crises including crime, substance abuse, depression, and hopelessness. The submission calls for youth-led, time-bound change underpinned by self-determination, African unity, and dignity.

Industrialisation and Employment: ATMYL calls for an economy that is inclusive, productive, and rooted in local beneficiation and ownership, especially in rural areas. Key proposals include:

- Resuscitating agricultural colleges and integrating agriculture and entrepreneurship into basic education.
- Promoting a modernised, youth-led agricultural economy, positioning farming as a viable and attractive career.
- Embedding a national culture of “We consume what we produce.”
- Prioritising SMMEs, noting their contribution of approximately 50% to South Africa’s GDP.
- Driving industrialisation through local manufacturing and beneficiation of raw materials.
- Advocating for the return of land to its original custodians.
- Investing in rural enterprises, agri-parks, and infrastructure to support small-scale farmers.

Meaningful Youth Engagement: ATMYL calls for youth to be engaged not only as beneficiaries but as co-leaders in shaping national policy. Recommendations include:

- Greater investment in youth-centric programmes like Love Life.
- Reduction of data costs to ensure equitable access to the digital economy.
- Establishing leadership academies to support aspiring leaders with resources, tools, and career pathways.
- Investing in the creative arts industry, especially in under-served communities.
- Creating forums, conferences, and digital platforms for young people to directly engage with policymakers.

Inclusive Social Development: ATMYL frames development through an Afrocentric lens, advocating for the full recognition and restoration of traditional institutions. Key proposals:

- Restoration of traditional kingdoms dismantled by colonialism; traditional leaders should be structurally senior in governance (e.g., Kings above Presidents, Chiefs above Councillors).

- Protecting the rights and interests of vulnerable groups - youth, women, the elderly, and persons with disabilities.
- Recognition and support for African Independent Churches, acknowledging their nation-building role.

African Development: ATMYL believes South Africa's development must be aligned with the renaissance of the African continent, calling for:

- Ensuring Africa benefits from its mineral wealth by promoting local beneficiation and halting the export of raw resources.
- Constitutional recognition of African Traditional Law as a legitimate and equal legal system.
- Strengthening the African Union (AU) and regional bodies to deliver "African solutions to African problems."
- Eliminating terrorist and rebel groups that destabilise African nations.

This vision affirms Pan-African unity, resource sovereignty, and cultural reclamation as central pillars of youth empowerment.

Universal Access to Education: ATMYL considers education a non-negotiable right and a tool for liberation. It proposes:

- Free, quality education at all levels.
- A skills-based education system linked to national economic needs and South Africa's mineral wealth.
- Systems to support learners at risk of dropping out or repeating grades.
- Investment in school infrastructure, especially water and sanitation in underserved areas.

The objective is to equip youth with practical, locally relevant skills to enable self-employment and societal participation.

ATMYL closes its submission with a challenge: "Nothing about us without us." It calls on the Youth Parliament to:

- Move beyond symbolic dialogue.
- Establish clear implementation timeframes and accountability mechanisms.
- Ensure that youth submissions result in tangible, monitored outcomes.

The submission ends with a Pan-African call to unity and dignity, quoting Robert Sobukwe and denouncing continued reliance on Western ideology, affirming:

"We are not anti-anyone. We are pro-Africa."

10.14. Al-Jama-ah (ALJAMA AH)

Al Jama-ah acknowledges the deep structural and historical injustices inherited from apartheid. Townships were designed to restrict and exclude, not to thrive. The submission outlines:

- Generational poverty, youth unemployment, and lack of access to land and capital as consequences of engineered exclusion.
- Township youth are trapped in cycles of trauma, addiction, and gangsterism, with limited access to education and mentorship.
- Drug dens outnumber schools in areas like the Western Cape, and gender-based violence and unsafe communities erode any foundation for development.

Call for Economic Justice: Al Jama-ah grounds its call in Islamic principles, stating that economic justice is not optional but a moral obligation. Citing Qur'an 2:188, the submission insists on dismantling unjust economic systems and building inclusive alternatives. Proposals include:

- Establishing community-based skills centres in every township to combine education, rehabilitation, and mentorship.
- Investment in youth cooperatives and provision of interest-free loans (*qard al-hasan*) to support ethical youth-led businesses.
- Increased support for shelters and counselling services, especially for abused women and children, who are the most vulnerable in these environments.

These interventions are meant to address both the material and emotional conditions confronting the youth.

Empowering Women: The submission draws on the example of Sayyidah Khadijah (RA) to affirm that Muslim women have a proud legacy of leadership. It confronts double discrimination faced by Muslim women, both as women and as youth, and calls for:

- Empowering young women to take leadership roles in economic, social, and community development.

- A cultural shift that honours dignity, innovation, and strength among women across all sectors.

Proposals and Way Forward: Al Jama-ah calls for action over rhetoric, demanding meaningful structural change driven by and for the youth. Key proposals include:

- The establishment of a National Youth Economic Assembly that includes diverse youth voices from townships, rural areas, and faith-based communities.
- Real policy influence, rejecting symbolic representation or “talk shops.”
- Comprehensive programmes to fight drugs, GBV, and gangsterism by offering alternatives rooted in hope, not fear.
- Recognising that the youth struggle is both political and spiritual, and must be approached with a sense of moral responsibility and justice.

Al Jama-ah’s submission is a call to justice, dignity, and collective empowerment. It demands a shift from tokenistic youth inclusion to meaningful transformation, led by young people with clear purpose and vision. The party urges Parliament to support youth-led, ethical, and faith-conscious development models that restore agency to the oppressed and provide real alternatives to systemic marginalisation.

10.15. National Coloured Congress (NCC)

The emphasis was promoting social justice, empower communities, and contribute to economic development for future generations. Key issues raised were the youth unemployment, as well as the need to develop a comprehensive basic education system. It was proposed that the youth be encouraged to participate in politics and in Parliament.

10.16. Pan African Congress (PAC)

Proposed Agenda 1

The Youth Parliament should prioritize the following key components to effectively address the needs and concerns of young people:

National Youth Act: The PAC proposes the urgent enactment of a National Youth Act to establish a comprehensive legislative framework for youth development. This Act would:

- Define the rights and responsibilities of young people.

- Mandate government obligations to support youth empowerment.
- Institutionalise systematic, inclusive participation of youth in policymaking.

The PAC asserts that youth must be empowered as full stakeholders in shaping the country's developmental path and constitutional order.

3-Stream Education System: To accommodate the diverse talents and learning pathways of youth, the PAC calls for a 3-stream education system, comprising:

- Formal Education: Traditional classroom-based schooling.
- Informal Education: Community-based, experiential, and self-directed learning.
- Non-Formal Education: Skills-oriented programmes outside conventional institutions (e.g., workshops, online courses).

Decolonisation of Education and Institutions: Decolonisation is framed as both a pedagogical and structural imperative, involving:

- Recognising African histories, philosophies, and cultures.
- Reconfiguring institutional power structures and curricula.
- Embedding indigenous knowledge and African perspectives in all education levels.

The PAC envisions a society that heals from its colonial past by valuing diversity and redressing historical injustices, thus promoting social cohesion, empathy, and inclusivity.

Sports, Arts, and Culture: Acknowledging their transformative power, the PAC emphasises the role of sports, arts, and culture in youth development by:

- Building community cohesion and promoting inclusion.
- Celebrating diversity through creative and cultural expression.
- Providing avenues for talent development, identity formation, and self-expression.

These sectors are not auxiliary but integral to national healing and should be institutionally supported and integrated into youth policy frameworks.

Inter-Governmental Relations and Integrated Youth Development: PAC advocates for robust inter-governmental coordination to ensure that youth development initiatives are:

- Integrated across national, provincial, and local levels.
- Effective and measurable, with tangible impact.
- Responsive to evolving youth challenges, especially across rural and urban divides.

Proposed Agenda 2

Land Restitution and Restoration: Land is central to the PAC's ideological and practical vision for justice. The submission outlines a comprehensive plan for land restitution and restoration grounded in:

Key Principles:

- Restorative Justice: A focus on healing the wounds of dispossession.
- Community-Led Processes: Ensuring affected communities lead restitution efforts.
- Inclusivity and Equity: Addressing the needs of all historically excluded groups.
- Community Empowerment: Ensuring informed, democratic participation in land decisions.

Importance for Youth:

- Intergenerational Justice: Ensuring the sacrifices of ancestors are honoured through restitution.
- Economic Opportunity: Providing youth access to land for agriculture, entrepreneurship, and job creation.
- Cultural Preservation: Connecting youth to their heritage and enabling cultural continuity.
- Empowerment: Involving youth directly in decision-making on land and development issues.

Long-Term Benefits

- Promotion of social justice and economic transformation.
- Empowered communities with control over their resources and future.
- Boosted agricultural production, entrepreneurship, and sustainable development.

The PAC views land not only as an economic asset but as a foundation for identity, dignity, and nation-building.

The PAC’s youth development agenda is rooted in justice, self-determination, and systemic reform. Through legislative, educational, cultural, and land-based transformation, it seeks to reclaim space and power for South Africa’s youth, especially the historically dispossessed. The PAC calls on Parliament to take bold, reparative steps that enable young people to thrive with dignity, freedom, and purpose.

10.17. United Africans Transformation (UAT)

The UAT emphasizes land expropriation and restitution to enhance land access and optimal use of resources.

Key priorities or recommendations as outlined in the statement were as follows:

- Ensuring youth development
- Land expropriation and access
- Support with resources for development.
- Proposals: Enhance access to comprehensive education and skills development systems to ensure that education and skills development respond to economic needs.

10.18. Good Party (GOOD)

The GOOD Party's youth agenda presents a bold and urgent call for South Africa to invest in its youth by tackling the intertwined crises of economic stagnation, inadequate infrastructure, and failing education systems. Framed as a five-year plan, the agenda targets structural transformation through focused investment in education, industrialisation, and healthcare, with a strong emphasis on implementation, accountability, and access.

Education Reform and Digital Access: GOOD asserts that quality education is foundational to national development and youth empowerment. The party strongly condemns the ongoing infrastructural deficits in schools, such as a lack of toilets, overcrowded classrooms, and teaching under trees, as unacceptable in 2025. It calls for:

- **Structural Upgrades**: A national oversight tour of educational facilities, starting with the most problematic, to ensure upgrades in classrooms, sanitation, and capacity.
- **Expansion of Technikons**: Recognising the economic value of practical, career-focused training, GOOD proposes the upscaling of Technikons to meet the demands of a growing economy and an urbanising population.
- **Youth Support Structures**: Creation of community-based Wi-Fi hubs to serve as study centres and job application zones in areas with poor internet connectivity.
- **Open Access Digital Education**: Development of a national online educational library offering free videos, documents, past papers, and vocational training resources.

- **Affordable Internet Access**: A revision of the National Data Policy to eliminate exploitative mobile data pricing practices that exclude youth from online learning.

Industrialisation and Infrastructure: GOOD positions industrialisation, particularly in the transport sector, as the engine for economic recovery, job creation, and trade expansion:

- Rail Revitalisation: A five-year plan to restructure PRASA into two specialised teams, Resource Rail and Commercial Rail, with site development and track construction focused on priority regions and metros.
- Port Expansion: Investment in port infrastructure to reduce backlogs, improve efficiency, and capitalise on South Africa's strategic trade position amidst shifting global shipping routes.
- These initiatives aim to stimulate foreign investment, enhance job opportunities, and reduce logistics costs.

Healthcare Infrastructure Investment: Acknowledging the limitations of the current healthcare system in supporting the proposed National Health Insurance (NHI), GOOD's agenda includes:

- Immediate Revitalisation: Identification and upgrading of underfunded hospitals and unequipped clinics, particularly in marginalised communities.
- Healthcare Expansion: Construction of new facilities and recruitment of young, unemployed qualified healthcare professionals.
- Prioritised Coverage: Focus on ensuring access to healthcare in areas that have lost support due to withdrawal of international donor funding.

GOOD contends that the current generation of South African youth must not become a "lost generation" due to government inaction. The party's proposed agenda is rooted in swift, well-monitored implementation, backed by reliable data. It rejects cosmetic promises and demands concrete delivery that will inspire public trust. Over the next five years, GOOD envisions a transition from a national culture of despair to one of hope, growth, and opportunity, driven by bold investments in education, industrialisation, and healthcare.

11. CLOSING

11.1. Remarks by the Minister in the Presidency: Women, Youth and Persons with Disabilities

The Minister in the Presidency for Women, Youth and Persons with Disabilities emphasized the importance of transparency and collaboration in the youth development agenda. Key points included:

- A request for the recordings of the session to be made available to all Members of Parliament.
- A recommendation that MPs review the recordings collectively before endorsing the final report.
- Clarification on the status of the National Youth Development Agency (NYDA):
  - The notion that the NYDA is led by a non-existent board was addressed.
  - The interim board has been appointed and is valid until the new board is constituted.
  - The President has designated the Chairperson of the interim board, affirming its legitimacy.

The Minister concluded with an uplifting message to the Youth present both physically and virtually: **"I feel energized today. You are everything that the country needs."**

11.2. Remarks by the Deputy Chairperson of the NCOP

The Deputy Chairperson of the NCOP, Mr Govender, expressed gratitude to Hon. Frolick and acknowledged the vibrant energy of the youth present. Highlights of his remarks included:

- Recognition of the boldness and unity demonstrated by the youth in addressing issues such as unemployment and exclusion.
- Commendation for the multi-faceted approach taken by youth formations.
- Acknowledgement of the historic nature of the session, where youth formations were invited to submit detailed proposals. This was an invention of the 7th Parliament.
- Emphasis on the importance of youth participation in planning and budgeting processes.
- A warning that apathy could undermine the youth development agenda.

The Deputy Chairperson concluded by thanking all attendees and reaffirming Parliament's commitment to youth transformation.

11.3. Remarks by the House Chairperson: Hon. Frolick

The House Chairperson for Committee Oversight and Public Participation in the National Assembly (NA), Mr CT Frolick, opened with a light-hearted observation: "Participants here today have proven that indeed Friday can be a working day in Parliament."

Key contributions included:

- Gratitude to the Speaker of the National Assembly and the Chairperson of the NCOP (in absentia).
- Appreciation for Minister Chikunga and the commitment to collaborate with sectoral Parliaments.
- Acknowledgement of the NA and NCOP staff for their support since the development of the Concept document.
- Announcement that the Parliamentary Communication Services (PCS) will compile a comprehensive record of the session.
- Noted that the session is a precursor to the P20 Seminar in the Western Cape, which offers youth a chance to engage with international peers.
- Recognition of the presenters, session chairs, and political party representatives for their insightful contributions.
- Proposal to establish a Youth Caucus in Parliament.
- Encouragement to promote the use of indigenous languages to enhance inclusivity and understanding.

11.4. Way forward

To ensure that the outcomes of the P20 Youth Parliament translate into tangible progress, a series of follow-up actions will be undertaken. These steps are intended to strengthen accountability, sustain momentum, and embed the youth voices in the ongoing national policy and governance processes:

- A detailed report of the deliberations will be tabled in both Houses of Parliament.
- Members of the Executive will be invited to present concrete plans to address the issues raised.

- Youth formations are encouraged to remain organized and proactive in engaging with national processes.

12. SUMMARY OF KEY CHALLENGES AND RECOMMENDATIONS

12.1. Key challenges raised during the sessions

The 2025 P20 Youth Parliament served as a critical platform for young people across South Africa to reflect on the state of youth development, equitable access to opportunities, and meaningful participation in governance. Throughout the deliberations, several systemic and structural issues consistently emerged, shaping the discussions and informing the outcomes. The 2025 Youth Parliament brought these challenges to the fore, including:

Persistent Youth Unemployment and Economic Exclusion

A major concern raised was the persistently high rate of youth unemployment, exacerbated by a mismatch between education outcomes and labour market needs. Many young people, particularly in rural and township areas, are unable to access work opportunities despite possessing formal qualifications. The underperformance of Sector Education and Training Authorities (SETAs) in providing workplace experience and placements was noted as a significant barrier to youth economic participation.

Barriers to Skills Development and Education Access

Delegates highlighted the lack of equitable access to technical and vocational training, digital infrastructure, and financial aid as key obstacles in realising the potential of young South Africans. Limited access to data, learning devices, and internet connectivity continues to marginalise learners, especially in underserved communities. Furthermore, learners with disabilities face compounded exclusion due to inaccessible infrastructure and limited psychosocial support in schools, higher education and workplaces at large.

Rural Youth Marginalisation

Youth in rural areas face challenges in accessing land, agricultural support, and development opportunities. The absence of youth-friendly extension services and barriers to participating in food security and agro-processing initiatives contribute to their continued economic exclusion. Calls were made for a holistic rural development strategy that recognises the unique barriers faced by rural youth.

Gender-Based Violence and Vulnerability of Marginalised Youth

The rising incidence of gender-based violence, including violence directed at young women and LGBTQIA+ youth, was raised as a national emergency. Delegates emphasised that

government services remain inaccessible to many survivors and that young people continue to feel unprotected despite the existence of legal and policy frameworks. Youth living with disabilities were also reported to face institutional exclusion, especially in education, employment, and entrepreneurship.

Insufficient Inclusion in Decision-Making

Young people expressed concern over their limited representation in policy design, governance processes, and oversight structures. Youth formations called for a more meaningful and institutionalised role in shaping national policy and for the Youth Parliament not to be a symbolic event but a continuous process of engagement and accountability.

Poor Interdepartmental Coordination and Accountability

A shared concern was that youth development efforts across departments lack coherence, with inadequate monitoring and weak accountability mechanisms. Despite significant budget allocations for youth-targeted programmes, results remain uneven, and the impact on youth livelihoods and employment outcomes remains limited.

Systemic Barriers Undermining Youth Participation in Industrialisation and Economic Inclusion

Young entrepreneurs face a complex web of interrelated structural, administrative, and financial barriers that hinder their full participation in South Africa's industrial and economic landscape. These barriers are particularly pronounced in township and rural communities, where support is minimal, fragmented, or inaccessible. These include structural and regulatory hurdles, inadequate access to funding and delayed disbursement, neglect of township revitalisation and lack of disaggregated and impact-driven data.

12.2. Key recommendations made during sessions

The following recommendations are derived from the discussions, presentations, and deliberations that took place during the 2025 Youth Parliament. They reflect the key concerns raised by young people and stakeholders across a range of thematic areas, including education, economic participation, rural development, gender-based violence, social inclusion, and governance. These recommendations aim to guide Parliament's oversight, legislative, and advocacy functions in addressing the challenges facing South Africa's youth. They also serve as a call to action for government departments and institutions to prioritise meaningful and measurable responses that empower young people and safeguard their rights.

General

- Parliament should institutionalise meaningful youth engagement by mandating all national departments to include youth in policy development, implementation, and monitoring.
- To ensure accountability, regular reporting on progress toward youth development goals (Agenda 2063, SDGs) must be tabled in Parliament.
- Strengthen oversight over youth development institutions, such as the NYDA and PanSALB, to ensure they meet their mandates.
- Expand civic education programmes to empower youth in democratic participation.

Youth Unemployment and Economic Participation

- Strengthen oversight of SETAs and TVET colleges to ensure alignment with labour market needs and enforce graduate placement targets.
- Monitor the performance of SEDA, SEFA, and IDC in supporting youth entrepreneurship.
- Call for an evaluation of existing youth employment tax incentives to assess their impact and recommend reforms.
- Ensure economic policies align with the National Youth Policy and support inclusive youth employment across sectors.
- Oversee the implementation of the YES and Presidential Employment Stimulus to ensure accessibility for rural and marginalised youth.
- Promote budget allocations that support digital inclusion, youth entrepreneurship, and skills development.
- Track disaggregated youth employment statistics by sector and age group to better inform policy responses.
- Hold the Department of Women, Youth and Persons with Disabilities accountable for interdepartmental coordination and progress reporting on youth economic participation.
- Establish Youth Desks in all government departments, including municipalities.
- Review the funding formulas for provinces and municipalities to ensure responsiveness to youth unemployment through additional allocation.
- Call for developing of employment quotas for the appointment of South Africans and foreigners.

- Simplify and harmonise business registration, SARS compliance, and labour regulation processes to reduce red tape and enable easier entry for youth entrepreneurs, particularly in townships.
- Improve the efficiency, transparency, and turnaround times of funding support mechanisms for youth-owned businesses, with a focus on township and rural inclusion.
- Develop dedicated, youth-oriented support infrastructure in townships, including enterprise hubs and industrial zones tailored to local economic conditions and youth needs.
- Simplify B-BBEE compliance processes and ensure practical, accessible support for youth enterprises to benefit meaningfully from economic transformation frameworks.
- Require all relevant departments and agencies to collect and publish disaggregated data on youth entrepreneurship and employment by age, geography, and other demographics to inform policy, track impact, and ensure accountability.

Youth – Rural Development and Agriculture

- Monitor and report on the accessibility and effectiveness of land allocation schemes for young farmers.
- Advocate for budget allocations towards agribusiness incubators and rural training hubs targeted at youth.
- Ensure revitalisation and funding of agricultural colleges to provide youth with practical rural development skills.

Youth and GBVF

- Require quarterly departmental reports on the implementation of GBVF frameworks, focusing on prevention, access to justice, and support services.
- Activate oversight mechanisms (e.g. inquiries) when implementation failures or non-compliance with GBVF protocols are identified.
- Ensure that GBVF prevention is mainstreamed in school curricula and youth development programmes.

LGBTQIA+

- Review the enforcement of anti-discrimination legislation to ensure the protection of LGBTQIA+ youth in schools, health, and workplace settings.
- Mental health service inclusivity indicators should be included in oversight frameworks.
- Require explicit LGBTQIA+ representation in youth consultation, policy frameworks, and governance platforms.

Youth with Disabilities

- Enforce the 5% disability employment equity target across all public departments and state entities with regular compliance tracking.
- Monitor infrastructure upgrades in schools (especially in under-resourced areas like the Eastern Cape, North-West, Northern Cape, Limpopo and Mpumalanga) through grant reporting systems.
- Ensure annual review of NSFAS allocations for students with disabilities, confirming ring-fenced funds are utilised appropriately.
- Expand the appointment of educational psychologists to support learners with barriers.

Youth and Social Inclusion

- Conduct digital infrastructure audits to evaluate equitable access to education and services in rural and township areas.
- Include youth-specific safety and service access indicators in oversight of informal settlement upgrades.
- Require the Department of Social Development to report on how youth marginalisation is addressed in social support programmes, with disaggregated impact indicators.

Youth Parliament and the Executive

- Institutionalise Youth Parliament as an annual programme with formal links to the National Assembly and NCOP structures.
- Refer resolutions of the Youth Parliament to relevant oversight committees for implementation, monitoring and reporting.
- Establish a Youth Compact, coordinated through the Presidency, consolidating government commitments to youth empowerment.
- Request the Executive to table annual progress reports on implementation of Youth Parliament resolutions to promote intergenerational accountability.
- Convene an annual Young People with Disabilities Parliament.

13. PARLIAMENTARY RESOLUTIONS

The following Parliamentary Resolutions are proposed to ensure that the outcomes of the Youth Parliament are formally integrated into the work of Parliament. These resolutions are framed to guide oversight, legislative, and budgetary processes and to promote more inclusive, responsive, and accountable youth development across all spheres of government. Each resolution is aligned with the thematic areas raised by participants and aims to translate the youth-led dialogue into actionable commitments by Parliament and the Executive.

A. General Governance and Legislative Alignment

1. Parliament resolves that all national and provincial departments must institutionalise meaningful professionalised youth engagement by formally integrating youth consultation into the development, implementation, and monitoring of public policy and programmes.
2. Parliament resolves that the Youth Parliament shall be held annually as a formal structure of public participation, with resolutions formally tracked through oversight committees and departmental reporting.
3. Provincial Youth Parliaments should serve as the foundation for the National Youth Parliament, ensuring that localised priorities, challenges, and recommendations are consolidated and meaningfully reflected in the national programme and outcomes.
4. Parliament calls on the Department of Women, Youth and Persons with Disabilities, in collaboration with the Departments of Basic Education, Justice and Constitutional Development, and other relevant entities, to lead a comprehensive legislative review of all laws, regulations, and policies affecting youth. This review should assess effectiveness, coherence, and alignment with national priorities and international obligations. Particular attention must be given to strengthening the legal framework on statutory rape.
5. Parliament resolves that all government departments, state-owned entities, and relevant private sector partners must align their budget allocations and APPs with measurable youth development and employment targets, reflecting economic mainstreaming principles. Progress must be reported quarterly. The Department of Women, Youth and Persons with Disabilities should coordinate and track expenditure for impactful youth development programmes.

B. Youth Employment, Economic Inclusion, and Enterprise Development

6. Parliament resolves to intensify oversight of youth employment programmes, including the Presidential Employment Stimulus and the Presidential Youth Employment Initiative, through quarterly reviews of disaggregated data. A clear legal framework must guide this process.
7. Parliament calls on Statistics South Africa to enhance data collection and analysis on systemic barriers to rural economic development to inform targeted interventions and strengthen oversight.
8. Parliament calls on the Department of Higher Education and Training and the Department of Employment and Labour to strengthen oversight of SETAs, TVET colleges, and artisan training centres to align with labour market needs and enforce graduate placement targets.
9. The Department of Higher Education and Training, in collaboration with relevant departments, must support the development of sport-related career pathways through accredited programmes and practical placements. These initiatives must be costed and funded.
10. Parliament resolves to request a comprehensive evaluation of tax incentives for youth employment and assess their effectiveness in creating sustainable jobs in marginalised communities.
11. Parliament urges National Treasury to ensure fiscal policy is aligned with youth development priorities, including entrepreneurship, digital inclusion, and local economic development.
12. Parliament calls on the Department of Trade, Industry and Competition (DTIC), National Treasury, and SARS to review and simplify compliance frameworks for youth-owned businesses, including registration, tax, and labour regulations.
13. The Department of Small Business Development, in partnership with the NYDA and SEFA, must implement fast-track mechanisms for approved youth enterprise funding, with clear turnaround times and reporting obligations.
14. Municipal Youth Councils, as advisory bodies that provide young people's perspectives to local governments and institutions, must be adequately resourced and funded to enable meaningful participation, effective advocacy, and sustained engagement in local development processes.
15. Provincial and municipal governments must establish youth economic desks to provide access to support services, compliance assistance, and local procurement opportunities.

16. Parliament recommends that the Department of Higher Education and Training, with National Treasury and other stakeholders, develop sustainable mechanisms to address the student debt crisis, especially for financially vulnerable students.
17. Parliament resolves to develop a legal framework to uphold constitutional guarantees and safeguard youth economic opportunities, particularly in sectors impacted by illegal activity or non-compliance with labour and immigration laws.
18. Parliament supports the reindustrialisation of strategic sectors, including local beneficiation of mineral resources, to drive youth employment and inclusive growth.
19. The Department of Planning, Monitoring and Evaluation must report on Presidential commitments related to youth inclusion targets. Entry criteria in government programmes should be adjusted to avoid penalising lack of experience. A clear legal and policy framework must guide implementation, including resourcing of Youth Councils.

C. Youth, Rural Development and Agriculture

20. Parliament calls on the Department of Agriculture, Land Reform and Rural Development to fully implement NARYSEC and promote youth-inclusive rural development through land access and support for youth-led cooperatives.
21. Parliament resolves that the Department of Agriculture must prioritise the revitalisation and funding of agricultural training institutions to support youth in agro-enterprise.
22. Parliament resolves to prioritise youth access to land to enable their meaningful participation in agriculture and contribute to sustainable livelihoods and food security.

D. Youth and Crime Prevention

23. Parliament resolves that the Departments of Basic Education, Health, Higher Education, Social Development, Justice, and Police must submit quarterly reports on the NSP on GBVF, with disaggregated data on youth survivors and related issues such as teenage pregnancies and statutory rape.
24. Parliament calls for the integration of GBVF awareness and prevention into the school curriculum and youth development programmes as part of the national prevention strategy.
25. Parliament resolves that the Department of Police (South African Police Service), in collaboration with relevant departments and entities, must develop and implement targeted strategies to address crimes that disproportionately affect and exploit young people. These include, but are not limited to, statutory rape, gangsterism, drug trafficking, human trafficking, extortion, and the recruitment of youth into criminal

networks. Efforts must focus on prevention, community-based interventions, improved policing, and the protection of vulnerable youth, particularly in high-risk and under-resourced communities.

E. LGBTQIA+ Youth

26. Parliament resolves to strengthen oversight of the enforcement of anti-discrimination laws in education, healthcare, and the workplace, with a focus on LGBTQIA+ youth.
27. Parliament calls on the Department of Health to include responsiveness indicators for LGBTQIA+ youth in the performance frameworks of mental health service providers.

F. Youth with Disabilities

28. Parliament resolves that all public entities must comply with the minimum 5% disability employment equity target and submit annual compliance reports to the relevant committees.
29. Parliament calls on the Department of Basic Education and National Treasury to report on the use of conditional grants for universal access upgrades in schools, with a focus on under-resourced provinces.
30. Parliament calls on the Department of Higher Education and NSFAS to table annual reports on ring-fenced funding for students with disabilities.
31. Parliament resolves to examine and, where appropriate, undertake an international study tour on global best practices for the inclusion of youth with disabilities, with Singapore and Switzerland preliminary identified as benchmarks. The Portfolio Committee on Women, Youth and Persons with Disabilities, together with the Youth Caucus, should lead this process.
32. Noting the principled decision by the Speaker of the National Assembly to convene a Parliament of Persons with Disabilities, this commitment must be implemented without delay to promote inclusion, accessibility, and representation within parliamentary processes. This initiative should be supported and championed by the Multi-Party Women's Caucus, with a view to institutionalising it across all provinces and ensuring alignment with broader equity and inclusion efforts.

G. Youth and Social Inclusion

33. Parliament resolves that the Department of Communications and Digital Technologies must conduct a national audit on youth access to digital infrastructure, particularly in rural and informal areas.

34. Parliament calls on the Department of Social Development to incorporate youth-specific indicators into performance assessments of social support programmes, particularly in informal settlements.

H. Youth Parliament and Executive Accountability

35. Parliament recommends that the Executive, through the Presidency, adopt a coordinated Youth Compact outlining interdepartmental commitments, with annual reporting to Parliament.
36. Parliament calls on the Department of Women, Youth and Persons with Disabilities to develop and implement a national Youth Inclusion Scorecard to measure participation across public entities.
37. Parliament calls on the Department of Women, Youth and Persons with Disabilities to table bi-annual reports on youth development progress, aligned with the SDGs, Agenda 2063, and the National Youth Policy.
38. The established National Assembly Tracking Mechanism, supported by the SharePoint platform, should be institutionalised to monitor the implementation of resolutions from Sectoral Parliaments, Parliamentary Committees, the Executive, and the Presidency. Parliamentary Committees must actively track the implementation of these resolutions and commitments, particularly those related to youth development, through regular updates, clearly assigned responsibilities, and measurable accountability mechanisms.
39. Noting the commitment of the National Assembly Speaker to establish a Multi-Party Youth Caucus, the P20 Youth Parliament must serve as a catalyst for its institutionalisation and for advancing a coherent youth agenda across all levels of government.

14. REFERENCES

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15. COLLABORATE TEAM: CONTRIBUTORS TO THE P20 DRAFT REPORT

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16. APPENDIX: WRITTEN SUBMISSIONS RECEIVED

The following organisations submitted written submissions in response to the call for sector-specific inputs ahead of the 2025 Youth Parliament. These submissions formed an integral part of the deliberative process and are reflected substantively throughout the main body of the report, informing the recommendations and thematic analyses presented.

POLITICAL PARTIES

1. ANC
2. ACDP
3. ActionSA
4. Al Jama
5. ATM
6. DA
7. Economic Freedom Fighters
8. Freedom Front Plus
9. Inkatha Freedom Party
10. GOOD Party
11. Patriotic Alliance
12. RISE Mzansi
13. BOSA - YBM

ACADEMIC

1. University of the Western Cape (UWC)

CIVIL SOCIETY

1. Congress of South African Trade Unions (COSATU)
2. NUM Youth Structure
3. South African Youth Council (SAYC)
4. Disabled Youth South Africa
5. United Africans Transformation (UAT)

DIPLOMATIC

SADC Youth Parliament

COMMITTEE REPORTS

National Assembly

1. REPORT OF THE STANDING COMMITTEE ON FINANCE ON THE 2025 REVISED AND THE PROPOSED FISCAL FRAMEWORK, DATED 26 NOVEMBER 2025

Having considered the 2025 revised and proposed fiscal framework for the medium term, the Committee reports as follows:

1. INTRODUCTION

1.1. On 12 November 2025, the Minister of Finance, Mr Enoch Godogwana, tabled the 2025 Medium Term Budget Policy Statement (MTBPS) before Parliament in accordance with the Money Bills Amendment Procedure and Related Matters Act, Act No. 9 of 2009. On 14 November 2025, the Minister, accompanied by the Deputy Minister, the Director-General of the National Treasury, and senior officials from the South African Revenue Service (SARS), briefed the Standing and Select Committees on Finance and Appropriations during a joint meeting convened to consider the revised and proposed fiscal framework.

1.2. Following this engagement, the Parliamentary Budget Office (PBO) and the Financial and Fiscal Commission (FFC) briefed the Committees on 18 November 2025, providing independent assessments of the macroeconomic assumptions, fiscal risks, revenue performance, and spending pressures underpinning the fiscal framework. These analyses informed the Committees' understanding of the economic environment within which the 2025 MTBPS was crafted.

1.3. Public hearings were held on 19 November 2025, where the Committees received oral submissions from COSATU, the Budget Justice Coalition (BJC), the Institute for Economic Justice (IEJ), the Alternative Information and Development Centre (AIDC), the Public Economy Project (PEP), Amandla.mobi, Breadline Africa, Families4Children, the South African Institute of Chartered Accountants (SAICA), South African Breweries (SAB), and Dr S. Muller, as reflected in the official agenda. Additional written submissions were received from the Beer Association of South Africa (BASA) and Heineken. These submissions addressed issues relating to the revised inflation target, fiscal consolidation, social protection, public transport, municipal finances, revenue proposals, excise taxes, and the overall credibility and sustainability of the fiscal framework.

1.4. The National Treasury formally responded to the issues raised in the public hearings on 21 November 2025, providing further clarity on revenue trends, spending pressures, debt-service costs, macroeconomic risks, and the policy rationale underpinning the revised and proposed fiscal framework. The Committees' deliberations, supported by inputs from the PBO and FFC, informed by public submissions, and enriched by Treasury and SARS responses, form the basis of this Report.

2. POLITICAL OVERVIEW BY THE MINISTER OF FINANCE

2.1. The Minister of Finance provided a political overview of the 2025 Medium-Term Budget Policy Statement, outlining government's fiscal stance, macroeconomic priorities, and the policy considerations underpinning the revised and proposed fiscal framework. He reiterated that the MTBPS serves as the fiscal "compass" that guides expenditure expectations and revenue planning ahead of the February Budget, by setting out the size of the fiscal envelope and identifying the macroeconomic assumptions shaping the fiscal trajectory. The Minister emphasised that the adjusted estimates before Parliament are not a full budget but rather a framework that reflects updated projections, in-year changes, and the overall fiscal direction for the medium term.

2.2. In setting out the broader policy context, the Minister stressed that the fiscal framework continues to rest on four strategic pillars. The first pillar concerns macroeconomic stability, supported by the introduction of the new 3 percent inflation target. While acknowledging that the lower target may affect certain nominal fiscal indicators in the short term, he emphasised that the long-term benefits—including lower borrowing costs, reduced inflation volatility and improved competitiveness—are expected to strengthen the fiscal position over time. The second pillar relates to structural reforms in network industries, where progress in electricity, freight logistics, water infrastructure and telecommunications is expected to improve the investment climate and raise South Africa's potential growth rate. The third pillar focuses on rebuilding state capacity, particularly within municipalities and key trading entities, to ensure more effective service delivery and better financial management. The fourth pillar concerns the acceleration of infrastructure investment, which remains the fastest-growing category of expenditure and a central driver of long-term growth and employment creation.

2.3. The Minister noted that fiscal consolidation is beginning to yield measurable results. The primary surplus is being maintained, and debt-service cost growth has slowed significantly, improving the composition of expenditure. He highlighted that stabilising debt-service costs is critical for preventing the erosion of other priority spending areas and for creating space for infrastructure expansion and social protection. The Minister further emphasised that sustained economic growth is the only durable solution to South Africa's fiscal challenges, as stronger growth would lift revenue collection, expand employment and strengthen the long-term sustainability of the public finances.

2.4. Senior officials from the National Treasury provided further detail on the economic and fiscal assumptions underlying the 2025 MTBPS. Treasury reported that in-year revenue collection had exceeded expectations by R19.7 billion, supported by stronger corporate income tax receipts, increased household consumption and a reduction in fraudulent VAT refund outflows. Revenue buoyancy for 2025/26 is estimated at approximately 1.54, reflecting a stronger-than-expected responsiveness of revenue to economic activity. Despite these improvements, Treasury noted that medium-term revenue estimates are modestly weaker than projected in the 2025 Budget, as lower inflation has reduced nominal GDP and therefore the tax base.

2.5. On expenditure, Treasury reported in-year adjustments totalling R15.8 billion, covering previously announced items as well as new pressures arising since February. A further R13.5 billion has been added to the contingency reserve to accommodate critical in-year priorities, including support for Transnet's iron-ore and coal corridors, capitalisation of the new transmission-infrastructure credit guarantee vehicle, rebuilding Parliament following the 2022 fire, and preparations by the IEC for the 2026 municipal elections. These additions have been partially offset by declared unspent funds, projected underspending, and the withholding of provisional allocations where spending capacity remains weak.

2.6. Treasury outlined further medium-term adjustments arising from the revised inflation outlook. Lower inflation has resulted in downward adjustments of R20 billion over two years to social grants and conditional grants. Savings of R6.7 billion have been identified through reducing low-priority programmes, strengthening beneficiary verification systems, and improving fraud controls.

2.7. Officials highlighted significant progress in addressing payroll irregularities, noting that nearly 9,000 ghost employees have been identified through cross-matching tax and population-register data. The introduction of early retirement without penalties, effective from 15 October 2025, is expected to support the rejuvenation of the public service while containing long-term wage pressures.

2.8. Medium-term additions include allocations for disaster recovery, defence equipment upgrades, political-party funding, the expansion of the Border Management Authority, and capacity strengthening in the Office of the Chief Justice. Treasury also outlined several infrastructure adjustments, including revised implementation schedules for the uMkhomazi Water Project and selected hospital projects. Additional support through the Budget Facility for Infrastructure has been allocated to Transnet, the Polokwane wastewater-treatment programme and the Square Kilometre Array project.

2.9. Treasury reported that consolidated spending is projected to grow at an annual average rate of 3.6 percent over the medium term, in line with the revised inflation outlook and government's infrastructure strategy. Debt-service cost growth has been revised down sharply, from 6.9 percent in the February 2025 Budget to 3.8 percent in the MTBPS, improving the overall composition of spending and freeing up resources for social and economic priorities. Approximately 60 percent of consolidated non-interest spending continues to be allocated to the social wage, thereby protecting vulnerable households.

2.10. The consolidated budget deficit is expected to narrow from 4.7 percent of GDP in 2025/26 to 2.9 percent in 2028/29. The gross borrowing requirement will average 5.4 percent of GDP over the medium term, which is R20 billion lower than projected in the 2025 Budget. Treasury confirmed that the revised Gold and Foreign Exchange Contingency Reserve Account (GFECRA) agreement will provide an additional R31 billion to the fiscus in 2026/27 to reduce borrowing requirements. Gross loan debt is projected to stabilise at 77.9 percent of GDP in 2025/26, slightly higher than previously forecast due to weaker nominal GDP, but still stabilising earlier than anticipated.

2.11. The Minister concluded the overview by reaffirming government's continued commitment to fiscal sustainability, improved efficiency in public spending, the phasing out of underperforming programmes, and the acceleration of infrastructure reforms to support

economic growth. He emphasised that the fiscal framework aims to balance consolidation with the protection of social priorities and to preserve macroeconomic stability while supporting long-term development objectives.

3. OVERVIEW OF THE 2025 REVISED AND 2026 PROPOSED FISCAL FRAMEWORK

Domestic economic performance and outlook

3.1. The 2025 MTBPS emphasises that government's medium-term economic growth strategy remains anchored in four priorities, namely maintaining macroeconomic stability, implementing structural reforms, building state capability, and supporting public infrastructure investment. Furthermore, the 2025 MTBPS continues to commit to fiscal sustainability and debt stabilisation, and highlights government's continued commitment to shift the composition of spending from consumption to investment.

Table 1: Macroeconomic performance and projections

Indicator	2022	2023	2024	2025*	2026*	2027*	2028*
Final household consumption	2.6	0.2	1.0	2.6	1.6	2.0	2.2
Final government consumption	0.7	1.9	-0.1	0.9	2.4	0.0	0.3
Gross fixed-capital formation	5.9	3.0	-3.9	-1.0	2.6	3.2	3.9
Gross domestic expenditure	3.9	0.5	-0.6	2.0	2.0	1.9	2.1
Exports	7.8	5.1	-2.8	-2.0	1.5	2.4	2.9
Imports	15.0	3.9	-6.4	0.7	3.1	2.7	3.1
Real GDP growth	**2.1**	**0.8**	**0.5**	**1.2**	**1.5**	**1.8**	**2.0**
GDP inflation	5.4	4.7	3.9	2.9	3.8	3.6	3.2
GDP at current prices (R billion)	6 667	7 038	7 352	7 660	8 075	8 509	8 964
CPI inflation	6.9	5.9	4.4	3.3	3.7	3.3	3.2
Current account balance (% of GDP)	-0.3	-1.1	-0.7	-1.0	-1.8	-2.0	-2.0

**2025 figures are estimates; 2026–2028 are forecasts.*
Source: National Treasury, Reserve Bank and Statistics South Africa.

3.2. After growing by 4.1 per cent each in 2024, Sub-Saharan Africa and Nigeria are forecast to grow by 4.1 per cent and 3.1 per cent respectively in 2025. In South Africa, economic growth remained muted in 2023 and 2024, averaging 0.7 per cent and 0.6 per cent respectively. In 2025, the economy is expected to grow by 1.2 per cent, down from the 1.4 per cent estimated in the May 2025 Budget. This downward revision is attributed to weaker growth outcomes in the first half of 2025, delays in reforms, subdued external demand, heightened uncertainty and low confidence.

3.3. Real GDP growth remained weak over the past three years and is only expected to recover gradually over the medium term. According to National Treasury, real GDP grew by 0.8 per cent in 2023 and 0.5 per cent in 2024, reflecting the combined effect of persistent load-

shedding, logistics bottlenecks, low business confidence and weak global demand. In 2025, real GDP growth is expected to improve modestly to 1.2 per cent (revised down from 1.4 per cent in the May 2025 Budget), before rising to 1.5 per cent in 2026, 1.8 per cent in 2027 and 2.0 per cent in 2028. Over the medium term, real GDP growth is therefore projected to average about 1.8 per cent. National Treasury attributes the projected recovery mainly to progress in structural reforms, improved macroeconomic stability and a gradual easing of domestic and external uncertainties, although the growth outlook remains insufficient to meaningfully reduce unemployment and poverty.

3.4. In 2024, provincial economic activity remained highly concentrated in three provinces, namely Gauteng (33.2 per cent), Western Cape (14.2 per cent) and KwaZulu-Natal (16.1 per cent). These three provinces collectively accounted for 63.5 per cent (almost two-thirds) of total provincial GDP in 2024. Limpopo (0.9 percentage points), Gauteng (0.8 percentage points) and Western Cape (0.7 percentage points) recorded higher GDP growth rates than the national average of 0.5 per cent, while the Eastern Cape, North West and Northern Cape recorded negative growth rates ranging between 0.1 and 0.2 per cent in 2024 (Statistics South Africa). This pattern underscores both the spatial concentration of economic activity and the unevenness of the recovery across provinces.

3.5. The demand components of GDP confirm that domestic expenditure has been subdued. Household consumption, which is the largest component of GDP on the expenditure side, grew by only 1.0 per cent in 2024, reflecting pressure on real disposable incomes from weak employment growth, high indebtedness and elevated administered prices. General government consumption spending also remained constrained as fiscal consolidation measures continued. Gross fixed capital formation contracted in 2024, while the current account deficit widened modestly, indicating that the combination of weak domestic demand and persistent structural constraints has not yet translated into a strong, export-led recovery.

3.6. Household consumption, as a key contributor to GDP, is estimated to grow by 2.6 per cent in 2025. While some risks remain, National Treasury expects household consumption to benefit over the medium term from lower inflation, the lagged effects of recent interest rate cuts, somewhat improved sentiment and, to a lesser degree, withdrawals from the two-pot retirement system. Nonetheless, high levels of household indebtedness and weak labour market outcomes are expected to remain a drag on consumption growth, limiting the extent to which household spending can drive a stronger recovery.

3.7. Gross Fixed Capital Formation (GFCF) averaged 3.9 per cent in 2023 but contracted by 3.7 per cent in 2024, signalling a weakening investment climate. Compared to a recovery of 3.2 per cent projected in the May 2025 Budget, National Treasury now expects GFCF to contract by 1 per cent in 2025, as investment by the private sector and public corporations falls in response to global trade policy uncertainty and persistent bottlenecks in energy, logistics and other network industries. Over the medium term, investment is expected to average 3.2 per cent, with the outlook projected to improve as growing public and private investment in transport and energy boosts the broader investment climate. National Treasury expects public infrastructure reform and investment to support growth over the medium term, including through mobilising greater private-sector participation, enhancing public finance for infrastructure, and strengthening municipal service delivery and capability.

3.8. The external sector outlook remains challenging. The current account deficit was estimated at 0.7 per cent of GDP in 2024 and is projected to widen to 1.0 per cent in 2025, 1.8 per cent in 2026 and 2.0 per cent in both 2027 and 2028. This trajectory reflects a combination of subdued but recovering imports, modest export growth and volatile global commodity prices. While a more competitive exchange rate and improved logistics performance could support exports over time, the widening projected current account deficit suggests that South Africa will continue to rely on external financing, reinforcing the importance of credible fiscal and macroeconomic policy in maintaining investor confidence.

3.9. GDP at current prices is projected to rise from R7.35 trillion in 2024 to R7.66 trillion in 2025 and R8.07 trillion in 2026, reaching R8.51 trillion in 2027 and R8.96 trillion in 2028. However, this nominal growth is increasingly being driven by real activity rather than high inflation, consistent with the lower inflation path and the revised inflation target. While slower nominal GDP growth reduces the automatic buoyancy of some tax bases in the short term, it is intended over time to support lower interest rates and a more sustainable debt-service burden.

3.10. Headline consumer price inflation (CPI) is expected to decrease from 4.4 per cent in 2024 to 3.3 per cent in 2025. Headline CPI is then projected to rise modestly to 3.7 per cent in 2026 before declining to 3.2 per cent in 2028, broadly consistent with the new inflation target. The Minister of Finance introduced a new inflation target of 3 per cent, with a one percentage point tolerance band on either side to accommodate normal economic fluctuations, instead of the previous range of between 3 and 6 per cent, which targeted the mid-point of 4.5 per cent. National Treasury explained that the revised target is expected to benefit all South Africans, especially poorer households. In the short to medium term, targeting lower inflation will result in lower nominal GDP, which will lead to reduced revenue projections and a less favourable debt-to-GDP ratio. Over time, however, the lower target is expected to create space for permanently lower interest rates, which should support household spending and investment, thereby boosting economic growth and job creation.

3.11. According to Statistics South Africa's Quarterly Labour Force Survey (QLFS), the number of employed people increased from 16.8 million in the second quarter of 2025 to 17.1 million in the third quarter of 2025, an increase of 248 000. Over the same period, the number of unemployed people decreased by 360 000, from 8.367 million to 8.007 million. The official unemployment rate consequently decreased from 33.3 per cent to 31.9 per cent, while the expanded unemployment rate, which includes discouraged work-seekers, declined from 43.4 per cent (12.7 million people) to 42.4 per cent. These developments indicate some improvement in labour market conditions, although unemployment remains extremely high by international standards.

3.12. At provincial level, the number of employed people increased in eight provinces between the second and third quarters of 2025, with the exception of the Eastern Cape, which lost 53 000 jobs. In the third quarter of 2025, the highest unemployment rate was recorded in the Eastern Cape at 41.2 per cent, followed by North West and Free State at 38.1 per cent and 36.2 per cent respectively. This points to persistent spatial disparities in labour market outcomes, with certain provinces continuing to experience structurally higher unemployment despite the modest national improvement.

3.13. National Treasury's identified risks to the economic outlook include further delays in implementing structural reforms, particularly in the energy and logistics sectors, which would constrain growth and investment. On the upside, lower inflation and interest rates, combined with improvements in infrastructure spending and implementation, are expected to support higher growth over the medium term if reforms are executed as planned. The overall outlook therefore remains highly sensitive to the pace and credibility of reform implementation and to global economic and financial conditions.

The main budget framework

3.14. National Treasury (NT) indicated that government's fiscal strategy remains on course to meet the fiscal targets set out in the 2025 Budget, despite a weak economic environment. The 2025 MTBPS projects better fiscal balances for 2025/26 than the 2025 Budget, with gross loan debt expected to stabilise in the current year and to decline over the medium term, while the primary budget surplus continues to increase. Some of the policy reforms intended to support the fiscal strategy include consideration of options for a formal fiscal anchor to help ensure that public finances remain sustainable over the long term, improving revenue-collection efficiency, and budget-reform measures to boost efficiency and reduce waste. The latter include identifying and removing underperforming programmes from the budget, removing "ghost workers" from the payroll, and introducing the Early Retirement Programme.

3.15. Gross tax revenue for 2025/26 is now projected to be R19.7 billion higher than in the 2025 Budget. As shown in Table 2, main budget revenue is expected to increase from about R2.0 trillion in 2025/26 to about R2.3 trillion in 2028/29, rising from 25.3 per cent to 25.7 per cent of GDP. NT acknowledged, however, that medium-term revenue prospects are weaker than previously anticipated despite over-performance in near-term collections. This is partly due to the impact of lower inflation on projected growth in tax bases. Expectations for corporate income tax (CIT) and personal income tax (PIT) collections have been revised downward because of a weaker profitability outlook and lower wage-bill growth, respectively. NT cautioned that improved tax-revenue collections over the medium to long term will depend on stronger economic growth and further gains in tax compliance and tax administration.

Table 2: Main budget framework

Item (R billion)	2022/23	2023/24	2024/25 (Outcome)	2025/26 (Revised)	2026/27 (Proposed)	2027/28	2028/29
Main budget revenue	1 699.2	1 723.8	1 809.8	1 968.7	2 091.0	2 207.9	2 336.3
– as % of GDP	25.1	24.2	24.5	25.3	25.6	25.6	25.7
Main budget expenditure	2 009.2	2 046.9	2 144.6	2 321.7	2 385.9	2 479.9	2 584.2
– as % of GDP	29.7	28.8	29.0	29.8	29.2	28.8	28.5
Non-interest expenditure*	1 700.7	1 690.8	1 758.8	1 900.2	1 949.9	2 023.9	2 112.3

– as % of GDP	25.1	23.8	23.8	24.4	23.9	23.5	23.3
Debt-service costs	308.5	356.1	385.8	421.5	436.0	455.9	471.8
– as % of GDP	4.6	5.0	5.2	5.4	5.3	5.3	5.2
Main budget balance	-309.9	-323.1	-334.9	-353.1	-294.8	-272.0	-247.8
– as % of GDP	-4.6	-4.5	-4.5	-4.5	-3.6	-3.2	-2.7
Primary balance	-1.5	33.0	51.0	68.5	141.2	183.9	224.0
– as % of GDP	-0.0	0.5	0.7	0.9	1.7	2.1	2.5

**Includes contingency reserve.*
Source: National Treasury

3.16. On the expenditure side, the 2025 MTBPS increases main budget non-interest expenditure by R15.8 billion in 2025/26 compared to the 2025 Budget. This includes additions to the R13.5 billion contingency reserve for Transnet's freight-rail rehabilitation projects, the capitalisation of the credit-guarantee vehicle, rebuilding of Parliament, Sentech dual-illumination costs and the 2026 municipal elections. Main budget expenditure is projected to rise from R2.3 trillion in 2025/26 to almost R2.6 trillion in 2028/29, with consolidated government spending increasing from R2.59 trillion to R2.88 trillion over the same period. Over the medium term, economic development is the fastest-growing function at around 5 per cent per year, driven mainly by higher infrastructure allocations.

3.17. Over the next two years, main budget non-interest spending will decrease by a net R20.4 billion relative to previous plans, including a downward adjustment of R19.1 billion due to lower CPI inflation. The social wage nevertheless accounts for about 61 per cent of total non-interest spending over the medium term. The expenditure ceiling is reduced by R6 billion in 2026/27 and R13.8 billion in 2027/28.

3.18. The main budget deficit is projected to average about 4.5 per cent of GDP in 2025/26 and to narrow to 2.7 per cent of GDP in 2028/29. The consolidated budget deficit is expected to decline from 4.7 per cent of GDP in 2025/26 to 2.9 per cent in 2028/29. NT now expects gross loan debt to stabilise at 77.4 per cent of GDP in 2025/26, slightly higher than the 76.2 per cent projected in the May 2025 Budget. In rand terms, gross debt is projected to increase from R6.07 trillion in 2025/26 to R6.99 trillion in 2028/29.

3.19. Debt-service costs in 2025/26 are projected to be R4.8 billion lower than estimated in the 2025 Budget, supported by lower interest rates, lower inflation and a stronger currency. Over the next three years, government will spend R1.36 trillion on servicing debt, including R421.6 billion in 2025/26. The primary budget balance is projected to improve from a surplus of R68.5 billion in 2025/26 to R224 billion in 2028/29, rising from 0.9 per cent to 2.5 per cent of GDP. NT expects this growing primary surplus to enable government first to stabilise and then to reduce debt and debt-service costs, noting that government borrowing rates have declined for much of 2025, contributing to the lower projected debt-service burden.

3.20. NT identified key risks to the fiscal outlook, including weaker-than-expected global and domestic economic growth, volatility in gross tax revenue, the financial health of state-owned enterprises, and higher borrowing costs arising from global monetary conditions or changes in investor sentiment.

4. CONSTITUTIONAL AND STATUTORY INSTITUTIONS INPUT

4.1. The inputs of the Parliamentary Budget Office and the Financial and Fiscal Commission converged on a central concern that the 2025 MTBPS and the revised fiscal framework are unlikely to deliver the scale of economic expansion and social progress envisaged in the 2024–2029 Medium-Term Development Plan (MTDP. Both institutions stressed that, against MTDP targets of real GDP growth above 3 per cent and unemployment below 28 per cent by 2029/30, the macroeconomic outlook remains weak. The PBO's modelling projected growth in the range of 1.1 to 1.5 per cent over the medium term, while the FFC's forecast was even more subdued, with real GDP growth expected to average close to zero. Both linked this outlook to entrenched structural weaknesses, including inadequate investment, deindustrialisation, weak total factor productivity, persistent inequality and institutional inefficiencies, and warned that, on current trajectories, unemployment, poverty and inequality will only improve marginally over the medium term.

4.2. Both institutions characterised the fiscal stance as heavily weighted toward consolidation, with insufficient emphasis on developmental and pro-growth expenditure. The PBO argued that social assistance spending as a share of GDP remains below what is required to support the redistributive ambitions of the MTDP and the National Development Plan, and that the reorientation of spending toward capital investment will not, on its own, crowd in sufficient private investment without stronger state capability and implementation. The FFC similarly cautioned that rising debt-service costs are absorbing an increasing share of the budget and constraining the space for essential public services and investment. In its view, the current fiscal framework does not yet reflect a credible path to stabilising gross debt, particularly in light of the growing gap between long-term bond yields and nominal GDP growth, which signals heightened fiscal vulnerability. Both institutions therefore called for a more balanced approach that protects fiscal sustainability while more deliberately supporting inclusive growth, social protection and the strengthening of the developmental state.

4.3. A further area of convergence lay in the assessment of fiscal risks, contingent liabilities and implementation capacity. The PBO highlighted the continuing risks posed by Eskom, Transnet and the Road Accident Fund, noting that these institutions remain significant threats to the fiscus and to the stability of the fiscal framework. The FFC reinforced this concern, pointing to persistent and substantial contingent liabilities linked to state-owned companies and underlining the need for close oversight of new instruments such as the Credit Guarantee Vehicle. It also identified the public-sector wage bill as a major ongoing risk, recommending a strict, rules-based framework to align wage growth with inflation and GDP. Both institutions stressed that weaknesses in execution are undermining the intended impact of budgeted allocations. The FFC drew attention to large rollovers, such as the R1.0 billion for the South Africa Connect project, and the withdrawal of R3.3 billion from the Water and Sanitation vote due to delays in the uMkhomazi Water Project, warning that such patterns reflect capacity constraints and carry long-term implications for service delivery, including future water security. The PBO similarly cautioned that increased infrastructure allocations will not translate into growth and employment benefits without addressing underspending, capacity deficits and bottlenecks, particularly at local government level.

4.4. In relation to the intergovernmental fiscal system, the FFC's input deepened the picture of structural misalignment between fiscal instruments and service delivery pressures. It noted that increases to the provincial equitable share are largely absorbed by personnel pressures in education and health and raised concerns that the integration of the School Infrastructure Backlogs Grant into the Education Infrastructure Grant may dilute the targeted focus on eradicating unsafe and inappropriate school structures. For local government, the Commission reiterated that the Local Government Equitable Share remains based on 2011 Census data, resulting in transfers that no longer reflect current population distribution, urbanisation and demand for basic services. While it welcomed reforms such as the performance-based Urban Development Financing Grant and the revised delivery model for the Municipal Infrastructure Grant, it stressed the need for clear performance targets, dedicated capacity support and structured interventions for chronically underperforming municipalities. These issues align with the PBO's broader concern that without better targeted, better executed and more adequately resourced intergovernmental transfers, the fiscal framework will fall short of the MTDP's objectives of a capable, ethical and developmental state.

4.5. Both institutions engaged substantively with the macro-fiscal implications of the newly announced 3 per cent inflation target. The PBO argued that lowering the target in a context where inflation is largely driven by administered prices, exchange-rate volatility and global commodity shocks is unlikely to address the main drivers of price increases but is likely to dampen growth and employment. It warned that higher real interest rates associated with the new target could raise debt-service costs, reduce nominal GDP growth and constrain revenue collection, thereby tightening the fiscal envelope. While the FFC did not focus exclusively on the inflation target, it highlighted similar concerns through its emphasis on the widening gap between long-term borrowing costs and nominal GDP growth and advised that government explore options to reduce borrowing costs, including engagement with lenders to improve the terms of existing obligations. Taken together, these inputs suggest a shared concern that macroeconomic and monetary choices may complicate the pursuit of developmental and employment objectives unless carefully managed and subjected to robust parliamentary scrutiny.

4.6. The combined inputs of the PBO and FFC indicated that the 2025 MTBPS, while making progress in stabilising certain fiscal indicators and articulating a reform agenda, does not yet place South Africa on a trajectory capable of meeting its fiscal-stability and developmental commitments. Both institutions underscored the gap between stated priorities, such as inclusive growth, job creation, poverty reduction and building a capable state, and the scale and composition of actual budget allocations and implementation outcomes. They called on Parliament to strengthen oversight of fiscal risks, contingent liabilities, infrastructure delivery, social-assistance adequacy, the wage bill and intergovernmental transfers, and to ensure that future fiscal frameworks are more closely aligned with the MTDP's objectives.

5. ANALYSIS OF PUBLIC SUBMISSIONS

5.1. This section provides a thematic analysis of the public submissions received on the 2025 Medium-Term Budget Policy Statement and the Revised and Proposed Fiscal Framework.

It synthesises the main arguments advanced by organised labour, civil society coalitions, research organisations, child-rights and ECD coalitions, industry bodies and professional associations and individuals. The detailed stakeholder-by-stakeholder summaries are contained in Annexure B. The themes discussed below draw together points of convergence and divergence across submissions. All substantive issues raised in the individual submissions in Annexure B are reflected under at least one theme in this section.

Overall fiscal stance, growth strategy and "austerity"

5.2. A central area of contention across submissions was the overall fiscal stance and its implications for growth, employment and socio-economic rights. COSATU acknowledged improvements in certain areas of the state, particularly at Eskom, Transnet, Metrorail and the South African Revenue Service, as well as South Africa's exit from the FATF grey list and recent employment gains. However, it argued that the fiscal framework lacked the boldness required to lift the economy out of a prolonged low-growth trap. In COSATU's view, the MTBPS did not shift the economy off a roughly 1 per cent growth path that had persisted for two decades and did not provide meaningful relief to the more than 12 million unemployed people. The Federation considered the emphasis on deficit reduction and achieving a technical surplus to have come at the expense of more aggressive growth and employment interventions.

5.3. Civil society organisations such as the Budget Justice Coalition, Institute for Economic Justice (IEJ), Alternative Information and Development Centre, Amandla.mobi and the Public Economy Project (PEP) framed the fiscal framework as a continuation or intensification of austerity. The BJC argued that the MTBPS represented a missed opportunity to move decisively away from austerity towards a developmental, rights-based fiscal approach, noting that years of expenditure reductions had weakened economic performance and service delivery. The IEJ characterised the achievement of a primary surplus and debt stabilisation as the product of a decade-long contraction in public employment, public investment and social protection rather than improved growth performance or successful structural reform. AIDC similarly submitted that the consolidation path had weakened public institutions, deepened service-delivery failures and undermined constitutional mandates. PEP described the framework as a re-entrenchment of prolonged austerity, with non-interest spending projected to decline as a share of GDP and real per-capita allocations to essential services expected to fall.

5.4. Some submissions accepted the need for fiscal stabilisation but emphasised associated risks. SAICA recognised progress in slowing debt growth and improving the primary balance and welcomed positive ratings actions but stressed that South Africa remained in a highly constrained environment characterised by low growth, mounting liabilities and reform implementation deficits. It cautioned that stabilising fiscally while stagnating economically would not be sustainable. Industry bodies such as SAB, BASA and Heineken noted early signs of macro-fiscal stabilisation and the projected primary surplus but emphasised the importance of ensuring that consolidation did not undermine household demand and inclusive growth, particularly through tax instruments that directly affected consumption and formal sector employment.

Debt, fiscal sustainability and the proposed fiscal anchor

5.5. Several stakeholders engaged with debt dynamics, debt-service costs and the proposed fiscal anchor. COSATU welcomed efforts to stabilise debt but warned that an overly narrow focus on reducing expenditure and achieving a primary surplus, without sufficient stimulus, risked entrenching low growth and persistent unemployment. The BJC argued that the proposed fiscal anchor, if implemented as envisaged, could lock South Africa into a path of structurally low public expenditure that would be inconsistent with constitutional obligations and the scale of socio-economic need.

5.6. The IEJ and AIDC contended that fiscal consolidation was becoming self-defeating. They argued that while the primary balance was projected to improve, debt-service costs remained elevated as a share of main budget spending and continued to crowd out non-interest expenditure on health, community development, peace and security, and intergovernmental transfers. AIDC warned that the proposed fiscal anchor would entrench austerity and should be rejected in favour of a more expansionary, employment-orientated fiscal framework. PEP described a "revenue triple whammy", whereby lower nominal GDP depressed revenue, debt became more expensive to service relative to income, and political resistance to tax increases forced expenditure to absorb the full weight of consolidation.

5.7. SAICA, by contrast, saw potential value in a credible anchor but emphasised that public debt was still growing much faster than the economy and that the debt trajectory remained fragile, particularly in light of quasi-fiscal risks arising from state-owned enterprises (SOEs) and municipalities. It highlighted guarantees, such as the R94.8 billion extended to Transnet, and rising intergovernmental arrears to Eskom and water boards as threats to the debt outlook. SAICA therefore supported stronger enforcement tools, including continued use of section 216 of the Constitution to withhold transfers from non-compliant municipalities, while calling for improved execution of structural reforms to ensure that stabilisation was accompanied by higher growth.

Social protection, the SRD grant and basic income

5.8. Social protection and the future of the Social Relief of Distress (SRD) grant emerged as a major cross-cutting theme. COSATU expressed disappointment that the SRD grant had again not been adjusted for inflation, noting that it had only been increased once since 2020 despite steep rises in food and transport costs. It argued that this eroded the grant's real value and failed to respond to the scale of deprivation. The Federation supported the extension of the SRD grant and called for a broader package of support for distressed households and businesses, including reform of the UIF's Temporary Employment Relief Scheme and expanded industrial and SMME financing.

5.9. The BJC, IEJ, AIDC and Amandla.mobi all raised strong concerns about the adequacy, design and future of income support. The BJC noted that projected grant spending had been revised down relative to the untabled February Budget and that both the SRD and Child Support Grant remained below the food poverty line, which it considered inconsistent with constitutional guarantees relating to basic nutrition and social security. The IEJ welcomed the extension of the SRD grant to 2027 but criticised the continued exclusionary eligibility rules, the failure to raise its value and the emphasis on fraud, arguing that proposed

conditionalities such as work-seeking requirements would unlawfully exclude vulnerable beneficiaries. AIDC highlighted evidence from the South African Human Rights Commission and other sources indicating severe hunger and underfunded cash transfers and warned that tightening eligibility and verification without expanding coverage would exacerbate hardship.

5.10. Amandla.mobi placed lived experiences of poverty and hunger at the centre of its critique. It welcomed the extension of the SRD grant as a sign of political commitment but argued that the R370 value, far below the food poverty line, was profoundly inadequate, as illustrated by testimonies from recipients who incurred costs simply to access the grant. It urged Parliament to ensure that the SRD grant was not scrapped and that resources were allocated so that all eligible individuals received support without arbitrary exclusion. The organisation reiterated its call for a permanent Basic Income Grant (BIG), criticising the absence of clear timelines or an implementation plan despite previous commitments. It argued that the MTBPS was a missed opportunity to set out a phased BIG roadmap and insisted that any BIG be financed through progressive taxation rather than cuts to other social programmes.

5.11. Dr Muller supported continuation, and possible expansion, of the SRD grant on evidence-based grounds and criticised the recurring pattern in MTBPS and Budget documents of signalling an end date that was not implemented. He described this as creating harmful uncertainty for beneficiaries and undermining fiscal credibility and called on Parliament to take ownership of the policy debate by convening its own hearings on the future of the SRD grant and broader income support.

Public services, employment and the public-sector wage bill

5.12. Many submissions linked the fiscal stance to public employment, frontline services and the state's ability to meet constitutional obligations. COSATU welcomed additional allocations for health, school repairs, public healthcare and early childhood education but expressed alarm at below-inflation adjustments for law enforcement and reductions in the Home Affairs budget. It argued that these sectors are critical for safety, crime prevention and effective immigration management and should not be eroded. COSATU supported efforts to identify approximately 9 000 ghost employees and stressed that recovered funds should be used to fill critical frontline vacancies.

5.13. The IEJ and AIDC provided detailed empirical critiques of the impact of consolidation on public services. The IEJ highlighted the decline in public service employment relative to population growth since 2012/13, citing rising learner-to-teacher ratios, infrastructure backlogs in schools and a declining number of doctors per 1 000 people as evidence that fiscal policy had eroded state capacity. AIDC presented data showing reductions in healthcare professionals in specific provinces and estimated that, if public-sector headcount had kept pace with population growth, South Africa would have had 190 000 more frontline employees than it currently did. Both organisations argued that these trends had produced long waiting lists in hospitals, overcrowded classrooms and failures in municipal service delivery, and that relying on the "share" of spending on the social wage as proof of progress was misleading when the overall envelope was contracting.

5.14. PEP and SAICA also highlighted pressures on frontline services. PEP argued that provincial governments faced rising wage pressures in education, health and policing, while real allocations declined, leading to deteriorating service quality and undermining the social contract. SAICA stressed that execution deficits in public infrastructure and skills development threatened future productivity and that sluggish reforms in technical and vocational education, alongside constrained personnel budgets, risked locking the economy into a consumption-driven, low-productivity pattern.

Poverty, children, early childhood development and parenting support

5.15. A distinctive strand of submissions focused on children, early childhood development (ECD) and parenting support as core fiscal and developmental priorities. Breadline Africa highlighted the macroeconomic and social returns to ECD, drawing on the WHO Nurturing Care Framework and research showing returns of between 7 and 10 per cent for early learning programmes, rising when combined with parental support. It expressed concern that 1.15 million children aged 3–5 remained outside ECD centres and that only 42 per cent of children in ECD centres were developmentally on track, compared with fewer than 20 per cent outside such programmes.

5.16. It linked these deficits to later educational failures, high dropout rates and long-term youth unemployment. While welcoming stated commitments in the MTBPS, including a R10 billion ECD allocation and funding for the E-Cares system, Breadline Africa argued that achieving universal access by 2030 would require an estimated 115 000 new centres and a coordinated public–private partnership model. It called for ECD infrastructure to be recognised explicitly as a fiscal priority, for ring-fenced ECD infrastructure funding within the Municipal Infrastructure Grant and for the reduction of municipal regulatory bottlenecks that delayed ECD projects.

5.17. Families4Children, SAPPIN and the South African National Child Rights Coalition focused on nurturing care and parenting support. They argued that South Africa could not achieve inclusive and sustainable development without making parent-provided nurturing care a national fiscal and policy priority. Despite constitutional and legislative mandates, they submitted that parenting support was not recognised in the MTBPS as a core budgetary priority and remained fragmented and underfunded. The coalition cited evidence that the country was losing a large share of its potential human capital due to deficits in early childhood development, noting that children were projected to achieve only 43 per cent of their developmental potential by age 18, unchanged for more than a decade. They recommended that universal parenting support be explicitly recognised as a fiscal priority, anchored at the highest level of government, and proposed strengthening the Office on the Rights of the Child within the Presidency, using the Targeted and Responsible Savings (TARS) process to prioritise high-return parenting interventions, and ring-fenced allocations to provinces and municipalities for prevention and early-intervention services.

5.18. Amandla.mobi and AIDC linked child outcomes to social protection and basic services. Amandla.mobi highlighted more than 1 000 child deaths from acute malnutrition and starvation and argued that many families could not secure basic nutrition and that the fiscal framework did not provide a sufficiently urgent response. AIDC referred to findings of the

South African Human Rights Commission regarding hunger and malnutrition and argued that underfunded programmes such as the Child Support Grant and the National School Nutrition Programme were already insufficient, with further tightening of eligibility and verification risking deeper deprivation.

Inflation targeting, monetary policy and macro-fiscal coordination

5.19. The revision of the inflation target to 3 per cent, with a one percentage point band, elicited strong responses. COSATU accepted, in principle, that lower inflation could protect workers' purchasing power but warned that, in the current environment, it was likely to translate into higher interest rates for longer, exacerbating the burden on highly indebted working- and middle-class households. It called for a more balanced approach to the South African Reserve Bank's mandate, which, while protecting the currency and controlling inflation, should also support growth, employment and debt relief for workers.

5.20. The BJC, IEJ, AIDC, PEP and Dr Muller were critical of both the process and substance of the target change. The BJC argued that no authoritative evidence had been presented to justify the change, particularly regarding employment, growth, inequality and debt dynamics, and called for more robust engagement supported by explicit data and modelling. The IEJ and AIDC contended that South Africa's inflation was driven largely by global supply shocks and administered prices rather than excess domestic demand, making restrictive monetary policy a blunt and harmful tool. They warned that the lower target could require higher real interest rates, depressing investment, household income and employment, and could raise debt-service costs if bond yields did not fall commensurately.

5.21. PEP framed the change as part of a broader environment of "monetary dominance", in which monetary policy, through disinflation and a compressed GDP deflator, effectively determined the budget trajectory by lowering nominal GDP and narrowing the revenue and spending envelope. It argued that financial institutions and bondholders benefitted from lower inflation via preserved real asset values, while indebted households faced higher real repayment burdens, with negative knock-on effects for VAT and growth. Dr Muller went further in critiquing the process as undemocratic and potentially unconstitutional, arguing that the decision lacked genuine public consultation, independent analysis and parliamentary scrutiny, and that much of the supportive research originated from institutions with potential conflicts of interest.

5.22. SAICA recognised potential long-term benefits of more firmly anchored inflation expectations but cautioned that achieving the new target would require suppressing public expenditure and household consumption in the short term. It emphasised the need to manage distributional impacts carefully to avoid undue hardship for lower-income households and underscored that the success of the new target depended on improved efficiency, discipline in spending and progress with structural reforms. PEP recommended a more explicit macro-fiscal coordination framework, such as flexible inflation targeting with defined escape clauses and joint reporting, to ensure coherence while preserving SARB independence.

Tax policy, progressivity, VAT and wealth-related measures

5.23. Tax policy and revenue-raising options were a major point of divergence. The BJC, IEJ, AIDC and Amandla.mobi argued that the existing tax system, while broadly progressive, was not being used to its full redistributive potential in a highly unequal society. The BJC emphasised that the 2025 MTBPS did not introduce new progressive tax measures and reiterated its call for a shift toward more robust taxation of wealth, high incomes and excess corporate profits, rather than relying on continued expenditure restraint. It argued that National Treasury had not sufficiently explored alternative progressive options, such as restoring the corporate income tax rate to 28 per cent, strengthening wealth and inheritance taxes, reducing tax expenditures that benefit higher-income groups, strengthening SARS to recover uncollected taxes and making more strategic use of GFECRA-related resources. Several stakeholders, particularly Amandla.mobi, cautioned against any future increases in the VAT rate, given their regressive impact on low-income households.

5.24. The IEJ and AIDC advanced specific revenue proposals. AIDC drew on its work on "Tax in the World's Most Unequal Country" to argue that restoring effective tax rates for high-income earners to 1990s levels, eliminating medical-aid tax credits, strengthening taxes on dividends and wealth, and taxing idle capital could collectively mobilise substantial additional revenue. The IEJ recommended reducing tax breaks for high-income individuals, tackling illicit financial flows and considering a net wealth tax. Amandla.mobi proposed a package including higher personal income tax for those earning over R1 million, a progressive annual net-wealth tax, and the removal of tax preferences such as the medical-aid rebate and certain retirement fund deductions that primarily benefit high-income households. It stressed that tax increases should not fall on low- and middle-income earners and that the VAT rate should not be increased, except perhaps on clearly defined luxury goods.

5.25. SAICA focused on the credibility and quality of revenue estimates and the structure of the tax base. It noted that higher projected tax-to-GDP ratios signalled a heightened possibility of tax increases in 2026 and raised concerns about "tax by inflation" via bracket creep, urging Parliament to clarify its position on this practice. SAICA also highlighted concerns about the sustainability of SARS's debt book, growing disputes and unpaid refunds, warning that these could affect net revenue collections. COSATU, while opposing further tax increases on working- and middle-class households, supported improved SARS capacity to combat tax evasion, illicit trade and customs fraud, and called for inflationary adjustments to income tax brackets to protect real wages.

5.26. Industry submissions from SAB, BASA and Heineken focused more narrowly on excise policy, but with clear implications for tax design and progressivity. They argued that repeatedly increasing beer and alcohol excise above inflation had pushed effective tax incidence above policy guidelines, compressed margins and contributed to a shift toward illicit markets, thereby undermining both industry sustainability and revenue collection. These stakeholders supported an inflation-linked path for excise, greater policy certainty through medium-term excise frameworks and an emphasis on enforcement against illicit trade rather than further across-the-board rate increases.

Illicit trade, excise taxes and enforcement

5.27. Illicit trade in alcohol featured prominently in submissions from SAB, BASA and Heineken and was linked to broader concerns about enforcement and revenue integrity. SAB and BASA argued that repeated above-inflation excise increases on beer had raised the tax incidence beyond the stated 23 per cent guideline, with BASA estimating actual incidence at around 25 per cent. They submitted that this had made legal products more expensive in a context of weak disposable income and high input costs, thereby encouraging consumers to shift to illicit alcohol, estimated to be worth tens of billions of rand annually. Heineken provided similar estimates of revenue lost to illicit alcohol and welcomed the Minister's acknowledgment of the problem as an important shift.

5.28. These industry submissions converged on several points. They argued that excise policy should be aligned with inflation to maintain the real value of revenue without suppressing legal demand, that above-inflation increases were counterproductive in a fragile economy, and that enforcement had to be significantly strengthened. They supported sustained and enhanced public–private partnerships, joint operations between SARS and SAPS and a stronger focus on smuggling, counterfeit production and undeclared imports. They argued that predictable excise policy, combined with robust enforcement, would support investment, protect jobs and safeguard the tax base, whereas unpredictable, steep excise increases risked shrinking the formal market and expanding illicit activity.

5.29. Other submissions, such as those from COSATU, the BJC and Amandla.mobi, did not focus primarily on alcohol excise but emphasised more generally the importance of strengthening SARS, tackling tax evasion and addressing illicit financial flows as a means to increase revenue without relying on regressive tax measures. Collectively, these contributions underscored that enforcement, compliance and institutional capacity were central to a sustainable revenue strategy.

State-owned enterprises, guarantees and fiscal risks

5.30. Financial support to state-owned enterprises and the terminology used to describe it generated significant debate. COSATU welcomed additional allocations for Transnet Freight Rail and electricity transmission and acknowledged the progress at Eskom in reducing load-shedding but argued that Eskom required stronger support to address municipal debt, theft and vandalism and to protect energy-intensive industries from closure due to escalating tariffs. It expressed concern about slow recovery at Denel, the SABC, the Post Office and Postbank and called for accelerated turnaround strategies at these entities.

5.31. AIDC, IEJ, PEP and SAICA raised concerns about the fiscal risks posed by SOEs and the credibility of conditions attached to support. AIDC argued that despite achieving a primary surplus, debt-service costs remained high, partly due to cumulative SOE support, which had not always been matched by effective restructuring or accountability. PEP noted that Treasury's calculation of the primary balance excluded Eskom support, implying that the "true" primary position was weaker than presented. SAICA stressed that guarantees to SOEs constituted quasi-fiscal liabilities that threatened the debt outlook and warned that persistent cash-flow deficits at SOEs and municipalities mirrored earlier patterns seen at Eskom.

5.32. Submissions also interrogated the language of "bailouts" versus "recapitalisation". Some stakeholders, including COSATU and other social partners in oral engagements, argued that

referring to support as “bailouts” framed SOEs as external to the state and undermined recognition of their strategic roles. They preferred terms such as “recapitalisation” or “business rescue” where support was clearly linked to credible, conditional turnaround plans. More critical voices used “bailouts” to emphasise perceptions that support had rewarded poor performance without adequate accountability. Across these perspectives, there was a shared demand for greater transparency on the conditions attached to support, regular public reporting on compliance and a shift from ad hoc crisis responses to a longer-term strategy for SOE viability.

Local government, basic services and municipal finances

5.33. Local government finances and basic services featured in several submissions. COSATU welcomed allocations for transmission and water infrastructure but argued that these were insufficient to address the widespread collapse of basic services in many municipalities. It called for more decisive action against municipalities that failed to pay salaries, pension contributions and creditors or could not maintain basic infrastructure and argued for an urgent overhaul of the local government funding model. COSATU supported the phased roll-out of the District Development Model as part of a broader effort to stabilise local government.

5.34. AIDC and the IEJ linked local government failures to broader austerity trends, noting declining real transfers to provinces and municipalities and pointing to evidence of staff losses and service-delivery breakdowns. Breadline Africa and the child-rights coalition submissions highlighted municipal capacity, regulatory processes and infrastructure responsibilities as critical constraints in expanding ECD and parenting support services, citing examples where municipal red tape and weak capacity had delayed or undermined high-impact interventions. SAICA also referred to heavily indebted municipalities and rising intergovernmental arrears as a key fiscal risk and supported the use of stronger enforcement mechanisms to ensure municipal compliance with financial obligations, particularly those owed to Eskom and water boards.

Process, transparency, public participation and constitutional obligations

5.35. Many submissions addressed issues of process, transparency and the role of Parliament. The BJC, IEJ, AIDC, PEP and Dr Muller emphasised Parliament’s constitutional responsibility to ensure that the fiscal framework advanced socio-economic rights and aligned with principles of transparency, accountability and equitable resource distribution. Concerns were raised about the adequacy of public consultation on major policy changes such as the new inflation target, about the lack of systematic publication of underlying policy documents, and about the growing use of large provisional allocations held outside the Appropriation Bill, which the BJC argued weakened parliamentary control over the budget.

5.36. The IEJ and AIDC criticised the absence of a clear plan for the SRD grant and broader income support as a source of harmful uncertainty and argued that Parliament should demand clarity and lead public debate on long-term social protection. PEP highlighted the absence of a coherent macro-fiscal coordination framework and recommended more structured reporting and engagement between fiscal and monetary authorities, subject to

parliamentary scrutiny. Breadline Africa, Families4Children, SAPPIN, SANCRC and Amandla.mobi all stressed that without explicit fiscal prioritisation of ECD, parenting support and social protection, the state would fail to realise constitutional and developmental objectives and urged Parliament to close these gaps in the Revised and Proposed Fiscal Framework.

5.37. SAICA welcomed improvements in public participation, including Treasury's workshops and the Committees' engagement processes, but argued that reform should extend beyond consultation on policy design to include closer scrutiny of budget implementation, revenue collection and debt management. Across the spectrum, submissions called on Parliament to exercise proactive oversight, to interrogate the trade-offs embedded in the fiscal framework and to ensure that stabilisation did not come at the expense of long-term human development and constitutional rights.

6. RESPONSES TO STAKEHOLDER SUBMISSIONS

6.1. The National Treasury presentation responded to submissions received during the 2025 MTBPS public hearings and began by acknowledging all stakeholders that had made inputs, including civil society organisations, labour, business, research institutions and professional bodies such as the Alternative Information & Development Centre, Amandla.mobi, the Beer Association of South Africa, Breadline Africa, the Budget Justice Coalition, COSATU, Dr S.M. Muller, Families4Children/SAPPIN/SANCRC, the Financial and Fiscal Commission, Heineken, the Institute for Economic Justice, the Parliamentary Budget Office, the Parliamentary Research Unit, the Public Economy Project, SAICA and South African Breweries.

6.2. It reiterated that the MTBPS sets the policy framework for the next Budget, updates Parliament on the economic outlook and fiscal position, and forms part of a broader public-participation process that included a macro-fiscal workshop in August 2025 and other engagements on the proposed fiscal anchor. Treasury stressed that submissions often contained conflicting policy demands and that the fiscal framework had to balance growth, redistribution, debt sustainability and macroeconomic stability.

6.3. Treasury summarised the main messages of the 2025 MTBPS as an effort to improve the health of public finances while accelerating infrastructure investment. It reiterated that real GDP growth was projected to average 1.8 per cent over the MTEF, supported by structural reforms in electricity, transport and logistics, and bulk water, alongside regulatory changes to improve the business environment (including e-visas, a water-use licensing regime and digital identity/payment initiatives).

6.4. The fiscal strategy aimed to maintain a primary surplus, narrow the budget deficit and stabilise gross loan debt at 77.9 per cent of GDP in 2025/26, with the primary surplus rising to 2.5 per cent of GDP by 2028/29. Treasury emphasised that debt-service costs would peak at 21.4 per cent of revenue in 2025/26 before gradually declining and that bailouts of state-owned enterprises in the previous decade had crowded out spending on basic services, a trend it now sought to reverse through tighter conditions, structural reforms and efforts to crowd in private capital.

6.5. A substantial section of the presentation explained the new inflation-targeting parameters and the macroeconomic outlook. Treasury outlined the legal and institutional framework: section 224 of the Constitution mandates the South African Reserve Bank to protect the value of the currency, interpreted as maintaining price stability within an inflation target set by government, while SARB independently chooses the tools (notably the repo rate) to achieve the target.

6.6. NT explained that after a consultative process similar to that used when inflation targeting was adopted in 2000, government decided on a new target of 3 per cent with a ±1 percentage-point band. Treasury argued that inflation targeting was the nominal anchor for price-setting behaviour and showed that average inflation and the repo rate had been lower and less volatile since the introduction of the framework. It further contended that a lower target would slow the rate at which the cost-of-living doubles, support lower nominal interest rates, reduce the sovereign risk premium and improve competitiveness.

6.7. In particular, it highlighted that low-income households (which spend a high share of income on food and transport) had historically experienced above-average inflation, and that structurally lower inflation around 3 per cent would protect their purchasing power over time. Treasury acknowledged that the transition would temporarily lower nominal GDP and revenue growth but argued that this would be partially offset by lower debt-service costs and medium-term gains in real growth.

6.8. On the economic outlook, Treasury reported that real GDP grew by 0.7 per cent in the first half of 2025 and that, even with no further growth in the second half, growth for 2025 would be around 1 per cent. Its forecast of growth rising from 1.2 per cent in 2025 to 1.8–2 per cent by 2028 was broadly aligned with projections from the IMF, SARB and private forecasters, but remained constrained by structural weaknesses and global headwinds. Treasury linked higher medium-term growth to full implementation of Operation Vulindlela reforms in electricity, freight logistics, water and visas, estimating that these could lift growth by about 1.4 percentage points above baseline by 2028, raise fixed investment by roughly 8 per cent and support average employment gains of about 442 000 jobs. It also noted that energy reforms had already unlocked over R400 billion in private investment but warned that administered prices (especially electricity and water tariffs) and the future shutdown of generating capacity and the Cahora Bassa contract would remain important upside risks to inflation and growth if not managed through coordinated macro-fiscal and sector reforms.

6.9. Treasury then dealt with tax policy, revenue and stakeholder proposals. It confirmed that the 2025 MTBPS maintained the broad tax-policy direction of the 2025 Budget: protecting the tax base, improving equity and efficiency, and simplifying the system. It highlighted the enactment of the Global Minimum Tax legislation to ensure that large multinational corporations pay at least a 15 per cent effective rate and noted that R20 billion in additional tax measures for 2026/27 remained pencilled in but could be reconsidered if collections materially out-performed projections. Treasury reported that gross tax revenue for 2025/26 was now expected to be about R19.7 billion higher than in the 2025 Budget, driven by stronger VAT, corporate and dividends tax collections and lower fraudulent VAT refunds; revenue buoyancy for 2025/26 was revised up to 1.54. At the same time, SARS' total debt

book had risen, and Treasury argued that the additional R7.5 billion allocated to SARS over the MTEF for technology, data science, AI and enforcement was intended to improve collection efficiency, address illicit trade (through a tougher penalty regime, licensing reforms and centralised case management) and strengthen the quality of the debt book.

6.10. In response to public submissions, Treasury recorded that stakeholders had proposed a wide range of tax changes, including increasing personal and corporate income tax on high-income and high-profit earners, introducing a net wealth tax, raising estate and inheritance taxes, closing loopholes, removing or rationalising incentives, increasing the health promotion levy to a 20 per cent rate, and raising excise duties while strengthening anti-illicit-trade enforcement. Treasury stated that South Africa already had a highly progressive tax system, with the top 12 per cent of individual taxpayers contributing over 60 per cent of personal income tax, and that existing national taxes on wealth (estate duty, donations tax, transfer duty and securities transfer tax) amounted to about 1.15 per cent of total revenue, above the OECD average. It emphasised that about 60 per cent of non-interest spending took the form of a "social wage" directed at low-income and vulnerable households and indicated that all proposals would be considered in formulating the 2026 Budget, but within the constraints of maintaining competitiveness, growth and a sustainable tax-to-GDP ratio.

6.11. On the fiscal framework and expenditure, the presentation showed that, relative to the 2025 Budget, there was a revenue overrun of R19.3 billion and lower-than-expected debt-service costs in 2025/26, which allowed a R15.8 billion increase in non-interest spending while still narrowing the main budget deficit by R8.2 billion. Treasury detailed how non-interest expenditure had been adjusted since the 2023 and 2025 Budgets: earlier additions had addressed wage-bill pressures in provincial health and education and in security and justice departments, while the 2025 Budget and MTBPS added resources for frontline services, infrastructure and a higher contingency reserve, partly offset by declared underspending, removal of provisional allocations and savings from low-priority or underperforming programmes. It noted that main budget non-interest spending in 2025/26 now amounted to about R1.9 trillion, and that consolidated spending would grow by an average of about 3.6 per cent a year over the MTEF, broadly in line with the lower inflation outlook. Treasury underlined that the social wage would remain around 60 per cent of non-interest spending (roughly R4.2 trillion over the MTEF), covering basic education, health, housing, local government transfers, social grants and fee-free higher education.

6.12. The presentation also responded directly to expenditure-related recommendations. On calls to reverse the real per-capita decline in health, education and local government spending, Treasury argued that high debt levels limited room for additional borrowing but that the Budget already prioritised the social wage and above-inflation grant increases, and that improvements in efficiency and targeted savings through the Technical Advisory and Regulatory Services (TARS) process were critical. It stated that TARS used a programme-assessment matrix to identify legally misaligned, duplicative or ineffective programmes, with a focus on eliminating waste (including some 8 854 flagged "ghost workers") and redirecting R6.7 billion in savings to growth-enhancing infrastructure and priority services, rather than blunt across-the-board cuts. On specific sectors, Treasury noted additional allocations for early childhood development (including an increase in the ECD subsidy from

R17 to R24 per child per day), a comprehensive review of SETAs to improve governance and labour-market alignment, ongoing work on a sustainable higher education funding model, consolidation of agricultural grants for smallholders, and multi-year funding for HIV/AIDS through the District Health Programmes grant (with a once-off 2025/26 top-up to cushion the withdrawal of PEPFAR funding). It confirmed that the COVID-19 SRD grant had been extended to March 2027 with a preliminary allocation of R36.8 billion but said any move to a permanent basic income grant would require careful consideration of affordability and long-term financing.

6.13. On social protection administration and state capacity, Treasury explained that conditions placed on SASSA's administration budget were intended to enforce compliance with income-verification and periodic-review regulations in the Social Assistance Act, thereby limiting inclusion errors and fraud rather than reducing legitimate beneficiary numbers. It noted that Statistics South Africa would receive additional funding over the MTEF for ICT and operations, with ongoing discussions about strengthening capacity. The presentation also addressed public-service wage-bill concerns: it pointed to the 2022 Personnel Expenditure Review, a joint DPSA–Treasury project to identify ghost workers and payment irregularities, and the introduction of incentivised early and voluntary exit programmes. Treasury conceded that low growth and tight fiscal space constrained headcount expansion but argued that budgets since the 2022 MTEF had repeatedly prioritised frontline personnel in education, health and security, and that wage-bill reforms were intended to slow unit-cost growth so that more posts could be funded within the available envelope.

6.14. Finally, Treasury set out the debt-management and infrastructure strategy. It stated that the gross borrowing requirement for 2025/26 had fallen by R20 billion to R568.2 billion and would be financed through a mix of Treasury bills, domestic and foreign long-term loans and drawdowns on cash balances and the GFECRA account, guided by benchmarks for refinancing risk and the domestic–foreign debt mix. Domestic investors held about three-quarters of government bonds, and auctions were open, rules-based and non-discriminatory, with limited use of liability-management operations (such as bond switches) to smooth redemption profiles. Gross loan debt was projected to rise in nominal terms from R6.07 trillion in 2025/26 to R6.99 trillion in 2028/29 but to stabilise at around 77–78 per cent of GDP, assuming sustained primary surpluses and improved growth. On infrastructure, Treasury emphasised that capital payments were the fastest-growing item by economic classification (around 7.3 per cent average annual growth), with more than R1 trillion allocated to infrastructure over the MTEF. It described reforms to the Budget Facility for Infrastructure, updates to PPP regulations, the creation of a Credit Guarantee Vehicle to de-risk projects without sovereign guarantees, consolidation of various infrastructure offices into a new agency to crowd in private capital, and municipal reforms including a revised municipal infrastructure grant, metro trading-services incentive grants and a municipal utility reform programme. These measures were presented as central to the four-pillar growth strategy: maintaining macroeconomic stability, implementing structural reforms, building state capability and investing in growth-enhancing public infrastructure.

7. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

7.1. The Committee recognises the progress recorded in several areas, as reflected in the 2025 MTBPS and the public engagements undertaken by Parliament in processing the 2025 revised and proposed fiscal framework. The Committee welcomes South Africa's exit from the Financial Action Task Force (FATF) grey list and the subsequent sovereign credit rating upgrade. At the operational level, the achievement and projected expansion of a primary budget surplus, together with the envisaged stabilisation of the debt-to-GDP ratio and a moderation in the growth of debt-service costs, are also noted.

Macroeconomic outlook and growth

7.2. The Committee notes that the macroeconomic outlook remains weaker than the 2024–2029 Medium-Term Development Plan (MTDP) targets. Real GDP growth was 0.8 per cent in 2023 and 0.5 per cent in 2024 and is now projected at 1.2 per cent in 2025, down from 1.4 per cent in the May 2025 Budget, with an average of 1.8 per cent over the next three years. This is significantly below the MTDP target of growth above 3 per cent. Labour-market outcomes remain fragile: between the second and third quarters of 2025, employment increased from 16.8 million to 17.1 million (an increase of 248 000), while unemployment declined from 8.367 million to 8.00 million, with the official unemployment rate falling from 33.2 per cent to 31.9 per cent and the combined rate of unemployment and potential labour force from 43.0 to 42.4 per cent.

7.3. At provincial level, economic activity remains highly concentrated, with Gauteng, Western Cape and KwaZulu-Natal together accounting for 63.5 per cent of provincial GDP in 2024 (33.2, 14.2 and 16.1 per cent respectively), while three provinces (Eastern Cape, North West and Northern Cape) recorded negative real growth of between 0.1 and 0.2 percentage points. The Committee notes further that, while national real GDP growth was 0.5 per cent in 2024, Limpopo (0.9 percentage points), Gauteng (0.8 percentage points) and the Western Cape (0.7 percentage points) recorded higher growth than the national average, underscoring both the spatial concentration of economic opportunity and the differentiated provincial performance dynamics.

Fiscal framework, debt dynamics and the proposed fiscal anchor

7.4. The Committee notes that the revised and proposed fiscal framework projects an improvement in headline fiscal indicators. Main budget revenue is expected to increase from R1,97 trillion in 2025/26 to approximately R2.3trillion in 2028/29, while main budget expenditure rises from about R2.32 trillion to nearly R2.58 trillion over the same period. The main budget deficit is estimated to average 4.5 per cent of GDP in 2025/26 and narrow to 2.7 per cent by 2028/29.

7.5. Gross loan debt is now expected to stabilise at 77.9 per cent of GDP in 2025/26 (slightly above the 77.4 per cent projected in the May 2025 Budget), with the nominal stock of debt increasing from R6.07 trillion in 2025/26 to R6.99 trillion in 2028/29. Debt-service costs, while R4.8 billion lower in 2025/26 than previously estimated, remain very high at R421.6 billion in 2025/26 to R471.8 billion in 2028/29. The primary budget surplus is projected to increase from R68.5 billion in 2025/26 to R224 billion in 2028/29. The Committee notes

concerns raised in submissions that this consolidation path is unfolding in a context of low growth and high unemployment, with real per-capita non-interest spending in several core functions already under pressure. At the same time, the Committee welcomes South Africa's removal from the Financial Action Task Force grey list and the recent S&P credit rating upgrade, noting that these developments, if underpinned by sustained governance and reform efforts, may support lower risk premia and help contain debt-service costs over the medium term.

7.6. The Committee recommends that National Treasury publish, for parliamentary scrutiny, a comprehensive analysis of options for a formal fiscal anchor, including quantitative scenarios that show the effects of different anchor designs on the primary balance, debt-to-GDP path, debt-service costs and non-interest spending as a share of GDP. This should include explicit analysis of what happens to key social and economic functions if non-interest expenditure continues to decline from around 25.1 per cent of GDP in 2022/23 towards approximately 23.3 per cent by 2028/29, as highlighted by some submissions. The Committee further recommends that government deepen and transparently report on its strategy for reducing borrowing costs, including liability-management operations, active engagement with major lenders, and prudent use of instruments such as the GFECRA settlement and associated buffer, currently reflected at about R260 billion.

Inflation targeting, interest rates and macro–fiscal coordination

7.7. The Committee observes that the revision of the inflation target to 3 per cent with a one percentage point band, which represents a policy shift. The MTBPS projects headline CPI declining from 4.4 per cent in 2024 to 3.3 per cent in 2025, rising to 3.7 per cent in 2026 and then easing to 3.2 per cent in 2028. National Treasury argues that a lower and more firmly anchored inflation rate will protect real incomes and, over time, enable structurally lower interest rates. However, several stakeholders, as well as the PBO, caution that in an environment where inflation is predominantly driven by administered prices, exchange-rate movements and global commodity shocks, a tighter target may result in higher real interest rates for longer, with implications for growth, employment, nominal GDP, revenue and debt-service costs. Some submissions also questioned the adequacy of public consultation and the transparency of the evidence base underpinning the decision.

Revenue performance, tax policy and progressivity

7.8. The Committee notes that gross tax revenue for 2025/26 is projected to be R19.7 billion higher than estimated in the 2025 Budget, yet medium-term revenue projections are weaker due to lower nominal GDP and downward revisions to corporate income and personal income tax bases. The MTBPS and submissions highlight a number of pressures: unresolved disputed taxes now totalling about R113 billion, a SARS debt book that grew by R44 billion even as R47 billion was collected from outstanding debts, and the need to balance revenue mobilisation with support for growth and household incomes.

7.9. Stakeholder inputs point to the regressive impact that any increase in VAT would have on low-income households and identify other revenue options, including restoring the corporate income tax rate to 28 per cent, strengthening wealth and inheritance taxation,

recovering part of the estimated R600 billion in annual losses from tax evasion and illicit flows, and introducing a modest annual net-wealth tax on the top 1 per cent, who hold an estimated 55 per cent of national wealth and could, on some proposals, contribute in the order of R192 billion annually. At the same time, the current personal income tax system already places a very high burden on a relatively small tax base, raising concerns about the limits of further increases on middle- and upper-middle-income taxpayers. The Committee also notes concerns raised about the size and volatility of Southern African Customs Union transfers and their interaction with broader regional integration objectives under the Southern African Development Community and the African Continental Free Trade Area and considers that future fiscal frameworks should provide clearer analysis of these dynamics.

7.10. The Committee recommends that any additional revenue required over the medium term be raised primarily from progressive sources and that any consideration of changes to the VAT rate, particularly increases, be subjected to a detailed, quantitative distributional and poverty-impact assessment, to be tabled in Parliament before any decision is taken. This analysis should include the impact on households in different deciles, taking into account that the SRD grant is currently R370, compared to a food poverty line of about R760. The Committee further recommends that SARS be adequately resourced to strengthen enforcement, recover a greater share of outstanding and evaded taxes, and reduce the stock of disputed amounts, and that National Treasury publish a medium-term tax policy roadmap that explicitly sets out the intended balance between income, corporate and wealth-based taxes in achieving both revenue and equity objectives.

Expenditure composition, social wage and frontline services

7.11. The Committee observes that while the social wage continues to account for about 61 per cent of total non-interest spending over the medium term, there is a projected net reduction of R20.4 billion in non-interest spending over the next two years, including a downward adjustment of R19.1 billion from lower CPI inflation and reductions of R6 billion and R13.8 billion in the expenditure ceiling in 2026/27 and 2027/28 respectively. At the same time, submissions highlight that sustained expenditure restraint since around 2012 has resulted in a shrinking public-service headcount in key sectors.

7.12. Evidence presented to the Committee indicates that in the health sector alone, the number of healthcare professionals declined by 6 217 in the Eastern Cape, 789 in the Free State and 1 061 in the Western Cape over the past five years, and that if the public-sector workforce had simply kept pace with population growth, South Africa would have approximately 190 000 more frontline employees than it currently does. These trends manifest in overcrowded classrooms, longer waiting times in health facilities and deteriorating municipal services, raising concerns that the real value of the social wage is being eroded even where nominal allocations are preserved.

7.13. The Committee recommends that, in implementing the Targeted and Responsible Savings (TARS) initiative and other reprioritisation measures, government ensure that core frontline services in basic education, health, social development, policing and local government are protected from further real per-capita erosion. National Treasury should provide Parliament

with regular reports showing real per-capita expenditure by sector, taking into account population growth and inflation, and departments should be required to demonstrate that announced savings do not translate into further reductions in critical frontline posts or essential infrastructure maintenance.

Social protection, the SRD grant and income-support reform

7.14. The Committee notes that social grants are projected to increase above inflation in 2025/26, but that the Social Relief of Distress grant remains at R370 per month, significantly below the food poverty line of around R760. Stakeholder submissions highlight that grant spending projections have been revised down by R15 billion relative to the untabled February Budget and that the current design and value of the SRD grant are inadequate to address widespread hunger and poverty, with over 1 000 child deaths reportedly linked to acute malnutrition and starvation While the extension of the SRD grant to March 2027 provides short-term certainty, beneficiaries still face uncertainty about longer-term income-support arrangements, and administrative barriers and verification rules are reported to exclude many eligible applicants.

7.15. The Committee recommends that National Treasury and the Department of Social Development table, ahead of the 2026 Budget, a comprehensive policy paper on the future of the SRD grant and possible basic income support options. This paper should quantify the fiscal costs and macroeconomic effects of alternative grant values and coverage (including values at or above the food poverty line) and set out clear financing options, including progressive tax measures. The Committee further recommends immediate steps to improve SRD administration, reduce wrongful exclusions, and ensure that any move towards a more permanent income-support mechanism is accompanied by a credible funding strategy that does not entail disproportionate cuts to other essential social and developmental programmes.

Infrastructure, state-owned enterprises and contingent liabilities

7.16. The Committee observes that the 2025 MTBPS increases main budget non-interest expenditure by R15.8 billion in 2025/26 relative to the 2025 Budget, including additions to the R13.5 billion contingency reserve for Transnet's freight-rail rehabilitation, recapitalisation of the credit guarantee vehicle, rebuilding of Parliament, funding for Sentech dual illumination, and preparations for the 2026 municipal elections. At the same time, the Adjusted Appropriation and Special Appropriation processes highlight execution challenges, including a R1.0 billion rollover for the South Africa Connect project and the withdrawal of R3.3 billion from the Water and Sanitation vote due to delays in the uMkhomazi Water Project, underscoring persistent implementation bottlenecks.

7.17. The Committee acknowledges reports of progress at certain entities, including sustained reductions in loadshedding at Eskom, early improvements at Transnet, and the contribution of institutions such as DBSA, SARS and the Auditor-General to strengthening fiscal credibility, but remains concerned that overall, SOE- and RAF-related risks continue to weigh heavily on the fiscal framework.

7.18. Contingent liabilities associated with state-owned entities remain material: while Eskom's exposure has moderated under the debt-relief arrangement, guarantees for Transnet are around R94.8 billion, and the governance and fiscal implications of new instruments such as the credit guarantee vehicle require close monitoring. The Road Accident Fund also continues to generate large and growing liabilities, with limited reporting on a credible path to sustainability.

7.19. Stakeholders and Members raised concerns that conditions attached to Eskom and Transnet support packages have not always been enforced with sufficient rigour, and that there is limited publicly available information on compliance with those conditions. There is also a deep contestation over how repeated interventions in SOEs should be characterised: some view them as "bailouts" that reward persistent governance failures and crowd out spending on basic services, while others emphasise that they constitute "recapitalisation" or "business rescue" of strategic public assets essential for inclusive growth, industrialisation and employment.

7.20. The Committee recommends that National Treasury and the relevant line departments provide quarterly project-level reports to Parliament on large infrastructure programmes, including spending against allocations, reasons for underspending, and corrective actions.

7.21. The Committee further recommends that National Treasury, working with shareholder departments, submit to Parliament, within 30 days of adoption of this report, a consolidated compliance report on all major support packages to Eskom and Transnet. This report should set out, for each facility and tranche of support, the full list of conditions, the current status of compliance with each condition, any waivers or relaxations granted, and the rationale for proceeding with new guarantees or disbursements where conditions remain outstanding. Thereafter, such information should be tabled at least quarterly. The Committee also recommends that government shift from largely reactive, transaction-by-transaction interventions towards a clear, long-term restructuring and recapitalisation strategy for key SOEs, with explicit milestones, governance reforms and, where appropriate, defined roles for private participation under safeguards that protect the public interest and universal access to essential services. Budget documentation should distinguish more explicitly between once-off recapitalisation linked to credible restructuring programmes and ongoing support that funds operating shortfalls and should include a transparent statement of total SOE-related fiscal exposure, including guarantees, on-budget transfers, quasi-fiscal support and contingent liabilities, together with an explanation of how these exposures are expected to evolve over the medium term.

Local government finances and basic services

7.22. The Committee notes that the local government sphere continues to face severe financial and capacity constraints, reflected in rising arrears to Eskom and water boards, infrastructure backlogs and service-delivery failures. The FFC has again raised concern that the Local Government Equitable Share (LGES) formula continues to rely on 2011 Census data, despite significant population and urbanisation shifts over more than a decade, resulting in allocations that may not reflect current service demands. While reforms such as the performance-based Urban Development Financing Grant and adjustments to the Municipal

Infrastructure Grant are positive, they are being implemented in a context of mounting intergovernmental debt, frequent section 216 interventions and limited technical capacity in many municipalities.

7.23. The Committee recommends that the review of the local government funding model be accelerated and that the LGES formula be updated using the most recent census and survey data, with explicit modelling of the impact on municipalities of different sizes and profiles. The Committee further recommends that National Treasury and COGTA report to Parliament at least twice a year on the stock and flow of municipal arrears to Eskom and water boards, the number and outcomes of section 216 interventions, and the performance and spending patterns of municipalities receiving infrastructure and urban development grants, including targeted support and, where necessary, structured intervention mechanisms for municipalities with chronic underspending and persistent service-delivery failures.

International loans and parliamentary oversight

7.24. The Committee observes that a World Bank loan of approximately R15.9 billion for municipal support and capacity-building was not proactively and fully presented to the Committees prior to its conclusion. This raises concerns about transparency, the adequacy of parliamentary oversight over major international borrowing from multilateral institutions, the conditions attached to such loans, and their potential implications for municipal autonomy, the overall debt trajectory and projected debt-service costs within the revised and proposed fiscal framework.

7.25. The Committee recommends that National Treasury submit to Parliament, ahead of future borrowing decisions with multilateral and international financial institutions, a summary of proposed loans that sets out the amount, terms, conditionalities, on-lending arrangements and expected fiscal and distributional impacts. The Committee further recommends that all existing programme loans with such institutions be reported in a consolidated schedule in Budget Review documents, with clear information on purpose, disbursement status, repayment profiles and any associated policy conditions, to ensure that Parliament can exercise informed oversight over international borrowing and its alignment with national development priorities.

Human capital, early childhood development and parenting support

7.26. The Committee observes that submissions from organisations working on early childhood development (ECD) and child rights present compelling numerical evidence of underinvestment in the early years. Breadline Africa reported that, despite delivering over 2 500 infrastructure units (classrooms, kitchens, toilets and libraries) benefiting more than 350 000 children, around 1.15 million children aged 3–5 remain outside ECD centres. The 2024 Thrive by Five Index shows that only 42 per cent of children in ECD centres are developmentally on track, compared with fewer than 20 per cent of children outside the system, and that around 40 per cent of learners drop out before matric. Achieving universal ECD access by 2030 is estimated to require around 115 000 new centres nationwide. Complementary evidence from child-rights coalitions indicates that South Africa is realising only about 43 per cent of its human-capital potential by age 18, compared to a global average

of 56 per cent, and that 82 per cent of children not in early learning programmes are developmentally off track.

7.27. The Committee recommends that government explicitly recognise ECD infrastructure and parenting support as strategic fiscal priorities in the MTDP and in future fiscal frameworks. In particular, National Treasury should explore options for ring-fencing or prioritising ECD-related infrastructure within existing grants such as the Municipal Infrastructure Grant, and for providing dedicated allocations for parenting support and nurturing-care interventions within health, education and social development budgets. The Committee further recommends that the Presidency and relevant departments develop measurable targets for improving early-childhood developmental indicators (for example, raising the share of children developmentally on track from 42 to at least 60 per cent over a defined period) and report annually to Parliament on progress.

Excise taxes, illicit trade and health-related levies

7.28. The Committee notes that submissions from the beer industry emphasise the economic and fiscal significance of the sector and the need for predictable, inflation-linked excise adjustments. The beer value chain is estimated to contribute around R96 billion to GDP, support approximately 210 000–250 000 jobs and generate about R56.5 billion in tax revenue. Industry stakeholders argue that repeated above-inflation excise increases have raised effective excise incidence from the 23 per cent policy benchmark to around 25 per cent of the weighted average retail price, with the last increase of 6.75 per cent exacerbating the deviation.

7.29. At the same time, estimates of the illicit alcohol market range from R16.5 billion to R25.1 billion in annual lost sales, implying significant revenue losses to the fiscus and competitive pressure on compliant firms. Submissions also highlighted that illicit trade in tobacco products remains pervasive and that the long delays in implementing a functioning track-and-trace system for tobacco, despite repeated commitments over several years, are undermining both health and revenue objectives. On health-related measures, civil-society submissions call for at least a 20 per cent increase in the Sugary Drinks Tax in the 2026 Budget and for the extension of the levy to fruit juices, arguing that current rates are insufficient to shift consumption patterns and reduce non-communicable diseases.

7.30. The Committee recommends that National Treasury publish a three-year excise roadmap for alcohol, tobacco and health-related levies that clearly indicates the expected path of tax rates relative to CPI and the 23 per cent incidence benchmark, supported by impact assessments on employment, investment, revenue and health outcomes. The roadmap should also set quantitative targets for reducing the illicit alcohol and tobacco shares through enhanced enforcement, including joint SARS–SAPS operations, improved customs controls and the full implementation of an effective tobacco track-and-trace system. The Committee further recommends that Treasury provides Parliament with an updated, evidence-based assessment of the Sugary Beverages Tax, including scenarios for a 20 per cent rate and for broadening the base, and that any adjustments be designed to maximise health gains while protecting low-income households and jobs in the sugar industry.

Oversight, consultation and institutional performance

7.31. The Committee observes that both the PBO and FFC emphasise that South Africa's fiscal challenges are not only about aggregate numbers but also about the quality of spending, consultation and execution capacity. Large rollovers (such as the R1.0 billion for South Africa Connect), withdrawals from critical projects (including the R3.3 billion from the uMkhomazi Water Project), and the need for additional allocations such as R754.5 million in the Special Appropriation Bill to replace PEPFAR funding illustrate persistent implementation weaknesses. At the same time, National Treasury's identification of nearly 9 000 suspected ghost workers demonstrates the potential for savings and efficiency gains if data systems and enforcement are strengthened.

7.32. Rising intergovernmental debt, growing SOE liabilities and unresolved issues in areas such as the public-sector wage bill and RAF liabilities further underscore the need for more robust oversight and institutional reform. Stakeholders also raised concerns about the quality and openness of consultation on key policy shifts, particularly the change in the inflation target and aspects of the fiscal anchor framework and reported difficulty in accessing detailed modelling and supporting documentation in time to engage meaningfully. Dissatisfaction was expressed with the absence of the Minister, Deputy Ministers and senior leadership of National Treasury and SARS from parts of the deliberations, which was perceived as not fully consistent with the spirit of accountability to Parliament and the public.

7.33. The Committee recommends that Parliament intensifies its oversight of budget implementation, not only budget approval, making systematic use of the analytical support provided by the PBO and FFC to track in-year spending, rollovers, virements, contingent liabilities and performance outcomes. The Committee further recommends that government develops a time-bound plan with measurable milestones for improving public-sector capability, including targets for reducing unauthorised, irregular, and fruitless and wasteful expenditure; clearing identified ghost workers; improving project-completion rates; and reducing the gap between budgeted and actual infrastructure spending. This plan should be reported on annually to Parliament, alongside the fiscal framework, so that improvements in the numerical indicators of fiscal stability are matched by tangible improvements in service delivery and developmental outcomes.

7.34. The Committee also recommends that National Treasury and SARS ensure that senior political and administrative leadership are consistently present at key public hearings and deliberations on the fiscal framework and major policy changes, and that supporting documentation, including key modelling and discussion papers, is made available in good time to enable meaningful public participation. In addition, the Committee recommends that National Treasury and the South African Reserve Bank establish a mechanism for regular reporting to Parliament on the distributional effects of monetary policy, including impacts on household indebtedness, consumption and labour-market outcomes, to ensure that the implementation of the revised inflation target supports inclusive and sustainable economic growth.

Public procurement, value for money and consequence management

7.35. The Committee observes that, despite initiatives such as the e-procurement dashboards, serious concerns remain about the scale of procurement abuse and value-for-money failures. Evidence presented to the Committees, including references to the work of the Zondo Commission, suggests that in past periods as much as half of procurement spending may have been lost to overpricing and corruption, and that in many areas the state continues to pay prices estimated at 30–40 per cent above competitive market levels. Members and stakeholders also expressed concern that entities flagged by investigative bodies such as the Special Investigating Unit continue to receive government contracts, with very few suppliers actually blacklisted, indicating weaknesses in consequence management and supplier-vetting processes.

7.36. The Committee recommends that National Treasury, working with the Office of the Chief Procurement Officer, table a report to Parliament within six months setting out concrete measures to address overpricing and to strengthen consequence management in public procurement. This report should include plans to standardise price-benchmarking across major categories of goods and services, improve the integration of SIU and other investigative findings into supplier databases, and tighten processes for restricting and de-registering non-compliant suppliers. It should also report on the implementation and impact of the new e-procurement tools, including how they are being used by departments and entities to detect anomalies and prevent abuse.

Illicit trade and criminal prosecution

7.37. The Committee further observes that stakeholders identified the absence of successful criminal prosecutions as a critical weakness in the fight against illicit trade in tobacco, alcohol and other goods. While the additional funding and enforcement efforts at SARS were welcomed, it was argued that, without a clear pipeline of cases successfully taken forward by the National Prosecuting Authority, the deterrent effect of tax and customs enforcement will remain limited.

7.38. The Committee recommends that National Treasury, SARS and the National Prosecuting Authority jointly brief Parliament on a coordinated enforcement strategy for illicit trade, including a clear division of responsibilities, case-selection criteria, and measurable targets for investigations brought to court and successfully prosecuted. The Committee expects this briefing to include information on how SARS cases are referred to the NPA, the current status of major illicit-trade prosecutions, and any legislative or capacity constraints that require attention.

Climate shocks, resilience and fiscal buffers

7.39. The Committee observes that the increasing frequency and severity of climate-related disasters, such as floods and droughts, have significant fiscal and socio-economic consequences, and that responses are often funded through in-year reallocations from other programmes. Stakeholders argued that this indicates an insufficiently proactive approach to climate resilience, with the fiscus repeatedly forced into reactive adjustments that may undermine planned developmental spending.

7.40. The Committee recommends that National Treasury, together with the Minister of Forestry, Fisheries and the Environment, develop and table options for strengthening fiscal buffers against climate-related and other systemic shocks. These options should include the potential creation of a dedicated climate resilience fund, opportunities to leverage international climate finance, and clear criteria for when and how such buffers are drawn down, to reduce the need for disruptive in-year reallocations away from core social and developmental programmes.

Operation Vulindlela, TARS and reform transparency

7.41. The Committee observes that the credibility of the fiscal framework is increasingly tied to the successful implementation of structural reforms under Operation Vulindlela and to the effective reallocation of spending through the Targeted and Responsible Savings initiative. However, the Committees have not yet received a consolidated, public tracker of Vulindlela milestones, nor a detailed account of the specific programmes reviewed and reprioritised under TARS.

7.42. The Committee recommends that National Treasury, in conjunction with the Presidency, provide Parliament with a quarterly Operation Vulindlela tracker that sets out progress against clearly defined milestones in energy, logistics, water and telecommunications, and that indicates the expected growth and fiscal impact of any delays. In addition, the Committee recommends that National Treasury table a detailed report on the TARS process, including the list of programmes evaluated, the criteria used for assessing them, and how the R6.7 billion in identified savings have been reallocated to growth-enhancing infrastructure and priority services.

Parliamentary engagement format and fiscal literacy

7.43. The Committee notes that Members expressed strong dissatisfaction with the limited time available for post-MTBPS engagement with the Minister of Finance and National Treasury, given the importance and complexity of the issues under discussion. In a joint meeting involving several Committees and extensive speakers' lists, the time constraints curtailed the ability of Members to ask follow-up questions and engage meaningfully with the Minister's responses.

7.44. The Committee recommends that the programming structures of Parliament ensure that future post-MTBPS and post-Budget engagements with the Minister of Finance and National Treasury are scheduled for a full day, starting at 09:00, to allow sufficient time for detailed briefings, multiple rounds of questions and adequate consideration of public submissions. The Committee further recommends that National Treasury submit, prior to launching its proposed multi-year fiscal literacy campaign, a concept note and implementation plan setting out the objectives, target audiences, delivery mechanisms, governance arrangements and measures to ensure non-partisan, inclusive public participation.

Having considered the 2025 Revised and Proposed Fiscal Framework, the Standing Committee on Finance accepts it and recommends that the National Assembly adopt this Report and the 2025 Revised and Proposed Fiscal Framework.

The EFF rejects the report and objects to the 2025 Revised and Proposed Fiscal Framework.

Report to be considered

2. ANNEXURE A
SUMMARY OF INPUT FROM CONSTITUTIONAL AND STATUROTY INSTITUTIONS

Parliamentary Budget Office Analysis and Submissions

1. The PBO stated that its evaluation of the 2025 MTBPS focused on the revised fiscal framework, covering expenditure, revenue, and debt levels, within the context of the 2024–2029 Medium-Term Development Plan (MTDP) priorities. These priorities include achieving economic growth above 3 per cent, reducing unemployment below 28 per cent by 2029/30, advancing an equal society free of poverty, and building a capable, ethical, and developmental state. The PBO emphasised that this framing allows Parliament to assess whether the fiscal proposals support progress toward these strategic national goals.
2. The PBO then examined the government's policy and expenditure priorities as articulated in the 2025 State of the Nation Address, the 2025 Budget, and the MTBPS. It highlighted that the Government of National Unity centred its priorities on inclusive growth and job creation, reducing poverty and the cost of living, and strengthening the developmental state. The medium-term economic strategy, as tabled in the 2025 Budget, emphasises macroeconomic stability, structural reforms, improving state capability, and boosting public-infrastructure investment. Fiscal priorities outlined in the MTBPS include stabilising debt in 2025/26, increasing the main budget primary surplus over the decade, and directing a growing share of spending toward capital investment supported by infrastructure reforms. The PBO noted these shifts but warned that the reform agenda's success ultimately depends on strengthened implementation and state capacity.
3. Turning to the macroeconomic outlook, the PBO drew attention to the structural weaknesses that continue to weigh on South Africa's growth trajectory. It noted that aggregate demand remains weak, investment levels remain inadequate, and the economy faces persistent constraints linked to market concentration, inequality, deindustrialisation, and slow structural transformation. The PBO's modelling projects growth rates between 1.1 and 1.5 per cent over the medium term, significantly below the MTDP target of over 3 per cent and below the projections of both the National Treasury and the South African Reserve Bank. As a result, the PBO warned that the current fiscal framework is unlikely to generate the scale of economic expansion required to alter unemployment, poverty, and inequality trends meaningfully.
4. The PBO expressed concern that the revised fiscal framework remains heavily oriented toward fiscal consolidation, with insufficient emphasis on developmental spending required to crowd in private investment and drive inclusive, employment-creating growth. Its modelling indicated that unemployment, poverty, and inequality will improve only marginally over the medium term, with both poverty and inequality remaining at high levels. Social assistance spending as a share of GDP remains below what is required to support the redistributive ambitions of the MTDP and the National Development Plan. The PBO highlighted this disconnect between developmental goals and budget allocations, warning

that without more ambitious public-investment commitments and social-protection support, progress toward national development targets will fall far short.

5. The presentation also addressed fiscal risks and contingent liabilities, noting that major public institutions, including Eskom, Transnet, and the Road Accident Fund, continue to pose significant risks to the fiscus. The PBO welcomed planned increases in public-infrastructure allocations but cautioned that persistent underspending, capacity deficits, and implementation bottlenecks risk undermining the intended economic impact. It stressed that infrastructure reforms and institutional strengthening, particularly at local government level, remain essential for improved delivery and economic resilience.
6. A major focus of the PBO's analysis was the newly announced 3 per cent inflation target. The PBO argued that lowering the target in a supply-shock-driven inflation environment is likely to dampen growth and employment without meaningfully addressing the main drivers of price increases. It noted that higher real interest rates, which are expected to accompany the new target range, could raise debt-service costs, reduce nominal GDP growth, and suppress revenue collection. The PBO stressed that South Africa's inflation is primarily shaped by regulated administered prices, exchange-rate volatility, and global commodity shocks, factors that domestic monetary policy cannot directly influence. The Office therefore urged Parliament to examine the implications of the new target carefully, especially its likely impact on unemployment, investment, and the government's long-term developmental objectives.
7. Finally, the PBO concluded that the 2025 MTBPS is unlikely to generate the economic momentum required to achieve the MTDP's goals. It emphasised that slow progress on unemployment, poverty, and inequality, combined with constrained real per-capita spending and rising contingent liabilities, requires Parliament to strengthen oversight of fiscal risks, infrastructure delivery, and social-assistance adequacy. It called for a more balanced fiscal approach, one that supports inclusive growth, builds state capability, and aligns fiscal choices with the country's long-term developmental priorities.

Financial and Fiscal Commission Analysis and Submissions

8. The FFC presented its analysis of the 2025 MTBPS, emphasising that South Africa's fiscal position remains under significant strain and that restoring fiscal credibility is now an urgent priority. The Commission noted that the fiscal framework continues to be characterised by low economic growth, rising debt-service costs, and persistent structural weaknesses, and cautioned that the current trajectory does not yet indicate a credible path toward stabilising gross debt. Debt-service costs continue to absorb an increasing share of the budget, limiting the resources available for essential public services. In this context, the FFC underscored Parliament's constitutional responsibility to exercise robust oversight of expenditure, revenue measures, and borrowing decisions, given their centrality to long-term fiscal sustainability.
9. The Commission's macroeconomic outlook was significantly more subdued than that of the National Treasury. While acknowledging some improvement in the global environment and the moderation of domestic inflation, the FFC's modelling forecasts real GDP growth averaging close to zero over the medium term. This projected stagnation is attributed to

entrenched structural constraints, including persistent declines in total factor productivity, weak investment levels across the public and private sectors, and ongoing institutional inefficiencies. The Commission drew attention to the widening gap between long-term bond yields and nominal GDP growth, which signals heightened fiscal vulnerability and an increased risk that debt dynamics may deteriorate further. It advised that government explore options to reduce borrowing costs, including engaging lenders to improve the terms of existing obligations.

10. In its assessment of the 2025 Adjusted Appropriation Bill, the FFC identified several significant execution challenges within departments. It highlighted substantial rollovers, such as the R1.0 billion for the South Africa Connect project, as evidence of weak implementation capacity. It also expressed concern about the withdrawal of R3.3 billion from the Water and Sanitation vote owing to delays in the uMkhomazi Water Project, cautioning that such delays carry implications for future water security. The Commission further noted the need for careful scrutiny of selected allocations, such as the R132 million set aside for a national dialogue, while expressing support for additional investments in border-management functions. It also questioned the necessity of allocating R754.5 million in the Special Appropriation Bill to replace PEPFAR funding, given recent U.S. bridge financing.

11. The Commission's input on the division of revenue highlighted key intergovernmental concerns. It observed that increases to the provincial equitable share were largely directed toward personnel pressures in education and health but cautioned that the integration of the School Infrastructure Backlogs Grant into the broader Education Infrastructure Grant may dilute the focus on eradicating unsafe and inappropriate school structures. For local government, the FFC reiterated its longstanding concern that the Local Government Equitable Share is still based on 2011 Census data, resulting in allocations that no longer reflect contemporary population shifts, urbanisation patterns, and service delivery demands. While supporting reforms such as the performance-based Urban Development Financing Grant and the revised delivery model for the Municipal Infrastructure Grant, the Commission emphasised the need for clear performance targets, dedicated capacity support, and structured intervention mechanisms for chronically underperforming municipalities.

12. The FFC also highlighted two major and persistent fiscal risks requiring stronger oversight. First, contingent liabilities, particularly those arising from state-owned companies, remain a substantial pressure on the fiscus. Although Eskom's exposure has moderated through the debt-relief arrangement, guarantees associated with Transnet have increased markedly, and the governance framework for the new Credit Guarantee Vehicle will require close monitoring to ensure transparency and accountability. Second, the public-sector wage bill continues to absorb a significant share of consolidated expenditure and is projected to continue rising despite the early-retirement programme. The Commission reiterated the need for a strict, rules-based framework to manage wage-bill growth, ensuring alignment with inflation and GDP over the medium term. It cautioned that continued upward pressure on compensation spending, combined with weak economic growth, poses risks to fiscal sustainability and limits the resources available for developmental priorities.

13. Overall, the Commission concluded that the 2025 MTBPS does not yet place the country on a trajectory capable of achieving fiscal stability or meeting its developmental commitments. It stressed that strengthening execution capacity, improving the quality of spending, updating key fiscal formulas, reducing debt vulnerabilities, and exercising rigorous parliamentary oversight are essential to restoring fiscal credibility and achieving a more sustainable fiscal framework in the years ahead.

ANNEXURE B: SUMMARY OF PUBLIC SUBMISSIONS

Congress of South African Trade Unions

14. COSATU submitted its views on the 2025 MTBPS, noting the improvements made in several areas of the state, particularly at Eskom, Transnet, Metrorail, and the South African Revenue Service, but expressing deep concern that the current fiscal stance lacks the boldness required to lift the economy out of its prolonged low-growth trap. COSATU argued that, despite recent gains, the MTBPS does not provide a sufficiently expansionary approach to shift the economy from the 1 percent growth path that has persisted for two decades, nor does it offer meaningful relief to the more than 12 million unemployed South Africans. COSATU welcomed South Africa's exit from the FATF grey list and the creation of 248 000 jobs in the third quarter but stressed that these gains must be matched by stronger pro-growth fiscal and monetary measures.
15. COSATU raised particular concern about Treasury's continued emphasis on reducing expenditure, narrowing the deficit, and achieving a technical surplus at the expense of more aggressive growth and employment interventions. The Federation welcomed the reduction of the inflation target from 4.5 percent to 3 percent in principle, recognising that inflation erodes workers' purchasing power, but warned that this shift will likely result in the South African Reserve Bank maintaining high interest rates for longer. COSATU argued that the current monetary stance is placing severe strain on highly indebted working- and middle-class households and is constraining economic recovery. It called for a more balanced approach to the SARB's mandate, one that protects the currency and controls inflation while also supporting growth, employment creation, and debt relief for workers. It noted that domestic inflation is largely driven by factors outside workers' control, such as international oil prices, fuel levies and margins, and above-inflation electricity tariff increases, and urged government to accelerate reforms to the fuel price regime and Eskom's cost structure in order to address these root causes.
16. On public services and expenditure, COSATU welcomed additional allocations for health, school repairs, public healthcare and early childhood education over the medium term. However, it expressed alarm at below-inflation adjustments for law enforcement and cuts to Home Affairs, two sectors that, in its view, are critical for improving safety, combating crime, and ensuring effective immigration management. It also welcomed progress in identifying approximately 9 000 "ghost employees" in the public service, stressing that recovered funds should be used to fill critical frontline vacancies. COSATU urged the speedy finalisation of the Public Procurement Act, viewing it as a vital instrument in combating corruption, strengthening localisation, and preventing supply-chain abuses.

17. In its assessment of economic stimulus, COSATU argued that the MTBPS does not go far enough to tackle the country's deep unemployment crisis. With the expanded unemployment rate at 42.4 percent, Cosatu expected a much larger scaling-up of the Presidential Employment Stimulus. It expressed disappointment that the Social Relief of Distress (SRD) Grant has once again not been adjusted for inflation, noting that it has only been increased once since 2020 despite steep increases in food and transport costs. Cosatu also highlighted the need for a comprehensive package of support for struggling businesses, including tax relief, industrial subsidies, and an overhaul of the UIF's Temporary Employment Relief Scheme, which it described as inefficient and unreliable. COSATU reiterated its call for a large-scale industrial and SMME financing programme, targeting at least R200 billion annually from the fiscus, DFIs, and the private sector, arguing that a more interventionist approach is essential to drive domestic production, investment, and jobs.
18. On state-owned enterprises, COSATU welcomed the additional allocations for Transnet Freight Rail and electricity transmission, and acknowledged the significant progress made by Eskom employees in reducing loadshedding. However, it emphasised that Eskom requires far stronger support to address municipal debt, cable theft, vandalism, and other forms of financial leakage. COSATU called for urgent relief measures to protect industries facing closure due to escalating electricity tariffs. While encouraged by progress at Transnet and Metrorail, it expressed deep concern about the slow pace of recovery at Denel, the SABC, the Post Office, and Postbank, and urged government to accelerate turnaround efforts at these entities.
19. Regarding local government, COSATU welcomed additional allocations for transmission and water infrastructure but stressed that these interventions are insufficient to address the widespread collapse of basic services in many municipalities. It called for far more decisive action against municipal entities that fail to pay salaries, pension contributions, and creditors, or that are unable to maintain basic infrastructure. It argued for an urgent overhaul of the local government funding model and supported the phased rollout of the District Development Model as part of a broader stabilisation effort.
20. COSATU's welcomed the R31 billion contribution from the Gold and Foreign Exchange Contingency Reserve Account and urged continued strategic engagements on future reserve-based support for the fiscus. It applauded SARS' improved revenue performance, specifically the 9.3 percent increase amounting to R19.7 billion and called for additional resources to strengthen SARS' capacity to combat tax evasion, illicit trade, and customs fraud. COSATU maintained that any future tax increases on working- and middle-class households should be rejected, emphasising that such households are already overburdened. It called for personal income tax brackets to be adjusted for inflation and urged Parliament to require quarterly updates from SARS on its compliance-improvement efforts.
21. In conclusion, COSATU acknowledged several positive developments in the MTBPS but stressed that the overall pace and scale of reform remain insufficient to achieve the 3 percent growth rate necessary to meaningfully reduce unemployment, poverty, and inequality. The Federation argued that bolder fiscal and industrial interventions are required to rebuild public services, support distressed households and businesses, and place the economy on a more inclusive and sustainable development path. COSATU committed to continued

engagement with government and Parliament ahead of the 2026/27 Budget, calling for a more assertive stance on employment creation, economic stimulus, and the strengthening of state capacity.

Budget Justice Coalition

22. The Budget Justice Coalition presented a critique of the revised fiscal framework, arguing that the 2025 MTBPS prioritised fiscal consolidation and the newly lowered inflation target over social and developmental needs in a context of deepening poverty, unemployment and failing public services. It submitted that real non-interest spending is projected to decline over the medium term and that key social sectors – including education, health, social protection and local government – remain underfunded despite escalating need.
23. The Coalition emphasised that budget choices should be assessed not only on their contribution to macroeconomic stability, but also on their impact on rights, inequality and the quality of public service delivery. It stressed that Parliament has a constitutional duty to ensure that the fiscal framework advances social, economic and environmental justice and gives effect to the state's obligations to progressively realise socio-economic rights.
24. The BJC expressed concern that the macroeconomic and fiscal framework continues to be anchored in achieving and increasing the primary surplus and restraining expenditure through a prospective fiscal anchor, despite what it described as urgent social and economic crises. It argued that spending cuts and tight baselines under conditions of low growth weaken the very foundations of long-term debt sustainability by eroding human capital, undermining service delivery and depressing domestic demand.
25. The Coalition submitted that existing strategies place excessive emphasis on investor confidence and structural reforms, while failing to stimulate inclusive growth through expanded public employment, strengthened local economic development, and increased investment in labour-intensive and care-economy sectors. It warned that continued underinvestment in provincial and municipal capacity, as well as in core public services, risks entrenching long-term developmental backlogs.
26. A central focus of the BJC's submission was its call for a more progressive approach to revenue mobilisation to support higher levels of social and developmental spending. It noted that the 2025 MTBPS did not introduce new tax measures and deferred key decisions to the 2026 Budget, and that none of the Coalition's proposed alternatives had yet been reflected in the framework. Drawing on evidence from the Fair Tax Monitor, the BJC argued that the current tax mix is marked by rising inequality, a declining contribution from corporate income tax, under-taxation of wealth and large tax expenditures whose impact is not clearly demonstrated. It proposed a range of progressive options – including wealth and estate taxation, higher capital gains tax inclusion rates, measures to tackle profit shifting and base erosion, windfall taxes in extractive sectors and a review of ineffective tax incentives – as ways to broaden the revenue base in a manner consistent with redistribution and rights realisation rather than further expenditure restraint.
27. The Coalition also raised concerns about weaknesses in the budget process and accountability framework. It referenced findings from the GTAC review that pointed to

weakened baseline inputs, non-compliance with planning and budgeting requirements, across-the-board cuts and misalignment between the plans and budgets of departments and institutions. In this context, the BJC cautioned that the introduction of a rigid fiscal anchor, if not carefully designed, could constrain Parliament's ability to adjust budgets in line with constitutional obligations and may entrench a pattern of consolidation that does not respond adequately to underlying social and economic challenges.

28. It argued that "responsible savings" should be driven by investment in administrative capacity, improved procurement, reduced waste and stronger anti-corruption measures, rather than by reductions in social and developmental spending. The Coalition called for deeper transparency in how baselines are set and adjusted, stronger alignment between planning, budgeting and outcomes, and more meaningful public participation in major macro-fiscal decisions.

29. The BJC further highlighted the weakening of state capacity and the inadequacy of current social protection arrangements. It submitted that resource and staffing constraints across the public sector contribute to service-delivery failures and public distrust, and argued that anti-corruption and law-enforcement institutions such as the NPA, Hawks, SIU and FIC remain under-resourced relative to their mandates. The Coalition noted that infrastructure grants are frequently reduced or reallocated because of underspending rather than underlying need, and that cuts to teacher posts, health staffing and social programmes undermine constitutional rights. On social protection, it pointed out that the SRD grant remains below half of the food poverty line and that administrative barriers continue to exclude eligible applicants. It argued that reductions to social grant baselines under TARS, justified with reference to fraud and double-dipping, risk penalising households for administrative failures, and called for increases in key grants and the development of a permanent, adequately financed income-support framework.

30. The Budget Justice Coalition urged Parliament to realign the fiscal framework with constitutional obligations by halting the implementation of the lower inflation target pending the publication of robust evidence, modelling and distributional analysis; expanding progressive revenue measures along the lines it proposed; restoring real expenditure growth in core social and developmental sectors; and rebuilding state capacity, including in procurement and anti-corruption institutions. It recommended that Parliament insist that "responsible savings" under TARS and related reforms do not harm poor and vulnerable households, and that data systems such as those of Stats SA are adequately funded to support evidence-based budgeting. The Coalition argued that stability cannot come at the cost of rights, dignity and development, and that a people-centred, rights-based budget – anchored in inclusive growth, strengthened social protection and accountable, capable institutions – is both necessary and achievable if Parliament exercises its full oversight mandate over the revised fiscal framework.

Institute for Economic Justice

31. The IEJ presented a strongly critical analysis of the revised fiscal framework, arguing that the celebrated improvement in the fiscal balance has come at an unacceptable social and economic cost. The IEJ submitted that the achievement of a primary surplus and debt

stabilisation is the product of a decade-long contraction in public employment, public investment, and social protection, rather than the result of improved economic performance or structural reform. The organisation characterised the current fiscal stance as an intensified continuation of austerity, notwithstanding rhetorical claims to the contrary.

32. The IEJ noted that public service employment has declined significantly relative to population growth since 2012/13, placing severe pressure on frontline services such as education and health. It highlighted rising learner-to-teacher ratios, widespread infrastructure backlogs in schools, and a declining number of doctors per 1,000 people as evidence that fiscal consolidation has eroded the capacity of the state. Parallel declines in public fixed investment, falling from 6.6 percent of GDP in 2015 to 4.1 percent in 2024, were presented as further evidence of a policy approach that constrains long-term growth by weakening both human and physical capital.
33. IEJ argued that National Treasury's assumption that stronger public finances will catalyse growth through higher confidence and investment is not supported by domestic or international evidence. Instead, sustainable development in peer economies has historically depended on expansionary and "activist" fiscal policies. The organisation therefore warned that the MTBPS's projected decline in real non-interest spending over the medium term contradicts the state's stated development objectives and risks further weakening the economy's productive base.
34. A key concern raised was the continued uncertainty surrounding three critical fiscal risks: the future of the Social Relief of Distress (SRD) grant, the financial sustainability of major SOEs, and the unresolved tensions around the public service wage bill. While the extension of the SRD grant to 2027 was welcomed for providing temporary certainty, the IEJ criticised Treasury for maintaining exclusionary eligibility rules, failing to increase the grant's value, and promoting unsubstantiated narratives of widespread fraud. It warned that proposed conditionalities, including work-seeking requirements, would unlawfully and unfairly exclude vulnerable beneficiaries.
35. The IEJ expressed deep concern about the decision to lower the inflation target to 3 percent, arguing that the change was made without public consultation or empirical justification. It contended that South Africa's inflation is predominantly driven by global supply shocks and administered prices, not excess domestic demand, and thus cannot be effectively addressed through restrictive monetary policy. According to the IEJ, higher real interest rates will depress investment, reduce household income, increase short-term capital flows, and reinforce structural unemployment.
36. The organisation recommended that Parliament require real, above-inflation growth in non-interest expenditure; strengthen SARS to enhance domestic resource mobilisation; consider progressive tax reforms such as reducing tax breaks for high-income individuals, tackling illicit financial flows, and exploring a net wealth tax; and support more sustainable mechanisms for reducing interest costs, including renegotiating SOE debt and exploring managed central bank bond purchases. IEJ also urged Parliament to subject the new inflation target to full public consultation and to protect the integrity of the social protection system by removing unjustified conditionalities and ensuring adequate grant values.

Alternative Information and Development Centre

37. The AIDC submitted a detailed critique of the revised and proposed fiscal framework, arguing that the 2025 MTBPS reflects a continuation of fiscal consolidation that has weakened public institutions, deepened service-delivery failures and undermined the state's developmental and constitutional mandates. It located its submission in a grassroots, justice-oriented perspective, contending that the persistent downward revisions to GDP growth are not merely statistical recalibrations but symptoms of a broader policy failure.
38. The AIDC argued that the structural reforms advanced under Operation Vulindlela have not yet yielded measurable gains in gross fixed capital formation or employment, and that the MTBPS lacks a credible plan to address poverty, unemployment and inequality. It highlighted the growth projections of around 1.2 per cent for 2025/26 and 2 per cent by 2028, citing the World Bank's view that growth of around 2 per cent is unlikely to improve social indicators such as poverty and unemployment. In its view, this raised serious questions about whether the current fiscal trajectory is compatible with the MTDP's employment and inequality objectives.
39. The submission stressed that the nominal protection of the "social wage" masks a shrinking overall budget envelope, with non-interest expenditure declining in real terms and as a share of GDP. Drawing on Chapter 3 of the MTBPS, AIDC pointed to real percentage declines in consolidated expenditure across several key functions, including health, community development, industrialisation and exports, social development, and peace and security, as well as cuts to provincial and local government conditional grants. It argued that these trends are already manifesting in weakened public services and eroded state capacity.
40. AIDC further highlighted that public-service headcounts are not keeping pace with population growth. It presented evidence showing that the total number of public servants has stagnated or declined over the past decade, even as demand for services has increased, and argued that this has translated into longer waiting lists in hospitals, overcrowded classrooms and failures in municipal service delivery. On this basis, it rejected reliance on the share of spending classified as the "social wage" as proof of redistributive intent, arguing that the total "size of the pie" has contracted and that underinvestment in personnel and core services has eroded constitutional rights in practice.
41. The AIDC expressed concern about the ongoing tightening of social-assistance eligibility, particularly for the SRD grant. It argued that many exclusions reflect administrative and design choices rather than fraud, and that current grant levels are far below what is required to protect households from hunger and destitution. It supported calls to increase the Child Support Grant and SRD grant to at least the food poverty line and warned that the Targeted and Responsible Savings (TARS) programme risks deepening austerity if "savings" are achieved through cuts to social protection and other core programmes rather than the elimination of genuinely wasteful expenditure.
42. In its analysis of debt and the primary budget surplus, AIDC argued that fiscal consolidation has become self-defeating. It noted that while the primary balance is projected to rise sharply over the medium term, this has not translated into a meaningful reduction in debt-service costs relative to main budget expenditure. Debt-service costs remain elevated and compete directly with non-interest spending, thereby crowding out key social and economic

functions. AIDC warned that the proposed fiscal anchor would lock in an austerity path and should therefore be rejected in favour of a framework that prioritises inclusive growth and social outcomes.

43. The AIDC strongly opposed the narrowing of the inflation target to 3 per cent, describing it as a political decision with significant distributional effects and inadequate public consultation. It argued that South Africa's inflation is driven largely by administered prices, food costs and currency weakness, making the interest-rate instrument a blunt and harmful tool. A narrower target, in its view, increases the likelihood of higher or more prolonged repo rates, which would further reduce disposable income for indebted households, discourage labour-intensive investment and depress domestic demand, with negative consequences for both growth and fiscal sustainability.

44. AIDC's critique of structural reforms under Operation Vulindlela centred on blended-finance mechanisms, the Budget Facility for Infrastructure and the proposed credit-guarantee vehicle. It contended that these instruments primarily serve to de-risk private investors at the expense of the public sector, shifting financial and operational risks onto the state while guaranteeing profits to private lenders. It cautioned that cost-reflective tariffs and liberalisation in the energy sector are likely to increase electricity costs for households and small businesses while embedding high returns for private capital, and argued that many public–private partnerships end up being more expensive over the long term than traditional public financing.

45. In outlining alternatives to austerity, AIDC presented a broad package of progressive revenue options, drawing on its Fair Tax Monitor work on "Tax in the World's Most Unequal Country". It argued that restoring more progressive effective tax rates for high-income earners, removing or redesigning regressive tax expenditures such as medical-aid rebates, taxing dividends and wealth more robustly, tackling illicit financial flows and introducing a net wealth tax could together raise substantial additional revenue. It emphasised that the top end of the income and wealth distribution has considerable capacity to contribute more, and that this should be prioritised ahead of further expenditure cuts.

46. The AIDC also argued that closing the estimated R600 billion tax gap arising from evasion and avoidance would significantly expand fiscal space and that strengthening SARS's capacity would yield high returns. It proposed a tax on idle capital to discourage the hoarding of financial assets and stimulate productive investment, and recommended shifting a larger share of the Government Employees Pension Fund portfolio toward government bonds. In its view, this would provide secure returns for the fund, reduce government borrowing costs and support increased investment in green industrialisation and public-sector employment.

47. Overall, AIDC urged Parliament to reject the fiscal-consolidation trajectory outlined in the MTBPS and to adopt a more expansionary, redistributive fiscal framework anchored in employment creation, strengthened public services and progressive taxation. It concluded that austerity is neither inevitable nor effective and that credible, socially just alternatives exist to support inclusive development and long-term fiscal sustainability.

Dr S. Muller

48. Dr S. Mfundza Muller explained that his intervention was motivated by concern for the public good and the national interest rather than by institutional affiliation or organisational mandate. A central focus of his submission was the proposed change in South Africa's inflation target. Dr Muller argued that the process leading to this proposal was fundamentally flawed, undemocratic, and arguably unconstitutional. He stressed that the decision had been developed without any genuine public consultation, no parliamentary hearings, and no consolidated analytical basis. He noted that all expert analysis supporting the change had either been produced or funded by the South African Reserve Bank or the National Treasury, or by individuals with actual or potential conflicts of interest. In his view, there had been no independent, expert, public-interest-driven input into this major policy shift.
49. On substance, he found significant weaknesses in the arguments that had been put forward in support of the lower inflation target. He highlighted that a key supporting pillar, namely, inflation expectations, was largely an assumption, subject to change and future shocks. Relying on it, he argued, rendered the justification almost tautological. He further expressed concern that claims that the poor stand to benefit from the lower target were unsubstantiated or false, noting that some of the supporting evidence (for example, nominal price comparisons in the MTBPS conflated nominal changes with the real cost of living.
50. Dr Muller then turned to the future of the Social Relief of Distress (SRD) grant. He noted that the MTBPS stated once again that the grant would end in March 2027, even though similar signals in previous budgets and MTBPS documents had never materialised. He argued that this pattern created harmful uncertainty for grant recipients and undermined fiscal credibility. In his assessment, there were strong and evidence-based arguments for continuing the SRD grant, with some proposals arguing for expansion rather than termination. He called on Parliament to play a direct leadership role by holding its own hearings on the SRD's future, instead of leaving the matter to shifting ministerial preferences.
51. He also raised serious concerns about the Road Accident Fund (RAF) and its rapidly escalating liabilities. Dr Muller pointed out that while SCOPA had already initiated an inquiry into the RAF, particularly focusing on liability estimation, the finance committees carry the primary responsibility for oversight of the RAF levy and the associated national-level contingent liabilities. He noted that the MTBPS provided very little useful information on this area, including the fundamental policy question of whether maintaining the current RAF model remains viable.
52. With respect to the NSFAS, Dr Muller observed that NSFAS now receives more than half of the higher-education budget, yet the eligibility threshold has not increased in nominal terms and has therefore declined substantially in real terms. He characterised this as "exclusion by stealth," arguing that it is a poor policy practice and reminiscent of the pressures that contributed to the Fees Must Fall protests a decade earlier.
53. Finally, Dr Muller highlighted concerns about medical scheme tax credits, noting that the MTBPS did not address them at all, and that the Minister's public statements on the subject

after tabling the MTBPS were dramatic and worrying. He argued that these credits constitute an obvious and potentially central source of funding for National Health Insurance. He questioned the Minister's strong opposition to using them for this purpose and pointed to an irony: while the Minister framed such proposals as an "attack on the middle class," recent tax policy decisions by the National Treasury arguably targeted the middle class more than the richest South Africans.

Public Economy Project

54. The PEP presented a macro-fiscal critique of the 2025 Medium-Term Budget Policy Statement, arguing that the fiscal framework reflects an environment of *monetary dominance*, in which monetary policy rather than fiscal choices now determines the trajectory of the budget. PEP submitted that the South African Reserve Bank's disinflationary stance, and the National Treasury's acceptance of a lower inflation target, had sharply reduced nominal GDP, weakened revenue, elevated debt-to-GDP ratios, and narrowed the expenditure envelope.
55. The presentation stressed that although real economic activity had not deteriorated significantly, the compression of the GDP deflator had created the appearance of fiscal slippage, thereby enforcing deeper cuts to public spending. PEP warned that this represented a structural, not temporary, consolidation path that would lock the country into sustained real per-capita declines in allocations for essential services.
56. PEP further argued that the 2025 MTBPS marks a re-entrenchment of prolonged austerity despite indications earlier in the year that expenditure might expand moderately. The presentation noted that Treasury's commitment to running primary surpluses for the rest of the decade effectively implies a shrinking role for the state, with non-interest spending projected to fall from 25.1 per cent of GDP in 2022 to 23.3 per cent by 2028.
57. According to PEP, this contraction is not driven by efficiency gains but by cumulative real reductions that have already strained frontline services; provinces face rising wage pressures, increasing learner-to-educator ratios, and reduced capacity across health, policing and education. The organisation expressed concern that these trends undermine the state's constitutional obligations and threaten the sustainability of the social contract.
58. A major theme in the submission was the extent to which the lower inflation target generates clear distributional outcomes. PEP argued that financial institutions and bondholders benefit from lower inflation through the preservation of real asset values and higher real interest rates, while households, particularly those with debt, face increased repayment burdens and reduced consumption. This dynamic, in PEP's view, suppresses VAT performance and further tightens fiscal space. The submission called on Parliament to interrogate who bears the socio-economic cost of a lower target and whether the policy stance aligns with long-term developmental priorities.
59. On the fiscal outlook, PEP emphasised what it termed the "revenue triple whammy": lower nominal GDP depresses revenue; the nominal stock of debt becomes more expensive to service due to slower nominal income growth; and political resistance to tax increases forces expenditure to carry the full burden of consolidation. The presentation also raised concern about the credibility of several MTBPS assumptions, particularly the expectation of zero

real growth in government consumption by 2027, an outcome that PEP described as implausible given existing contractual obligations, rising administered prices, and the absence of substantial structural reforms. PEP also noted that Treasury's calculation of the primary balance excludes Eskom support, which, when included, implies that the country is in fact running a primary deficit of approximately R12 billion in the current year.

60. Finally, PEP stressed that the weakened outlook illustrates the absence of a coherent macro-fiscal coordination framework. While Treasury adjusts fiscal plans to align with the SARB's inflation target, monetary policy does not explicitly incorporate fiscal pressures, employment considerations or developmental objectives. PEP recommended a more integrated approach, such as flexible inflation targeting with defined escape clauses, enhanced transparency in macro-policy interactions, and regular joint reporting, to ensure coherence while preserving SARB independence. The submission concluded that Parliament must scrutinise whether the stabilisation strategy presented in the MTBPS is compatible with constitutional obligations, socio-economic rights and a developmental growth path, cautioning that South Africa cannot rely indefinitely on austerity-driven consolidation without compromising long-term economic resilience.

Breadline Africa

61. Breadline Africa presented its submission to the Committees by situating its intervention within the broader developmental and economic significance of early childhood development (ECD). As one of South Africa's leading infrastructure-focused ECD organisations, the entity indicated that it has delivered more than 2,500 infrastructure units, comprising classrooms, kitchens, toilets, and libraries, benefiting over 350,000 children across all nine provinces. It framed ECD not only as a social investment but as a macroeconomic imperative, emphasising that the early years (especially 0–5 and the first 1,000 days) determine long-term educational outcomes, labour market prospects, and productivity. Breadline Africa cited both the WHO Nurturing Care Framework and economic research showing returns on investment of 7–10 percent for early learning programmes, increasing to 13 percent when paired with parental support interventions.

62. The organisation expressed concern about the persistent underinvestment in ECD infrastructure, noting that 1.15 million children aged 3–5 remain outside ECD centres. It referenced the 2024 Thrive by Five Index, which shows that only 42 percent of children in ECD centres are developmentally on track, compared with fewer than 20 percent of children outside the ECD system. It argued that these deficits translate into later educational failures, including a 40 percent dropout rate before matric, and contribute to long-term youth unemployment and the perpetuation of poverty.

63. Breadline Africa welcomed government's stated commitments in the MTBPS, including the R10 billion allocation for ECD programmes and R2 million for the E-Cares administrative system. However, it noted that achieving universal ECD access by 2030 would require an estimated 115,000 new centres nationwide, a target that cannot be met without coordinated public–private partnerships and streamlined processes within local government. As an illustrative example, it highlighted the Komati ECD Hub in Mpumalanga, where donated land and infrastructure enabled service provision to 200 children. Yet, the initiative faced

challenges related to municipal red tape, zoning approvals, health and safety regulatory delays, and local government capacity constraints, factors that inhibited the effective leveraging of private philanthropic investment.

64. In its recommendations, Breadline Africa called for ECD infrastructure to be recognised explicitly as a fiscal and developmental priority within the MTBPS and for the Municipal Infrastructure Grant (MIG) to include a ring-fenced allocation for ECD infrastructure. It further proposed targeted funding for ECD planning and compliance functions within municipalities, improved capacity for maintenance and oversight, and the integration of ECD into the national PPP framework. The organisation also urged government to reduce unnecessary administrative barriers at municipal level, arguing that ECD infrastructure should be treated with the same importance as water and sanitation, given its long-term societal returns.

65. Breadline Africa concluded by urging Parliament to utilise the MTBPS as a strategic opportunity to scale investment in early learning infrastructure, emphasising that the country's long-term human capital, economic competitiveness, and social cohesion depend on expanding access to quality early learning environments. It affirmed its readiness to partner with all levels of government to deliver sustainable, large-scale infrastructure solutions for young children.

Families4Children, SAPPIN and the South African National Child Rights Coalition

66. Families4Children, the South African Parenting Programme Implementers Network (SAPPIN), and the South African National Child Rights Coalition (SANCRC) made a joint submission representing more than 150 non-profit organisations working across the country to advance child development, nurturing care and family support. The coalition framed its submission around a central proposition: that South Africa cannot achieve inclusive and sustainable development without prioritising parent-provided nurturing care as a national fiscal and policy priority. They argued that despite explicit constitutional and legislative mandates, including the Children's Act, the National Integrated ECD Policy and the National Child Care and Protection Policy, parenting support and the enabling systems required to deliver it are not recognised in the Medium-Term Budget Policy Statement (MTBPS) as a core budgetary priority, even though the country continues to lose significant human capital due to deficits in early childhood nurturing care.

67. The coalition emphasised that the state has a constitutional obligation to create enabling environments for parents and primary caregivers so that children can receive the health, nutrition, education, responsive caregiving and protection required for optimal development. However, they noted that the current fiscal framework does not direct government departments to coordinate, resource or expand the services needed to reduce the "nurturing care deficit" that undermines children's developmental outcomes. While the MTBPS reaffirms the protection of the social wage, the submission argued that this is insufficient, as parenting support remains fragmented, undervalued and severely underfunded across departments. The groups called on Parliament to recognise parenting support as a strategic national development investment rather than a residual welfare function.

68. The submission expressed concern that, despite commitments to shift from consumption to investment spending and to drive strategic reprioritisation through the Targeted and Responsible Savings (TARS) initiative, the MTBPS does not explicitly identify the universalisation of parenting support as a medium-term policy priority. This, the coalition argued, represents a missed opportunity to align fiscal planning with government's own developmental objectives, particularly given evidence from the World Bank and national datasets showing that 60 percent of South Africa's potential human capital has been lost due to deficits in early childhood development. They highlighted alarming statistics: children in South Africa are still only projected to achieve 43 percent of their developmental potential by age 18, unchanged for more than a decade and significantly below the global average of 56 percent. Only 42 percent of children enrolled in early learning programmes are developmentally on track, while 82 percent of children not in early learning programmes lag behind. The coalition stressed that these long-term losses arise early and compound over the life course, making early nurturing care interventions foundational to achieving the country's human-capital, growth and social-cohesion goals.
69. Families4Children, SAPPIN and SANCRC made several detailed recommendations for the Committees' consideration. They called for the explicit recognition of universal parenting support as a fiscal priority, anchored at the highest level of government, and recommended the relocation and strengthening of the Office on the Rights of the Child within the Presidency to ensure coherent, state-wide leadership. They proposed that all departments use the TARS initiative to identify high-return, relatively low-cost interventions that support parental capacity, for example, integrating enriched parenting support into primary health care services, expanding parenting programmes within Basic Education and Social Development, and expediting a pre-CSG registration process for pregnant women to improve timely access to income support. They further recommended ring-fenced allocations to provinces and local government to guarantee the delivery of essential parenting support services, including prevention and early intervention programmes within provincial Social Development budgets.
70. The coalition concluded that without explicit fiscal prioritisation of parenting support and the strengthening of the governance structures that coordinate its delivery, South Africa will remain trapped in a trajectory of low human-capital formation, stalled social progress and limited economic potential. They urged Parliament to address this gap in the Revised and Proposed Fiscal Framework to ensure that investments made in education, health, ECD and social protection translate into measurable improvements in child development outcomes, thereby laying the foundation for inclusive, long-term growth.

Amandla.mobi

71. Amandla.mobi, submitting on behalf of its members and broader communities affected by poverty and hunger, presented a people-centred critique of the 2025 Revised and Proposed Fiscal Framework. The organisation welcomed elements of the MTBPS that aimed to stimulate economic growth but argued that the fiscal framework continues to leave millions of marginalised people behind. Amandla.mobi framed its submission around the lived realities of grant-dependent households, highlighting widespread hunger, deepening

deprivation, and administrative failures within the social assistance system. The organisation stressed that over 1 000 children have died from acute malnutrition and starvation, and that many families do not have enough resources to secure basic nutrition. It argued that the MTBPS did not present a credible or urgent plan to lift households out of poverty or address rising unemployment.

72. The submission strongly criticised the continued failure to increase the Social Relief of Distress (SRD) grant. While Amandla.mobi welcomed the extension of the SRD grant until March 2027, interpreting it as a sign of commitment to permanency, the organisation argued that the R370 value remains far below the Food Poverty Line of R760. Testimonies from grant recipients illustrated the inadequacy of the amount and the costs incurred merely to access the grant. The submission also highlighted harm caused by administrative issues, including delays, unexplained exclusions, and punitive verification processes that often result in vulnerable people losing access through no fault of their own. The organisation urged Parliament to ensure that the SRD grant is never scrapped and that adequate resources are allocated so that all qualifying individuals receive support without arbitrary exclusion.
73. Amandla.mobi reiterated its long-standing call for a Basic Income Grant (BIG). It noted that despite repeated commitments, including explicit promises by the President and the governing party prior to the elections, there are still no clear timelines or implementation plans from the National Treasury. The organisation argued that the MTBPS was a missed opportunity to outline how government intends to operationalise the BIG over the next two years, including how it will be financed through progressive taxation. Amandla.mobi insisted that the introduction of a BIG must not be funded through cuts to other essential social programmes and urged Parliament to require the Minister of Finance to provide a detailed implementation roadmap.
74. On health-related revenue proposals, the organisation criticised the continued delay in lifting the moratorium on the Sugary Drinks Tax. Amandla.mobi argued that Treasury's hesitation reflected undue influence by the sugar industry, noting that claims about job losses had been debunked by academic research. The submission emphasised that delaying the increase harms public health and undermines efforts to reduce non-communicable diseases. It called for a 20 percent increase in the tax in the 2026 Budget and for Treasury to begin consultations to expand the levy to include fruit juice.
75. Amandla.mobi welcomed efforts to strengthen the South African Revenue Service (SARS) and noted improvements in tax compliance measures. However, the organisation argued that greater emphasis must be placed on taxing high-wealth individuals, combating illicit financial flows, and closing loopholes that benefit the wealthiest households. It proposed a package of wealth-related tax measures, including increasing personal income tax for individuals earning over R1 million a year, introducing a progressive annual net-wealth tax ranging from 3 percent to 9 percent depending on asset thresholds, and removing tax preferences that overwhelmingly benefit high-income households, such as the medical-aid rebate and certain high-income retirement fund deductions. Amandla.mobi called for strict protection of low- and middle-income earners by ensuring that personal income tax is not raised for those earning below R1 million annually and emphasised that VAT should not increase, except on luxury goods.

76. The submission concluded that the ongoing prioritisation of private-sector interests at the expense of the poor is incompatible with South Africa's constitutional obligations and democratic commitments. Amandla.mobi urged the Committees to ensure that the Revised and Proposed Fiscal Framework is reshaped to advance dignity, reduce inequality, and align public expenditure with the needs of the most vulnerable. It stressed that South Africa cannot remain the world's most unequal society and that Parliament has a responsibility to ensure that those living in poverty are protected through progressive taxation, expanded social protection, and a decisive shift toward redistributive fiscal policy.

South African Breweries

77. SAB made a submission focused on the implications of the 2025 Medium-Term Budget Policy Statement for excise tax policy, particularly regarding beer. SAB stated that the MTBPS demonstrates meaningful stabilisation of the fiscal environment, with government reaffirming its commitment to stabilising debt in 2025/26, maintaining a primary surplus for the remainder of the decade, and improving revenue performance through enhanced SARS administration. The company argued that these developments collectively create a conducive environment for tax certainty and reduce the need for aggressive revenue-raising measures, especially in the form of above-inflation excise increases. SAB submitted that the most fiscally responsible and economically efficient approach for Budget 2026 is an inflation-linked excise adjustment for beer, aligned with Treasury's fiscal anchor and macroeconomic outlook.

78. SAB highlighted government's efforts to restore fiscal stability in the context of persistently low economic growth. It noted that the MTBPS places strong emphasis on predictable, sustainable revenue streams rather than volatile tax increases, as stability and policy certainty are key to encouraging investment and supporting recovery. SAB pointed out that beer excise taxes have repeatedly increased above inflation in recent years, making legal, taxed products more expensive for consumers during a period of constrained disposable income, high unemployment and rising input costs. In SAB's view, further above-inflation increases would undermine household consumption, create volatility in revenue performance, and counteract the MTBPS's objective of supporting a fragile economic recovery. It stressed that excise policy must remain consistent with fiscal policy, particularly Treasury's commitment to anchored, predictable budgeting.

79. The submission also examined the revenue outlook, noting that the MTBPS reported stronger-than-expected in-year revenue collection, resulting in a revenue overrun. SAB argued that this improved revenue performance reduces pressure on government to raise additional revenue through tax increases in the 2026 Budget, and that aggressive excise hikes would be counterproductive under such conditions. The company emphasised that SARS's strengthened compliance and enforcement capacity, bolstered by significant new allocations, would continue to support revenue growth without requiring rate increases that place additional strain on consumers. SAB argued that efficiency-driven revenue gains are sustainable, unlike short-term collections artificially boosted by steep excise adjustments.

80. A central theme in SAB's submission was the importance of tax policy certainty. The organisation noted that the MTBPS repeatedly emphasises that policy predictability is

critical for investor confidence and for unlocking infrastructure and private investment. SAB argued that extending this principle to excise tax policy would provide stability for an industry that supports approximately 250 000 jobs across its value chain. It recommended that Treasury publish a medium-term excise adjustment path for beer, such as a three-year inflation-linked framework, to reduce volatility, improve planning, reinforce compliance, and diminish incentives for shifts to illicit markets. The company stressed that predictable excise policy is vital for long-term investment and ensures alignment between fiscal objectives and industry sustainability.

81. SAB concluded that the 2025 MTBPS provides a sound basis for ensuring excise stability in Budget 2026. It argued that inflation-linked excise adjustments maintain the real value of revenue without suppressing demand or harming growth, and that revenue overruns should be used to support priority spending areas while avoiding unnecessary tax shocks. SAB reiterated that aggressive excise increases could undermine Treasury's fiscal anchor, weaken consumption, and strengthen illicit trade. It therefore recommended that the Budget 2026 adjustment for beer excise remain strictly inflation-linked, that Treasury publish a medium-term excise path covering 2026–2028, and that ongoing excise reform efforts focus on strengthening structural enforcement measures designed to curb illicit trade and safeguard revenue integrity.

BASA Submission

82. The Beer Association of South Africa (BASA) welcomed the improved fiscal outlook presented in the 2025 Medium-Term Budget Policy Statement (MTBPS), noting that stabilising debt, stronger-than-expected revenue performance, and accelerated capital spending created a markedly different environment for excise tax decisions. BASA argued that the fiscal emergency that previously justified above-inflation excise increases no longer existed, and therefore future tax adjustments should be aligned with inflation to ensure policy consistency and economic stability. While acknowledging government's success in restoring fiscal discipline, BASA expressed concern that beer producers continued to face compounding macroeconomic pressures, including electricity tariff increases of 36 percent, rising water charges, a repo rate of 7 percent, and persistently weak consumer demand, which had compressed margins and constrained investment.

83. The submission stressed that excise policy had drifted away from its own stated framework, which pegs excise incidence at 23 percent of the weighted average retail price. Repeated above-inflation adjustments had pushed actual incidence to approximately 25 percent, with the most recent increase of 6.75 percent widening the deviation. BASA warned that such inconsistency undermined policy predictability, making it difficult for breweries, especially smaller ones, to undertake long-term investment planning. The organisation emphasised that the beer industry contributed significantly to the economy, including R96 billion in GDP, 210 000 jobs across its value chain, and R56.5 billion in annual tax revenue. BASA cautioned that continued above-inflation excise increases would erode this contribution by further suppressing demand, reducing investment, and driving consumers toward the illicit alcohol market.

84. A significant portion of the submission highlighted the rapid expansion of the illicit alcohol market, estimated at R25.1 billion annually. BASA argued that price-sensitive consumers increasingly shifted toward illicit beverages as legal beer became more expensive, resulting in revenue losses to the state, unfair competition for legitimate producers, and increased public health risks associated with unregulated products. Given the renewed emphasis on customs enforcement and excise compliance in the MTBPS, BASA supported sustained investment in enforcement capacity and called for an intensified crackdown on smuggling, counterfeit goods, and undeclared imports.
85. BASA submitted three policy recommendations to Parliament and the National Treasury. First, it requested a commitment to aligning annual excise adjustments with inflation forecasts to create certainty for multi-year planning while maintaining government revenue. Second, it proposed a phased return to the established excise incidence guideline of 23 percent to restore transparency and predictability in tax policy. Third, BASA urged stronger enforcement measures against the illicit alcohol market, arguing that enhanced compliance operations would improve revenue collection and support legitimate industry actors while protecting consumers. The submission concluded that recalibrating excise policy in light of the improved fiscal environment would support industry stability, employment retention, and long-term economic growth without compromising the state's revenue base.

South African Institute of Chartered Accountants

86. SAICA welcomed several key developments outlined in the MTBPS, while raising concerns about the credibility of the fiscal framework, the quality of revenue estimates, and the sustainability of public debt. SAICA began by commending the collaborative effort between the government and the private sector that resulted in South Africa's removal from the FATF grey list in October 2025, arguing that this achievement demonstrated what coordinated institutional action can deliver when national priorities are urgently confronted. The Institute also welcomed the recent S&P credit rating upgrade and expressed cautious optimism for a similar decision from Moody's. It attributed these improvements to the National Treasury's ongoing commitment to stabilising public finances and restoring fiscal credibility.
87. SAICA highlighted progress in strengthening payroll integrity across the public sector, noting National Treasury's identification of nearly 9 000 suspected ghost workers through cross-departmental data matching. It stressed that this work must be followed by appropriate law-enforcement action and extended across state entities, local government, and state-owned enterprises. The Institute further acknowledged substantial improvements in public participation in fiscal policymaking, including Treasury's fiscal policy workshop, consultations on the Fiscal Anchors Discussion Document, and the Finance Committees' post-MTBPS engagement session. These efforts signalled a more transparent budget process, although SAICA argued that government should expand its review to include budget implementation processes, given persistent weaknesses in execution.
88. Turning to the economic outlook, SAICA agreed with the National Treasury that GDP growth would remain subdued over the medium term, with household consumption and public-sector spending expected to stay under pressure. It noted that the South African economy remains structurally consumption-driven and vulnerable to weak investment

levels, unstable energy supply, and skill shortages. SAICA raised concerns about the realism of Treasury's medium-term growth estimates, especially the heavy reliance on higher private-sector fixed-capital formation starting from 2026. It cautioned that global growth prospects are weakening and that significant domestic reforms in energy, logistics and water infrastructure are likely to deliver economic benefits only from 2027 onwards. It emphasised that persistent delays in public infrastructure rollout, combined with stagnation in technical and vocational education, threaten future productivity growth and the country's economic transition towards a more production-driven economy.

89. On revenue performance, SAICA noted that Treasury's upward revision of the tax-to-GDP ratio signals a heightened possibility of tax increases in 2026, especially given projected revenue shortfalls of R15.7 billion in the outer years. It warned that "tax by inflation" through bracket creep effectively raises the tax burden without parliamentary oversight and urged the Committee to clarify whether it supports the continued use of this method. SAICA further highlighted concerns about the quality and sustainability of SARS's debt book. Although SARS had collected R47 billion from outstanding debt by mid-year, the debt book itself grew by R44 billion over the same period. The Institute warned that unresolved disputed taxes, now totalling R113 billion, and the large stock of unpaid refunds could place downward pressure on net revenue collections. It recommended that Parliament scrutinise the quality of SARS's debt book and the drivers behind rising disputes.

90. SAICA welcomed progress in slowing the growth of gross public debt and stabilising the primary budget balance, noting that improvements in South Africa's sovereign credit profile should lower borrowing costs over time. However, it emphasised that the current debt trajectory remains fragile, with public debt still growing almost three times faster than the economy. SAICA drew specific attention to the risks posed by state-owned enterprises and heavily indebted municipalities, warning that their persistent cash-flow deficits and reliance on government guarantees mirror the crisis previously experienced at Eskom. It stressed that guarantees for SOEs, particularly the R94.8 billion extended to Transnet, should be viewed as quasi-fiscal liabilities that threaten the debt outlook. SAICA argued that the rapid escalation of intergovernmental debt, especially unpaid municipal obligations to Eskom and water boards, requires more assertive enforcement, including continued use of section 216 of the Constitution to withhold the Local Government Equitable Share from non-compliant municipalities.

91. In its assessment of the newly adopted 3 percent inflation target, SAICA acknowledged the long-term benefits of anchoring inflation expectations more firmly but warned that achieving the target will require suppressing public expenditure and household consumption in the short term. It cautioned that prolonged pressure on real disposable income, combined with subdued government spending, may constrain economic growth for several years. SAICA emphasised that the distributional impacts of tighter monetary policy and reduced inflation must be considered carefully to prevent undue hardship for lower-income households. It stressed that the success of the new inflation target depends on improved government efficiency, discipline in spending, and accelerated progress in structural reforms.

92. Overall, SAICA's submission recognised meaningful progress in stabilising key fiscal indicators but warned that South Africa remains in a highly constrained environment characterised by low growth, mounting public liabilities, and execution deficits in economic reforms. The Institute urged Parliament to intensify oversight of revenue collection, intergovernmental debt, SOE guarantees, and the quality of the budget process. It concluded that without accelerated implementation of infrastructure commitments, a decisive shift in skills development, and strengthened discipline across all spheres of government, South Africa risks stabilising fiscally while stagnating economically.

Heineken Beverages Submission

93. Heineken Beverages welcomed the opportunity to comment on the 2025 Revised and Proposed Fiscal Framework, noting that the MTBPS signalled early signs of macro-fiscal stabilisation. The company acknowledged the projected achievement of a primary budget surplus, the tightening of expenditure controls, and the progress in structural reforms, particularly the opening of the electricity grid to private investment, as developments that, while modest, represented genuine early improvements in the economic environment. For large domestic manufacturers, these developments were viewed as encouraging, especially in a context where the sector continues to face above-inflation excise increases and the rapid expansion of the illicit alcohol market.

94. Heineken highlighted that although SARS is expected to collect an additional R19.7 billion in revenue for 2025/26, the trajectory of alcohol-related revenue collections has weakened over time. This trend, in their view, reflects both economic strain on the legal industry and significant revenue leakage to illicit operators, with recent estimates placing the fiscal loss at R16.5 billion in 2024. The company welcomed the Minister of Finance's explicit acknowledgment, made for the first time, of the scale of illicit alcohol trade, describing this as an important and overdue shift toward a more balanced policy approach that protects compliant businesses, secures employment, and recovers lost public revenue.

95. In its submission, Heineken reaffirmed earlier recommendations that Parliament encourage the Minister to support Business Unity South Africa's call for strengthened public–private partnerships to combat illicit trade, as proposed in TRACIT's 2024 Strategic Review. The company noted recent successful joint operations between SARS and SAPS, which have demonstrated tangible results, but cautioned that these operations also reveal the increasing scale, sophistication, and geographic spread of illicit manufacturers, who now possess the capability to produce bottles, closures and labels domestically, and are active across several provinces.

96. With regard to excise tax policy, Heineken expressed concern that above-inflation excise increases remain counterproductive in a fragile economic environment. Such increases, they argued, depress inclusive growth, place local manufacturing jobs at risk, and strengthen the competitive advantage of illicit operators. The company emphasised the importance of a balanced and evidence-based fiscal approach, one that facilitates economic growth, restores revenue lost to illicit trade, and supports compliant manufacturers who continue to contribute significantly to GDP, employment, and tax revenue.

97. Heineken concluded by underscoring three core positions: excise increases should not exceed CPI; enforcement efforts and collaboration between government and industry should be significantly enhanced; and policy coherence and predictability are essential to sustaining investor confidence and protecting the economic contributions of the legal alcohol sector.

2. REPORT OF THE PORTFOLIO COMMITTEE ON TOURISM ON THE OVERSIGHT VISIT TO GAUTENG PROVINCE, DATED 4 NOVEMBER 2025

The Portfolio Committee on Tourism, having undertaken an oversight visit on tourism infrastructure development projects, and assessing the state of township tourism in the Gauteng Province on 06 – 10 October 2025, reports as follows:

1. Introduction

Tourism remains one of the important economic sectors of the country with a critical role in driving economic growth, job creation, and infrastructure development. The Government of National Unity (GNU) also takes tourism seriously as it continued to have the Department of Tourism as a standalone functionary to drive the attainment of the government Medium-Term Development Plan (MTDP) 2024-29, with its three strategic priorities, namely, (i) Inclusive growth and job creation, (ii) Reduce poverty and tackle the high cost of living and (iii) Build a capable, ethical & developmental state. In addition, the National Development Plan (NDP) as the blueprint of government recognises tourism as one of the main drivers of employment and economic growth which can contribute towards creating an additional 11 million jobs by 2030

The Committee adopted a five-year strategic plan with a Whole Government Approach as its modus operandi during the tenure of the 7th Parliament. This was done as tourism is an interdepended sector that relies mainly on other sector departments fulfilling their mandate. The oversight The recommendations of the Committee in this report follow this approach, as in some issues, the Minister of Tourism is required to engage her counterparts in other government departments.

The Portfolio Committee on Tourism (the Committee) undertook an oversight visit to Gauteng. The Committee visited Sedibeng District Municipality, Department of Tourism, South African Tourism and the tourism infrastructure in the Gauteng province from 6 – 10 October 2025. The oversight visit included inspection of the

infrastructure projects implemented by the Department, visits to tourist attractions, the focus on township tourism, and stakeholder engagements with various tourism role players in the Gauteng Province.

1.1 Background

The Portfolio Committee on Tourism has been included in the implementation of the Oversight Priority Plan (OPP) of Parliament. The OPP aims to ensure focused oversight over key thematic areas that intensify the realisation of the NDP goals as well as other critical developmental goals such as the Sustainable Developmental Goals (SDGs). Tourism remains one of the important economic sectors of the country with a critical role in driving economic growth, job creation, and infrastructure development. A separate report will be developed in this regard.

The Portfolio Committee on Tourism oversees the Department of Tourism and one entity South African Tourism. The department has two implementing agencies that are responsible for implementing the projects of the department. The Development Bank of South Africa is an implementing agency responsible for managing the building of tourism infrastructure in different provinces of the country. The Committee has interacted with the DBSA, and has received reports on the progress of these projects. The Committee would like to visit these projects to ensure that there is value for money on the projects.

1.2 Delegation

The Committee delegation included the following members and support staff:

Name		**Political Party**
1.	Ms R Nalumango (Chairperson of the Committee)	African National Congress
2	Ms A Hlongo	
3.	Ms L Ligaraba	
4.	Ms H Ismail	Democratic Alliance
5.	Ms E Linde	

6.	Ms N Buthelezi	uMkhonto Wesizwe Party
7.	Ms J Basson	Patriotic Alliance
Support staff		
1.	Mr D Mocumi	Committee Secretary
2.	Ms Y Cele	Committee Assistant
3.	Ms S Loni	Researcher
4.	Dr S Khuzwayo	Content Advisor
5.	Ms S Govender	Communication Officer

2. Visit to Sedibeng District Municipality

The Committee visited the Sedibeng District municipality as part of assessing how municipalities and different stakeholders work together to promote and advance township tourism.

2.1 Site visit to Sharpville Human Rights precinct

The Sharpeville Memorial and Exhibition was officially opened on 21 March 2002. The site serves to honour the memory of 69 people who were killed and many others who were injured when police fired on an anti-apartheid pretest against the use of pass laws which controlled the movements of black Africans. The memorial included 69 symbolic stones representing fatalities. These sites are part of the Human Rights Precinct that includes the Old Police Station, a site of shooting on 21 March 1960, Goerge Thabe Stadium a site where the Constitution of the Republic of South Africa was signed into law on the 10 December 1996, and the Phalandaba cemetery, the final resting place for the 69 victims of the shooting.

In 2011 the Old Police Station, Garden of Remembrance and the Burial site at Phelandaba were declared as Provincial Heritage sites and in 2016 the sites were elevated to a National Status through the South African Heritage Resources Agency. In 2024 these sites were inscribed as World heritage Sites by UNESCO as part of Human Rights Liberation and Reconciliation: Nelson Mandela Legacy Sites. The Sharpeville Human Rights sites were inscribed as World Heritage

Sites by UNESCO in 2024. On the 24th September 2025 United Nations Office of the Higher Commissioner for Human Rights honoured the survivors of Sharpeville Massacre for their Dramatized Play of the events of 21 March 1960.

2.1.1 Challenges

- Decaying Infrastructure
- Poor Content and Exhibition
- Roles and Responsibilities between SDM and ELM on maintenance and upkeeping of sites
- Insufficient Security
- Cleaning and Maintenance staff

2.1.2 Intervention required

- Funding for Infrastructure Development.
- Partnership with Institutions of Higher Learning- Research and Content Development.
- Strengthen Stakeholder Management and Public Education.
- Develop a Community Oriented Socio-Economic Benefits.
- Capacity Building in the Tourism and Heritage Sectors.
- Develop a Site Management Plan with clear roles and responsibilities for all spheres of government with emphasis on SDM and ELM

2.2 Site visit to Boipatong Monument and Youth Centre

On the 17th June 1992, 46 people were killed in an attack on the sleeping community of Boipatong. The attackers were mainly Zulu dwellers from the Kwa-Madala hostel for migrant workers. The massacre led to the African National Congress walking out of the negotiations, due to the National Party complicity in the attacks. The attacks marked a turning point in the political history of the country in 1992.

The Gauteng Provincial Government erected the Boipatong Monument and Youth Centre as symbolic reparation of those who were killed and those who survived the atrocities that night of 17 June 1992. The site was officially opened on the 21st October 2015 by the Premier of Gauteng Provincial Government, Hon David Makhura. In 2018 it was handed over to SDM to operationalise. It serves as a centre of memories of victims and survivors through its well packaged exhibition. The site is a huge attraction for school's tours and programs.

2.2.1 Challenges

- The building has a lot of structural defects- roof and electricals
- Insufficient grant from Province- enough for repairs, security and electrical bill
- Operated by one Staff member

2.2.2 Intervention required

- Appointment of staff
- Increment of a Provincial Grant
- Partnership with Institutions of Higher Learning- Research and Content Development
- Strengthen Stakeholder Management and Public Education
- Website
- Signage

2.3 Site visit to the Zone 7 night vigil massacre site

The Committee visited the site of the infamous night vigil in Boipatong. The Committee was informed that Chris Nangalembe, member of the ANC, was a bulwark of his local community. His efforts to eliminate crime in the township, including the local gang '5-Star', ultimately led to his death. Later hearings of the Truth and Reconciliation Commission have confirmed that Nangalembe was kidnapped by unknown assailants and brutally murdered by strangulation on the night of the 5th of

January 1991. His body was abandoned and later found at a rubbish dump in the nearby township of Boipatong.
News of Chris Nangalembe's death sent shock waves throughout Sebokeng. The community responded a week later on the 12th of January 1991 with an all-night vigil. The vigil was held in a tent in Zone 7 Sebokeng, close to the Nagalembe family house where weeping mourners paid final respects to their comrade and community leader.

Christopher's brother, Mandla Nangalembe had been warned of a possible attack at the Night Vigil and went to the police with the information. He reported that strange cars have been patrolling the streets near their house in Zone 7, Sebokeng. The police promised to send a unit to the Night Vigil.

Saul Tsotetsi and members of the Vaal Council of Churches also reported the possible attack to the police and requested protection. During the night of 12 January 1991 there was an attack on the mourners as expected. The police were not on the scene at the time. Mourners were attacked by 15 – 20 armed men. They opened fire with AK 47's, handguns and hand grenades. Forty-Two (42) mourners were killed and twenty-six (26) were injured.

2.3.1 Challenges

- No symbolic structure like in Sharpeville and Boipatong
- The event is commemorated in a low key
- The stories are not properly documented
- Poor stakeholder management
- Some tombstones of victims were vandalized

2.3.2 Intervention required

- Sourcing of funds for a new museum.
- Partnership with Institutions of Higher Learning-Research and Content Development.

- Strengthen Stakeholder Management and Public Education.

2.4 Site visit to the Emfuleni Visitor's Information Centre

Emfuleni Tourism Visitors information centre's purpose is to act as a central, physical point for visitors to access information, services, and advice about a destination, enhancing their overall experience, supporting local businesses, and contributing to sustainable tourism development. These centers provide essential services like maps, local advice, and booking assistance for tours and attractions, often serving as a crucial first contact for tourists and helping them discover local culture and less-known regions.

2.4.1 Challenges

- No ablution facilities
- dilapidated and rundown building.
- mould growth.
- outdated methods of promotion and marketing budget Constrains.

2.4.2 Interventions required

- Migration from traditional to digital display of exhibition while providing traditional resources like maps and brochures, in line with modern centres.
- Integrate digital information, mobile applications, and electronic services.

2.4.3 Meeting with stakeholders

The Committee met with stakeholders, which included service providers and tour operators within Sedibeng District. Some of the concerns raised include; lack of platform to engage with the municipality, lack of support to small and

medium enterprises, lack of infrastructure maintenance, poor roads and lack of maintenance of municipal resorts and parks.

3. Oversight visit to Department of Tourism and South African Tourism

The Portfolio Committee undertook an oversight visit to both the Department of Tourism head Offices in Pretoria and the Offices of South African Tourism in Johannesburg. The purpose of the visit was to meet and greet the employees of the department and South African Tourism. Following the recent governance instability in South African Tourism, the Committee took the opportunity to assure the employees of the support of Parliament and encourage employees to continue making a difference and performing with dedication and commitment.

4. Site visit to Site visit to Cullinan Diamond Lodge

The Portfolio Committee visited the Cullinan Diamond Lodge, which is a beneficiary of the Tourism Incentive Programme (GTIP) project. Cullinan Diamond Lodge (registered as Zuna Trading (Pty) Ltd) is a four-star graded accommodation establishment established in 2010 and located in Cullinan, Gauteng (Address: 2 Hotel street, Cullinan, Pretoria). The Lodge has 29 rooms of which 26 are standard guest rooms, two (2) luxury guest rooms and one (1) room for people with disabilities. The establishment also has conferencing facilities that can seat up to 100 delegates as well as a dining area, bar area and a restaurant.

Around the time of its Green Tourism Incentive Programme (GTIP) application in 2018/19, the Cullinan Diamond Lodge employed 15 full-time staff and 7 non-permanent/ casual staff. Cullinan Diamond Lodge is owned by Mr Louw Allen and is categorized as exempted micro enterprise (EME) in line with the Tourism Broad-Based Black Economic Empowerment Scorecard. The establishment was operating at an average annual occupancy rate of 28 per cent in 2018/19. The GTIP covered the full costs of the energy and water audit to determine the appropriate energy and water saving opportunities at the establishment.

Cullinan Diamond Lodge qualified for grant funding of 68 per cent (equivalent to R100 000 000) of the total cost (R1 461 697) of implementing the proposed interventions. The applicant is registered for Value Added Tax (VAT) so the proposed grant amount excluded VAT. The applicant was therefore required to contribute R461 697 (32 per cent) plus the full VAT amount. The simple payback period for the solutions recommended was estimated at just over 19 years. the GTIP intervention resulted in significant savings. Electricity consumption for the review period was reduced by 69.7 per cent to 28 533kWh at an average consumption rate of 2 278kWh per month. This further represents an electricity cost saving of 53 per cent per annum (i.e. from R135 738 pa to R63 936pa) for the Cullinan Diamond Lodge as well as Co^2-offset of 34 321kg per annum.

5. Visit to Cradle of Humankind (Maropeng Interpretation Centre)

On Wednesday, 8 October 2025, the Committee conducted a site visit the Cradle of Humankind (Maropeng Interpretation Centre) in Magalieburg. In 2016/17 financial year, the Department of Tourism provided R20 350 000.00 (Twenty Million Three Hundred and Fifty Thousand Rand) funding for the destination development and enhancement project at Maropeng, in the Cradle of Humankind World Heritage Site. A further R318 000.00 was added into the support packaged for tourist guide training in 2016/17. An additional amount of R 15.5 million was provided in 2018/19 for the development of various exhibition elements.

5.1. Project Scope of Work

The scope of the project to upgrade the Interpretation Centre included the following: Expansion of the experience lab; Construction of the human impact picnic site; detailed planning for: other picnic areas, Café, Amphitheatre, Children's play area and Wellness centre. Subsequently, the tourism guiding training was completed. The project was successfully completed in 2017, and 167 jobs were created during this phase of the project.

The scope of work supported in 2018/19 for the development of various exhibition elements included:

- Transportation and erecting of the 96 Long March to Freedom Statues as a temporary exhibit.
- Logistics, preparation, design, research, insurance, security, administration and marketing.
- Cleaning and maintenance for exhibitions.
- Media Events and narrative amplification.
- Development of fully equipped virtual and augmented reality exhibition additions.
- Exhibition Guide book production.
- Annual Cradle Colour Festival.
- Updating of exhibition including new and rotating exhibitions.
- Upgrading of conference room facilities.
- Upgrading of audio visual equipment for the exhibitions

One of the key challenges experienced during the rollout of the various elements of the project was the impact of COVID-19 on project implementation. All this work was successfully completed and concluded with a closeout report having been finalised around 2021.

6. Site visit to the Constitutional Hill

The Committee undertook a site visit to the Constitutional Hill on 8 October 2025. The purpose of the visit was to assess the work done in the implementation of the project. The Department of Tourism entered into a partnership agreement with the Constitutional Hill Development Company (Conhill) in February 2018 to undertake the planning and implementation of the development of the People's Park project. The overall objective of the proposed park is to create a public park in keeping with the ethos of the Constitution Hill precinct. The park will be accessible to the public and will also be used by Constitution Hill for gatherings and public events.

There has been delays in the implementation of the project ranging from among others, compliance issues within Constitutional Hill's Supply Chain Management (SCM) systems, Covid pandemic, poor performance of the contractor resulting in procuring for a new contractor, change in the Board directors of the Gauteng Growth and Development Agency (GGDA) as implementing agency on behalf of Conhill to

approve appointment of a contractor and lately heavy rains experienced in March – May 2025. An amount of R12 million was transferred to Conhill for the People's Park development, and R2 million was transferred for the accessibility lifts.

6.1 Site visit to the Creative Hub (Constitutional Hill)

The "Constitutional Hill Creative Hub" refers to the Creative Uprising Hub (also known as Transwerke Studios) located at Constitution Hill in Johannesburg, South Africa. It is a physical and programmatic initiative that supports and incubates creative businesses, providing them with resources, office space at subsidized rates, workshops, and market access opportunities through events like the Basha Uhuru Festival. The hub supports a wide range of creatives, including musicians, visual artists, designers, and filmmakers.

The purpose of the hub is to foster innovation, economic development, and knowledge sharing within the creative and cultural industries. Its key features included: provides office and studio spaces for rent, often at subsidized rates; Includes a maker space with machinery like digital printers; Offers support services for business registration and product development; Organizes workshops and events, such as the Creative Uprising Hub and the Basha Uhuru Festival.

The Industries supported include Music and film production; Visual arts and design; Poetry and theatre; AI creation and urban farming.

7. Site visit to the Suikebosrand Nature Reserve

The Committee visited the Suikerbosrand Nature Reserve on the 9 October 2025. It is located in the Lesedi Local Municipality within the Sedibeng District Municipality. The project was allocated budget of R7,649,678.07. The Keipersol Camp consist of 12 existing facilities, primarily 11 chalets and 1 conference centre. The scope of work is limited to only 5 chalets, which are:

- 2 x 2 bedroom chalets.
- 1 x 1 bedroom chalet.
- 1 x 2 bedroom paraplegic chalet.

7.1 Scope of work

The refurbishing scope of work consists of the following:

- replacement of existing thatch roof,
- repairing of cracked walls and paint,
- install new modern kitchen cabinets and utilities,
- renovate of the chalets superstructure and timber decking,
- installation of new electrical sockets and refurbishment of air condition,
- construct universal access ramp leading to the chalets,
- refurbishment of the existing SDMO J200K generator,
- installation of external lights,
- construction of stormwater infrastructure and landscaping around the facility,
- refurbishment of ablution utilities, tiles and fittings,
- installation of new furniture and steel staircases,
- installation of aluminium glass windows and doors.

7.2 Project update

The project started on 08 January 2024, with an anticipated end date 22 July 2024. The site was handed over to the contractor on the 19 January 2025. The site was closed for a while because the contractor failed to address the issues identified in the health and safety report. An extension of time claim was reviewed by the Professional Service Provider team. The Contractor was subjected to penalties for delayed completion.

There were nine (9) local people employed consisting of seven (7) youth, two (2) adults, two (2) females and seven (7) males. The construction work has reached Works Completion stage.

8. Site visit to the Vredefort Dome

The Committee visited the Vredefort Dome on the 9 October 2025, as one of the facilities which the Department of Tourism has invested funds in. The Vredefort Dome Visitor Interpretation Centre was initially constructed around 2015 however, because of structural defects it was not safe for occupation. In around 2021 the Department appointed the Development Bank of South Africa (DBSA) to complete various infrastructure project, including this project.

The DBSA appointed Durapi Consulting Pty Ltd as the Professional Service Provider in 2022. A construction company, namely, Yahweh Construction and Projects was appointed around September 2022 and the site was handed over in October 2022. The contract with this contractor was terminated in 2023 due to poor performance. As a result, a new contractor Macho Group was appointed in January 2024 for the contract value of R19, 998, 363.30. The project falls under the management of Nqwathe Local Municipality and Fezile Dabi District Municipality, with Fezile Dabi District Municipality being the initiator of the project and the owning entity.

The Vredefort Dome is the world's best preserved and largest visible meteorite impact crater. The site has geological significance and has been listed as a UNESCO World Heritage Site. The Dome is the only centre of what may be described as a vast 3-ringed crater stretching 300km from Johannesburg to Welkom. It represents a unique geological phenomenon formed about 2 023 million years ago and is the oldest and largest known meteorite impact structure**.**

8.1 Challenges and project update

The project experienced challenges throughout the implementation phase, which included the following:

(a) Sub-contracting and payment disputes between the Main contractor and the sub-contractors. The DBSA has been instrumental in trying to resolve payment related disputes.

(b) Delays: The Director of the contractor passed away around October 2024 and this affected the project. The project progress fell behind schedule and was supposed to be terminated. However, DBSA then allowed the contractor to engage a partner, Sante Engineering which was then sub-contracted to rescue the project. Sante Engineering has done very well to bring the project to this stage.

(c) Water connection: There is a municipal water connection to the dome, but it is dry and the municipality needs to supply the water to the facility.

(d) Electrical connection: The dome was initially connected but there was an outstanding bill that led to the power disconnection that needs to be paid in order to obtain the re-connection.

Many of these historical challenges have been addressed, the project is currently at 96 per cent completion. Once the building of the Dome Interpretation Centre has been completed, the work on the exhibition will have to commence. This will require that funding partnerships are secured with a number of local, provincial and national public sector stakeholders**.**

9. Oversight visit to Soweto (township tourism)

The Committee visited Soweto as part of its focus on township tourism. Soweto Hotel was visited and other attractions to assess operations and maintenance of these facilities. The report entailed the following issues:

9.1 Sit visit to Credo Mutwa Cultural Village

The Credo Mutwa Cultural Village is located in the heart of Soweto, south of Johannesburg. It consists of a remarkable collection of buildings and sculptures, which attempt to document African art, mythology, culture, folklore and architecture. The village is also a journey into the mind of one of South Africa’s most intriguing cultural figures.

This restored Sowetan cultural village is situated beneath the Oppenheimer Tower, another famous landmark, which affords visitors a panoramic view of Soweto. The village consists of recreations of tribal homesteads, traditional burial practices and an eclectic array of sculptures: from Zulu chiefs and tokoloshes (African elves that sometimes help humans, but usually trick them into harm), to gods and aliens.

The site is surrounded by gardens containing plants like the wild olive, aloe, plumbago and the canary creeper, which are used in traditional African medicine. The traditional healers (sangomas) who live close to the area often come to the gardens to gather materials for their practices. Entrance to the Credo Mutwa Cultural Village is free. Even though it is irregularly upgraded, the site is a must on any tour of Soweto – especially for lovers of art, African culture and the esoteric.

9.2 Site visit to Hector Peterson Memorial

The Hector Pieterson Museum is located in Orlando West, Soweto, South Africa. Located two blocks away from where student protester Hector Pieterson was shot and killed on 16 June 1976, the museum is named in his honour and covers the events of the anti-Apartheid Soweto Uprising and Massacre, where more than 170 protesting school children were killed.

The museum features films, newspapers, personal accounts and photographs, the most famous being the iconic photo by Sam Nzima. The Hector Pieterson Museum became one of the first museums in Soweto when it opened on 16 June 2002. A companion museum nearby is Mandela House, the former home of Nelson Mandela and his family, which has been run as a museum since 1997. The total cost of the Hector Pieterson Museum project was Rand 23.2 million, which was covered by a R16 million donation by the Department of Environmental Affairs and Tourism and a 7.2 million rand donation from the Johannesburg City Council.

10. Observations

Having conducted an oversight visits to the projects implemented by the Department of Tourism, and having assessed to state of tourism infrastructure in the Gauteng Province, the Committee made the following observations:

10.1 Challenges in the projects implemented by the Department of Tourism and those implemented through the Development Bank of Southern Africa (DBSA) are as follows:

10.1.1 The projects are implemented without the full participation of the municipalities. There are no bulk services (water and electricity) connected to the projects infrastructure implemented.

10.1.2 A comprehensive audit of all DBSA-implemented tourism projects should be undertaken to assess value for money, scope compliance, and accountability.

10.1.3 The scope of the projects on which DBSA is contracted by the Department does not cover all the work that need to be done to render the projects operational at practical completion. For example, at Vredefort Dome, the scope of work does not include connecting to the municipality main water line, there is no sewage system connected to the main municipal sewerage line with the non-compliant old septic tank that is still to be tested for usability.

10.1.4 At Vredefort Dome, the director for the main contractor passed away and the contract was ceded to the subcontractor. The subcontractor was not properly briefed about the scope of work to be done. Consequently, the project has been delayed and accumulating penalties as it has been delayed for almost a year. The DBSA indicated that the project is due for practical completion at the end of October 2025. However, the practical completion is on the scope of work that was identified with the initial contractor. The issues such as water and sewage were not part of the original scope and will render the project not operational at practical completion.

10.1.5 At Suikerbosrand Nature Reserve, only four of twelve accommodation facilities were approved for refurbishment, which makes no business sense as the precinct has capacity to generate income if all twelve accommodation facilities are revamped. The Department seems not to take into account the

viability of projects being implemented at an operational stage. The project scope of work did not include water and electricity connection, and the project sponsor has to provide for themselves through generator and borehole. The generator is already installed and two boreholes have been dug. The process of testing water for human consumption was underway.

In concurrence with the Committee's oversight observations, the Auditor-General made the following observations that were communicated to the Committee during the Budget Review and Recommendation Process:

10.1.6 Ineffective project monitoring by project manager team, namely, Implementing Agent project managers not attending site meetings, etc.

10.1.7 Lack of effective conditional assessment to establish the extent of work resulting in numerous changes during construction.

10.1.8 Over commitment by Professional Service Providers resulting in poor performance and failure to satisfactorily discharge their contractual obligation thereby contributing to delays in completion of projects.

11. Observations with regard to Township Tourism

Regarding enhancing township tourism, the Committee in the 7th Parliament, has prioritised tourism development in Villages, Townships and Small Dories/Towns (VTSDs). The Committee observed the following:

11.1 There is appalling neglect of township tourism at a local level.

11.2 In the areas visited, the Department of Tourism and South African Tourism do not provide tourism development and marketing support.

11.3 The municipalities do not understand and fulfil their constitutional mandate as tourism is a concurrent function.

11.4 The township tourism operators, such as Soweto Hotel, are not fully informed about the suite of support services available at the Department of Tourism and South African Tourism.

11.5 The tourism attractions, such as museums and heritage sites, are not maintained, leading to collapsing infrastructure. Some have been vandalised due to lack of fencing around them. The maintenance of sites does not mean the authenticity of the township tourism experience is lost. However, this takes away the experience and aesthetic value of the township tourism experience. Key sites are left to become derelict; there is no sense of urgency in ensuring the maintenance and revival of key heritage sites. Examples include the Sharpeville Precinct, and the monuments erected in honour of fallen heroes (e.g., Zone 7 Night Vigil Massacre Site)

11.6 There is no proper destination planning and marketing of tourism offerings, for example, Sedibeng District Municipality has many townships with various struggle and apartheid related sites of atrocities/political massacres. These are not interlinked into a tourism route and strategically packaged together for marketing, whilst these provide huge potential for Dark Tourism as a niche market.

11.7 The municipalities operate on zero budget for tourism and there is no budget linked to tourism as a Local Economic Development sector. This means that there is no proper understanding of the value of tourism in creating job opportunities at local level, and by extension, no understanding of the constitutional mandate by municipalities.

11.8 Municipalities (e.g. Sedibeng District Municipality) are lethargic in their approach to tourism planning and development. Collaborations are not being fervently sought (e.g., public-private partnership for the development of tourism precincts; investors to manage local sites such as the local caravan park that are being left to deteriorate).

11.9 The role of the private sector and the opportunities it presents in tourism development at the municipal level are not being fully optimised.

11.10 There is silo approach to the development and maintenance of tourism infrastructure and attraction sites. This is due to inadequate collaboration amongst spheres of government (locally and provincially), and amounts government departments at a national level, from Sports, Arts and Culture; Tourism; and Forestry, Fisheries and Environment.

11.11 The challenge of the closure of heritage sites on weekends and holidays was observed as a serious challenge that has led to the area being taken off tour itineraries. This is due to lack of funds from municipalities to pay staff to work on weekends and holidays. The heritage sites operate on government office hours, not considering tourism imperatives.

11.12 The townships are littered with garbage along the roads, and this is a deterrent to tourists visiting the area, especially repeat visits and word of mouth about litter may be a further deterrent to tourists visiting these areas. There is lack of innovative ideas in addressing basic service delivery challenges. An example is the littering challenge in municipalities within Sedibeng District Municipality.

11.13 The roads are riddled with potholes which may be limiting for tour operators to include townships in their tour itineraries.

11.14 There is lack signage on the roads leading tourists to various attractions, and some attractions have no signage on site. There is no signage between key tourist sites in the Sedibeng District Municipality; including information plaques at local historical monuments.

11.15 Sewerage challenges around the Sedibeng District Municipality (total breakdown of bulk infrastructure was cited as a huge challenge for the Vaal area; including pollution). The tourism activities at the Vaal River have completely collapsed and this has affected existing tourism businesses. Some water related events have been discontinued due to water pollution.

12. Recommendations

Having conducted oversight and held stakeholder meetings with local communities, the Committee made the following recommendations:

12.1 Recommendations in relation to engaging the South African Township and Village Tourism Association (SATOVITO) in developing and promoting township tourism, the Department is encouraged to:

12.1.1 Work with township and village organisations in creating awareness about Department of Tourism and SA Tourism programmes.

12.1.2 Use SATOVITO as an instrument to ensure that tourism Small Medium and Micro Enterprises comply with criteria to access various funding instruments such as Tourism Equity Fund, Market Access Programme, Grading support scheme and others.

12.1.3 Work with SATOVITO in enhancing tourism development and marketing township tourism through collaboration and funding mechanisms.

12.2 Recommendations in relation to implementation of infrastructure projects:

12.2.1 Engage DBSA to improve on the Supply Chain Management, appointment and management of service providers (contractors and sub-contractors).

12.2.2 Ensure that before contracts are signed and funding is allocated, the Department of Tourism and its implementing agents (like DBSA) present the full business case, project scope, and risk mitigation plans to the Portfolio Committee for any infrastructure project.

12.2.3 Review the methodology of implementing the infrastructure projects, moving away from implementing many small low impact projects to few high impact projects that will create more jobs during construction and sustain many jobs during operations.

12.2.4 Establish a Tourism Asset Unit within the Department to fast-track the leasing of all the dilapidated state-owned tourism assets (e.g., resorts, caravan parks)

to private operators under strict service-level agreements, transferring maintenance burdens and operational risks away from the state.

12.2.5 The Department of Tourism should condition its infrastructure funding to municipalities on the provision of a credible plan and budget from that municipality for maintaining surrounding road infrastructure, waste removal, and sewage systems.

12.2.6 Develop a single, streamlined digital portal - a Tourism SMME Hub that consolidates all national and provincial funding applications, market access programs, and grading support into a single, accessible interface to empower small businesses and dismantle bureaucratic barriers.

12.2.7 Account for the multi-year projects that are not in the Annual Performance Plan but contained in the Business Plan of the Department through attaching annexure when making briefing the Committee on quarterly performance reports.

12.2.8 Increase capacity within the Department to conduct close oversight on the infrastructure projects implemented by DBSA to ensure that projects are delivered according to the initial scope of work, but where more work has been discovered during the implementation process, the scope of work must be increased and more funding made available for such projects, so that projects are fully operational at practical completion stage.

12.2.9 Ensure that there is proper planning at the project conceptualisation and inception stage to eliminate unnecessary delays during implementation.

12.2.10 Where contracts are terminated due to non-performance, ensure smooth transition between service providers and scope of work to be done.

12.2.11 Constitution Hill Management to maintain the People’s Park precinct and ensure maintenance of landscaping to keep the park in a pristine state.

12.2.12 A comprehensive audit of all DBSA-implemented tourism projects should be undertaken to assess value for money, scope compliance, and accountability.

12.2.13 The Department should prioritise community-based and worker-owned tourism enterprises, ensuring that local people are active beneficiaries, not passive onlookers, in their own development.

12.3 In regard to concurrent functions and intergovernmental relations, the Minister of Tourism should:

12.3.1 Assign Destination Development team to the Soweto Hotel precinct to do an assessment of what can be done, with 'low hanging fruits' being interventions that are readily available, such as the Green Tourism Incentive Programme, the Market Access Programme and Grading Support, whilst working on long term infrastructure upgrade support, and report to the Committee on quarterly basis about progress in this regard.

12.3.2 Ensure that the Destination Development as recommended in 12.2.1 above, works closely with the Gauteng Province on the whole precinct development initiative around the Soweto Hotel to ensure that this precinct becomes a tourist attraction that will serve as an anchor to Township Tourism in Soweto.

12.3.3 Engage the Department of Cooperative Governance and Traditional Affairs (Cogta), South African Local Government Association (Salga), and Sedibeng district Municipality and all municipalities in this jurisdiction to:

(a) Ensure that municipalities understand tourism as a concurrent function at provincial and local level, and be legally mandated to budget for tourism as part of their Local Economic Development responsibilities.

(b) Ensure that municipalities allocate budget to tourism as this is a concurrent function amongst all the spheres of government.

(c) Ensure that municipalities should consider tourism as part of Local Economic Development (LED) function and not treat it as an unfunded mandate.

(d) Municipalities maintain heritage sites that fall under their jurisdiction.

(e) Provincial governments and municipalities the maintain the road infrastructure falling under their remit.

(f) The municipalities can consider commercial recycling opportunities; using Expanded Public Works Programme for cleaning the townships and exploring other opportunities.

(g) Source investors and partners for the revival of water activities around the Vaal Dam.

(h) Development of a tourism strategy for the Sedibeng District Municipality, to identify key markets and products for growth (e.g. MICE tourism), and engage local tourism stakeholders in the formulation of such a strategy.

(i) Integration of local tourism operators in municipal supplier database and their appointment for relevant services. Inclusive development of local enterprises is a core feature of tourism development.

(j) Skills development programmes be developed in consultation with tourism stakeholders, to ensure the absorption of beneficiaries into the local tourism sector.

(k) Sedibeng District Municipality to collaborate with South African Tourism on opportunities for grading of facilities, including exhibition opportunities at key events for local enterprises.

(l) Sedibeng District Municipality to engage South African Tourism on their Sustainability Village model, on behalf of the local crafters at the Sharpeville Old Police Station. Through this, crafters can be provided with the opportunity to exhibit their wares at the Village during Meetings Africa or Africa Travel Indaba.

12.3.4 Engage the Department of Sports Arts and Culture to ensure that:

(a) The South African Heritage Resources Agency (SAHRA) considers the maintenance of various heritage sites in Gauteng Province, especially those in townships, particularly Sedibeng District Municipality.

(b) There is collaboration with SA Tourism to include the Credo Mutwa Museum in their marketing initiatives.

(c) There is collaboration with SA Tourism with regard to digital marketing, to explore developing digital interpretation centres for all heritage sites and assist municipalities in developing their own marketing plans.

(d) The Department of Tourism collaborates with SALGA to develop a Struggle Heritage Route, can be developed linking all heritage site within Sedibeng District Municipality.

(e) Partner with provincial department of Arts and Culture on the opening of heritage sites during the weekend. and

(f) Painful historical and liberation sites be declared Special National Heritage Tourism Zones with dedicated budgets for maintenance, protection, and local participation.

12.4 Consider reviewing criteria for funding for departmental instruments such as the Tourism Transformation Fund to include vehicles for tour operators as this forms part of their core business.

12.5 Ensure that during the process of reviewing the National Tourism Sector Strategy, consider exploring how the taxi industry can be brought into the mainstream tourism value chain in enhancing domestic tourism experience as an affordable mode of transport.

12.6 Address the fragmentation in marketing destination South Africa and forge collaboration amongst various role players, including government and the private sector.

12.7 Engage Constitution Hill Management work closely with South African Tourism on exhibition opportunities for the youth entrepreneurs based at the Precinct.

Report to be considered.

3. REPORT OF THE PORTFOLIO COMMITTEE HUMAN SETTLEMENTS ON THE OVERSIGHT VISIT TO HELEN BOWDEN BUILDING RENAMED AS AHMED KATHRADA HOUSE, GREEN POINT, CAPE TOWN ON 14 NOVMBER 2025, DATED 21 NOVEMBER 2025

The Portfolio Committee on Human Settlements (the Committee) embarked on an oversight visit to Helen Bowden Building which was renamed Ahmed Kathrada House in Green Point, 14 November 2025. The Committee reports as follows:

1. Purpose of the Oversight Visit

The mandate of the Portfolio Committee on Human Settlements (the Committee) is an oversight responsibility of scrutinizing and overseeing government action on provision of sustainable human settlements and quality service delivery. Such responsibility is driven by the ideal of realising a better quality of life for all the people of South Africa, which includes:

- To conduct oversight on any organ of state and constitutional mandate falling within its portfolio.
- To oversee that such organs of state comply with human settlements related legislative and regulatory frameworks.
- To consider the Human Settlements portfolio legislation and international agreements referred to it, as well as the budget for the Department and Entities within its portfolio.
- To facilitate public participation on human settlements matters to ensure that the Executives always fulfill their mandate and accordingly held accountable.

The oversight visits enable the Committee to be in an informed position to understand planned and achieved programmes, projects and targets towards provision of sustainable human settlements, as well as challenges that hinder service delivery thereof.

The Committee conducted an oversight visit to Helen Bowden Building known as Ahmed Kathrada located in 1 Beach Road, Green Point, Cape Town on Friday, 14 November 2025. The visit emanated from the Urban Land Justice Gathering the Committee attended on 22 and 23 August 2025. The gathering was hosted by Ndifuna Ukwazi at the V&A Waterfront; and was aimed at facilitating dialogue between grassroots activists and policymakers responsible for urban policy and implementation. Amongst the key issues deliberated on was the status of the building, formerly the Helen Bowden Nurses' Home (occupants renamed it Ahmed Kathrada

House), which has been unlawfully occupied by over 800 people since 2017. Occupants of the building are members of the Reclaim the City Movement, they include domestic workers, nurses, teachers, and single mothers, who work in and around the City of Cape Town. The unlawful occupation of the building was a response to then Western Cape government's decision to sell the building to private developers instead of using it for social housing. The occupants were faced with challenging living conditions, including lack of electricity, functional toilets, and security.

In 2018 the City of Cape Town Municipal Planning Tribunal approved an application by the Western Cape government to consolidate and rezone the Somerset Precinct. The Committee, therefore, requested the City of Cape Town, Provincial Department of Infrastructure (Human Settlements Branch) to present a detailed information on the rezoning and the services rendered respectively. The Department of Human Settlements and the Social Housing Regulatory Authority (SHRA) provide detailed information on whether funding and policy guidance was provided for Somerset Precinct. The Committee was also going to engage with Ndifuna Ukwazi and Reclaim the City group with the intention to find strategies or mitigation plans to address the challenges experienced and the reasons for occupying the building.

2. Multi-Party Delegation

The following are the Multi-Party Delegates that were part of the oversight: Mr AM Seabi (ANC) (Chairperson of the Committee – leader of the delegation); Ms TE Magagula (ANC); Ms BM Kegakilwe (ANC); Mr C Poole (DA); and Ms S Frenchman (NCC).

2.1 Support Staff

The following Support Stuff were part of the oversight - Ms K Pasiya-Mndende (Committee Secretary) and Mr K Naidoo (Committee Assistant).

2.2 Departments

National Department of Human Settlements: Mr AJ Mnyembane, Parliamentary Liaison Officer Ministry; Mr T Dlamini, Community Outreach Officer: Deputy Minister’s office; Ms K Nevondo, Deputy Director; Paul Masemola, Chief Director: Legal Services; Mr B Ntlantsana, Acting Director: Intergovernmental Relations; Ms S Nziyane, Assistant Director: Intergovernmental Relations.

The Provincial Department of Infrastructure that owns the property was not in attendance, indicated having other commitments. The City of Cape Town was also not in attendance, stating that they do not own the building even though it was providing basic services, chemical toilets and tape water.

2.3 Ndifuna Ukwazi

Ms N Sigwela, Researcher; Ms Y Bardien, Communications and Engagements officer; Mr L Mtamzeli, Political Organiser; Mr B Booi, Head of political organising and Mr L Johnson political organiser.

3. Briefing and Sites Visted

Ms N Sigwela, Researcher from Ndifuna Ukwazi made a presentation on behalf of the residents and she unpacked the historical background of the Ahmed Kathrada House (AKH) building including respective challenges and mitigation plans thereof.

The presentation highlighted that the people occupied the Helen Bowden Nurses house and renamed Ahmed Kathrada House (AKH) building due to the following reasons:

- The failure of the Western Cape Provincial Government to deliver well-located, affordable housing.
- Urban migration and deeply entrenched spatial apartheid.
- A desperate act of necessity, borne from homelessness, unaffordable rent, and the collapse of other alternatives.
- A form of direct action to reclaim urban and, challenge state inertia, and force the issue of housing onto the public agenda.
- Access the private rental or property market, leaving them economically stranded in a prosperous city.

The Social facilitator indicated that for the occupants to move into the building because it is close to work amenities, and it provide many employment opportunities. It was also confirmed that the building comprises of 438 households.

3.1 Challenges

3.1.1 Security

In terms of security, there is security in place with malfunctioning of security services.

- **Security in the building**

It was indicated that the occupants approached the province regarding the issue of security and to date there is no intervention/assistance provided. The occupants also reported that they are faced with challenges such as violence, drugs, and factionalism where two people lost their lives between the year 2018 and 2019, respectively.

- **SAPS**

The occupants have no access to SAPS services. The residents indicated that the SAPS ignores phone calls whenever they need assistance. Though the occupants approached the Office of the Premier, the Provincial Government, and SAPS regarding the non-response to date there is still no meaningful engagements. It is only recently that the SAPS started to treat them well after years of neglected.

3.1.2 Provision of Electricity

The building does not have internal access to water and electricity. However, the city has installed external services, including six (6) floodlights. According to the residence electricity was switched off during relocation of the residents to the building without consultation. The occupants reported that children are unable to study due to non-provision of electricity. Currently the occupants contributed towards the purchasing of solar lights that are installed on the passages, since there was a crime during the night that resulted in a murder.

3.1.3 Provision of Sanitation

The City has provided sanitation in the building through ten (10) portable toilets. Although the occupants are not satisfied with the toilets, mentioning that the toilets are stinking though they are maintained and during summer the toilets becomes hot (i.e. toilet seats). Furthermore, the toilets are not sufficient for over 800 occupants and also not safe to use during the night due to crime.

3.1.4 Provision of Water

According to the occupants, upon occupation the property was having water and electricity, however it was later cut off and the City provided of water through ten (10) standpipes in the building for all occupants to have access to water. The occupants indicated the service provider used cheap material for the standpipes as a result the pipes are broken and there are water leakages.

3.1.5 Waste removal

The residents were experiencing challenges on waste removal. It was reported that the city does not collect waste on time, the residents were contacting the city to come and collect the waste.

4. Proposal by the residents - the Unlawful Occupants

The unlawful occupants requested the intervention on the following:

- To have meaningful engagement with the City and Province so that they can inform them of their situation and reasons that lead them to the place.
- To share ideas on how to address their plight and various programmes that were never applied in South Africa, especially the one from Brazil, India, and Argentina.
- Security of tenure and not to be evicted, and to be integrated in the City and Provincial Plans of developing the area.
- No evictions until the meaningful engagement has taken place.
- The residents recommended that the Ahmed Kathrada House (AKH) building should be developed.
- The landlord must improve security services in the building.
- The City of Cape Town municipality must provide adequate internal services (waste removal, electricity, water and sanitation).

After the briefing, the Committee conducted a tour in the building in some of the units and around the premises to have a first-hand information about the building.

4. Committee Observations

The Committee observed that the building was in poor condition but remains critical for residents' access to jobs and schools. The electricity and water services were disconnected after occupation; residents rely on solar panels and donated resources. Sanitation facilities were

inadequate, with limited and poorly maintained toilets and water taps. Safety concerns persist due to lack of lighting and ineffective security services.

5. Recommendations

Based on the presentations and observations made, the Committee recommends that the Minister through the Department of Human Settlements should:

- Meet with the leadership of the AKH to discuss the plight of the residents.
- Convene a meeting with the province and the city and the unlawful occupants within 21 days after the adoption of this report by the House to understand the issues affecting them and provide a report to the Committee. It was further recommended that in this meeting the matter of Communicare should be form part of the agenda.
- Suspend the eviction of AKH residents until there are discussions on the way forward.
- Explore refurbishment costs with the provincial department and alternative tenure arrangements for the occupants.
- Profile the residents together with the City of Cape Town and the leadership of AKH.
- Clarify the status of the SABC building together with the Housing Development Agency

Ndifuna Ukwazi and Reclaim the City leadership should monitor the numeration and profiling of the occupants, the City of Cape Town and the HDA.
Ndifuna Ukwazi submits a written proposal outlining priorities (e.g., electricity, security, long-term development).
Ndifuna Ukwazi to present their work generally to the Committee in the next term.

Report to be considered.

4. Portfolio Committee on Public Work and Infrastructure's report on an oversight visit to the Free State and Western Cape, dated 26 November 2025

The Portfolio Committee on Public Works and Infrastructure, having undertaken an oversight visit to the Mangaung Metropolitan Municipality (Free State), George Municipality and City of Cape Town (Western Cape) from 17 – 21 November 2025, reports as follows:

1 ATTENDANCE

1.1.Committee Members

1. Ms CM Phiri, MP (ANC, Leader of the Delegation)
2. Ms EN Nkosi, MP (ANC)
3. Mr S Mahlangu, MP (ANC)
4. Mr EM Bath, MP (DA)
5. Mr B Madikizela, MP (DA)
6. Ms P Mkhize, MP (MKP)
7. Mr N Nxumalo, MP (MKP)
8. Ms S Letlape, MP (EFF)
9. Ms M Kobe, MP (Action SA)

1.2.Committee Support

1. Ms N Matinise (Committee Secretary)
2. Mr T Arendse (Committee Assistant)
3. Ms G Osman (Executive Secretary to the Chairperson)
4. Mr J Majozi (Communications Officer)

Delegates from the national and provincial Department of Correctional Services (DCS), Department of Public Works and Infrastructure (DPWI), Department of Employment and Labour (DEL), Department of Social Development (DSD) and South African Police Service (SAPS). Representatives from the Mangaung Metropolitan Municipality, George Municipality and the City of Cape Town were also in attendance. Community members such as families and victims of the George building collapse as well as cooperatives and formations from Hout Bay also joined the programme.

2 Introduction

Section 5(4), of the Money Bills Amendment Procedure and Related Matters Act (Act 9 of 2009), provides that the Committee should report on and make recommendations on the annual performances of the DPWI and its entities in the Budgetary Review and Recommendation Report (BRRR) to the Speaker of the National Assembly.

3 Mandates and functions

3.1 The Mandate of the DPWI - the relationship with the PMTE

The DPWI is the custodian and manager of governments' immovable assets. This includes the acquisition, maintenance and disposal of such assets. The DPWI is further responsible for the determination of accommodation requirements and rendering expert-built environment and maintenance services to client departments.

As part of the turnaround strategy that started in the 2011-2012 financial year the former Department of Public Works (DPW[1]) operationalised the Property Management and Trading Entity (PMTE) as an internal component within the Department in the 2014-2015 financial year. With this establishment, the responsibility for the Immovable Asset Register, and the key tasks of the DPW were transferred from the DPW to the PMTE.

After the operationalisation of the PMTE, the DPWI has the responsibility for developing policy and regulations to ensure standards and uniformity in the public works, infrastructure, construction, and professional built environment sector.

The public works mandate is provided collectively in the Constitution, Schedule 4 Parts A and B which provide public works as a concurrent national, provincial, and local government function; the Public Finance Management Act (PFMA, Act 1 of 2009); and the respective Acts of the Independent Development Trust, Agrément South Africa, Construction Industry Development Board, and Council for the Built Environment. This legislative and regulatory frame further provides the governance relationship between the entities, the DPWI and the Minister.

Since the PMTE has taken over the core functions related to the GIAMA, it exercises a property management, maintenance and trading function of government properties. While in the past, the DPWI acted as the regulator as well as property manager of government immovable assets,

[1] The DPW became the DPWI in 2019.

since undergoing a turnaround strategy from 2011-2012 onwards, the function of property management, maintenance and trading has been devolved to the PMTE. As custodian of vast immovable assets, there is substantial opportunity to generate income and the PMTE would be responsible for this aspect of the public works function of government. This income-generating trading aspect lagged for many years due to capacity challenges and the incompleteness of the Government Immovable Asset Register (GIAR) which is managed by the DPW[2] as regulator and custodian department. It is important to note that PMTE is still an unregistered entity with the National Treasury, despite it being described as "operationalised", and furthermore is yet to generate revenue that is sufficient to make itself sustainable or profitable.

3.2 The Mandate of the Portfolio Committee on Public Works and Infrastructure

The Committee does oversight over the programmatic deliverables of the DPWI and its entities to implement the policies made by the Minister of Public Works as per the mandate of the DPWI. The Constitution, the Government Immovable Asset Management Act (GIAMA, Act 19 of 2007), and the Infrastructure Development Act (IDA, 2014) with the respective legislation of the entities, provide the mandate of the DPWI.

4 Oversight visit programme

The programme was divided in the following thematic areas, focusing on specific programmes of the DPWI:

- Construction Project Management
- Expanded Public Works Programme (EPWP)
- Small harbours development

4.1. Day 1 of the visits: Monday, 17 November 2025

On the first day of its 4-day visit, the Committee visited the Mangaung Metropolitan Municipality, where it received presentations on the Grootvlei chicken broiler project progress

[2] Referring to the Department's former name here purposely as stated in Section 4 of the GIAMA. This section of the Act makes the Minister of Public Works the custodian of all "immovable assets that vests in the national government, except in cases where custodial functions were assigned to other Ministers by virtue of legislation before the commencement of this Act;" The GIAMA states that the establishment and management of the GIAR across the three spheres of government is the responsibility of the DPW as custodian department.

report. The meeting was held at the Department of Public Works Regional Office in Bloemfontein.

The presentations session was attended by the Mayor and officials from the Mangaung Metro, officials from the DPWI as well as officials from the national and provincial Department of Correctional Services (DCS). The DPWI and DCS both delivered presentations during the session.

After the presentation's session, the delegation proceeded to visit two sites. The first site was a chicken broiler project located at the Grootvlei Correctional Centre.

The second site was Pelonomi Regional Hospital, where the EPWP beneficiaries were placed through the NPO Aunty P located in Bloemfontein.

4.1.1. Presentation by the DPWI: Grootvlei Chicken Broiler Project

The Department of Public Works and Infrastructure reported as follows:

- **Scope of works**

  - The construction of administration block
  - Construction of change rooms
  - The chicken abattoir
  - The inmates' administration area.
  - The vehicular guardhouse
  - Four chicken broilers
  - Elevated guardhouse, and
  - The additional sewer pumpstation.

- **Progress to date**

The construction of the following contractual/initial scope of works was completed by the contractor on 29 July 2025.

  - The practical completion is not yet taken due to pending approval of the Addendum 1 to the Joint Building Contracts Committee.

- The proposal to amend the signed Joint Building Contracts Committee (JBCC) to Completion in Sections as opposed to Completion as a whole is pending approval by the Director-General. Section 1 is deemed to be contractual works, while Section 2 is for the construction of sewer pump station.
- The additional scope of works (Sewer pump Station) was approved by the Variation Order Committee on 30 July 2025.
- The estimated construction period for the construction of sewer is six (6) months anticipated to start on 02 February 2026 and be completed on 30 July 2026.

- **Financial status**

Contractor Tendered Amount	:	R74 305 114,06
Contractor Expenditure to date	:	R62 754 815,68
Consultant Expenditure to date	:	R 8 314 009,42
Overall Expenditure	:	R71 068 825.51
Penalties to date as per system	:	R 2 825 800,00

- **Cause of delays**

The following are the summarized reasons for the delays:

- The Main Contractor lost the sole owner of the company and therefore the change of management affected the timeous procurement of material, the project administration and financial management.
- The late approval of the sewer pump variation order due to internal processes, including the dissolution of the Variation Order Committee before the end of 2025/2026 FY.
- The poor performance by the Civil Engineer which resulted to the termination of contract.

4.1.2. Presentation by the DCS: Grootvlei Chicken Broiler Project

The Department of Correctional Services reported as follows:

- **Project details**

Client / User:	Department of Correctional Services (DCS)
Implementer:	Department of Public Works and Infrastructure (DPWI)
Consultants:	Incline Architects
Contractor:	Rheinland Investments
Contract Awarded:	16 April 2021
Site handover date:	08 December 2021
Contract Duration:	27 months from the commencement date (16 April 2021 to July 2023)
Revised Contract Duration:	35 months from the commencement date (16 April 2021 to 08 March 2024)
Revised Anticipated Completion date	31 July 2026 (Pending EOT's)

- **Project status**

Contractor Tendered Amount:	R 74 305 114.05 (Incl. VAT)
Expenditure to date – Contractor:	R 62 754 815,68
Expenditure to date – Consultants:	R 8 314 009,42
% Progress to date:	100 % original scope completed excluding the sewer pump-station (Variation Order)
Penalties to date:	R 2 825 800,00

Project initial scope work construction work is complete with the following buildings:

- Four chicken broilers houses with the capacity of 6 000 birds per house to make a total of 24 000 birds.
- Chicken abattoir with the slaughtering capacity of 500 chickens per hour
- Reception block for the Abattoir, Administration Block for the Chicken broilers and ablution facilities for the inmates.
- Security tower post and guard post.

- **Project impact**

The anticipated production levels, cost analysis and distribution were reported as follows:

- The new broiler project has the potential to produce 383 040kg per annum.
- The region has procured 423 339 kg of chicken meat in 2024/25 financial year at an average cost of R 52.86/kg, based on the Internal Agriculture Market Analysis.
- During 2024/25 financial year, the total cost of externally procured chicken meat is estimated at R 22 344 026.
- Meanwhile, the internal production cost of chicken meat in DCS was R37.58 during 2024/2025 financial year.

✓ **Extension of the project completion date**

The DCS recorded its disappointment regarding the extension of the project completion date (1 July 2026), which has extended the project scope by six months.

The DCS reported that the delay in project completion has affected the department negatively in that there are other interrelated processes that have to take place, whose timelines are linked to the project completion date. One of the processes mentioned was the training of offenders in the Western Cape that already has a chicken broiler facility so that they can utilise the skills gained from the programme. Therefore, the delay will have a negative impact particularly because the trained offenders might need to be taken for refresher training which would have financial implications for the department.

✓ **Required infrastructure that was not part of the project scope**

- The current access roads in the facility are not tarred because tarring was not part of the initial project scope. This was reported as a risk because there will be a lot of heavy-duty vehicular movement that will cause dust, which will have a negative environmental impact and long-term effect on the state of the buildings in the facility.
- There is no permanent incinerator for abattoir waste management and that was also not included in the actual project scope, hence there is a separate project that is currently on

Environmental Impact Assessment (EIA) phase. To curb this challenge, the DCS reported that it was looking into a containerised incinerating system that only needs an atmospheric emissions license from the Municipality. The Municipality has made a commitment to expedite the application once submitted.

- According to the DCS, there was a great need for the automation of slaughtering equipment as the slaughtering process would take longer if performed manually.
- Installation of network cabling was not part of the original project scope.
- Replacement of security tower post ladder with staircase.
- High tensile razor wiring is a necessity as the installed diamond mesh fencing needs to be improved for security.

4.1.3. Site visit to the Grootvlei Chicken Broiler project

The delegation proceeded to the Grootvlei chicken broiler project, located at the Grootvlei Correctional Centre.

The facility comprises of three sections, namely, the Administration Block (where inmates would be processed upon arrival onsite), the Abattoir (comprising of the “dirty side”, “clean side” and despatch) and Broiler (where chicks are reared).

All sections of the facility were fully equipped with functional machinery that was demonstrated to the delegation to its satisfaction. The only area that was not finalised was the sewer pump station and waste processing facility.

4.1.4. Site visit to NPO Aunty P EPWP project

The DPWI briefed the Committee on the EPWP non-state sector implementation in the Free State province. The department reported as follows:

The Free State EPWP Non-State Sector (NSS) Programme, implemented via a 5-year MOA with IDT, aims to create work opportunities and improve service delivery by funding NPOs to provide cleaning, maintenance, and related services across government facilities, with 14 NPOs engaged for 2025/26 and a total budget of R42 million. The programme delivers facilities cleaning, waste management, road maintenance support, and skills training, while facilitating participant exits into enterprise development and small business ventures; progress includes

full NPO contracting, comprehensive reporting, and positive audit outcomes, resulting in 2,227 work opportunities and ongoing stakeholder collaboration.

- The NSS programme is governed by a Memorandum of Agreement between DPWI and IDT, valid from April 2024 to March 2029.
- 14 NPOs were contracted for the 2025/26 year, with a total allocated budget of R42,754,911 and 2,277 anticipated work opportunities.
- The programme focuses on cleaning, gardening, facilities maintenance, and related services for government facilities and public spaces.
- Independent Development Trust coordinates NPO identification, scope development, supervision, reporting, and payment processing, while NPOs recruit participants and manage on-site activities.
- Project status shows all contracting completed by July 2025, with 100% monthly reporting for July and August 2025, and AG audit with no findings.
- Training delivered includes NQF levels 2 and 3 for 84 participants across 4 NPOs, plus 641 participants trained in Basic Financial Literacy (FSCA).
- Exit opportunities emphasize enterprise development, including start-up and improvement of small businesses, with workshops in Thaba Nchu, Botshabelo, and Bloemfontein.
- The profile of NPO-Aunty P highlights 160 work opportunities in Mangaung, with equity targets of 96 women, 88 youth, and 3 PWDs, and standard stipends for participants and supervisors.
- The programme reports improved service delivery and PPE/tooling continuity, with 2,227 total work opportunities created and ongoing stakeholder engagement.

After the presentation, the delegation proceeded to visit Pelonomi Regional Hospital, where 14 EPWP beneficiaries were placed through the NPO Aunty P. The project scope was reported as follows:

- Project Location – Mangaung Metropolitan Municipality
- Total work opportunities created – 160 (96 female, 88 youth and 3 persons with disabilities)

- Stipend paid per day – Minimum is R126.64 normal participants paid per day and minimum R149 per day paid per Supervisor.
- Number of days worked in a month – 14 days
- Project Funder – EPWP non-state sector
- Contract duration: 16 August 2024 – 31 March 2026

✓ **Reflections by hospital management**

During the site visit, the hospital management raised their immense satisfaction regarding the project and appreciated the impact of having the beneficiaries in-house.

The Head of Clinical Services and Head of Hospital Administration both outlined how the 14 beneficiaries were allocated in different areas after placement. They reported that previously, beneficiaries would be placed in the garden to perform gardening service functions. Due to budget cuts by the Department of Health (DoH) , that necessitated a moratorium on the filling of non-health personnel, the management felt it necessary to place the beneficiaries in the Cleaning Services, Laundry and Food Services Units, which has greatly assisted the hospital service to its core clients, the patients. They further reported that there were more non-health personnel vacancies available and thus they would appreciate if the number of EPWP beneficiaries could be increased.

According to their contractual obligations, the EPWP beneficiaries are only supposed to work for 14 days per month, however, due to their dedication, they opt to work voluntarily for the entire month as service to the hospital even though they only get a stipend of R1600 for the 14 days of work per month as per contract.

✓ **Reflections by EPWP beneficiaries**

After the session with hospital management, the delegation was taken through to the EPWP beneficiaries' different workstations. The workstations included the second floor (cleaning) and ground floor corridor where the hospital kitchen is located.

The cleaning service beneficiaries reported that they work from 07:00 – 13:00 daily while the food services beneficiaries work different shifts to cover their allocated time.

The beneficiaries were grateful for the work opportunity and requested the hospital to consider them when permanent employment opportunities arise, especially because some had been volunteering their services at no cost prior to placement into the programme.

The main challenge raised was the inconsistent pay date, which causes a huge inconvenience on their part as they have financial obligations and own debts to service at stipulated times. They reported that sometimes, payment comes through on the 10th of the month and sometimes they would get paid on the 20th of the month, which both are not exactly at the end of each month as per contractual agreement.

The NPO indicated that the IDT consistently delayed payments, which in turn made them to miss payment deadlines to beneficiaries but all that would often be communicated with the beneficiaries to gain an understanding of the circumstances behind late payment of stipends.

4.2. Day 2 of the visits: Wednesday, 19 November 2025

On the second day of it 4-day visits, the Committee visited the George Municipality, to gain insight into the building that collapsed on 6 May 2024.

The presentations session was attended by the Deputy Mayor and officials from the George Municipality, officials from the DPWI and its entities (Council for the Built Environment, Construction Industry Development Board and Independent Development Trust) and officials from the Department of Labour (DEL). The Municipality delivered a presentation during the session.

After the presentations session, the delegation proceeded to visit the collapsed building site.

4.2.1. Presentation by the George Municipality on the building collapse

The presentation documented a municipal building collapse incident and reviewed the roles, liabilities, and regulatory gaps involving the contractor, property developer, municipal authorities, and supervisory bodies.

✓ **Background and Context**

- Incident scope: A building collapse within municipal jurisdiction, with cascading implications for public safety, asset losses, and governance.
- Stakeholders: Municipal Building Control Office (BCO), Municipal Building Control, property developer, contractor, disaster management services, external legal counsels, structural engineer, regulatory bodies (CBE, SACAP, NHBRC, SIU, SAPS), and oversight committees.

- Financials and liabilities: The property developer was liquidated, nullifying certain debt recovery avenues (R9.3 million claim deemed irrecoverable). A separate claim related to a bonder (Standard Bank) was paid (R13 million). Municipal rescue/disaster management costs approximated at R8 million.
- Governance and accountability concerns: Absence of timely appearances by the contractor and developer before the Municipal Council; internal legal staff not admitted as practising attorneys; adequacy of audits, inspections, and approvals questioned; fragmentation and gaps in statutory authority and coordination between municipal, provincial, and national bodies.

✓ **Key Issues and Findings**

a) Contractor and Developer Accountability

- The contractor and property developer have never appeared before the Municipal Council to provide their perspectives or explanations.
- The property developer was liquidated; as a result, the municipality did not institute legal action based on liquidation procedures and wrote off the R9.3 million claim as irrecoverable.
- The bank (Standard Bank) appeared as a bonder for the property with a separate claim of R980,000 (property value); the bank was paid in relation to its claim (R13 million). The municipality incurred substantial disaster-management costs (R8 million).

b) Regulatory and Legal Capacity

- The municipality relied on external legal representatives due to internal non-practising attorneys.
- Structural Engineer: Mr. Athol Mitchell's whereabouts remain unknown. The disciplinary action by the Engineering Council of South Africa (ECSA) resulted in cancellation and a fine, with an ongoing appeal to the Council for the Built Environment (CBE) as of 4 November 2025. The CBE reported that it would appoint an Appeals Committee therefore the decision for publishing is still pending.

- Building Control: At collapse, no municipal inspections occurred, raising concerns about regulatory compliance and procedural adherence.
- The Safety Officer recused himself from the site about a month before the building collapse. This was after he had on numerous occasions, raised red flags on matters of non-compliance onsite, however, all his warnings went unattended by the contractor and property developer.

c) Governance and Oversight Gaps

- Building approval, inspection, and supervision processes appear to have significant gaps, including the Manager: Building Control signing off on behalf of Building Control Officer and management, creating an anomaly in accountability.
- The National Housing Building Regulations Council (NHBRC) reportedly lacks mechanisms to detect disciplinary history or criminal records of property developers.
- There is a gap between Form 1 and Form 2 processes; older legislation (National Buildings Regulations and Building Standards Act 103 of 1977) predates the CBE Act 43 of 2000, enabling misrepresentation of qualifications.
- Forensic findings from various departments were not consistently submitted to the municipality; only an affidavit in November 2025 was presented in lieu of full reports.

d) Legislation and Jurisdiction

- Identified gaps in national and municipal building regulations, including the ownership and coordination of the National Building Regulations (NBR), with suggestions to relocate custodianship from Department of Trade, Industry and Competition (DTIC) to DPWI for better coordination.
- There were calls to empower municipalities with internal engineering capacity and a possible legislative amendment to allow internal municipal engineers to oversee major construction projects.

4.2.2. Site visit: collapsed building site

The Committee visited the cleared site, where mainly media interviews were conducted with the Chairperson. A few of the affected families and victims of the collapse were also present during the site visit.

4.3. Day 3 of the visits: Thursday, 20 November 2025

On the third day of the 4-day visits, the Committee held a public hearing with the victims and families that were affected by the George building collapse. The hearing was held at the Thembalethu Community Hall where most of the victims reside. Some of the victims reside in areas outside of George, i.e. Mossel Bay, Plettenberg Bay and Knysna.

Officials from the DPWI, DEL, DSD, SASSA and George Municipality were in attendance.

4.3.1. Inputs by the affected victims and families

The victims and affected families of the collapse shared information related to post-disaster claims and compensation processing, including the involvement of the Department of Social Development (DSD), Department of Employment and Labour (DEL), and other stakeholders (municipality, banks, and contractors).

✓ **Background and Context**

- Incident aftermath: A municipal building collapse resulted in fatalities and injuries, displacement, and various claims for compensation and medical support.
- Stakeholders involved:
    - Government: The Presidency, Municipality, DSD, DEL, and potentially other provincial/national bodies.
    - Service providers and communities: Medical providers, psychosocial support services, disaster management agencies, and community organizations.
- It was reported that, during his visit to the George Municipality on 16 May 2024, after the building collapse , the President of the Republic made a pronouncement that various government entities would collaboratively ensure that they do everything to assist everyone affected regardless on nationality.
- Demographics of affected workers: 68 total documented individuals with 15 South Africans and 53 foreign nationals (employed by three contractors). Noted challenges include work-permit and immigration status, documentation, and eligibility of foreign nationals for compensation. According to the DEL, bulk of the reported foreign nationals did not have the correct legal documents to either be in the country or be

employed within South Africa. There was only one Zimbabwean national that was reported to have had a valid passport and work permit while the rest had one or the other or none at all. The following is the breakdown per nationality:

- Mozambicans: 20
- South Africans: 15
- Malawians: 13
- Zimbabweans: 10
- Lesotho citizens: 4

✓ **Key Issues**

- Compensation and Claims Processing:
  - DEL processes compensation claims based on prescribed criteria and requires proof of identity (ID, passport) and supporting documentation for claims, including three months of bank statements and payslips where applicable.
  - Documentation gaps exist: many victims lacked payslips or bank accounts; a substantial number of foreign nationals lacked valid work permits, complicating eligibility for certain funds (UIF, Compensation Fund).
  - Of 62 total potential claims: 12 registered, 5 submitted the correct documents; 4 processed claims with 1 outstanding. Delays were attributed to documentation gaps and verification challenges.
  - DEL requires identity verification; some victims have passports but lack work permits, complicating acceptance of certain documents or benefits.
  - The Compensation Fund prescribes specific criteria upon which claims may be processed.
  - According to the DSD, ongoing counselling and psychosocial support are provided while claims and files are open.

- Interdepartmental and Jurisdictional Gaps:
    - Notable absence of assistance or follow-up from DSD after the incident beyond day-of-event support.
    - DEL roles appeared to be limited to compensation processes; other programs (medical, psychosocial) would be handled by DSD, with variable follow-up.
    - The municipality claimed to have assisted victims, whereas that was verified to be a misrepresentation of the truth, as there was no known support granted by the municipality to affected victims.
- Humanitarian and Social Support:
    - DSD provided immediate social support, including psychosocial services and food parcels, with partnerships with NGOs (Rotary, Love George, Thembalethu Baptist Church, George Methodist Church, Gift of the Givers; other volunteers/humanitarians) and community organizations. Ongoing post-incident support appeared inconsistent or limited.
    - Donations/funding disbursed: Public donations to the tune of R173,000 were donated in May 2024. The George Municipality disbursed the funds to Families South Africa Counselling Agency (FAMSA): R17,300 to distribute Shoprite vouchers (R2,500 per victim).
    - The George Municipality availed a hall for the families of the victims on the day of the disaster and further coordinated a memorial service that was held in May 2025 (exactly a year post – disaster) in commemoration of the tragedy.
    - Rotary and other donors contributed for the most seriously injured.
    - Beneficiaries: Not fully quantified; some recipients received food hampers via FEM (an insurer of the construction industry) and Gift of the Givers.
    - Private legal assistance: Pro bono lawyers George Kahn (Richard Spoor Inc., Mpumalanga) and Ina Bezuidenhout (Groot Brak).
    - Other institutional support: SAPS (affidavits/claims), George Hospital (progress reports), media agencies (coverage and empathy).

The victims reported that the only assistance that was given to them by the Department of Social Development (DSD) was on the day of the tragedy and there was thus no assistance

given thereafter. They also reported that the officials working at the DSD local office treated them in an inhumane manner, promised to further assist them and kicked them out of their offices. The case of Mrs Sindelo (a mother who lost her 29-year-old son in the tragedy, who was a final year student in Electrical Engineering) who complained about inhumane treatment from the DSD is one example of the treatment that the DSD officials in the local office. She confirmed that the only session held with her was with a male social worker who, instead of giving her psychological assistance, conversed about general issues unrelated to the assistance she needed. The Committee thus concluded that the DSD had misled Parliament by claiming that it had assisted the victims entirely, whereas the victims claimed to have received minimal to no assistance at all in some cases.

The victims and affected families also submitted a memorandum to the Committee. The memorandum included a plea for assistance to the government of the Republic of South Africa. The memorandum read as follows:

MEMORANDUM TO PARLIAMENT

How can Government assist victims of the George Building Collapse?

1.Presidency
We appeal to President Cyril Ramaphosa to fulfil his public promise of 16 May 2024 to provide interim financial and humanitarian support to the 62 victims and their families.

2. Public Works & Infrastructure
Despite visits by five cabinet ministers following the tragedy, only one - Dean Macpherson, National Minister of Public Works & Infrastructure - has reached out to the victims and families with much kindness and compassion. He addressed the commemoration on 6 May 2025 and met with families in George on 19 July to brief them privately on preliminary findings on the collapse.

3.Labour
Today, the families face secondary trauma as they are left to struggle on their own through a mountain of red tape trying to access workmen's compensation. Since the disaster, only TWO victims have been partially assisted by the Dept of Labour.
According to leading labour specialist, George Kahn of Richard Spoor Inc, ALL workers who suffered injury or died on duty qualify for workmen's compensation - legal or not.
We appeal to Parliament to instruct Labour to urgently fast-track compensation for each of the victims and not to drag their feet endlessly. We also request Parliament to pressurise the Dept of Labour to complete their Occupational Health and Safety investigation so as not to further delay the pursuit of justice.

4.Human Settlements
We appeal to the Minister of Human Settlements to instruct the National Homebuilders Registration Council (who publicly admitted to their dereliction of duty) to urgently provide interim compensation to each of the 62 families.

5. Social Development
Despite pledging psycho-social support to the traumatised victims and families, the *Department of Social Development has not contacted all of them. We appeal to the Minister of Social Development to investigate the deep flaws in the system and to meet with the leaders to discuss more effective means of supporting the families.*

6. Criminal investigation
The guilty parties will do everything in their might to escape prosecution. The victims and families strongly appeal to all investigating authorities NOT to jeopardise the criminal case by prematurely releasing their findings in the public domain as this can and will allow the perpetrators off the hook.

7. George Municipality
News that the owner plans to auction off the disaster site has been met with anger by the people of George. We appeal to the Municipality to use its leverage to pressurise the developer to transform this property of eternal sorrow into a memorial park.

The 62 victims and families of the George Building Collapse
Thembalethu, 20 November 2025
Inquiries: WhatsApp 082 577 2452

5. Day 4 of the site visits: Hour Bay harbour, Friday 21 November 2025

On the last day of the 4-day visits, the Committee visited Hout Bay, where it held briefings with various departments and engaged community members at the Hout Bay Library Hall. Officials from the national and provincial departments of Forestry, Fisheries and Environment (DFFE), Public Works and Infrastructure (DPWI) and South African Police Service (SAPS) This was followed by a visit to the Hout Bay harbour.

The Ward Councillor, who is also a Member of the Mayoral Council in the City of Cape Town welcomed the Committee upon arrival.

5.1. Presentations by DPWI, DFFE and SAPS

5.1.1. DPWI

The presentation focused on the Hout Bay Harbour, outlining its background, current status, challenges (vacancies, expired leases, dilapidation, security issues, and maintenance gaps), and ongoing interventions aimed at revitalization. It detailed a revenue-generation strategy including potential management outsourcing, lease renewals at market-related rates, and collaboration with the Department of Forestry, Fisheries and Environment (DFFE) to support small fishing cooperatives, with a view to boosting tourism, job creation, and local economic empowerment.

- **Key Issues**

- The DPWI acts as custodian of Western Cape small harbours, sharing responsibilities with DFFE to enhance oceans economy and local communities.
- Hout Bay Harbour comprises about 65 parcels/slots, with 16 registered land areas and a mix of anchored tenants and community-use spaces.
- Tenancy is plagued by vacancies, expired or under-market leases, and occupancy without proper lease agreements.
- Lease renewal efforts began in 2023, with a mix of renewed, pending, accepted (with conditions), and non-responsive tenants as of 2025.
- A portion of the 31 Harbour Road precinct is being regularized to convert informal or non-compliant occupancies into formal leases.

- A Cape Town Red Bus stop at Hout Bay Harbour was inaugurated to boost tourism and local business activity.
- Key challenges include vandalism, crime, inadequate maintenance, and lack of power backup during load shedding.
- Management and revenue strategies include appointing a management agent for three small harbours and pursuing an RFP to redevelop underutilized assets.
- Collaboration with DFFE to support small-scale fishing cooperatives and anchor tenants to stimulate job creation and community empowerment.
- The Hout Bay Steering Committee (May 2024) serves as the interface between DPWI and the community to coordinate interventions.
- The overall vision is revitalization of the harbour to optimize assets, generate revenue, create jobs, and enhance tourism.

The DPWI, as a custodian of all state land along the 2700 km coastline, reported that it is currently embarking on research to ensure that the entire coastland is registered on the Immovable Asset Register (IAR).

Regarding abandoned buildings, the department committed to make the buildings available to all who would like to lease them through the necessary leasing processes at market value.

It was reported that R500 million was set aside for small harbour development, focusing on the proclaimed fishing harbours in the Western Cape.

5.1.2. DFFE

The presentation outlined the governance, operations, and ongoing challenges of Proclaimed Fishing Harbours (PFH) in South Africa, focusing on Hout Bay as a case study. It detailed the Department of Forestry, Fisheries and the Environment's (DFFE) roles, key harbour services (landing facilities, vessel slipping, mooring, and repairs), staffing, and current constraints such as aging infrastructure and security gaps. It also describes efforts to remove sunken and abandoned vessels in collaboration with the South African Maritime Safety Authority (SAMSA), and proposed interventions to centralize accountability, upgrade infrastructure, enhance security and monitoring, implement border management controls, and revise leasing and fee structures to sustain harbour operations.

- **Key Issues**

- The DFFE administers day-to-day operations for 12 Proclaimed Fishing Harbours, including Hout Bay.
- Core harbour services include fish landings facilities, vessel slipping/launching, mooring, berthing, and minor maintenance.
- Hout Bay Harbour operations are dominated by slipping and dry-docking activities, with over 60% of time spent on these tasks.
- Annual figures indicate over 80 vessels berth/moor in the harbour, with a significant throughput of vessel movements.
- The harbour faces aging infrastructure, sunken/abandoned vessels, abandoned buildings, and gaps in security and enforcement.
- Collaboration with SAMSA is ongoing to remove sunken/abandoned vessels under the Wreck and Salvage Act of 1966.
- A centralised centre of accountability is proposed to streamline governance and operations.
- Capital works projects are planned for upgrading, renovating, and repurposing harbour infrastructure.
- Deployment of advanced security, monitoring technologies, and border management controls is recommended.
- A leasing framework revision and repurposing of abandoned/vandalized buildings are proposed to optimize assets.
- Discussions with National Treasury about increasing Fishing Harbour Fees in 2026/27 to potentially raise revenue.

5.1.3. SAPS

The presentation detailed the Hout Bay harbour's policing mandate, current operations, crime landscape, and challenges, with recommended safety improvements focusing on access control and the rehabilitation of dilapidated infrastructure to safeguard a growing tourism and development hub.

- **Key Issues**

- The Hout Bay Harbour police station operates with 42 members and collaborates with City of Cape Town law enforcement and community structures.
- Private security arrangements are in place within the Harbour under the Department of Public Works' oversight.
- Hout Bay is positioned as a potential major investment and tourism hotspot due to location, property value, and sea access.
- The harbour faces socio-economic challenges and marine life exploitation, but it is not used as a formal port of entry.
- The SAPS mandate aligns with national and international frameworks, including UN conventions, IMO standards, and South African constitutional and legislative provisions.
- Daily policing includes high-visibility patrols, vehicle checkpoints, and integrated operations with relevant environmental and border agencies; coastlines are patrolled within territorial waters.
- Joint operations (Operation Phakisa) involve multiple coastal provinces and multiple agencies (SA Navy, SAPS, DFFE, SANParks) with intelligence-driven deployments.
- Crime at the harbour is predominantly related to contraventions of the Marine Living Resources Act, with other crimes being minor and manageable.
- Key challenges include poachers tipped off by criminals, poor harbour infrastructure, weak access control, and socio-economic factors driving crowd-control incidents near a tourist hub.
- Recommended actions include tightening access controls and addressing dilapidated harbour buildings through demolition or repair by the Department of Public Works.

SAPS stated that dilapidating buildings pose more of security threat than abandoned buildings as more illegal activities usually take place is building of such a state. The SAPS officials also highlighted that the absence of security access control at the harbour exposes the harbour to more illegal activities.

5.2. Inputs by Community Members:

The meeting was joined by community members of Hout Bay, from various formations and structures, namely:

1. Harbour Steering Committee
2. South African Women in Transport (SANWIT)
3. Aquaculture Farmers Secondary Cooperative
4. Mazulazayithole Primary Cooperative
5. Imizamo Yethu Business Forum
6. African National Congress Veterans - Ashley Kriel Detachment
7. Kastulana Royal House
8. Community Policing Forum

Community members raised the following issues:

- Long-standing security and governance concerns at Hout Bay Harbour have repeatedly been raised to DPWI (and related departments) with limited follow-through.
- Community-mediated structures (Steering Committees) have changed hands or been reconstituted without consistent communication or transparent processes.
- Tensions exist between community cooperatives and government/funding decisions, including land leasing, local economic participation, and a proposed fish processing/ blue-fin ambitions.
- Local law enforcement capacity and community safety dynamics are strained, with calls for closer collaboration with SAPS rather than sole reliance on law enforcement within harbour boundaries due to past abuses.
- There is a pattern of unfulfilled promises and slow or no response after engagements, contributing to distrust among Hangberg, Imizamo Yethu, and broader Hout Bay communities.

- **Key issues and timelines**

- 2018: Correspondence to the DPWI Minister raised harbour security concerns. There was an unresolved follow-up.
- 2023: Community elected a Steering Committee; since then, no sustained DPWI-community communication.

- May 2025: The new Minister of Forestry, Fisheries and Environment appointed a new Steering Committee, including individuals alleged to have incited violence and vandalism, raising concerns about legitimacy and conflict of interest.
- 2025: A policy engagement with the Presidency yielded a meeting with a Deputy President's Advisor, but there was no subsequent action.
- May 2024–present: The DPWI communication is largely silent and there is perceived secrecy and lack of transparency.
- May 2025: DFFE created its own Steering Committee.
- The community mentioned the amount of arrogance and dismissiveness received from the former Minister of Forestry, Fisheries and Environment, Mr Dion George. This was experienced when the Minister visited the Hout Bay area to establish his own parallel steering committee in 2025.
- Economic and land-use concerns:
    - SMMEs seek land parcels for leasing within the harbour. Applications were submitted but there were no responses.
    - Local cooperatives (Hangberg, Imizamo Yethu) aspire to participate in planning and benefits from Blue Fin factory operations. Assurances that were previously given have not yet materialized.
    - Plans for aquafarming/improved fisheries initiatives (2018 announcements) have not progressed. A cooperative featuring ex-poachers/youth proposed a small abalone-farming project within waters to reduce poaching, but there has been no implementation thus far.
- Land and housing issues:
    - Community claims illegal expropriation of DPWI land and houses that are outside of the harbour for own use. They also alleged that the backrooms of old closed factories and houses on DPWI land have been illegally occupied by illegal foreign nationals.

- Public safety:
    - Hout Bay police station was reportedly understaffed by at least 20 SAPS members, impacting capacity to maintain order and respond to incidents at the harbour.

- **Implications**

- Governance fragmentation and inconsistent engagement erode trust and may fuel unrest or civil dissatisfaction.
- Unfinished promises and stalled initiatives hinder local economic empowerment, especially for youth and coast-based cooperatives.
- Perceived prioritization of external parties or non-local actors in leasing and development may exacerbate inequalities and tensions.
- Insufficient police staffing compounds safety concerns and undermines community safety and tourism confidence.

5.3. Site visit: Hout Bay harbour

During the visit, the Committee was taken through abandoned buildings, dilapidated buildings, dysfunctional sewer pump and a jetty with sunken vessels.

5.3.1. Site 1: Abandoned building

- The building has long been abandoned and used for illicit activities. Daily vandalism includes roof cutting and interior desecration.
- People were reportedly sleeping inside the building, indicating informal occupancy.
- There was a contention regarding responsibility for security and tenancy: DPW had hired a private security company, but it was deemed insufficient. There were assertions that DFFE had planned to appoint harbour security personnel, which has not yet materialised.
- Questions were raised about who should manage tenancy and security within the harbour precinct, with tension between DPWI and DFFE over roles and responsibilities.

- The Committee emphasized that the harbour's security and tenancy decisions are critical and further sought clarity on who is accountable for leasing, security, and asset management.

5.3.2. Site 2: Dysfunctional sewer pump

The Committee proceeded to a site closer to the Mariner's Wharf restaurant, where a sewer pump was reportedly defunct. The Harbour Master reported that the DPWI had sent contractors for repairs several times but the problem still persists. The major issue was that the pump would overflow weekly and human faeces would be notably visible when this happens.

- Health and Safety Risk: The sewer problem was described as a health hazard and potentially capable of damaging vessels. It was reported that the nearby restaurant owner had been raising his dissatisfaction with the Harbour Management, especially because the matter affects his clients. It was further reported that the sewer contaminates sea water, which is also a health hazard to community members and children who use the shores for swimming purposes.
- Accountability Uncertainty: The Committee noted confusion over responsibility for the sewer issue, highlighting that the land area is under DPWI, which implies a shift or dispute about jurisdiction.
- Interim Action and Planning: A meeting had reportedly occurred without a definitive immediate response. There was thus a need to investigate the issue further and develop a workable plan.
- Interdepartmental Considerations: There was a mention of potentially consulting with the Department of Home Affairs (DHA), indicating consideration of cross-border or international input. Hesitation was expressed about engaging the Department of Forestry, Fisheries and Environment (DFFE) again due to anticipated pushback.

5.3.3. Site 3: Jetty with sunken vessels

There were two sunken vessels in sight at the time of the visit. The Harbour Master gave insights of the process and discussions ensued as follows:

- Salvage Process:
    - The DFFE, in coordination with the Suth African Maritime Safety Authority (SAMSA) and vessel owners, have initiated salvage operations.
    - Recovered vessels are transported to dry dock for cleaning and repairs.
    - Timelines are subject to weather conditions and the budgets of vessel owners.
- Timeline:
    - The Harbour Master stated that salvage typically takes about three weeks to a month per vessel.
    - A one-month window was established, with work beginning at the end of October and extending to the end of November (interpreted as an initial one-month operational period starting at that point).
    - If vessels are not cleaned by the end of the stated window, the forceful removal plan would automatically kick in.
- Capacity and Economic Impact:
    - The DFFE noted that harbours were built a long time ago and that licensing capacity for fishing has not increased, limiting the ability to accommodate more vessels.
    - This capacity constraint contributes to ongoing harbour pain points and constraints on operations.
- Operational Output:
    - The DFFE claimed progress on vessel salvage, including a mention of freeing 5–10 jobs (indicating some employment impacts related to salvage activities or associated operations).

6. Issues for referral to other Portfolio Committees

Having considered the information provided and insights gathered during its oversight visit, the Committee recommends that the following matters be expedited by the relevant Portfolio Committees through their oversight role over various departments.

6.1. Portfolio Committee on Correctional Services

The Portfolio Committee on Correctional Services is requested to ensure that, in relation to the Grootvlei Chicken Broiler project, the Minister of Correctional Services should:

- Minimise the adverse impact of the delayed completion of the Grootvlei Chicken Broiler Project on offender training and rehabilitation schedules by implementing contingency plans.
- Collaborate with DPWI to expedite residual works and ensure offenders are not disadvantaged due to project extensions.
- In collaboration with the DPWI, address operational challenges such as tarring of access roads, waste management systems, and the automation of slaughtering equipment to enhance productivity and reduce inefficiencies.

6.2. Portfolio Committee on Police

The Portfolio Committee on Police is requested to ensure that, in relation to the Hout Bay harbour, the Minister of Police should:

- Develop a dedicated Hout Bay Harbour Policing Unit in collaboration with SAPS, DPWI, and DFFE to address crimes related to poaching, vandalism, and marine resource exploitation.
- Tighten access controls at the harbour, particularly for vulnerable and visitor-heavy areas, to enhance public safety.

6.3. Portfolio Committee on Social Development

The Portfolio Committee on Social Development is requested to ensure that in relation to the support for the victims of the George Building Collapse, the Minister of Social Development, should:

- Strengthen follow-up services and ensure continuous engagement with families and victims for ongoing psychosocial support, compensation assistance, and counselling.
- Address grievances raised by victims regarding local department officials' conduct and improve professionalism in future disaster responses.

6.4. Portfolio Committee on Employment and Labour

The Portfolio Committee on Employment and Labour is requested to ensure that in relation to the support for the victims of the George Building Collapse, the Minister of Employment and Labour, should:

- Establish clearer protocols for collaboration across departments (DEL, SASSA, and DSD) to ensure that victims' needs, particularly those related to compensation eligibility for foreign nationals, are addressed efficiently and empathetically.
- Accelerate claims processing for victims of workplace incidents such as the George Building Collapse particular within the prescripts of the legislative framework.
- Implement a fast-track mechanism for verifying identity and employment documents in disaster contexts.
- Conduct awareness drives for employers and employees regarding workplace safety regulations, focusing on municipal and construction sites like the one in George.
- Collaborate with other departments / entities to strengthen compliance inspections of contractors and developers.

6.5. Portfolio Committee on Cooperative Governance and Traditional Affairs

The Portfolio Committee on Cooperative Governance and Traditional Affairs is requested to ensure that in relation to George Building Collapse, the Minister of Cooperative Governance and Traditional Affairs, should:

- Ensure that the George Municipality reinstitutes legal action to recover the R9.3 million losses due to the collapsed municipal building incident.
- The George Municipality appoints professional legal representatives to build a strong case, ensuring a higher likelihood of success despite the liquidation of the responsible developer.
- Enhance municipal inspection capacities, ensuring that all buildings under construction adhere to national and local standards.
- Collaborate with DPWI to address gaps in the National Building Regulations identified during the investigation into the collapse.
- Ensures that the George Municipality implement robust post-disaster response systems and work collaboratively with DPWI, DEL, and DSD to provide sustainable support to victims and families.

- Regularise and update municipal risk assessments and contingency plans to respond effectively to accidents or calamities.

7. Recommendations

Having considered the deliberations, notes and findings that emerged, the Committee recommends that the Minister of Public Works and Infrastructure must:

- **Completion of the Grootvlei Chicken Broiler Project**

7.1. Ensure that the remaining works, including the sewer pump station and other pending infrastructure, are completed within the stipulated project scope by July 2026.

7.2. Address causes of delays by introducing stringent oversight mechanisms to ensure timely contractor performance and approvals.

- **Expanded Public Works Programme (EPWP)**

7.3. Expand the scope of placements per EPWP category to include more skilled and semi-skilled roles in the 2026/27 financial year.

7.4. Ensure the Independent Development Trust (IDT) processes payments to NPOs promptly, minimizing the financial inconvenience caused by delayed stipends with immediate effect.

7.5. Sets up monitoring mechanisms to enhance accountability in the Non-State Sector Programme (NSS) implementation by the end of 2025/26 financial year.

- **National Building Regulations**

7.6. Facilitate the transfer of custodianship of the National Building Regulations from the Department of Trade, Industry and Competition (DTIC) to the Department of Public Works and Infrastructure (DPWI) for better coordination before end of 2026.

7.7. Leverage the Council for the Built Environment (CBE) to lead, oversee and coordinate the review / revision of the new National Building Regulations in the built environment sector.

7.8. During the review process, include in the National Building Regulations, the direct reporting line for Safety Officers. This should include municipalities and other role players necessary to take action based on the recommendations of Safety Officers.

- **Hout Bay Harbour Revitalization and Small Harbour Development**

7.9. Implement standardised lease processes with clear communication and prioritisation of local/community-based beneficiaries for Hout Bay Harbour and other Proclaimed Fishing Harbours (PFH) before the end of 2026.

7.10. Conduct a feasibility study and improve leasing tariffs, aligning them with market-related rates while ensuring opportunities for small-scale fishers and cooperatives by the end of the 2025/26 financial year.

7.11. Expedite clearing and redevelopment of abandoned, vandalized, or dilapidated buildings within the harbour precinct by end of the 2025/26 financial year.

7.12. Strengthen security measures through phased upgrades, including access control, CCTV installation, and illumination of critical areas by end of the 2026/27 financial year.

7.13. Establish regular interdepartmental coordination meetings between DPWI, DFFE, SAMSA, and SAPS for streamlined harbour governance.

7.14. Formalise a multi-agency operational framework involving SAPS, DFFE, and other relevant stakeholders to improve intelligence sharing and operational readiness at coastal precincts like Hout Bay Harbour by the end of the 2025/26 financial year.

7.15. Hold constant engagements with the City of Cape Town to find consensus regarding the responsibility of sewer infrastructure maintenance in the Hout Bay harbour. This must be followed up by a detailed action plan and implementation thereof, so that the sewer challenges at the Hout Bay harbour can be alleviated.

8. Conclusion

The Portfolio Committee on Public Works and Infrastructure emphasizes the need for interdepartmental cooperation, transparent governance, and community-cantered interventions to address the challenges identified during the oversight visit. Immediate action is necessary to mitigate risks, rebuild trust with affected stakeholders, and ensure long-term infrastructure and economic growth for the Free State, Western Cape, and the nation at large.

Report to be considered.

National Council of Provinces

1. Report of the Select Committee on Security and Justice on the Immigration Amendment Bill [B 8B-2024] (National Assembly – S75), report dated 26 November 2025.

The Select Committee on Security and Justice, having deliberated on and considered the subject of the Immigration Amendment Bill [B 8B-2024] (National Assembly – S75), referred to it on 11 September 2025, reports that it has agreed to the Bill without proposed amendments and reports as follows:

1. Background

The Immigration Amendment Bill [B 8B-2024] seeks to amend the Immigration Act, 2002.The Immigration Amendment Bill, 2024 (‘‘the Bill’’), seeks to address two Constitutional Court judgments by amending section 34(1) of the principal Act, so as to ensure that any illegal foreigner detained under section 34(1) of the principal Act is brought before a court in person, within 48 hours from the time of his or her arrest and detention, in order for the court to determine whether it is in the interests of justice to order further detention, for purposes of deportation. The Bill introduces the interests of justice criterion, which serves as guidance within which immigration officers and the courts may exercise detention powers.

The Committee was briefed on the Bill by the Minister for Home Affairs on 10 September 2025.

2. Public participation process on Immigration Amendment Bill [B 8B-2024] (National Assembly – S75)

The Select Committee invited stakeholders and interested persons to make written submissions and published the adverts in all official languages on Parliament’s electronic platforms from 3 October 2025 – 24 October 2025 (3 weeks). The adverts were published in two national papers and 9 provincial papers covering all official languages. In addition, the Committee

commissioned Parliament's sign language interpreter to produce a video publication of the advert, which was published on Parliament's social media platforms.

3. Confirmed publication dates:

a. Isolezwe (isiXhosa) – 9 October 2025 (Thursday)
b. Business Day (English) - 10 October 2025 (Friday)
c. Business Ink (Setswana) – 10 October 2025 (Friday)
d. Bushbuckridge News (Xitsonga) – 10 October 2025 (Friday))
e. Free State Sun (Sesotho) – 10 October 2025 (Friday)
f. Thembisile News (isiNdebele) - 10 October 2025 (Friday))
g. Ngoho News (Tshivenda) – 10 October 2025 (Friday)
h. Nthavela News (Sepedi) – 10 October 2025 (Friday)
i. Coal City (siSwati) – 10 October 2025 (Friday)
j. Die Burger (Afrikaans) - 11 October 2025 (Saturday)
k. Isolezwe (isiZulu) – 11 October 2025 (Saturday)
l. City Press (English) – 12 October 2025 (Sunday)

- The Committee received 16 written submissions, including 8 from individuals and 8 from organisations respectively.
- On 29 October 2025 the Committee Content Advisor, Dr A Van der Burg, briefed the Committee on the written submissions (The briefing document is available on request from the Secretariat).
- On 12 November 2025 the Committee held oral hearings and the Department and parliamentary legal services provided responses to the written and oral submissions. (See Annexure A)
- The Committee was encouraged by the youngest participant, Mr Sithembiso Lamont, a 15-year-old school learner who submitted both a written and oral presentation to the committee.

4. Committee consideration of the Immigration Amendment Bill [B 8B-2024] (National Assembly – S75)

On 26 November 2025 the Committee considered the Bill and adopted the Immigration Amendment Bill [B 8B – 2024] (s75). No amendments were proposed. The Committee considered and adopted the report on the Bill.

5. Consensus on the Bill

The Chairperson put the Bill for consideration:
Members in support of the Bill: The Bill was unanimously supported.
Abstentions or objections: There were no objections or abstentions.

6. Recommendation

The Select Committee on Security and Justice, having considered the **Immigration Amendment Bill [B 8B-2024] (National Assembly – S75),** referred to it on 11 September 2025, and classified by the JTM as a section 75 Bill, recommends the Council pass the Bill without proposed amendments.

Report to be considered.

2. REPORT OF THE SELECT COMMITTEE ON FINANCE ON THE 2025 REVISED AND THE PROPOSED FISCAL FRAMEWORK, DATED 26 NOVEMBER 2025

Having considered the 2025 revised and proposed fiscal framework for the medium term, the Committee reports as follows:

1. INTRODUCTION

1.1. On 12 November 2025, the Minister of Finance, Mr Enoch Godogwana, tabled the 2025 Medium Term Budget Policy Statement (MTBPS) before Parliament in accordance with the Money Bills Amendment Procedure and Related Matters Act, Act No. 9 of 2009. On 14 November 2025, the Minister, accompanied by the Deputy Minister, the Director-General of the National Treasury, and senior officials from the South African Revenue Service (SARS), briefed the Standing and Select Committees on Finance and Appropriations during a joint meeting convened to consider the revised and proposed fiscal framework.

1.2. Following this engagement, the Parliamentary Budget Office (PBO) and the Financial and Fiscal Commission (FFC) briefed the Committees on 18 November 2025, providing independent assessments of the macroeconomic assumptions, fiscal risks, revenue performance, and spending pressures underpinning the fiscal framework. These analyses informed the Committees' understanding of the economic environment within which the 2025 MTBPS was crafted.

1.3. Public hearings were held on 19 November 2025, where the Committees received oral submissions from COSATU, the Budget Justice Coalition (BJC), the Institute for Economic Justice (IEJ), the Alternative Information and Development Centre (AIDC), the Public Economy Project (PEP), Amandla.mobi, Breadline Africa, Families4Children, the South African Institute of Chartered Accountants (SAICA), South African Breweries (SAB), and Dr S. Muller, as reflected in the official agenda. Additional written submissions were received from the Beer Association of South Africa (BASA) and Heineken. These submissions addressed issues relating to the revised inflation target, fiscal consolidation, social protection, public transport, municipal finances, revenue proposals, excise taxes, and the overall credibility and sustainability of the fiscal framework.

1.4. The National Treasury formally responded to the issues raised in the public hearings on 21 November 2025, providing further clarity on revenue trends, spending pressures, debt-service costs, macroeconomic risks, and the policy rationale underpinning the revised and proposed fiscal framework. The Committees' deliberations, supported by inputs from the PBO and FFC, informed by public submissions, and enriched by Treasury and SARS responses, form the basis of this Report.

2. POLITICAL OVERVIEW BY THE MINISTER OF FINANCE

2.1. The Minister of Finance provided a political overview of the 2025 Medium-Term Budget Policy Statement, outlining government's fiscal stance, macroeconomic priorities, and the

policy considerations underpinning the revised and proposed fiscal framework. He reiterated that the MTBPS serves as the fiscal "compass" that guides expenditure expectations and revenue planning ahead of the February Budget, by setting out the size of the fiscal envelope and identifying the macroeconomic assumptions shaping the fiscal trajectory. The Minister emphasised that the adjusted estimates before Parliament are not a full budget but rather a framework that reflects updated projections, in-year changes, and the overall fiscal direction for the medium term.

2.2. In setting out the broader policy context, the Minister stressed that the fiscal framework continues to rest on four strategic pillars. The first pillar concerns macroeconomic stability, supported by the introduction of the new 3 percent inflation target. While acknowledging that the lower target may affect certain nominal fiscal indicators in the short term, he emphasised that the long-term benefits—including lower borrowing costs, reduced inflation volatility and improved competitiveness—are expected to strengthen the fiscal position over time. The second pillar relates to structural reforms in network industries, where progress in electricity, freight logistics, water infrastructure and telecommunications is expected to improve the investment climate and raise South Africa's potential growth rate. The third pillar focuses on rebuilding state capacity, particularly within municipalities and key trading entities, to ensure more effective service delivery and better financial management. The fourth pillar concerns the acceleration of infrastructure investment, which remains the fastest-growing category of expenditure and a central driver of long-term growth and employment creation.

2.3. The Minister noted that fiscal consolidation is beginning to yield measurable results. The primary surplus is being maintained, and debt-service cost growth has slowed significantly, improving the composition of expenditure. He highlighted that stabilising debt-service costs is critical for preventing the erosion of other priority spending areas and for creating space for infrastructure expansion and social protection. The Minister further emphasised that sustained economic growth is the only durable solution to South Africa's fiscal challenges, as stronger growth would lift revenue collection, expand employment and strengthen the long-term sustainability of the public finances.

2.4. Senior officials from the National Treasury provided further detail on the economic and fiscal assumptions underlying the 2025 MTBPS. Treasury reported that in-year revenue collection had exceeded expectations by R19.7 billion, supported by stronger corporate income tax receipts, increased household consumption and a reduction in fraudulent VAT refund outflows. Revenue buoyancy for 2025/26 is estimated at approximately 1.54, reflecting a stronger-than-expected responsiveness of revenue to economic activity. Despite these improvements, Treasury noted that medium-term revenue estimates are modestly weaker than projected in the 2025 Budget, as lower inflation has reduced nominal GDP and therefore the tax base.

2.5. On expenditure, Treasury reported in-year adjustments totalling R15.8 billion, covering previously announced items as well as new pressures arising since February. A further R13.5 billion has been added to the contingency reserve to accommodate critical in-year priorities, including support for Transnet's iron-ore and coal corridors, capitalisation of the new transmission-infrastructure credit guarantee vehicle, rebuilding Parliament following the 2022 fire, and preparations by the IEC for the 2026 municipal elections. These additions

have been partially offset by declared unspent funds, projected underspending, and the withholding of provisional allocations where spending capacity remains weak.

2.6. Treasury outlined further medium-term adjustments arising from the revised inflation outlook. Lower inflation has resulted in downward adjustments of R20 billion over two years to social grants and conditional grants. Savings of R6.7 billion have been identified through reducing low-priority programmes, strengthening beneficiary verification systems, and improving fraud controls.

2.7. Officials highlighted significant progress in addressing payroll irregularities, noting that nearly 9,000 ghost employees have been identified through cross-matching tax and population-register data. The introduction of early retirement without penalties, effective from 15 October 2025, is expected to support the rejuvenation of the public service while containing long-term wage pressures.

2.8. Medium-term additions include allocations for disaster recovery, defence equipment upgrades, political-party funding, the expansion of the Border Management Authority, and capacity strengthening in the Office of the Chief Justice. Treasury also outlined several infrastructure adjustments, including revised implementation schedules for the uMkhomazi Water Project and selected hospital projects. Additional support through the Budget Facility for Infrastructure has been allocated to Transnet, the Polokwane wastewater-treatment programme and the Square Kilometre Array project.

2.9. Treasury reported that consolidated spending is projected to grow at an annual average rate of 3.6 percent over the medium term, in line with the revised inflation outlook and government's infrastructure strategy. Debt-service cost growth has been revised down sharply, from 6.9 percent in the February 2025 Budget to 3.8 percent in the MTBPS, improving the overall composition of spending and freeing up resources for social and economic priorities. Approximately 60 percent of consolidated non-interest spending continues to be allocated to the social wage, thereby protecting vulnerable households.

2.10. The consolidated budget deficit is expected to narrow from 4.7 percent of GDP in 2025/26 to 2.9 percent in 2028/29. The gross borrowing requirement will average 5.4 percent of GDP over the medium term, which is R20 billion lower than projected in the 2025 Budget. Treasury confirmed that the revised Gold and Foreign Exchange Contingency Reserve Account (GFECRA) agreement will provide an additional R31 billion to the fiscus in 2026/27 to reduce borrowing requirements. Gross loan debt is projected to stabilise at 77.9 percent of GDP in 2025/26, slightly higher than previously forecast due to weaker nominal GDP, but still stabilising earlier than anticipated.

2.11. The Minister concluded the overview by reaffirming government's continued commitment to fiscal sustainability, improved efficiency in public spending, the phasing out of underperforming programmes, and the acceleration of infrastructure reforms to support economic growth. He emphasised that the fiscal framework aims to balance consolidation with the protection of social priorities and to preserve macroeconomic stability while supporting long-term development objectives.

3. OVERVIEW OF THE 2025 REVISED AND 2026 PROPOSED FISCAL FRAMEWORK

Domestic economic performance and outlook

3.1. The 2025 MTBPS emphasises that government's medium-term economic growth strategy remains anchored in four priorities, namely maintaining macroeconomic stability, implementing structural reforms, building state capability, and supporting public infrastructure investment. Furthermore, the 2025 MTBPS continues to commit to fiscal sustainability and debt stabilisation, and highlights government's continued commitment to shift the composition of spending from consumption to investment.

Table 1: Macroeconomic performance and projections

Indicator	2022	2023	2024	2025*	2026*	2027*	2028*
Final household consumption	2.6	0.2	1.0	2.6	1.6	2.0	2.2
Final government consumption	0.7	1.9	-0.1	0.9	2.4	0.0	0.3
Gross fixed-capital formation	5.9	3.0	-3.9	-1.0	2.6	3.2	3.9
Gross domestic expenditure	3.9	0.5	-0.6	2.0	2.0	1.9	2.1
Exports	7.8	5.1	-2.8	-2.0	1.5	2.4	2.9
Imports	15.0	3.9	-6.4	0.7	3.1	2.7	3.1
Real GDP growth	**2.1**	**0.8**	**0.5**	**1.2**	**1.5**	**1.8**	**2.0**
GDP inflation	5.4	4.7	3.9	2.9	3.8	3.6	3.2
GDP at current prices (R billion)	6 667	7 038	7 352	7 660	8 075	8 509	8 964
CPI inflation	6.9	5.9	4.4	3.3	3.7	3.3	3.2
Current account balance (% of GDP)	-0.3	-1.1	-0.7	-1.0	-1.8	-2.0	-2.0

**2025 figures are estimates; 2026–2028 are forecasts.*

Source: National Treasury, Reserve Bank and Statistics South Africa.

3.2. After growing by 4.1 per cent each in 2024, Sub-Saharan Africa and Nigeria are forecast to grow by 4.1 per cent and 3.1 per cent respectively in 2025. In South Africa, economic growth remained muted in 2023 and 2024, averaging 0.7 per cent and 0.6 per cent respectively. In 2025, the economy is expected to grow by 1.2 per cent, down from the 1.4 per cent estimated in the May 2025 Budget. This downward revision is attributed to weaker growth outcomes in the first half of 2025, delays in reforms, subdued external demand, heightened uncertainty and low confidence.

3.3. Real GDP growth remained weak over the past three years and is only expected to recover gradually over the medium term. According to National Treasury, real GDP grew by 0.8 per cent in 2023 and 0.5 per cent in 2024, reflecting the combined effect of persistent load-shedding, logistics bottlenecks, low business confidence and weak global demand. In 2025, real GDP growth is expected to improve modestly to 1.2 per cent (revised down from 1.4 per cent in the May 2025 Budget), before rising to 1.5 per cent in 2026, 1.8 per cent in 2027 and 2.0 per cent in 2028. Over the medium term, real GDP growth is therefore projected to

average about 1.8 per cent. National Treasury attributes the projected recovery mainly to progress in structural reforms, improved macroeconomic stability and a gradual easing of domestic and external uncertainties, although the growth outlook remains insufficient to meaningfully reduce unemployment and poverty.

3.4. In 2024, provincial economic activity remained highly concentrated in three provinces, namely Gauteng (33.2 per cent), Western Cape (14.2 per cent) and KwaZulu-Natal (16.1 per cent). These three provinces collectively accounted for 63.5 per cent (almost two-thirds) of total provincial GDP in 2024. Limpopo (0.9 percentage points), Gauteng (0.8 percentage points) and Western Cape (0.7 percentage points) recorded higher GDP growth rates than the national average of 0.5 per cent, while the Eastern Cape, North West and Northern Cape recorded negative growth rates ranging between 0.1 and 0.2 per cent in 2024 (Statistics South Africa). This pattern underscores both the spatial concentration of economic activity and the unevenness of the recovery across provinces.

3.5. The demand components of GDP confirm that domestic expenditure has been subdued. Household consumption, which is the largest component of GDP on the expenditure side, grew by only 1.0 per cent in 2024, reflecting pressure on real disposable incomes from weak employment growth, high indebtedness and elevated administered prices. General government consumption spending also remained constrained as fiscal consolidation measures continued. Gross fixed capital formation contracted in 2024, while the current account deficit widened modestly, indicating that the combination of weak domestic demand and persistent structural constraints has not yet translated into a strong, export-led recovery.

3.6. Household consumption, as a key contributor to GDP, is estimated to grow by 2.6 per cent in 2025. While some risks remain, National Treasury expects household consumption to benefit over the medium term from lower inflation, the lagged effects of recent interest rate cuts, somewhat improved sentiment and, to a lesser degree, withdrawals from the two-pot retirement system. Nonetheless, high levels of household indebtedness and weak labour market outcomes are expected to remain a drag on consumption growth, limiting the extent to which household spending can drive a stronger recovery.

3.7. Gross Fixed Capital Formation (GFCF) averaged 3.9 per cent in 2023 but contracted by 3.7 per cent in 2024, signalling a weakening investment climate. Compared to a recovery of 3.2 per cent projected in the May 2025 Budget, National Treasury now expects GFCF to contract by 1 per cent in 2025, as investment by the private sector and public corporations falls in response to global trade policy uncertainty and persistent bottlenecks in energy, logistics and other network industries. Over the medium term, investment is expected to average 3.2 per cent, with the outlook projected to improve as growing public and private investment in transport and energy boosts the broader investment climate. National Treasury expects public infrastructure reform and investment to support growth over the medium term, including through mobilising greater private-sector participation, enhancing public finance for infrastructure, and strengthening municipal service delivery and capability.

3.8. The external sector outlook remains challenging. The current account deficit was estimated at 0.7 per cent of GDP in 2024 and is projected to widen to 1.0 per cent in 2025, 1.8 per cent in 2026 and 2.0 per cent in both 2027 and 2028. This trajectory reflects a combination of subdued but recovering imports, modest export growth and volatile global commodity prices. While a more competitive exchange rate and improved logistics performance could

support exports over time, the widening projected current account deficit suggests that South Africa will continue to rely on external financing, reinforcing the importance of credible fiscal and macroeconomic policy in maintaining investor confidence.

3.9. GDP at current prices is projected to rise from R7.35 trillion in 2024 to R7.66 trillion in 2025 and R8.07 trillion in 2026, reaching R8.51 trillion in 2027 and R8.96 trillion in 2028. However, this nominal growth is increasingly being driven by real activity rather than high inflation, consistent with the lower inflation path and the revised inflation target. While slower nominal GDP growth reduces the automatic buoyancy of some tax bases in the short term, it is intended over time to support lower interest rates and a more sustainable debt-service burden.

3.10. Headline consumer price inflation (CPI) is expected to decrease from 4.4 per cent in 2024 to 3.3 per cent in 2025. Headline CPI is then projected to rise modestly to 3.7 per cent in 2026 before declining to 3.2 per cent in 2028, broadly consistent with the new inflation target. The Minister of Finance introduced a new inflation target of 3 per cent, with a one percentage point tolerance band on either side to accommodate normal economic fluctuations, instead of the previous range of between 3 and 6 per cent, which targeted the mid-point of 4.5 per cent. National Treasury explained that the revised target is expected to benefit all South Africans, especially poorer households. In the short to medium term, targeting lower inflation will result in lower nominal GDP, which will lead to reduced revenue projections and a less favourable debt-to-GDP ratio. Over time, however, the lower target is expected to create space for permanently lower interest rates, which should support household spending and investment, thereby boosting economic growth and job creation.

3.11. According to Statistics South Africa's Quarterly Labour Force Survey (QLFS), the number of employed people increased from 16.8 million in the second quarter of 2025 to 17.1 million in the third quarter of 2025, an increase of 248 000. Over the same period, the number of unemployed people decreased by 360 000, from 8.367 million to 8.007 million. The official unemployment rate consequently decreased from 33.3 per cent to 31.9 per cent, while the expanded unemployment rate, which includes discouraged work-seekers, declined from 43.4 per cent (12.7 million people) to 42.4 per cent. These developments indicate some improvement in labour market conditions, although unemployment remains extremely high by international standards.

3.12. At provincial level, the number of employed people increased in eight provinces between the second and third quarters of 2025, with the exception of the Eastern Cape, which lost 53 000 jobs. In the third quarter of 2025, the highest unemployment rate was recorded in the Eastern Cape at 41.2 per cent, followed by North West and Free State at 38.1 per cent and 36.2 per cent respectively. This points to persistent spatial disparities in labour market outcomes, with certain provinces continuing to experience structurally higher unemployment despite the modest national improvement.

3.13. National Treasury's identified risks to the economic outlook include further delays in implementing structural reforms, particularly in the energy and logistics sectors, which would constrain growth and investment. On the upside, lower inflation and interest rates, combined with improvements in infrastructure spending and implementation, are expected to support higher growth over the medium term if reforms are executed as planned. The

overall outlook therefore remains highly sensitive to the pace and credibility of reform implementation and to global economic and financial conditions.

The main budget framework

3.14. National Treasury (NT) indicated that government's fiscal strategy remains on course to meet the fiscal targets set out in the 2025 Budget, despite a weak economic environment. The 2025 MTBPS projects better fiscal balances for 2025/26 than the 2025 Budget, with gross loan debt expected to stabilise in the current year and to decline over the medium term, while the primary budget surplus continues to increase. Some of the policy reforms intended to support the fiscal strategy include consideration of options for a formal fiscal anchor to help ensure that public finances remain sustainable over the long term, improving revenue-collection efficiency, and budget-reform measures to boost efficiency and reduce waste. The latter include identifying and removing underperforming programmes from the budget, removing "ghost workers" from the payroll, and introducing the Early Retirement Programme.

3.15. Gross tax revenue for 2025/26 is now projected to be R19.7 billion higher than in the 2025 Budget. As shown in Table 2, main budget revenue is expected to increase from about R2.0 trillion in 2025/26 to about R2.3 trillion in 2028/29, rising from 25.3 per cent to 25.7 per cent of GDP. NT acknowledged, however, that medium-term revenue prospects are weaker than previously anticipated despite over-performance in near-term collections. This is partly due to the impact of lower inflation on projected growth in tax bases. Expectations for corporate income tax (CIT) and personal income tax (PIT) collections have been revised downward because of a weaker profitability outlook and lower wage-bill growth, respectively. NT cautioned that improved tax-revenue collections over the medium to long term will depend on stronger economic growth and further gains in tax compliance and tax administration.

Table 2: Main budget framework

Item (R billion)	2022/23	2023/24	2024/25 (Outcome)	2025/26 (Revised)	2026/27 (Proposed)	2027/28	2028/29
Main budget revenue	1 699.2	1 723.8	1 809.8	1 968.7	2 091.0	2 207.9	2 336.3
– as % of GDP	25.1	24.2	24.5	25.3	25.6	25.6	25.7
Main budget expenditure	2 009.2	2 046.9	2 144.6	2 321.7	2 385.9	2 479.9	2 584.2
– as % of GDP	29.7	28.8	29.0	29.8	29.2	28.8	28.5
Non-interest expenditure*	1 700.7	1 690.8	1 758.8	1 900.2	1 949.9	2 023.9	2 112.3
– as % of GDP	25.1	23.8	23.8	24.4	23.9	23.5	23.3
Debt-service costs	308.5	356.1	385.8	421.5	436.0	455.9	471.8
– as % of GDP	4.6	5.0	5.2	5.4	5.3	5.3	5.2
Main budget balance	-309.9	-323.1	-334.9	-353.1	-294.8	-272.0	-247.8

– as % of GDP	-4.6	-4.5	-4.5	-4.5	-3.6	-3.2	-2.7
Primary balance	-1.5	33.0	51.0	68.5	141.2	183.9	224.0
– as % of GDP	-0.0	0.5	0.7	0.9	1.7	2.1	2.5

**Includes contingency reserve.*

Source: National Treasury

3.16. On the expenditure side, the 2025 MTBPS increases main budget non-interest expenditure by R15.8 billion in 2025/26 compared to the 2025 Budget. This includes additions to the R13.5 billion contingency reserve for Transnet's freight-rail rehabilitation projects, the capitalisation of the credit-guarantee vehicle, rebuilding of Parliament, Sentech dual-illumination costs and the 2026 municipal elections. Main budget expenditure is projected to rise from R2.3 trillion in 2025/26 to almost R2.6 trillion in 2028/29, with consolidated government spending increasing from R2.59 trillion to R2.88 trillion over the same period. Over the medium term, economic development is the fastest-growing function at around 5 per cent per year, driven mainly by higher infrastructure allocations.

3.17. Over the next two years, main budget non-interest spending will decrease by a net R20.4 billion relative to previous plans, including a downward adjustment of R19.1 billion due to lower CPI inflation. The social wage nevertheless accounts for about 61 per cent of total non-interest spending over the medium term. The expenditure ceiling is reduced by R6 billion in 2026/27 and R13.8 billion in 2027/28.

3.18. The main budget deficit is projected to average about 4.5 per cent of GDP in 2025/26 and to narrow to 2.7 per cent of GDP in 2028/29. The consolidated budget deficit is expected to decline from 4.7 per cent of GDP in 2025/26 to 2.9 per cent in 2028/29. NT now expects gross loan debt to stabilise at 77.4 per cent of GDP in 2025/26, slightly higher than the 76.2 per cent projected in the May 2025 Budget. In rand terms, gross debt is projected to increase from R6.07 trillion in 2025/26 to R6.99 trillion in 2028/29.

3.19. Debt-service costs in 2025/26 are projected to be R4.8 billion lower than estimated in the 2025 Budget, supported by lower interest rates, lower inflation and a stronger currency. Over the next three years, government will spend R1.36 trillion on servicing debt, including R421.6 billion in 2025/26. The primary budget balance is projected to improve from a surplus of R68.5 billion in 2025/26 to R224 billion in 2028/29, rising from 0.9 per cent to 2.5 per cent of GDP. NT expects this growing primary surplus to enable government first to stabilise and then to reduce debt and debt-service costs, noting that government borrowing rates have declined for much of 2025, contributing to the lower projected debt-service burden.

3.20. NT identified key risks to the fiscal outlook, including weaker-than-expected global and domestic economic growth, volatility in gross tax revenue, the financial health of state-owned enterprises, and higher borrowing costs arising from global monetary conditions or changes in investor sentiment.

4. CONSTITUTIONAL AND STATUTORY INSTITUTIONS INPUT

4.1. The inputs of the Parliamentary Budget Office and the Financial and Fiscal Commission converged on a central concern that the 2025 MTBPS and the revised fiscal framework are

unlikely to deliver the scale of economic expansion and social progress envisaged in the 2024–2029 Medium-Term Development Plan (MTDP. Both institutions stressed that, against MTDP targets of real GDP growth above 3 per cent and unemployment below 28 per cent by 2029/30, the macroeconomic outlook remains weak. The PBO's modelling projected growth in the range of 1.1 to 1.5 per cent over the medium term, while the FFC's forecast was even more subdued, with real GDP growth expected to average close to zero. Both linked this outlook to entrenched structural weaknesses, including inadequate investment, deindustrialisation, weak total factor productivity, persistent inequality and institutional inefficiencies, and warned that, on current trajectories, unemployment, poverty and inequality will only improve marginally over the medium term.

4.2. Both institutions characterised the fiscal stance as heavily weighted toward consolidation, with insufficient emphasis on developmental and pro-growth expenditure. The PBO argued that social assistance spending as a share of GDP remains below what is required to support the redistributive ambitions of the MTDP and the National Development Plan, and that the reorientation of spending toward capital investment will not, on its own, crowd in sufficient private investment without stronger state capability and implementation. The FFC similarly cautioned that rising debt-service costs are absorbing an increasing share of the budget and constraining the space for essential public services and investment. In its view, the current fiscal framework does not yet reflect a credible path to stabilising gross debt, particularly in light of the growing gap between long-term bond yields and nominal GDP growth, which signals heightened fiscal vulnerability. Both institutions therefore called for a more balanced approach that protects fiscal sustainability while more deliberately supporting inclusive growth, social protection and the strengthening of the developmental state.

4.3. A further area of convergence lay in the assessment of fiscal risks, contingent liabilities and implementation capacity. The PBO highlighted the continuing risks posed by Eskom, Transnet and the Road Accident Fund, noting that these institutions remain significant threats to the fiscus and to the stability of the fiscal framework. The FFC reinforced this concern, pointing to persistent and substantial contingent liabilities linked to state-owned companies and underlining the need for close oversight of new instruments such as the Credit Guarantee Vehicle. It also identified the public-sector wage bill as a major ongoing risk, recommending a strict, rules-based framework to align wage growth with inflation and GDP. Both institutions stressed that weaknesses in execution are undermining the intended impact of budgeted allocations. The FFC drew attention to large rollovers, such as the R1.0 billion for the South Africa Connect project, and the withdrawal of R3.3 billion from the Water and Sanitation vote due to delays in the uMkhomazi Water Project, warning that such patterns reflect capacity constraints and carry long-term implications for service delivery, including future water security. The PBO similarly cautioned that increased infrastructure allocations will not translate into growth and employment benefits without addressing underspending, capacity deficits and bottlenecks, particularly at local government level.

4.4. In relation to the intergovernmental fiscal system, the FFC's input deepened the picture of structural misalignment between fiscal instruments and service delivery pressures. It noted that increases to the provincial equitable share are largely absorbed by personnel pressures in education and health and raised concerns that the integration of the School Infrastructure Backlogs Grant into the Education Infrastructure Grant may dilute the targeted focus on

eradicating unsafe and inappropriate school structures. For local government, the Commission reiterated that the Local Government Equitable Share remains based on 2011 Census data, resulting in transfers that no longer reflect current population distribution, urbanisation and demand for basic services. While it welcomed reforms such as the performance-based Urban Development Financing Grant and the revised delivery model for the Municipal Infrastructure Grant, it stressed the need for clear performance targets, dedicated capacity support and structured interventions for chronically underperforming municipalities. These issues align with the PBO's broader concern that without better targeted, better executed and more adequately resourced intergovernmental transfers, the fiscal framework will fall short of the MTDP's objectives of a capable, ethical and developmental state.

4.5. Both institutions engaged substantively with the macro-fiscal implications of the newly announced 3 per cent inflation target. The PBO argued that lowering the target in a context where inflation is largely driven by administered prices, exchange-rate volatility and global commodity shocks is unlikely to address the main drivers of price increases but is likely to dampen growth and employment. It warned that higher real interest rates associated with the new target could raise debt-service costs, reduce nominal GDP growth and constrain revenue collection, thereby tightening the fiscal envelope. While the FFC did not focus exclusively on the inflation target, it highlighted similar concerns through its emphasis on the widening gap between long-term borrowing costs and nominal GDP growth and advised that government explore options to reduce borrowing costs, including engagement with lenders to improve the terms of existing obligations. Taken together, these inputs suggest a shared concern that macroeconomic and monetary choices may complicate the pursuit of developmental and employment objectives unless carefully managed and subjected to robust parliamentary scrutiny.

4.6. The combined inputs of the PBO and FFC indicated that the 2025 MTBPS, while making progress in stabilising certain fiscal indicators and articulating a reform agenda, does not yet place South Africa on a trajectory capable of meeting its fiscal-stability and developmental commitments. Both institutions underscored the gap between stated priorities, such as inclusive growth, job creation, poverty reduction and building a capable state, and the scale and composition of actual budget allocations and implementation outcomes. They called on Parliament to strengthen oversight of fiscal risks, contingent liabilities, infrastructure delivery, social-assistance adequacy, the wage bill and intergovernmental transfers, and to ensure that future fiscal frameworks are more closely aligned with the MTDP's objectives.

5. ANALYSIS OF PUBLIC SUBMISSIONS

5.1. This section provides a thematic analysis of the public submissions received on the 2025 Medium-Term Budget Policy Statement and the Revised and Proposed Fiscal Framework. It synthesises the main arguments advanced by organised labour, civil society coalitions, research organisations, child-rights and ECD coalitions, industry bodies and professional associations and individuals. The detailed stakeholder-by-stakeholder summaries are contained in Annexure B. The themes discussed below draw together points of convergence and divergence across submissions. All substantive issues raised in the individual submissions in Annexure B are reflected under at least one theme in this section.

Overall fiscal stance, growth strategy and "austerity"

5.2. A central area of contention across submissions was the overall fiscal stance and its implications for growth, employment and socio-economic rights. COSATU acknowledged improvements in certain areas of the state, particularly at Eskom, Transnet, Metrorail and the South African Revenue Service, as well as South Africa's exit from the FATF grey list and recent employment gains. However, it argued that the fiscal framework lacked the boldness required to lift the economy out of a prolonged low-growth trap. In COSATU's view, the MTBPS did not shift the economy off a roughly 1 per cent growth path that had persisted for two decades and did not provide meaningful relief to the more than 12 million unemployed people. The Federation considered the emphasis on deficit reduction and achieving a technical surplus to have come at the expense of more aggressive growth and employment interventions.

5.3. Civil society organisations such as the Budget Justice Coalition, Institute for Economic Justice (IEJ), Alternative Information and Development Centre, Amandla.mobi and the Public Economy Project (PEP) framed the fiscal framework as a continuation or intensification of austerity. The BJC argued that the MTBPS represented a missed opportunity to move decisively away from austerity towards a developmental, rights-based fiscal approach, noting that years of expenditure reductions had weakened economic performance and service delivery. The IEJ characterised the achievement of a primary surplus and debt stabilisation as the product of a decade-long contraction in public employment, public investment and social protection rather than improved growth performance or successful structural reform. AIDC similarly submitted that the consolidation path had weakened public institutions, deepened service-delivery failures and undermined constitutional mandates. PEP described the framework as a re-entrenchment of prolonged austerity, with non-interest spending projected to decline as a share of GDP and real per-capita allocations to essential services expected to fall.

5.4. Some submissions accepted the need for fiscal stabilisation but emphasised associated risks. SAICA recognised progress in slowing debt growth and improving the primary balance and welcomed positive ratings actions but stressed that South Africa remained in a highly constrained environment characterised by low growth, mounting liabilities and reform implementation deficits. It cautioned that stabilising fiscally while stagnating economically would not be sustainable. Industry bodies such as SAB, BASA and Heineken noted early signs of macro-fiscal stabilisation and the projected primary surplus but emphasised the importance of ensuring that consolidation did not undermine household demand and inclusive growth, particularly through tax instruments that directly affected consumption and formal sector employment.

Debt, fiscal sustainability and the proposed fiscal anchor

5.5. Several stakeholders engaged with debt dynamics, debt-service costs and the proposed fiscal anchor. COSATU welcomed efforts to stabilise debt but warned that an overly narrow focus on reducing expenditure and achieving a primary surplus, without sufficient stimulus, risked entrenching low growth and persistent unemployment. The BJC argued that the proposed fiscal anchor, if implemented as envisaged, could lock South Africa into a path of

structurally low public expenditure that would be inconsistent with constitutional obligations and the scale of socio-economic need.

5.6. The IEJ and AIDC contended that fiscal consolidation was becoming self-defeating. They argued that while the primary balance was projected to improve, debt-service costs remained elevated as a share of main budget spending and continued to crowd out non-interest expenditure on health, community development, peace and security, and intergovernmental transfers. AIDC warned that the proposed fiscal anchor would entrench austerity and should be rejected in favour of a more expansionary, employment-orientated fiscal framework. PEP described a "revenue triple whammy", whereby lower nominal GDP depressed revenue, debt became more expensive to service relative to income, and political resistance to tax increases forced expenditure to absorb the full weight of consolidation.

5.7. SAICA, by contrast, saw potential value in a credible anchor but emphasised that public debt was still growing much faster than the economy and that the debt trajectory remained fragile, particularly in light of quasi-fiscal risks arising from state-owned enterprises (SOEs) and municipalities. It highlighted guarantees, such as the R94.8 billion extended to Transnet, and rising intergovernmental arrears to Eskom and water boards as threats to the debt outlook. SAICA therefore supported stronger enforcement tools, including continued use of section 216 of the Constitution to withhold transfers from non-compliant municipalities, while calling for improved execution of structural reforms to ensure that stabilisation was accompanied by higher growth.

Social protection, the SRD grant and basic income

5.8. Social protection and the future of the Social Relief of Distress (SRD) grant emerged as a major cross-cutting theme. COSATU expressed disappointment that the SRD grant had again not been adjusted for inflation, noting that it had only been increased once since 2020 despite steep rises in food and transport costs. It argued that this eroded the grant's real value and failed to respond to the scale of deprivation. The Federation supported the extension of the SRD grant and called for a broader package of support for distressed households and businesses, including reform of the UIF's Temporary Employment Relief Scheme and expanded industrial and SMME financing.

5.9. The BJC, IEJ, AIDC and Amandla.mobi all raised strong concerns about the adequacy, design and future of income support. The BJC noted that projected grant spending had been revised down relative to the untabled February Budget and that both the SRD and Child Support Grant remained below the food poverty line, which it considered inconsistent with constitutional guarantees relating to basic nutrition and social security. The IEJ welcomed the extension of the SRD grant to 2027 but criticised the continued exclusionary eligibility rules, the failure to raise its value and the emphasis on fraud, arguing that proposed conditionalities such as work-seeking requirements would unlawfully exclude vulnerable beneficiaries. AIDC highlighted evidence from the South African Human Rights Commission and other sources indicating severe hunger and underfunded cash transfers and warned that tightening eligibility and verification without expanding coverage would exacerbate hardship.

5.10. Amandla.mobi placed lived experiences of poverty and hunger at the centre of its critique. It welcomed the extension of the SRD grant as a sign of political commitment but argued

that the R370 value, far below the food poverty line, was profoundly inadequate, as illustrated by testimonies from recipients who incurred costs simply to access the grant. It urged Parliament to ensure that the SRD grant was not scrapped and that resources were allocated so that all eligible individuals received support without arbitrary exclusion. The organisation reiterated its call for a permanent Basic Income Grant (BIG), criticising the absence of clear timelines or an implementation plan despite previous commitments. It argued that the MTBPS was a missed opportunity to set out a phased BIG roadmap and insisted that any BIG be financed through progressive taxation rather than cuts to other social programmes.

5.11. Dr Muller supported continuation, and possible expansion, of the SRD grant on evidence-based grounds and criticised the recurring pattern in MTBPS and Budget documents of signalling an end date that was not implemented. He described this as creating harmful uncertainty for beneficiaries and undermining fiscal credibility and called on Parliament to take ownership of the policy debate by convening its own hearings on the future of the SRD grant and broader income support.

Public services, employment and the public-sector wage bill

5.12. Many submissions linked the fiscal stance to public employment, frontline services and the state's ability to meet constitutional obligations. COSATU welcomed additional allocations for health, school repairs, public healthcare and early childhood education but expressed alarm at below-inflation adjustments for law enforcement and reductions in the Home Affairs budget. It argued that these sectors are critical for safety, crime prevention and effective immigration management and should not be eroded. COSATU supported efforts to identify approximately 9 000 ghost employees and stressed that recovered funds should be used to fill critical frontline vacancies.

5.13. The IEJ and AIDC provided detailed empirical critiques of the impact of consolidation on public services. The IEJ highlighted the decline in public service employment relative to population growth since 2012/13, citing rising learner-to-teacher ratios, infrastructure backlogs in schools and a declining number of doctors per 1 000 people as evidence that fiscal policy had eroded state capacity. AIDC presented data showing reductions in healthcare professionals in specific provinces and estimated that, if public-sector headcount had kept pace with population growth, South Africa would have had 190 000 more frontline employees than it currently did. Both organisations argued that these trends had produced long waiting lists in hospitals, overcrowded classrooms and failures in municipal service delivery, and that relying on the "share" of spending on the social wage as proof of progress was misleading when the overall envelope was contracting.

5.14. PEP and SAICA also highlighted pressures on frontline services. PEP argued that provincial governments faced rising wage pressures in education, health and policing, while real allocations declined, leading to deteriorating service quality and undermining the social contract. SAICA stressed that execution deficits in public infrastructure and skills development threatened future productivity and that sluggish reforms in technical and vocational education, alongside constrained personnel budgets, risked locking the economy into a consumption-driven, low-productivity pattern.

Poverty, children, early childhood development and parenting support

5.15. A distinctive strand of submissions focused on children, early childhood development (ECD) and parenting support as core fiscal and developmental priorities. Breadline Africa highlighted the macroeconomic and social returns to ECD, drawing on the WHO Nurturing Care Framework and research showing returns of between 7 and 10 per cent for early learning programmes, rising when combined with parental support. It expressed concern that 1.15 million children aged 3–5 remained outside ECD centres and that only 42 per cent of children in ECD centres were developmentally on track, compared with fewer than 20 per cent outside such programmes.

5.16. It linked these deficits to later educational failures, high dropout rates and long-term youth unemployment. While welcoming stated commitments in the MTBPS, including a R10 billion ECD allocation and funding for the E-Cares system, Breadline Africa argued that achieving universal access by 2030 would require an estimated 115 000 new centres and a coordinated public–private partnership model. It called for ECD infrastructure to be recognised explicitly as a fiscal priority, for ring-fenced ECD infrastructure funding within the Municipal Infrastructure Grant and for the reduction of municipal regulatory bottlenecks that delayed ECD projects.

5.17. Families4Children, SAPPIN and the South African National Child Rights Coalition focused on nurturing care and parenting support. They argued that South Africa could not achieve inclusive and sustainable development without making parent-provided nurturing care a national fiscal and policy priority. Despite constitutional and legislative mandates, they submitted that parenting support was not recognised in the MTBPS as a core budgetary priority and remained fragmented and underfunded. The coalition cited evidence that the country was losing a large share of its potential human capital due to deficits in early childhood development, noting that children were projected to achieve only 43 per cent of their developmental potential by age 18, unchanged for more than a decade. They recommended that universal parenting support be explicitly recognised as a fiscal priority, anchored at the highest level of government, and proposed strengthening the Office on the Rights of the Child within the Presidency, using the Targeted and Responsible Savings (TARS) process to prioritise high-return parenting interventions, and ring-fenced allocations to provinces and municipalities for prevention and early-intervention services.

5.18. Amandla.mobi and AIDC linked child outcomes to social protection and basic services. Amandla.mobi highlighted more than 1 000 child deaths from acute malnutrition and starvation and argued that many families could not secure basic nutrition and that the fiscal framework did not provide a sufficiently urgent response. AIDC referred to findings of the South African Human Rights Commission regarding hunger and malnutrition and argued that underfunded programmes such as the Child Support Grant and the National School Nutrition Programme were already insufficient, with further tightening of eligibility and verification risking deeper deprivation.

Inflation targeting, monetary policy and macro-fiscal coordination

5.19. The revision of the inflation target to 3 per cent, with a one percentage point band, elicited strong responses. COSATU accepted, in principle, that lower inflation could protect workers' purchasing power but warned that, in the current environment, it was likely to

translate into higher interest rates for longer, exacerbating the burden on highly indebted working- and middle-class households. It called for a more balanced approach to the South African Reserve Bank's mandate, which, while protecting the currency and controlling inflation, should also support growth, employment and debt relief for workers.

5.20. The BJC, IEJ, AIDC, PEP and Dr Muller were critical of both the process and substance of the target change. The BJC argued that no authoritative evidence had been presented to justify the change, particularly regarding employment, growth, inequality and debt dynamics, and called for more robust engagement supported by explicit data and modelling. The IEJ and AIDC contended that South Africa's inflation was driven largely by global supply shocks and administered prices rather than excess domestic demand, making restrictive monetary policy a blunt and harmful tool. They warned that the lower target could require higher real interest rates, depressing investment, household income and employment, and could raise debt-service costs if bond yields did not fall commensurately.

5.21. PEP framed the change as part of a broader environment of "monetary dominance", in which monetary policy, through disinflation and a compressed GDP deflator, effectively determined the budget trajectory by lowering nominal GDP and narrowing the revenue and spending envelope. It argued that financial institutions and bondholders benefitted from lower inflation via preserved real asset values, while indebted households faced higher real repayment burdens, with negative knock-on effects for VAT and growth. Dr Muller went further in critiquing the process as undemocratic and potentially unconstitutional, arguing that the decision lacked genuine public consultation, independent analysis and parliamentary scrutiny, and that much of the supportive research originated from institutions with potential conflicts of interest.

5.22. SAICA recognised potential long-term benefits of more firmly anchored inflation expectations but cautioned that achieving the new target would require suppressing public expenditure and household consumption in the short term. It emphasised the need to manage distributional impacts carefully to avoid undue hardship for lower-income households and underscored that the success of the new target depended on improved efficiency, discipline in spending and progress with structural reforms. PEP recommended a more explicit macro-fiscal coordination framework, such as flexible inflation targeting with defined escape clauses and joint reporting, to ensure coherence while preserving SARB independence.

Tax policy, progressivity, VAT and wealth-related measures

5.23. Tax policy and revenue-raising options were a major point of divergence. The BJC, IEJ, AIDC and Amandla.mobi argued that the existing tax system, while broadly progressive, was not being used to its full redistributive potential in a highly unequal society. The BJC emphasised that the 2025 MTBPS did not introduce new progressive tax measures and reiterated its call for a shift toward more robust taxation of wealth, high incomes and excess corporate profits, rather than relying on continued expenditure restraint. It argued that National Treasury had not sufficiently explored alternative progressive options, such as restoring the corporate income tax rate to 28 per cent, strengthening wealth and inheritance taxes, reducing tax expenditures that benefit higher-income groups, strengthening SARS to recover uncollected taxes and making more strategic use of GFECRA-related resources.

Several stakeholders, particularly Amandla.mobi, cautioned against any future increases in the VAT rate, given their regressive impact on low-income households.

5.24. The IEJ and AIDC advanced specific revenue proposals. AIDC drew on its work on "Tax in the World's Most Unequal Country" to argue that restoring effective tax rates for high-income earners to 1990s levels, eliminating medical-aid tax credits, strengthening taxes on dividends and wealth, and taxing idle capital could collectively mobilise substantial additional revenue. The IEJ recommended reducing tax breaks for high-income individuals, tackling illicit financial flows and considering a net wealth tax. Amandla.mobi proposed a package including higher personal income tax for those earning over R1 million, a progressive annual net-wealth tax, and the removal of tax preferences such as the medical-aid rebate and certain retirement fund deductions that primarily benefit high-income households. It stressed that tax increases should not fall on low- and middle-income earners and that the VAT rate should not be increased, except perhaps on clearly defined luxury goods.

5.25. SAICA focused on the credibility and quality of revenue estimates and the structure of the tax base. It noted that higher projected tax-to-GDP ratios signalled a heightened possibility of tax increases in 2026 and raised concerns about "tax by inflation" via bracket creep, urging Parliament to clarify its position on this practice. SAICA also highlighted concerns about the sustainability of SARS's debt book, growing disputes and unpaid refunds, warning that these could affect net revenue collections. COSATU, while opposing further tax increases on working- and middle-class households, supported improved SARS capacity to combat tax evasion, illicit trade and customs fraud, and called for inflationary adjustments to income tax brackets to protect real wages.

5.26. Industry submissions from SAB, BASA and Heineken focused more narrowly on excise policy, but with clear implications for tax design and progressivity. They argued that repeatedly increasing beer and alcohol excise above inflation had pushed effective tax incidence above policy guidelines, compressed margins and contributed to a shift toward illicit markets, thereby undermining both industry sustainability and revenue collection. These stakeholders supported an inflation-linked path for excise, greater policy certainty through medium-term excise frameworks and an emphasis on enforcement against illicit trade rather than further across-the-board rate increases.

Illicit trade, excise taxes and enforcement

5.27. Illicit trade in alcohol featured prominently in submissions from SAB, BASA and Heineken and was linked to broader concerns about enforcement and revenue integrity. SAB and BASA argued that repeated above-inflation excise increases on beer had raised the tax incidence beyond the stated 23 per cent guideline, with BASA estimating actual incidence at around 25 per cent. They submitted that this had made legal products more expensive in a context of weak disposable income and high input costs, thereby encouraging consumers to shift to illicit alcohol, estimated to be worth tens of billions of rand annually. Heineken provided similar estimates of revenue lost to illicit alcohol and welcomed the Minister's acknowledgment of the problem as an important shift.

5.28. These industry submissions converged on several points. They argued that excise policy should be aligned with inflation to maintain the real value of revenue without suppressing

legal demand, that above-inflation increases were counterproductive in a fragile economy, and that enforcement had to be significantly strengthened. They supported sustained and enhanced public–private partnerships, joint operations between SARS and SAPS and a stronger focus on smuggling, counterfeit production and undeclared imports. They argued that predictable excise policy, combined with robust enforcement, would support investment, protect jobs and safeguard the tax base, whereas unpredictable, steep excise increases risked shrinking the formal market and expanding illicit activity.

5.29. Other submissions, such as those from COSATU, the BJC and Amandla.mobi, did not focus primarily on alcohol excise but emphasised more generally the importance of strengthening SARS, tackling tax evasion and addressing illicit financial flows as a means to increase revenue without relying on regressive tax measures. Collectively, these contributions underscored that enforcement, compliance and institutional capacity were central to a sustainable revenue strategy.

State-owned enterprises, guarantees and fiscal risks

5.30. Financial support to state-owned enterprises and the terminology used to describe it generated significant debate. COSATU welcomed additional allocations for Transnet Freight Rail and electricity transmission and acknowledged the progress at Eskom in reducing load-shedding but argued that Eskom required stronger support to address municipal debt, theft and vandalism and to protect energy-intensive industries from closure due to escalating tariffs. It expressed concern about slow recovery at Denel, the SABC, the Post Office and Postbank and called for accelerated turnaround strategies at these entities.

5.31. AIDC, IEJ, PEP and SAICA raised concerns about the fiscal risks posed by SOEs and the credibility of conditions attached to support. AIDC argued that despite achieving a primary surplus, debt-service costs remained high, partly due to cumulative SOE support, which had not always been matched by effective restructuring or accountability. PEP noted that Treasury's calculation of the primary balance excluded Eskom support, implying that the "true" primary position was weaker than presented. SAICA stressed that guarantees to SOEs constituted quasi-fiscal liabilities that threatened the debt outlook and warned that persistent cash-flow deficits at SOEs and municipalities mirrored earlier patterns seen at Eskom.

5.32. Submissions also interrogated the language of "bailouts" versus "recapitalisation". Some stakeholders, including COSATU and other social partners in oral engagements, argued that referring to support as "bailouts" framed SOEs as external to the state and undermined recognition of their strategic roles. They preferred terms such as "recapitalisation" or "business rescue" where support was clearly linked to credible, conditional turnaround plans. More critical voices used "bailouts" to emphasise perceptions that support had rewarded poor performance without adequate accountability. Across these perspectives, there was a shared demand for greater transparency on the conditions attached to support, regular public reporting on compliance and a shift from ad hoc crisis responses to a longer-term strategy for SOE viability.

Local government, basic services and municipal finances

5.33. Local government finances and basic services featured in several submissions. COSATU welcomed allocations for transmission and water infrastructure but argued that these were

insufficient to address the widespread collapse of basic services in many municipalities. It called for more decisive action against municipalities that failed to pay salaries, pension contributions and creditors or could not maintain basic infrastructure and argued for an urgent overhaul of the local government funding model. COSATU supported the phased roll-out of the District Development Model as part of a broader effort to stabilise local government.

5.34. AIDC and the IEJ linked local government failures to broader austerity trends, noting declining real transfers to provinces and municipalities and pointing to evidence of staff losses and service-delivery breakdowns. Breadline Africa and the child-rights coalition submissions highlighted municipal capacity, regulatory processes and infrastructure responsibilities as critical constraints in expanding ECD and parenting support services, citing examples where municipal red tape and weak capacity had delayed or undermined high-impact interventions. SAICA also referred to heavily indebted municipalities and rising intergovernmental arrears as a key fiscal risk and supported the use of stronger enforcement mechanisms to ensure municipal compliance with financial obligations, particularly those owed to Eskom and water boards.

Process, transparency, public participation and constitutional obligations

5.35. Many submissions addressed issues of process, transparency and the role of Parliament. The BJC, IEJ, AIDC, PEP and Dr Muller emphasised Parliament's constitutional responsibility to ensure that the fiscal framework advanced socio-economic rights and aligned with principles of transparency, accountability and equitable resource distribution. Concerns were raised about the adequacy of public consultation on major policy changes such as the new inflation target, about the lack of systematic publication of underlying policy documents, and about the growing use of large provisional allocations held outside the Appropriation Bill, which the BJC argued weakened parliamentary control over the budget.

5.36. The IEJ and AIDC criticised the absence of a clear plan for the SRD grant and broader income support as a source of harmful uncertainty and argued that Parliament should demand clarity and lead public debate on long-term social protection. PEP highlighted the absence of a coherent macro-fiscal coordination framework and recommended more structured reporting and engagement between fiscal and monetary authorities, subject to parliamentary scrutiny. Breadline Africa, Families4Children, SAPPIN, SANCRC and Amandla.mobi all stressed that without explicit fiscal prioritisation of ECD, parenting support and social protection, the state would fail to realise constitutional and developmental objectives and urged Parliament to close these gaps in the Revised and Proposed Fiscal Framework.

5.37. SAICA welcomed improvements in public participation, including Treasury's workshops and the Committees' engagement processes, but argued that reform should extend beyond consultation on policy design to include closer scrutiny of budget implementation, revenue collection and debt management. Across the spectrum, submissions called on Parliament to exercise proactive oversight, to interrogate the trade-offs embedded in the fiscal framework and to ensure that stabilisation did not come at the expense of long-term human development and constitutional rights.

6. RESPONSES TO STAKEHOLDER SUBMISSIONS

6.1. The National Treasury presentation responded to submissions received during the 2025 MTBPS public hearings and began by acknowledging all stakeholders that had made inputs, including civil society organisations, labour, business, research institutions and professional bodies such as the Alternative Information & Development Centre, Amandla.mobi, the Beer Association of South Africa, Breadline Africa, the Budget Justice Coalition, COSATU, Dr S.M. Muller, Families4Children/SAPPIN/SANCRC, the Financial and Fiscal Commission, Heineken, the Institute for Economic Justice, the Parliamentary Budget Office, the Parliamentary Research Unit, the Public Economy Project, SAICA and South African Breweries.

6.2. It reiterated that the MTBPS sets the policy framework for the next Budget, updates Parliament on the economic outlook and fiscal position, and forms part of a broader public-participation process that included a macro-fiscal workshop in August 2025 and other engagements on the proposed fiscal anchor. Treasury stressed that submissions often contained conflicting policy demands and that the fiscal framework had to balance growth, redistribution, debt sustainability and macroeconomic stability.

6.3. Treasury summarised the main messages of the 2025 MTBPS as an effort to improve the health of public finances while accelerating infrastructure investment. It reiterated that real GDP growth was projected to average 1.8 per cent over the MTEF, supported by structural reforms in electricity, transport and logistics, and bulk water, alongside regulatory changes to improve the business environment (including e-visas, a water-use licensing regime and digital identity/payment initiatives).

6.4. The fiscal strategy aimed to maintain a primary surplus, narrow the budget deficit and stabilise gross loan debt at 77.9 per cent of GDP in 2025/26, with the primary surplus rising to 2.5 per cent of GDP by 2028/29. Treasury emphasised that debt-service costs would peak at 21.4 per cent of revenue in 2025/26 before gradually declining and that bailouts of state-owned enterprises in the previous decade had crowded out spending on basic services, a trend it now sought to reverse through tighter conditions, structural reforms and efforts to crowd in private capital.

6.5. A substantial section of the presentation explained the new inflation-targeting parameters and the macroeconomic outlook. Treasury outlined the legal and institutional framework: section 224 of the Constitution mandates the South African Reserve Bank to protect the value of the currency, interpreted as maintaining price stability within an inflation target set by government, while SARB independently chooses the tools (notably the repo rate) to achieve the target.

6.6. NT explained that after a consultative process similar to that used when inflation targeting was adopted in 2000, government decided on a new target of 3 per cent with a ±1 percentage-point band. Treasury argued that inflation targeting was the nominal anchor for price-setting behaviour and showed that average inflation and the repo rate had been lower and less volatile since the introduction of the framework. It further contended that a lower target would slow the rate at which the cost-of-living doubles, support lower nominal interest rates, reduce the sovereign risk premium and improve competitiveness.

6.7. In particular, it highlighted that low-income households (which spend a high share of income on food and transport) had historically experienced above-average inflation, and that

structurally lower inflation around 3 per cent would protect their purchasing power over time. Treasury acknowledged that the transition would temporarily lower nominal GDP and revenue growth but argued that this would be partially offset by lower debt-service costs and medium-term gains in real growth.

6.8. On the economic outlook, Treasury reported that real GDP grew by 0.7 per cent in the first half of 2025 and that, even with no further growth in the second half, growth for 2025 would be around 1 per cent. Its forecast of growth rising from 1.2 per cent in 2025 to 1.8–2 per cent by 2028 was broadly aligned with projections from the IMF, SARB and private forecasters, but remained constrained by structural weaknesses and global headwinds. Treasury linked higher medium-term growth to full implementation of Operation Vulindlela reforms in electricity, freight logistics, water and visas, estimating that these could lift growth by about 1.4 percentage points above baseline by 2028, raise fixed investment by roughly 8 per cent and support average employment gains of about 442 000 jobs. It also noted that energy reforms had already unlocked over R400 billion in private investment but warned that administered prices (especially electricity and water tariffs) and the future shutdown of generating capacity and the Cahora Bassa contract would remain important upside risks to inflation and growth if not managed through coordinated macro-fiscal and sector reforms.

6.9. Treasury then dealt with tax policy, revenue and stakeholder proposals. It confirmed that the 2025 MTBPS maintained the broad tax-policy direction of the 2025 Budget: protecting the tax base, improving equity and efficiency, and simplifying the system. It highlighted the enactment of the Global Minimum Tax legislation to ensure that large multinational corporations pay at least a 15 per cent effective rate and noted that R20 billion in additional tax measures for 2026/27 remained pencilled in but could be reconsidered if collections materially out-performed projections. Treasury reported that gross tax revenue for 2025/26 was now expected to be about R19.7 billion higher than in the 2025 Budget, driven by stronger VAT, corporate and dividends tax collections and lower fraudulent VAT refunds; revenue buoyancy for 2025/26 was revised up to 1.54. At the same time, SARS' total debt book had risen, and Treasury argued that the additional R7.5 billion allocated to SARS over the MTEF for technology, data science, AI and enforcement was intended to improve collection efficiency, address illicit trade (through a tougher penalty regime, licensing reforms and centralised case management) and strengthen the quality of the debt book.

6.10. In response to public submissions, Treasury recorded that stakeholders had proposed a wide range of tax changes, including increasing personal and corporate income tax on high-income and high-profit earners, introducing a net wealth tax, raising estate and inheritance taxes, closing loopholes, removing or rationalising incentives, increasing the health promotion levy to a 20 per cent rate, and raising excise duties while strengthening anti-illicit-trade enforcement. Treasury stated that South Africa already had a highly progressive tax system, with the top 12 per cent of individual taxpayers contributing over 60 per cent of personal income tax, and that existing national taxes on wealth (estate duty, donations tax, transfer duty and securities transfer tax) amounted to about 1.15 per cent of total revenue, above the OECD average. It emphasised that about 60 per cent of non-interest spending took the form of a "social wage" directed at low-income and vulnerable households and indicated

that all proposals would be considered in formulating the 2026 Budget, but within the constraints of maintaining competitiveness, growth and a sustainable tax-to-GDP ratio.

6.11. On the fiscal framework and expenditure, the presentation showed that, relative to the 2025 Budget, there was a revenue overrun of R19.3 billion and lower-than-expected debt-service costs in 2025/26, which allowed a R15.8 billion increase in non-interest spending while still narrowing the main budget deficit by R8.2 billion. Treasury detailed how non-interest expenditure had been adjusted since the 2023 and 2025 Budgets: earlier additions had addressed wage-bill pressures in provincial health and education and in security and justice departments, while the 2025 Budget and MTBPS added resources for frontline services, infrastructure and a higher contingency reserve, partly offset by declared underspending, removal of provisional allocations and savings from low-priority or underperforming programmes. It noted that main budget non-interest spending in 2025/26 now amounted to about R1.9 trillion, and that consolidated spending would grow by an average of about 3.6 per cent a year over the MTEF, broadly in line with the lower inflation outlook. Treasury underlined that the social wage would remain around 60 per cent of non-interest spending (roughly R4.2 trillion over the MTEF), covering basic education, health, housing, local government transfers, social grants and fee-free higher education.

6.12. The presentation also responded directly to expenditure-related recommendations. On calls to reverse the real per-capita decline in health, education and local government spending, Treasury argued that high debt levels limited room for additional borrowing but that the Budget already prioritised the social wage and above-inflation grant increases, and that improvements in efficiency and targeted savings through the Technical Advisory and Regulatory Services (TARS) process were critical. It stated that TARS used a programme-assessment matrix to identify legally misaligned, duplicative or ineffective programmes, with a focus on eliminating waste (including some 8 854 flagged “ghost workers”) and redirecting R6.7 billion in savings to growth-enhancing infrastructure and priority services, rather than blunt across-the-board cuts. On specific sectors, Treasury noted additional allocations for early childhood development (including an increase in the ECD subsidy from R17 to R24 per child per day), a comprehensive review of SETAs to improve governance and labour-market alignment, ongoing work on a sustainable higher education funding model, consolidation of agricultural grants for smallholders, and multi-year funding for HIV/AIDS through the District Health Programmes grant (with a once-off 2025/26 top-up to cushion the withdrawal of PEPFAR funding). It confirmed that the COVID-19 SRD grant had been extended to March 2027 with a preliminary allocation of R36.8 billion but said any move to a permanent basic income grant would require careful consideration of affordability and long-term financing.

6.13. On social protection administration and state capacity, Treasury explained that conditions placed on SASSA’s administration budget were intended to enforce compliance with income-verification and periodic-review regulations in the Social Assistance Act, thereby limiting inclusion errors and fraud rather than reducing legitimate beneficiary numbers. It noted that Statistics South Africa would receive additional funding over the MTEF for ICT and operations, with ongoing discussions about strengthening capacity. The presentation also addressed public-service wage-bill concerns: it pointed to the 2022 Personnel Expenditure Review, a joint DPSA–Treasury project to identify ghost workers and payment

irregularities, and the introduction of incentivised early and voluntary exit programmes. Treasury conceded that low growth and tight fiscal space constrained headcount expansion but argued that budgets since the 2022 MTEF had repeatedly prioritised frontline personnel in education, health and security, and that wage-bill reforms were intended to slow unit-cost growth so that more posts could be funded within the available envelope.

6.14. Finally, Treasury set out the debt-management and infrastructure strategy. It stated that the gross borrowing requirement for 2025/26 had fallen by R20 billion to R568.2 billion and would be financed through a mix of Treasury bills, domestic and foreign long-term loans and drawdowns on cash balances and the GFECRA account, guided by benchmarks for refinancing risk and the domestic–foreign debt mix. Domestic investors held about three-quarters of government bonds, and auctions were open, rules-based and non-discriminatory, with limited use of liability-management operations (such as bond switches) to smooth redemption profiles. Gross loan debt was projected to rise in nominal terms from R6.07 trillion in 2025/26 to R6.99 trillion in 2028/29 but to stabilise at around 77–78 per cent of GDP, assuming sustained primary surpluses and improved growth. On infrastructure, Treasury emphasised that capital payments were the fastest-growing item by economic classification (around 7.3 per cent average annual growth), with more than R1 trillion allocated to infrastructure over the MTEF. It described reforms to the Budget Facility for Infrastructure, updates to PPP regulations, the creation of a Credit Guarantee Vehicle to de-risk projects without sovereign guarantees, consolidation of various infrastructure offices into a new agency to crowd in private capital, and municipal reforms including a revised municipal infrastructure grant, metro trading-services incentive grants and a municipal utility reform programme. These measures were presented as central to the four-pillar growth strategy: maintaining macroeconomic stability, implementing structural reforms, building state capability and investing in growth-enhancing public infrastructure.

7. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

7.1. The Committee recognises the progress recorded in several areas, as reflected in the 2025 MTBPS and the public engagements undertaken by Parliament in processing the 2025 revised and proposed fiscal framework. The Committee welcomes South Africa’s exit from the Financial Action Task Force (FATF) grey list and the subsequent sovereign credit rating upgrade. . At the operational level, the achievement and projected expansion of a primary budget surplus, together with the envisaged stabilisation of the debt-to-GDP ratio and a moderation in the growth of debt-service costs, are also noted..

Macroeconomic outlook and growth

7.2. The Committee notes that the macroeconomic outlook remains weaker than the 2024–2029 Medium-Term Development Plan (MTDP) targets. Real GDP growth was 0.8 per cent in 2023 and 0.5 per cent in 2024 and is now projected at 1.2 per cent in 2025, down from 1.4 per cent in the May 2025 Budget, with an average of 1.8 per cent over the next three years. This is significantly below the MTDP target of growth above 3 per cent. Labour-market outcomes remain fragile: between the second and third quarters of 2025, employment increased from 16.8 million to 17.1 million (an increase of 248 000), while unemployment

declined from 8.367 million to 8.00 million, with the official unemployment rate falling from 33.2 per cent to 31.9 per cent and the combined rate of unemployment and potential labour force from 43.0 to 42.4 per cent.

7.3. At provincial level, economic activity remains highly concentrated, with Gauteng, Western Cape and KwaZulu-Natal together accounting for 63.5 per cent of provincial GDP in 2024 (33.2, 14.2 and 16.1 per cent respectively), while three provinces (Eastern Cape, North West and Northern Cape) recorded negative real growth of between 0.1 and 0.2 percentage points. The Committee notes further that, while national real GDP growth was 0.5 per cent in 2024, Limpopo (0.9 percentage points), Gauteng (0.8 percentage points) and the Western Cape (0.7 percentage points) recorded higher growth than the national average, underscoring both the spatial concentration of economic opportunity and the differentiated provincial performance dynamics.

Fiscal framework, debt dynamics and the proposed fiscal anchor

7.4. The Committee notes that the revised and proposed fiscal framework projects an improvement in headline fiscal indicators. Main budget revenue is expected to increase from R1,97 trillion in 2025/26 to approximately R2.3trillion in 2028/29, while main budget expenditure rises from about R2.32 trillion to nearly R2.58 trillion over the same period. The main budget deficit is estimated to average 4.5 per cent of GDP in 2025/26 and narrow to 2.7 per cent by 2028/29.

7.5. Gross loan debt is now expected to stabilise at 77.9 per cent of GDP in 2025/26 (slightly above the 77.4 per cent projected in the May 2025 Budget), with the nominal stock of debt increasing from R6.07 trillion in 2025/26 to R6.99 trillion in 2028/29. Debt-service costs, while R4.8 billion lower in 2025/26 than previously estimated, remain very high at R421.6 billion in 2025/26 to R471.8 billion in 2028/29. The primary budget surplus is projected to increase from R68.5 billion in 2025/26 to R224 billion in 2028/29. The Committee notes concerns raised in submissions that this consolidation path is unfolding in a context of low growth and high unemployment, with real per-capita non-interest spending in several core functions already under pressure. At the same time, the Committee welcomes South Africa's removal from the Financial Action Task Force grey list and the recent S&P credit rating upgrade, noting that these developments, if underpinned by sustained governance and reform efforts, may support lower risk premia and help contain debt-service costs over the medium term.

7.6. The Committee recommends that National Treasury publish, for parliamentary scrutiny, a comprehensive analysis of options for a formal fiscal anchor, including quantitative scenarios that show the effects of different anchor designs on the primary balance, debt-to-GDP path, debt-service costs and non-interest spending as a share of GDP. This should include explicit analysis of what happens to key social and economic functions if non-interest expenditure continues to decline from around 25.1 per cent of GDP in 2022/23 towards approximately 23.3 per cent by 2028/29, as highlighted by some submissions. The Committee further recommends that government deepen and transparently report on its strategy for reducing borrowing costs, including liability-management operations, active engagement with major lenders, and prudent use of instruments such as the GFECRA settlement and associated buffer, currently reflected at about R260 billion.

Inflation targeting, interest rates and macro–fiscal coordination

7.7. The Committee observes that the revision of the inflation target to 3 per cent with a one percentage point band, which represents a policy shift. The MTBPS projects headline CPI declining from 4.4 per cent in 2024 to 3.3 per cent in 2025, rising to 3.7 per cent in 2026 and then easing to 3.2 per cent in 2028. National Treasury argues that a lower and more firmly anchored inflation rate will protect real incomes and, over time, enable structurally lower interest rates. However, several stakeholders, as well as the PBO, caution that in an environment where inflation is predominantly driven by administered prices, exchange-rate movements and global commodity shocks, a tighter target may result in higher real interest rates for longer, with implications for growth, employment, nominal GDP, revenue and debt-service costs. Some submissions also questioned the adequacy of public consultation and the transparency of the evidence base underpinning the decision.

Revenue performance, tax policy and progressivity

7.8. The Committee notes that gross tax revenue for 2025/26 is projected to be R19.7 billion higher than estimated in the 2025 Budget, yet medium-term revenue projections are weaker due to lower nominal GDP and downward revisions to corporate income and personal income tax bases. The MTBPS and submissions highlight a number of pressures: unresolved disputed taxes now totalling about R113 billion, a SARS debt book that grew by R44 billion even as R47 billion was collected from outstanding debts, and the need to balance revenue mobilisation with support for growth and household incomes.

7.9. Stakeholder inputs point to the regressive impact that any increase in VAT would have on low-income households and identify other revenue options, including restoring the corporate income tax rate to 28 per cent, strengthening wealth and inheritance taxation, recovering part of the estimated R600 billion in annual losses from tax evasion and illicit flows, and introducing a modest annual net-wealth tax on the top 1 per cent, who hold an estimated 55 per cent of national wealth and could, on some proposals, contribute in the order of R192 billion annually. At the same time, the current personal income tax system already places a very high burden on a relatively small tax base, raising concerns about the limits of further increases on middle- and upper-middle-income taxpayers. The Committee also notes concerns raised about the size and volatility of Southern African Customs Union transfers and their interaction with broader regional integration objectives under the Southern African Development Community and the African Continental Free Trade Area and considers that future fiscal frameworks should provide clearer analysis of these dynamics.

7.10. The Committee recommends that any additional revenue required over the medium term be raised primarily from progressive sources and that any consideration of changes to the VAT rate, particularly increases, be subjected to a detailed, quantitative distributional and poverty-impact assessment, to be tabled in Parliament before any decision is taken. This analysis should include the impact on households in different deciles, taking into account that the SRD grant is currently R370, compared to a food poverty line of about R760. The Committee further recommends that SARS be adequately resourced to strengthen enforcement, recover a greater share of outstanding and evaded taxes, and reduce the stock

of disputed amounts, and that National Treasury publish a medium-term tax policy roadmap that explicitly sets out the intended balance between income, corporate and wealth-based taxes in achieving both revenue and equity objectives.

Expenditure composition, social wage and frontline services

7.11. The Committee observes that while the social wage continues to account for about 61 per cent of total non-interest spending over the medium term, there is a projected net reduction of R20.4 billion in non-interest spending over the next two years, including a downward adjustment of R19.1 billion from lower CPI inflation and reductions of R6 billion and R13.8 billion in the expenditure ceiling in 2026/27 and 2027/28 respectively. At the same time, submissions highlight that sustained expenditure restraint since around 2012 has resulted in a shrinking public-service headcount in key sectors.

7.12. Evidence presented to the Committee indicates that in the health sector alone, the number of healthcare professionals declined by 6 217 in the Eastern Cape, 789 in the Free State and 1 061 in the Western Cape over the past five years, and that if the public-sector workforce had simply kept pace with population growth, South Africa would have approximately 190 000 more frontline employees than it currently does. These trends manifest in overcrowded classrooms, longer waiting times in health facilities and deteriorating municipal services, raising concerns that the real value of the social wage is being eroded even where nominal allocations are preserved.

7.13. The Committee recommends that, in implementing the Targeted and Responsible Savings (TARS) initiative and other reprioritisation measures, government ensure that core frontline services in basic education, health, social development, policing and local government are protected from further real per-capita erosion. National Treasury should provide Parliament with regular reports showing real per-capita expenditure by sector, taking into account population growth and inflation, and departments should be required to demonstrate that announced savings do not translate into further reductions in critical frontline posts or essential infrastructure maintenance.

Social protection, the SRD grant and income-support reform

7.14. The Committee notes that social grants are projected to increase above inflation in 2025/26, but that the Social Relief of Distress grant remains at R370 per month, significantly below the food poverty line of around R760. Stakeholder submissions highlight that grant spending projections have been revised down by R15 billion relative to the untabled February Budget and that the current design and value of the SRD grant are inadequate to address widespread hunger and poverty, with over 1 000 child deaths reportedly linked to acute malnutrition and starvation While the extension of the SRD grant to March 2027 provides short-term certainty, beneficiaries still face uncertainty about longer-term income-support arrangements, and administrative barriers and verification rules are reported to exclude many eligible applicants.

7.15. The Committee recommends that National Treasury and the Department of Social Development table, ahead of the 2026 Budget, a comprehensive policy paper on the future of the SRD grant and possible basic income support options. This paper should quantify the fiscal costs and macroeconomic effects of alternative grant values and coverage (including

values at or above the food poverty line) and set out clear financing options, including progressive tax measures. The Committee further recommends immediate steps to improve SRD administration, reduce wrongful exclusions, and ensure that any move towards a more permanent income-support mechanism is accompanied by a credible funding strategy that does not entail disproportionate cuts to other essential social and developmental programmes.

Infrastructure, state-owned enterprises and contingent liabilities

7.16. The Committee observes that the 2025 MTBPS increases main budget non-interest expenditure by R15.8 billion in 2025/26 relative to the 2025 Budget, including additions to the R13.5 billion contingency reserve for Transnet's freight-rail rehabilitation, recapitalisation of the credit guarantee vehicle, rebuilding of Parliament, funding for Sentech dual illumination, and preparations for the 2026 municipal elections. At the same time, the Adjusted Appropriation and Special Appropriation processes highlight execution challenges, including a R1.0 billion rollover for the South Africa Connect project and the withdrawal of R3.3 billion from the Water and Sanitation vote due to delays in the uMkhomazi Water Project, underscoring persistent implementation bottlenecks.

7.17. The Committee acknowledges reports of progress at certain entities, including sustained reductions in loadshedding at Eskom, early improvements at Transnet, and the contribution of institutions such as DBSA, SARS and the Auditor-General to strengthening fiscal credibility, but remains concerned that overall, SOE- and RAF-related risks continue to weigh heavily on the fiscal framework.

7.18. Contingent liabilities associated with state-owned entities remain material: while Eskom's exposure has moderated under the debt-relief arrangement, guarantees for Transnet are around R94.8 billion, and the governance and fiscal implications of new instruments such as the credit guarantee vehicle require close monitoring. The Road Accident Fund also continues to generate large and growing liabilities, with limited reporting on a credible path to sustainability.

7.19. Stakeholders and Members raised concerns that conditions attached to Eskom and Transnet support packages have not always been enforced with sufficient rigour, and that there is limited publicly available information on compliance with those conditions. There is also a deep contestation over how repeated interventions in SOEs should be characterised: some view them as "bailouts" that reward persistent governance failures and crowd out spending on basic services, while others emphasise that they constitute "recapitalisation" or "business rescue" of strategic public assets essential for inclusive growth, industrialisation and employment.

7.20. The Committee recommends that National Treasury and the relevant line departments provide quarterly project-level reports to Parliament on large infrastructure programmes, including spending against allocations, reasons for underspending, and corrective actions.

7.21. The Committee further recommends that National Treasury, working with shareholder departments, submit to Parliament, within 30 days of adoption of this report, a consolidated compliance report on all major support packages to Eskom and Transnet. This report should set out, for each facility and tranche of support, the full list of conditions, the current status of compliance with each condition, any waivers or relaxations granted, and the rationale for

proceeding with new guarantees or disbursements where conditions remain outstanding. Thereafter, such information should be tabled at least quarterly. The Committee also recommends that government shift from largely reactive, transaction-by-transaction interventions towards a clear, long-term restructuring and recapitalisation strategy for key SOEs, with explicit milestones, governance reforms and, where appropriate, defined roles for private participation under safeguards that protect the public interest and universal access to essential services. Budget documentation should distinguish more explicitly between once-off recapitalisation linked to credible restructuring programmes and ongoing support that funds operating shortfalls and should include a transparent statement of total SOE-related fiscal exposure, including guarantees, on-budget transfers, quasi-fiscal support and contingent liabilities, together with an explanation of how these exposures are expected to evolve over the medium term.

Local government finances and basic services

7.22. The Committee notes that the local government sphere continues to face severe financial and capacity constraints, reflected in rising arrears to Eskom and water boards, infrastructure backlogs and service-delivery failures. The FFC has again raised concern that the Local Government Equitable Share (LGES) formula continues to rely on 2011 Census data, despite significant population and urbanisation shifts over more than a decade, resulting in allocations that may not reflect current service demands. While reforms such as the performance-based Urban Development Financing Grant and adjustments to the Municipal Infrastructure Grant are positive, they are being implemented in a context of mounting intergovernmental debt, frequent section 216 interventions and limited technical capacity in many municipalities.

7.23. The Committee recommends that the review of the local government funding model be accelerated and that the LGES formula be updated using the most recent census and survey data, with explicit modelling of the impact on municipalities of different sizes and profiles. The Committee further recommends that National Treasury and COGTA report to Parliament at least twice a year on the stock and flow of municipal arrears to Eskom and water boards, the number and outcomes of section 216 interventions, and the performance and spending patterns of municipalities receiving infrastructure and urban development grants, including targeted support and, where necessary, structured intervention mechanisms for municipalities with chronic underspending and persistent service-delivery failures.

International loans and parliamentary oversight

7.24. The Committee observes that a World Bank loan of approximately R15.9 billion for municipal support and capacity-building was not proactively and fully presented to the Committees prior to its conclusion. This raises concerns about transparency, the adequacy of parliamentary oversight over major international borrowing from multilateral institutions, the conditions attached to such loans, and their potential implications for municipal autonomy, the overall debt trajectory and projected debt-service costs within the revised and proposed fiscal framework.

7.25. The Committee recommends that National Treasury submit to Parliament, ahead of future borrowing decisions with multilateral and international financial institutions, a summary of

proposed loans that sets out the amount, terms, conditionalities, on-lending arrangements and expected fiscal and distributional impacts. The Committee further recommends that all existing programme loans with such institutions be reported in a consolidated schedule in Budget Review documents, with clear information on purpose, disbursement status, repayment profiles and any associated policy conditions, to ensure that Parliament can exercise informed oversight over international borrowing and its alignment with national development priorities.

Human capital, early childhood development and parenting support

7.26. The Committee observes that submissions from organisations working on early childhood development (ECD) and child rights present compelling numerical evidence of underinvestment in the early years. Breadline Africa reported that, despite delivering over 2 500 infrastructure units (classrooms, kitchens, toilets and libraries) benefiting more than 350 000 children, around 1.15 million children aged 3–5 remain outside ECD centres. The 2024 Thrive by Five Index shows that only 42 per cent of children in ECD centres are developmentally on track, compared with fewer than 20 per cent of children outside the system, and that around 40 per cent of learners drop out before matric. Achieving universal ECD access by 2030 is estimated to require around 115 000 new centres nationwide. Complementary evidence from child-rights coalitions indicates that South Africa is realising only about 43 per cent of its human-capital potential by age 18, compared to a global average of 56 per cent, and that 82 per cent of children not in early learning programmes are developmentally off track.

7.27. The Committee recommends that government explicitly recognise ECD infrastructure and parenting support as strategic fiscal priorities in the MTDP and in future fiscal frameworks. In particular, National Treasury should explore options for ring-fencing or prioritising ECD-related infrastructure within existing grants such as the Municipal Infrastructure Grant, and for providing dedicated allocations for parenting support and nurturing-care interventions within health, education and social development budgets. The Committee further recommends that the Presidency and relevant departments develop measurable targets for improving early-childhood developmental indicators (for example, raising the share of children developmentally on track from 42 to at least 60 per cent over a defined period) and report annually to Parliament on progress.

Excise taxes, illicit trade and health-related levies

7.28. The Committee notes that submissions from the beer industry emphasise the economic and fiscal significance of the sector and the need for predictable, inflation-linked excise adjustments. The beer value chain is estimated to contribute around R96 billion to GDP, support approximately 210 000–250 000 jobs and generate about R56.5 billion in tax revenue. Industry stakeholders argue that repeated above-inflation excise increases have raised effective excise incidence from the 23 per cent policy benchmark to around 25 per cent of the weighted average retail price, with the last increase of 6.75 per cent exacerbating the deviation.

7.29. At the same time, estimates of the illicit alcohol market range from R16.5 billion to R25.1 billion in annual lost sales, implying significant revenue losses to the fiscus and competitive

pressure on compliant firms. Submissions also highlighted that illicit trade in tobacco products remains pervasive and that the long delays in implementing a functioning track-and-trace system for tobacco, despite repeated commitments over several years, are undermining both health and revenue objectives. On health-related measures, civil-society submissions call for at least a 20 per cent increase in the Sugary Drinks Tax in the 2026 Budget and for the extension of the levy to fruit juices, arguing that current rates are insufficient to shift consumption patterns and reduce non-communicable diseases.

7.30. The Committee recommends that National Treasury publish a three-year excise roadmap for alcohol, tobacco and health-related levies that clearly indicates the expected path of tax rates relative to CPI and the 23 per cent incidence benchmark, supported by impact assessments on employment, investment, revenue and health outcomes. The roadmap should also set quantitative targets for reducing the illicit alcohol and tobacco shares through enhanced enforcement, including joint SARS–SAPS operations, improved customs controls and the full implementation of an effective tobacco track-and-trace system. The Committee further recommends that Treasury provides Parliament with an updated, evidence-based assessment of the Sugary Beverages Tax, including scenarios for a 20 per cent rate and for broadening the base, and that any adjustments be designed to maximise health gains while protecting low-income households and jobs in the sugar industry.

Oversight, consultation and institutional performance

7.31. The Committee observes that both the PBO and FFC emphasise that South Africa's fiscal challenges are not only about aggregate numbers but also about the quality of spending, consultation and execution capacity. Large rollovers (such as the R1.0 billion for South Africa Connect), withdrawals from critical projects (including the R3.3 billion from the uMkhomazi Water Project), and the need for additional allocations such as R754.5 million in the Special Appropriation Bill to replace PEPFAR funding illustrate persistent implementation weaknesses. At the same time, National Treasury's identification of nearly 9 000 suspected ghost workers demonstrates the potential for savings and efficiency gains if data systems and enforcement are strengthened.

7.32. Rising intergovernmental debt, growing SOE liabilities and unresolved issues in areas such as the public-sector wage bill and RAF liabilities further underscore the need for more robust oversight and institutional reform. Stakeholders also raised concerns about the quality and openness of consultation on key policy shifts, particularly the change in the inflation target and aspects of the fiscal anchor framework and reported difficulty in accessing detailed modelling and supporting documentation in time to engage meaningfully. Dissatisfaction was expressed with the absence of the Minister, Deputy Ministers and senior leadership of National Treasury and SARS from parts of the deliberations, which was perceived as not fully consistent with the spirit of accountability to Parliament and the public.

7.33. The Committee recommends that Parliament intensifies its oversight of budget implementation, not only budget approval, making systematic use of the analytical support provided by the PBO and FFC to track in-year spending, rollovers, virements, contingent liabilities and performance outcomes. The Committee further recommends that government develops a time-bound plan with measurable milestones for improving public-sector capability, including targets for reducing unauthorised, irregular, and fruitless and wasteful

expenditure; clearing identified ghost workers; improving project-completion rates; and reducing the gap between budgeted and actual infrastructure spending. This plan should be reported on annually to Parliament, alongside the fiscal framework, so that improvements in the numerical indicators of fiscal stability are matched by tangible improvements in service delivery and developmental outcomes.

7.34. The Committee also recommends that National Treasury and SARS ensure that senior political and administrative leadership are consistently present at key public hearings and deliberations on the fiscal framework and major policy changes, and that supporting documentation, including key modelling and discussion papers, is made available in good time to enable meaningful public participation. In addition, the Committee recommends that National Treasury and the South African Reserve Bank establish a mechanism for regular reporting to Parliament on the distributional effects of monetary policy, including impacts on household indebtedness, consumption and labour-market outcomes, to ensure that the implementation of the revised inflation target supports inclusive and sustainable economic growth.

Public procurement, value for money and consequence management

7.35. The Committee observes that, despite initiatives such as the e-procurement dashboards, serious concerns remain about the scale of procurement abuse and value-for-money failures. Evidence presented to the Committees, including references to the work of the Zondo Commission, suggests that in past periods as much as half of procurement spending may have been lost to overpricing and corruption, and that in many areas the state continues to pay prices estimated at 30–40 per cent above competitive market levels. Members and stakeholders also expressed concern that entities flagged by investigative bodies such as the Special Investigating Unit continue to receive government contracts, with very few suppliers actually blacklisted, indicating weaknesses in consequence management and supplier-vetting processes.

7.36. The Committee recommends that National Treasury, working with the Office of the Chief Procurement Officer, table a report to Parliament within six months setting out concrete measures to address overpricing and to strengthen consequence management in public procurement. This report should include plans to standardise price-benchmarking across major categories of goods and services, improve the integration of SIU and other investigative findings into supplier databases, and tighten processes for restricting and de-registering non-compliant suppliers. It should also report on the implementation and impact of the new e-procurement tools, including how they are being used by departments and entities to detect anomalies and prevent abuse.

Illicit trade and criminal prosecution

7.37. The Committee further observes that stakeholders identified the absence of successful criminal prosecutions as a critical weakness in the fight against illicit trade in tobacco, alcohol and other goods. While the additional funding and enforcement efforts at SARS were welcomed, it was argued that, without a clear pipeline of cases successfully taken forward by the National Prosecuting Authority, the deterrent effect of tax and customs enforcement will remain limited.

7.38. The Committee recommends that National Treasury, SARS and the National Prosecuting Authority jointly brief Parliament on a coordinated enforcement strategy for illicit trade, including a clear division of responsibilities, case-selection criteria, and measurable targets for investigations brought to court and successfully prosecuted. The Committee expects this briefing to include information on how SARS cases are referred to the NPA, the current status of major illicit-trade prosecutions, and any legislative or capacity constraints that require attention.

Climate shocks, resilience and fiscal buffers

7.39. The Committee observes that the increasing frequency and severity of climate-related disasters, such as floods and droughts, have significant fiscal and socio-economic consequences, and that responses are often funded through in-year reallocations from other programmes. Stakeholders argued that this indicates an insufficiently proactive approach to climate resilience, with the fiscus repeatedly forced into reactive adjustments that may undermine planned developmental spending.

7.40. The Committee recommends that National Treasury, together with the Minister of Forestry, Fisheries and the Environment, develop and table options for strengthening fiscal buffers against climate-related and other systemic shocks. These options should include the potential creation of a dedicated climate resilience fund, opportunities to leverage international climate finance, and clear criteria for when and how such buffers are drawn down, to reduce the need for disruptive in-year reallocations away from core social and developmental programmes.

Operation Vulindlela, TARS and reform transparency

7.41. The Committee observes that the credibility of the fiscal framework is increasingly tied to the successful implementation of structural reforms under Operation Vulindlela and to the effective reallocation of spending through the Targeted and Responsible Savings initiative. However, the Committees have not yet received a consolidated, public tracker of Vulindlela milestones, nor a detailed account of the specific programmes reviewed and reprioritised under TARS.

7.42. The Committee recommends that National Treasury, in conjunction with the Presidency, provide Parliament with a quarterly Operation Vulindlela tracker that sets out progress against clearly defined milestones in energy, logistics, water and telecommunications, and that indicates the expected growth and fiscal impact of any delays. In addition, the Committee recommends that National Treasury table a detailed report on the TARS process, including the list of programmes evaluated, the criteria used for assessing them, and how the R6.7 billion in identified savings have been reallocated to growth-enhancing infrastructure and priority services.

Parliamentary engagement format and fiscal literacy

7.43. The Committee notes that Members expressed strong dissatisfaction with the limited time available for post-MTBPS engagement with the Minister of Finance and National Treasury, given the importance and complexity of the issues under discussion. In a joint meeting

involving several Committees and extensive speakers' lists, the time constraints curtailed the ability of Members to ask follow-up questions and engage meaningfully with the Minister's responses.

7.44. The Committee recommends that the programming structures of Parliament ensure that future post-MTBPS and post-Budget engagements with the Minister of Finance and National Treasury are scheduled for a full day, starting at 09:00, to allow sufficient time for detailed briefings, multiple rounds of questions and adequate consideration of public submissions. The Committee further recommends that National Treasury submit, prior to launching its proposed multi-year fiscal literacy campaign, a concept note and implementation plan setting out the objectives, target audiences, delivery mechanisms, governance arrangements and measures to ensure non-partisan, inclusive public participation.

Having considered the 2025 Revised and Proposed Fiscal Framework, the Select Committee on Finance Accept the 2025 Revised and Proposed Fiscal Framework.

The Economic Freedom Fighters (EFF) and uMkhonto WeSizwe Party (MKP) rejected the report and the 2025 Revised and Proposed Fiscal Framework.

Report to be considered

3. ANNEXURE A
SUMMARY OF INPUT FROM CONSTITUTIONAL AND STATUROTY INSTITUTIONS

Parliamentary Budget Office Analysis and Submissions

1. The PBO stated that its evaluation of the 2025 MTBPS focused on the revised fiscal framework, covering expenditure, revenue, and debt levels, within the context of the 2024–2029 Medium-Term Development Plan (MTDP) priorities. These priorities include achieving economic growth above 3 per cent, reducing unemployment below 28 per cent by 2029/30, advancing an equal society free of poverty, and building a capable, ethical, and developmental state. The PBO emphasised that this framing allows Parliament to assess whether the fiscal proposals support progress toward these strategic national goals.
2. The PBO then examined the government's policy and expenditure priorities as articulated in the 2025 State of the Nation Address, the 2025 Budget, and the MTBPS. It highlighted that the Government of National Unity centred its priorities on inclusive growth and job creation, reducing poverty and the cost of living, and strengthening the developmental state. The medium-term economic strategy, as tabled in the 2025 Budget, emphasises macroeconomic stability, structural reforms, improving state capability, and boosting public-infrastructure investment. Fiscal priorities outlined in the MTBPS include stabilising debt in 2025/26, increasing the main budget primary surplus over the decade, and directing a growing share of spending toward capital investment supported by infrastructure reforms. The PBO noted these shifts but warned that the reform agenda's success ultimately depends on strengthened implementation and state capacity.
3. Turning to the macroeconomic outlook, the PBO drew attention to the structural weaknesses that continue to weigh on South Africa's growth trajectory. It noted that aggregate demand remains weak, investment levels remain inadequate, and the economy faces persistent constraints linked to market concentration, inequality, deindustrialisation, and slow structural transformation. The PBO's modelling projects growth rates between 1.1 and 1.5 per cent over the medium term, significantly below the MTDP target of over 3 per cent and below the projections of both the National Treasury and the South African Reserve Bank. As a result, the PBO warned that the current fiscal framework is unlikely to generate the scale of economic expansion required to alter unemployment, poverty, and inequality trends meaningfully.
4. The PBO expressed concern that the revised fiscal framework remains heavily oriented toward fiscal consolidation, with insufficient emphasis on developmental spending required to crowd in private investment and drive inclusive, employment-creating growth. Its modelling indicated that unemployment, poverty, and inequality will improve only marginally over the medium term, with both poverty and inequality remaining at high levels. Social assistance spending as a share of GDP remains below what is required to support the redistributive ambitions of the MTDP and the National Development Plan. The PBO highlighted this disconnect between developmental goals and budget allocations, warning

that without more ambitious public-investment commitments and social-protection support, progress toward national development targets will fall far short.

5. The presentation also addressed fiscal risks and contingent liabilities, noting that major public institutions, including Eskom, Transnet, and the Road Accident Fund, continue to pose significant risks to the fiscus. The PBO welcomed planned increases in public-infrastructure allocations but cautioned that persistent underspending, capacity deficits, and implementation bottlenecks risk undermining the intended economic impact. It stressed that infrastructure reforms and institutional strengthening, particularly at local government level, remain essential for improved delivery and economic resilience.
6. A major focus of the PBO's analysis was the newly announced 3 per cent inflation target. The PBO argued that lowering the target in a supply-shock-driven inflation environment is likely to dampen growth and employment without meaningfully addressing the main drivers of price increases. It noted that higher real interest rates, which are expected to accompany the new target range, could raise debt-service costs, reduce nominal GDP growth, and suppress revenue collection. The PBO stressed that South Africa's inflation is primarily shaped by regulated administered prices, exchange-rate volatility, and global commodity shocks, factors that domestic monetary policy cannot directly influence. The Office therefore urged Parliament to examine the implications of the new target carefully, especially its likely impact on unemployment, investment, and the government's long-term developmental objectives.
7. Finally, the PBO concluded that the 2025 MTBPS is unlikely to generate the economic momentum required to achieve the MTDP's goals. It emphasised that slow progress on unemployment, poverty, and inequality, combined with constrained real per-capita spending and rising contingent liabilities, requires Parliament to strengthen oversight of fiscal risks, infrastructure delivery, and social-assistance adequacy. It called for a more balanced fiscal approach, one that supports inclusive growth, builds state capability, and aligns fiscal choices with the country's long-term developmental priorities.

Financial and Fiscal Commission Analysis and Submissions

8. The FFC presented its analysis of the 2025 MTBPS, emphasising that South Africa's fiscal position remains under significant strain and that restoring fiscal credibility is now an urgent priority. The Commission noted that the fiscal framework continues to be characterised by low economic growth, rising debt-service costs, and persistent structural weaknesses, and cautioned that the current trajectory does not yet indicate a credible path toward stabilising gross debt. Debt-service costs continue to absorb an increasing share of the budget, limiting the resources available for essential public services. In this context, the FFC underscored Parliament's constitutional responsibility to exercise robust oversight of expenditure, revenue measures, and borrowing decisions, given their centrality to long-term fiscal sustainability.
9. The Commission's macroeconomic outlook was significantly more subdued than that of the National Treasury. While acknowledging some improvement in the global environment and the moderation of domestic inflation, the FFC's modelling forecasts real GDP growth averaging close to zero over the medium term. This projected stagnation is attributed to

entrenched structural constraints, including persistent declines in total factor productivity, weak investment levels across the public and private sectors, and ongoing institutional inefficiencies. The Commission drew attention to the widening gap between long-term bond yields and nominal GDP growth, which signals heightened fiscal vulnerability and an increased risk that debt dynamics may deteriorate further. It advised that government explore options to reduce borrowing costs, including engaging lenders to improve the terms of existing obligations.

10. In its assessment of the 2025 Adjusted Appropriation Bill, the FFC identified several significant execution challenges within departments. It highlighted substantial rollovers, such as the R1.0 billion for the South Africa Connect project, as evidence of weak implementation capacity. It also expressed concern about the withdrawal of R3.3 billion from the Water and Sanitation vote owing to delays in the uMkhomazi Water Project, cautioning that such delays carry implications for future water security. The Commission further noted the need for careful scrutiny of selected allocations, such as the R132 million set aside for a national dialogue, while expressing support for additional investments in border-management functions. It also questioned the necessity of allocating R754.5 million in the Special Appropriation Bill to replace PEPFAR funding, given recent U.S. bridge financing.

11. The Commission's input on the division of revenue highlighted key intergovernmental concerns. It observed that increases to the provincial equitable share were largely directed toward personnel pressures in education and health but cautioned that the integration of the School Infrastructure Backlogs Grant into the broader Education Infrastructure Grant may dilute the focus on eradicating unsafe and inappropriate school structures. For local government, the FFC reiterated its longstanding concern that the Local Government Equitable Share is still based on 2011 Census data, resulting in allocations that no longer reflect contemporary population shifts, urbanisation patterns, and service delivery demands. While supporting reforms such as the performance-based Urban Development Financing Grant and the revised delivery model for the Municipal Infrastructure Grant, the Commission emphasised the need for clear performance targets, dedicated capacity support, and structured intervention mechanisms for chronically underperforming municipalities.

12. The FFC also highlighted two major and persistent fiscal risks requiring stronger oversight. First, contingent liabilities, particularly those arising from state-owned companies, remain a substantial pressure on the fiscus. Although Eskom's exposure has moderated through the debt-relief arrangement, guarantees associated with Transnet have increased markedly, and the governance framework for the new Credit Guarantee Vehicle will require close monitoring to ensure transparency and accountability. Second, the public-sector wage bill continues to absorb a significant share of consolidated expenditure and is projected to continue rising despite the early-retirement programme. The Commission reiterated the need for a strict, rules-based framework to manage wage-bill growth, ensuring alignment with inflation and GDP over the medium term. It cautioned that continued upward pressure on compensation spending, combined with weak economic growth, poses risks to fiscal sustainability and limits the resources available for developmental priorities.

13. Overall, the Commission concluded that the 2025 MTBPS does not yet place the country on a trajectory capable of achieving fiscal stability or meeting its developmental commitments. It stressed that strengthening execution capacity, improving the quality of spending, updating key fiscal formulas, reducing debt vulnerabilities, and exercising rigorous parliamentary oversight are essential to restoring fiscal credibility and achieving a more sustainable fiscal framework in the years ahead.

ANNEXURE B: SUMMARY OF PUBLIC SUBMISSIONS

Congress of South African Trade Unions

14. COSATU submitted its views on the 2025 MTBPS, noting the improvements made in several areas of the state, particularly at Eskom, Transnet, Metrorail, and the South African Revenue Service, but expressing deep concern that the current fiscal stance lacks the boldness required to lift the economy out of its prolonged low-growth trap. COSATU argued that, despite recent gains, the MTBPS does not provide a sufficiently expansionary approach to shift the economy from the 1 percent growth path that has persisted for two decades, nor does it offer meaningful relief to the more than 12 million unemployed South Africans. COSATU welcomed South Africa's exit from the FATF grey list and the creation of 248 000 jobs in the third quarter but stressed that these gains must be matched by stronger pro-growth fiscal and monetary measures.
15. COSATU raised particular concern about Treasury's continued emphasis on reducing expenditure, narrowing the deficit, and achieving a technical surplus at the expense of more aggressive growth and employment interventions. The Federation welcomed the reduction of the inflation target from 4.5 percent to 3 percent in principle, recognising that inflation erodes workers' purchasing power, but warned that this shift will likely result in the South African Reserve Bank maintaining high interest rates for longer. COSATU argued that the current monetary stance is placing severe strain on highly indebted working- and middle-class households and is constraining economic recovery. It called for a more balanced approach to the SARB's mandate, one that protects the currency and controls inflation while also supporting growth, employment creation, and debt relief for workers. It noted that domestic inflation is largely driven by factors outside workers' control, such as international oil prices, fuel levies and margins, and above-inflation electricity tariff increases, and urged government to accelerate reforms to the fuel price regime and Eskom's cost structure in order to address these root causes.
16. On public services and expenditure, COSATU welcomed additional allocations for health, school repairs, public healthcare and early childhood education over the medium term. However, it expressed alarm at below-inflation adjustments for law enforcement and cuts to Home Affairs, two sectors that, in its view, are critical for improving safety, combating crime, and ensuring effective immigration management. It also welcomed progress in identifying approximately 9 000 "ghost employees" in the public service, stressing that recovered funds should be used to fill critical frontline vacancies. COSATU urged the speedy finalisation of the Public Procurement Act, viewing it as a vital instrument in combating corruption, strengthening localisation, and preventing supply-chain abuses.

17. In its assessment of economic stimulus, COSATU argued that the MTBPS does not go far enough to tackle the country's deep unemployment crisis. With the expanded unemployment rate at 42.4 percent, Cosatu expected a much larger scaling-up of the Presidential Employment Stimulus. It expressed disappointment that the Social Relief of Distress (SRD) Grant has once again not been adjusted for inflation, noting that it has only been increased once since 2020 despite steep increases in food and transport costs. Cosatu also highlighted the need for a comprehensive package of support for struggling businesses, including tax relief, industrial subsidies, and an overhaul of the UIF's Temporary Employment Relief Scheme, which it described as inefficient and unreliable. COSATU reiterated its call for a large-scale industrial and SMME financing programme, targeting at least R200 billion annually from the fiscus, DFIs, and the private sector, arguing that a more interventionist approach is essential to drive domestic production, investment, and jobs.
18. On state-owned enterprises, COSATU welcomed the additional allocations for Transnet Freight Rail and electricity transmission, and acknowledged the significant progress made by Eskom employees in reducing loadshedding. However, it emphasised that Eskom requires far stronger support to address municipal debt, cable theft, vandalism, and other forms of financial leakage. COSATU called for urgent relief measures to protect industries facing closure due to escalating electricity tariffs. While encouraged by progress at Transnet and Metrorail, it expressed deep concern about the slow pace of recovery at Denel, the SABC, the Post Office, and Postbank, and urged government to accelerate turnaround efforts at these entities.
19. Regarding local government, COSATU welcomed additional allocations for transmission and water infrastructure but stressed that these interventions are insufficient to address the widespread collapse of basic services in many municipalities. It called for far more decisive action against municipal entities that fail to pay salaries, pension contributions, and creditors, or that are unable to maintain basic infrastructure. It argued for an urgent overhaul of the local government funding model and supported the phased rollout of the District Development Model as part of a broader stabilisation effort.
20. COSATU's welcomed the R31 billion contribution from the Gold and Foreign Exchange Contingency Reserve Account and urged continued strategic engagements on future reserve-based support for the fiscus. It applauded SARS' improved revenue performance, specifically the 9.3 percent increase amounting to R19.7 billion and called for additional resources to strengthen SARS' capacity to combat tax evasion, illicit trade, and customs fraud. COSATU maintained that any future tax increases on working- and middle-class households should be rejected, emphasising that such households are already overburdened. It called for personal income tax brackets to be adjusted for inflation and urged Parliament to require quarterly updates from SARS on its compliance-improvement efforts.
21. In conclusion, COSATU acknowledged several positive developments in the MTBPS but stressed that the overall pace and scale of reform remain insufficient to achieve the 3 percent growth rate necessary to meaningfully reduce unemployment, poverty, and inequality. The Federation argued that bolder fiscal and industrial interventions are required to rebuild public services, support distressed households and businesses, and place the economy on a more inclusive and sustainable development path. COSATU committed to continued

engagement with government and Parliament ahead of the 2026/27 Budget, calling for a more assertive stance on employment creation, economic stimulus, and the strengthening of state capacity.

Budget Justice Coalition

22. The Budget Justice Coalition presented a critique of the revised fiscal framework, arguing that the 2025 MTBPS prioritised fiscal consolidation and the newly lowered inflation target over social and developmental needs in a context of deepening poverty, unemployment and failing public services. It submitted that real non-interest spending is projected to decline over the medium term and that key social sectors – including education, health, social protection and local government – remain underfunded despite escalating need.
23. The Coalition emphasised that budget choices should be assessed not only on their contribution to macroeconomic stability, but also on their impact on rights, inequality and the quality of public service delivery. It stressed that Parliament has a constitutional duty to ensure that the fiscal framework advances social, economic and environmental justice and gives effect to the state's obligations to progressively realise socio-economic rights.
24. The BJC expressed concern that the macroeconomic and fiscal framework continues to be anchored in achieving and increasing the primary surplus and restraining expenditure through a prospective fiscal anchor, despite what it described as urgent social and economic crises. It argued that spending cuts and tight baselines under conditions of low growth weaken the very foundations of long-term debt sustainability by eroding human capital, undermining service delivery and depressing domestic demand.
25. The Coalition submitted that existing strategies place excessive emphasis on investor confidence and structural reforms, while failing to stimulate inclusive growth through expanded public employment, strengthened local economic development, and increased investment in labour-intensive and care-economy sectors. It warned that continued underinvestment in provincial and municipal capacity, as well as in core public services, risks entrenching long-term developmental backlogs.
26. A central focus of the BJC's submission was its call for a more progressive approach to revenue mobilisation to support higher levels of social and developmental spending. It noted that the 2025 MTBPS did not introduce new tax measures and deferred key decisions to the 2026 Budget, and that none of the Coalition's proposed alternatives had yet been reflected in the framework. Drawing on evidence from the Fair Tax Monitor, the BJC argued that the current tax mix is marked by rising inequality, a declining contribution from corporate income tax, under-taxation of wealth and large tax expenditures whose impact is not clearly demonstrated. It proposed a range of progressive options – including wealth and estate taxation, higher capital gains tax inclusion rates, measures to tackle profit shifting and base erosion, windfall taxes in extractive sectors and a review of ineffective tax incentives – as ways to broaden the revenue base in a manner consistent with redistribution and rights realisation rather than further expenditure restraint.
27. The Coalition also raised concerns about weaknesses in the budget process and accountability framework. It referenced findings from the GTAC review that pointed to

weakened baseline inputs, non-compliance with planning and budgeting requirements, across-the-board cuts and misalignment between the plans and budgets of departments and institutions. In this context, the BJC cautioned that the introduction of a rigid fiscal anchor, if not carefully designed, could constrain Parliament's ability to adjust budgets in line with constitutional obligations and may entrench a pattern of consolidation that does not respond adequately to underlying social and economic challenges.

28. It argued that "responsible savings" should be driven by investment in administrative capacity, improved procurement, reduced waste and stronger anti-corruption measures, rather than by reductions in social and developmental spending. The Coalition called for deeper transparency in how baselines are set and adjusted, stronger alignment between planning, budgeting and outcomes, and more meaningful public participation in major macro-fiscal decisions.

29. The BJC further highlighted the weakening of state capacity and the inadequacy of current social protection arrangements. It submitted that resource and staffing constraints across the public sector contribute to service-delivery failures and public distrust, and argued that anti-corruption and law-enforcement institutions such as the NPA, Hawks, SIU and FIC remain under-resourced relative to their mandates. The Coalition noted that infrastructure grants are frequently reduced or reallocated because of underspending rather than underlying need, and that cuts to teacher posts, health staffing and social programmes undermine constitutional rights. On social protection, it pointed out that the SRD grant remains below half of the food poverty line and that administrative barriers continue to exclude eligible applicants. It argued that reductions to social grant baselines under TARS, justified with reference to fraud and double-dipping, risk penalising households for administrative failures, and called for increases in key grants and the development of a permanent, adequately financed income-support framework.

30. The Budget Justice Coalition urged Parliament to realign the fiscal framework with constitutional obligations by halting the implementation of the lower inflation target pending the publication of robust evidence, modelling and distributional analysis; expanding progressive revenue measures along the lines it proposed; restoring real expenditure growth in core social and developmental sectors; and rebuilding state capacity, including in procurement and anti-corruption institutions. It recommended that Parliament insist that "responsible savings" under TARS and related reforms do not harm poor and vulnerable households, and that data systems such as those of Stats SA are adequately funded to support evidence-based budgeting. The Coalition argued that stability cannot come at the cost of rights, dignity and development, and that a people-centred, rights-based budget – anchored in inclusive growth, strengthened social protection and accountable, capable institutions – is both necessary and achievable if Parliament exercises its full oversight mandate over the revised fiscal framework.

Institute for Economic Justice

31. The IEJ presented a strongly critical analysis of the revised fiscal framework, arguing that the celebrated improvement in the fiscal balance has come at an unacceptable social and economic cost. The IEJ submitted that the achievement of a primary surplus and debt

stabilisation is the product of a decade-long contraction in public employment, public investment, and social protection, rather than the result of improved economic performance or structural reform. The organisation characterised the current fiscal stance as an intensified continuation of austerity, notwithstanding rhetorical claims to the contrary.

32. The IEJ noted that public service employment has declined significantly relative to population growth since 2012/13, placing severe pressure on frontline services such as education and health. It highlighted rising learner-to-teacher ratios, widespread infrastructure backlogs in schools, and a declining number of doctors per 1,000 people as evidence that fiscal consolidation has eroded the capacity of the state. Parallel declines in public fixed investment, falling from 6.6 percent of GDP in 2015 to 4.1 percent in 2024, were presented as further evidence of a policy approach that constrains long-term growth by weakening both human and physical capital.
33. IEJ argued that National Treasury's assumption that stronger public finances will catalyse growth through higher confidence and investment is not supported by domestic or international evidence. Instead, sustainable development in peer economies has historically depended on expansionary and "activist" fiscal policies. The organisation therefore warned that the MTBPS's projected decline in real non-interest spending over the medium term contradicts the state's stated development objectives and risks further weakening the economy's productive base.
34. A key concern raised was the continued uncertainty surrounding three critical fiscal risks: the future of the Social Relief of Distress (SRD) grant, the financial sustainability of major SOEs, and the unresolved tensions around the public service wage bill. While the extension of the SRD grant to 2027 was welcomed for providing temporary certainty, the IEJ criticised Treasury for maintaining exclusionary eligibility rules, failing to increase the grant's value, and promoting unsubstantiated narratives of widespread fraud. It warned that proposed conditionalities, including work-seeking requirements, would unlawfully and unfairly exclude vulnerable beneficiaries.
35. The IEJ expressed deep concern about the decision to lower the inflation target to 3 percent, arguing that the change was made without public consultation or empirical justification. It contended that South Africa's inflation is predominantly driven by global supply shocks and administered prices, not excess domestic demand, and thus cannot be effectively addressed through restrictive monetary policy. According to the IEJ, higher real interest rates will depress investment, reduce household income, increase short-term capital flows, and reinforce structural unemployment.
36. The organisation recommended that Parliament require real, above-inflation growth in non-interest expenditure; strengthen SARS to enhance domestic resource mobilisation; consider progressive tax reforms such as reducing tax breaks for high-income individuals, tackling illicit financial flows, and exploring a net wealth tax; and support more sustainable mechanisms for reducing interest costs, including renegotiating SOE debt and exploring managed central bank bond purchases. IEJ also urged Parliament to subject the new inflation target to full public consultation and to protect the integrity of the social protection system by removing unjustified conditionalities and ensuring adequate grant values.

Alternative Information and Development Centre

37. The AIDC submitted a detailed critique of the revised and proposed fiscal framework, arguing that the 2025 MTBPS reflects a continuation of fiscal consolidation that has weakened public institutions, deepened service-delivery failures and undermined the state's developmental and constitutional mandates. It located its submission in a grassroots, justice-oriented perspective, contending that the persistent downward revisions to GDP growth are not merely statistical recalibrations but symptoms of a broader policy failure.
38. The AIDC argued that the structural reforms advanced under Operation Vulindlela have not yet yielded measurable gains in gross fixed capital formation or employment, and that the MTBPS lacks a credible plan to address poverty, unemployment and inequality. It highlighted the growth projections of around 1.2 per cent for 2025/26 and 2 per cent by 2028, citing the World Bank's view that growth of around 2 per cent is unlikely to improve social indicators such as poverty and unemployment. In its view, this raised serious questions about whether the current fiscal trajectory is compatible with the MTDP's employment and inequality objectives.
39. The submission stressed that the nominal protection of the "social wage" masks a shrinking overall budget envelope, with non-interest expenditure declining in real terms and as a share of GDP. Drawing on Chapter 3 of the MTBPS, AIDC pointed to real percentage declines in consolidated expenditure across several key functions, including health, community development, industrialisation and exports, social development, and peace and security, as well as cuts to provincial and local government conditional grants. It argued that these trends are already manifesting in weakened public services and eroded state capacity.
40. AIDC further highlighted that public-service headcounts are not keeping pace with population growth. It presented evidence showing that the total number of public servants has stagnated or declined over the past decade, even as demand for services has increased, and argued that this has translated into longer waiting lists in hospitals, overcrowded classrooms and failures in municipal service delivery. On this basis, it rejected reliance on the share of spending classified as the "social wage" as proof of redistributive intent, arguing that the total "size of the pie" has contracted and that underinvestment in personnel and core services has eroded constitutional rights in practice.
41. The AIDC expressed concern about the ongoing tightening of social-assistance eligibility, particularly for the SRD grant. It argued that many exclusions reflect administrative and design choices rather than fraud, and that current grant levels are far below what is required to protect households from hunger and destitution. It supported calls to increase the Child Support Grant and SRD grant to at least the food poverty line and warned that the Targeted and Responsible Savings (TARS) programme risks deepening austerity if "savings" are achieved through cuts to social protection and other core programmes rather than the elimination of genuinely wasteful expenditure.
42. In its analysis of debt and the primary budget surplus, AIDC argued that fiscal consolidation has become self-defeating. It noted that while the primary balance is projected to rise sharply over the medium term, this has not translated into a meaningful reduction in debt-service costs relative to main budget expenditure. Debt-service costs remain elevated and compete directly with non-interest spending, thereby crowding out key social and economic

functions. AIDC warned that the proposed fiscal anchor would lock in an austerity path and should therefore be rejected in favour of a framework that prioritises inclusive growth and social outcomes.

43. The AIDC strongly opposed the narrowing of the inflation target to 3 per cent, describing it as a political decision with significant distributional effects and inadequate public consultation. It argued that South Africa's inflation is driven largely by administered prices, food costs and currency weakness, making the interest-rate instrument a blunt and harmful tool. A narrower target, in its view, increases the likelihood of higher or more prolonged repo rates, which would further reduce disposable income for indebted households, discourage labour-intensive investment and depress domestic demand, with negative consequences for both growth and fiscal sustainability.
44. AIDC's critique of structural reforms under Operation Vulindlela centred on blended-finance mechanisms, the Budget Facility for Infrastructure and the proposed credit-guarantee vehicle. It contended that these instruments primarily serve to de-risk private investors at the expense of the public sector, shifting financial and operational risks onto the state while guaranteeing profits to private lenders. It cautioned that cost-reflective tariffs and liberalisation in the energy sector are likely to increase electricity costs for households and small businesses while embedding high returns for private capital, and argued that many public–private partnerships end up being more expensive over the long term than traditional public financing.
45. In outlining alternatives to austerity, AIDC presented a broad package of progressive revenue options, drawing on its Fair Tax Monitor work on "Tax in the World's Most Unequal Country". It argued that restoring more progressive effective tax rates for high-income earners, removing or redesigning regressive tax expenditures such as medical-aid rebates, taxing dividends and wealth more robustly, tackling illicit financial flows and introducing a net wealth tax could together raise substantial additional revenue. It emphasised that the top end of the income and wealth distribution has considerable capacity to contribute more, and that this should be prioritised ahead of further expenditure cuts.
46. The AIDC also argued that closing the estimated R600 billion tax gap arising from evasion and avoidance would significantly expand fiscal space and that strengthening SARS's capacity would yield high returns. It proposed a tax on idle capital to discourage the hoarding of financial assets and stimulate productive investment, and recommended shifting a larger share of the Government Employees Pension Fund portfolio toward government bonds. In its view, this would provide secure returns for the fund, reduce government borrowing costs and support increased investment in green industrialisation and public-sector employment.
47. Overall, AIDC urged Parliament to reject the fiscal-consolidation trajectory outlined in the MTBPS and to adopt a more expansionary, redistributive fiscal framework anchored in employment creation, strengthened public services and progressive taxation. It concluded that austerity is neither inevitable nor effective and that credible, socially just alternatives exist to support inclusive development and long-term fiscal sustainability.

Dr S. Muller

48. Dr S. Mfundza Muller explained that his intervention was motivated by concern for the public good and the national interest rather than by institutional affiliation or organisational mandate. A central focus of his submission was the proposed change in South Africa's inflation target. Dr Muller argued that the process leading to this proposal was fundamentally flawed, undemocratic, and arguably unconstitutional. He stressed that the decision had been developed without any genuine public consultation, no parliamentary hearings, and no consolidated analytical basis. He noted that all expert analysis supporting the change had either been produced or funded by the South African Reserve Bank or the National Treasury, or by individuals with actual or potential conflicts of interest. In his view, there had been no independent, expert, public-interest-driven input into this major policy shift.
49. On substance, he found significant weaknesses in the arguments that had been put forward in support of the lower inflation target. He highlighted that a key supporting pillar, namely, inflation expectations, was largely an assumption, subject to change and future shocks. Relying on it, he argued, rendered the justification almost tautological. He further expressed concern that claims that the poor stand to benefit from the lower target were unsubstantiated or false, noting that some of the supporting evidence (for example, nominal price comparisons in the MTBPS conflated nominal changes with the real cost of living.
50. Dr Muller then turned to the future of the Social Relief of Distress (SRD) grant. He noted that the MTBPS stated once again that the grant would end in March 2027, even though similar signals in previous budgets and MTBPS documents had never materialised. He argued that this pattern created harmful uncertainty for grant recipients and undermined fiscal credibility. In his assessment, there were strong and evidence-based arguments for continuing the SRD grant, with some proposals arguing for expansion rather than termination. He called on Parliament to play a direct leadership role by holding its own hearings on the SRD's future, instead of leaving the matter to shifting ministerial preferences.
51. He also raised serious concerns about the Road Accident Fund (RAF) and its rapidly escalating liabilities. Dr Muller pointed out that while SCOPA had already initiated an inquiry into the RAF, particularly focusing on liability estimation, the finance committees carry the primary responsibility for oversight of the RAF levy and the associated national-level contingent liabilities. He noted that the MTBPS provided very little useful information on this area, including the fundamental policy question of whether maintaining the current RAF model remains viable.
52. With respect to the NSFAS, Dr Muller observed that NSFAS now receives more than half of the higher-education budget, yet the eligibility threshold has not increased in nominal terms and has therefore declined substantially in real terms. He characterised this as "exclusion by stealth," arguing that it is a poor policy practice and reminiscent of the pressures that contributed to the Fees Must Fall protests a decade earlier.
53. Finally, Dr Muller highlighted concerns about medical scheme tax credits, noting that the MTBPS did not address them at all, and that the Minister's public statements on the subject after tabling the MTBPS were dramatic and worrying. He argued that these credits constitute

an obvious and potentially central source of funding for National Health Insurance. He questioned the Minister's strong opposition to using them for this purpose and pointed to an irony: while the Minister framed such proposals as an "attack on the middle class," recent tax policy decisions by the National Treasury arguably targeted the middle class more than the richest South Africans.

Public Economy Project

54. The PEP presented a macro-fiscal critique of the 2025 Medium-Term Budget Policy Statement, arguing that the fiscal framework reflects an environment of *monetary dominance*, in which monetary policy rather than fiscal choices now determines the trajectory of the budget. PEP submitted that the South African Reserve Bank's disinflationary stance, and the National Treasury's acceptance of a lower inflation target, had sharply reduced nominal GDP, weakened revenue, elevated debt-to-GDP ratios, and narrowed the expenditure envelope.
55. The presentation stressed that although real economic activity had not deteriorated significantly, the compression of the GDP deflator had created the appearance of fiscal slippage, thereby enforcing deeper cuts to public spending. PEP warned that this represented a structural, not temporary, consolidation path that would lock the country into sustained real per-capita declines in allocations for essential services.
56. PEP further argued that the 2025 MTBPS marks a re-entrenchment of prolonged austerity despite indications earlier in the year that expenditure might expand moderately. The presentation noted that Treasury's commitment to running primary surpluses for the rest of the decade effectively implies a shrinking role for the state, with non-interest spending projected to fall from 25.1 per cent of GDP in 2022 to 23.3 per cent by 2028.
57. According to PEP, this contraction is not driven by efficiency gains but by cumulative real reductions that have already strained frontline services; provinces face rising wage pressures, increasing learner-to-educator ratios, and reduced capacity across health, policing and education. The organisation expressed concern that these trends undermine the state's constitutional obligations and threaten the sustainability of the social contract.
58. A major theme in the submission was the extent to which the lower inflation target generates clear distributional outcomes. PEP argued that financial institutions and bondholders benefit from lower inflation through the preservation of real asset values and higher real interest rates, while households, particularly those with debt, face increased repayment burdens and reduced consumption. This dynamic, in PEP's view, suppresses VAT performance and further tightens fiscal space. The submission called on Parliament to interrogate who bears the socio-economic cost of a lower target and whether the policy stance aligns with long-term developmental priorities.
59. On the fiscal outlook, PEP emphasised what it termed the "revenue triple whammy": lower nominal GDP depresses revenue; the nominal stock of debt becomes more expensive to service due to slower nominal income growth; and political resistance to tax increases forces expenditure to carry the full burden of consolidation. The presentation also raised concern about the credibility of several MTBPS assumptions, particularly the expectation of zero real growth in government consumption by 2027, an outcome that PEP described as

implausible given existing contractual obligations, rising administered prices, and the absence of substantial structural reforms. PEP also noted that Treasury's calculation of the primary balance excludes Eskom support, which, when included, implies that the country is in fact running a primary deficit of approximately R12 billion in the current year.

60. Finally, PEP stressed that the weakened outlook illustrates the absence of a coherent macro-fiscal coordination framework. While Treasury adjusts fiscal plans to align with the SARB's inflation target, monetary policy does not explicitly incorporate fiscal pressures, employment considerations or developmental objectives. PEP recommended a more integrated approach, such as flexible inflation targeting with defined escape clauses, enhanced transparency in macro-policy interactions, and regular joint reporting, to ensure coherence while preserving SARB independence. The submission concluded that Parliament must scrutinise whether the stabilisation strategy presented in the MTBPS is compatible with constitutional obligations, socio-economic rights and a developmental growth path, cautioning that South Africa cannot rely indefinitely on austerity-driven consolidation without compromising long-term economic resilience.

Breadline Africa

61. Breadline Africa presented its submission to the Committees by situating its intervention within the broader developmental and economic significance of early childhood development (ECD). As one of South Africa's leading infrastructure-focused ECD organisations, the entity indicated that it has delivered more than 2,500 infrastructure units, comprising classrooms, kitchens, toilets, and libraries, benefiting over 350,000 children across all nine provinces. It framed ECD not only as a social investment but as a macroeconomic imperative, emphasising that the early years (especially 0–5 and the first 1,000 days) determine long-term educational outcomes, labour market prospects, and productivity. Breadline Africa cited both the WHO Nurturing Care Framework and economic research showing returns on investment of 7–10 percent for early learning programmes, increasing to 13 percent when paired with parental support interventions.

62. The organisation expressed concern about the persistent underinvestment in ECD infrastructure, noting that 1.15 million children aged 3–5 remain outside ECD centres. It referenced the 2024 Thrive by Five Index, which shows that only 42 percent of children in ECD centres are developmentally on track, compared with fewer than 20 percent of children outside the ECD system. It argued that these deficits translate into later educational failures, including a 40 percent dropout rate before matric, and contribute to long-term youth unemployment and the perpetuation of poverty.

63. Breadline Africa welcomed government's stated commitments in the MTBPS, including the R10 billion allocation for ECD programmes and R2 million for the E-Cares administrative system. However, it noted that achieving universal ECD access by 2030 would require an estimated 115,000 new centres nationwide, a target that cannot be met without coordinated public–private partnerships and streamlined processes within local government. As an illustrative example, it highlighted the Komati ECD Hub in Mpumalanga, where donated land and infrastructure enabled service provision to 200 children. Yet, the initiative faced challenges related to municipal red tape, zoning approvals, health and safety regulatory

delays, and local government capacity constraints, factors that inhibited the effective leveraging of private philanthropic investment.

64. In its recommendations, Breadline Africa called for ECD infrastructure to be recognised explicitly as a fiscal and developmental priority within the MTBPS and for the Municipal Infrastructure Grant (MIG) to include a ring-fenced allocation for ECD infrastructure. It further proposed targeted funding for ECD planning and compliance functions within municipalities, improved capacity for maintenance and oversight, and the integration of ECD into the national PPP framework. The organisation also urged government to reduce unnecessary administrative barriers at municipal level, arguing that ECD infrastructure should be treated with the same importance as water and sanitation, given its long-term societal returns.

65. Breadline Africa concluded by urging Parliament to utilise the MTBPS as a strategic opportunity to scale investment in early learning infrastructure, emphasising that the country's long-term human capital, economic competitiveness, and social cohesion depend on expanding access to quality early learning environments. It affirmed its readiness to partner with all levels of government to deliver sustainable, large-scale infrastructure solutions for young children.

Families4Children, SAPPIN and the South African National Child Rights Coalition

66. Families4Children, the South African Parenting Programme Implementers Network (SAPPIN), and the South African National Child Rights Coalition (SANCRC) made a joint submission representing more than 150 non-profit organisations working across the country to advance child development, nurturing care and family support. The coalition framed its submission around a central proposition: that South Africa cannot achieve inclusive and sustainable development without prioritising parent-provided nurturing care as a national fiscal and policy priority. They argued that despite explicit constitutional and legislative mandates, including the Children's Act, the National Integrated ECD Policy and the National Child Care and Protection Policy, parenting support and the enabling systems required to deliver it are not recognised in the Medium-Term Budget Policy Statement (MTBPS) as a core budgetary priority, even though the country continues to lose significant human capital due to deficits in early childhood nurturing care.

67. The coalition emphasised that the state has a constitutional obligation to create enabling environments for parents and primary caregivers so that children can receive the health, nutrition, education, responsive caregiving and protection required for optimal development. However, they noted that the current fiscal framework does not direct government departments to coordinate, resource or expand the services needed to reduce the "nurturing care deficit" that undermines children's developmental outcomes. While the MTBPS reaffirms the protection of the social wage, the submission argued that this is insufficient, as parenting support remains fragmented, undervalued and severely underfunded across departments. The groups called on Parliament to recognise parenting support as a strategic national development investment rather than a residual welfare function.

68. The submission expressed concern that, despite commitments to shift from consumption to investment spending and to drive strategic reprioritisation through the Targeted and Responsible Savings (TARS) initiative, the MTBPS does not explicitly identify the universalisation of parenting support as a medium-term policy priority. This, the coalition argued, represents a missed opportunity to align fiscal planning with government's own developmental objectives, particularly given evidence from the World Bank and national datasets showing that 60 percent of South Africa's potential human capital has been lost due to deficits in early childhood development. They highlighted alarming statistics: children in South Africa are still only projected to achieve 43 percent of their developmental potential by age 18, unchanged for more than a decade and significantly below the global average of 56 percent. Only 42 percent of children enrolled in early learning programmes are developmentally on track, while 82 percent of children not in early learning programmes lag behind. The coalition stressed that these long-term losses arise early and compound over the life course, making early nurturing care interventions foundational to achieving the country's human-capital, growth and social-cohesion goals.
69. Families4Children, SAPPIN and SANCRC made several detailed recommendations for the Committees' consideration. They called for the explicit recognition of universal parenting support as a fiscal priority, anchored at the highest level of government, and recommended the relocation and strengthening of the Office on the Rights of the Child within the Presidency to ensure coherent, state-wide leadership. They proposed that all departments use the TARS initiative to identify high-return, relatively low-cost interventions that support parental capacity, for example, integrating enriched parenting support into primary health care services, expanding parenting programmes within Basic Education and Social Development, and expediting a pre-CSG registration process for pregnant women to improve timely access to income support. They further recommended ring-fenced allocations to provinces and local government to guarantee the delivery of essential parenting support services, including prevention and early intervention programmes within provincial Social Development budgets.
70. The coalition concluded that without explicit fiscal prioritisation of parenting support and the strengthening of the governance structures that coordinate its delivery, South Africa will remain trapped in a trajectory of low human-capital formation, stalled social progress and limited economic potential. They urged Parliament to address this gap in the Revised and Proposed Fiscal Framework to ensure that investments made in education, health, ECD and social protection translate into measurable improvements in child development outcomes, thereby laying the foundation for inclusive, long-term growth.

Amandla.mobi

71. Amandla.mobi, submitting on behalf of its members and broader communities affected by poverty and hunger, presented a people-centred critique of the 2025 Revised and Proposed Fiscal Framework. The organisation welcomed elements of the MTBPS that aimed to stimulate economic growth but argued that the fiscal framework continues to leave millions of marginalised people behind. Amandla.mobi framed its submission around the lived realities of grant-dependent households, highlighting widespread hunger, deepening

deprivation, and administrative failures within the social assistance system. The organisation stressed that over 1 000 children have died from acute malnutrition and starvation, and that many families do not have enough resources to secure basic nutrition. It argued that the MTBPS did not present a credible or urgent plan to lift households out of poverty or address rising unemployment.

72. The submission strongly criticised the continued failure to increase the Social Relief of Distress (SRD) grant. While Amandla.mobi welcomed the extension of the SRD grant until March 2027, interpreting it as a sign of commitment to permanency, the organisation argued that the R370 value remains far below the Food Poverty Line of R760. Testimonies from grant recipients illustrated the inadequacy of the amount and the costs incurred merely to access the grant. The submission also highlighted harm caused by administrative issues, including delays, unexplained exclusions, and punitive verification processes that often result in vulnerable people losing access through no fault of their own. The organisation urged Parliament to ensure that the SRD grant is never scrapped and that adequate resources are allocated so that all qualifying individuals receive support without arbitrary exclusion.
73. Amandla.mobi reiterated its long-standing call for a Basic Income Grant (BIG). It noted that despite repeated commitments, including explicit promises by the President and the governing party prior to the elections, there are still no clear timelines or implementation plans from the National Treasury. The organisation argued that the MTBPS was a missed opportunity to outline how government intends to operationalise the BIG over the next two years, including how it will be financed through progressive taxation. Amandla.mobi insisted that the introduction of a BIG must not be funded through cuts to other essential social programmes and urged Parliament to require the Minister of Finance to provide a detailed implementation roadmap.
74. On health-related revenue proposals, the organisation criticised the continued delay in lifting the moratorium on the Sugary Drinks Tax. Amandla.mobi argued that Treasury's hesitation reflected undue influence by the sugar industry, noting that claims about job losses had been debunked by academic research. The submission emphasised that delaying the increase harms public health and undermines efforts to reduce non-communicable diseases. It called for a 20 percent increase in the tax in the 2026 Budget and for Treasury to begin consultations to expand the levy to include fruit juice.
75. Amandla.mobi welcomed efforts to strengthen the South African Revenue Service (SARS) and noted improvements in tax compliance measures. However, the organisation argued that greater emphasis must be placed on taxing high-wealth individuals, combating illicit financial flows, and closing loopholes that benefit the wealthiest households. It proposed a package of wealth-related tax measures, including increasing personal income tax for individuals earning over R1 million a year, introducing a progressive annual net-wealth tax ranging from 3 percent to 9 percent depending on asset thresholds, and removing tax preferences that overwhelmingly benefit high-income households, such as the medical-aid rebate and certain high-income retirement fund deductions. Amandla.mobi called for strict protection of low- and middle-income earners by ensuring that personal income tax is not raised for those earning below R1 million annually and emphasised that VAT should not increase, except on luxury goods.

76. The submission concluded that the ongoing prioritisation of private-sector interests at the expense of the poor is incompatible with South Africa's constitutional obligations and democratic commitments. Amandla.mobi urged the Committees to ensure that the Revised and Proposed Fiscal Framework is reshaped to advance dignity, reduce inequality, and align public expenditure with the needs of the most vulnerable. It stressed that South Africa cannot remain the world's most unequal society and that Parliament has a responsibility to ensure that those living in poverty are protected through progressive taxation, expanded social protection, and a decisive shift toward redistributive fiscal policy.

South African Breweries

77. SAB made a submission focused on the implications of the 2025 Medium-Term Budget Policy Statement for excise tax policy, particularly regarding beer. SAB stated that the MTBPS demonstrates meaningful stabilisation of the fiscal environment, with government reaffirming its commitment to stabilising debt in 2025/26, maintaining a primary surplus for the remainder of the decade, and improving revenue performance through enhanced SARS administration. The company argued that these developments collectively create a conducive environment for tax certainty and reduce the need for aggressive revenue-raising measures, especially in the form of above-inflation excise increases. SAB submitted that the most fiscally responsible and economically efficient approach for Budget 2026 is an inflation-linked excise adjustment for beer, aligned with Treasury's fiscal anchor and macroeconomic outlook.

78. SAB highlighted government's efforts to restore fiscal stability in the context of persistently low economic growth. It noted that the MTBPS places strong emphasis on predictable, sustainable revenue streams rather than volatile tax increases, as stability and policy certainty are key to encouraging investment and supporting recovery. SAB pointed out that beer excise taxes have repeatedly increased above inflation in recent years, making legal, taxed products more expensive for consumers during a period of constrained disposable income, high unemployment and rising input costs. In SAB's view, further above-inflation increases would undermine household consumption, create volatility in revenue performance, and counteract the MTBPS's objective of supporting a fragile economic recovery. It stressed that excise policy must remain consistent with fiscal policy, particularly Treasury's commitment to anchored, predictable budgeting.

79. The submission also examined the revenue outlook, noting that the MTBPS reported stronger-than-expected in-year revenue collection, resulting in a revenue overrun. SAB argued that this improved revenue performance reduces pressure on government to raise additional revenue through tax increases in the 2026 Budget, and that aggressive excise hikes would be counterproductive under such conditions. The company emphasised that SARS's strengthened compliance and enforcement capacity, bolstered by significant new allocations, would continue to support revenue growth without requiring rate increases that place additional strain on consumers. SAB argued that efficiency-driven revenue gains are sustainable, unlike short-term collections artificially boosted by steep excise adjustments.

80. A central theme in SAB's submission was the importance of tax policy certainty. The organisation noted that the MTBPS repeatedly emphasises that policy predictability is

critical for investor confidence and for unlocking infrastructure and private investment. SAB argued that extending this principle to excise tax policy would provide stability for an industry that supports approximately 250 000 jobs across its value chain. It recommended that Treasury publish a medium-term excise adjustment path for beer, such as a three-year inflation-linked framework, to reduce volatility, improve planning, reinforce compliance, and diminish incentives for shifts to illicit markets. The company stressed that predictable excise policy is vital for long-term investment and ensures alignment between fiscal objectives and industry sustainability.

81. SAB concluded that the 2025 MTBPS provides a sound basis for ensuring excise stability in Budget 2026. It argued that inflation-linked excise adjustments maintain the real value of revenue without suppressing demand or harming growth, and that revenue overruns should be used to support priority spending areas while avoiding unnecessary tax shocks. SAB reiterated that aggressive excise increases could undermine Treasury's fiscal anchor, weaken consumption, and strengthen illicit trade. It therefore recommended that the Budget 2026 adjustment for beer excise remain strictly inflation-linked, that Treasury publish a medium-term excise path covering 2026–2028, and that ongoing excise reform efforts focus on strengthening structural enforcement measures designed to curb illicit trade and safeguard revenue integrity.

BASA Submission

82. The Beer Association of South Africa (BASA) welcomed the improved fiscal outlook presented in the 2025 Medium-Term Budget Policy Statement (MTBPS), noting that stabilising debt, stronger-than-expected revenue performance, and accelerated capital spending created a markedly different environment for excise tax decisions. BASA argued that the fiscal emergency that previously justified above-inflation excise increases no longer existed, and therefore future tax adjustments should be aligned with inflation to ensure policy consistency and economic stability. While acknowledging government's success in restoring fiscal discipline, BASA expressed concern that beer producers continued to face compounding macroeconomic pressures, including electricity tariff increases of 36 percent, rising water charges, a repo rate of 7 percent, and persistently weak consumer demand, which had compressed margins and constrained investment.

83. The submission stressed that excise policy had drifted away from its own stated framework, which pegs excise incidence at 23 percent of the weighted average retail price. Repeated above-inflation adjustments had pushed actual incidence to approximately 25 percent, with the most recent increase of 6.75 percent widening the deviation. BASA warned that such inconsistency undermined policy predictability, making it difficult for breweries, especially smaller ones, to undertake long-term investment planning. The organisation emphasised that the beer industry contributed significantly to the economy, including R96 billion in GDP, 210 000 jobs across its value chain, and R56.5 billion in annual tax revenue. BASA cautioned that continued above-inflation excise increases would erode this contribution by further suppressing demand, reducing investment, and driving consumers toward the illicit alcohol market.

84. A significant portion of the submission highlighted the rapid expansion of the illicit alcohol market, estimated at R25.1 billion annually. BASA argued that price-sensitive consumers increasingly shifted toward illicit beverages as legal beer became more expensive, resulting in revenue losses to the state, unfair competition for legitimate producers, and increased public health risks associated with unregulated products. Given the renewed emphasis on customs enforcement and excise compliance in the MTBPS, BASA supported sustained investment in enforcement capacity and called for an intensified crackdown on smuggling, counterfeit goods, and undeclared imports.
85. BASA submitted three policy recommendations to Parliament and the National Treasury. First, it requested a commitment to aligning annual excise adjustments with inflation forecasts to create certainty for multi-year planning while maintaining government revenue. Second, it proposed a phased return to the established excise incidence guideline of 23 percent to restore transparency and predictability in tax policy. Third, BASA urged stronger enforcement measures against the illicit alcohol market, arguing that enhanced compliance operations would improve revenue collection and support legitimate industry actors while protecting consumers. The submission concluded that recalibrating excise policy in light of the improved fiscal environment would support industry stability, employment retention, and long-term economic growth without compromising the state's revenue base.

South African Institute of Chartered Accountants

86. SAICA welcomed several key developments outlined in the MTBPS, while raising concerns about the credibility of the fiscal framework, the quality of revenue estimates, and the sustainability of public debt. SAICA began by commending the collaborative effort between the government and the private sector that resulted in South Africa's removal from the FATF grey list in October 2025, arguing that this achievement demonstrated what coordinated institutional action can deliver when national priorities are urgently confronted. The Institute also welcomed the recent S&P credit rating upgrade and expressed cautious optimism for a similar decision from Moody's. It attributed these improvements to the National Treasury's ongoing commitment to stabilising public finances and restoring fiscal credibility.
87. SAICA highlighted progress in strengthening payroll integrity across the public sector, noting National Treasury's identification of nearly 9 000 suspected ghost workers through cross-departmental data matching. It stressed that this work must be followed by appropriate law-enforcement action and extended across state entities, local government, and state-owned enterprises. The Institute further acknowledged substantial improvements in public participation in fiscal policymaking, including Treasury's fiscal policy workshop, consultations on the Fiscal Anchors Discussion Document, and the Finance Committees' post-MTBPS engagement session. These efforts signalled a more transparent budget process, although SAICA argued that government should expand its review to include budget implementation processes, given persistent weaknesses in execution.
88. Turning to the economic outlook, SAICA agreed with the National Treasury that GDP growth would remain subdued over the medium term, with household consumption and public-sector spending expected to stay under pressure. It noted that the South African economy remains structurally consumption-driven and vulnerable to weak investment

levels, unstable energy supply, and skill shortages. SAICA raised concerns about the realism of Treasury's medium-term growth estimates, especially the heavy reliance on higher private-sector fixed-capital formation starting from 2026. It cautioned that global growth prospects are weakening and that significant domestic reforms in energy, logistics and water infrastructure are likely to deliver economic benefits only from 2027 onwards. It emphasised that persistent delays in public infrastructure rollout, combined with stagnation in technical and vocational education, threaten future productivity growth and the country's economic transition towards a more production-driven economy.

89. On revenue performance, SAICA noted that Treasury's upward revision of the tax-to-GDP ratio signals a heightened possibility of tax increases in 2026, especially given projected revenue shortfalls of R15.7 billion in the outer years. It warned that "tax by inflation" through bracket creep effectively raises the tax burden without parliamentary oversight and urged the Committee to clarify whether it supports the continued use of this method. SAICA further highlighted concerns about the quality and sustainability of SARS's debt book. Although SARS had collected R47 billion from outstanding debt by mid-year, the debt book itself grew by R44 billion over the same period. The Institute warned that unresolved disputed taxes, now totalling R113 billion, and the large stock of unpaid refunds could place downward pressure on net revenue collections. It recommended that Parliament scrutinise the quality of SARS's debt book and the drivers behind rising disputes.

90. SAICA welcomed progress in slowing the growth of gross public debt and stabilising the primary budget balance, noting that improvements in South Africa's sovereign credit profile should lower borrowing costs over time. However, it emphasised that the current debt trajectory remains fragile, with public debt still growing almost three times faster than the economy. SAICA drew specific attention to the risks posed by state-owned enterprises and heavily indebted municipalities, warning that their persistent cash-flow deficits and reliance on government guarantees mirror the crisis previously experienced at Eskom. It stressed that guarantees for SOEs, particularly the R94.8 billion extended to Transnet, should be viewed as quasi-fiscal liabilities that threaten the debt outlook. SAICA argued that the rapid escalation of intergovernmental debt, especially unpaid municipal obligations to Eskom and water boards, requires more assertive enforcement, including continued use of section 216 of the Constitution to withhold the Local Government Equitable Share from non-compliant municipalities.

91. In its assessment of the newly adopted 3 percent inflation target, SAICA acknowledged the long-term benefits of anchoring inflation expectations more firmly but warned that achieving the target will require suppressing public expenditure and household consumption in the short term. It cautioned that prolonged pressure on real disposable income, combined with subdued government spending, may constrain economic growth for several years. SAICA emphasised that the distributional impacts of tighter monetary policy and reduced inflation must be considered carefully to prevent undue hardship for lower-income households. It stressed that the success of the new inflation target depends on improved government efficiency, discipline in spending, and accelerated progress in structural reforms.

92. Overall, SAICA's submission recognised meaningful progress in stabilising key fiscal indicators but warned that South Africa remains in a highly constrained environment characterised by low growth, mounting public liabilities, and execution deficits in economic reforms. The Institute urged Parliament to intensify oversight of revenue collection, intergovernmental debt, SOE guarantees, and the quality of the budget process. It concluded that without accelerated implementation of infrastructure commitments, a decisive shift in skills development, and strengthened discipline across all spheres of government, South Africa risks stabilising fiscally while stagnating economically.

Heineken Beverages Submission

93. Heineken Beverages welcomed the opportunity to comment on the 2025 Revised and Proposed Fiscal Framework, noting that the MTBPS signalled early signs of macro-fiscal stabilisation. The company acknowledged the projected achievement of a primary budget surplus, the tightening of expenditure controls, and the progress in structural reforms, particularly the opening of the electricity grid to private investment, as developments that, while modest, represented genuine early improvements in the economic environment. For large domestic manufacturers, these developments were viewed as encouraging, especially in a context where the sector continues to face above-inflation excise increases and the rapid expansion of the illicit alcohol market.

94. Heineken highlighted that although SARS is expected to collect an additional R19.7 billion in revenue for 2025/26, the trajectory of alcohol-related revenue collections has weakened over time. This trend, in their view, reflects both economic strain on the legal industry and significant revenue leakage to illicit operators, with recent estimates placing the fiscal loss at R16.5 billion in 2024. The company welcomed the Minister of Finance's explicit acknowledgment, made for the first time, of the scale of illicit alcohol trade, describing this as an important and overdue shift toward a more balanced policy approach that protects compliant businesses, secures employment, and recovers lost public revenue.

95. In its submission, Heineken reaffirmed earlier recommendations that Parliament encourage the Minister to support Business Unity South Africa's call for strengthened public–private partnerships to combat illicit trade, as proposed in TRACIT's 2024 Strategic Review. The company noted recent successful joint operations between SARS and SAPS, which have demonstrated tangible results, but cautioned that these operations also reveal the increasing scale, sophistication, and geographic spread of illicit manufacturers, who now possess the capability to produce bottles, closures and labels domestically, and are active across several provinces.

96. With regard to excise tax policy, Heineken expressed concern that above-inflation excise increases remain counterproductive in a fragile economic environment. Such increases, they argued, depress inclusive growth, place local manufacturing jobs at risk, and strengthen the competitive advantage of illicit operators. The company emphasised the importance of a balanced and evidence-based fiscal approach, one that facilitates economic growth, restores revenue lost to illicit trade, and supports compliant manufacturers who continue to contribute significantly to GDP, employment, and tax revenue.

97. Heineken concluded by underscoring three core positions: excise increases should not exceed CPI; enforcement efforts and collaboration between government and industry should be significantly enhanced; and policy coherence and predictability are essential to sustaining investor confidence and protecting the economic contributions of the legal alcohol sector.