

UNREVISED HANSARD

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PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 10:00.

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

The Deputy Chief Whip, on behalf of the Chief Whip, moved: That the House suspends Rule 290(2)(a), which provides inter alia that the debate on the Second Reading of a Bill may not commence before at least three working days have elapsed since the committee's report was tabled, for the purpose of conducting the Second Reading today on the: Division of Revenue Amendment Bill [B 28 - 2025] (National Assembly - sec 76); and Rates and Monetary Amounts and Amendment of Revenue Laws Bill [B 14 - 2025] (National Assembly - sec 77)

Question put.

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Agreed to.

**CONSIDERATION OF REPORT OF STANDING COMMITTEE ON APPROPRIATIONS
ON DIVISION OF REVENUE AMENDMENT BILL**

There was no debate.

The Deputy Chief Whip moved: That the Report be adopted.

Question put.

Motion agreed (uMkhonto weSizwe Party and Economic Freedom
Fighters dissenting).

Report accordingly adopted.

DIVISION OF REVENUE AMENDMENT BILL

(Second Reading debate)

Dr M A MAIMANE: Hon members, ...

Setswana:

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... багаetsho, dumelang.

English:

We table this report of the Division of Revenue Amendment Bill at a unique time, both in our nation and in the world. Globally, we're seeing suppressed demand, low inflation, and ultimately, we've joined the League of Nations who are in interest rate cuts. South Africa has successfully hosted the G20 Summit, telling us that in many ways there's a new geopolitical order. We have to brave the new world without the United States of America, as it's clear that we now have to face the withdrawal of the President's Emergency Plan for Aids Relief, PEPFAR, face new climate disasters, potential price shocks as a result of supply-driven inflation, as administered costs such as fuel energy continue to rise.

Hon members, I want to welcome the peaking of debt to gross domestic product, GDP, at 77,7% is projected by National Treasury. But in the light of all of these achievements, it is clear we've still got a long way to go because budgets aren't just about facts, figures, numbers. They are about people's lives and their ability to prosper. And so I really believe that in tabling this Bill, we need to look at a number of key

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reforms. The first is to welcome Targeted and Responsible Savings, TARS, which is the government's ability to evaluate the efficacy of the state.

I would urge that the focus shouldn't just be on social grant recipients, but ultimately on the whole of the working of government. We have to remove the State Information Technology Agencies, Sita, that are not contributing to the broader mandate of what the people of South Africa need. And I would urge, perhaps maybe the cutting of Cabinet would save us a R3 billion on VIP protection, which could potentially be used for the purposes of securing all citizens.

I turn now to the three spheres of government. On the first, I want to begin with local government. Hon members, local government is in distress. Municipalities owe creditors R156 billion, of which 72,8% is now more than 90 days overdue. They themselves are owed R427 billion, which over R376 billion exceeds 90 days. Most of this debt is towards Eskom and water boards. Most municipalities don't have credible asset registers, and therefore, hon members, I want to urge that we need to capacitate local government and make sure it functions well. I welcome the Auditor-General's declaration of the R4,6 billion

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certificate of debt that's been issued against Ngaka Modiri Molema District Municipality in the North West. We need to see more of these so that people can account.

Hon Deputy Minister of Finance, may I urge that this planned discontinuation of the Integrated Public Transport Network Grant, which has been fundamentally poor due to poor execution by metros such as Buffalo City, we need to capacitate local government for citizens depend on affordable public transport if their money is going to go further and they're going to afford things.

Turning to provinces: Hon members, I'm deeply concerned about the state of data that often is used in order to determine provincial equitable statistics. The Statistician General is doing an incredible job with limited resources. I come to appeal to this house that we need to fund Statistics SA much better if we're going to achieve an accurate reflection of figures. Ultimately, we need to be better prepared in the long run for accurate data, welcome the allocations to provinces, but ensure that we better prepare for disasters.

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Lastly, on our national government: Hon members, national government and national health is battling in the face of increased population and worsening financial ...

[Interjections.]

The HOUSE CHAIRPERSON (Mr W Horn): Hon Mwale on the virtual platform, please ensure that you remain muted unless you're recognised to speak. My apologies, hon Maimane.

Dr M A MAIMANE: Let me state categorically in this House: As an appropriations committee, we are opening an investigation against Frere hospital for mismanagement there. Simply, we will not have another Tembisa hospital occurring in the Eastern Cape. And therefore, we have begun this journey because if we're going to safeguard health care funding, we have to make sure all money is spent for the purpose it was designed for. It is clear, hon members, as you lose PEPFAR, we are allocating R754 million relative to a loss of a 2 billion US dollars. So we are going to have to rethink how we fund health care.

On education: Hon members, it is clear that the education budget is insufficient. Teacher-pupil ratios are increasing and maybe perhaps it's the fundamental reason why many members here are

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happy to vote for a 30% status. It's clear that if you are a child in the Eastern Cape and you are largely black and without scholar transport, you are not going to make it to school.

So hon members, I commend this Bill for you to be adopted, and I urge us to focus on growth. For ultimately, if we are going to deal with debt, provide for our citizens, the only way we can go forward is to ensure our economy is growing. We have started the journey. We have got a long way to grow. I support the Bill. Thank you.

Setswana:

Ke a leboga.

Ms N A GCALEKA-MAZIBUKO: The leadership of the ANC, hon members, fellow South Africans, especially my people of Sedibeng Region and the City of Johannesburg, greetings to you all. House Chair today is indeed a good time to be South African.

IsiXhosa:

Kumnandi kakhulu namhlanje ukuba ngumntu waseMzantsi Afrika.

English:

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We are a proud nation that is able to deal with our challenges head on. We are the people that defeated a political system that deprived many of us for enjoying the basic things that humans need. These are shelter ...

IsiXhosa:

... ukutya, imfundo ...

English:

... and basic services.

IsiXhosa:

Namhlanje xa nivuka ...

English:

... hon members, you interacted with your municipality. Yu woke up and switched on lights ...

IsiXhosa:

... ngumasipala lowo.

IsiZulu:

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Wavuka wageza, umasipala lowo. Ukuba ubengekho umasipala, ngabe asigezanga namhlanje.

English:

Some of you left your houses and used public transport. Some of you used private transport.

IsiXhosa:

Ekugqibeleni sonke sisebenzisa indlela. Ngumasipala lowo.

English:

We must not take these things for granted. We tend to forget. Those who have children, you took them to school. Today, we must give thanks to the ANC because it is the ANC that ensures that integration of the schooling system in our lifetime is there. Before, ...

IsiZulu:

... ngikhuluma kakhulu, izindaba eziningi, iANC ithi, ...

English:

... we are united behind this Amendment Bill because of its commitment to rebuilding a state that can deliver practical and

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meaningful change to our vulnerable and marginalised communities.

IsiZulu:

Yizindaba ezimnandi lezi.

English:

House Chair, fact not fiction, the ANC has delivered the following but not limited to. It ensured alignment of the Division of Revenue Amendment Bill's adjustment to the 2025-26 local government allocation with the state of the nation address 2025, Medium-Term Development Plan 2024-29, and ANC manifesto commitments. It increased local government conditional grants from R53,9 billion to R57,7 billion. This is a 7,1% increase with specific efforts made towards reforms and disaster recovery in line with commitments to build capable municipalities, improve services at local government and drive localized economic development.

It enabled the reconstruction and rehabilitation of municipal infrastructure damaged by extreme weather conditions across 15 municipalities in the Eastern Cape and KwaZulu-Natal. The R496 million was allocated to the municipal disaster recovery

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grant. The R2,1 billion was added to the Metro Trading Services Component of the urban development finance grant to improve service delivery performance and unlock additional infrastructure financing for metropolitan municipalities.

There is R4,6 billion to the provincial equitable share, with North West receiving R1,8 billion, Free State R2,15 million, Gauteng R2,61 billion, KwaZulu-Natal R1,06 billion to stabilise provincial budget so that provincial Departments of Education, which rely on the provincial equitable share, can hire and adequately compensate teachers fund the day-to-day school operations, maintain school infrastructure, and protect essential services. There is R454 million to the education infrastructure grant to repair schools that are destroyed by climate change-related storms in Eastern Cape.

Hon members, indeed, it is nice to be South African. House Chair. During the public hearings on this Amendment Bill, SA Local Government Association, Salga made it clear to the Standing Committee on Appropriations that our municipalities are in distress, highly indebted, and unable to maintain electricity, water, sanitation, and road infrastructure. This

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Amendment bill decisively intervenes to address Salga's concerns.

In the very same public hearings, Cosatu, SECTION 27 and Financial and Fiscal Commission and countless other stakeholders all warned the Standing Committee on Appropriations, that climate change is becoming a national emergency as it collapses the functionality of municipal infrastructure. The impact of climate change on municipal infrastructure is not theoretical to us. We have witnessed the pollution in the Vaal River, which causes severe water shortages that are affecting residents from all walks of life.

I have walked the streets of Johannesburg during floods which damaged critical infrastructure and therefore disrupt service delivery. I've engaged poor and working-class families in Sedibeng Region who told me that every climate change disaster breaks their pipes, damages their drains, and disrupts their water. Bathi, [they say] they want nothing fancy, we just want water that runs and toilets that work.

Fellow South Africans, ...

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Setswana:

... ke a le kopa, tswee-tswee.

English:

Next year, it is local government elections. When you cast your vote, remember who voted against this Amendment Bill. These people do not deserve your vote. Your vote is the vote for dignity in the learning environment, for service delivery, for development and sustainability. Hon Chair, stakeholders warned the Standing Committee on Appropriations that the reduction of R343 million from the school infrastructure backlog grant, SIBG meant to address the most severe infrastructure backlog such as unsafe structures is deeply concerning if not a serious setback, considering that most learners in rural and township areas still attend schools with dangerous toilets, overcrowded classrooms or buildings that do not meet basic norms and standards.

Treasury must correct this going forward as our children cannot continue learning in unsafe buildings and unhygienic environments. Stakeholders further warned the standing committee that students from poor and working backgrounds continue to place their hopes on National Student Financial Aid Scheme,

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NSFAS to access the expensive corridors of higher learning, but the demand is outpacing the available resources.

In 2025, NSFAS saw 563,563 students qualify far above what was planned, resulting in a funding shortfall affecting more than half and 140 000 students. The ANC is of the conviction that students from poor and working-class backgrounds carry the dreams of this nation. Treasury must properly fund NSFAS so that the future of these students can be brighter than their circumstances.

In conclusion House Chair

IsiZulu:

Masijabule sigubhe ukuba ngabaseNingizimu Afrika.

English:

The ANC supports this Amendment Bill as it tracks and lists the interests of the poor and the rural and township areas that still carry faith in this glorious movement. Moreover, this Amendment Bill, as I said, aligns with Sona 2025 pronouncements, the Medium-Term Development Plan priorities and the ANC's

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Manifesto commitments to build the capable municipalities and ensure quality education for every poor and deserving child.

IsiXhosa:

Siyaqhuba nge ...

English:

... transformation agenda ...

IsiXhosa:

... siyiANC. Amandla!

Mr T I GAMEDE: I greet you all in the wonderful name of the only commander of the armed force, President Jacob Zuma.

IsiZulu:

Kuncinza amakhwapha ngale uma ngikhuluma ngegama likaMongameli uZuma.

English:

Chairperson, as I'm here today to ...

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The HOUSE CHAIRPERSON (Mr W Horn): Hon member, just take your seat for a moment. I have a hand there. Hon Trollip?

Mr R A P TROLLIP: Chair, I'm a bit confused. The commander of the armed forces is the President of the country. I don't think the member at the podium was referring to President Ramaphosa. So what armed force is he referring to?

The HOUSE CHAIRPERSON (Mr W Horn): No, hon Trollip, we first inquire from him whether he's prepared to take a question. Hon member, are you prepared to take a question?

IsiZulu:

Mnu T I GAMEDE: Hhay, kuncinza amakhwapha ngale uma ngikhuluma ngoMongameli uZuma. Ngicela ukuqhubeka la ngikhulume ...

English:

... about the unbearable weight of inequality. Can I proceed with my speech?

The HOUSE CHAIRPERSON (Mr W Horn): No, I see a further hand. Hon Trollip?

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Mr R A P TROLLIP: No, I didn't ask to ask a question. I want a point of clarity. It's a point of order. There's only one commander of the armed forces in this country. He wasn't referring to that commander of the armed forces.

The HOUSE CHAIRPERSON (Mr W Horn): No. Thank you, hon Trollip. That's a point of debate.

Ms M C MAFAGANE: ... [Inaudible.] ... this is not a debate. Can you please keep quiet? This is not a debate.

The HOUSE CHAIRPERSON (Mr W Horn): Order, hon members. No, I'm perfectly capable of dealing with this. Please do not unmute and speak whilst the presiding officer is dealing with a point of order.

Mr T I GAMEDE: Maybe, let me ...

The HOUSE CHAIRPERSON (Mr W Horn): That won't be ... Hon Gamede, please be quiet just for a moment. We are dealing with a serious matter here. I've ruled on the point of order. Let's now give the hon Gamede an opportunity to go to the Bill.

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Mr T I GAMEDE: Chairperson, we're dealing with serious issues. First of all, the Minister did not touch on the very serious, important things that are affecting our nation, and you are busy ...

IsiZulu:

... nifuna sikhulume ngezinto ezingenasidingo.

English:

We stand at a critical juncture in our nation's history, where the promise of a better life for all is being suffocated by the cold logic of fiscal consolidation. The data before us, extracted from the submission on the Division of Revenue Amendment Bill and the Medium-Term Budget Policy Statement, paints a picture, not of progress, but of a deepening structural crisis.

The HOUSE CHAIRPERSON (Mr W Horn): Hon member at the podium, my apologies. Please just take your seat for a moment. Hon Ngobeni on the virtual platform.

Ms L M NGOBENI: Chairperson, I was going to allow the speaker to finish and then come in, but I think I just want to impress upon

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the House that every leader of every organisation must be respected. And, if people expect their leaders to be respected, our leaders must be respected as well. Thank you, Chair.

The HOUSE CHAIRPERSON (Mr W Horn): Thank you, hon Ngobení. That is also not an intervention in terms of the Rules. That is neither a point of order or any intervention in terms of our Rules. Hon Gamede, please continue.

Mr T I GAMEDE: Chairperson, I think my 52 seconds has been taken, not only by myself. I see here already ... 52 seconds.

The HOUSE CHAIRPERSON (Mr W Horn): Yes, hon Gamede, I use my discretion when you are interrupted. Please proceed.

Mr T I GAMEDE: Chairperson, thank you very much. It is a crisis defined by an unbearable weight of inequality where the most vulnerable bear the cost of a stagnant economy.

The data presented does not merely suggest a challenge. It confirms a deepening structural crisis where the foundational promise of a better life for all is being actively undermined by policy.

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The current micro fiscal stance, which prioritises market confidence and expenditure restraints is refiled as a mechanism of structural exclusion and systemic neglect, failure in human capital and economic inclusion.

The most immediate and devastating failure is the structural exclusion of the youth. The reality is that nearly six in 10 young people between the ages of 15 and 25 are unemployed, with over four in 10 youth classified as not in employment, education or training. This is not a temporary economic shock, but a permanent structural flaw that threatens the very fabric of society by rendering an entire generation economically redundant.

As the MK Party, we have also noted the failure in constitutional mandates and public services. The policy of fiscal austerity is directly undermining the constitutional rights of citizens, pushing public services to the brink of collapse.

On education, there's been a direct assault on the future of our children through real cuts of basic education. Notable, a

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R300 million reduction in the school infrastructure backlog grant.

The failure is not mere inefficiency. It is a direct contravention of the legally mandated minimum norms and standards for school funding in critical provinces such as KwaZulu-Natal, the Eastern Cape and Limpopo. The original purpose of eradicating unsafe and inadequate school infrastructure remains unfulfilled.

On social protection, the critical ... extends to the most vulnerable through the shameful neglect of social protection. The failure to adjust the social relief of distress grant for inflation is a policy choice that condemns millions to deeper poverty. This blunt austerity disproportionately burdens black women who are the primary providers of unpaid care work when the state withdraws, demonstrating a budget actively entrenched ... gender inequality.

The evidence is overwhelming. Our youth are locked out of opportunities, core public services are collapsing and inequality. Racial, spatial gender ... is hardening, not healing. This is not a governance glitch. It is a systemic

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failure that demands a response equal to the crisis our people live every day.

What is required is not tinkering, but a systemic shift. South Africa needs an urgent overhaul of its entire fiscal policy framework, replacing austerity with a rights-based, equity-driven model that funds structural transformation, restores constitutional standards of service delivery and dismantles the historic barriers that continue to suffocate black, poor and working-class communities.

Let us be clear on this one. We must not be a generation that hides behind fiscal caution while people drown in poverty. We must choose radical reinvestment in our youth, our communities and our future, not to soothe the anxiety of the market, but to honour the people's mandate and build a South Africa where dignity is non-negotiable and prosperity is shared by all South Africans.

As the MK Party, we call for radical reinvestment, aligning fiscal policy with the people's mandate. I thank you, hon Chairperson. *Aluta continua.*

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Mr K H WAKELIN: Hon House Chairperson and hon members, I rise on behalf of the DA to present our response on the Division of Revenue Amendment Bill and how it will reshape the funding framework of all three spheres of government.

However, before I speak on a matter, I want to congratulate the President on delivering a very successful G20. Our leadership showcased to the world what South Africa can do and what we stand for. I want to emphasise the urgency in upgrading and repairing Johannesburg's infrastructure for the G20 in record time.

My point is very simple. Why aren't we treating our own citizens like VIPs? Why must South Africans wait for international events for Johannesburg to fix their potholes and traffic lights? And why just a week later, are some of these lights already broken?

The DA applies this kind of vigour and urgency in every province, department, municipality and towns that we govern. Our residents deserve nothing less as they are the ones paying for it.

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We need to move from planning to execution. The Western Cape, Cape Town and Midvaal are excellent examples of a well-run province and municipalities. Even the President has acknowledged the work the DA has done.

The 2025-26 Division of Revenue Amendment Bill reflects shifts in the equitable share and overall national to local distribution.

First and foremost, a total of 4,6 billion was allocated to three provinces to equate for their adjusted population figures, namely North West, Gauteng and the Free State.

An additional 644 million has been reallocated to provinces for reconstruction and rehabilitation of disaster damaged infrastructure, notably in the Eastern Cape and KwaZulu-Natal.

The scale of these adjustments affect health, education and roads respectively.

A further 496 million was allocated to support reconstruction and rehabilitation of municipal infrastructure damaged in the

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Eastern Cape. We must repair the damage done by natural disasters in very good time.

However, some of this spending relates to damage done already two years ago. We cannot wait for the next crisis. The DA will push the government of national unity, GNU, to proactively develop and implement a national disaster mitigation strategy, which is grounded in climate-informed risk assessments, with proactive budgeting and quicker responses to every province and municipality. The lives of South Africans depend on it.

Last year, in my Division of Revenue Amendment Bill speech, I referred to performance-based grants to encourage better governance. I am very glad to see an additional adjustment for the Metro Trading Services Reform Programme, which will boost electricity, water, sanitation and solid waste services in metros willing to do the hard work.

This is a performance-based grant whereby metros access more money only by meeting accountability commitments and delivering concrete service improvements. The DA has championed this reform today and we see it beginning to bear fruit. A total of

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2,1 billion that was provisionally allocated is now included in this budget.

We noticed several rollovers in adjustments. The matter of rollovers should be done only in absolute terms, but we keep on raising concerns around the delayed completion of projects and the matter of weak project management again comes to light.

On allocations made outside of the Division of Revenue Amendment Bill by the Minister, he has released 9,7 billion to address pressures in health and education.

The USA's administration cut the lifeline to many thousands of HIV/Aids patients with one stroke. However, like we say in Afrikaans ...

Afrikaans:

... 'n boer maak 'n plan.

English:

We have made a plan. The Special Appropriation Bill has made up 750 million on this shortfall. We urge the USA to reconsider its relationship with us as this can be mutually beneficial. We are

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a willing and a very able African partner and we are here to stay. We do not just want handouts. We also contribute. As an example, at the G20 the President committed 600 million to the Global Fund to Fight Aids, Tuberculosis and Malaria.

In the Division of Revenue Amendment Bill, we see several mergers of grants to ensure better oversight, eliminate duplication and improve infrastructure delivery plans in agriculture, education, health, sport, arts and culture.

On a municipal level, we see the merging of grants in water and electricity to ensure better co-ordination and the elimination of duplication and better responses. This is a matter we have celebrated. This will ensure better co-ordination between different spheres of government.

Although these amendments demonstrate a prudent and responsive approach to fiscal governance and considering real needs, it is also important to emphasise the following.

Our Achilles heel as a government is not money. It's also not planning nor is it our people. It is execution. We need to

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address how to execute our plans. At the core of effective execution lies a few fundamentals and I'd like to mention a few:

Firstly, is the targeted and responsible savings initiative task. We need to ensure that this initiative that targets improving the efficiency and effectiveness of public spending is implemented as a matter of priority by all sectors of government, every department and every municipality. All waste and duplication must be eradicated;

Secondly, is performance management. It has now become critical that all government employees on all levels be performance managed and that any bonus payments be weighed against their performances. This is the only way we will see proper execution of functions;

Thirdly, is oversight effectiveness. This affects you. There is now a call to action for every board member, councillor, member of the provincial legislature, MPL, and Member of Parliament as oversight champions to ensure that they take their responsibility seriously, to ask the difficult questions, to scrutinise every cent, ensure we get value for money and

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eradicate any waste. We need to take our roles seriously in this regard; and

Lastly, is keeping the executive accountable. In a recent appeal court judgment in Nelson Mandela Bay, we saw officials in the metro being held personally liable and their properties being attached for over 7,4 million rand of wasteful, irregular expenditure. This is the type of action we would like to see more often. We need to remind the executive that they are accountable to the public and that they work with other people's money.

The message is clear. You can have all the budgets you like, you can do all the adjustments and you can make perfect plans, but what we need is dedicated and responsible execution by our officials to ensure a better life for all. The DA supports the Division of Revenue Amendment Bill. Thank you.

Mr S THAMBO: House Chairperson, the Division of Revenue Amendment Bill before the House is tabled by the Minister of Finance together with the Medium-Term Budget Policy Statement, and it seeks to amend the Division of Revenue Act that was agreed to, earlier this year.

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It is important to place on record once more that it has been more than 10 years since we began speaking about the changes to the equitable share formula, and this has fallen on deaf ears because nothing has happened to date. We want to change the equitable share formula so that we change how we fund municipalities, because the 1999 assumptions shaped by apartheid era policy, which presume that local government municipalities can be self-relying and self-resilient based on revenue generation, are completely false.

The current formula treats water and electricity as commodities and reduces our people, our residents, and our voters to consumers and customers who must pay for basic human rights. Those who can afford to buy them do so, while the majority of the working class cannot. Even those who can afford to pay are forced to sacrifice other essential needs so that they can wake up in the morning and take a bath and wake up in the morning and watch television and access electricity. We are all under pressure.

Hon members, the fact that National Treasury believes it can dissolve municipal dysfunction through the so-called trading services reform, is not only short-sighted, but it is an attempt

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to put a plaster over a bullet wound. The reality is that the core problem is a failing economy. You can fix institutions that will only take you so far. But at the end of the day, you cannot continue selling to the people of Soweto who have nothing. You cannot continue selling water to the people of Alexandra who cannot afford it. And you cannot keep on selling essential services to the people of Umtubatuba when they are unemployed.

Why are we insisting on selling electricity and water to our people? These are the reforms on which we should be focusing our energy, not on trying to force municipalities, particularly metropolitan municipalities and rural municipalities to function like profit-driven businesses when they are by law and purpose, municipalities.

Let us turn to the details of the Division of Revenue Amendment Bill. You reduce the district health programs grants and health facility revitalization grants while clinics are destroyed by floods and remain in a shocking state in KwaZulu-Natal, alongside old hospitals and clinics that are dilapidated. You cut the school infrastructure backlogs grant by more than 342 million. Yet there are children still learning in unsafe, decaying structures, utilizing pit toilets in which they drown

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year after year. It is the poor black children in the main who continue to suffer these indignities.

You reduce the public transport operations grant for the Eastern Cape in the Northwest because these provinces and their municipalities are failing. Yet people don't have reliable transport. There are carnages on the roads, and our people are dying, and the beneficiary becomes solely the Western Cape.

What the National Treasury is doing is taking from the poor children and the people of the poor and redirecting resources to those who have benefited for decades from apartheid's political and economic infrastructure. Our people are made to suffer corruption on the one hand and reduce grants on the other.

To the National Treasury, this is a sensible division of Revenue Amendment Bill, and this Parliament, which has the constitutional power to intervene, refuses to exercise its authority.

The EFF rejects the proposed Division of Revenue Amendment Bill, and we do so for the reasons outlined:

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We do not do so because we are objecting to funding being given to our people. We are objecting to the austerity that underpins and informs how it is currently crafted. We reject this Bill because nothing is being done about the loans taken by National Treasury from the World Bank and International Monetary Fund, IMF, loans which Parliament has no say, and loans whose outputs we do not see in ordinary society. We reject this Bill because rural municipalities are being allowed to collapse as part of a broader privatization strategy. We reject this Bill because it does not advance clean, drinkable water, dignified sanitation, proper roads, well-maintained parks, well-paid municipal workers, respectable municipal buildings, or basic service delivery for our people. The EFF, therefore, rejects this Bill as it is proposed. Thank you, House Chair.

Mr N M HADEBE: House Chairperson, the IFP welcomes this debate on the Division of Revenue Amendment Bill, which adjusts allocations across the three spheres of government in line with the adjustment budget. This process is central to our constitutional commitment to cooperative government, governance and equitable sharing of resources.

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However, it is also one of the clearest mirrors of the challenges facing our state. The Bill reflects updated the revenue forecast and shifts in conditional grant allocations. While this is standard practice, the ... [Inaudible.] ... emerging in these adjustments continue to raise concern.

Year after year, the amendment revenue widening disparities between provinces and persistent instability in the financing of local government. We cannot ignore these structural imbalances. The Bill increases to certain provincial allocations, including adjustment to public transport operations, education infrastructure, and specified conditional grants. These are welcome, particularly because many provinces, such as Kwazulu-Natal, the Eastern Cape, Limpopo, and the Northern Cape, are under immense social and economic pressure.

But the extent of these adjustments remain limited relative to the scale of demand. At the same time, reductions or stagnation in other allocations place essential services at risk. Rural provinces and poor municipalities disproportionately suffer when grant funding is rerouted, underspent, or withheld.

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These areas already experience service delivery backlogs, infrastructure decay, and limited technical capacity without targeted interventions, these inequalities will deepen further.

The amendments pertaining to the Community Library Service Grant, highlight both a challenge and an opportunity. Requiring provinces and municipalities to establish clear payment schedules and mandating publication of transfers is a step towards improved transparency and accountability. But it also exposes the fragmented capacity within the system.

The IFP has long argued that withholding funds does not resolve capacity challenges. Early intervention, skills development and enforcement of accountability do. The broader crisis, however, lies in local government. Many municipalities are simply unable to generate sufficient revenue to meet their constitutional obligations. The current funding model is not keeping pace with the realities of declining collections, collapsing infrastructure, and weak governance. Unless the national government confronts this head-on, municipalities will continue to be the weakest link in the service delivery chain.

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The IFP supports equitable, needs-based funding that recognizes historical disadvantage, rural realities, and the imperative of pro-poor planning. But allocations must be matched with proper oversight, technical support, and a zero-tolerance approach to corruption. We therefore support the bill, but with strong caution – money alone cannot fix broken systems! What is required is a competent state, ethical leadership, and a clear commitment to value for money.

The division of revenue is more than a spreadsheet. It is a reflection of the state's priorities and its capacity to serve its people. The IFP stands for fairness, equity and accountability, and we call on this government to make funding decisions with the responsible governance that restores trust and delivers real change. I thank you.

Me M L MATHOPA: Voorsitter en agb lede, die DA is sleg. Die goeie werk wat hulle so van praat en sê, trek al die gemeenskappe in die Kaap, soos Khayelitsha en Mitchells Plain, voordeel daaruit? [Chairperson and hon members, the DA is bad. Does the good work they talk about and say they are doing benefit all communities in the Cape, such as Khayelitsha and Mitchells Plain?]

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The Bill compels us to speak because the choices we make today determine whether provinces and municipalities can fulfil their constitutional obligations. The PA notes the report of the Standing Committee on Appropriations on the Division of Revenue Amendment Bill with serious concern. This Bill determines how resources are shared amongst national, provincial, and local spheres of government. Yet the allocations reflected here fail to address the deep inequalities and service delivery crisis facing our communities.

Firstly, whilst the Bill adjusts allocations to accommodate fiscal pressures, the reality is that municipalities remain unfunded and unable to meet basic service delivery obligations. Local government is the front line of governance, yet the equitable share formula continues to disadvantage poorer municipalities, leaving them unable to maintain infrastructure or provide water, sanitation, and housing.

Secondly, the conditional grant system remains fragmented and poorly monitored, resulting in underspending and rollovers that deprive communities of essential services. The PA calls for stronger accountability and capacity-building measures to ensure

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that every rand allocated translates into tangible improvements on the ground.

Thirdly, the Bill does not go far enough to address disaster recovery and resilience funding, despite the increasing frequency of floods, droughts, and other climate-related events that devastate vulnerable communities.

The PA therefore calls for a review of the equitable share formula to prioritise municipalities with the greatest service delivery backlogs; ring-fenced funding for infrastructure, maintenance and disaster resilience with strict oversight to prevent misuse; enhanced monitoring of conditional grants, ensuring timely spending and measurable outcomes; and greater transparency in intergovernmental transfers to restore public trust.

The Division of Revenue Amendment Bill is more than numbers on a spreadsheet. It is a statement of national priorities. The people of South Africa will judge us not by the complexity of our fiscal models but by whether their schools have toilets, whether their taps have water, and whether their municipalities

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can deliver the basics. We support this Bill. I thank you, Chair.

Mr W W WESSELS: House Chairperson, it is a fact that most municipalities are in financial distress.

In real terms, there is no municipality that is financially sustainable. This results in a lack of basic service delivery or inadequate services and collapsing infrastructure. To address this, we often hear in this House, and we also heard it now in this debate, that municipalities should be better capacitated and that the equitable share formula should be changed to provide more funds to struggling and poor municipalities.

To evaluate this problem and get to a workable solution, I think we should look at it in very simple terms. What is this Bill? This Bill divides national taxes – national revenue – between the three spheres of government. What is this national revenue? It is not money that grew on some tree somewhere. It is taxes paid by people. It is taxes paid by taxpayers. This money has been divided to provide on national level for national services and on provincial level to compensate for the fact that provinces do not actually raise their own revenue in most

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instances and also to provide services on provincial level. On municipal level, however, it is not actually there to fund the municipality. It is there to provide for the fact that that municipality contributed by providing infrastructure and a functioning environment for people to pay taxes so that they can then continue to function and pay taxes. That is why it is proportional. The more taxes the people living in municipalities pay, the more they should actually get from the equitable share. That is in simple terms and not something else.

This money should then also fund the provision of basic free services to indigent people. What happens in reality?

Municipalities are not self-sufficient. They do not raise their own revenue, as they should. They operate at a loss, and they also do not use the equitable share funding to provide free services to indigent households. They use it for their operational expenditure.

Is the solution then to provide more funding? Is it about where the funding comes from or how much funding there is, or is it about how it is spent? Most municipalities do not have fiscal discipline, and it is not about not providing services. It is about using the money for the wrong things. When you go to a

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municipality, and you say you are in financial trouble, they don't go to their operational budget to save money. They go to their capital budget, their infrastructure budget, and that is throughout.

Let us be honest: We hear now, and we heard in this debate about the wonderful things done by the ANC but let us be real. The worst-functioning municipalities in the country are run and governed by the ANC, and those are municipalities such as Makanda, such as Ditsobotla. These are municipalities where people are suffering.

We need ... [Interjections.] We do not need more ...

The HOUSE CHAIRPERSON (Mr W Horn): Order, hon members!

Mr W W WESSELS: We need a rehaul of the people in charge. The solution lies with the people out there, the citizens of our municipalities, to take control of those municipalities, to keep the politicians accountable, and for the politicians to keep the officials accountable. I thank you.

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Mr A D BEESLEY: House Chair, we can have lengthy debates on how best to divide the revenue of the fiscus between the national, provincial, and local spheres of government to meet our developmental goals and tackle the crisis of unemployment, poverty, inequality, and crime. However, these debates will remain meaningless until we confront two fundamental issues: the collapse of governance in municipalities and the entrenched corruption and waste in public spending.

Municipal governance is deteriorating at a frightening pace. This crisis directly affects the lived reality of millions of South Africans because municipalities are the spheres of government closest to our people. Basic services are failing, nonrevenue water losses and sewage spillages are escalating, and economic development has stalled completely. In my own municipality, eThekweni, annual tariff increases far outpace inflation, yet service delivery continues to decline. The most vulnerable residents, those with the least ability to absorb these increases, are the ones who suffer the harshest consequences. Poor governance is at the heart of this decline, yet no meaningful intervention takes place.

This story repeats itself across the vast majority of South Africa's 257 municipalities, but there is hope. In Tshwane, Dr Nasiphi Moya has shown what is possible when competent, ethical leadership is put in place. After years of decay in our capital city, Tshwane is steadily becoming a shining example of how disciplined governance, responsible financial management, and a commitment to service delivery can turn a municipality around. Everything rises and falls on leadership. Until capable leadership is installed across all municipalities, like in Tshwane, service delivery will continue to plummet, and debates about the division of revenue will remain a meaningful annual ritual.

The second issue is corruption and the staggering waste of public funds. At present, it is open season, with almost no accountability and consequences for wrongdoing. Nowhere is this clearer than in the scandalous failure to blacklist companies and individuals identified by the Special Investigating Unit, SIU, for corrupt activities. Of the 509 entities recommended by the SIU for blacklisting, only 18 have been entered into National Treasury's database of restricted suppliers. This means 491 implicated suppliers remain free to secure government contracts, including major state capture and personal protective

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equipment scandal actors. This is not just unacceptable. It is an insult to every South African who continues to pay the price for a government paralysed by corruption.

Equally outrageous is the continued existence of a bloated Cabinet living in luxury. It is inconceivable that the VIP protection receives more funding than the Hawks.

The HOUSE CHAIRPERSON (Mr W Horn): Hon Beesley, just hold on. Hon Cele on the virtual platform, please ensure that you remain muted unless you are recognised to speak. My apologies, hon Beesley. Please continue.

Mr A D BEESLEY: No problem, Chair. I will repeat the paragraph again because it is very important. Equally outrageous is the continued existence of a bloated Cabinet living in luxury. It is inconceivable that the VIP protection receives more funding than the Hawks, the very agency meant to investigate and dismantle corruption. ActionSA has demonstrated that by trimming the Cabinet, the fiscus could save at least R1,5 billion, enough to provide 350 million additional school meals. While the Cabinet eats more and is getting fatter, children in this country starve, some even dying from malnutrition. ActionSA will not be

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passive. We are introducing legislation to enforce blacklisting and to cut the size and perks of the Cabinet.

In conclusion, until we fix municipal governance and decisively confront corruption and waste, the Division of Revenue Bills remain empty exercises, incapable of addressing the crises facing our country. Only when integrity and competence are restored will revenue truly translate into services, growth, and dignity for all our people. ActionSA will support this Bill. I thank you.

Mr S N SWART: House Chair, the ACDP has taken note of the report which refers to an additional allocation of R4,6 billion added to the provincial equitable share for Free State, Gauteng and the North West provinces. This follows changes in the equitable share formula as set out in the 2025 Medium-Term Expenditure Framework, MTEF. We also share concerns about the continuous use of the – can you believe it– 2011 census data to determine the equitable share of revenue to provinces and municipalities. Clearly, Statistics SA must be better funded to produce better and credible census data to allow the National Treasury and us to use updated data to determine the correct equitable share of revenue to provinces and municipalities.

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Once an allocation is made, we have to ensure that the funds must be properly spent. Many other speakers have referred to corruption in misallocation of funds. The Auditor-General, AG, herself continues to sound the alarm at local government level. The concerns now relate to metros such as Johannesburg, Tshwane, eThekweni, Nelson Mandela Bay and Mangaung. The trend of these poor audit outcomes continues with only 41 municipalities obtaining clean audits for the previous financial year. The AG has called for urgent interventions, yet her pleas have fallen on deaf ears. What we are seeing is a collapse of services. Potholes are rarely fixed unless you have the G20 then everything is fixed for a week. Service delivery protests are rife often accompanied by violence.

But what is even more distressing is as hard-pressed households and businesses fail to pay their municipal accounts. Revenue declines and municipalities in turn owe water boards and Eskom billions of rands. Municipal debt is now staggering at R427 billion. On the one hand one can place blame on the municipalities, but on the other hand they are not able to collect the revenue. So, what is needed?

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With next year's local government elections looming, it is clear that a new model of political leadership is required at municipal level. We require those who understand stewardship of state resources and are servant leadership not there to loot and steel, but to serve the people. Let us apply the Jethro Principle in electing and dominating our councillors. Elect councillors who are competent, able, God fearing and hate dishonest gain. Just think how we could turn around our towns and cities with such councillors and officials. These are the candidates that the ACDP offers as Kingdom builders. The ACDP supports this report. I thank you.

Xitsonga:

Tat S M GANA: Mutshamaxitulu ...

English:

... hon members and fellow South Africans, as Rise Mzansi we have long been an advocate for planning and budgeting that is informed by real, accurate and up to date data. Yet we fail to see this in practice, particularly in relation to municipalities. Firstly, it does not make much sense that we continue to base the equitable Division of Revenue to provinces and municipalities on census data of 2011. That is almost 15

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years ago. I am certain that all of us will agree that much has changed since then.

Today, we join the call for Stats SA and the National Treasury to urgently finalise the latest census data and update the revenue divisions accordingly. These divisions can only be equitable if they are based on what the reality is on the ground now.

Secondly, we welcome the additional funding allocations to municipalities that were affected by extreme weather events in June this year. There is indeed an urgent need for government infrastructure to be repaired. Nevertheless, we cannot continue to be reactive to the impacts of climate change. Far too many times we have been caught on the back foot when disaster strikes, and ultimately it is ordinary South Africans that suffer as a result. We know that climate change will only exacerbate the natural disasters that many parts of South Africa are already prone to. It will only get worse from here and we must plan for it. We must leverage the brilliant minds we have in our country to draw proactive risk and disaster management plans and ensure that our infrastructure is as prepared as possible for potential disasters. This requires dedicated

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resources both in funding and human resources. Yes, it will be costly, but it will cost us even more dearly if we do not prepare now.

Our people are suffering now. They are suffering due to the inability of municipalities to meet their constitutional demands due to insufficient resources. They are suffering in floods, thunderstorms and wildfires that we could have mitigated. It is said that the best time to plant a tree was 20 years ago. The second-best time to do so is now. We cannot turn back the clock to 20 years ago, but we can ensure that we adopt databased planning and budgeting now to plant the seed for a better future for our country. We support the amendment Bill.

Xitsonga:

Ndza khensa swinene, Mutshamaxitulu.

Mrs N L HLAZO-WEBSTER: Chair, I must first of all upfront say that we support the Division of Revenue Bill. We do so without overlooking the pressure points that are on the ground as previous speakers have alluded to. These allocations shape the everyday reality of provinces, municipalities, but most importantly the South African citizens.

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I want to underscore what we've said before that for this Bill to be meaningful, the revenue must be spent ethically with integrity and most vitally underpinned by policy certainty. We must ensure that we don't see fiscal leaks that have become so common in our system. Upfront, I have to state that our nation remains burdened by suffocating level of debt. If I'm to put it simply and plainly, we are using one credit card to pay off ...

IsiZulu:

... omashonisa abahlukahlukene...

English:

...once debt service costs are accounted for and once contingency reserves are accounted for provisional allocations, the division of nationally raised revenue over the Medium-Term Expenditure Framework is broken down with 48,3% to the national sphere, 42% to provinces and 9,7% to local government. This reflects an increasing pressure on the national and provincial budgets and the persistent underfunding of municipalities. Local municipalities are the coalface of service delivery and that is where citizens actually meet government.

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We can't continue, as previous colleagues have mentioned, using outdated formula. We add to the voices that have today called for the 2022 census and the updated income and expenditure survey to be used and to be executed and executed in time for the 2026 Budget. It's troubling that allocations continue to rely on data from the 2011 census and obsolete income surveys. The real consequences that we see is the underfunded of rural municipalities, unpaid staff and the collapse of basic services.

At local government we also have the reality that authorities struggle to raise enough money through tariffs and other revenue streams, and so the 90:10 ratio suggested by the Co-operative Governance and Traditional Affairs, Cogta, is actually not materialising. That's a reality. That having been said about all of these issues at local government, we do want to say that municipalities are failing in their core mandates, and where that is the case, the Treasury has to act decisively. That includes withholding transfers and reporting this to the House.

We welcome the R19,5 billion allocation towards education, particularly for early childhood development. This will help reach more children and build the foundation required for higher learning standards and, yes, that includes a 50%-mark standard.

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The Bill is an intent going forward. We must focus on policy certainty, infrastructure built ... [Time expired.]

Ms D R NTULI: House Chairperson, and greetings to you, hon members ...

IsiZulu:

... sanibonani, ...

Sepedi:

Dumelang. Re a le dumediša.

English:

The ANC rises today in this House to express its unwavering support for the 2025 Division of Revenue Amendment Bill because it is rooted in protecting life, protecting dignity, and protecting hope. Allow me to indicate how this Amendment Bill protects life, dignity, and hope, and also provides a better life to our people, which is not a promise, but a mission we committed to as...

IsiZulu:

... umbutho wesizwe.

English:

If you live in rural and township areas and your health care facilities are damaged by extreme health conditions linked to climate change, this Amendment Bill Money brings to fix them. If your child, siblings, spouse, partner, or parent needs ongoing medical care and regular treatment. This amendment will protect these important health care services. If you are a frontline worker in public health, working double shifts and overburdened with a responsibility to do more with less resources, this Amendment Bill guarantees job security and ensures that you are well compensated for, and your health care facility is restored to adequate stock levels. If you are a young qualified medical doctor who sacrificed six years to qualify, only to sit at home instead of serving our people.

This Amendment Bill introduces upward attachment to the provincial equitable share. So, you can be absorbed into the public health system. Hon members, the upward adjustment in this Amendment Bill directly complements the 2025 Sona's commitment to protect the vulnerable and marginalised citizens, the MTBPS objective of lifting health outcomes as a pathway out of poverty, and most importantly, the ANC's 2024 manifesto commitment to fix clinics, repair hospitals, employ more health

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workers, and ensure medicines arrive on time. These commitments are not distant policy ideas. They respond to daily struggles, confronting ordinary people, especially...

IsiZulu:

... omama abangasebenzi ...

English:

... giving birth in overstretched maternity wards, and also especially women of South Africa, especially those who come from deep rural areas. You will remember ...

IsiZulu:

... besibelethela emakhaya ...

English:

... before the government of the African National Congress ...

IsiZulu:

... singenazo izimali zokubhadala i-ambulensi nasezibhedlela
...

English:

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... but after the government of the ANC ...

IsiZulu:

... wangenelela ezibhedlela, sakwazi ukuya ...

English:

... and also, after giving birth to those children ...

IsiZulu:

... wasicabangela ...

English:

... we gave grants to those children after they were born.

IsiZulu:

Nasezikoleni zadla izingane. Nabantu abadala sibathanda kakhulu singuKhongolose ngoba bawumthombo wolwazi. Sibathanda kakhulu.

English:

They have to walk long distances for chronic medication, and ...

IsiZulu:

... abantwana...

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English:

... they are battling preventable illnesses and ...

IsiZulu:

... abasebenzi ...

English:

... we are saying they are carrying the entire public health system on their shoulders. Hon Chairperson, many poor and working-class families feared losing access to HIV and TB treatment when Pepfar was withdrawn. The ANC moved quickly through the 2025 special to allocate R590 million to ensure that those who rely on HIV and TB treatment are not left stranded. The ANC will not allow poor and working-class families to face such hardships alone. We understand that access to this treatment is a lifeline for these families, and we must applaud Cosatu and section 27 for warning us that without this R590 million, we risk jeopardising the hard-won progress the ANC has made in tackling HIV infections, extending life expectancy, and strengthening public primary health care. Fellow South Africans, while not reflected formally in this Amendment Bill, provinces have received a R6,71 billion upward adjustment to stabilise compensation of employees and goods and services in

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the health system. This means that more frontline workers will be retained, adequate medicine will be stocked and properly managed, and dignity will be restored across all public health care facilities, especially in rural and township areas. Simply put, this R6,71 billion upward adjustment serves as an indication that even in limited fiscal space, the ANC always chooses to protect rather than cut the frontline workers who serve our poor communities and disadvantaged citizens. This Amendment Bill allocates a combined R4,6 billion correction to the provincial equitable shares of Gauteng, Free State, Northwest, due to population and GDP shifts. This correction will enable these provinces to increase their health budgets to address the growing demand for public health services.

Setswana:

Ke utlwa botlhoko ...

IsiZulu:

... ngizizwa nje ngilusizana ...

English:

... that ordinary people lost lives in the Eastern Cape and KwaZulu-Natal, while the public health care system faced

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collapsed roofs, flooded clinics, and destroyed equipment after severe storms linked to climate change. This Amendment Bill allocates R93 million to rebuild healthcare facilities quickly and restore primary healthcare access in these provinces. Climate change is South Africa's biggest service delivery risk, and this allocation speaks directly to that.

Furthermore, this Amendment Bill rolls over R33 million for Limpopo Central Hospital, as well as Borwa and Clocolan Collins clinic in the Free State to ensure that we continue constructing state-of-the-art health facilities, which we started in 1994 when we came in as the first democratically elected government. Because it seems like there was nothing. To what I'm saying, even hon Hlabisa can attest to this because we have built a state-of-the-art hospital in KwaHlabisa, Kwanjakayiphume, kwankomo zinya upholishi, where there was nothing. But today, if you get there, it seems as if it's a private facility. Also, that will form the backbone of the ANC's National Health Insurance, the NHI. Together, these allocations to Limpopo and the Free State are not only about Treasury calculations, formulas, or financial tables. They actually demonstrate a people-centred approach.

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Mr I ISMAIL-MOOSA: Hon Speaker, hon members, fellow family, beloved South Africans, as Al Jama-ah, we consider the Division of Revenue Amendment Bill a crucial instrument that adjusts allocations across the three-spheres of government in line with the fiscal realities of facing our nation. This Bill responds to shifting economic conditions, revenue pressures, and the need to protect essential frontline services whilst the fiscal environment remains constrained. It is important that these adjustments do not compromise the delivery of basic services to our communities, particularly in municipalities and provinces already struggling with capacity and governance weaknesses.

We acknowledge the Minister of Finance's efforts to balance national priorities with limited resources. However, the success of this Bill depends not only on how funds are allocated but on how effectively they are managed. Local government must be supported and held accountable to ensure that every Rand contributes to improved infrastructure, reliable services, and sustainable development.

Hon Speaker Al-Jama ah supports the Bill but emphasises that equitable distribution must be met with strengthened oversight, ethical governance, and a renewed commitment to service

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delivery. This Bill must serve as a tool to stabilise our finances while safeguarding the dignity and well-being of all South Africans. Malibongwe! Thank you.

Mr W M DOUGLAS: Chairperson, hon members, fellow South Africans, I greet you all in the name of my Lord and Saviour, Jesus Christ, and I greet you all in the name of the President, Jacob Zuma, and in the language of my people, the Aboriginal people of South Africa, ...

Khoisan:

... !gâi tsēs. [good day]

English:

When it comes to the government and how government runs the country's budget, South Africans today are not asking for perfect speeches or pretty promises anymore. They had 30 years to do that and have heard more promises from the GNU today. But ordinary South Africans are asking a simple question: Is life getting better under the GNU? And the answer is no, based upon the lived realities of South Africans.

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Under this Government of National Unity, it will not, because they refuse to deal with the realities of the past, like land and mineral ownership reform, because they are hellbent on keeping the land and its resources in the hands of those who took it by force through large-scale government theft, apartheid and colonial laws, who were never forced to return the land and mineral wealth, so it can be used to help us escape systemic poverty.

Instead, we make debt and pay R1 billion a day on debt servicing costs to the International Monetary Fund, IMF, and the World Bank. This is a disgrace. In fact, the ANC, GNU and DA come here lamenting corruption and problems they are supposed to fix. They are the government. Stop coming here and telling us the problems. We are the official opposition. We will tell you we are go wrong. We will show you a better way.

The Division of Revenue Act, Dora, Amendment Bill is not a plan to rescue the poor or to save South Africa; it is a showcase of more of the same austerity and oppression of the poor by the political and business elite and the GNU.

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Provinces are still underfunded. Municipalities receive less than 10% of revenue, with Treasury using outdated Statistics SA data from 2011. Schools still collapse, while Treasury cuts the grants meant to fix them.

Disaster allocations rise, because government fails to prevent disasters in the first place. And austerity, the slow poison of the poor, is now officially the government's doctrine. Let me explain austerity in simple, everyday language, because our people must know exactly what is being done to them.

Austerity is when government decides to save money, not by cutting waste, not by stopping corruption, not by recovering stolen billions and stopping white monopoly capital flight, but by cutting the very services that keep our communities alive. It is when Treasury says there is no money, while billions disappear in irregular contracts, overpriced consultants and elite privileges, and whilst we have billions in surpluses, we don't use that to save our people.

In practice, austerity means that, when a nurse retires, her post is frozen. When a teacher leaves, the classroom is overcrowded. When a municipal worker retires, the streetlights

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stay broken. Austerity is not an abstract economic policy, it is the reason your child's school has no textbooks, your clinic has no nurses, your neighbourhood has no streetlights, and your municipality has no clean water.

It is the daily experience of the poor and working class dressed up in fancy economic language. And the truth is, austerity does not fix a country; it breaks it slowly and quietly. It shrinks the state, shrinks hope, and shrinks the future.

The MKP model is the exact opposite of austerity. Where austerity cuts, MKP will build. Where austerity freezes posts, MKP will fill critical vacancies. Where austerity shrinks the economy, MKP expands it through localisation, beneficiation, public works, land and mineral-empowerment creation, and sovereign wealth creation.

MKP believes that the budget must be used as a tool to stimulate growth; not to suffocate it. We believe that hiring a nurse is not an expense; it is an investment. Fixing a water pipe is not a cost; it prevents further disasters. Building a school is not a burden; it creates jobs and a powerful opportunity for our people.

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Instead, the GNU creates more debt with IMF and World Bank conditionalities and advice from the privately owned South African Reserve Bank, SARB, that serves the elite, not the South African people. And under the MKP, we will make sure that the SARB is nationalised.

Unlike the DA, ANC and all the coalition governments and their municipalities, they have been collapsing our municipalities. And they have been in coalition together for not just this last two years, but for many years. And they are the reason our people are living in poverty without water, without food, without anything and without a roof over their head.

A bigger economic pie is what we need, not smaller slices. South Africa cannot cut itself into prosperity; we must grow through industrialisation, beneficiation and African and global trade. We must be built on land and minerals returned to the people, with the wealth beneath our soil building our nation, not private empires.

MKP will propose a new Division of Revenue Bill. We must make sure that our people are served by this Bill and not cut by this Bill. We reject this Amendment Bill. Thank you.

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Mr A G BATEMAN: Hon House Chair, hon members of this House and fellow South Africans, this morning we are debating the Division of Revenue Amendment Bill, which deals with unexpected needs and adjustments affecting our provinces and municipalities, for example, responding to the devastating floods, which occurred in the Eastern Cape and Kwazulu-Natal, allocating R1,1 billion to rebuild schools, roads, clinics and so on. There is also R86 million that has been allocated to construct two new hospitals in Cape Town, one in Limpopo and two clinics in the Free State.

The main criticisms of this Bill relate not so much to what is in the Bill as to what is not in the Bill, as the previous speaker illustrates. The reality on the ground is that nearly every service provided by provinces and municipalities is under strain. For example, our schools are significantly underresourced. Our healthcare facilities are at breaking point. About one-third of South Africans experience water supply failures, lasting longer than two days each year. And at the heart of most of these challenges lies corruption and mismanagement.

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Where the DA governs, the difference is notable. If you live outside the Western Cape, you are six times more likely to experience extended disruptions in your water supply. A DA-run municipality is 10 times more likely to receive a clean audit than a municipality that is not run by the DA.

However, insufficient funding is also undoubtedly a major concern. And it is critical that we identify savings through the spending review programme to meet the needs in the provinces and local governments.

However, when we understand our current context, we will realise that what we cannot do is increase our overall spending significantly. And this is where I would differ with the previous speaker. Why do I say this? In 2008, total spending by government was 26% of our gross domestic product. Since then, it has ballooned to 33% of our gross domestic product, and our economy has hardly grown.

In 2008, our debt was 27% of GDP. Today, it is 77%, and again, our economy has hardly grown. So, the spend strategy of ballooning state expenditure hasn't delivered the growth. And let us also note who was in power during that time. It is very

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rich being lectured by the people on my left about corruption and debt and the need to spend our way out of our situation, when we realise that the problems that we are in now are caused by the very reckless spending that was done during the government at that time. And the result is that today, we are burning 21% of the tax revenue that we collect on interest.

This is our largest budget item. And this is one of the reasons, probably the biggest reason, why all our provinces and municipalities are under so much pressure in the first place. It is the reckless debt that was run up by the previous administrations.

Right now, we are very close to what is known as a low-growth, high-tax government debt trap. If we let government debt climb any higher, the markets will start to assign greater risk to our debt, and that will push up the cost of our debt. If we think our budgets are under pressure now, the pressure is nothing like it will become in that situation.

Crippling budget cuts will be required to meet our debt obligations. For many years, under the leadership of the people on my left, we were racing towards this debt trap, and it seemed

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inescapable. The urgent need of the hour was to halt this trajectory before it was too late and navigate our way carefully away from the cliff. This is exactly what the Government of National Unity has done and is doing. And we must give credit to the Minister of Finance, the Deputy Ministers and National Treasury in this regard.

As a result, the market today perceives the risk that South Africa will default on its debt, as significantly lower than it did two years ago. This has pushed down the cost of our debt. The lower cost has also been helped by the lower inflation target. As a result, we are starting to report budget savings on our debt servicing costs. And this is tremendous.

We can put these savings towards three things. Firstly, we can repay our debt more quickly. This creates a margin of safety, it reduces the risk premium, and it multiplies the savings on our interest costs. Instead of spiralling downwards into a debt trap, ...

Mr A NCHABELENG: Chair, the Speaker is misleading the House. The ANC was in power. It was not the left that was in power.

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The HOUSE CHAIRPERSON (Mr W Horn): No, hon Nchabeleng, that is not a point of order. That is a point of debate that cannot be sustained. Thank you.

Mr A G BATEMAN: We all know what nonsense that distracting comment is. So, firstly, by repaying debt more quickly, we create a margin of safety. Instead of spiralling downwards into a debt trap, we are in the process of creating an upward cycle of positive rerating. A positive rerating translates into cheaper debt, further savings. lower debt levels, and further rating upgrades. And so, the upward cycle repeats itself.

The longer we can demonstrate primary budget surpluses, a steady reduction in the national debt, low, stable inflation, and the stability of the GNU, the cheaper our debt will become.

Secondly, a reduced interest Bill not only means we can repay debt more quickly; it also gives us the opportunity to reduce taxes and breathe life into the economy. Reducing taxes will boost investment, economic growth, and job creation by leaving more money in the economy, by making South Africa more attractive for investment, and by boosting business confidence.

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The tax reductions may be small at first, but they send a powerful signal to the markets of our intentions. Reducing taxes will have the added benefit of easing the cost-of-living pressures, under which working families who form the backbone of our society are suffering. Higher economic growth will also lead to increased tax receipts over time.

And thirdly, a reduced interest Bill gives us scope to increase government spending on our priorities, such as education. But here we must remain targeted and responsible, letting go of what does not work, to spend on that which does.

This Division of Revenue Amendment Bill is both prudent and restrained. As the DA, we support the Bill as part of our commitment to the stability of the GNU. This stability is an essential foundation for investment in economic growth and job creation. This is the path that offers the most and strongest hope for the poor and all South Africans. I thank you.

RULING

The HOUSE CHAIRPERSON (Mr W Horn): Hon members, during the sitting of 27 November this year, and more specifically, during

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the declarations on the Budgetary Review and Recommendations Report of the Joint Standing Committee on Finance on the 2024-25 annual reports of National Treasury and institutions and entities in the Finance portfolio, hon G J Skosana, Whip of the ANC, rose on a point of order and argued that a statement made, as part of the declaration made by hon Van Rooyen on behalf of the MK Party was in breach of the Rules of this House, in that hon Van Rooyen, in his opinion, cast aspersions on the Minister of Finance by stating that he had "stolen money".

At that point, I undertook to consult the Hansard and obtain a translation of what has been said, in order to make an informed ruling on the matter. I have been able to do so in the meantime and have been advised that the translation of the statement made by hon Van Rooyen in reference to the Minister of Finance reads as follows, and I quote: "Satawu workers have asked me to remind you that they have not forgotten about the pension money you stole, whilst you were at PIC".

At the time when he rose on the point of order, hon Skosana referenced Rule 85. Rule 85(1) determines that no member may impute improper motives to any other member or cast personal

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reflections upon a member's integrity or dignity or verbally abuse a member in any other way.

The Cambridge Dictionary determines that the ordinary meaning of the term integrity includes the quality of being honest. It must follow and has in fact been confirmed in many rulings of this House, that to therefore accuse another member of stealing is a personal reflection on the honesty and therefore the integrity of that member. The statement therefore falls foul of Rule 85(1).

It does not mean that the freedom of speech of hon Van Rooyen in respect of the matter he has raised has been limited in such a way that he could never air this view in this House. Rule 85(2) enables any member who wishes to bring any improper or unethical conduct on the part of another member to the attention of the House, to do so, only by way of a separate substantive motion, comprising a clearly formulated and properly substantiated charge that, in the opinion of the Speaker, *prima facie* warrants consideration by the House.

As this course of action was clearly not followed through by the statement by hon Van Rooyen, his statement must be deemed

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unparliamentary and stands to be withdrawn. Hon Van Rooyen, I now call on you to do so.

Mr D D D VAN ROYEN: Chair, I will withdraw. I will also inform the Satawu members accordingly.

The HOUSE CHAIRPERSON (Mr W Horn): No, hon Van Rooyen, that is not the withdrawal that I have asked you to do. Please, stand up and just withdraw your statement.

Mr D D D VAN ROYEN: I will withdraw, Chair.

Mr M SEGEDE: House Chairperson, hon members, fellow South Africans, greetings to you all. I rise to reinforce the message my comrades who spoke before me have eloquently expressed. The ANC supports this Amendment Bill as it addresses the pain, hopes, and daily struggles of poor and working-class households. In short, this Amendment Bill clearly protects jobs rather than cutting them, and it supports poor and working-class citizens rather than abandoning them.

I want to state firmly to these noisy opposition parties that those opposing this Amendment Bill are opposing millions of

South Africans from poor and working-class backgrounds who depend on jobs created through the Presidential Employment Stimulus, PES, and social protection. Our poor and working-class citizens do not need noise, they need jobs, an adequate social wage, food security, reliable service delivery, and a government that supports them during hardships. This Amendment Bill does exactly that.

Noisy opposition parties try hard to convince us that jobs created through the PES are unsustainable and that the social wage is a handout. But let me ask these opposition parties two simple questions. Firstly, what is unsustainable about a young mother who is earning and contributing towards putting food on the table because she has a job through public employment programmes?

Secondly, what is a handout about a young graduate gaining real experience through public employment programmes, and unemployed elderly people receiving the social wage that protects them and their families during the toughest periods of their lives? The reality is simple: opposition parties will never respond to these questions because they are out of touch with the daily struggles of our poor communities and are obviously unaware of

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what the social wage means for a poor family in Nkandla fighting to survive.

Hon members, during public hearings on this Amendment Bill, Cosatu and Section 27 reminded the Standing Committee on Appropriations that hunger, violence and neglect increases when families collapse under poverty. This Amendment Bill makes an upwards adjustment of R2 billion to the Department of Social Development Vote to clear the Social Relief of Distress, SRD, Grant backlogs to protect vulnerable eligible beneficiaries. While most opposition parties here claim to have the interest of the poor at heart during elections, only the ANC defends the poor with budget allocations, not slogans. That is the difference between them and us. When we mention the SRD Grant, opposition parties laugh as they perceive as dependency, yet they never face a month with no income.

Hon Chairperson, in the very same public hearings, Cosatu cautioned us that poor and working-class families are being crushed by unemployment, rising food prices and the collapse of the delivery of basic services at the municipal level. The Public Benefit Organisations, PBO, reiterated the same caution in their submission, urging the government to introduce

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immediate interventions to prevent deepening inequality and worsening unemployment. The ANC listened and the ANC acted.

This Amendment Bill allocates R450 million to eight metropolitan municipalities from the public employment stimulus for the 2025/26 year and to implement new or upscale existing city-led public employment programmes. These city-led public employment programmes give our unemployed young people their first job, first work experience, first-payslip and their sense of dignity.

Opposition parties that vote against this Bill must look at millions of unemployed youths in the eyes and say, we chose to vote against your first job, against your training while you search for job opportunities and against your chance to stand on your own feet.

Salga's submissions during public hearings showed a grave concern that our municipalities, local, district and metro are struggling as their debts are piling up, revenues are falling, infrastructure is collapsing and basic services that poor and working-class households depend on every day like water, sanitation, roads and electricity are breaking down.

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This Amendment Bill intervenes decisively by adding R2,1 billion to the urban development financing grant and R496 million to the Municipal Disaster Recovery Grant. These allocations will, amongst other things, repair storm water damage system, repair sanitation network, stabilise electricity distribution, fund investment in municipal roads and community infrastructure, reverse inefficiency in service delivery from trading services.

Opposition parties that voted against this Amendment Bill must tell the truth to their voters and communities that we voted against fixing your municipal water systems, against repairing your municipal roads and against funding your sanitation network.

Hon members, equal education echoed the same concerns raised by Cosatu, Section 27, Salga and the PBO during public hearings that children cannot learn properly when public schools are broken, overcrowded or unsafe, suggesting that this had to be addressed sooner rather than later. This amendment will allocate R554 million to the education infrastructure grant R300 million to the Eastern Cape and R350 million to KwaZulu-Natal for replacing school infrastructure damages by extreme weather conditions linked to climate change, replacing unsafe

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classrooms, ensuring that learning continues despite climate change related disasters.

It is ironic that opposition parties that claim to care about children oppose this Amendment Bill, which allocates the very funding that rebuilds damaged public schools' infrastructure. This is evident hypocrisy that I hope poor working-class households that depend on public education can see it. This Amendment Bill matters because it speaks to the vulnerable and marginalised people, particularly the unemployed youth who get first opportunity, the elderly people, the learner whose public-school classrooms no longer leak every time it rains.

In conclusion, I want to firmly say the following without apology. You advocate for fiscal austerity disguised as responsible budgeting. You oppose public employment programmes, oppose municipal support and oppose school repairs, yet you claim to care about citizens from poor and working-class backgrounds.

Your policies would collapse provincial health and education systems. I hope voters recognise your true intentions. To the EFF: you call for radical economic policies to alleviate

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poverty, inequality, unemployment, and hunger, yet you oppose this Amendment Bill, which aims to address these issues. In short, the EFF seeks revolution for television, not relief for struggling poor and working-class people. As for the MKP, do not pretend that your vote against this Amendment Bill is principled or people-centred; it is politics without responsibility, if not outright political grandstanding. I want to tell you, and the working-class citizens who are the traditional constituency of the ANC, the following. The ANC is voting in favour of this Amendment Bill. Thank you.

The DEPUTY MINISTER OF FINANCE (Mr A N Sarupen): Hon House Chair and hon members, let me start by thanking all the members who participated in the debate and for raising their various concerns and issues and of course for the clear majority of members who signalled their support for this amendment. It is an amendment. This House has already passed a Division of Revenue Bill. What I am presenting before you today is an adjustment to that Bill, whose main aim is to balance the service delivery needs of our citizens and respond to unforeseen events while introducing reforms that are necessary by the changing dynamics that we see around us. We will elaborate more on these in the 2026 Budget.

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The main appropriation in the Division of Revenue Bill that needs to be funded is around frontline services in provinces. To prevent wage pressures from eroding frontline care, the 2025 Budget provided provisional allocations for the Departments of Basic Education and Health. Over the medium term, we will spend R20,8 billion in supporting compensation pressures, reducing rising accruals and placing additional doctors into our healthcare facilities, with R6,7 billion already released in this fiscal year.

Through the provincial equitable share, we will fund health services for more than 15 million South Africans. The migration of Early Childhood Development, ECD, to the Department of Basic Education marked the first step in ensuring that our children are the beneficiary of an early learning system that equips them with the foundation they require for their development. We have put R10 billion into this allocation to expand the service to more children and to increase the subsidy provided to each child for the 2025/26 allocation, which is R2 billion.

To continue this trajectory, the methodology used to allocate ECD funding is being updated to ensure that it is based on credible data to meet our objectives. Technical updates to the

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provincial equitable share for the 2025 Medium-Term Expenditure Framework, MTEF, would have reduced the shares for Gauteng, Free State and Northwest. So, to cushion this, we have appropriated a R4,6 billion transitional cushion so that this smooths the impact while we maintain our debt stabilisation path.

Now members, we have also had to deal with some adversity. The US government cut the US President's Emergency Plan for Aids Relief, PEPFAR, programme, and given the importance of this funding and the prevalence of the HIV AIDS epidemic, the government responded to the need by allocating an additional R590 million to provincial departments of health for the 2025/6 financial year. This is an emergency intervention in the sector which demonstrates delivery capacity and strengthens their business plan.

It is important to emphasise that 70% of our HIV/Aids programmes are funded by our governments. It is only those programmes funded by PEPFAR that have been impacted and programmes funded through the Centre for Disease Control, CDC, continue unabated. The National Department of Health and National Treasury will continue to work closely on this matter.

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Our municipalities were allocating R2,2 billion to provinces, R1,5 billion to municipalities to repair roads, schools, clinics, and water systems damaged by floods. Funds flow through the existing conditional grants and where necessary, we have used section 6 of the Appropriation Act to allocate the funds to avoid any delays in disaster recovery funding. Now, on co-operative governance, entrenched in the foundation of our state is the requirement for co-operative governance.

We have a municipal debt relief programme to assist municipalities with repaying their debt to Eskom. The importance of providing support to municipalities is not only a constitutional duty, but we owe it to the 11,2 million households that benefit from free basic services that is provided to our households every month. Despite the introduction of the relief programme, 47 municipalities remain in default.

To assist with this, Eskom, where appropriate and through a Section 78 Municipal Systems Act process, will enter into a distribution agency agreement with municipalities. Under these agreements, Eskom will operate the municipal electricity services for a defined period with support for cost-reflective tariff setting and loss reduction, while also assisting with

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revenue collection. During this period, municipalities will also be required to select the most appropriate service delivery mechanisms, phase in cost-reflective tariffs and reform rebates. Now, our intergovernmental fiscal system is going to undergo several reforms. The review of the local government fiscal framework and that of the Conditional Grants is underway. It is timely and aligns with the ongoing review of the 98 White Paper on local government, which provides an opportunity to strengthen local government and finance service delivery.

Key to this system is Conditional Grants, which government uses to supplement existing programmes and fund specific programmes. The conclusion of the Conditional Grant Review marks a leap towards reforming the grant system by identifying synergies and duplications.

Allow me to make these two points. This is not a National Treasury review, but rather that of governments. It is evidenced by the collaborative nature between sector departments of the National Treasury. Each of these reformers were socialised and endorsed through various budget engagements. Therefore, collaboration remains at the core of implementation. It is not the aim of the review to close any grants, but to respond to the

changing dynamics, achieve value for money and introduce incentives.

On the infrastructure delivery side, the budget facility of infrastructure is a disciplined pathway for priority projects. Quarterly gating will accelerate viable projects while protecting quality. And through the Budget Facility for Infrastructure, BFI, schools are being delivered in provinces, and planning for regional hospitals is underway.

Now, the metro trading services components of the recently introduced Urban Development Finance Grant will be used to expedite implementation of reforms and unlock infrastructure financing through an additional allocation of R2,1 billion and infrastructure delivery, we are aware, remains a challenge. From 2026, we will merge duplicative grants in various departments, consolidate Electricity and Energy Efficiency Grants and reform the Municipal Infrastructure Grants, Mia, to a performance-based split delivery model where persistent non-delivery moves to accredited state agents with time-bound capacity development plans.

The Public Network Transport Grant is being phased out as it has not delivered mobility or access to jobs. The funding will shift towards integrated multimodal transport systems linked to higher density housing to create more inclusive and productive cities. This is not a withdrawal of support for mobility. It is a shift to models that deliver measurable results for commuters and city economies.

Water grant reforms will streamline the various overlapping grants, prioritise the rehabilitation of the existing water and sanitation infrastructure, and strengthen reliability of our services. Additional funds are being directed at critical bulk projects. Overall, the reforms in transport and water and sanitation space are to ensure that limited resources are redirected from underperforming programmes towards high-impact, value-for-money infrastructure that supports frontline service delivery.

Now, if I can just take a moment to address one thing that stood out in this debate, and that is local governments and the issues around local governments and the collapse of local governments. Let me say this, the collapse of local governments is not a budgeting problem. It is a governance problem. The National

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Treasury does not appoint municipal managers, chief financial officers, CFOs, mayors, or procurement officials. We do not sign tenders, we do not hire unqualified staff, and we do not lose conditional grants.

Municipalities fail not because of what the Treasury does, but because what many councils refuse to do, which is to appoint capable people, run clean procurements, maintain infrastructure, and collect revenue.

The facts are not in dispute. Over the last decade, the Treasury increased transfers to municipalities by a quantum of billions. We have introduced revisions to the Municipal Finance Management Act, MFMA. We have issued dozens of Treasury instructions. We have sent in financial recovery teams. We have placed failing councils under 139 interventions. But 60% of municipalities remain in financial distress, not because the Treasury underfunded them, but because of political interference, because of hiring incompetent officials and because of corrupt procurements. You cannot blame the doctor when the patient keeps refusing treatment.

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So, the Treasury allocates the money, but the municipalities have to spend it lawfully, transparently, and effectively. When the water treatment plants fail, when the electricity infrastructure collapses, when the refuse is not collected, it is not because the Treasury did not provide funding, it is because these councils divert funds to overspend in salaries, they ignore audit findings, they fail to maintain assets, and they hire friends instead of engineers. Local government is breaking because governance is broken. We will continue to support municipalities, but we will insist on accountability because we deserve competent municipalities, not excuses. And the truth is, the uncomfortable truth, is the state of our municipalities reflects the quality of their leadership far more than the size of their budgets. And there is one simple truth, we are all democrats, I believe. We cannot use bureaucracy to undo democracy. We must hold the politicians in these governments to account, and we must make sure that those local politicians who are failing are dealt with appropriately.

Now, I will take one last moment to address, since I have got a little bit of time, the members who shouted austerity, particularly from the MK Party, tried to distract us from a truth. The only government that imposed a kind of austerity in

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this country was the Zuma administration that they worship. Austerity, the austerity they imposed was not fiscal, it was an austerity of no jobs, no electricity, no safety, non-functioning municipalities, and zero accountability. It was an austerity of opportunity caused by a decade of corruption and mismanagement.

Between 2009 and 2017, let me tell you what the Zuma administration took from us. They took growth from 3,5% to 0,8%. They cut 1,5 million jobs out of the economy. They cut the lights at Eskom. They cut the heart out of SA Revenue Service, Sars. We could not collect tax. And they cut confidence in the states. They must not rewrite history. We are now having to build ... well, a lot of the members from that side went to that side. [Interjections.] So, this government is fixing the crisis that you created and we are stabilising it. And we will not be fooled by a party trying to blame the firefighter for the fire they themselves set.

The HOUSE CHAIRPERSON (Ms Z Majosi): Hon Minister, thank you.

Debate concluded.

Question put.

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Bill read a second time. (uMkhonto weSizwe Party and Economic Freedom Fighters dissenting).

**CONSIDERATION OF REPORT OF STANDING COMMITTEE ON FINANCE ON
RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL**

There was no debate.

The CHIEF WHIP OF THE LARGEST MINORITY PARTY: House Chair and hon members, good afternoon. I move:

That the Report be adopted.

Thank you.

Motion agreed (uMkhonto weSizwe Party, Economic Freedom Fighters and ActionSA dissenting).

Report accordingly adopted.

RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL

(First Reading debate)

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The DEPUTY MINISTER OF FINANCE (Mr A N Sarupen): Hon House Chair and hon members, the Rates and Monetary Amounts Amendments of Revenue Laws Bill, or the Rates Bill before you, represents the implementation of changes on tax rates announced by the Minister of Finance that was made in March in the 2025 Budget. This includes, amongst others, the adjustment of transfer duty, no inflation adjustments in personal income tax brackets, the rates and rebates of medical tax credits, extending the urban development zone tax incentive, increases to the excise duties in alcoholic beverages and tobacco-related products, adjustment to the employment tax incentive values, increase to the carbon tax cost recovery quantum for the liquor fuel sector, cancellations of the increase to the health promotion levy, and the reversal of the value-added tax, VAT, increase.

Now, on the transfer duty, as part of the periodic reviews of monetary values and tax tables, the monetary thresholds for transfer duties will be adjusted by 10% to compensate for inflation. The transfer duty rates will remain unchanged.

Hon members, increasing personal income tax rates in the current environment is likely to be inefficient. When rates go up, people find ways to reduce their tax liability, and higher taxes

discourage working and savings, which will hurt the economy.

South Africa has implemented various measures to raise personal income taxes over the past decade, and the rate changes brought in less revenue than expected. The country's taxes and tax to gross domestic product, GDP, ratio are already higher than most developing countries. For this reason, tax rates have not been increased further. Instead, extra revenue comes from not adjusting tax brackets and rebates for inflation.

Now, on extending the Urban Development Zone Tax Initiative, the Urban Development Zone Tax Initiative was introduced in 2003, to address urban decay within inner cities. To allow for certainty and planning for investors and adequate time to consult with municipalities, the incentive is reviewed, and the sunset date for this incentive is extended by five years to 31 March 2030. The primary objective of influencing adjustments and excise duties, which is my next area of discussion, can be summarised into three: to discourage tobacco, vaping and alcoholic consumption; to reduce its affordability over time; and lastly, not primarily, to bolster revenue generation.

In March 2025, the Minister proposed an increase in the excise duty and alcoholic beverages, tobacco products, and electronic

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nicotine and non-nicotine delivery systems, colloquially referred to as vaping. For tobacco products, an increase in the inflationary rate of 4,75% for cigarettes and cigarette tobacco, and 6,75% for pipe tobacco and cigars. For alcoholic beverages, the excise duty increases by 6,75%. For vaping products, the increase is limited to an inflationary adjustment from R3,04 to R3,18 per millilitre.

We're also mindful of the presence of the illicit trade in excisable products, and we're increasing efforts to address the problem. Over the last budgets, we have made additional allocations to SA Revenue Service, Sars, to enhance the capacity of the institution to deal with these challenges. Sars has allocated an additional R4 billion over the medium-term, supplementing the R3,5 billion proposed during the 2024, Medium-Term Budget Policy Statement, MTBPS. This funding will focus on using technology, data science and artificial intelligence, AI, to improve efficiency and transparency in tax administration.

Sars has already suspended three licenses for noncompliant tobacco production over the last six months, and we are working with other government agencies to investigate criminal syndicates in the excise space. Hon members, the employment tax

incentive is an important government intervention to stimulate demand for young workers in the formal sector by reducing the risks and costs associated with hiring these workers who tend to be inexperienced. The Rates Bill adjust the incentive to account for changes in the minimum wage with a maximum incentive value of R1 500 per month, applying to employees earning between R2 500 and R5 500 monthly.

Hon members, the Rates Bill also formally proposes to cancel a scheduled inflationary increase and the health promotion levy that was due to take effect from 1 April 2025. This is intended to allow the industry additional time to adequately restructure its operations and adapt its business model in response to increasing regional competition.

Lastly, hon members, the Rates Bill contains the reversal of the VAT rate increase that was proposed in the annual budget of 2025 earlier this year. I would like to thank the Standing Committee on Finance, and the Chair for the many meetings, public hearings and discussions of the Rates Bill. I'd like to thank the Chair, hon Maswanganyi, for his support through the process. I'd also like to thank the Select Committee of Finance and their Chair

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for participating in the public hearings and for considering the Rates Bill. Thank you very much.

Dr M J MASWANGANYI: Chairperson, Ministers, Deputy Ministers and hon members, I hereby present the Report of the Standing Committee on the Rates and Monetary Amounts and Amendment of Revenue Laws Bill, B14-2025. Let me indicate, hon Chairperson, that this Bill introduces a number of what we call "targeted measures" across the tax system.

Firstly, the Bill changes the rules of transfer duty, which is the tax paid when buying a property. It raises the price below which no transfer duty is paid from R1,1 million to R1,21 million.

Secondly, the Bill keeps income rates for individuals, trusts and companies the same for the 2025-26 tax year. In other words, the tax tables and company tax rate, you already know, do not change. However, the Bill does not adjust the tax brackets for inflation. This means that if your salary goes up just to keep pace with rising prices, you may still move into a higher tax bracket and pay a bit more tax, even though you are not really better off in real terms. The committee notes this and points

out that it affects how much money households have left after tax.

Thirdly, the Bill extends the Urban Development Zone, UDZ, or your “desert” tax incentive for another five years until 31 March 2030. This is a special tax benefit that has been in place since 2003 to encourage investment in older inner-city areas by making it cheaper for businesses and developers to fix up or build properties. The idea is to support the renewal of city centres, create more housing closer to jobs and improve the use of existing urban spaces instead of always expanding further out.

The fourth measure, the Bill increases excise taxes, often called “sin taxes” on alcohol, cigarette, and other tobacco and vaping products. These taxes are built into the price of these goods to increase, to usually make them more expensive over time. At the same time, the Bill updates some of the rules and amounts used in Employment Tax Incentive, ETI, which is a scheme that gives employers a tax break when they hire young and low-earning workers. It makes a technical adjustment to part of the carbon tax that applies to the fuel levy. These changes form

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part of the broader effort to support youth employment and to price pollution more effectively.

Hon Chairperson, finally, the fifth measure. The Bill confirms that the increase in the VAT rate that was announced in the 2025 Budget will not go ahead. In simple terms, this means that VAT will stay at its current rate and will not rise. This helps to avoid putting pressure on the cost of living because VAT is paid by everyone when they buy goods and services. The committee had engaged the public, and we wish to place on record that this legislative process made sure that the public was engaged meaningfully. It's not a malicious compliance. The committee is satisfied that the public participation process contributed substantially to ease deliberations on the Bill.

Chairperson, the committee welcomes the upward adjustment of the transfer duty threshold, including the increase of the zero-rated threshold to R1,21 million and a 10% adjustment to the subsequent brackets. It regards this as an appropriate step to maintain the real value of the threshold in the face of inflation, and to provide some support to home buyers, particularly in the lower and middle segments of the housing market. The committee recommends that National Treasury continue

to review this threshold periodically in line with property price trends and inflation.

The committee observed that the income tax rates for individuals and companies, while not providing bracket creep relief, supports revenue mobilisation in a constrained fiscal environment, but also increases the effective tax burden on many wage-earning households over time. The committee, therefore, calls for greater transparency in future Budget reviews. With respect to the UDZ, the committee supports the five-year extension to 31 March 2030, given the stated objective of promoting inner-city regeneration and diversification.

The committee also notes the adjustment of the employment incentive, including the increase in the minimum monthly incentive from R2 000 to R2 500 and the expansion of the upper qualifying remuneration threshold from R6 500 to R7 500 per month. On excise duty, the committee notes the public health rationale of increasing taxes on tobacco, alcohol and vaping products. The committee stresses that excise policing must be accompanied by credible enforcement and calls on SA Revenue Service, Sars, to present a detailed, time-bound plan on how additional resources and enforcement tools will be deployed to

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combat illicit trade, including consideration of a digital track and trace system, and other mechanisms to strengthen compliance.

Regarding the climate carbon tax, the committee emphasised that climate-related tax measures must be implemented in a manner that supports a just transition, protects vulnerable households and workers, and maintains the competitiveness of these sectors.

Hon Chairperson, let me indicate that, indeed, the investment in Sars has yielded results and this is the work of the ANC-led Government of National Unity, GNU, led by President Ramaphosa. In 2024-25, hon Van Rooyen, Sars raked in R2,30 trillion gross revenue, a 6,9% jump year on year. The compliance programme hauled in R110 billion of extra revenue, a heavy investment in artificial intelligence, AI, machine learning and extra personnel in sharpening revenue collection. Sars is beating most of its headline targets and leveraging data science to improve compliance.

Let me indicate, hon Chairperson, that the Budget that has been tabled by Minister Godongwana is not an austerity measure, hon Douglas. Hence, government is investing R1,3 trillion on

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infrastructure that will go a long way in creating jobs and fighting poverty and inequality.

We are happy to work with Minister Godongwana, the two deputy Ministers and the entire team from the Sars and National Treasury. Therefore, we move accordingly, Hon Chairperson, that this Bill and this report should be supported for the sake of the patriots, the South African people who want to see their children's lives improved. I move accordingly, hon Chairperson. Thanks.

Mr D D D VAN ROOYEN: Hon Chairperson, hon members, as we discuss this tax Rates Bill, allow me to convey our condolences to the family of the former Sars Commissioner, Dr Oupa Magashula, who passed away yesterday. In the same vein, Chair ...

Setswana:

... motlhomongwe ...

English:

... let me also indicate to this House that we are conveying our well-wishes to one of our own, the hon Sanele Mwali, for being blessed with a baby boy just a few hours ago.

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It is the MKP's considered view that the 2025 Rates and Monetary Amounts and Amendment of Revenue Laws Bill, commonly known as the Rates Bill, is nothing else but a critical pillar of a financial system meant to sustain austerity budget.

This Bill further reminds us that the South African tax system is one of the regressive systems that is based on preference for the taxation of individuals rather than the taxation of corporations. Just for the record, Chairperson, let us be reminded that personal income tax accounts for over 40% of all taxes collected, while companies only contribute 10% of all tax collected. The value added tax, VAT and fuel levy, which are regressive forms of tax because of their disproportionate burden on the poor, contribute only 35%.

It is MK's long-held position that the decisions on who and how to tax are inherently political and not merely technical. To table progressive tax proposals, we need decisive and coherent political leadership, not the so-called Government of National Unity, GNU that can't even agree on basic development priorities.

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It is our submission as the MK party that the current regressive tax changes underscore the urgent need for a comprehensive tax policy assessment. The fact that South Africa's tax to gross domestic product, GDP has hovered around 25% over the past quarter of a century is a cause for concern. Our country was reminded of a missed opportunity when in 2020, Statistics South Africa rebased the GDP, which resulted in an upward adjustment of GDP.

Applying this adjustment retrospectively to the tax GDP ratio, the ratio was around 4% lower than previously thought. The tax to GDP ratio of between 20 to 25% is insufficient to meet the transformation and redistribution needs of the South African economy. The muted adjustment won't be able to address the national concern about the government's overall neoliberal approach to the budget.

Instead, the proposed adjustments will ensure that workers and the poor continue to bear the brunt of austerity cuts to frontline public services that the working class and our economy depend upon. The adjustment will ensure that the current state of local government, where mismanagement, corruption, underfunding, and failures to collect rates is sustained.

Hon Speaker, hon Chairperson, hon members, a closer look to these amendments reveal that most industries' ability to grow and create jobs is being constrained by unpredictable and, of course, above inflation excess increase proposed in this Bill.

The budget proposed a 6,75% increase in excess duties continue a trend of above inflation adjustment. This increase is not only undermining business stability and employment, but also unintentionally strengthening the illicit trade, causing severe harm to the fiscus revenue and threatening consumer safety.

Just to cite an example, recent studies have confirmed that illicit alcohol remains a significant and growing component of the alcohol market, having increased from 15% volume share in 2017 to 18% in 2024. What a quantum leap.

The price differential between legal and illicit products acts as a key driver of informal market growth. As a result, South African fiscus lost R16,5 billion in 2024, a dramatic increase from R6,4 billion in 2017. This is confirmed to be driven by both increased illicit volumes and successive above inflation excess increases and cost pressures in the legal market.

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The price differential between legal and illicit alcohol reached 43% just last year, up from 28% in 2020. This incentivises consumers, particularly in price sensitive segments like our townships and rural areas to shift towards a noncompliant product.

Chairperson, without any hesitation, I can tell you that even alcohol outlets close to our tertiary institutions, are now selling cheap and illegal liquor to the detriment of student health, all because of this regressive tax amendment by the so-called GNU.

Another example is the proliferation of illicit tobacco. Studies confirm that illicit cigarette trade in South Africa grew from 30% in 2017 to 60% in 2021. Regrettably, 75% of cigarettes are sold in informal shops commonly known as spaza shops.

Setswana:

Batho ba rona kwa magaeng, Modulasetilo, ...

English:

... well, Deputy Minister, won't understand this concern.

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Setswana:

Batho ba rona ba kwa magaeng, kwa makeisheneng, le kwa metsesetoropong ba goga RG, ...

English:

... one of the cheapest cigarettes that you can find in the world, and the most dangerous product that you can find in the world. All because of these regressive tax amendments by the so-called GNU.

As MKP, we are not done playing this matter. It is not straightforward, nor simple. And most studies agree with us and confirm the complexity of this issue. Hence as MKP, we call for a coordinated data informed response to address the economic and fiscal implications of illicit trade. Not the current knee-jerk approach by the so-called GNU.

We call for amendments that take into consideration the excess tax increases without measures to reduce illicit trade won't encourage substance cessation. This must be considerably and concurrently implemented. The MKP calls for an excess framework that is fair, reasonable, and predictable. We call for a framework that supports sustainable growth, protects jobs, and

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safeguards the economy based on which both industry and government depend on.

This ill-conceived tax rates nurtures to reiterate our battle cry question.

IsiZulu:

Nibasabani abelungu?

English:

Why are you afraid of the wealthy few? Instead of burdening the poor and the vulnerable with your anti-development and regressive tax measures, why can't you consider adjusting personal income tax brackets for inflation to prevent bracket creep?

Why can't you raise company income tax? Why can't you introduce a wealth tax? The muted tax rate amendments, I can tell you, Chairperson, are very, very far from ensuring that our tax system is an appropriate tool to help us address apartheid ...
[Interjections.] ...

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The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Van Rooyen, hon members, the noise that you are making is too much. I can't even listen to the hon Van Rooyen, so could you please tone it down. I know you want to converse, but could you please tone it down. Continue, hon member.

Mr D D D VAN ROOYEN: Chairperson, let me reiterate once more that, as the MK party, we don't think the proposed amendments will help us to address apartheid created wealth inequalities. They don't deserve MK party's support.

Setswana:

Re a leboga, Mmusakgotla.

Dr M J BURKE: Madam House Chairperson, what makes a state? It is not geography, nor is it a grouping of people, it is not even a shared history of suffering and celebration. These are but byproducts. What makes a state is tax and recognition by others. In fact, tax is so fundamental that some of the oldest stone tablets we have depicts tax transactions.

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It is the ability of an authority to say you shall pay us money and in return we will provide you with safety. If this promise is broken too often the state ceases to exist.

Madam House Chairperson, I am grateful to be living in a place where we can announce earlier this year that tax brackets and thresholds will remain the same and yet the centre still holds. For you see we do not deserve our people, and our people do not deserve this Bill. Yet here we are stuck in the unfortunate paradox where the survivors, our taxpayers, are left to feel the cost of restitution.

Madam House Chairperson, let us be very clear, the bracket creep announced earlier in the year and enshrined into law today, is the result of needing to control our debt. Debt brought on by years of bad policy and terrible execution. So, you might say that this Bill is another chicken coming home to roost in the Nkandla coop.

I have no doubt that as we have just heard now, MK will whine about this Bill.

[Interjections.]

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IsiZulu:

Mnu S W MKHIZE: Manje ingenaphi iNkandla lapho!

English:

Dr M J BURKE: Let us be quite clear ... I rest my case, Madam House Chairperson!

Let us be quite clear that this Bill is their making. Our national debt spiralled under their Zuma!

The bailouts and destruction that torpedoed our finances occurred when their members were at the helm of SA Revenue Service, Sars, of Eskom, of Transnet and of Passenger Rail Agency of SA, Prasa. You might say that MK slaughtered the cows and our cattle and are now complaining about the blood that is everywhere.

Mr S W MKHIZE: You stole the land!

[Interjections.]

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon member from the virtual platform, I am sorry hon Burke.

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Hon member from the virtual platform, I am cautioning you, you switch on your mic again I will ask information technology, IT, to remove you from the platform.

Continue, hon member.

Dr M J BURKE: It is no problem, Madam House Chairperson, I will ask the Chief Whip to control their party members, but I have lost track of who their Chief Whip is.

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Burke, please can you take your seat.

The hon Michalakis.

The CHIEF WHIP OF THE SECOND LARGEST MINORITY PARTY (Mr G Michalakis): Hon House Chairperson, the member on the platform indicated that the hon Burke stole land. As far as I know the hon Burke has never stolen a thing in his life. Unlike some other points the hon Burke has pointed out of actual corruption having happened.

Mr E K MADLALA: What rule is that?

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The CHIEF WHIP OF THE SECOND LARGEST MINORITY PARTY (Mr G Michalakis): Can the member please withdraw these allegations against the hon Burke. Thank you.

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon members, we will refer to Hansard and listen to that again and make a ruling.

Hon Burke, can you please for now continue.

Dr M J BURKE: Hon House Chairperson, thank you. As I say I am painfully aware that the tax I must endure while I am giving this address will drone on but there is nothing like the drone attacks that MK recruits must endure in the Ukraine.

As I was saying the data tells us that our people ...

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Burke, can you please take your seat.

The hon Van Rooyen.

Mr D D D VAN ROOYEN: Hon House Chairperson, I rise on a point of order. My point of order is: The member is casting aspersion

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without any substantial submission. He says the MK party recruits in Ukraine. Which MK recruits in Ukraine?

Hon House Chairperson, I think that is the aspersion of the highest order.

The HOUSE CHAIRPERSON (Ms Z Majozi): The hon Van Rooyen, that is not a point of order. There are no casting aspersions on a person, but he was talking about a party. So, when he says MK, it might be uMkhonto weSizwe *omunye*. [Another one.] Not you. So, we cannot really rule on that.

Hon Burke, please continue.

Dr M J BURKE: Madam House Chairperson, as I was saying the data tells us that our people live in one of the most taxed developing countries in the world. Yet, if we try to quantify hopefulness, I believe we will top the list. Part of the reason we tolerate these higher taxes is because of that hope.

However, like the American author Rebecca Solnit writes and I quote:

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Hope is not a lottery ticket you can sit on the sofa and clutch, feeling lucky. It is an axe you use to break down doors within an emergency.

As the DA we are unafraid to swing the hatchet of hope once more in order to bury the mistakes of the past.

What we now have is four quarters of economic growth.

We have escaped the global grey list. We have managed to climb up the ratings ladder and debt has finally stabilised. While the need to pass this Bill is evidence that we are not yet winning we do seem to have stopped losing.

So, I will just conclude by saying we support this Bill, Madam House Chairperson. Thank you very much.

The HOUSE CHAIRPERSON (Ms Z Majozi): Thank you very much, hon member. The hon Thambo.

Mr C M DUGMORE: On a point of order.

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The HOUSE CHAIRPERSON (Ms Z Majozi): The hon Dugmore, what is the point of order?

Mr C M DUGMORE: Hon House Chairperson, my point of order is: It rises from the last speaker.

There is a tendency sometimes to refer from the table to different political parties not by their official name. For the MK party is the name of the party we know that MK is actually uMkhonto weSizwe which was the armed, but I am just asking for the consistency from the Chair that when we refer to that party, we refer to the MKP not MK. That is my point of order. Thanks.

The HOUSE CHAIRPERSON (Ms Z Majozi): Alright, the hon Dugmore.

Continue, hon Thambo.

Mr S THAMBO: Hon House Chairperson, the Rates and Monetary Amounts and Amendment of Revenue Laws Bill amend a number of tax laws including the Transfer Duty Act, the Income Tax Act, the Customs and Excise Act and Employment Tax and Incentive Act and the Value-Added Tax Act. If any of you had attended the public hearings which were held and deliberations during National

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Treasury's responses to the submissions made by stakeholders you would have thought we are dealing with highly technical tax and internal operations of the SA Revenue Service, Sars, and its systems modelling and investigations.

We maintain that these amendments and Bill in its entirety are deliberately presented as complex and understandable legal instruments which appears to only affect bureau associations the SA Breweries, Heineken Beverages and wine industries, spirits liquor and industry, British and American Tobacco, and the SA Institute for Chartered Accountants deliberately in order to exclude the majority of our people from interacting with taxation as law.

These are the only organisations that responded yet the proposed amendments affect all of us. It should not be a discussion among elites mostly white men and beneficiaries of apartheid sitting around the table making decisions for the rest of us.

Parliament and the Standing Committee on Finance and government have a responsibility to make taxation law accessible through public education.

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Secondly, ensure that the language we use is not only understood by a select few.

Hon House Chairperson, in terms of the contents to the Rates and Monetary Amounts Bill as the EFF we maintain that the ownership of property in South Africa still overwhelmingly favours the small minority, whites in particular. They are able to buy these properties and also able to pay transfer duty with ease.

We do not dispute that the state must raise revenue through transfer duties. What we are saying is that South Africa still needs different forms of intervention as redress for past inequalities. One of those proposals which we have put on the table is that black people must be given a redress portion of transfer duties so that they can build assets.

When everyone is exempted from transfer duty on properties costing up to R1,2 million for black people this threshold must be increased between R1,5 million and R2 million for the first property. We must not be told that we have too many race-based clause. That is not true. Those who make such claims are simply hallucinating.

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Earlier in the year there was an agreement that we would review the annual income tax brackets. For the second year in the row government has failed to adjust these tax brackets in line with inflation. This effectively attacks increase on workers. If we do not adjust tax brackets in line with inflation you push workers who receive inflation related increases at work into higher tax brackets.

On paper their salaries have increased but when they return home, they must explain to their families why they have to cut groceries and transport. You are effectively removing disposable income that should be circulating the economy. Income that buys goods, supports small businesses and drives growth. This is how we end up with an average economic growth of 0,5% across three quarters this year and if we are sane, we would not allow this to continue.

Hon House Chairperson, we have consistently raised concerns about the Employment Tax Incentive Scheme. The reality is that it has become a revenue stream for many companies. On paper they claim to employ a certain number of young people and claim incentive but in reality, these individuals re not employed.

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Unemployment is not decreasing; there are more than 11 million unemployed people many of whom are discouraged and have lost all hope of finding work. Yes, there were celebrations about much ... [Inaudible.] ... decreases in the most recent quarter Statistics Labour Report but the reality is that even when you examine the past 10 years since the Employment Tax Incentive was introduced there are no meaningful benefits to the unemployed. Companies have found the back door because they know government has no capacity to verify what they claim.

National Treasury is postponing the evaluation of this scheme in the same way they are delaying action on the sugar tax because the answer to lobbyist and big corporations.

Hon House Chairperson, I want to close by firstly, responding to the hon Maswanganyi by saying this Budget is in fact an austerity Budget and is categorised by the fact that the budget allocations made to all departments are not in line with inflation. That is technical austerity.

The second point we must make because he presented here as if the remaining of VAT at the level that is remaining now is a product of some deliberations that is either in the Standing

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Committee on Finance of this Parliament. We want to remind you that it was due to the court action of the EFF that VAT increases were stopped earlier in the year. If that was not the case, the deliberations that were held in the Standing Committee on Finance which said that there will be alternative revenue generation mechanism would be present in all of these Budget, but we do not see anything of that nature here.

Instead, we saw an increase in the fuel levy, and we saw the stagnation of tax brackets not in line with inflation. So, we must be honest about that. We must not lie to South Africa, and we must not try to distort history. The fact that you have increased fuel levy you have allowed to go into higher tax brackets by not adjusting their incomes to talk to inflation and that is where you are generating revenue. Do not take credit for the work of Sars. The SA Receiver of Revenue Service was going to continue to generate revenue the way it has done, and it is correct that they have done that due to personal taxes of individuals and companies have remained untouched.

So, due to this, and with that correction of the distortion of history, the EFF does not support this report. Thank you, House Chairperson.

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Mr N M HADEBE: Hon House Chairperson, the IFP welcomes the opportunity to engage this House on the Rates and Monetary Amounts and Amendment of Revenue Laws Bill.

This Bill comes before us at a time when South Africans are facing severe financial strain, persistent inflation, increasing debt servicing costs and an economy still struggling to regain momentum. In this context, the decisions we make about tax policy are not merely technical. They have a direct and profound impact on households and businesses across the country.

The Bill introduces a range of adjustments, revised transfer, duty thresholds, updated income tax brackets, amended excise duties, changes to the employment tax incentive, increase to carbon tax components and the crucial decision to pre-empt an increase in the VAT rate that had been signalled during the national budget. Each of these measures carries implications that deserve careful reflection. We acknowledge that certain elements of the Bill provide targeted relief.

The adjustment of transfer duty thresholds will particularly assist first-time home buyers, a constituency that has long struggled to enter the property market. The decision not to

proceed with the VAT increase is equally important. A VAT hike in the current economic climate would have disproportionately impacted the poor and working class.

We support this pre-emptive decision. However, the core concern for us rests with the broader pattern of fiscal decision-making that these amendments reflect. Year after year, tax adjustments are used to pluck structural gaps in revenue collection and compensate for inefficiencies in expenditure.

South Africans are repeatedly asked to carry a heavy fiscal burden, yet the state continues to struggle with corruption, wasteful expenditure, and poor service delivery. Taxpayers are effectively paying more for declining public value. This is neither sustainable nor just.

A renewed commitment to ethical governance and decisive accountability is essential if citizens are to trust the revenue system. On employment incentives, we note the revised parameters of the Employment Tax Incentive, ETI. While this incentive has potential, its implementation has been uneven.

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Far too many young people remain jobless, and unscrupulous employers continue to exploit loopholes. Strengthening oversight is therefore critical if the ETI is to fulfil its mandate rather than become another administrative exercise. Equally, the increases in carbon-related levies must be accompanied by meaningful investment in climate-resilient infrastructure and a just transition that protects workers in carbon-incentive sectors.

Without these, environmental taxation risks becoming yet another revenue-raising mechanism with limited developmental impact. In conclusion, the IFP supports the Bill, but we emphasise that tax adjustments alone cannot rescue the country from fiscal instability. South Africa requires honest leadership, disciplined spending, and a growth-focused economic strategy.

The people of this country deserve a government that manages public resources with integrity, not the one that repeatedly turns to them to compensate for systemic failures. The IFP supports constructive tax reform, but we insist that it must serve the people, not the inefficiencies of the state. I thank you.

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Ms M L MATHOPA: House Chair, hon members, the PA support this Bill because it eases the path to home ownership. However, we cannot ignore the profound impact that changes to tax rates and monetary thresholds have on households, workers, and the economy. A Rates and Monetary Amounts Bill is never a technical exercise.

It directly affects people's lives, what they earn, what they spend, what they save, and ultimately, how they survive in an economy under strain. But the reality is also that South Africans are living through high food prices, high transport costs, rising interest rates, and stagnant wages. The committee's report acknowledges the pressure households face, yet many of the adjustments remain below the real cost of living increases.

Fiscal tightening must never become fiscal punishment for ordinary South Africans. The Bill adjusts tax brackets, exercise duties, and monetary thresholds, but many of these adjustments still fall below the real cost of living increases faced by our people. We cannot allow fiscal policy to deepen the pressure on families already struggling.

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While increases in excess duties are often justified, they disproportionately impact low-income households. Revenue collection must not come at the expense of the vulnerable. At the same time, our small businesses, the key job creation, need a tax environment that encourages growth, not one that piles on complexity and cost.

The National Treasury continues to raise concerns about a narrowing tax base, but broadening tax base cannot mean taxing the same struggling workers more aggressively. It must mean fixing structural issues, growing the economy, rebuilding Sars capacity, closing illicit trade channels, and rooting out corruption that drains billions each year.

The committee's report is correct. Compliance improves when trust in the system improves. The Rates and Monetary Amounts Bill should achieve three critical outcomes. Protecting working families from excess tax burdens in an already strained economy. Supporting small businesses and job creation by ensuring that tax adjustments encourage growth, not contraction. Promoting transparency and fairness in how we collect revenue, ensuring the tax system remains progressive and equitable.

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A nation cannot tax its way out of stagnation. We must build economic dynamism, restore institutional integrity, and grow the economy so that revenue rises, opportunity rises, not because of ...

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Mathopa?

Ms M L MATHOPA: Chair?

The HOUSE CHAIRPERSON (Ms Z Majozi): Can you please hold. Hon members on the virtual platform, you are disturbing us. Can you please switch off your mics? [Interjections.] Hon Mgweba? Hon Mathopha, please continue.

Ms M L MATHOPA: A nation cannot tax its way out of stagnation. We must build economic dynamism, restore institutional integrity, and grow the economy so that revenue rises because of opportunity rises, not because of the burden on taxpayers has grown heavier. As we participate in this debate, we affirm that tax policy must always serve the people, protect the vulnerable, and support national development. We as the PA support this Bill, but we don't support it blindly. I thank you, Chair.

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Mr A D BEESLEY: Hon Chair, ActionSA cannot support the Rates and Monetary Amounts Bill because in its current form, this Bill empowers the illicit economy while undermining the legal one. South Africa today is a tale of two economies. The legal economy limps along at below 1% growth, unable to absorb even a fraction of the 12 million unemployed South Africans or track the fixed investment needed to revive our industrial base.

At the same time, the illicit economy is booming, growing at more than 6% a year, flooding the country with illegal cigarettes, alcohol, gold, oil, and counterfeit goods. This is not happening by accident. It is a result of legislative delinquency and repeated policy-owned goals.

Above-inflation excise duties increases have widened the price gap between legal and illegal products to the point where fair competition is impossible. A legal pack of cigarettes costs around R35, and an illicit pack, R5. One in five alcoholic drinks sold today is illicit because illegal alcohol is roughly 37% cheaper than legally compliant products.

This price gap exists in a country where households incomes are collapsing, and food inflation remains stubbornly high. Under

these conditions, punitive excise hikes simply push consumers into the arms of criminal networks. The losses to the fiscus are staggering, more than R30 billion annually from alcohol and cigarettes alone, and close to R100 billion across the broader illicit economy.

We now have the absurd situation where the Treasury repeatedly raises excise duties only to watch total excise revenues fall, from R14 billion in 2019-20 in cigarettes to just R9 billion in 2024-25. This is a laffer curve in real life, tax policies so badly designed that higher rates produce lower revenue. Above-inflation excise hikes also undermine investment.

No rational business will commit billions to new production when its biggest competitor, the criminals, enjoy a growing price advantage every year courtesy of the National Treasury. South Africa cannot claim to care about jobs while adopting policies that actively destroy them. ActionSA supports the committee's following recommendations that the National Treasury prioritise the ongoing exercise policy review and ensure it explicitly models the interaction between exercise rates, illicit trade dynamics and the long-term sustainability of the tax base.

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That saw Parliament with an agreed timeframe a detailed enforcement deployment plan showing how additional resources will be used to combat illicit trade, including measurable targets, timelines and interagency cooperation. That Treasury and Sars report to the committee on the feasibility and expected impact of digital track and trace systems and a statutory minimum retail price for certain tobacco products to strengthen compliance. These recommendations are essential if South Africa is serious about protecting revenue, jobs and public health.

With South Africa's economy stuttering and our unemployment crisis deepening, it is time to halt the own goals. The government should aim at the right goalposts, creating a tax regime that attracts investments, drives growth and creates jobs. One practical way to achieve this is to limit excise duty increases to inflation rather than above it, ensuring that legal businesses can compete while public health objectives are still supported. We reject the Bill. I thank you.

Mr S N SWART: House Chair, this is basically a Taxation Bill that sets out rates and monetary amounts and ... [Inaudible.] ... The ACDP would like to commend the S A Revenue Service, Sars, for the higher than anticipated revenue collection and

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that revenue is set to exceed the budget estimates by a staggering R19,7 billion.

May's budget allocated an additional R4 billion to Sars, which was intended to strengthen debt collection and thereby increase revenue collected by between 20 and 50 billion per year. So, we've almost reached the R20 billion. Now, that extra R4 billion given to Sars has paid off handsomely and will hopefully cover the R20 billion shortfall that was anticipated in next year's budget and that would then result in the fact that taxes would not have to be increased at all.

Now, we also expect Sars to collect more revenue by bringing in an estimated 150 000 taxpayers who are not registered and who have not filed tax returns despite substantial economic activity. In addition, Sars can reduce the tax gap, which is the difference between taxes legally owed and taxes collected, which is estimated to be R300 billion. Just think, if Sars collected 10% of that that would be extra R30 billion to the fiscus. And yes, whilst we all pay tax, and it's not always easy, but let us remember render to Caesar what is due unto Caesar, and unto God what is due unto God.

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In addition, we also understand that, and from the ACDP's perspective, we've always maintained that billions of rands that were stolen through state capture and corruption can be recovered by further capacitating law enforcement and prosecuting agencies including the Hawks, the Special Investigating Unit, SIU, and the National Prosecuting Authority, NPA, which includes the Asset Forfeiture Unit. These additional funds much of which is sitting overseas, can be collected, brought back to the country and help balance the books.

Lastly, I think it is important, and I know hon Gana will also be pleased about this, Treasury's proposal to mitigate the socioeconomic harm of online gambling by imposing a 20% tax as a response to the growth of online gambling and its social impact, including gambling addictions. There has been a massive surge in this regard and with the number of distressed gamblers seeking help has increased sevenfold. It is staggering that South Africans spend R4 billion a day.

Gambling and gaming platforms have raked R75 billion in gross revenue. The this proposal could raise an additional R10 billion in additional taxes for the fiscus. Lastly, the ACDP believes taxpayers rightfully expect value for every rand spent by

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government. We as the ACDP believe in that light, we will respect and we will support this Bill. I thank you.

UNPARLIAMENTARY LANGUAGE

(Ruling)

The HOUSE CHAIRPERSON (Ms Z Majozi): Thank you very much, hon member. Hon members, hon Siphetho Witness Mkhize, the Table has just informed me that they did confirm that you did say that: Hon Burke, you stole the land. According to the rules, Rule 85 speaks: No member, may impute improper motives or any other member, or cast personal reflection upon a member's integrity and dignity, or verbally abuse a member in any other way. It continues to numbers 2 and 3. Hon Siphetho Witness Mkhize, can you, please, withdraw that?

Mr S W MKHIZE: Chair, I meant to say, his forefathers stole the land not him. So, I completely apologize and withdraw.

The HOUSE CHAIRPERSON (Ms Z Majozi): No, now we are not talking about what you meant. I'm saying, can you, please, withdraw that.

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Mr S W MKHIZE: I withdraw, Chair.

The HOUSE CHAIPERSON (Ms Z Majozi): Thank you very much.

Xitsonga:

Tat S M GANA: Loko u ndzi lava ndzi ta ta. Mutshamaxitulu, hi sungula hi ku khensa Tatana Maswanganyi eka ntirho lowu mi wu endleke. Hi ri Rise Mzansi, ha wu seketela Nawumbisi wo Cinca na ntirho wa komiti.

Dr M J MASWANGANYI: Ha khensa, makwerhu.

English:

Mr S M GANA: Hon members, personal income tax brackets were not adjusted this year. We accepted this decision in the context of current fiscal pressures, but we must be clear, this cannot be the norm. Next year we must ensure that the brackets are adjusted to keep pace with inflation. Bracket ... [Inaudible.] ... places an unfair burden on working families and quietly eroding their purchasing power. A responsible and caring state must prevent this silent taxation of the middle class and the poor.

Xitsonga:

Mutshamaxitulu, ...

English:

... the Bill also addresses excise tax duties on tobacco and alcohol, areas where fiscal policy intersects directly with public health. These products contribute significantly to the burden of disease in our country. It is therefore appropriate that exercise policy supports our health objectives. But increasing duties alone is not enough. We must deal decisively with the illicit tobacco and alcohol trade, an industry that undermines public health, erodes revenue and fuel organized crime.

We cannot allow syndicates to thrive at the expense of the health and safety of South Africans. Rise Mzansi also welcomes the discussion on the national online gambling tax. This is an important and overdue intervention. Gambling addiction is a silent but devastating crisis affecting families and communities, especially young people. The funds raised through this new tax must be ringfenced to provide counselling, rehabilitation and education about the dangers of gambling

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addiction. This will help us turn revenue policy into a force for social protection.

On gambling reform more broadly, we are not where we should be, but we are clearly on our way. Land-based gambling outlets will continue to contribute to their provincial fiscus as they should, but online gambling operators who operate across provincial boundaries must pay tax at the national level. This is the only way to ensure that revenue is shared equitably between provinces and that no province is disadvantaged by the borderless nature of online platforms.

Finally, just as we are strengthening our response to illicit tobacco and alcohol trade, we must also deal decisively with unlicensed gambling companies operating in South Africa. These operators evade tax, exploit vulnerable people and undermine the integrity of our regulatory framework. They must be confronted with the full might of the law.

Xitsonga:

Ndza khensa swinene, Mutshamaxitulu.

English:

Rise Mzansi supports.

Dr M A MAIMANE: Hon Chairperson, today's Rates and Monetary Amounts Bill, on the way surface at least, attempts to provide some relief to household and small businesses. Hon members, the duty behind tax must always be to answer the very basic question which is, how do we move poor South Africans to the middle class? Our job must be to enhance pro-growth, pro-prosperity tax regime, rather than a tax regime that makes it unattractive for people to move to the middle class, and that is why it becomes absolutely crucial that when we look at the lack of adjustment on income brackets, this must be something that we must adjust.

Ultimately, we want to make sure that as people earn more, they can invest more without fearing the fact that they will now be put forward with a higher tax burden. Secondly, hon members, we can debate this matter ideologically. We live in global tax jurisdictions. There is now a global move of making sure that corporate taxes are closer to 15% on the highest level. If South Africa is going to compete for business with other jurisdictions, we really need to think hard about what we do with corporate tax, and I want to argue this point to say that, as it is been reported, the South African businesses hold on to

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R1,8 trillion of cash reserves, and therefore, we must make sure that in some way or another, this can be invested into our economy.

I welcome the increase in transfer duty thresholds to ensure that entry level home buyers and the extension of Urban Development Zone, UDZ, incentives. This is important for urban regeneration and potential job creation. These are positive steps and I would urge that we can do more. Let us make sure that our townships, particularly townships declared pre-1994, can be declared Special Economic Zones, SEZ, this way, they can be deeper investment, property investment into these communities to ensure that they do not become dormitories of unemployment I want to welcome the adjustment on exercise duties on alcohol, tobacco and vaping products.

Hon members, last year and in earlier this year, we all worked to ensure that the value added tax, VAT, is not increased, now the job is how do you ameliorate or solve for the lack of revenue in this regard? The only way we can go forward is a number of areas. Firstly, it is common cause that we need to grow the economy at least 3% to be able to keep up with population growth. Secondly, is that we must introduce a

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taxation, and I agree with hon Makashule Gana on online gambling. We must ensure that this pace is fair share of tax, it is increasing and make sure that the revenue is retained here in the country. Therefore, I want to urge that the Bill that has been proposed be expedited so that we can ensure that we deal with this tax. Hon South Africans, we do not tax our way to prosperity, we grow the economy to prosperity. I thank you.

Setswana:

Mme M O SEATE: Bagaetsho, madume ga a fele.

English:

The ANC seeks to optimise our tax policy for equitable asset and income redistribution. The Rates and Monetary Amounts Amendment Bill is an important tax policy instrument to give effect to the tax proposals tabled by the Minister in the budget of 2025. Tax legislation is an important fiscal policy instrument to ensure that government is able to rise the required revenue to fund the functioning of the state and ensure the priorities of the medium-term development plan are supported. Without adequate taxes collected, the country is left with no option but to consider various debt options to close the budget deficit which impacts our overall debt position, which is exacerbated by an

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unjust financial sector architecture, which is not designed to support emerging economies, particularly in Africa.

This occurs through the imposition of the high cost for debt, which crowd our public investment. House Chair, let me take this opportunity to congratulate the only central commander that we know, the sitting President of this country, Comrade President Cyril Ramaphosa, for hosting a successful G20. Now, in this G20 that was led by us as a country, we produced an important report on public debts and inequality which requires the world in our own country to reassess and review whether our taxation system is optimally taxing the top 10% who owns a significant share of the economy. This minority owns significant assets, and others have high income such as mining CEOs who amongst others earn as big as R50 million annually. Assets and income inequality dictates the tax system and should also serve as a redistribution mechanism to realise the aspirations of humanity in our constitutional vision and an obligation to redress.

It is unfortunate that hon Tambo is not here, but inflation also has a significant impact on our budget. As the budget increased below the inflation rate, in essence, it is a declined budget in real sense. So, the Bill before the House increases all transfer

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duty brackets by 10% and further makes an adjustment on the zero-rated threshold for the acquisition of residential property from R1,1 million to just over R1,2 million with all higher brackets and marginal rates adjusted accordingly. This, will contribute to enhancing access to residential property, particularly for the middle strata, the young families lowering the cost of acquiring a whole. The ANC welcomes this extension of the Urban Development Zone, Udz, incentive, by a further five years in order to stimulate inner-city revitalisation programmes and to attract developments in urban areas.

Over the period of 2012 and 2022, 2,7 billion in revenue was forgone, signifying the significant investment that has been incentivised. To further enhance the incentive, the committee therefore, recommended that the National Treasury undertake a comprehensive evaluation of the effectiveness of the scheme and its developmental impact including on special transformation, affordable rental housing and small business activity in the inner-city areas. This is an important, not only to stimulate investment by major developers, but also by emerging developers and enterprises in smaller cities and towns. A key area in the public holders have raised... related to the impact of the trade

of alcohol and tobacco products due to price competitiveness of illicit providers.

Now, stakeholders and industrial players in the alcohol sector particularly, have raised concerns about. Inflation rate increases, arguing that it makes alcohol beverages more expensive than illicit alcohol, thus enabling the illicit sector to flourish. Now, this is a matter that requires continuous public participation and consultation with intention of having a balanced approach that enables the industry to be sustainable without exacerbating health risks that were mentioned by my colleagues from my left. We believe law enforcement agencies have a key role to play in tackling illicit alcohol and good in economy which leads to significant foreground taxation of the state. The ANC supports the call for recommendation by the committee for the introduction of the digital check entries system for cigarettes and vaping products and for statutory minimum retail price mechanism to certain tobacco products, and that the National Treasury in the SA Revenue Service, Sars, report to the committee on the visibility, the design and options on potential revenue and compliance impact of these measures.

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Another critical tax measure is the employment tax incentive increase, which is intended to maintain the real value of the incentive and to encourage the hiring and retention of the young and low-wage workers in an environment of a rising nominal wages. The employment takes results in a context above 6 billion annually, benefiting youth in formal sectors. Various research and empirical studies have argued that the incentive has not contributed to the intended objective and significantly reduce youth unemployment, which remains alarmingly high. Hon Members, let me also add that this requires the National Treasury to continuously assess the robustness of the Employment Tax Incentive, ETI, and ensure that it is refined to increase employment opportunities by increasing the conditions of the benefit by linking it to an increased additional employment by firms.

This will also contribute to skills revolution, and massive employment programme is required at the firm level and various employers have to develop growth and development strategies as part of the incentivising system to avoid incentive incentivises that are not adding adequate value to crowd in investment, leading to a benefit for employers without additional value extracted. Hon members, tackling the problem of unemployment

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requires comprehensive interconnected approach by various role players such as the education sector, the business sector, the policymakers and to ensure that the economy is at a fertile ground for innovation that leads to the creation of the job opportunities throughout tax system. A lot of possibilities exists to avail resources to respond to our developmental needs. The ANC calls on all social partners to further work with government and participate in the national dialogue to innovate solutions to respond to challenges impacting our country and the tax system in a national importance. The ANC, therefore, supports the Bill. Thank you very much.

Setswana:

Ke a leboga.

Mr I ISMAIL-MOOSA: Hon House Chair, hon members, fellow beloved family of South Africans, as Al Jama-ah debates the First Reading of the Rates and Monetary Amounts and Amendment of Revenue Laws Bill, which implements key tax adjustments announced by the hon Minister of Finance. Al Jama-ah acknowledges that this Bill comes at a time when South Africans are under immense economic pressure. Any changes to tax rates

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must protect vulnerable households, support small businesses, and maintain fairness in our tax system.

The Bill gives effect to key tax proposals and forms a central part of our broader revenue framework. The Bill must be accompanied by firm commitments to try to reduce expenditure and improve the efficiency of public spending. Hon House Chair and beloved family of South Africans, Al Jama-ah suggests every rand collected through this legislation must translate into better services, improved infrastructure, and real economic opportunities for our people. I also want to take the opportunity to reiterate the importance of God's consciousness that must be foremost upon executing any duties entrusted to us. At the same time, Al Jama-ah compliments and acknowledges the Sars revenue collection. Al Jama-ah supports the principles of equity and accountability underpinning the Bill. Hon House Chair and beloved families of South Africans, Al Jama-ah abhors gambling and its consequences. Let not this evil vice eat into our necessities. Sustainable revenue depends not only on tax measures but on responsible governance and economic growth. I thank you.

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Mrs W R ALEXANDER: Hon Chair, members of the House, today I speak to you about something that touches every single one of us, money. Not the complicated numbers that you hear in Parliament or on TV, but the money in your pockets, the cost of groceries, the price of electricity, and whether you can afford to put petrol in your car.

Today, we debate a Bill with a complicated name. The Rates and Monetary Amounts and Amendment of Revenues Law Bill. In short, this means where the government is going to take from your pockets or give you some breathing room. And here is the truth. We are turning the corner. Right now, life is hard, prices keep going up, and salaries do not keep pace. A loaf of bread costs more today than it did last year, electricity keeps climbing, and the lights will go off. Petrol goes up, and so does the taxi fare. These are not just numbers. These are the realities of every family trying to make ends meet. And for 15 years, debt has climbed. More borrowing, more interest, and therefore less for frontline work services. But now debt is stabilizing, meaning we have stopped the upward spiral. This did not happen by chance. It took hard choices, better tax collection, tighter spending, and a primary surplus where day-to-day revenue exceeds day-to-day costs and a shrinking deficit over the medium term.

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These are not just statistics. These are the foundations for growth and jobs.

This Bill touches us daily in real ways. Let me explain. For those of you buying property, the transfer duty threshold has been adjusted. Properties under R1,2 million will now have no transfer duties. This has accounted for inflation, but let us be honest, in many communities, R1,2 million does not buy what we are used to. Housing needs to become more affordable and not just numbers on paper.

If you are trying to start a business, there is some good news. The Bill extends the Urban Development Zone tax incentive until 2030. This is about encouraging investment in our inner cities and creating jobs where people live. But we need to ask, is this enough? Are these incentives reaching the small business owners in townships and informal settlements? If you are looking for work, the employment tax incentive, the programme that encourages businesses to hire young people, has been adjusted. The maximum monthly incentive for employers hiring qualified employees has increased to R2,500. The earning threshold has gone up to R7,500 per month. However, what really bothers me is that we are making it easier for employees to hire, yet

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unemployment keeps rising. Why? Because the cost of business is too high, crime adds to security costs, and regulations strangle small businesses before they can grow. We are also facing a shadow economy that steals from our communities in the form of illicit cigarettes and counterfeit alcohol. Every rand lost is a rand taken away from clinics, schools, and your neighbourhood police station. When excise duties rise to protect health and fund services, criminals undercut honest businesses. We cannot stand for this. There needs to be stronger customs reinforcement, track, and trace from factory to shelf, and prosecutions that send a clear message that if you steal from South Africans, you will face the consequences. We need to push the Sars to work together with modern technology, iron determination, because every billion recovered is a billion invested in you without raising taxes.

Here is something critical. The Minister of Finance announced a tax increase at the beginning of this year, and the DA fought this to keep money in your pockets. And this Bill is a nail in the coffin for higher VAT. And a higher VAT would have meant everything would have cost you more. But we blocked this increase. We protected the purchasing power, but barely. We are not making things better. We are just preventing them from

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getting worse. The Bill we are discussing today makes small adjustments, adjusts thresholds, tweaks incentives, and blocks tax increases. These are necessary steps, but they are not enough. They are band-aids when we need surgery. We are on the right track, but we need to increase our intensity. We need to spend smarter, not bigger. No more bailouts for failing entities. No more vanity projects when water systems fail. Every rand must be transparent, audited, and deliver value. We need to grow jobs where people live, cut red tape for small businesses, keep lights on, and make things easier to start to build something and hire someone. It means protecting households while we rebuild, keeping that steady, adjusting thresholds in inflation, and supporting first-time workers with incentives that are meaningful. This is the moment. After years of rising debt, we have stabilized the ship. Now we must steer towards growth. Some will say it is too hard. Return to borrowing, spend today, and pay tomorrow. We tried that. It failed. We stole from our children's future to fix yesterday's mistakes. The new chapter is going to be hard, but better: Discipline over waste, jobs over politics, and growth over debt.

To every South African, demand clean government, demand value for your taxes, demand services that work, and support honest

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business. Every rand you spend is a vote for someone's job and someone's dignity. We have the people, the talent, the resources, and now the discipline. Real prosperity is within reach, not in a distant future, but in the choices we make today. We are on the right track. I thank you.

Mr S C SEKOATI: House Chair, the chairperson of the standing committee, the Deputy Minister in the House, the tax system is anchored by a revenue collection service that should contribute to increasing voluntary compliance in order to optimise potential revenue from the existing tax base. At the same time, the National Treasury and Parliament, through the legislative authority, granted by the Money Bills Amendment Procedure and Related Matters Act, can develop laws that expand the tax base. It is of great importance to increase compliance and tackle various illicit financial flows but also take into account that the offshore wealth and trade misprice remain difficult to police.

The ANC has and will consistently call for an increase in the funding of the SA Revenue Service, Sars, in order to respond to strengthen its digital capabilities to recover from the period of the challenges identified in the Nugent Commission in 2018.

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Recent reports on illicit financial flows in South Africa estimate that South Africa loses close to 5% of its current collected tax annually.

Today we can confidently say that Sars has been strengthened on its capacity, and this financially the entity has been allocated an additional R4 billion in the medium term, and this is important to assist us in tackling the challenges such as illicit flows and to enhance the user experience of our tax system.

Sepedi:

Go bohlokwa gore badudi ba kwešiše gore go na le mašelang ao a tšwago ka gare ga naga ka tsela yeo e sego molaong. Se se hlotše gore mmušo wa rena o lahlegelwe ke matlotlo a go lekana 5% go tšwa go motšhelo. Go bohlokwa gore kamoka ga rena, kudukudu dipanka, di se ke tša dumelela batho go ntšha tšhelete ka gare ga naga ka tsela yeo e sego molaong ka lebaka la gore se se palediša naga ya rena go tšwela pele, gape se thibela kgolo ya ekonomi.

English:

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To respond to our nationally determined commitment of lowering our carbon tax emissions, South Africa is currently implementing the Carbon Tax Act and Climate Change Act as instruments of operation of our national policy of developing a carbon tax system. With respect to the adjustment of the carbon tax rate, this has been increased from 69 cents per litre to 99 cents per litre with effect from 1 January 2025.

The ANC supports the implementation of carbon tax measures as they contribute to incentivising adaptation and mitigation strategies by industrial sectors in various sectors. We believe that through increased investment in research and development and in the adoption of advanced technologies, we can contribute to decarbonising the level of emissions from various plants such as technology adopted at Kusile and Medupi power stations. Through our research and development tax incentives, we need to optimise areas that prepare the country for the changing world as the most feasible way to gain from the global economic growth. We welcome the openness of the National Treasury to continue engaging stakeholders in the energy and electricity sector who are the high emitters of carbon.

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Government and Parliament should be based on a just transition that protects livelihood and economy while lowering carbon tax emissions as the chairperson of the standing committee has already alluded, we need to have that balancing act so that as much as we take care of the planet, we are able to make sure that we are also taking care of our own citizens.

The first G20 Summit and successful one held on the African soil made a declaration call in the declaration:

All G20 members and other countries to support the adoption and progressive implementation of universal social protection systems at the national level and through co-operation to support other countries, particularly low-income countries to build capacity and mobilise resources. The G20 further acknowledged the importance of progressive taxation, structural reforms and distributive policies to fund inclusive social protection systems and to reduce inequality and enhance social cohesion.

It is for this reason that we call on National Treasury to continue focussing on key recommendations from the budget of 2025 to consider various alternative progressive taxation and

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adapt our tax system to the changing economy as it is propelled by digital technology. We are also taking into consideration that there are more platforms on the digital economy that accrue profits within a jurisdiction but also further change the people and their incomes. We also call on the National Treasury to continue focussing on strengthening tax treaties with other jurisdictions globally, particularly many expatriates. The focus on enhancing foreign retirement systems, blanket exemption, closing the gap of tax avoidance, nondouble taxation is an important focus. The fact that National Treasury has actually withdrawn or withheld debt shouldn't be an abandonment but a way in which we can continuously ensure that there is a public engagement that is continuous to ensure that we are able to create equitable system for all retirees.

As I conclude, it is also important that there has been a lot that has been said in terms of illicit cigarettes and alcohol.

Sepedi:

Go bohlokwa gore batho ba gaborena ba kwešiše gore bao ba nwago bjalwa bjoo bo sego molaong - bjoo bo tsenego ka gare ga naga ka bomenetša, le bona ba palediša ekonomi ya rena go gola. Gape, ba swanetše ba tsebe gore ba tliša mathata ao mmušo wa rena o

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tlilego go lebana le ona a go aba ditirelo tša maphelo, ka ge disekerete tšeo di sego molaong di hlola mathata a tša maphelo. Go bohlokwa gore batho ba rena le bona ba tšee maikarabelo ka go se reke bjala goba metsoko yeo ka gore ga di thibele feela kgolo ya ekonomi, di tliša le malwetši le tlhokego ya mešomo ka gare ga naga. Batho bao ba di rekišago le bona ba tliša tlhokego ya mešomo.

Go na le gore mmušo wa rena o tšwele pele go šala morago batho bao ba šetšego ba tlišitše mabjala le metsoko yeo e sego molaong, go bohlokwa gore ba tle ka maano a go thibela seo, gore batho ba ba se ke ba tliša tše dingwe ka mo gare ga naga ya rena. Ga se nnete gore lekgetho la godimo la mabjala le disekerete ke lona le dirago gore batho ba rekiše dilo tšeo di sego molaong - tšeo di sa lokelago maphelo a batho. Go bohlokwa gore batho ba rena ...

English:

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon Sekoati, could you please take your seat. Hon Trollip?

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Mr R A P TROLLIP: Chair, I am just waiting because the interpretation is still interpreting while the hon member is sitting down. Can we ask him to slow down a little bit?

IsiXhosa:

... uyayishiya itoliki.

English:

She is still translating now while I am talking. Hey, slow down, man.

The HOUSE CHAIRPERSON (Ms Z Majozi): No, that's not a point of order. Continue, hon member.

Mr S C SEKOATI: I will try to slow down. I have a timer here, hon Trollip. Hon Minister, we support the need for adept stabilisation measures, but we believe we also have room within our revenue-generating parameters. We need to deepen the rigour of devising other tax alternatives but also make sure that we are able to grow the economy.

Sepedi:

Ke a leboga.

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Xitsonga:

Ndza khensa.

Tshivenda:

Ro livhuwa.

Afrikaans:

Baie dankie. [Thank you very much.]

The DEPUTY MINISTER OF FINANCE (Mr A N Sarupen): House Chair, let me thank all the members who contributed to today's debate on this Bill again ...

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon members, can you keep it down!

The DEPUTY MINISTER OF FINANCE (Mr A N Sarupen): Thank you, House Chair. The members' noise is taking some time away from me, I hope you'll add it back in.

Let me start with this word that keeps getting thrown around as a narrative, and that word is austerity. We must be careful not to invent our own definitions for words, because words have

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specific meanings. There is no austerity when our social wage is fully protected. There is no austerity when we are not cutting social grants, we're not cutting basic education, we're not cutting health, we're not cutting policing and we're not cutting free basic services to municipality. This is the opposite of austerity.

But we have to do fiscal consolidation. We've got to manage our public finances responsibly to protect the poor. But we must also understand why are we doing fiscal consolidation. There's a reason for it. It's because we had a debt explosion between 2008 and 2017.

In 2008 we were only spending 1% of our budget on debt service costs. We have to spend 21% now, more than we spend on health, police and infrastructure. It's not because of decisions made today, it's because of decisions made back then. And now we're forced into this to prevent a fiscal cliff.

And the reality is, hon members, that we are having to stabilize the finances of our country and pick debt because we have to prevent a debt crisis.

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Fiscal consolidation is not austerity, it's the price of repairing the damage of the past so we can fund the future.

And the fiscal cliff ... let me tell you what the fiscal cliff means, if we get there it means that government can't pay the bills that keep society functioning, it means that social grants are threatened. It means that the salaries for nurses, teachers, police officers and social workers become uncertain. It means that our infrastructure collapses. It means our interest rate spikes. It means the poor suffers the most, jobs are not created and our sovereignty is compromised. So, we have to do fiscal consolidation. We are doing it responsibly.

And avoiding the fiscal cliff is not an ideological matter. It's about protecting the most vulnerable, preserving the state's ability to deliver and ensure that the country remains in control of its own future.

Now, let me deal with some of the specifics of what was said in the debate. I was quite astounded when we heard some tax figures thrown around, 40% personal income tax and so on and so forth, all of those sorts of things. The truth is ... and I also heard this imaginative claim that the tax of Gross Domestic Product,

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GDP, is 20% to 25%. The measured, except using international recognized mechanisms, tax of GDP is 32%. If we can't agree on the facts, how are we going to have a rational debate at all? We can't make up our own numbers and then come and attack, and it's called straw manning and it should not actually be a good way to handle debates. [Interjections.]

Now ... [Interjections.] ... now, I can give you lots of numbers that are made-up in this debate, but it's not worth it. We know that maybe we need to get more economics lessons into Parliament for some members of this House. I would urge ... maybe we should have an engagement with the Speaker. We can get the University of Cape Town, UCT, economics team to come and help the members, because this is serious policy.

Now, we also heard that the Bill is too complex for ordinary people. Tax legislation is technical because running a modern economy is technical. It's incomprehensible only to people who don't read their documents. If you don't read the Bill and then you come in and say, it's too complicated, that's not the responsibility of the National Treasury. We publish technical memos to explain things as simply as we can and if members are struggling with the complexity of it, that's beyond us.

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But let me say this, there was some constructive interactions around online gambling and what we need to do to deal with that and support for the Treasury's paper. I would encourage members to get public participation on that as we take input on that.

And there was some decent inputs around illicit trade and excise revenue and concerns around that. And the members were correct, illicit activity in cigarettes and alcohol is a major challenge, and the excise revenue has not behaved as it should. But it's not only about excise rates. It's also about enforcement capacity and the damage that was caused when SA Revenue Services, Sars, was hollowed out.

The rebuilding of Sars is yielding results, and as we strengthen enforcement, revenue will stabilize. But we must also be careful to try to tie excise strictly to inflation. We appreciate the intention, but legislating automatic inflation only increases would limit our ability to respond to public health needs and consumption patterns in the country with a high burden on those kinds of things.

If we want to deal with the illicit economy and excise violations we need certainty of detection and certainty of

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prosecution. Certainty of detection and prosecution is the only way to solve crime. And to do that, you need to rebuild institutions.

And again, as I close off, we all know who turned those institutions to dust. Thank you.

Bill read a first time.

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon member, we will now break for lunch.

Hon Trollip!

Mr R A P TROLLIP: House Chair, why don't you just conclude this matter, and do the second reading and then we can move on to the next? Why break in the middle of it?

The HOUSE CHAIRPERSON (Ms Z Majozi): There's no second reading, we are going to the Fifth Order. We are going to the Fifth Order.

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Mr R A P TROLLIP: On a point of order then. You said, read it for the first time. We want the Bill to be read for the second time. Can't just say, read it for the first time.

The HOUSE CHAIRPERSON (Ms Z Majozi): Alright. With that being said, I think we will then complete with the Fifth Order. Yes.

I will allow the secretary to read the Fifth Order.

RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL

(Second Reading)

There was no debate.

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon members, as there is no list of speakers, are there any objections?

Hon Trollip!

Mr R A P TROLLIP: We object and we call for a division.

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The HOUSE CHAIRPERSON (Ms Z Majozi): You should have allowed me to finish first. I would have given you an opportunity.

Mr R A P TROLLIP: ... [Inaudible.] ... problem, you called my name, so, I spoke.

The HOUSE CHAIRPERSON (Ms Z Majozi): I must finish with the rest of the Bill and then I will ask for the objections.

Question put: That the Bill be read a second time.

Division demanded.

The House divided.

[BELLS RUNG FOR 5 MINUTES.]

The HOUSE CHAIRPERSON (Ms Z Majozi): Hon members, the Speaker has determined that in accordance with the rules, a manual voting procedure will be used for this division.

Firstly, in order to establish a quorum, I would request the table to confirm that we have the requisite number of members

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physically present in the chamber and on the virtual platform to take the decision.

Secondly, party Whips will then be given an opportunity to confirm the number of their members present and indicate if they vote for or against the question.

Thirdly, a member who wishes to abstain or vote against the party vote may do so by informing the Chair.

Having confirmed that we have the requisite quorum, we will now proceed.

MANUAL VOTING [Take in from the Minutes.]

Question agreed to.

Bill accordingly read a second time.

BUSINESS SUSPENDED AT 13:42 AND RESUMED AT 14:41.

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CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF
PORTFOLIO COMMITTEE ON WOMEN, YOUTH AND PERSONS WITH
DISABILITIES.

The HOUSE CHAIRPERSON (Mr C T Frolick): I now recognise the hon Chief Whip.

The CHIEF WHIP OF THE LARGEST MINORITY PARTY: Good afternoon, Chair, good afternoon hon members, I move that the Report be adopted. Thank you.

There was no debate.

Declarations of Vote:

Mr T A KHANYILE: Hon Chairperson, our country is facing a deepening crisis of gender-based violence, statutory rape, and teenage pregnancy. This portfolio has a moral and constitutional duty to protect the most vulnerable. Yet once again, we are confronted with budgets and performance plans that do not match the scale of our agency in this emergency. The DA is clear. GBV cannot be fought through slogans and underfunded co-ordination units.

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We need measurable, accountable, properly resourced interventions. The NSP on GBV remains sluggish in implementation with weak interdepartmental co-operation, collaboration, and poor tracking of outcomes. Survivors deserve better than bureaucratic delays. The search in statutory rape and teenage pregnancies, particularly involving girls between 10 and 14-years-old, is a national shame. These are not social issues. These are criminal acts. The DA calls for a strengthened chain of accountability from the SAPS to the NPA to ensure that every statutory rape case results in investigation and prosecution.

We further call for targeted prevention programmes in schools. Accessible reproductive health services and real consequences for officials who fail to report abuse as required by the law and stipulated in the Children's Act 38 of 2005, section 100.

Chairperson, we cannot continue with the business-as-usual approach. While children are being violated, women are being murdered, and young people are locked out of the economy. The DA urges the National Treasury and all implementing departments to put evidence, accountability and effectiveness at the centre of the women, youth and persons with disabilities budgeting. South

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Africans deserve a government that protects them and a state that performs. I thank you.

Mr C G NIEHAUS: Hon Chairperson, the Economic Freedom Fighters rejects this BRRR with deep concern. This department is failing women, youth, and persons with disabilities at the most basic level. The same problems are repeated every year. Late reports, weak financial controls, repeated audit failings, unfulfilled critical posts and a shocking dependence on consultants while funded vacancies stay empty. Gender-based violence continues to terrorise our communities daily. Yet this department cannot even get basic information from other departments.

The Disability Rights Bill crawls forward. Monitoring of the National Strategic Plan on GBV is weak and the sanitary dignity programme remains largely unfulfilled. The National Youth Development Agency again failed to table its annual report on time and received yet another qualified audit. Our youth deserve better than chaos and incompetence. This BRRR exposes poor planning, poor governance, and zero accountability.

We cannot keep rewarding failure with budgets while recommendations are ignored year after year. The EFF demands a

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complete structural overhaul of this department. Without decisive leadership and real accountability, it will remain incapable of championing the rights of women, youth and persons with disabilities.

For these reasons, the EFF rejects this BRRR. We must stop this shameful abuse and neglect of some of the most deserving and vulnerable in our society. The EFF will never rubber stamp mediocrity, incompetence and neglect disguised as progress. I thank you.

Ms B E MACHI: Chairperson, this report highlights both progress and persistent challenges within the Department of Women, Youth and Persons with Disabilities. While several targets were achieved across core programmes, we remain concerned about under-expenditure, delayed legislative processes and incomplete submission of a report, which weakens oversight and accountability. Programmes such as mainstreaming women's rights and advocacy, the right of youth, and the right of persons with disabilities have shown progress. Yet, gaps remain in monitoring, impact, financial management, and alignment with the department's mandate.

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The slow finalisation of critical bills, including Women's Empowerment and Gender Equity Bill, South African Youth Development Bill, and Disability Rights Bill, requires urgent attention. We are also concerned about irregular and fruitless expenditure over reliance on consultants and the capacity constraints within the department, the Commission for Gender Equality, and the National Youth Development Agency.

We urge stronger monitoring, adherence to mandates, timely submissions of reports, improved financial management and full implementation of programmes, including the Signatory Dignities Programme and the GBVF initiatives. We support the report and call on the department, CGE and NYDA to act decisively to enhance accountability, efficiency and safety. Thank you, Chairperson.

IsiZulu:

Nk N BUTHELEZI: Sihlalo ohoniphekile, amalunga ahloniphekile bahlali baseNingizimu Africa, uMkhonto Wesizwe Party ukubeka ngokusobala ngezwi elikhulu ngaphandle kokungabaza ukuthi siyaphikisana nalombiko we-BRR, ngoba lo mbiko ukubeka ngokusobala ukuthi uMnyango wehlulekile ukwenza iqiniso kubantu besifazane, intsha, kanye nabantu abakhubazekile.

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English:

The report shows that 57% of the entire operational budget is spent on administration, yet this programme achieves only four out of eight targets. Meanwhile, the core programmes that are supposed to empower people, women, youth and persons with disabilities together receive less than half of the budget. The youth programme gets only 4.5% of the budget and still fails most of its targets.

IsiZulu:

Kuyihlazo elikhulu lokhu ezweni lapho intsha ifuna imisebenzi, amathuba kanye nesithunzi.

English:

The report shows that the department employed 114 consultants, costing the state R5,7 million.

IsiZulu:

Okuxakayo ukuthi ...

English:

...these consultants ...

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IsiZulu:

... enza umsebenzi ovele wenziwa abasebenzi behhovisi. Ngiyasola ke ukuthi enye yezindlela zokukwabanisa. Uqasha kanjani ama-consultants babe bakhona abaqashelwe ukwenza lowo msebenzi?

English:

This is not mismanagement. This is daylight abuse, robbery of public funds.

IsiZulu:

Lo Mnyango uhleze usidlisa ushevu nje. Usinike ama ...

English:

... glossy documents, but delivers nothing of substance to women, youth and persons with disabilities.

IsiZulu:

Kahle, kahle, nje silashwa kwamthakathi. Okukhathazayo kakhulu ukuthi umsebenzi woMnyango awubonakali emiphakathini. Abesifazane basahlukunyezwa namanje, izinga lokungasebenzi kwentsha liyakhuphuka kanti abantu abakhubazekile basaqhubeka nokushiya ngaphandle. Abantu eNingizumu Afrika bafanelwe

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okungcono futhi uMkhonto weSizwe uzolwa kuze kube sekugcineni ngenxa yokungasebenzi kahle nokwehluleka ukuletha uguquko kubantu.

English:

We reject this BRRR report loudly and clearly.

Ms S M PETERS: Hon House Chair, members, the PA supports this report, but it let us be clear, the department must step up its game. Yes, a clean audit in the Youth Empowerment Program is on paper, but our reality is not written on paper. Our reality is our communities, where thousands of young people are still sitting at home with no jobs, no opportunities and no hope.

A clean audit means nothing if our youth remain trapped in poverty. The department must move beyond paperwork and deliver real, practical empowerment that changes lives on the ground. We need programs that actually work, that give our young people skills, dignity and a future. The youth are the future of the country. However, right now, we are failing them - and when you fail the youth, you fail the nation.

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It is our duty to lift them up, to open doors, and to make sure they have the tools to build a better South Africa. The time for talk is over. It is time for action now. Thank you.

Mrs H DENNER: No declaration, House Chair. We support the report.

Dr T K S LETLAPE: House Chair, this committee has one of the important tasks in our society because if you take women, youth and persons with disabilities, you are accounting for more than 65% of the population of this country. It is the most under-resourced committee, given the tasks that face it. There are challenges in terms of employment, accountability and spent funds, but the biggest problem that this unit has is gross underfunding and it not being made important.

The budget for them to engage with communities is the smallest amount in their budget, and that is the biggest task for that committee. If we are to deal with our social ills, from statutory rape to homelessness, to children without parents, we need to restore the family. They don't have any funds for meaningful engagement with the communities. We have devoted far

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more for an intended community dialogue than we give to this department.

So, we, as parliamentarians, need to ensure that they have a proper plan that will change things in society, but it needs to be properly funded. When you look at persons with disabilities, they have no assistance in their family, they have no assistance in the workplace, they have poor access to educational opportunities, and yet, every day, we talk about that when the unit is not properly funded.

So, what I ask from the Minister is that the Minister presents a proper plan, and we as a committee will come to this House to ensure that they are given appropriate resources to be able to save this country by serving women, youth and persons with disabilities better than we are doing right now.

Mr S N SWART: House Chair, the ACDP notes that social media and civil society have questioned whether resources truly reach vulnerable communities, particularly women in rural areas. Now, the department's core mandate is monitoring, evaluation, research and coordination. Yet, it seems to be largely failing in this regard, perhaps lacking analytical software and

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information. We note underspending on certain critical programs whilst overspending on administration.

Women are the backbone of our families and communities, as the ACDP has consistently stated, and too often they put their husbands and children and others first, whilst their own needs remain unheard, apparently to a large degree also by this department. In the ACDP's submission to the Youth Parliament earlier this year, we stressed that empowerment must begin with dignity and recognition of women's sacrifices. While we commend initiatives that promote women's entrepreneurship and leadership, yet we lament the slow pace of implementation of excellent ideas.

The committee's recommendations urge stronger accountability and targeted funding for women's programs, which the ACDP supports. As kingdom builders, unashamedly and unapologetically founded on biblical foundations, the ACDP draws from the wisdom and strength of many women in the Bible - of Deborah, Rahab, Ruth, Esther and Mary, the mother of Jesus. We know all too well that when we place the nation's women at the centre of our priorities, women rise, families thrive and the nation prospers. I thank you.

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Mr I ISMAIL-MOOSA: Hon Chair, hon Speaker, hon members, beloved family of South African residents, I rise to note the committee's report and to affirm that the protection and empowerment of women, youth and persons with disabilities must be actionable. The report makes clear that while progress has been made, gaps in implementation, co-ordination, and accountability exist.

Al Jama-ah's view is we must strengthen oversight over departments tasked with disability inclusion, ensure that youth development programs translate into real economic opportunities and intensify our fight against gender-based violence with adequately funded interventions.

As Al Jama-ah, we echo the urgency. No nation can thrive while its women remain unsafe, its youth unemployed and its persons with disabilities excluded from opportunities. Let us move forward with this decisive action. Women and youth are instrumental in crafting good foundational values. Thank you.

Mrs T M CHAUKE-ADONIS: Hon Chair and hon members, as we reflect on this BRR Report for women, youth and persons with disabilities, we are reminded of the barriers and the systematic

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challenges that are faced by women, youth and persons with disabilities. However, equally to this, we would like to applaud the department on its clean audit. This does not come with its challenges.

Due to the inefficiency and inability to acquire more resources and financial support, this department has been put under a lot of financial constraints. We do understand that its mandate is to monitor, evaluate and also oversee other departmental programs that are related to persons with disabilities, youth and women.

With this mammoth task, we, as the ANC, feel that we should be able to provide this department with the necessary support. However, additionally, it is equally important for us to emphasise that this department needs to stretch itself in its interdepartmental collaboration, oversight, monitoring and evaluation and planning strategic framework.

Additionally, when we reflect on the Bill on the Rights of Persons with Disabilities, it is equally important for us to re-emphasise the importance of this department fast-tracking the implementation and the submission of that piece of legislation.

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It will seek to empower the department in its work and its endeavour. If you look at institutions such as CGE and NYDA, these are instrumental institutions that must support the work of this particular department in meeting its constitutional mandate.

We equally must re-emphasize that this department has a role and responsibility on implementing legislation that seek to empower women, youth and persons with disabilities. Therefore, its legislative mandate must be met. We say to the Minister, that it is time for you to really take the power that is given to you. We must start to oversee the departments. We must ensure that there is gender responsive budgeting that is taking place. We must ensure that there is adequate service delivery. [Time expired.] We support the report.

Question put.

Objections noted.

Report is agreed to.

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CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF
PORTFOLIO COMMITTEE ON SMALL BUSINESS DEVELOPMENT ON PERFORMANCE
OF DEPARTMENT OF SMALL BUSINESS DEVELOPMENT AND ITS ENTITY

There was no debate.

The CHIEF WHIP OF THE LARGEST MINORITY PARTY: House Chair, I
move that the report be adopted.

Declarations of vote:

Mr H C C KRÜGER: House Chair, this declaration comes at a time
when small businesses, the backbone for small towns, villages,
and township economies, are choking under local government
collapses. However, the Deputy Minister, Jane Sithole, brings a
fresh breeze to this department.

The DA notes and welcomes that the department received an
unqualified audit with no material findings for the financial
year 2024-25. Throughout the Medium-Term Strategic Framework,
MTSF, period the Department of Small Business Development claims
an 88% performance achievement and underspending across all four
key programmes, underutilising their budget allocations due to
vacant posts.

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The elephant in the room, however, is that the draft business licensing Bill sent all the wrong messages to small businesses. Instead of slashing red tape, the draft Bill will double it, further complicating the lives of our small businesses. The Bill seeks that businesses must have a license to operate, but licenses are there to protect people from danger. That's why restaurants have food safety requirements and factories must ensure occupational safety. These areas are already regulated.

The proposed legislation wants municipalities to administer and enforce business licenses. Many of them are dysfunctional. Imagine the level of frustration of our entrepreneurs. New licensing requirements won't create jobs; they will kill them. Thank you.

The HOUSE CHAIRPERSON (Mr C T Frolick): May I request the member there at the back to switch off their microphone, please. Next to hon Swart. Thank you. Please proceed.

Ms M C MAFAGANE: The MKP rejects this Budgetary Review and Recommendation Report, BRRR, viewing it as a political decoy, a polish illusion meant to pacify the black majority while the real economy remains firmly in the hands of a selected elite

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white monopoly capital. This report is merely a cosmetic exercise that sells hope without genuine transformation, performance without real power, and statistics without substances.

While we are told that inclusion is growing, the BRRR itself reveals internal chaos, fragmented systems, weak leadership, failing measures, and chronic underperformance. It boasts of clean audits, while overlooking the harsh reality. Black people are still deliberately excluded from meaningful ownership and confined to the lowest ranks of the economy.

This BRRR purports to uplift black entrepreneurs, but in reality, it reinforces an economy where we are encouraged to hustle, trade small goods, and survive on micro grants, while the commanding heights of the economy remain untouched and untransformed. Key sectors such as retail, banking, logistics, energy, property, mining, and agri-processing are all still controlled by the same entrenched minority power structures. Nothing in this report challenged that reality.

These programmes do not dismantle economic apartheid; they merely manage it. They do not shift ownership; they stabilise

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exclusion. They do not empower the marginalised, instead, they recycle poverty in the name of development ... [Time expired.] ... We reject this report.

Dr S S THEMBEKWAYO: House Chairperson, the EFF reject the Budgetary Review and Recommendation Report of the Portfolio Committee on Small Business Development. The report reflects the failures of a department that continues to fail millions of micro and small businesses, co-operatives, township enterprises, and informal traders, despite billions of rands being allocated to it.

Vacancies stand at 19,6% - nearly one in five posts unfilled, and the department has never met its own target of 10% vacancy rate. Programme after programme fail due to lack of capacity, delays, and poor internal management. The EFF rejects this culture of mediocrity. A department with such a high vacancy rate cannot lead national economic transformation.

Co-operatives are meant to be the backbone of rural and township economies. Yet, the report confirms that co-operative support programmes miss targets repeatedly, including the Co-operative Development Support Programme. The Small Enterprise Development

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and Finance Agency, SEDFA, failed to assist co-operatives and township enterprises in critical programmes such as general dealer programme, asset assist, technology transfer assistance. These failures prove that the department has no coherent plan to build co-operative economies.

The report confirms that the provincial investment promotion agencies like the Northern Cape Economic Development, Trade and Investment Promotion Agency, NCEDA, Free State Corporation, FDC, and Trade and Investment KwaZulu-Natal, TIKZN, are in a state of collapse. This committee has warned repeatedly that Provincial Investment

Promotion Agencies, PIPAs, are dysfunctional and once again failed to process applications ... [Time expired.] ... The EFF rejects this report. Thank you, House Chair.

Ms B E MACHI: The IFP commends the department for securing its fourth consecutive clean audit. However, ongoing operational witnesses continue to hinder progress towards the job creation goals outlined in the National Development Plan. The newly emerged small enterprise development finance agents did receive an unqualified audit, yet the material findings on performance

information raise serious concerns about the accuracy and credibility of its report.

These challenges are made worse by the department's high vacancy rate, which contributes to the underspending and weakens its overall delivery capacity. The IFP therefore calls for urgent recruitment to close the vacancy gap and ensure that public funds result in measurable outcomes for small enterprises. We urge the Ministry to introduce GPS-based tracking for all projects to strengthen transparency and ensuring viability accountability. The IFP accepts this report but emphasises that clean audit must align with credible service delivery, accountability, and firm implementation. I thank you, House Chairperson.

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, the PA?

Ms S M PETERS: No declaration, we support.

The HOUSE CHAIRPERSON (Mr C T Frolick): FF Plus?

Afrikaans:

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Dr W J BOSHOFF: Agb Voorsitter, hierdie skoon oudit is 'n goeie ding. Dit is altyd beter om 'n skoon oudit te hê as 'n gekwalifiseerde een. Die vraag is net of die departement eenige funksie vervul, of eenige positiewe rol speel en of dit 'n rede het om daar te wees. Ons stem almal daarmee saam dat kleinsake-ontwikkeling 'n grondslag is vir ekonomiese groei. Maar dan, as daar 'n department ...

English:

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members.

Mrs H DENNER: Point of order, hon Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon member?

Mrs H DENNER: Chairperson, my member has just been told that he's speaking a foreign language that doesn't belong here. I would like you to rule on that, please.

The HOUSE CHAIRPERSON (Mr C T Frolick): No.

Mrs H DENNER: Then ask the members to allow him to finish his declaration. Thank you.

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The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, all of us are aware that we have a number of official languages in this country and any language can be used in the House. Please proceed.

Afrikaans:

Dr W J BOSHOFF: Dankie agb Voorsitter. Dit is miskien die hele probleem ...

English:

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon Mkhalipi, why do you want to be recognised?

Ms H O MKHALIPI: No, the problem is, he's running very fast.

The HOUSE CHAIRPERSON (Mr C T Frolick): No, hon member ...

[Interjections.]. Hon member, you can't ... [Interjections.] ...

Hon Mkhalipi, you are out of order. You can't determine at what rate the member must speak.

The interpreter is separate ... [Interjections.].

Afrikaans:

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'n AGB LID: Voorsitter, ons probleem is nie Afrikaans nie. Die probleem is dat hy praat te vining. Dit is wat ons se.

English:

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member ...
[Interjections.] ... please keep quiet now, hon member. There's, there's ... Order! Order! Order! Hon member, you may proceed.

Dr W J BOSHOF: I only have two minutes and there are so many things to say.

The HOUSE CHAIRPERSON (Mr C T Frolick): Order hon members! Hon members, if you keep on interrupting the member, I'm going to ask you to leave the Chamber, it's simple. Please proceed.

Afrikaans:

Dr W J BOSHOF: Voorsitter, as ons kyk na die klein sake-omgewing van Suid-Afrika, dan is dit potensiel een van die mees dinamiese in mees gevolkryke dele van die ekonomie wat daar is.

Ek wervys nogal dikwels in persoonlike gespreke na die boek wat ... nou het ek sy naam vergeet, die man wat *KasiNomics* geskryf het, G G Alcock, waarin hy 'n goeie insig gee van hoe besighede

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floreer wanner hulle 'n bietjie uitgelos word, wanneer hulle gelos word om hulle werk self te doen soos wat hulle dit self goedvind.

Die probleem is dat ons hierdie departement het wat in plaas van om hande los te maak sodat deelnemers meer kan doen, jy eintlik departementele amptenare het wat wonder wat kan hulle vandag nog reguleer, wak kan hulle ekstra doen. As hulle dit aan volgens ouditvereistes doen, dan kry jy 'n skoon oudit maar jy het nog steeds nie 'n ekonomie wat groei nie.

Ons kyk net nou na twee ander departemente waarvan 'n mens dieselfde oordeel kan maak en dit is om te sê dat as jy 'n departement het wat alles doen wat van hom verwag word, maar die resultate is so swaak, by voorbeeld dat jy 'n ekonomie het wat stilstaan terwyl hy behoort te groei. Dan beteken dit die departement doen die verkeerde ding, reg. Dankie.

English:

Mr A D BEESLEY: Hon Chair, South Africa's small business owners are amongst the most resilient in our country, yet they remain some of the least supported by their own government.

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Year after year, we talk of small, medium and micro enterprises, SMMEs, as the backbone of the economy, but the township entrepreneur, the informal trader, and the co-operative remain locked out of meaningful support. The township economy still cannot access the funding, networks and opportunities it needs to grow, hire and thrive. We need spazas for locals, spazas for growth and spazas for jobs, and right now Chair, they are getting none of the above.

Instead of reducing red tape, government is advancing new licensing legislation that risks suffocating small enterprises with more compliance, more penalties and more hoops to jump through. At a time when entrepreneurs are doing everything they can to survive, the department should not be adding burdens that make it harder to start or grow a business. If we want jobs, we must stop strangling the job creators.

Turning to the Budgetary Review and Recommendation Report, BRRR, ActionSA will support this report. We welcome the committee's focus on filling critical vacancies, ensuring proper consequence management, improving financial reporting and strengthening the oversight of programme implementation. These are necessary steps. However, Chair, none of these recommendations will matter

if small businesses remain trapped in an environment that works against them.

The department must create conditions that allow entrepreneurs to expand, innovate and employ more people. Until small business owners are freed from excessive red tape and backed by real practical support, South Africa's SMME sector will not reach its potential, and our economy will never recover. Thank you.

Mr S N SWART: House Chair, the ACDP has taken note of this report, and it emphasises underspending on enterprise support programmes whilst administrative costs remain disproportionately high. This raises concerns about whether resources are in fact reaching entrepreneurs at the grassroots level.

Over the past year, press coverage has pointed to frustrations amongst small business owners who struggle to access funding despite budget allocations. A *Mail & Guardian* article notes, "Small businesses left waiting as Small Enterprise Finance Agency, Sefa, loan delays stall growth." It notes further that entrepreneurs complain that loan approvals take months, with disbursements delayed further, eroding trust in government's promise of support. Now, social media commentary has also echoed

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these concerns, with entrepreneurs lamenting red tape and slow turnaround times.

The proposed Business Licensing Bill will add to this red tape and really needs to be considered very carefully, as it will have a devastating impact on small and informal businesses that are already struggling and will have, again, a destructive impact on our economy as a whole.

The ACDP has consistently argued that small businesses are the lifeblood of our economy and should be treated as such; such a Bill needs to be reconsidered. As kingdom builders, the ACDP calls for all departments to ensure that every rand allocated to small business development translates into real opportunities. When entrepreneurs thrive, our economies prosper, South Africa's economy grows and jobs are created. I thank you. The ACDP will support this report.

IsiXhosa:

Mnu N L S KWANKWA: Sihlalo weNdlu, ndandilityendyana lomfana apha sifundekela sithetha le nto inye ...

English:

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... of the Department of Small Business Development that has a budget of R2 billion.

IsiXhosa:

Sicinga ukuba siza kuthi ...

English:

... small businesses, big businesses. But with SA Airways, SAA ...

IsiXhosa:

... babesisithi noba sithe tshe iifaskoti zabo sibabulise nge R10 yezigidi zezigidi, namanye amaqumrhu karhulumente. Asisokuze ...

English:

... up until we address the funding of small businesses ...

IsiXhosa:

... sikwazi ukucinga ukuba amashishini asakhasayo aza kukhula. Alikwazi isebe ukuza kusiqhatha apha ithi yona ibhiyozela into yokuba ibhatala abantu kwiintsuku ezingama-30. Ubulindele ukubabhatala nini kodwa inkonzo uyifumene?

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Okwesibini isebe belingafanelekanga ukub lithi eyona njongo yalo kukubhatala abantu bamashishini asakhasayo ngethuba, lifanele ukujonga urhulumente wonke kuba uxanduva lwabo ngamashishini asakhasayo ewonke hayi la akubo.

Phofu nale mali yohlahlo lwabiwo-mali bathi besakuyigqithisela kumaqurhu bashiyeke nento engekho baphokoqhe iminwe baphinde bathi bane ...

English:

... clean audit.

IsiXhosa:

La maqumrhu afika enze unobenani zifane ne

English:

... National Youth Development Agency NYDA.

IsiXhosa:

Ndagqibela ukuyiva ngalamini yayiphuzana esidlangalaleni benkonkoshelana pha ngolwima singayazi ukuthi izakuba negalelo elithini loo nto ebantwini. Nale nto ...

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English:

... which is very important, access markets both domestically, continentally and internationally if you like. It's a very important programme until there is a breakdown ...

IsiXhosa:

... ukuthi zeziphi ezi zinto zisuka kumashishini asakhasayo ...

English:

... to which domestic markets, what was the value of that including this financial and nonfinancial support. Until we are able to quantify it properly, we can't measure it and track it.

IsiXhosa:

Nam ndandinenkqubo kudala ndicedwa yi ...

English:

... SA Reserve Bank ...

IsiXhosa:

... apho sasi cebisa abantu bamashishini asakhasayo eGugulethu. Nam ndingathi yi ...

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English:

... nonfinancial support ...

IsiXhosa:

... ndize kunixhomela apha. Kodwa onke lo mashishini atshona. kuba mna ndandingenamali yokuwanika nto. Kufuneka sikwazi ukulandelela kakuhle singabingamanani nje ...

English:

... nominal figures without looking at real magnitudes ...

IsiXhosa:

... ukuze sikwazi ukuyibona ...

English:

... the performance of this department. Until we address the funding constraints and the challenges ...

IsiXhosa:

... kuphandle. [Kwaphela ixesha.]

English:

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Mrs N L HLAZO-WEBSTER: Chair, small businesses are meant to be South Africa's greatest weapon against unemployment. In fact, our National Development Plan, NDP, states very clearly that 90% of new jobs should come from SMMEs by 2030. But what this BRRR that is before us forces us to confront is that our small business support system is actually failing small businesses. It's not delivering jobs at the scale that our economy desperately needs. It's certainly not at the scale that is expected according to our NDP.

The Department of Small Business Development, DSBD, has had a technically strong year. It has achieved 88% of targets, 98% of its budget and there's a clean audit. This is commendable as an administrative achievement. But the real measure that South Africans care about is this: Are businesses being funded? Are they being trained? Are they being incubated? Are they actually creating jobs? What is clear is that is not what is happening because, ultimately, you have annual performance plans, APPs, and other plans that are tick box exercises, that don't actually stand to implement or to impact businesses in the way that they should. You have APPs that speak about businesses supported. What does that even mean? And ultimately, how does that impact the small business sector in South Africa?

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We still have co-operatives that continue to falter. We have low survival rates. We have internationalisation programmes, which should be helping SMMEs to break into African markets, but those programmes are stalling. There's too many interventions that are small that are not relevant. We have interventions, things that look the same way that they did a good 10-12 years ago. In a changing economy and in a changing world, we've still got red tape, and that becomes a slogan that is often spoken about, but there's no differences that we see. We're not seeing skills development or increasing digital and entrepreneurial capability. So, ultimately, this BRRR makes it clear that we are nowhere near unlocking the potential we need to for SMMEs, therefore, we cannot support it. Thank you.

Mr I ISMAIL-MOOSA: Hon Chairperson, hon members, and beloved family of residents, I love diversity.

Arabic:

As salaamu alai kum. [Peace be with you.] A`udhu billahi minash shaytan nir-rajim. Bismillah-ir Rahman nir Raheem. [I seek refuge in Allah from Satan, the accursed. In the name of Allah, the Beneficent, the Merciful.]

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English:

I love diversity with languages as well. Sometimes it is good. The Budgetary Review and Recommendation Report, BRRR, before us today highlights both the promise and the persistent shortcomings within the Department of Small Business Development and its entities. As Al Jama-ah, we acknowledge the department's efforts to expand access to finance, support township and rural enterprises, and strengthen the Small, Medium and Micro Enterprise, SMME, ecosystem. These interventions are vital, particularly as small businesses remain the backbone of job creation in our communities. However, the report also exposes ongoing challenges: underspending in critical programmes, slow turnaround times for funding approvals, and inadequate monitoring of agencies such as Small Enterprise Development Agency, Seda, and Small Enterprise Finance Agency, Sefa. These failures directly impact entrepreneurs who depend on an efficient state to unlock their potential. We therefore support the committee's recommendations for stricter financial discipline, improved performance management, and a more coherent strategy for supporting micro-enterprises, co-operatives, and informal traders. South Africa cannot afford bureaucratic delays when livelihoods are at stake.

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Chairperson, our nation's economic recovery depends on empowering small businesses, not in policy documents, but in practical, timely delivery. Let us ensure this department fulfils its mandate with urgency and accountability.

Arabic:

Jazakallah khairan. [May Allah reward you with goodness.]

IsiZulu:

Malibongwe.

Mr C N MALEMATJA: House Chair, Chief Whip, hon members, fellow South Africans, the ANC supports the BRRR of the Portfolio Committee on Small Business Development. As the ANC, we reaffirm that micro, small, and medium enterprises are vital drivers of inclusive economic growth, localized job creation, and broad-based economic participation. Strengthening this sector is essential to advance the transformation objectives of non-racial, non-sexist, and prosperous South Africa, which are goals of the National Democratic Revolution.

The ANC welcomes the committee's thorough assessment of the Department of Small Business Development and its entity,

endorses the recommendation aimed at improving institutional efficiency, strengthening accountability, and accelerating the rollout of support programmes. The ANC particularly noted the need to enhance co-ordination across the spheres of government to reduce the red tape, streamline licensing processes, and ensure that it reaches entrepreneurs in townships, rural areas, and the informal economy.

We further support the call to expand blended financial instruments, improve data systems for tracking SMMEs' performance, and fast-track initiatives that build resilience and competitiveness within the sector. These interventions align closely with the ANC's commitment to economic reconstruction, industrialization, and the empowerment of women, youth, and people with disabilities.

The ANC emphasizes that a well-resourced, performance-driven Department of Small Business Development, DSBD, is central to unlocking South Africa's entrepreneurial potential. We therefore endorse the BRRR as an important mechanism for strengthening oversight, guiding budget allocation, and ensuring measurable progress in transforming the SMME ecosystem.

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The ANC proudly supports this report and remains committed to building a vibrant small business sector that contributes meaningfully to shared prosperity ... [Time expired.] ... for all our people. Thank you. We support.

Question put: That the Report be adopted.

Motion agreed to (Economic Freedom Fighters, uMkhonto weSizwe Party, United Democratic Movement, and Build One South Africa dissenting).

Report accordingly adopted.

**CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF
PORTFOLIO COMMITTEE ON EMPLOYMENT AND LABOUR**

There was no debate.

The Chief Whip moved: That the Report be adopted.

Declarations of vote:

Mr M BAGRAIM: Chairperson, it is now well known that we have over 40% unemployment in South Africa. The Department of

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Employment and Labour, unfortunately, lies at the forefront of this failure. Since its name changed to Employment and Labour, headline unemployment is now 4% points higher. The department's archaic attempts to centralize job creation have failed. Over and above the unemployment being the order of the day, we have treated those who do find jobs with disdain and insult. One only needs to have a look at the Unemployment Insurance Fund and the Compensation Fund to understand how our administrators and our systems have abused those who have found employment. The employers in South Africa can all testify to how difficult it is to register new employers for the Unemployment Insurance Fund, UIF, and the Compensation Fund. The employers are stepping into a deep dark hole when trying to help injured employees claim rightful compensation. The employees who have been contributing to the UIF for decades are treated ... [Inaudible.] ... Many millions have been spent on computer systems within the Department of Employment and Labour, which has effectively gone to waste. We need to wake up to the fact that the plethora of labour laws and regulations are handbrakes to job creation and certainly an indication of how state machinery is destroying the will of the hardworking South Africans. Renewing the UIF and the Compensation Fund will require starting at square one. We hope the Minister understands that and then does so. Thank you.

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Ms H H MBHELE: Chairperson, as the MK party, we reject the BRRR budget. The BRRR budget paints an image of progress, yet the lived realities of the workers and unemployed citizens expose a department that is failing in its mandate. The report itself confirms the persistent governance failures, a qualified audit opinion, irregular expenditure, and a vacancy rate of 34%, all of which point to the department's inability to deliver services. One of the most critical failures is the severe shortage of labour inspectors, a problem acknowledged in several provincial assessments. This shortage has nothing to do with inadequate funding. Rather, it is caused by the lack of political will from the Government of National Unity, GNU. As a result, workplace abuses continue unchecked while employees suffer exploitation without timely intervention. The department mandated to protect them is absent.

Additionally, the Unemployment Insurance Fund continues to fail thousands of workers. Cases in the Free State demonstrate that UIF payments are delayed for up to three years due to administrative negligence. This is not an isolation challenge, but a systematic collapse in the UIF governance. Corruption within the department further compromises service delivery. Funds made to strengthen labour protection are diverted towards

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non-departmental purposes, leaving no capacity to employ additional personnel or upgrade failing systems.

Meanwhile, the Labour Activation Programme, a supposedly programme for job creation, has proven to be a money-making scheme rather than a meaningful intervention. Despite the BRRR celebrating department's achievements non-meaningfully address South Africa's unemployment crisis ... [Time expired.] ... 46,1%, we regret. Thank you.

Ms T J MOKWELE: Chairperson, the EFF rejects the budgetary review and recommendation report, BRRR, of the Portfolio Committee on Employment and Labour. This report, whilst pretending to assess the department and its entities, exposes the profound failures of a system entrenched in neoliberal policies that perpetuate unemployment, inequality, and the exploitation of workers.

The report shows that the department was allocated about R3,85 billion in the 2024-2025 financial year, with approximately R1,26 billion allocated to the Labour Policy and Industrial Relations branch that funds the key market institutions such as the Commission for Conciliation, Mediation

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and Arbitration, CCMA, and the National Economic Development and Labour Council. The CCMA continues to operate within a system that entrenches the oppression of workers by employers, a neoliberal system that protects profit over vulnerable workers. About R661 million was allocated to the Inspection and Enforcement Services unit, mandated to protect workers by enforcing employers' compliance. Yet this unit spent only 27% of its allocation, largely because there are too few inspectors across the country. The Government of National Unity is failing our people.

Despite the Unemployment Insurance Fund, UIF, managing to recover about R2,5 billion from the COVID-19 Temporary Employer and Employee Relief Scheme through strengthened verification systems, the entity remains riddled with corrupt activities. The lack of consequence management has resulted in repeated failures to meet its goals. The department's failure to hold corrupt officials accountable is a failure of government to protect workers and the working class.

The EFF reiterates the need for drastic economic transformation. Without land, the majority will continue to ... The EFF rejects this report. [Time expired.]

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Mr A K NGOBESE: House Chair, the IFP acknowledges the critical role of South Africa's labour force as the backbone of the national fiscus. Through various forms of taxation, it is the workforce that sustains the key pillars of our state that are essential to economic growth.

It is against this backdrop that the IFP raises concerns regarding the state of governance within the UIF. The most recent audit findings reflect instability in leadership and structural flaws in the design of advisories or reports that lack decisive authority. The IFP calls upon the Department of Employment and Labour to urgently appoint stable, competent, and permanent leadership within the UIF. Leadership continuity is essential to restore credibility and strengthen governance systems. We have also noted the slow pace in modernising the UIF system, something that has contributed to delays in claim processing and increased vulnerability to fraud.

Accordingly, we recommend a clearer separation between governance and administration within the UIF. This reform will curb political interference and enable the UIF Commissioner to exercise operational independence and maintain appropriate alignment with national policy priorities.

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I thank you. The IFP accepts the report.

Ms J A BASSON: I am coming home! Chair, 3%, 2%, 0,27%: ...

Afrikaans:

... Is ons as reënboognasie tevrede met die Wet op Gelyke
Indiensneming? Waar pas blank, kleurling, of Indiërs in ons
werksmag?

English:

We as the PA support this report. However, whilst the report is
well compiled and informative, the reality on the ground speaks
a different language. There are a few words the department
urgently needs to improve on, and that is "efficiency" and
"equity" in the Employment Equity Act. All our people in South
Africa deserve jobs – every race – and they deserve it as in
yesterday.

It is unacceptable that our voters stand in queues for days and
leave without making any progress at any Home Affairs office. No
identity document, no SA Social Security Agency payouts –
nothing – they must return another day. It is inhumane and an

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utter embarrassment for us as lawmakers. Jobs for sale, cadre deployment, jobs for votes – this needs to stop.

Afrikaans:

Van die Kaapse Vlakte tot die hartland van Soweto, selfs die mense in die uithoeke van Mpumalanga verdien werk, verdien beter dienslewering. Dit maak nie saak van watter uithoek in Suid-Afrika jy kom of gaan nie.

English:

You deserve the best this government can offer. Service delivery and employment must not just be slogans, pretty words on paper. It needs to be a reality. All the people in South Africa deserve equal opportunity. Race, language, and religion should never divide us. Thank you.

Mrs H DENNER: House Chair, the national labour market is under severe pressure. We have an unemployment rate of more than 31% and a youth unemployment rate exceeding 45%.

Formal job creation remains stagnant. With this as background, the Department of Employment and Labour achieved only 73% of its annual targets, reflecting a decline from 81% in the previous

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year, and regressed to a qualified audit opinion. The systemic regression is underpinned by institutional instability, including a 34% vacancy rate, leadership instability, and the accumulation of R271 million in irregular expenditure.

Key entities are in crisis. Supported employment enterprises received an adverse audit opinion. The Compensation Fund received a disclaimer audit opinion for the second consecutive year. The UIF is marred by a leadership-instability crisis, with three Acting Commissioners serving during the year. This all boils down to a leadership crisis. If there is a lack of political will, and an absolute refusal to acknowledge mistakes and take responsibility to do what is needed to fix the problem, the organisation will inevitably suffer – and we see that in practice at the Department of Employment and Labour. Excessive red tape, bureaucracy, and overregulation of the labour market will persistently hamper job creation if this department does not address these legislative and operational failures and decisively reverse this operational and governance collapse. I thank you.

Dr T K S LETLAPE: House Chair, ActionSA will support this BRRR, but we must confront an uncomfortable truth. The Department of

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Employment and Labour has become the "Department of No Jobs and No Responsibility". This BRRR again exposes the same failings we have raised year after year, most critically the state of the UIF and the Compensation Fund.

These funds exist to protect the most vulnerable workers in our country: the dismissed, the injured, the sick, and the families left behind when a breadwinner dies. Yet the very lifelines meant to safeguard workers are being mismanaged, looted, and allowed to deteriorate. How can you talk about creating and maintaining jobs when workers cannot even trust that the contributions deducted from their salaries every month will be there when they need them the most? The UIF continues to face backlogs, system failures, and allegations of corruption.

Workers wait months – sometimes more than a year – for payments that are legally owed to them. Employers lose faith in the system, families lose their income, and nobody is held accountable. The Compensation Fund is no different. Its chronic dysfunction has left thousands of injured workers stranded without medical support or income replacement.

Even service providers, including hospitals and doctors, avoid the fund entirely because they know they will not be paid. A

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department that cannot administer the most basic worker-protection funds cannot credibly speak of job creation, labour reform, or economic inclusion. ActionSA supports the BRRR, but we insist that the UIF and Compensation Fund be stabilised, cleaned up, and restored. South African workers deserve better than a department of no jobs and no responsibility.

Mr S N SWART: Chair, the ACDP supports the report.

Mnr N L S KWANKWA: Voorsitter, ons stem saam. Daar is niks om te sê nie. [We agree. There is nothing else to say.]

Dr M A MAIMANE: Chair and hon members, R790 – that is what South Africans who are in the lowest quintile live off, with 40% of those South Africans comprised between black and coloured South Africans. The reality of it is that two out of three young people cannot find work. Therefore, if we do nothing about this department, unemployment will become a chronic crisis.

The BRRR tells a story. It tells of a department that has only reached 71% of its targets. It speaks of a department that has UIF backlogs and is poor on labour-activation programmes. So, I guess if you are to ask this question to a South African today,

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"If you had a place to intervene, what would you do in order to achieve redress as espoused in our Constitution?", I would argue this question. I would say you must support the Fair Pay Bill.

This is a Bill that BOSA has tabled that ultimately says to every employer: Let us be transparent about what we are paying people. Let us ensure that the grades are correct. Ultimately, let us make sure that we do not judge you on historical practice. This gives a pathway for a young person who comes from a rural village, earning X, and working in a different company to say they will not be remunerated based on where they come from. They will be remunerated fairly for where they are going. It amends the Employment Equity Act and ensures that the best form of redress is achieving justice.

Fellow South Africans, when we look at this Bill, we must be honest and realise that if we continue to allow this department to fail, we are going to fail South Africa. Therefore, I urge you: Let us convert this department. Let's make it a department of employment and labour rather than unemployment and no jobs.

Setswana:

Ke a leboga. [Thank you.]

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Mr I ISMAIL-MOOSA: Malibongwe! Hon Chairperson, hon members, respected beloved family of residents of South Africa, I greet you in the name of the Almighty, the most gracious, and the most merciful. The Budgetary Review and Recommendation Report of the Portfolio Committee on Employment and Labour comes at a critical time for our nation. We face an unemployment crisis that continues to affect millions of households, yet we also recognise the department's efforts to strengthen labour protections, expand workplace compliance inspections and support pathways into employment for young people.

However, performance gaps remain slow. The slow pace of programme implementation, persistent delays in the Unemployment Insurance Fund, UIF, and the Compensation Fund payments and limited support for small enterprises undermine the impact this department should have in a country where livelihoods depend on it. These challenges cannot continue to be annual features in our reports. As Al-Jama-ah, we emphasise the need for accountability that is paired with compassion. We must demand efficient systems, transparent governance and a renewed focus on job creation through partnership with communities, SMMEs and the private sector. We support the committee's recommendations and call on the department to prioritise service delivery, protect

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workers' rights and accelerate employment initiatives that restore dignity to our people. Malibongwe. I thank you.

Mr B M MANELI: House Chair, hon members, as the ANC, we fully endorse the Budgetary Review and Recommendation Report of the Portfolio Committee on Employment and Labour. This comprehensive assessment reflects our collective commitment to advancing social justice, economic transformation and inclusive growth in South Africa.

The report appropriately recognises the significant challenges faced by the Department of Employment and Labour, including constrained fiscal resources, infrastructural deficiencies and a struggling labour market characterised by high unemployment and youth joblessness.

The ANC affirms the importance of the department's initiatives aimed at promoting decent work, fair labour practices and social protection. We acknowledge the efforts made to implement structural reforms such as amendments to labour legislation and the strengthening of key institutions like the Commission for Conciliation, Mediation and Administration and the UIF to better serve vulnerable workers and facilitate harmonious industrial

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relations. The report's recommendations on improving internal controls, modernising ICT systems and addressing vacancy rates are vital steps towards enhancing operational efficiency and service delivery.

As the ANC, we support the department's plans to finalise the national employment policy and bolster capacity in key areas such as labour, inspection and enforcement. We affirm that ongoing social dialogue, inclusive participation of workers, business and the government, remain central to building a fair and equitable labour market.

The ANC commends the committee's diligent oversight and remains steadfast in our resolve to support policies that advance the dignity, rights and wellbeing of all South Africans. As the ANC, we support this report, and I thank you.

Motion agreed to. (uMkhonto weSizwe Party and Economic Freedom Fighters dissenting).

Report accordingly adopted.

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**CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF
PORTFOLIO COMMITTEE ON HIGHER EDUCATION ON 2024-25 ANNUAL
REPORTS OF THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING AND
ENTITIES.**

There was no debate.

The Chief Whip of the Largest Minority Party: That the Report be adopted.

Declaration (s) of vote:

Dr D C CHRISTIANS: Hon Chairperson, South Africa's future lies in young people sitting in lecture halls, waking up in student residences and fighting every single day for a chance at dignity and opportunity. This report, however, tells a painful truth. Our higher education system has been held back, not by a lack of money, but by a lack of delivery. For the third year in a row, the department spent almost 100% of its budget but achieved only half of its targets.

Delivering so little with so much at its disposal is not just poor performance; it is a betrayal of our students and their future. The most alarming regression lies in the department's

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strategic centre, that is, planning, policy and strategy, which achieved just 31% of its targets. That branch is meant to anchor the entire Post-School Education and Training, PSET, system. Instead, it reflects fragmentation, weak oversight and chronic delays.

Chair, what the Auditor-General revealed is even more concerning. Unverified student housing projects, TVET achievements without evidence, performance claims materially overstated and recurring internal control failures. And Chair, the National Student Financial Aid Scheme, NSFAS, is still unstable, still inconsistent and remains the single biggest risk to the 2026 academic year, with delayed allowances and unresolved historic debt reconciliations.

The late submission of its annual report and audit delays confirmed that the entity entered the current financial cycle already unstable. The previous year was marked by severe leadership instability, a board unable to provide governance and a board chairperson who had stepped down amid allegations of maladministration. If we want a country that thrives, we must build a system that allows its young people to thrive. Every

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student deserves certainty, dignity and opportunity. I thank you.

Mr J S NGUBANE: Hon Chairperson, the report paints a concerning picture of the Department of Higher Education and Training's performance. The department achieved only 49% of its annual targets, making a significant decline from the previous year's 56%. This regression is alarming and highlights systemic issues in planning, oversight and execution. The persistent performance over the past three years raises questions about the department's ability to fulfil its mandate and deliver quality education and training to South Africans.

One of the most pressing issues is the chronic underfunding of operational inefficiencies within the Community Education and Training, CET, sector. The CET colleges are vital for providing second-chance education and skills development to adults and out-of-school youth, yet they remain severely underfunded. With 93% of the budget allocated to employee compensation, there is little left to support teaching, learning and infrastructure development. This financial strain has led to high dropout rates, inadequate student support services and a lack of purpose-built facilities for adult learners. The department's

failure to promise to construct four CET colleges during the review period further exacerbated the challenges faced by this critical sector.

The report also highlights the dire state of student housing in the post-school education and training, PSET. Another area of concern is the NSFAS as well. As well as the TVET colleges sector has challenges, including certification backlogs.

The MKP does not support this report. It doesn't support the underfunding of our higher education. This government does not take the higher education of our kids seriously either. I thank you, Chair.

Mr S LONZI: House Chairperson, whilst the report reflects some progress in expanding access and strengthening post-secondary education, it also exposes deep structural failings, chronic underfunding of Tvet colleges, governance instability in entities and a sector that continues to fail the students and youth of our nation. But today, we must deal with a matter that overshadows all of this. Yesterday, the EFF opened a criminal case of perjury against the Minister of Higher Education, Buti

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Manamela, as well as reporting him to the Office of the Public Protector.

This is not a side issue. It goes to the heart of integrity, accountability and the ethical leadership required to manage the billions of rands allocated to this department. The allegation is severe.

The Minister gave conflicting accounts under oath about his consultations with the National Skills Authority. If a Minister can stand before a court of law and present one version and then come before Parliament and present a different version, that is undermining the constitutional democracy of our country. That undermines the job that he has been given and his own oath of office.

How can we trust the numbers in the Budgetary Review and Recommendations Reports, BRRR, when the person responsible for the department is accused of lying under oath. The youth of South Africa deserve leadership that is honest, they deserve leadership that is ethical and leadership that is accountable. The Minister of Higher Education is compromised. We warned him when he entered office.

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We said, Minister, stand with the people, not with ANC comrades and comrades of the SACP. He clearly did not listen to us when we warned him. He has now made his bed, and he must lie in it. Thank you.

Mr S S ZONDO: Deputy Speaker, while the department has achieved nearly a total expenditure of R136,9 billion allocation, this is overshadowed by the fact that only 49% of annual targets were met.

This widespread gap between spending and performance undermines the fiscal responsibility to raise serious concerns about the efficiency and the value for money. Equal troubling are the findings which cast doubt on the report's achievement, such as the construction of new Tvet campuses. Unsupported evidence erodes the credibility and highlights the weaknesses in oversight and consequence management.

Clean audit must reflect genuine unit delivery and not technical compliances. Furthermore, persistent vacancy and capacity constraint continues to weaken the institution's performance. Underspending on compensation of employees due to the prolonged

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recruitment delays compromises the service delivery in critical programs such as Tvet and skill development.

As the IFP, we made sure that when the Minister get into the office, we will support him, we will work with him. But we want to say today that we are looking at him. All the actions that he is doing in the Sector Education and Training Authorities, SETAs, in his appointment. We are here to support this report.

But at the same time, we want to caution the Minister to say that we are still looking at him, we are working with him, but the actions that he is taking, I think, Chief Whip, we need to caution the Minister. He is compromising himself in terms of what he is doing. I don't know what needs to be done now to the Minister of Higher Education because you bring another one who is the one and the same thing, and you bring another one who is doing the same thing.

South Africa's future lies in the department. He needs to behave and do as they are supposed to do. Thank you very much. [Time expired.]

Mr A SAULS: Hon Chair, can you hear me.

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The DEPUTY SPEAKER: Yes, proceed.

Mr A SAULS: Deputy Speaker, the PA supports the BRRR of the Department of Higher Education. The report shows that the department spent 99,9% of its total final appropriation.

The DEPUTY SPEAKER: Hon Sauls, please hold on for a second. Hon Lonzi, your point of order.

Mr S LONZI: I just want to check with you, Deputy Speaker, I know it was raised before in Parliament about the background of Members of Parliament.

So, I think if hon Saul's doesn't have a proper background, maybe he must switch off his camera. Thank you, Deputy Speaker.

The DEPUTY SPEAKER: Thank you, hon Lonzi. That is indeed the case that we are very strict in terms of the background that you use when you are on the platform. Only the Parliament background or something very neutral, but no statements and no party logos. So, hon Sauls, I would then suggest you either quickly change your background or you don't put on your camera, but please proceed.

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Mr A SAULS: The report shows that the department spent 99,9% of its total final appropriation of R136,9 billion, but the entities whom they give the money to are the ones who waste it. Hon Deputy Speaker, this is a crisis of conscience. We cannot allow public funds meant to uplift the youth of South Africa to be diverted, mismanaged or hoarded as if it's transferred into Woollies bags.

We hereby call for immediate and decisive action to enforce the Auditor-General's findings and that those responsible for the systematic collapse and misrepresentation of financials at National Student Financial Aid Scheme, NSFAS, are fired, sent to prison for life, launch an independent probe into the allegations of misconduct at the College of Cape Town and Motheo College, ensuring that every cent of public money used for personal legal matters is recovered and other institutions like SETA, where whistleblowers are being purged, implement a stringent plan to release the R40 billion in unspent SETA reserves for immediate skills development programs. We further demand that the department must stop ignoring the employment of foreign nationals in positions that coloured, black, Indian and white South Africans qualify for and further start showing that coloured lives matter too when it comes to job opportunities in

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the higher education sector. Ayoh and Aweh, Deputy Speaker.
Salute!

Afrikaans:

Dr W J BOSHOFF: Agb Adjunkspeaker, die Departement van Hoër Onderwys het 'n kritieke taak, om enige een wat die skool verlaat op watter stadium voor te berei vir die wêreld van werk, die sogenaamde post-school education and training [hoër onderwys en opleiding] ekostelsel, wat na skool volg. So, of die persoon nou in Graad 7 die skool verlaat of aan die einde van Graad 9 of aan die einde van matriek, daarna is dit hierdie departement se baba.

Nou as ons net na die verskillende programme van die departement en na van die instansies kyk, is daar behoorlik net tyd om so op een stukkiet te fokus. As ons na die universiteitsprogram kyk, dan word die toneel deur NSFAS oorheers, wat in die sowat 10 jaar van sy bestaan sedert Oud-president Zuma gratis hoër onderwys belowe het, net nog nooit die mas opgekom het nie en nog steeds nie.

TVET-kolleges het die interessante onderskeiding dat, in die vorige jaar, het vyf uit 50 TVET-kolleges 'n skoon audit gekry

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en hulle word nogal deur die komitee daarvoor gelukgewens, omdat dit nou 12 uit 50 is, 24%.

Community Education and Training, CET-kolleges, wat diegene moet opvang wat heeltemal uit die skoolstelsel geval het, werk hoofsaaklik in skoolgeboue wat nie geskik is vir wat hulle moet doen nie en 93% van die geld word op personeeluitgawes bestee. So, waarmee lei jy mense op en waarvoor met 7% van die begroting?

Setas sit top 'n berg kontant van R40 miljard, wat hulle nie uitgegee kry nie, want hulle het nie die kapasiteit om dit te doen nie.

The South African Qualifications Authority, SAQA, die qualification authority [kwalifikasieowerheid] doen beter. Hy skep 'n goeie grondslag en hy genereer ook van sy eie fondse. Dan wil ek n die Quality Council For Trades and Occupations, QCTO, toe gaan met die laaste 10% wat regulatoriese vereistes op private verskaffers van opleidingsdienste lê, wat dit eenvoudig onmoontlik maak, en dit behoort hervorm te word. Baie dankie.

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Ms M P KOBE: Madam Deputy Speaker, there is a deeply troubling pattern within this department. Year after year, it manages to spend between 90% and 99% of its allocated budget on time, yet it produces the least desirable results. For the year 2025-26, the department only achieved 46 of the 94 targets it set. This represents a dismal achievement rate of 49%.

Even more concerning, this marks a 10% regression from the already inadequate 56% achieved in 2023-24. This department is central to uplifting our communities from cycles of poverty and unemployment. It trains the workforce of the future, the engineers, artisans, teachers, scientists, and innovators who will be integral to the project of fixing this country.

Yet, it consistently fails to meet its own modestly set targets. If the Government of National Unity, GNU, was serious about performance management, such a failure would carry consequences for the department's leadership, but we all know nothing will change, something ActionSA will not accept. ActionSA believes that a fundamental overhaul of the higher education system is urgently required.

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This begins with merging the departments of Basic Education and Higher Education to create a coherent and aligned education pathway for our country and the black hole inefficiency of the SETAs and redirect this funding into our proposed innovative opportunity fund, a mechanism that's designed to directly support skills development, entrepreneurship, and job creation.

Finally, the time has come to confront the role of NSFAS, which has become a wasteful middleman. We must rethink the system to entirely ensure that students receive funding efficiently, transparently, and most importantly directly. Thank you so much, Deputy Speaker.

IsiXhosa:

Mnu. N L S KWANKWA: Molweni torhwana. Sikhalelwa oko apha ngabafundi, bekhalela le nto yee-Seta yokuba abahlawulwa ngexesha. Phaya eMpuma Koloni kukho abantu abangooChippa abafana noozifozonke kuba nakwii-Seta bakhona bayahlawulwa. Uya kufumana ukuba naxa kukho imisetyenzana yokutshayela, uChippa ukhona uyahlawulwa ngokutshayela. Yingxaki ekufuneka iqondiwe kuba abanye abafundi bade boyike nokuza ngaphambili nobungqina beendlela abangaphathekanga kakuhle ngayo. Ikhona ne ...

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English:

... the Finance and Accounting Services Sector Education and Training Authority, FASSET, internship programme, facilitated through the SA Council for Graduates, SACGRA. Hundreds of interns placed across the Eastern Cape, including in Gqeberha, Lusikisiki and Ngcobo among other places, have not been paid since August.

IsiXhosa:

Naba bebekula ofisi yenkulubaphathiswa kwinkqubo ebiququzelelwa kwangulo Chippa ... sithetha nje phandle thina asoyiki, asihlebi kaloku, nabo ...

English:

... about 3 000 of them ...

IsiXhosa:

... oko bengahlawulwa kodwa besebenza imihla nezolo. Abanye babo boyanyiswe kwii-ofisi zamaqela opolitiko kodwa abahlawulwa. Rhogo xa kufuneka behlawuliwe kufuneka bacule la ngoma kaShirley Brown ethi, *It Ain't No Fun* kuba abayazi ukuba kufuneka benzeni okanye baya kuhlawulwa ngeyiphi imini. Ayisebenzi loo nto. Kufanele ukuba ... andiyiqondi kakuhle mna nalento ye-Seta. Aba

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bantu benza ntoni xa beza kuphinda baqeshe abantu bangaphandle xa kufanele ukuba bahambise iinkonzo? Benzani?

Kuphinda kubekho enye ingxaki kwezi yunivesithi zethu. Kuhle ukuba sirhwebeshe kumazwe angaphandle aba bantu banezakhono eziphezulu nezingabileyo kweli lizwe lethu nabantu abanezidanga ezizo nezisemthethweni. Kufuneka aba bantu bangafiki baphathe kakubi abantwana bethu kwezi zikolo. I-Yunivesithi yaseFree State ijongene nezikhalazo ezininzi ngempathombi eyenzeka phaya. Nalapha e-CPUT abantu abaneziqinisekiso eziphezulu abajongelwantweni, bavele baqeshane bengabahlobo bamanye amazwe, bagcwalise kwelo sebe le yunivesithi ibengabo abalilawulayo. Siyi-UDM asiyixhasi le ngxelo. [Kwaphela ixesha.]

Mrs N L HLAZO-WEBSTER: We reject the report, no declaration.

Mr I ISMAIL-MOOOSA: Malibongwe! [Praise!] Madam Deputy Speaker, hon members, beloved family of residents, I greet you in the Name of the Almighty, the Most Gracious, the Most Merciful. The Budgetary Review and Recommendation Report, BRRR, of the Portfolio Committee on Higher Education and Training arrives at a time when our nation depends heavily on the strength of our post-school education system. While the department and its

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entities continue to expand access to universities, Technical and Vocational Education and Training, Tvet, colleges, and skills programmes. The annual report reveal persistent challenges that must be confronted with urgency.

Al Jama-ah notes the ongoing instability in governance across several entities, delays in the National Student Financial Aid Scheme, NSFAS, funding decisions and the inadequate support for Tvet colleges, institutions that should be at the heart of our skills revolution. These weaknesses directly affect students, particularly those from working class and poor communities who rely on this sector for opportunity and mobility. As Al Jama-ah, we emphasise the need for clean administration, efficient funding systems and stronger alignment between education and labour market needs. Our country cannot afford a higher education system that is accessible in theory, but dysfunctional in practice. We welcome the committee's recommendations and call on the department to prioritise stability, accountability and the creation of pathways that prepare young people for meaningful participation in the economy. Malibongwe! [Praise!] I thank you.

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Mr S T D LOUW: Deputy Speaker, is my background fine? I do not want a hand to be raised. Hon Chairperson, hon members ...
[Interjections.]

The DEPUTY SPEAKER: Hon member, the only background is me, so...

Mr S T D LOUW: I rise in this august House on behalf of the ANC, a movement that is consistently placed education at the climax of our national priorities. For decades, the ANC has advanced policies and programmes that have opened the doors and learning expanded opportunities for children of the poor to access higher education. However, this progress relies. relies on a strong quality assurance bodies that safeguard equity and excellence and ensure that training and skills development programs remain relevant to the needs of the economy and labour market and also uphold qualifications that are accountable internationally and comparable.

We have also observed, like many other political parties, persistent systematic weaknesses across the department and the broader post-school education sector. They threaten these gains, recurring audit findings, failure to implement remedial actions, chronic understaffing, weak internal controls, poor consequence

management and nonfunctional IT and management information systems that continue to undermine our performance as the department. Severe underachievement in planning, delays our infrastructure delivery, student housing shortages, certification backlogs and weak oversight hinder service delivery.

The National Student Financial Aid Scheme, NSFAS, operational failures, unresolved student debt and significant unspent Sector Education and Training Authorities, SETA, reserves amid unemployed, deep in vulnerabilities and community education training. Colleges remain severely underfunded and poorly resourced, while entities face capacity constraints, rising litigation pressures and ongoing risk that poses institutional offering an uncredited programmes that mislead our students. We call on the department and quality assurance bodies to urgently strengthen governance and accelerate reforms and restore ability to protect the integrity of the post-school education system.

Setswana:

Ke a leboga.

Question put.

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Objections noted.

Report is agreed to.

**CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF
PORTFOLIO COMMITTEE ON BASIC EDUCATION ON PERFORMANCE OF
DEPARTMENT OF BASIC EDUCATION FOR 2024-25 FINANCIAL YEAR**

The CHIEF WHIP OF THE LARGEST MINORITY: Deputy Speaker, I move that the report be adopted.

Declarations of vote:

Ms N K SHARIF: Deputy Speaker, the Department of Basic Education reported a 94% achievement of its annual targets. This reflects the decisive leadership of Minister Siviwe Gwarube that has brought into the sector, with an insistence on clean governance, foundational learning, transparent reporting and evidence-based policy has begun to shift the culture of basic education towards accountability and performance. While the Minister is charting a clear reform agenda, the operational side of the department continues to lag behind her ambition. Infrastructure delays, ICT rollout challenges and uneven implementation continues to undermine progress.

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The department ended the year with R260 million unspent because implementing agents and administrative units have failed to deliver projects on time. These delays directly affect learners who still wait for safe classrooms, reliable sanitation and functioning facilities. Similarly, learning losses in literacy and numeracy remain a deep concern. The Minister's foundational learning agenda is the right response, focusing on the early years where long-term outcomes are shaped. However, without consistent execution from within the department and without strong oversight of provinces, these reforms cannot reach their full potential.

The internal audit reveals 98% of audit recommendations implemented, irregular expenditure reduced significantly and a clean audit on performance information. Yet, consequence management remains weak and implementing agents continue to escape accountability. Deputy Speaker, Minister Gwarube is steering the system firmly in the right direction. It is now up to the department's administrative machinery, provincial partners and implementing agents to do the same. South African children deserves better. I thank you.

IsiZulu:

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Nk P P MNGADI: Sihlalo ohloniphekile, siyiqembu le-MKP, iqembu labantu, sisukuma nokungavumelani noMbiko Wokubuyekezwa Kwesabelomali kanye Nezincomo. Lo mbiko usuveze ngokusobala ukuthi uMnyango Wezemfundo ngaphansi koHulumeni Wobumbano Wesizwe uyahluleka ukulandela imigomo yoMthethosisekelo waseNingizimu Afrika.

Lokhu kusho ukuthi umnyango uyahluleka ukukhokhela osonkontileka okwenza bawushiye phansi umsebenzi ungaphelile. Ukumelana nezingqinamba ezibhekene nezikole kwizifunda. Nombiko woMcwaningimabhuku-Jikelele uyaveza ukuthi kuningi okugahambi kahle neze.

Umbuzo uthi, kanti ibaphi abantu uHulumeni Wobumbano Wesizwe obakhathalelayo uma wehlulwa ukubhekana nezingqinamba zabafundi abaswele? Yingakho sithi nje, phansi ngoMbiko Wokubuyekezwa Kwesabelomali kanye Nezincomo. Thina siyi-MKP, sifuna umnyango ozokwazi ukusiza abafundi abaswele.

Sifuna umnyango ozozimisele ukwenza konke okusemandleni ukweseka abafundi abaswele kanye nomnyango ozokwazi ukwenza izinsizakusebenza kanye nezabelo zezimali ngendlela efanele

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futhi ozosiza abafundi ukuthi babe nekusasa eliqhakazile.

Asiwuseki nhlobo-ke lo mbiko.

Uthi umongameli wabantu, u-Jacob Zuma, "Abanye benu bayokhala." Aphi amavoti abantu abavota ngo-29 Meyi 2024? Kwacisha imishini, nimtshontsha amavoti. Umnotho njengamanje ulawulwa u-Rupert no- ... [Akuzwakali.] Ngiyabonga. [Kwaphela isikhathi.]

Ms H O MKHALIPI: Deputy Speaker, the EFF reject this report because its sanitisers failure and shields a system that refuses to confront its own deep structural weaknesses. The Auditor-General of South Africa may have issued an unqualified opinion, but the findings are alarming. The department continues to struggle with compliance failures, misstated infrastructure records and accumulated irregular expenditure balance of R7,7 billion. Out of this amount, R1,7 billion was quietly condone and R4 billion is still awaiting a decision by the National Treasury and R2,1 billion is stuck in endless disciplinary processes. Oh, what a shame!

Fruitless and wasteful expenditure of more than R176 million has investigations that are either delayed or not initiated at all. This is not clean governance. This is a department where

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accountability is slow, selective and often nonexistent. The situation is even worse in infrastructure development. The report proudly speak of full expenditure of conditional grants, yet the condition of school tells another story.

Sanitation backlogs remain widespread. Children continue to use unsafe and undignified pit latrines. Infrastructure projects are laid poorly managed and in some cases never delivered. The same implementing agents continue to secure contracts despite violating procurement principles and failing to deliver on previous commitments.

The committee itself calls for blacklisting prove that this is a recurring pattern of corruption and incompetency that government has failed to deal with for many years.

The National School Nutrition Programme, despite spending nearly R10 billion it remain unstable. Tender manipulation, poor planning ... [Time expired.] We reject it.

Mr S L NGCOBO: Deputy Speaker, the IFP notes the department's attainment of the unqualified audit opinion, particularly the strong performance in Programmes 3 and Programmes 4. We welcome

the department's positive deviations in school governing body, SGB, effectiveness, schools' management compliance, Funza Lushaka Bursary and improved access to sanitation, water and classrooms. These outcomes reflect progress in strengthening teacher development, institutional functionality and infrastructure delivery.

However, the IFP reiterates that consistent performance must translate into sustainable improvements across all provinces, especially in underresourced schools. We urge the department to intensify oversight of provincial education departments, accelerate infrastructure backlogs and ensure the teacher development pipelines remain responsive to the evolving needs of the educator sector.

The IFP supports targeted interventions to safeguard quality learning. The IFP accepts the report. Thank you very much.

Afrikaans:

Mnr E HENDRICKS: Agb Adjunkspeaker ...

English:

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... and hon members, the PA stands firm in support of the basic education budgetary review and recommendations reports, BRRR, before this House. Education is the foundation of our dignity, empowerment and national progress. If we fail our children, we will fail our country. This BRRR rightly highlights urgent priorities, fixing unsafe and inadequate school infrastructure, strengthening teacher training and accountability, expanding early childhood development and bringing technology and modern skill into our classrooms.

From our perspective in the government of national unity, GNU, these are not optional reforms, they are essential. We insist that rural coloured and historically marginalised communities must benefit equally. No child should be left behind of geography or history. We call for transparent spending. Every rand reaches the classroom. Discipline and pride to be restored in our schools. Parents and communities to be recognised as partners in education.

This BRRR is more than a budget document. It is a commitment to justice and equity in education. The PA supports it because it speaks to our future, our children and the unity of our nation. We will work with all partners in the GNU so that these

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commitments become realities in our classrooms across South Africa. I thank you.

Afrikaans:

Dr W J BOSHOFF: Agb Adjunkspeaker, die Departement van Basiese Onderwys vervul een van daardie grondliggende funksies waarvoor die staat verantwoordelik is, naamlik die opvoeding van kinders. Dit is iets wat in enige staat dit die taak van die staat is waar 'n mens nie kan sê hy oorskry sy reikwydte nie.

Hierdie departement doen eintlik net dit waarby die provinsies nie uitkom nie. Die provinsies is verantwoordelik vir die implementering, maar daar is 'n infrastruktuur agterstand wat die provinsies nie ingehaal kry nie, en die departement is daarvoor verantwoordelik. Daar is 'n skoolvoedingskema wat die provinsies nie op hul eie kan doen nie. Daarvoor is die departement verantwoordelik. Dan is daar ook die vervoer van kinders, en die departement stel 'n teiken hoeveel rand 'n provinsie eintlik aan elke leerder behoort te spandeer, alhoewel nie al die provinsies hul aan hierdie teiken hou nie.

Nou goed, daarbenewens is daar natuurlik ook Umalusi wat onder die departement val, en Umalusi is een van die ligpunte waaroor

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'n mens eintlik goeie dinge kan sê. Daar is hier en daar 'n probleem, maar die wese van Umalusi se werk is om die integriteit van die Suid-Afrikaanse kwalifikasies te behou, en die feit dat 'n matriek met 'n graad-toelating steeds internasionaal erken word vir studies is 'n teken dat Umalusi sy werk goed doen.

Wat wel 'n probleem is, is die persentasie besteding op onderwys uit die nasionale Begroting wat so 13,5% is terwyl die internasionale verwysingspunt 15% tot 20% is. Dan word hierdie geld ook nie alles aan onderwys spandeer nie, omdat daar reeds soveel armoede is dat onderwys eintlik deel van die sosiale vangnet word met die voedselvoorsiening aan kinders op skool. Dit wil sê nog minder geld gaan in onderwys in.

Nou as ons meer aandag gee aan departemente wat die ekonomie laat groei, soos dié een, sal dit goed wees. [Tyd verstreke.]

Ms M P KOBE: Deputy Speaker, the basic education system continues to fail millions of children. Whilst the department achieved an unqualified audit, there remains persistent weaknesses beneath the surface, irregular expenditure which keeps recurring, implementing agents who deliver late or not at

all and consequence management that limps behind wrongdoing instead of preventing it.

Our infrastructure backlog remains unacceptable. Schools still wait for dignified sanitation, water supply and safe classrooms. The Auditor-General flagged collusion and false certification of work, yet these same contractors continue to benefit while learners sit in unsafe environments.

The failures in the National School Nutrition Programme particularly in Kwazulu-Natal are not administrative hiccups. They governance failures that place children's wellbeing at risk.

South Africa had a unique opportunity yesterday right in this House to move our education system forward by raising the pass mark from 30% to 50%, a meaningful standard that would set our children up for actual opportunity, not manufactured success. Yet, astonishingly parties in this very Parliament voted against raising that bar. In a country where literacy rates ...

[Interjections.]

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The CHIEF WHIP OF THE SECOND LARGEST MINORITY PARTY: Deputy Speaker, the hon member is misleading the House. The motion at the end did not call for the pass rate to be raised to 50%. It actually called for a review according to the international standards of the pass rate. The pass rate change from 30% to 50% was not part of the resolution and that serve before this House. It's a fact that the hon member is at this point misleading the House on that basis. Thank you.

The DEPUTY SPEAKER: Hon Michalakis, I will consult the Hansard and come back to you on this particular point. Hon Kobe, please proceed.

Ms M P KOBE: The speaker that has just spoken is one of the parties that are 30% apologists, and yet astonishingly parties in this Parliament voted against raising that bar in a country where literacy rates are collapsing, where numeracy outcomes are declining and where this very report details systematic dysfunctional. Choosing to defend 30% pass mark is choosing mediocrity. Action SA will not. We support the recommendations before us - blacklisting, failing contractors, strengthening oversight, fixing learner transport and enforcing discipline in the system. [Time expired.]

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Mr S N SWART: Madam Deputy Speaker, the department received a staggering R32 billion in its budget. It is taxpayers who ultimately pay this amount, but are they receiving value for their money? We do not submit, given the low literacy and numeracy rates, and given the fact that many stakeholders in the sector echoed the ACDP's call for major reform during what we believe is the flawed Basic Education Laws Amendment, Bela, Bill lawmaking process. We believe we are punishing hardworking parents, as well as independent businesses in the education sector, with over-regulations, rather than promoting and encouraging free enterprise in education, which can assist with the public sector education, which, as we know, is severely struggling.

The ACDP further calls for improved real-time reporting that will aggressively cut poor-performing programmes in education, such as the much-vaunted Comprehensive Sexuality Education Programme. Over 98 000 teens and pre-teens gave birth in 2024, showing how this programme, which cost many millions of rands, has dismally failed. The ACDP welcomes the report's recommendation in this regard, that the department is to provide a comprehensive report on sexual assault and statutory rape at schools, and that such a report must include statistics from the

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SA Police Service, SAPS, as these two crimes are very prevalent. No child should be left behind, and no child should be sexually assaulted or raped in our schools. The ACDP will support this report. I thank you.

Ms C T NONTENJA: Hon Deputy Speaker, this Budgetary Review and Recommendations Report, BRRR, gave us a very long report, which does not reflect the realities and hardships faced by public schools across the country. Basic education is the foundation of our education system, our children's future, and future workforce. A house built on a shaky foundation will never stand. It will crumble. The same applies to this shaky foundation of our education system.

Th targets set by this department are too low, designed for tick-box purposes only, with no visible impact on outcomes - serving only to impress by claiming to have achieved the set targets. The department received an unqualified audit opinion, with matters of emphasis. One of the matters of emphasis is the restatement of corresponding figures, as a result of an error in the financial statement. That is the department that should be shaping the future of our children. Material irregularities as per paragraph 5.3.2, it took forever to implement consequence

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management until the matter prescribed, and the financial loss could not be recovered. According to the committee's report, Auditor-General SA analysis of the Medium-Term Strategic Framework, MTSF, indicators and targets for the past five years noted that provinces are not achieving their targets, which directly delay delivery of the intended quality education.

Furthermore, Auditor-General SA found that there were no health reports or certificates in the early childhood development, ECD, centres, and not all centres received Learner Teacher Support Material or are using it effectively. There was inappropriate infrastructure. We need immediate action, not talk shows.

Dr M A MAIMANE: Hon members, I want to put a direct question to the ANC, the DA, Al Jama-ah, FF Plus, the PA, or "the 30% Defender". The question was asked to me directly. It says: We should not give the natives any academic education. If we do, who is going to do the manual labour in the community? This was a question that was asked by J N le Roux of the National Party. The question that he put forward was deliberate. I finally figured out the answer as I was reading the BRRR. Because when you began to read the BRRR, it states that there is deteriorating infrastructure, there is uneven provincial

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performance, there is poor literacy, and there are poor numeracy outcomes.

What the education system is telling us is that if you are poor, your classrooms are going to become fuller. It tells you the fact that actually in the education system, if you start Grade 1, it offers no guarantee that you will finish school.

The DEPUTY SPEAKER: Please take your seat. Hon Michalakis?

The CHIEF WHIP OF THE SECOND LARGEST MINORITY PARTY: Thank you, Deputy Speaker. Deputy Speaker, is the hon Maimane willing to take a question?

The DEPUTY SPEAKER: Hon Maimane, are you willing to take a question?

Dr M A MAIMANE: I'm afraid not, hon Speaker.

The DEPUTY SPEAKER: Please proceed.

Dr M A MAIMANE: It reveals the fact that more than 500 schools offer no mathematics, and that 12 700 qualified teachers are

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unemployed. So, hon members, here is the trick. If you have 30% pass mark, it buys you insurance so that you can keep failing infrastructure, no teachers, and poor mathematics. I am here to say it's not the number we are looking to change. If we move it up to 50%, we can ensure that all of these things are addressed. Stop protecting mediocrity. We reject this BRRR. We want to make it clear: let's change the pass mark from 30% to 50%. Now is the time! Thank you very much.

Mr I ISMAIL-MOOSA: Hon Deputy Madam Speaker, hon members, beloved family of residents, I greet you in the name of the almighty, the most gracious and the most merciful. To my previous speaker - for all those educators that pass with 30%, Malibongwe! The Budgetary Review and Recommendation Report of the Portfolio Committee on Basic Education highlights both progress and persistent shortcomings in one of the most critical departments of our nation.

The DEPUTY SPEAKER: Hon members, order. I cannot hear the speaker.

Mr I ISMAIL-MOOSA: Can I be protected, Madam Speaker?

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The DEPUTY SPEAKER: Yes, that's what I am trying to do. Please proceed.

Mr I ISMAIL-MOOSA: Madam, it seems like I lost my way. Can I repeat myself, Madam?

The DEPUTY SPEAKER: No, I think you can just proceed where you left off.

Mr I ISMAIL-MOOSA: Okay. Education remains the foundation upon which South Africa's future is built. We still have too many of our schools that still struggle with overcrowded classrooms, insufficient learning materials, infrastructure backlogs, and poor foundational literacy and numeracy outcomes. I have a sentiment towards those that pass with a 30% mark because they are struggling. We need to help them. Al Jama-ah acknowledges efforts made in improving teacher development and expanding early childhood education.

The pace of improvement is slow. The annual budget reflects weaknesses in execution, delays in infrastructure projects, and an alarming gap between policy intentions and delivery on the ground. As Al Jama-ah, we insist that every rand allocated to

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education must reach the child in the classroom. We need stronger oversight of provincial implementation, accelerated school infrastructure delivery, and a renewed commitment ...

[Time expired.] Malibongwe!

Setswana:

Rre S T D LOUW: Ke go leboge, Motlatsammusakgotla.

English:

Hon House Chair, hon members, the ANC rises to table this declaration on the Budgetary Review and Recommendation Report, BRRR, of the Portfolio Committee on Basic Education. This report reflects the committee's rigorous assessment of the department's performance, financial management and progress toward delivering quality basic education to our people.

Yes, we note the department's continued achievement of unqualified audit opinion, strengthened performance reporting and significant progress in key service delivery areas including the National School Nutrition Programme, Early Childhood Development, ECD, teacher development and school infrastructure improvement.

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These attainments demonstrate a sector that is stabilizing and progressively aligning with the goals of the national democratic ... the National Development Plan, NDP, the medium-term development plan and the priorities of the Seventh Administration.

However, the ANC is equally concerned about persistent challenges affecting infrastructure delivery, irregular expenditure and weaknesses in consequence management, particularly relating to implementing agents. This must be addressed with urgency, we support the recommendations calling for stronger oversight, improved accountability and the safeguarding of public funds.

The ANC affirms the BRRR and commits to ensuring that the department accelerates delivery, strengthen governance and priorities and the dignity for the future of our learners.

I think with my last 20 seconds ... it is quite significant to clarify that a pass mark of an average for the entire students or the school is not 30%, but there are singular modules that are requiring that one must pass with 30% and there are those that are saying that one must pass with 50%.

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So, we must be very firm and clear, not mislead the nation, because for those that are ... according to the economy and that are aligned ... 50%. Thank you.

Question put: That the Report be adopted.

Division demanded.

[BELLS RUNG FOR TWO MINUTES.]

The DEPUTY SPEAKER: Hon members, the Speaker has determined that ... hon members, order! Hon member ... hon Litchfield-Tshabalala, please take your seat.

Hon members, the Speaker has determined that in accordance with the rules, a manual voting procedure will be used for this division.

Firstly, in order to establish a quorum, I would request the table to confirm that we have the requisite number of members physically present in the chamber and on the virtual platform to make this decision.

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Secondly, party Whips will then be given an opportunity to confirm the number of their members present and indicate if they vote for or against the question.

Thirdly, a member who wishes to abstain or vote against the party may do so by informing the Chair.

Now, having confirmed that we do have the requisite quorum, we will now proceed.

Division demanded.

MANUAL VOTING [Take in from the Minutes.]

Motion agreed to.

Report accordingly adopted.

**CONSIDERATION OF BUDGETARY REVIEW AND RECOMMENDATION REPORT OF
PORTFOLIO COMMITTEE ON TOURISM**

The CHIEF WHIP OF THE LARGEST MINORITY PARTY: Thank you, Madam Deputy Speaker. I move that the report be adopted.

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Declarations of vote:

Ms H ISMAIL: Hon Deputy Speaker, the tourism sector is at a crossroads. We welcome the department's unqualified audit, but SA Tourism's qualified opinions remain concerning. The Auditor-General's report revealed irregularities, underspending and recurring failures. The SA Tourism faces multiple scandals and the Special Investigation Unit is investigating its affairs. Allegations of bullying by the director-general have been referred to the Public Protector, painting a potentially toxic work environment at the department, or rather the Minister fails to act, creating a culture of impunity.

The dissolution of the SA Tourism Board, which was implementing the Tourism Satellite Account, TSA, recommendations, sends a disturbing signal that accountability is being undermined. The tourism industry clearly feels the same way and is now withholding millions of rands in total levies from the entity. Our oversight visit to the department's infrastructure projects managed by the Development Bank of Southern Africa, DBSA, reveal concerning issues. In excess of R800 million has been spent on projects that are years overdue and many millions over budget.

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The DA's recommendations in this report include implementing robust financial governance measures at the SA Tourism, the tabling of the Tourism Amendment Bill, the restructuring of SA Tourism into a public private partnership and the aligning of tourism centres with the United Nations, UN, sustainable development goals. Finally, the Minister must rebuild trust by being fully transparent about her decisions at the SA Tourism. Why won't she release the legal advice she acted on? Tourism should be an engine for job creation and economic growth. It's time for the Minister to take the spanner out of the works. Thank you.

Mr S R MOODLEY: Hon members, fellow South Africans I greet you.

Sanskrit:

Namaste [I bow to you/Good day] ...

Tamil:

... Vanakkam [Greetings.]

English:

That hasn't been done in the House ever. I've been here for two years, so I'm greeting everybody in my language. The MK Party

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rejects the report with a firm commitment to the people's mandate, a mandate that demands clean governance, real economic justice and a tourism sector that creates jobs for our people. They Budgetary Review and Recommendation Report, BRRR, before us expose deep structural failures in the Department of Tourism and, more alarmingly, SA Tourism. Our oversight further revealed systemic collapse, infrastructure projects delivered without water intensity or sewage connections, expired compliance certificates, procurement failures and a township tourism left to rot.

Let me come to this rot. If you go to Inanda where the ANC runs, it's like a dog's place and there's a heritage site there. And ... don't worry about it because we will be in power in the next time and we will fix it. Is littered streets, pot holes and zero local tourism budget allocation from municipalities. Economic transformation in tourism must be genuine, with funding for the Tourism Equity Fund, strictly tied to transparent governance, a real benefit for communities not politically connected interest.

SA Tourism must be stabilized urgently by filling key vacancies, restoring financial controls and enforcing consequent management to end the instability that costs jobs, investments and

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credibility. Sorry. Government must also shift from scattered, incomplete infrastructure projects to fewer high impact developments that clear jobs and bring real value to townships and rural areas. Finally, townships ... [Time expired.]

Ms B K DIALE: Deputy Speaker, the EFF rejects the Budgetary Review and Recommendation Report of the Portfolio Committee on Tourism. While we acknowledge that South Africa has struggled to recover its tourism numbers since the devastation caused by COVID-19, that struggle must never be emblematic problems in the sector and those relate to the stubborn resistance to transformation.

The inability of the tourism sector to transform is by extension linked to the inability of the country to resolve the land question. These tourism establishments requires one to have land and it is white people who continue to hawk our land. So, the primary beneficiaries of tourism are the minority community who creatively planned the job creation potential of tourism to continue getting freebies from the very state they so hate. That said, this department is one of the worst run departments in the country.

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In August this year, Minister De Lille dissolved the SA Tourism Board under the very murky circumstances, these related to the seemingly unbending commitment to protect suspended chief executive officer, CEO, Nombulelo despite flagged irregularities under her tenure. The instability has continued to date such that in few days, the President signed a proclamation authorising the Special Investigation Unit to conduct thorough investigations regarding mismanagement in the SA Tourism Board. We welcome this proclamation and hope that it will leave no stone and unturned, including the role played by the Minister in the havoc at the SA Tourism Board.

The ANC-led government or Government of National Unity, GNU, must start governing and stop complaining to and about themselves. We reject the report with the contempt it deserves. Thank you.

Ms B E MACHI: Hon Chairperson, this report highlights both progress and ongoing challenges within the Department of Tourism. While several programmes targets were achieved, we remain concerned about persistence operational weaknesses. These ongoing weaknesses continue to undermine oversight accountability and overall service delivery.

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Programmes such as tourism development, domestic and international marketing and the Tourism Equity and Transformation Funds have shown progress, yet notably, gaps remain. These gaps include weaknesses in financial management, instability in board and senior management structures and delays in implementing key initiatives such as global tourism brand campaign and the grading of 5 000 establishments, delayed appointments, suspended senior officials and repeated internal controls failures at the SA Tourism remain areas of serious concern.

The IFP is also concerned about material misstatement, recurring noncompliance with supply chain management processes and weak consequence management for irregularities, fruitless and wasteful expenditure, high vacancy rate and slow disbursement of transformation funds continue to affect operational efficiency. We therefore call for stronger monitoring, stronger governance, timeously recruitment and decisive action to restore stability. We support the report and urge all tourism entities to enhance accountability and service delivery. I thank you, Chairperson.

Afrikaans:

Mr E HENDRICKS: Agb Adjunkspeaker ... [Hon Deputy Speaker ...]

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English:

Hon members of this House, tourism is not only about arrivals and revenue, but also about justice, dignity and equity. This BRRR reflects the transformation of our people's demand. Tourism must be people centred, infrastructure driven and accountable to the communities who have carried the burden of exclusion for generations.

Afrikaans:

Ons mense het lank gewag vir geregtigheid. Toerisme kan nie weer vir die elite wees nie. Die Khoisan families, die kleurling-gemeenskap, en daardie klein entrepreneurs in die swart woonbuurte moet ook deel in die voordele.

English:

Hon Deputy Speaker, while we commend the department of achieving a clean audit, we are deeply concerned about R128,8 million underspending most of it is compensation of employees due to unfilled post, under cost containment measures. Yet unemployment on the Cape Flats and in other marginalised communities is devastatingly high. It is unacceptable that post remains vacant while our people remain jobless. Let it be clear, we will not leave this matter there.

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The PA will keep a vigilant eye on job creation and ensuring that every opportunity promised by the department translate into real work for our people. This BRRR calls for infrastructure justice, demand community empowerment, insist on employment transformation and strengthening accountability. Tourism is a national asset, but unless it benefits our equity share, it risks becoming another side of exclusion. This BRRR ensures that tourism reflects the true spirit of South Africa, diverse, inclusive and just. So, I thank you.

Declarations of vote:

Afrikaans:

Mnr P A VAN STADEN: Agb Adjunkspeaker, die departement beskik oor 'n totale begroting van R7,5 miljard, waarvan R3,9 miljard oorgedra is aan SA Toerisme.

Nou, die verslag dui aan dat, sedert die 2023-2024 boekjaar, SA Toerisme onstabiliteit ervaar het in sy raad en senior bestuursvlakke, iets wat oorgespoel het na die 2024-2025 boekjaar. Die raad is in April 2023 ontbind, en 'n interim raad is in die lewe geroep om die sake van SA Toerisme te bestuur vir die tydperk April 2023 tot Februarie 2024, waarna 'n volle raad weer aangestel is. Verdere onstabiliteit het weer opgevlam

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gedurende Mei 2025 met die bedanking van die voorsitter van die ouditkomitee, asook die bedanking van voorsitter van die raad gedurende Augustus vanjaar. Die Minister het weer die raad ontbind gedurende Augustus 2025. Alhoewel die Minister, volgens hierdie verslag, binne haar magte opgetree het en die nodige prosesse gevolg het, het die ontbinde raad hom tot die Hooggeregshof gewend op 14 Oktober vanjaar om 'n interdik te verkry om die ontbinding van die raad deur die Minister te keer. Die saak is tans voor die hof.

Die VF Plus wag in spanning dat hierdie saak en die probleme by SA Toerisme dringend opgelos word. Ek dank u, Adjunkspeaker.

Ms M P KOBE: Madam Deputy Speaker, while South Africa welcomed 8,9 million tourist arrivals in 2024, it is still far below the 10,2 million arrivals recorded in 2019. This recovery is undermined by persistent governance failures and systemic inefficiencies across the tourism portfolio. The deep instability at South African tourism, where repeated board disillusion, leadership suspensions and the absence of key executives have crippled the entity's ability to effectively market South Africa to the world, is of great concern.

SA Tourism currently operates without senior management, with critical positions either suspended or not filled, resulting in weakened internal controls, qualified audits and material irregularities involving improper payments with no services rendered. This governance vacuum cannot continue.

Equally troubling are the failures in implementing tourism infrastructure projects. Oversight visits reveal projects delivered without bulk services, rendering them unusable upon completion. The report notes the poor municipal participation, absent project monitoring and a worrying overreliance on implementing agents such as the Development Bank of Southern Africa, DBSA, whose inefficiencies contribute to delays and escalating costs.

Township tourism, once hailed as the vehicle for inclusive growth, continues to suffer from collapsing infrastructure, zero municipal budgeting, littered streets, unsafe roads and neglected heritage sites.

Hon Deputy Speaker, these issues demand urgent political will, strengthened oversight and consequence management. Restoring stability at SA Tourism and ensuring infrastructure spending

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that leads to actual operational outcomes is essential if tourism is to contribute meaningfully to economic growth and job creation. Thank you, House Chair.

Mr S N SWART: Madam Deputy Speaker, the ACDP believes that tourism has the potential to create far more jobs and earn foreign currency, given the beauty of our country and its wonderful people. SA Tourism is, however, beset with governance problems, as set out in this report, which prevents the fulfilment of this potential fully.

What is disgraceful is SA Tourism underspent its budget by R42 618 million. And this, the ACDP agrees with the report and the committee's view, is unacceptable, given the huge mandate that SA Tourism must market the country domestically and internationally. We also note with concern that it received a qualified audit opinion in the 2024/25 financial year. And this is the second consecutive year that it has performed dismally with material misstatements, which is severe.

The ACDP supports the committee's recommendation that the Minister of Finance, in conjunction with the Minister of Tourism, should commission a feasibility study to restructure SA

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Tourism into a public-private partnership to inject private sector expertise, governance and funding into the national marketing effort. And this would insulate SA Tourism from political instability and improve its effectiveness. We firmly believe that if this is not done, tourism will not reach its full potential in the country.

Lastly, the ACDP notes that the Minister invited nominations to the purported new board of tourism, with the closing date tomorrow. This is being done despite an ongoing court challenge by the dissolved SA Tourism board. We share the committee's concerns that the Minister may not have adequately applied her mind, given that the matter of the board is still sub judice. Thank you.

Ms A S HLONGO: Chairperson, I rise on behalf of the ANC to commend the strong leadership of President Cyril Ramaphosa during South Africa's term as President of the G20. The successful hosting of the leaders' summit showed the world that Africa is indeed a power house. We believe the commitments made at this year's G20 Summit will help us build unity, fairness and sustainable growth as we work towards attracting 15 million international visitors by 2030.

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While we believe that the department is fit for purpose, as its leadership has been steady and inherent with principles of good governance, as evident by the clean audit, we remain concerned about the instability and poor governance at SA Tourism, which has also resulted in it receiving a qualified audit opinion with findings. This has been going on for far too long. We can no longer be patient.

Hon Minister, it is time for you to take decisive action and lead the entity to a path of good governance and impactful service delivery to the people of this country. The committee also raises concerns about the slow progress of the Tourism Equity Fund, TEF. We are not convinced that removing Small Enterprise Finance Agency, SEFA, as the implementing agency is the right move, especially without clear evidence.

What is clear is that delays in decision making put transformation at risk. We therefore insist that all available funds of the TEF, held by SEFA, be committed and paid out before the end of the financial year. Not a single rand must be returned to National Treasury. Our people cannot lose opportunities because of administrative uncertainty.

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In conclusion, while we support the Budgetary Review and Recommendations Reports, BRRR, of Tourism, we must raise our concerns about the budget cut over the medium-term and the additional reduction of R16,6 million towards the Expanded Public Works Programme, as it impacts on the skills and training and compensation that many people, especially young and marginalised people, could be getting through ... [Time expired]

Motion agreed to (uMkhonto weSizwe Party and Economic Freedom Fighters dissenting).

Report accordingly adopted.

FAREWELL SPEECHES

The SPEAKER: Hon Deputy Speaker, hon members, we have come to the end of an eventful year, which this Parliament has navigated with resourcefulness and determination. It is the second year of the Seventh Parliament and has therefore been a year of both consolidation as we get used to working together and strategic repositioning as we build on important progress from previous term of Parliament as well as formulating the new strategy for the next five years.

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I think we can all agree that the first year was a bit unusual, yet rewarding and reformative. Insofar as the passage of the budget was concerned, the experiences drawn from the budget process tested and improved our collective understanding of our constitutional levers and the importance of collaboration among political parties. Most significantly, it signalled the true meaning of public involvement in the affairs of Parliament.

Hon members, the role of Parliament in fostering diplomacy continues to grow. We have just concluded here in eThekweni the 58th Plenary Assembly of the Southern African Development Community, SADC, Parliamentary Forum, which gave delegates an opportunity to visit sites that were affected by the floods and are now being reconstructed.

We held a symposium on climate change, its impact on women and youth. It has enabled us to appreciate the inequalities that are brought by climate change in different constituencies.

The hosting of the Parliamentary Group, P20, also created a platform in which we reflect the role of Parliaments in making sure that our theme, South Africa, would enable us to ask

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questions on what we need to do as the parliaments of the Group of Twenty, G20.

The engagement at the Inter-Parliamentary Union, IPU, at the Commonwealth Association, at the Pan-African Parliament has once again ensured that we are able to influence policy and heighten advocacy on issues affecting our region and our peoples.

The European Union, EU-South Africa consultations continue to ensure that we address some of the issues that remain as blockages on trade and other matters between our two countries. Allow me to thank all members who represented Parliament in these multilateral bodies.

Importantly, I want to thank the Speaker, the Deputy Speaker, the House Chairpersons, both of the National Assembly, as well as those in the NCOP, who played an important role in ensuring that we have a successful P20 speakers' summit.

I also want to thank our young parliamentarians and women caucus for ensuring that we have the best P20 youth conference and P20 Women's Conference. We came up with valuable recommendations on

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what we can do as Parliament to deepen the participation of young people and women in issues of our legislatures.

Our portfolio committees, hon members, as you would agree with me, had been hard at work in processing legislation as well as deepening oversight work. Many of our committees have done sterling work in visiting various provinces, taking into consideration what has been presented to us by the executive, but also picking up on the matter that our institutions, such as the Auditor-General, have raised.

Hon members, this year we witnessed some important parliamentary initiatives in support of executive oversight. The ad hoc committee on the allegations that were tabled by Lieutenant-General Mkhwanazi has been meeting and is expected to report in the coming year.

This week we passed the rules that will improve our oversight work. One of those rules has been the oversight over the Presidency. There are many other issues that we still need to deal in terms of our rules, particularly as it relates to strengthening our oversight work. It also needs to reflect on

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how best we can make follow-ups on those resolutions that the House take, which must be undertaken.

Hon members, I also want to indicate that we still need to work very close with the leader of government business to ensure that there is timeous responses to questions by members of the executive. While Parliament has recorded progress, it remains true that we must do more to ensure that all our communities have access to services and that these services meet necessary living standards.

It is also true, as many members have demanded, that we must pay special attention to empowering the most vulnerable in our society so that they too can access the opportunities and support that they need.

In the coming year, we will watch as our community across the country stand beside one another to vote for their local representatives. I do hope that in our programming schedule, we'll take that into consideration.

Hon members, as Speaker, I must acknowledge that the proceedings in this House and in our committees this year have been vigorous

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and politically poignant while remaining for the most part within the rules bound. This has not always been the case in previous terms, and so we should recognise the resolve of our whips in the maintenance of order in the work that we do.

I also wish to extend my appreciation to the presiding officers for their collective guidance and leadership. I also want to thank the Joint Standing Committee on the Financial Management of Parliament, who have indeed made an oversight on what we do as the administration of this Parliament.

Similarly, the Programming Committee and the Chief Whips Forum have been very critical in ensuring that the work of this Parliament is smooth. Of course, we will have an early start in January on the good advice of the programming whip, hon Dugmore, and the members of the programming committee, understanding that indeed, because of the challenges of adoption of the budget late, the Medium-Term Budget Policy Statement was tabled late and therefore without compromising the work of our finance and appropriations committee, we had to make sure that we give enough and adequate time so that we can actually do what is right and what needs to be done.

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As I conclude, we must also express our appreciation to the administration of Parliament for all their efforts throughout this challenging time. Hon members, I also note that during this year, we lost some of our members who have been called to hire service. We remember them and their families. And we also appreciate the service they have paid in our society.

And I trust that as we go home, we will travel safely, spend time with families and our loved ones, over the festive season. Please, those of you who are driving, drive safely and arrive alive. Thank you very much. Happy successful Christmas and a new year. [Applause.]

The CHIEF WHIP OF THE SECOND LARGEST PARTY (Mr G Michalakakis): Hon Deputy Speaker, 2025 was an extraordinary year in many respects. It started with the military crises in the Congo followed thereafter by the most traumatic Budget process this Parliament has ever witnessed. For the first time in our democratic history the National Budget, was not simply a set of motions that Parliament went through to ultimately rubberstamp what was dictated to it, but it became a process of consultation and co-operation in the best interest of this country. The financial decisions that were made in this House in 2025, will

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for generations to come have a positive effect on the prospects on opportunities of all South Africans.

The DA's fight against the increase of VAT was central to this debate. It is a fight which we took to court and won. Why was this important? Because it ensured that the focus of our Budget was the poor. Because when the economy suffers it is the poor who suffer first. The poor who lose employment first. The poor who cannot afford to put food on the table first. We must in everything we do always go back to one question: What is in the interest of the most vulnerable in our society and what will create the opportunities and prosperity needed to ensure that we improve the lives of the people.

It was also a lesson in consultation. It taught us that we need to work together to find each other if we want to get the agenda of getting this country back on track to succeed. It also paved the way to ensure that Parliament is geared to deal with budgets in the context of coalitions going forward. It is our hope that we will stay on course next year to continue building and open opportunities to society for all.

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Hon Deputy Speaker, we also welcome the developments that took place in Parliament this year. The establishment of the ad hoc committee on the allegations made by Gen Mkhwanazi, exposing the dark and under the belly of SA Police Service, Saps, to the exposure to the appointments of the Sector Education and Training Authority, Setas, boards which the DA has spearheaded, and the fight against racial calcification at the Deeds Office.

The DA has also introduced various pieces of legislation that we believe will find sufficient support in this House for the fact that it aims to improve the prospects functioning and condition of our country. Among these are the Anticorruption or Scorpions 2,0 Bill by the hon Breytenbach, the Coalition Bills on National, Provincial and Local Level introduced by myself, a Bill to establish a Cyber Commissioner, Amendments to the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act to protect property rights, our economic inclusion for all Bill as an alternative to Black Economic Empowerment Bill that will ensure real redress and the Bill that those who were found by this House to have violated their constitutional auth and therefore being impeached in their former capacities to be disqualified from sitting in this House.

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Hon Deputy Speaker, we have further legislative proposals which we look forward to working with the executive on which we will be introducing in the New Year.

Hon Deputy the DA continues to take our constitutional duty Of holding the executive to account very seriously. Our members of the executive encourage this and we will continue to do so to ensure we make our contribution to an effective Parliament that is not just a rubber stamp for the executive.

This shows in the facts that 22% of the seats the DA has posed around 34% of all written questions asked to the executive.

We look forward to seeing the new rules adopted this week in action. Particularly the amendment to the oral questions to the executive. We will also do our part to ensure that the new Portfolio Committee on the Presidency and the new Petitions Committee function optimally doing their work in the interest of our country.

Hon Deputy Speaker, this year would not been possible without the support and guidance of the staff working at this institution. Indeed, I often hear and agree what a privilege it

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is to work at Parliament. However, the real privilege is to work with individuals of such quality as the table staff and support staff at Parliament. From the translators and library services to the catering services, legal advisors, Bills' Office, table staff, security and so many more.

In this instance, may I single out the Secretary to the National Assembly, Mr Xaso and his team again.

Finally, I wish to thank all of our colleagues in this House on both sides for the most constructive debates. The presiding officers, especially Mada Speaker, and the Chief Whip of the government for the excellent working relationship as well as the Chief Whip of the Opposition all three of them.

I wish you all a peaceful and much deserved December break. May you get to spend precious time with those we often neglect in this work but without whom we would not be able to fulfil our calling of serving our beautiful country and our families. I wish you all well. Thank you

Mr D D VAN ROOYEN: Hon Deputy Speaker and hon members, as we gather for the final sitting of 2025, I rise on a simple

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confession, this year has felt like 10 years compressed into one parliamentary calendar. If anyone survived this year without stress, please see me after this sitting. We need your secret.
[Laughter.]

It is somewhat as a former liberation army fighter it feels like I am about to cross the last obstacle in a guerrilla warfare survival cross.

This year, Parliament delivered everything expected from Members of Parliament, MPs. Drama, suspense and plot twisting that even the best script writer could not invent. We had walkouts, shutdowns, surprise coalitions and debates so long that even the microphones gave up before members did. However, here we are still standing, speaking and still arguing passionately about the future of our beloved country.

Hon Deputy Speaker, Parliament has its own language. A language the public will never fully understand. When an MP sats I be brief everyone quietly switches off their alarms for the next hour.

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When a Minister says we have established a task team the nation knows absolutely nothing will change until the next administration. When someone says we note the honourable members' concern it is a polite parliamentary way of saying we heard you and we are going to ignore you.

However, beneath the humour there is some sobering truth outside this House as we all know South Africans are not living in a comedy.

Everyday they face water shortages, crime, unemployment, failing municipalities, rising food prices and government systems that often feel distant from their daily struggles. While some leaders perfect their television soundbites, the people perfect the art of surviving hardships.

We cannot end this year pretending that all is well. It is not. Our country is calling for leadership and real leadership not public relations exercises and political gymnastics. South Africa does not need another slogan, another summit and another glossy report. Our people need results. They need honesty. They need courage from us the elected representatives. They need us to remember us that they did not send us here to perform they

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send us to deliver. As we pause at the end of this long year, we must acknowledge the real heroes behind these walls. The staff of Parliament, cleaners, security, drivers, translators, committee clerks, the information technology, IT, team who started our microphones when they did not want to switch on and the officials who patiently whisper "Hon member you are in a wrong meeting room." They keep this institution together when the politics try to tear it apart.

We commend also our cohort of MPs, MP party MPs, for the outstanding performance. Majority of them came in here not knowing anything about the work of Parliament but they have outsmarted the expectations and did us proud. We are very proud of you. ... [Inaudible.]

As we close this year, let us recommit ourselves to build a better, fair shorter and stronger South Africa in 2026. Let us argue less about positions and more about solutions. Let us prioritise the people over politics. Let us return with fresh energy, ready to work, ready to lead and with microphones that hopefully will finally function as we occupy the revamped dome in January, and we are told that we will also occupy the new restored Parliament building in November.

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The MK party wishes you a restful and enjoyable festive break. To those travelling, we wish you safe journeys to your respective destinations.

IsiZulu:

Nginyabonga.

Sepedi:

Re a leboga.

Afrikaans:

Baie dankie.

English:

We thank you.

Ms H O MKHALIPT: Deputy Speaker, as we bid farewell to each other today, on our last day in Parliament, it is important to remind ourselves of the following. It was the EFF that took the Minister of Finance to court when he attempted to increase value-added tax, VAT, this year, and we won. We legally challenged and successfully set aside the initially adopted 2025 Fiscal Framework, forcing a review in Parliament. It was the EFF

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that wrote to the Speaker and requested the establishment of a committee to investigate General Mkhwanazi's allegation of corruption within the South African Police Service, SAPS. That ad hoc committee has now been established, and we will get to the bottom of the corruption in the SAPS.

It is the same EFF that tabled the motion in Parliament last year to address the scourge of statutory rape. We are pleased to announce that multi-stakeholder engagements and public hearings on statutory rape took place this year. It is the EFF that tabled a motion in Parliament to establish an ad hoc committee to address the violence and killings in Cape Town, particularly in the Cape Flats. This motion was accepted with amendments by the House without any objection last week. A multi-portfolio parliamentary intervention to address the killings in Cape Town will be established, thanks to the EFF.

Following the severe events in the Eastern Cape floods in June 2025, it was the EFF that led aid and support initiatives in affected areas. The EFF released numerous statements throughout the year outlining their criticism and alternative proposals on significant national issues, including the Medium-Term Budget

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Policy Statement, the Government Employees Medical Scheme, GEMS, medical scheme reform, and the SAPS 2024/25 annual reports.

It is the EFF that continues to advance progressive and radical laws, such as the 2025 Student Debt Relief Bill introduced by the young, radical Member of Parliament, Sihle Lonzi. Deputy Speaker, this Private Member's Bill proposes a fund to erase debts for those who meet the criteria, secure qualifications regardless of area, and democratise education for impoverished youth, addressing economic liberation. I could go on. The Insourcing Bill, 24-hour clinics, the state bank, and more - it is the EFF.

To Parliament: stop poor planning, Speaker. You are overwhelming us with a very heavy and overloaded programme towards the end of the year. You do this every year, even though we keep telling you that proper planning is necessary. You keep praising Mr Dugmore, who is not doing his job. We are in this crisis because of poor planning in the programme. We, as the EFF, after the Parliament building was burned down, were the party that proposed having a dome. Even today, the dome is still not up.

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So please improve your efforts, because when we return in 2026, we will need a venue to accommodate all 400 Members of Parliament, MPs. We must ensure that the executive is held accountable. We are the legislative body, not an extension of the executive. Therefore, we need all of them present. They must not avoid accountability.

To the EFF ground forces, we will meet here next year, in the same place. Please go and rest, because we must be ready to take up the Government of National Unity, GNU. We must fight until the poor black child has freedom. Amandla!

Mr N M HADEBE: Madam Deputy Speaker, as we approach the end of the year, the IFP is unfortunately reminded that we do so as an incomplete family. The passing of our colleague, the late member of Parliament and IFP Deputy Chief Whip, hon KP Sitole, remains a deep and painful loss. His absence is felt in every sitting and in every moment of reflection. We extend our heartfelt condolences to all South Africans who will enter this festive season carrying the weight of grief.

On behalf of the IFP Parliamentary Caucus, I wish to extend our sincere appreciation to you, Speaker, the Deputy Speaker, all

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presiding officers, as well as the administrative staff and cleaning teams for the support and assistance extended to us throughout the year. Our government, despite the many challenges before it, has managed to restore a measure of stability.

While youth unemployment remains a pressing concern, the recent job creations recorded is a welcome development. Women in South Africa continue to live with a daily fear of violence and this House must recognise that their safety is not negotiable. The IFP welcomes the leadership shown by the Minister of Co-Operative Governance and Traditional Affairs, Cogta, hon VF Hlabisa, in championing the classification of gender-based violence and femicide as a national disaster. This is an important and necessary step.

Hon Deputy Speaker, as we approach the festive season, we reiterate our plea to the people of South Africa to practice safety when driving, to avoid excessive drinking, and to let shop owners know that they will face the full extent of the law if they sell alcohol to minors.

We also wish to express our appreciation for the mature debates that have taken place in this House throughout the year. We have

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truly witnessed democracy in action. Honourable members, let us take this time to rest well and return ready to continue serving the people of South Africa. Thank you.

Ms J S PETERSEN: Deputy Speaker, hon members, members of the public, this House has been a place of vibrant debate, shared ideas, and passionate commitment. We are honoured to have contributed to the work we do for the people of South Africa.

Throughout this term, the Patriotic Alliance has remained true in its values, promoting fairness, accountability, and the upliftment of communities that deserve to be seen and heard. We are proud of the progress we have made together. Even as we recognise the challenges that still lie ahead, each step forward has been a reminder of the impact we can achieve when we serve with purpose. We offer our warmest appreciation to members from all parties. Our viewpoints may differ, but our shared love for our country is what unites us.

As we turn the page, the Patriotic Alliance looks ahead with optimism. We remain committed to building a South Africa where every citizen has dignity, opportunity, hope, and we continue to say that coloured lives matter too. The road before us calls for

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co-operation, compassion, and renewed energy, and we are ready to play our part.

Hon Deputy Speaker, and hon members, we wish you rest, joy, and a refreshing break. May the next term bring even greater progress for our beloved nation and to the young people of this house. May we never forget what we have always waited for...

[Inaudible.]

The DEPUTY SPEAKER: Hon member on the platform, please mute yourself. Hon Denner, please proceed.

Mrs H DENNER: Hon Deputy Speaker, I will not be delivering an annual report like some of my colleagues, so allow me to bid you farewell with the following. This year has been both interesting and difficult, defined by the need to adapt swiftly to new and changing circumstances. We have made some strides towards greater accountability and better management in government through the Government of National Unity, and slowly but surely, we are starting to see green shoots of change and improvement. However, it did not come easily, as evidenced by the Budget 2,0 situation, and there is still much, much to be done.

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In this House and at this podium, we give each other hell, and I am not sure if I am allowed to say that. We met and we negotiated and discussed and consulted and fought for what we each think is right, according to what we believe. And this is good, as long as it is being done in the spirit of improving the well-being of our people and our country.

The FF Plus would therefore like to thank all the colleagues for the collegial way in which we could work together in this House, in committees, and in the corridors of Parliament. We may not always agree, but it has always been a characteristic of this Parliament for members across all party lines to treat each other with respect, once we step away from here. And we thank you for that.

To the table staff and all other staff of Parliament, as well as the presiding officers, your dedication and professionalism have ensured order and continuity during turbulent times. Thank you for enabling us to do our work.

To colleagues and staff and South Africans at large, may you have a restful, blessed and safe festive season. May we all return safely and well rested to continue to work and fight for

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what we believe in. May God bless you and may God bless South Africa.

Afrikaans:

Baie dankie.

Dr T K S LETLAPE: Deputy Speaker, thank you to the Speaker, all the House Chairs, the staff for the support. How you cope with us, only God knows.

Setswana:

Ka Setswana bare: leina lebe seromo.

English:

It means that you live up to the name or title given to you. I was humbled arriving here to be addressed as honourable, and we have a solemn duty to live up to it. If we act honourably, oversight committees and visits will be fruitful expenditure. In the absence of honour, you need special investigative units and task teams, because in the absence of honour, oversight does not cut it. If we become honourable, we will fall on our swords and avoid the expenditure we cannot afford.

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We used R175 million for the Madlanga Commission and have the expenses of the ad hoc committee, when we have our children dying of malnutrition, our children starving to death in the presence of a government that cannot save them.

We have to learn to put the people before party and understand that, as Parliament, we have a collective responsibility. This House is the engine of lawmaking in our country, and we must take responsibility for an environment that promotes unlawful behaviour, and for normalising the abnormal.

We create the enabling environment for dysfunctional municipalities. We mitigate for unlawful conduct - from squatting that we call informal settlements, from nonpayment for services that we blame on apartheid and poverty to GBV and femicide, to racketeering. The list is endless. We have to stop being enablers of a dysfunctional country.

Building an ethical state starts with us. We have to ensure that no woman gets raped, no child goes hungry and no corrupt official is aided by a party and political connections and that no Member of Parliament that is not honourable is protected by parties. They must do the honourable thing and move on their own

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accord. I wish you well. Let us come back to give honour to this House.

Mr S N SWART: Madam Deputy Speaker, it has indeed been an extremely busy year with many challenges, starting with the much-contested Budget, which illustrated our maturity in democracy. And it is noteworthy that the recently passed revised fiscal framework and revenue proposals did not elicit the same controversy.

The ACDP believes that leaders are dealers in hope. And the question we need to ask ourselves is: Are we bringing hope to our people? Is the ship starting to move in the right direction? And we believe this to be the case. It is noteworthy that we amended the Rules to allow a designated committee over the Presidency and Vote 1, and this is a further development in strengthening parliamentary oversight over the Presidency in particular.

And I just wish members of the public could see behind the scenes how we greet each other, how we work together, how we co-operate, instead of the posturing that we often see here before this podium. So, maybe that is something also to bear in mind.

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Lastly, it is very imperative for us to thank our families and to spend time with our families over this holiday season. It has been a very tough year, and Jesus said, come to me, all of you who are weary and carry heavy burdens, and I will give you rest. Remember to take a rest and keep the Sabbath.

We wish to thank everyone that has worked so hard, all the staff, everyone. And, as I conclude, I think it would be opportune just to pray a blessing upon everyone here, and it is known as the Aaronic Blessing. May the Lord bless you and protect you. May the Lord make his face shine upon you and be gracious to you. May the Lord lift up his countenance upon you and give you peace.

IsiZulu:

Malibongwe igama le Nkosi.

English:

Praise the name of the Lord.

Afrikaans:

Prys die naam van die Here.

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English:

May you have a blessed, peaceful Christmas and Happy New Year.
God bless. Thank you.

Mr N L S KWANKWA: ... [Inaudible.] ... does not even say amen. Deputy Speaker, at the closure of each parliamentary year, we pause to reflect not only on the motions passed or questions posed, but on the shared constitutional duty that binds us here. As Nelson Mandela reminded us, after climbing a great hill, one only finds that there are more mountains to climb. This year, we climbed a few together. We engaged in debates that were robust and sometimes uncomfortable, yes, but undeniably necessary. We revised the national Budget three times to ensure that every voice found expression. And we strengthened accountability with the establishment of the first ever oversight committee over the Presidency since 1994, an important step in affirming our constitutional promise.

Our Parliament also continues to punch above its weight globally. Through our collective active participation in multilateral forums, South Africa plays a critical role in shaping dialogue on peace, development, and democratic governance. These platforms are often unseen by the public, yet

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they are critical in ensuring that our voice is rooted in constitutionalism and human rights and resonates across everywhere.

As you are aware, parliamentary diplomatic work is rooted in a country's foreign policy. As we learn how to govern together with clarity, foreign policy must be a shared national project, not the preserve of any single political party. It must be guided by consensus, so that our geopolitical positions align with both our values and national interests.

Let us return in the new year ready to pursue this conversation with clarity. But, today is not for policy discussions. I wish to take this opportunity to thank you for the work we have done, the essential work that has taken place behind the scenes, and the impressive work that has been done by even our staff members and everyone in Parliament. To you, my fellow South Africans, may your Christmas be joyful and your New Year be filled with renewed hope. Let us return ready to serve with purpose and humility. Go well. See you next year. See you at work.

Xitsonga:

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Ttn S M GANA: Ndza khensa, Xandla xa Xipikara. Ndzi sungula hi wena ku khensa kutani ndzi ...

English:

... thank all the presiding officers, the Table staff, the staff of Parliament, the staff that support us in committees, the men and women in blue that protect us, and everyone else that makes sure that this House functions. If I were to sum up 2025, I would say that it's the year that we have restored the trust in Parliament. I would say that in the last six months, when I meet people, there are few that ask me, what do parliamentarians do? Therefore, it's all thanks to the work that we've done.

Not once have I seen in the last or heard in the last six months that there are people that are sleeping in this House. There's no one sleeping now. There's no time for sleeping. We are here to work. Therefore, we need to thank ourselves as well for restoring the trust in Parliament. There are two committees that are currently on the go: The ad hoc committee into the allegations by General Mkwanaazi and the Standing Committee on Public Accounts, Scopa, enquiry. Next year, they will report to us. It's up to us to ensure that those recommendations are followed upon and implemented.

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Therefore, as we head for our break and the Christmas season, I wish you all well. Travel safe. Don't drink and drive. Don't gamble the money that you don't have. First buy groceries before you gamble. We wish Bafana Bafana well for the Africa Cup of Nations, Afcon, that's starting on 22 December. We wish Orlando Pirates well for the final on Saturday, up the bucks.

Xitsonga:

Ndzi khensile swinene.

Dr M A MAIMANE: Hon members ...

Setswana:

... багаetsho ...

English:

... let me first, I want to thank the Standing Committee on Appropriations. The team works extraordinarily hard. In fact, more than half the Bills that would be passed this year have made their way through the committee. I want to congratulate hon Mwali who just had a little one. He's a member of our committee and I want to congratulate him. I also want to ...

[Interjections.] ... yeah, I want to look at the fact that a

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member in our committee had lost their son. I want to say that this work is demanding, it's hard. It takes us away from home. Therefore, I want to send my deep condolences.

I want to say to the respective political parties who are here, yes, hon Ntuli, I want to thank you for always accommodating the committee and the work that we've got to do when we've needed adjustments. Hon members, we do what we do. I want to thank the staff here in Parliament. The team that works here. I want to thank the team at Bosa who have been fighting hard for bringing Fair Pay Bill and fighting here in this Parliament. We do this, hon members, because we love this nation.

I want to say, I don't want to make this an annual general meeting, AGM, but simply to say this, let's remind ourselves about what our ultimate task is. Ours is to call our nation to greatness. Ours is to give the world a more human face, a more humane face, and a more diverse face. That's what our beauty of our nation is. Therefore, fellow South Africans, as we sit in this room, we represent the very diverse face of our people. Let's do so always resiliently.

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I want to maybe, as I close, without it being too much, look forward to next year, we wish you a peaceful break. However, I pray this prayer of blessing over you: That the Lord bless you and keep you, make his face shine upon you. That the Lord uplift your countenance and give you peace. God bless you.

The CHIEF WHIP OF THE LARGEST MINORITY PARTY: Madam Deputy Speaker, let me join the other colleagues and hon members who have conveyed their appreciation for the opportunity for us to stand here and say a few words to one another. I want to agree with hon members who are saying this has been a very difficult year and in many ways. One of those difficulties, of course, were that this has just been a year and a half since the formation of the Government of National Unity, which is not necessarily just a formation of a Government of National Unity with political parties from different ideological positions but including individuals who are coming from different walks of life.

However, we have had to work together, to listen to one another, and to learn to trust each other to advance our national agenda. I think it's important that we should acknowledge that progress and despite the challenges that we have had to contend with. One

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of those, of course, as other colleagues have mentioned, and I want to say that this year might arguably go down as one of the difficult years of the National Assembly, given the challenges that, as I said, emerged immediately after the formation of the Government of National Unity.

The budget difficulty for 2025 and 2026, I think we all have acquired several lessons. I do believe that we will take those lessons into heart as we advance into the future as well as the new year. The establishment of the ad hoc committee and the Madlanga Commission of Inquiry, in response to the allegations arising from the press conference done by the KwaZulu-Natal Provincial Commissioner, Lieutenant-General Mkhwanazi, is one of the major developments in our country this year. Naturally, the nation is eagerly waiting for the findings and the recommendations which will be tabled to the National Assembly. However, not only that, but what the National Assembly is going to do about those.

I am certain that Parliament will do everything possible to strengthen oversight and accountability in pursuit of our national objectives to build a nonracial, a nonsexist, a democratic and a prosperous society. In this context, we should

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draw lessons from what President Nelson Mandela said in 1996, almost 30 years ago, when he said, and I quote:

Our experience had made us acutely aware of the possible dangers of a government that is neither transparent nor accountable. To this end our Constitution contains several mechanisms to ensure that government will not be part of the problem, but part of the solution.

Madam Deputy Speaker, if the public representatives walk away from their primary responsibilities and get caught or consumed by trivial matters, government and the Parliament can easily become a part of the problem. Something which President Nelson Mandela warned us against 29 years ago. It is always important for us to bear in mind, whatever our differences, this House remains fundamentally important as a custodian of discussions on matters of national importance.

Accordingly, this Parliament must help our country and her people to respond to the challenges of the moment, which include, among other things, and of course, in addition to what other colleagues of mine have said here: unemployment, poverty

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and inequality, challenges of climate change, as the Speaker mentioned them earlier on, crime and corruption.

Madam Deputy Speaker, South Africa and its people face severe headwinds amid a volatile, uncertain and insecure global situation. This is more than just a bad weather. We are confronted by an influence of forces and factors that impact negatively on the pace of change in our country. Indeed, we are in the eye of the storm, and our success in this regard will depend on the quality of leadership of our public representatives and the government of our people.

We wish to congratulate President Cyril Ramaphosa, our government and the people of South Africa for hosting a successful ever first African Group of Twenty, G20, summit of leaders in our continent. I would like to thank my colleagues in the Chief Whips Forum of all political parties represented in this National Assembly for their support and collegiality.

We also want to salute you, Madam Speaker, the Deputy Speaker and your team for always working with us under difficult conditions and at times even when we become ourselves very

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difficult on your work. Mr Xaso and the entire team of the National Assembly, thank you very much.

Let me also convey our deepest appreciation to the ANC caucus staff and members who have made it possible for us to discharge our responsibility to the nation. Most importantly, I wish to salute the people of South Africa who are constantly watching us as their representatives and reaffirm our commitment to continue to serve them wholeheartedly and to the best of our ability.

Yes, indeed, good luck to Bafana Bafana on their campaign for the Afcon Championships. I wish you all, hon members, a joyous and a festive as well as prosperous New Year. Thank you very much.

The DEPUTY SPEAKER: Hon members, before we conclude, from my side, I would also want to thank everyone. It is a privilege and honour to serve in this House, and I also wish you a restive and a peaceful time so that we return next year energised. That then concludes the farewell speeches and the business of the session. Therefore, for the last time this year, hon members, I request you to stand and wait for the presiding officer and the Mace to leave the Chamber. The House is adjourned.

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The House adjourned at 18:02.

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