

## **MEDIA BRIEFING NOTES:**

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**CHAIRPERSON: PORTFOLIO COMMITTEE ON EMPLOYMENT AND LABOUR**

Greetings to the Chair of Chairs, Hon. Frolic

Fellow Chairpersons

Parliament Communications Services

Media Houses and other stakeholders

Firstly, let me thank you, Chair of Chairs and the Parliamentary Communications Services, for facilitating this platform of engagement as another way of proactively communicating through the media on the work of Parliament as carried out by the different committees.

In the few months since the elections, the Portfolio Committee on Employment and Labour in the 7th Parliament acknowledges the work done in the 6th Parliament, challenges and recommendations as reflected in the legacy report, quarterly reports, and Auditor-General (AG) Reports that the committee has processed thus far.

The areas to be briefly covered today are the following:

- Repositioning the Unemployment Insurance Fund (UIF) and the Compensation Fund (CF)
- Implementation of the Labour Activation Programme (LAP)
- Inspection of Compliance with Labour Legislation
- National Labour Migration Policy

### **1. Repositioning the UIF and CF**

The UIF is an important entity of the Department of Employment and Labour (DEL) and facilitates services to its beneficiaries through different labour centres and online services. It has been confirmed by both the UIF and AG reports that the Temporary Employer/Employee Relief Scheme (TERS) implemented during COVID-19 brought challenges of possible corruption, and consequence management has been very slow even though “Follow the

money” is being implemented. The unlisted investments done through the Public Investment Corporation have negatively affected the annual financial statements of the UIF as those investments’ annual financial statements are not aligned with UIF and, therefore, affect UIF audit outcomes.

The CF has been marred by possible corruption as funds meant for beneficiaries were diverted to accounts not belonging to intended beneficiaries in some instances. The lack of proper records of beneficiary claims over the years, which has attracted disclaimers from the AG, is not only creating a conducive environment for possible fraud but, if not permanently addressed, could threaten its future as a going concern. The governance model and ICT challenges caused by the current arrangements are at the core of the challenges of both entities.

In the 6th Parliament and when the department appeared before the committee in the 7th Parliament, the repositioning of these two Funds’ progress report indicated that the Funds would optimise their capacities in such a way as to uphold the interests of the working class, leverage their resources for skills development, create jobs, and ensure an inclusive workplace. The committee has welcomed the department’s Project Management Office, which was established to ensure the repositioning was inclusive and that the restructuring did not result in job losses.

## **2. Implementation of LAP**

The UIF Board, as mandated by the UIF Act of 2001, advised the minister on the implementation of the Labour Activation Plan (LAP) to ensure that unemployed UIF beneficiaries are re-integrated back into the labour market. The objectives of LAP include partnering with other government institutions to implement job creation initiatives, funding turnaround strategies for companies in distress, participating in the training-layoff scheme, and training the unemployed. This LAP received negative publicity owing to alleged irregularities in funding allocations to applicants. However, the committee views LAP as an important programme to facilitate the skills revolution and massification of public employment opportunities. On 9 January 2025, the minister and deputy ministers handed about R651 million in funding to 12 service providers collectively in the Western Cape, which is projected to yield about 17 300 job opportunities in the different sectors of the economy. More allocations are to be announced in other provinces. The approach is that of linking skills training to possible job placement.

From a committee point of view, there should be a shift where people are not just trained but are certain of a job and placed in jobs.

### **3. Inspection of Compliance with Labour Laws**

Through its inspectors, the department ensures compliance with labour laws and policies in the labour market. The inspectors do this by attending to employers' premises, perusing specific documentation such as employment contracts and ascertaining if the employer is compliant. Recent joint operations by the department, the Department of Home Affairs and SAPS, ranging from visits to restaurants and farms to industrial sites, have proven to be very effective. However, the committee has noted the need to increase the number of inspectors as committed by the Ministry, as well as the review of penalties for non-compliant employers, e.g. employers who employ undocumented immigrants, get a fine of R2 500. These fines against errant employers have proved not to be a deterrent. Against this backdrop, the committee supports the Ministry's initiative to bring 20 000 inspectors incrementally on board.

### **4. National Labour Migration Policy (NLMP)**

The National Labour Migration Policy (NLMP) is a framework aimed at regulating the employment of immigrants (foreign nationals) in South Africa while addressing domestic labour market challenges. The policy seeks to balance the economic benefits of labour migration with the country's socio-economic needs, particularly in the context of high unemployment and skills shortages. It aligns South Africa's international obligations with the International Labour Organisation (ILO) Conventions and other immigration-related agreements.

The NLMP presents an opportunity at three levels. It also looks at SA moving out of country.

Also those migrating into country

Even when scarce skills, must employ SA first.

This policy has consequence amendments to the Public Services Act. The committee is aware that Nedlac social partners are working hard to process possible amendments to several pieces of legislation, which will ultimately be introduced to Parliament once all processing stages are concluded and the committee will process them. In the view of the

committee, there is a need for a complementary approach to legislation between the Department of Labour and Employment, DHA and the Department of Small Business Development as they are all processing draft legislation on immigration in their own spaces of operation. It is when the government is consolidated that it can act decisively; when there is a joint approach, we are more effective. It is also the view of the committee that the interventions in the labour market are not the exclusive purview of DEL but of everyone. Against this background, we also support government interventions where companies are distressed to save jobs. Government should do everything in its power to save jobs.