**MEDIA STATEMENT**

**COMMITTEE SAYS VFS MONOPOLY AT HOME AFFAIRS IS INDEFENSIBLE**

**Parliament, Tuesday, 12 March 2019 –** The Portfolio Committee on Home Affairs has resolved that it will write a letter to the Minister of Home Affairs to review the contract with VFS Global. The committee would like to hear from the minister about the possibility of going out on an open tender process and his plans to build capacity within the department to quickly process visa applications.

The Minister will be expected to respond to the committee within a week, to ensure that the matter is dealt with before Parliament rises.

The committee castigated the Department of Home Affairs for its decision to grant VFS Global a further two years’ extension of their agreement to administer the issuing of visa. The decision to extend the contract is in direct violation of the Public Finance Management Act and Treasury regulations on procurement within competitive bidding processes.

The committee has over the past year raised concerns about the VFS contract. It views the contract as a systematic and deliberate creation to support a monopoly that is surely not good for broadening of economic participation. Furthermore, it creates barriers to entry for smaller companies within the field. The initial contract was entered into in 2010 and it is unacceptable that, nine years down the line, the department continues to renew a contract with only one company.

“The extension creates a perception of another Cash Paymaster Services (CPS), which was the only service provider at the South Africa Social Security Agency said to have the capacity to render services. It is even more concerning that the department has extended the scope of work of VFS to establish services in countries it did not have previously,” said Mr Hlomani Chauke, the Chairperson of the committee. It also raises concerns about the legitimacy and bona fides of the contract.

While the committee acknowledges that Parliament has no right to inform the department on who to contract for services, it would be a dereliction of its duty if it did not highlight cases where the department is deliberately breaking its own rules and guidelines.

The lack of capacity at the Department of Home Affairs to process visa applications was also raised as a matter of concern that hampers the actualisation of the President’s stated intention to grow South Africa’s economy through tourism.

“It is even more concerning that capacity in key tourism markets, such as Nigeria and India, is lacking, leading to few processed applications impacting on the numbers of tourists coming into the country,” Mr Chauke emphasised.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON HOME AFFAIRS, MR HLOMANI CHAUKE**