**UNREVISED HANSARD**

**MINI PLENARY - NATIONAL ASSEMBLY FRIDAY, 14 MAY 2021**

**VOTE NO 31 – EMPLOYMENT AND LABOUR**

***PROCEEDINGS OF MINI PLENARY SESSION – NATIONAL ASSEMBLY CHAMBER***

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

Ms R M M Lesoma, as Chairperson, took the Chair and requested members to observe a moment of silence for prayer or meditation.

The Chairperson announced that the virtual mini-plenary sitting constituted a meeting of the National Assembly.

**APPROPRIATION BILL**

Debate on Vote No 31 – Employment and Labour:

The MINISTER OF EMPLOYMENT AND LABOUR: Hon Chairperson; hon members, the colleagues, Ministers who are here, the Deputy

Minister of the Department of Employment and Labour, the Director-General, senior management of the department and its entities, the members of the media, ladies and gentlemen, Chair, we can all agree that this has been a difficult year. Over 50 000 fellow South Africans have succumbed to Covid-19.

Thankfully the overwhelming majority of those infected recovered. The pandemic, and lockdowns, resulted in massive

disruption to economic activity and livelihoods, which adversely impacted government revenue and budgets.

The estimates of the national expenditure allocation to the Department of Employment and Labour was reduced by

R339 million resulting in a final appropriation of R3,3 billion for the year 2021. The Department's draft

Appropriation Statement for 2021 reflects under-spending of 6%. This is a measure of disruption brought by the pandemic as

programmes and targets were modified as contact services were

reduced to curb the spread of the virus. Performance against targets for 2021 stands at 51% compared to nearly 90% in the previous year.

Despite the difficult conditions, the department and the majority of the entities received unqualified report from the

Auditor-General for 2021. There are however challenges around the Compensation Fund and the Unemployment Insurance Fund, UIF, which received a disclaimer.

We are committed to continued improvement of governance and

organisational review of the two funds to attain a clean audit. I have met with the Office of the Auditor-General which

is providing guidance in addressing problems at the Compensation Fund.

For the 2021-22, an appropriation of R3,5 billion was awarded to the department, representing a reduction of R351 million in

the baseline tabled in 2020.

The major reductions made by the department are: R213 million from compensation of employees and R8,5 million on goods and

services. In addition, budgets across the entities were

reduced by R102 million. We know that there has been a big cry in the side of the Compensation Fund on how they deal with retrenchment. This is some we are going to look in the process.

So, that is the context of the current Budget Vote. But I am not here to lament or blame all problems on the pandemic.

Rather, I will focus on the department's response to the pandemic, and developments around the core mandates of employment and the decent work.

Firstly, on the response to the Covid-19. The Occupational

Health and Safety, that’s OHS, inspectors helped to craft the Covid-19 OHS directions. To enforce compliance, over 31 000

inspections were conducted for the period 1 April 2020 to 31

March 2021.

The department appointed an additional 500 OHS inspectors, a welcome addition in the battle against the Covid-19 making

possible a four-fold increase in the number of inspections planned for 2021-22. So, the target is to conduct over 96 000

OHS inspections this year.

The Covid-19 terms benefit started paying out from April 2020. As at 31 March 2021, payments were made to 267 000 employees and to 5,4 million individual employees at a cost of R

58,7 billion – providing support to laid-off workers, their families and communities across the country.

The necessary operational changes at the fund came with the challenges, and we were grateful to the Office of the Auditor- General for their assistance in analysing the systemic weaknesses requiring strengthened controls, and to the SIU for investigating the possible fraud and corruption. Disciplinary

hearings are being conducted in relation to the suspended senior officials on the basis of the preliminary report

received from the Special Investigating Unit, SIU. These investigations remain on-going.

We were also protected against the fraud and corruption by the UIF's 'Follow the Money' strategy to audit all employers that

received the Covid-19 Ters funding. Up to 31 March 2021, 1 052 employers had been audited and the payments to R1,3 million

workers verified. The auditors verified payments of

R16 billion and traced R228 million that was fraudulently

claimed by employers, and I am saying employers and it is very

important. Of the 121 employers that have already been handed to the Hawks via the Presidential Fusion Centre, 16 have appeared in court.

The Compensation Fund, and the licensed mutual assurance companies have paid for medical treatment and replacement of

the lost income for 12 500 court related claims over the last

12 months. These bodies have also set aside R1,3 billion, in terms of the Coida Act to fund vaccines for some 3 million uninsured workers and Coida pensioners.

The National Economic Development and Labour Council, Nedlac, played a critical role in uniting social partners in a common

response to the pandemic - shaping the income relief responses, and the health and safety directions for the

workplaces. The council's role in promoting social solidarity

at this time cannot be over-emphasised.

On the employment and economic recovery, Nedlac also continued to facilitate social dialogue around the issues of growth and

jobs, monitoring the implementation of the Presidential Job Summit Commitments, unblocking key structural reforms, now

taken up by Operation Vulindlela led by the National Treasury

and the Presidency.

The Nedlac also facilitated input by the social partners into government's Economic Reconstruction and Recovery Plan announced by the President in October 2020. In the current year, Nedlac's priorities include: the implementation of the

economic recovery plan with a focus on energy security, localisation, improving public transport, the movement of the freight and enabling small business development, as well as the roll-out of the vaccination campaign in the workplaces.

As part of the reconfiguration of the department to give effect to the additional employment mandate, the Labour

Activation Programmes, funded by the UIF, were refocused to contribute directly to job creation and preservation.

The UIF will strengthen the normal Employer/Employee Relief Scheme, that is Ters, to give relief to the struggling

businesses to save the jobs. Typically, businesses that have notified the CCMA of their intention to retrench, would then

be invited to apply for that support from the UIF normal Ters, and where approved and referred to Productivity SA to develop

sustainable business strategies. From 2021, the UIF has

invested R104 million to assist distressed businesses.

The CCMA has recorded an unprecedented number of the referrals of section 189A, the retrenchment matters. The processes facilitated by the Commission for Conciliation, Mediation and

Arbitration, CCMA, in the 2020-21 resulted in 42% of notified at-risk jobs being saved: some 58 000 jobs.

The UIF LAP targets for 2021-22 include the following: 12 000 youth targeted for training; 41 000 UIF contributors targeted

for job retention and re-employment; as well as supporting the SMMEs and establishing 30 co-operatives.

Despite the cost of Covid-19 Ters benefits in the last year,

the UIF has set aside a total of R2,4 billion for the LAP

programmes, including, the Business Turnaround Programme –

R70 million; normal Ters – R250 million for new applications;

and the training of the unemployed – R1,4 billion for the funding of the new projects linked to employment

opportunities.

The financial year 2021 under the normal Ters programme,

Productivity SA supported 25 companies at a cost of

R5,6 million directly saving 3 000 jobs. Productivity SA's Business Turnaround and Recovery Programme capacity will be also be further enhanced in 2021-22 to support 191 companies at a cost of R115 million, saving some 10 000 jobs.

In the light of South Africa's recorded decline in productivity and competitiveness, Productivity SA is strategically positioned to deliver on its mandate of its employment growth and productivity, with a focused support for formal and informal SMMEs, start-ups and cooperatives. This in

turn supports the Economic Reconstruction and Recovery Plan.

Meanwhile, the Compensation Fund has committed 10% of its investment portfolio towards the growth and job creation: some

R7 billion. This includes an allocation of R1 billion to

support employment-creating SMEs over the next four years.

During 2021-22, the Department's Public Employment Services, Pes, will continue working with the Presidency to co-ordinate

the Pathway Network Management programme which brings together nationally, work, learning and job opportunities for youth,

made easily accessible on a digital platform. This requires

the kind of 'joined up government' the President refers to.

Relevant departments and agencies have already signed up to a Memorandum of Agreement. Some 436 000 youths not in employment, education or in training – what we call the NEETs have already been supported through the wider network and an

additional 170 000 youth NEETs were placed into the various work opportunities through the wider pathway management network.

Central to our employment strategy is the need to close the

skills gaps. Part of this references the new demands of the Fourth Industrial Revolution. So, there will be a greater

emphasis on digital literacy skills, as well as entrepreneurial skills. To this end, my department is

collaborating with the Departments of Higher Education,

Science and Innovation, and Communication and Digital Technology.

Meanwhile, traditional sectors such as agriculture and service

sectors, which have the potential to absorb many of the unemployed, will be made more attractive through the

enforcement of decent work principles that our labour laws

provide.

The Pes is also engaging the agriculture sector to recruit locally instead of opting for corporate visas to employ foreign nationals only.

Despite the pandemic, our labour centres continue to provide services, within the constraints of Covid health protocols:

245 000 work seekers were provided with the employment counselling services, and 37 000 work seekers were placed in employment

On decent work, I believe it is critical to reaffirm the

mandate of the department to protect the workers and promote decent work. The labour inspectors do this through enforcing

compliance with the labour market policies and laws. The CCMA

works closely with the department in this respect, 297 000 compliance inspections will be conducted during 2021-22 with a

continued commitment to prosecute the non-compliant employers.

Despite the pandemic, as at Quarter 3 of financial year 2021,

24 500 Basic Conditions of Employment and National Minimum

Wage inspections had been conducted, and monies recovered for

the underpaid employees.

The National Minimum Wage was introduced in 2019 to protect the most vulnerable, benefitting some 6 million workers

The National Minimum Wage Commission and the department review the quantum of the National Minimum Wage annually, this year

increasing it by 4,5% to R21, 69 per hour, with effect from 1 March 2021. Where marginal employers cannot pay the new rates, an exemption procedure exists.

I should also flag, that research commissioned by the National

Minimum Wage Commission into the broader impact of National Minimum Wage legislation indicates that there has been no

negative impact on the employment.

Meanwhile, to encourage employers to comply with the

Employment Equity Act, 3 432 inspections are planned for the current year, up from 1 604 in 2021.

During this year, inspections will also take place in the

informal sector. The department currently chairs a national task team to improve the working conditions for vulnerable

workers, including amending the labour laws with the view to

simplifying the processes, and supporting the transition of informal businesses to formalisation.

The new claims management system introduced by the Compensation Fund was fully operationalised in 2021 allowing

us to pay benefits to the value of R4,2 billion, with 90% of these paid within 5 days of approval.

To report on the current policy initiatives**,** we have introduced the Compensation for Occupational Injuries and

Diseases Act, Coida, Amendment Bill which brings major improvements in the benefits paid, as well as: including

domestic workers in the category of employees entitled to occupational injury and benefits: and new provisions for

rehabilitation of injured workers with the aim of assisting

their return to the labour market.

So, the Occupational Health and Safety Amendment Bill and the Employment Equity Bill are currently under scrutiny from this

House. Recent reversals of transformation measures by major companies' points to the necessity to strengthen the

Employment Equity Act. Parliament is further requested to

engage with ILO Convention 190: - 'Eradication of Violence and Harassment in the Workplace' - for the country to ratify it.

My Department has developed a 'Draft Code of Good Practice' which has been published for public comment. A major initiative underway is the development of a National

Employment Policy and Labour Migration Policy which will be finalised this year for public comment.

The promotion of labour market stability and sound labour relations has been central to the mandate of the Department of

Labour both to promote decent work and conditions conducive to investment and growth. Examples include: The department

extended 31 collective agreements to non-parties covering more than 1 million employees, improving their conditions of

service. Four bargaining councils concluded the Covid-19

related collective agreements ameliorating the effects of Covid-19 in their sectors as well as ensuring that workers

were paid during the lockdown.

Finally, let me thank the Deputy Minister, the staff of the department and the commissioners and executives of entities –

led by the Director-General - for their commitment and hard

work in achieving the targets and continuing to provide services in very difficult conditions.

Hon Chair, I hereby table the Budget of the Department of Employment and Labour for 2021-22 financial year. Thank you.

Ms M L DUNJWA: Thank Chair and good morning to the Minister of Employment and Labour and his Deputy Minister, all Minsters that are part of this debate, Members of Parliament, members of the portfolio committee, communities, workers and the country at large. As we continue to celebrate workers’ month, we must never lose sight of the immense contribution that workers, particularly the frontline workers for what they have done to save lives from the deadly COVID-19 disease ...

*IsiXhosa*:

... ngakumbi abongikazi, oogqirha nabo bonke abantu abasebenza ezibhedlele, abathe imini nobusuku bajongana nabantu abadlikidlwa sesi sifo. Kananjalo sithi, masibabulele nabanye abasebenzi abathe benza kwaye baqinisekisa ukuba uphuhliso kweli lizwe ngeli xesha likaxakeka luyaqhuba, sithetha ngamapolisa, ootitshala, abantu abasebenza kwiivenkile ezithengisa ukutya, ukuze sikwazi ukuphila ngeli xesha.

*English*:

To all the workers of our country and on behalf of the Portfolio Committee on Employment and Labour, ...

*IsiXhosa*:

... sithanda ukuthi, siyabuela ngokuthi nizincame, nizincamela iimpilo zethu.

*English*:

We must continue to reflect on how the South African government led by the ANC has dealt with the pandemic during the national lockdown, and put up processes that have engaged and programmes that have enabled us to be where we are today. We want our people to acknowledge that.

The COVID-19 pandemic has had a devastating impact on the economy. Millions of workers and employers have felt it the most, whilst doing their best to ensure that, the wheels of the economy turn. The importance of establishing occupational health and safety committees that are functional, and capable of ensuring that the COVID-19 regulations are being adhered to, is an urgent task for all our workplaces.

The committee did receive the tabling of the strategic plan and the annual performance plan, APP from the department and its entities. Let us acknowledge that, the work of the department during this time was very difficult, while at the same time performing its ordinary duties. We must commend the

Unemployment Insurance Fund, which had to design new systems to distribute the COVID-19 benefits while maintaining the traditional Unemployment Insurance Fund, UIF benefit system. Minister, ...

*IsiXhosa*:

... masitsho ukuba oko ukuxelielyo namhlanje usithi noko uphicotho lweencwadi ze...

*English*:

... Compensation Fund and the Unemployment Insurance Fund ...

*IsiXhosa*:

... luxhomisa amehlo. Siyathemba ukuba ukuba ngeli thuba ...

*English*:

... we will say that Chair if we are allowed, we are demanding that, the consequence management must be allowed and from month to month, we will implement that. The committee is concerned that, the reduction in the budget allocation to the department could lead to the reduction of visits of inspectors to the workplaces as travelling may have to be curtailed.

Other services such as outreach campaigns and the capacity of

the enforcement compliance of companies that are flouting the laws, may be affected.

As per our observation and the recommendations of the committee, we will monitor the outreach of Productivity SA as we are concerned that, the entity is planning to reduce fruitless and wasteful expenditure only by 10% from the baseline of 518 000. The target of less than 10 000 jobs to be saved in companies facing economic distress is too little in the light of the economic challenges. On the Commission for Employment and Labour, CEE, we are comfortable that they have now seen the need of coming up with innovative project that is going to enable them to generate more funds. We will monitor that as per our regulation.

Chair, Minister and hon members, on CCMA we have reported on the impact of the budget cut on the Commission for Conciliation, Mediation and Arbitration, CCMA. We are concerned about that and we are saying the department must find funds within its budget to support the CCMA where possible. Minister in that, we also hope that there will not be any funds that will be returned back to Treasury, because that would be unfair to the workers of this country who are to

be served by CCMA, and also commissioners who will not be employed. We are also coming with a plan because we cannot be criticising the department for not doing its work. We will criticize when not doing ...

We are saying, the National Economic Development and Labour Council, Nedlac and its social partners must come together in particular the economic cluster, and see how best can they ensure that, workers, employers are implementing section 189 of the Labour Relations Act of 1995 in terms of retrenchment and that, the whole process of communication is being adhered to. We hope that workers are not being retrenched willy-nilly. We are saying that because of the influx that we see in all our labour centres.

Minister, in terms of the UIF, we are happy first that investigations are being done, but we are concerned of the slow pace of those investigations because, we feel that it is unfair that workers are to suffer at the expense of people that have committed fraud. The entity must ensure deep finalisation of simple cases of fraud and report progress on complex cases to the committee on a quarterly basis. It must also provide an action plan on how it plans to create 5 000

jobs through UIF funding investment initiatives, and report to the committee on a quarterly basis.

Minister, hon members and Director-General, DG we are concerned in particular around the issue of the Compensation Fund. We have been requesting information from the compensation fund on their turnaround plan. Up to now, it has not been coming, as a result we think that we will monitor the implementation of that on a quarterly basis. Minister yes, two Bills are in front of us, we are in the stage now of receiving responses from the department. We hope that, that process will yield results that are going to be favourable for everybody, in particular the domestic workers.

In his Workers’ Day speech to the organised working class two weeks ago, the President of the ANC and the Republic, President Ramaphosa said, I quote:

We do heed the call that we should do as much as possible to return to the bargaining table with a view of finding a solution. The ANC government reaffirms its commitment to protect collective bargaining and all labour rights.

We therefore trust that, in the current commitment by the President, the current road of wage negotiations in the public service will come up with possible results. Chair, the ANC supports Budget Vote 31 of Employment and Labour. I thank you.

Dr M J CARDO: Hon Chairperson, the Department of Employment and Labour isn’t working. The Unemployment Insurance Fund has a backlog of unpaid claims longer than Ace Magashule’s charge sheet. The Compensation Fund is about as functional as

Bathabile Dlamini at an ANC national executive committee

meeting and just as efficacious. Almost half of Nedlac’s

budget is spent on salaries, a figure that must be the envy of

the unpaid occupants of Luthuli House. Just about the only departmental entity that amounts to more than a row of beans

is the Commission for Conciliation, Mediation and Arbitration, and it has had a scythe taken to its budget just as workers

are being retrenched hand over fist.

This budget fails the workers, it fails the employers and it fails the unemployed. Meanwhile, the private sector in South Africa remains shackled by the state – stifled by policies, laws and regulations that choke job-creation and worsen unemployment. From policies like expropriation without

compensation that deter investors and sap economic growth, to ever-more onerous racial dictates like the Employment Equity Amendment Bill, to the extension of collective bargaining agreements to small businesses, private-sector firms are disincentivised to create jobs.

The Department of Employment and Labour’s R3,5 billion budget

does nothing to help oil the wheels of job-creation in the private sector. Instead, it puts sand in the engine of growth,

all the while, with every passing year, our unemployment

numbers go up. According to the Quarterly Labour Force Survey for the fourth quarter of 2020, the official unemployment rate

increased from 30,8% to 32,5% between the third and fourth quarters last year. This is the highest unemployment rate on

record since the start of the survey in 2008.

The expanded definition of unemployment, which includes

discouraged job-seekers, stands at an unprecedented 42,6%. Over 11 million people do not have a job. The unemployment rate for those aged between 25 and 34 is 50,7% on the expanded definition. This constitutes a national disaster. To stall our unemployment crisis, we need urgent reforms to make the labour

market more flexible. We need to absorb vastly greater numbers of young and low-skilled people into employment.

President Ramaphosa has promised us a programme of economic policy reform, but there is little evidence of it. Budgets are

where you land policy. The President’s pledges have landed

nowhere, certainly not in the Department of Employment and

Labour’s budget. Much like the South African Airways’ fleet,

his promises do not take off and they do not land. Instead,

conjured up purely in his imagination, they waft and float in

the ether. All that is solid melts into air.

In 2021-22, the department’s programme 4: Labour Policy and

Industrial Relations, receives R1,26 billion or 36% of the

department’s R3,5 billion budget. We should be channelling

these funds into an overhaul of labour market policy. We need

to support value-adding, export-led growth sectors to recover

from the pandemic and lockdown. We must free them from overregulation by the state so that they can grow and expand their workforces.

A study published by the African Growth Initiative at the Brookings Institution earlier this year found that the so-

called industries without smoke stacks, especially tourism, horticulture, agroprocessing and logistics, could produce both the number and type of jobs required in South Africa. These sectors are tradeable; they have a relatively high value added per worker; and they show a capacity for technological change

and productivity growth. Above all, they have the potential to absorb low and semi-skilled workers. Only the private sector

can create jobs at scale and rapidly absorb predominantly low- skilled workers into the economy.

This means that we need to unleash the private sector, yet the trends are not good. The extension of collective bargaining

council agreements, to those who didn’t sign them in the first

place, cripples small businesses and leads to job losses.

Recent double-digit, above-inflation hikes to minimum wages in the agricultural and domestic service sectors are going to

lead to another jobs’ bloodbath. And the Employment Equity

Amendment Bill will tighten the noose on employers. It empowers the Minister of Employment and Labour to set sector- specific employment equity targets. It introduces harsher punitive measures for non-compliance. The Bill enables the Minister to engage in a kind of social engineering, based on race, that is completely incompatible with the principles of a

market-based economy. The ultimate result will be slower economic growth and rapidly rising unemployment.

It is all very well for President Ramaphosa to blow the trumpet of reform, but until his government actually frees up

the labour market, the unemployment crisis is only going to get worse. That is why the DA will be submitting amendments to

the Labour Relations Act in Parliament to help create an environment more conducive to job-creation. We want to exempt

small and newly established firms from extended collective

bargaining agreements. We want to make it easier for firms to hire workers and to tackle youth unemployment with a real

youth wage subsidy. We want to empower individual economic sectors to set their own minimum wages, and we want to offer

tax exemptions to small businesses to help them absorb the cost of minimum wages.

If President Ramaphosa and the ruling party are serious about job-creation, they will support these measures. Thank you, Chairperson.

Ms H O MKHALIPHI: Thank you very much, Chairperson. Oh, let me just change my background, Chair. Sorry. Just hold on, Chair. I am very sorry about this. Oh, let me just stop the video.

The ACTING HOUSE CHAIRPERSON (Ms R M M Lesoma): That will help. Thank you very much.

Ms H O MKHALIPHI: Thanks, Chair. Chairperson, we’re just

disorganised. My notes are here. Just hold on, Chair. Okay.

The EFF rejects the proposed budget for the Department of Employment and Labour. This department must be changed and called the Unemployment and Slavery department, because that is all they are responsible for – the opposite of what the department is mandated to achieve from the Constitution and the Bill of Rights. [Inaudible.] ... must ensure that there is quality as per section 9; there is human dignity as per section 10; no slavery of black people; and picketing as well as ... [Inaudible.] ... by workers are part and parcel of their constitutional rights.

The department speaks about inspection, of enforcement, something that hardly happens ... failing workers daily. The

failure of the department to conduct inspections and enforcement has left hundreds of workers vulnerable and very disadvantaged. We must put it very clear here, Chairperson, without fear or favour, that there is no access to labour centres. It’s just frustrating. Black people are just humiliated owing to those long queues ... [Inaudible.] ... alone, and no one must hide behind the pandemic.

If you ask any worker on the street, Chairperson, about labour inspectors, they will just tell you that they are workers’ worst nightmare as they are bought by employers. The Minister is aware of this and everyone is aware of this, but they do nothing about it. The EFF, through the labour desk, have humbled the arrogant and racist capitalists, because the department is failing. You must remember, Chairperson, that the Labour Relations Act does not recognise the EFF labour desk, but because we have political will, understand politics and love workers we are winning the war against slavery and the exploitation of workers on a daily basis.

The EFF labour desk is winning a war against unfair labour practices, discrimination, sexual harassment and unfair dismissals, things that are listed in the Labour Relations

Act, but it fails to protect workers. In short, the LRA is protecting the employers. I wonder when the Minister will start to introduce amendments to the LRA to protect workers. Failing to do so, the EFF will also start introducing amendments to the LRA.

The creation of the EFF labour desk has restored hope in the human dignity of workers. The EFF labour desk is made of up of hardworking volunteers, armed with commitment and activism, across the country, and we must say to you, grand bosses, workers are noticing and appreciating this activism. Look at what was posted on Twitter yesterday by a journalist asking pertinent questions on recognising the work of the labour desk and questioning the failure of the unions that are failing workers and colluding with capitalists against the same workers they charge.

As the EFF, through the labour desk, we managed to get Temporary Employee/Employer Relief Scheme money – also known as Ters money – from companies, something that the department was supposed to do a long time ago and failed to do. On the day the EFF desk was announced, the EFF received more than

10 000 complaints a day and this had increased by the end of

the week. The labour desk was sitting with more than 70 000 complaints. That alone is a clear demonstration that the workers are in need of help.

Let me demonstrate to you with just 10 cases the work of the labour desk, not 100 not 1 000, just 10. Number 1: at Sun City, North West, 26 workers were served with suspension letters and a disciplinary hearing was set. We stopped this dismissal process and saved their jobs. The union was there, colluding with the employer and even tried to stop us from meeting with the employer. We told that employer that we were not going to be stopped by anyone, if we want to fight for the workers.

Number 2: Zama, a worker from Checkers in Southway Mall in Durban, was unfairly dismissed, but her Indian colleagues accused of the same allegation were not dismissed. So we fought for her and restored her.

The most painful case, which is number 3, is of the late *Funiwe Nkebe* who died at her workplace, Hemingsway Mall, East London. The young woman was forced to come to work by the profit-driven company, even after she had reported to work

that she was sick. The EFF has forced the company to pay for her funeral and for the education of her kids.

The fifth case, number 5, is of five staff workers of Ithemba Institute of Technology in Soweto in Tladi were owed over four months the amount of R500 000. That is half a million rand for four months. The Johannesburg EFF labour desk humbled the capitalists and made them pay the workers.

Forty Addington Hospital cleaners, who were unfairly dismissed last week: the labour desk volunteers just went straight there and intervened, and 40 jobs were saved within moments. Twelve

... [Inaudible.] ... farm workers in Boksburg, who are vulnerable workers, were unfairly dismissed and the EFF labour desk reinstated them within a minute.

Pharmacy Direct applied for Ters and didn’t pay workers, and we forced them to pay back the money. No one can say that we are lying here, because this was even covered by the media and our commander-in-chief accompanied the EFF labour desk, unless whoever says we are lying is suffering from self-imposed amnesia.

[Inaudible.] ... who works for a company called G Force Security, was on the verge of an unfair dismissal, on account of incapacity while he was injured on duty. The EFF labour desk fought this cruelty and he was reinstated. The issue of incapacity, which was the reason used by the capitalists ...

*IsiZulu:*

... yajikijelwa le kude ...

*English*

... because the labour desk loves poor people.

The ninth case is a company in Ekurhuleni that wanted to dismiss 60 workers, but the EFF labour desk saw to it that they were reinstated.

The last case is about Swissport employees at O R Tambo who applied for Ters money, but never received it. They did finally receive their money. The EFF labour desk intervention at CCMA proved once again that the whole thing of the CCMA is not working for the poor people, and it will be made worse by the budget cuts, Minister.

The Unemployment Insurance Fund, the UIF, is riddled with corruption. The Compensation Fund has an incompetent management that is obsessed with fighting court cases, demanding payments instead of just making payments to service providers.

In all of this, we debate workers’ rights. But here in Parliament some workers had been on fixed-term contracts for more than 20 years, but Acting Secretary Tyawa just ended

their contracts just like that. It is embarrassing for

Parliament when it does not respect its own laws.

In all this mess, the Minister who is responsible for the Department of Labour is a communist who has led a union all

his life, but now he has turned against workers and tooling, following his name Thulas ...

*IsiZulu:*

... wavele wathula uNgqongqoshe. Khuluma Ngqongqoshe.

*English:*

The EFF rejects this Budget. Thank you, Chair. [Time expired.]

Mr S L NGCOBO: Hon Chairperson, this is one of the most challenging years for employment and labour due to the COVID-

19 pandemic. Our youth are affected more than anyone else. As we speak today, more than 55% of our youth are unemployed. Companies are either retrenching employees or not taking on any new employees at all and this concerns us.

The unemployment rate can only be addressed if the department ensures that employees are protected from employers who may want to abuse circumstances created by COVID-19. We also need solutions to ensure that the youth who are unemployed get assisted in seeking jobs. This will require the department to think outside the box. There is a need for innovative solutions because the unemployment crisis is bigger than ever before and it is trapping our youth in poverty. The government should consider relaxing the tax burden on employers who establish and contribute to medical aid, and provident and pension fund schemes for their employees.

In this challenging economy, we believe that the government must extend more tax benefits to companies that provide training to their workers and to companies that hire youth in these challenging times. Given the current economic

challenges, support for unions should be increased to boost their capacity to protect workers. In this regard, we urge support for the *Commission for Conciliation, Mediation and Arbitration,* CCMA, to ensure that companies that try to abuse their employees through the COVID-19 situation are brought to book.

It is of concern that the government wants to downplay other causes of youth unemployment, such as the issue of foreign nationals who compete with our youth for jobs. At times it appears that some companies hire more foreign nationals than South Africans because they do not want to comply with basic conditions of labour. We must take steps to protect our youth. Labour laws must be enforced to make it expensive for these companies to overlook our youth.

We appreciate that the budget provides for compliance inspections. Ninety per cent of companies that are not compliant will be given notices and dealt with according to our laws. We also welcome the budget provision for the increased awareness of employment laws through advocacy sessions. All these initiatives must protect vulnerable

employees, increase safety and ensure fairness in the workplace.

The workplace must be regulated for the benefit of workers. For this to materialise, there is a need for strategic leadership, management and support in the department in particular ... in government in general. Based on the importance of this department in the protection of the millions of employees throughout the country, the IFP will support this budget. Thank you very much, Chairperson.

Mrs H DENNER: Hon Chair, I do not think anyone has felt the

burden of the COVID-19 pandemic more than the labour market. Primary employment creators like small, medium and even

corporate businesses have felt the devastating effects that the pandemic had all over the world and in South Africa, which

ultimately hit ordinary workers hardest at the end of the day.

I fear the pressure felt by South African workers was only exacerbated by the Department of Labour's inability to deliver on its core mandate and the mandates of its different entities.

During a portfolio committee meeting earlier this week, ANC members of the committee vehemently defended the department’s failure to deliver on its expanded mandate of employment creation, citing the pandemic as the reason. However, the fact of the matter is that the Department of Labour and some of its

entities have been failing workers long before March 2019.

The Compensation Fund has been failing workers for 20 years, switching from one inadequate system to the next. We recently

heard oral representations on the Compensation for

Occupational Injuries and Diseases Amendment Bill, Coida Bill, and one after the other presenters who work with workers,

medical service providers and the fund on ground level complained about the inadequacies of the Compensation Fund

system, its staff, its management and lack of controls. There are workers who have been waiting for their claims to be paid

for not only two or three years, which is already shockingly

unacceptable, but also 16, 19 and 20 years. Yet, the fund, the department and ultimately those tasked to do oversight of these problems, still choose to ignore these cries for help to the detriment of workers everywhere, on all levels and in all sectors and industries.

The Unemployment Insurance Fund, though trying their level best to get through the staggering numbers of Temporary Employee-Employer Relief Scheme, Ters, and other claims, and to resolve complaints and queries amid allegations and incidences of fraud and corruption of the most egregious kind,

are still not able to bring the relief that workers who are dependent on these payments so desperately need. So many

dependants, so many complaints.

It is most unfortunate that budget cuts have been and will be

negatively influencing the productivity of the CCMA even further. The CCMA, the only entity of the Department of Labour

that is remotely functioning to the best of its abilities, has an enormous shortage of resources, with commissioners on the

brink of burnout and no funds to appoint more.

The fact that the ANC government chooses to bail out failed

state-owned entities — that failed mind you due to their own poor management and corruption at the expense of workers in South Africa — instead of prioritising the goal and purpose of the Labour Relations Act, renders their lamentations on the plight of workers empty and even hypocritical.

*Afrikaans:*

Voorsitter, ek het al verskeie kere in hierdie Huis gesê dat die privaat sektor die grootste werkskepper in die land is. Die staat moet ’n gunstige omgewing skep waarin die ekonomie en besighede van die land kan floreer om sodoende werk te skep

en die agterstand in inkomste van arm Suid-Afrikaners uit te wis.

Die Minister van Arbeid maak homself egter steeds, keer op

keer, skuldig aan sondebok-politiek waar hy die privaat sektor

die skuld gee vir die regering se mislukkings. Hierdie einste teorie word ook as regverdiging vir strenger *swart ekonomiese*

*bemagtiging, SEB,* wetgewing gebruik wat die ekonomie nog verder sal strem.

Ek is nie seker of die ANC nie aldag vertsaan wat die skep van

’n gunstige ekonomiese omgewing behels nie en of hulle net uit

verskillende monde praat en die plot heeltemaal verloor het nie.

*English:*

In an answer to my follow up question to the Deputy President on Wednesday, he said that governments all over the world

should create the necessary environment so that the economy can thrive, people can find jobs, supporting small, medium enterprises and supporting companies, so that they can produce goods and services, and they can employ people.

It seems that the ANC does not practise what it preaches. The Department of Labour cannot deliver on its mandate, as is.

Further budget cuts will be detrimental to the core business

of this department’s entities.

Our unemployment rate is staggering; the highest ever. We are going through a pandemic, which only highlighted the problems

we already have. We can no longer afford to fund the skewed priorities of a failed ANC ideology. We must focus the

resources we have left on the workers and work creators of our economy. It is the only thing standing between the wellbeing

of all ... [Inaudible.] ... and abject poverty and crisis. I

thank you, Chair. [Time expired.]

The DEPUTY MINISTER OF EMPLOYMENT AND LABOUR: Thank you House

Chairperson, let me take this opportunity to acknowledge the Chairperson of the portfolio committee, Me Lindelwa Dunjwa ... [Interjections.]

The ACTING HOUSE CHAIRPERSON (Ms R M M Lesoma): Hon Deputy Minister, one minute. Just sort out your connectivity, you might need to switch off your video because you’re breaking up.

The DEPUTY MINISTER OF EMPLOYMENT AND LABOUR: Thank you so

much House Chair. Let me take this opportunity to acknowledge the Chair of the portfolio committee, our Minister, members of the portfolio committee, hon members who are also present in this session, distinguished guests, ladies and gentlemen I greet you all.

Hon members you will agree with me that [Inaudible] situations where [Inaudible] medicine must be administered; it greatly assist where we can maintain public trust. This applies in government’s response to the pandemic, the lockdowns and now the vaccine rollout and the need for buying and to move the country towards immunity.

Generally, it is public trust that helps to resolve tensions over emotionally judged issues such as resource sharing and distribution of benefits. Public trust which is invariably hard earned can be quickly undermined. It is therefore vital

that throughout the present difficult situation we continue to encourage social dialogue and the important role played by Nedlec in this regard and needs to be fully supported.

Hon members this support from social partners was vital as government developed interventions and plans to limit the spread of the pandemic. This support is vital as we now rollout the vaccine programme commenced in the health and front line workers and as we begin to rollout to vulnerable groups, a very progressive vaccine rollout in workplaces is being implemented through Nedlec’s business constituency and the Department of Health and workers will benefit greatly from this intervention.

Hon members, as we move forward with the vaccines, we are mindful of the new challenges, the various strains which have reached our borders and questions around the efficacy of some vaccines, we need to remain vigilant and faithful to our health response strategy hygiene, mask and social distancing.

Coming back to our highlights of this financial budget implications the Minister has already highlighted the key areas of our estimate of national expenditure so I will focus

briefly on the budgetary implications itself and in line with the National Treasury directives all department budgets were reduced by a minimum of 8% in the prior year.

Hon members will recall that continued budget interventions and reprioritisation was part of the Covid-19 response towards saving lives the reduced budget allocations impacted on the compensation of employees by 1,1% for programme one of our administration and we also experienced 50% reduction on payments for capital assets on programme three of public employment services.

A labour policy and industrial relations programme four we saw a 32% cut in budget for goods and services with the spending on capital assets reduced by 29% and the impact on our three adjusted budget reduced our budget by a total of 7,2% overall and the impact on our budget certainly impacted negatively on some of our planned programmes and budgets we managed to live up to the commitment we made during the 2019/20 budget vote which was preserving jobs and saving lives in the era of 2019.

The current APP [Inaudible.] plans which have been adjusted also took a huge knock from the prior year budget reduction

and this situation will persist over the outer years until we see real underlying economic expansion and as government continues to balance its budget.

Hon House Chair, with regard to economic recovery we are called upon by his Excellency hon President Ramaphosa in his SONA speech to defeat the pandemic accelerated economic recovery implement economic reforms to drive inclusive growth and to create sustainable jobs as well as to build state capacity to deliver services and enhance accountability.

The President has instructed us to report broadly on the impact of all our interventions and programmes on service delivery instead of just simply reporting on the achieved targets. So, it is very comforting to realise that our collaboration across departments and in the department and its entities strengthening the call for joint up government to promote delivery and the district development model to render services at the coalface and doorsteps opportunities... [Inaudible.] ... in point.

The Minister and I have been involved in several outreach programmes in collaboration with other national departments

taking our services to the people. We prioritise this outreach because we understand clearly the need for [Inaudible] listening to our people and coordinating the delivery of services in the beneficiaries of our programmes. As government we aim to prioritise massive infrastructure rollout and increase in local production as directed by SONA.

SONA also identified products such steel, credible oils, food concentrates, PPEs and green economy inputs as being among the

42 identified products to be supported for local production.

Our labour activation programme, our entities and all our training programmes will also focus on expanding our productive economy and contribute to the return on investment for the country's annual production output. In terms of our entities hon Chairperson and hon members, the compensation fund as an entity adopted the strategic approach known as compensation made easy to strengthen delivery to clients.

Compensation fund experience 15% decline in revenue as a result of challenges posed by the pandemic and the 13% decline in employer declarations as compared to previous years. A measure of the pressure on the funds in terms of our

unemployment insurance fund which experienced a huge impact from the downgrades opening on investments which you impacted on its revenue. Since March last year, we have to report here hon members that the UIF has experienced over R100 million decline in [Inaudible.] declarations.

Despite these difficulties, the two funds continue to deliver services and finance job creation and preservation jobs programmes. With regards to Productivity SA, the entity has adopted the strategic approach known as the change agenda. The entity aims to unlock South Africa’s potential for sustained competitiveness and economic growth to improve productivity and competitiveness specific programmes promote comprehensive support for SMMEs.

Hon Chairperson, Productivity SA will also expand the capability of the current public employment services system and labour activation programmes including a normal tariff to provide a buffer against the loss of jobs, supporting struggling companies and transitioning retrenched workers to other economic sectors.

With regards to the CCMA which adopted the strategic approach known as Imvuselelo Strategy, The Revival, despite increased case load the CCMA continues to focus on the enforcement of the national minimum wage and the basic conditions of Employment Act.

Just over nine months of the 2019/20 financial year, the entity experienced a 17% increase in case loads which equates to almost 30 000 additional cases.

At the core the CCMA functions like the need to improve ease of access or services particularly in rural areas. We are aware that the budget constraints are placing pressure on the CCMA's capacity to deliver on this matter is receiving urgent attention and some of the underlying factors that are linked to the growth rate in retrenchment case referrals and the demand for various CCMA services include among others but not limited to the anticipated job losses arising from socioeconomic challenges as a result of stagnant economic growth and the declining mining manufacturing and agriculture that used to dominate the economic environment of our country.

Hon members, the reality is that tertiary sectors linked financial services are driving growth in our economy and unfortunately these sectors are not so labour intensive and the South African tertiary sector which include trade government financial services and the private security is one of the most advanced and sophisticated in the African continent with the growth and transformation of financial services sector matching that of developed countries.

Collectively, the sector has the potential to be the main and the largest contributor to the GDP. But even the tertiary sector itself has not been immune to job cuts as much as there has been a surge in new jobs and skills saps owing to the uptake of the Fourth Industrial Revolution to maintain competitiveness, increased reach, increased profitability and outputs.

The need for CCMA to reclaim support vulnerable groups in rural and remote areas as vulnerability increase remains the priority of this entity and we are aware hon members that most standard employment contracts including future projections benefits are being replaced with contract labour in a shift

tricky based economy and this may also result in increased [Inaudible.] due to potential retrenchments.

It is becoming increasingly prudent for organisations businesses to constantly reskill and upskill employees as digitisation and innovation become the drivers for success.

Hon House Chairperson, regarding Nedlac the following issues dominate the Nedlac's agenda. Measures to mitigate the impact of Covid-19 on lives and livelihoods of South Africans; measures fast track economic recovery and create jobs; a strong focus on infrastructure investment, the digital economy and supporting the Africa trade agreement. Looking at a future of work, strengthening our responses and strengthening labour market institutions and interventions to address challenges facing youth, women and people with disabilities.

Regarding one of our entities, the supported employment enterprise has been receiving support from the procurement of PPEs. We aim to provide more support in the future and we will continue to engage other departments to do so. At the right time and we will also pursue legislation that makes it

mandatory for government departments to procure goods and services through the entity such as our SEEs.

While I conclude House Chair, let me thank the Minister for his leadership and for steering this ship against the tide and the heavy storms.

*IsiXhosa:*

Enkosi Ngqongqoshe, enkosi titshala omdala. Siyabulela, Dlangamandla.

*English:*

Our people will always remember that this department led by you has always been with them in difficult times. Chair, please also allow me to just thank our Chairperson of the portfolio committee for her heavy handedness, uncompromising and some leadership qualities of the portfolio committee itself; our hon Whip of the portfolio committee Dr Nkabane for holding us accountable on our controls, projections and forecasts. You are true inspiration to most young and old women in public service thank you for your patriotism and guidance always that can never be overlooked; hon members of the portfolio committee for providing clarity and strategic

focus on our work and your guidance on overall policy impact impacting the services we render. I want to thank you for always demonstrating your commitment to our rural constituencies and oversight. Thank you very much for simplifying our work by demanding the breakdown statistical reports that we present to the committee all the time. Thank you.

*Sesotho*:

Ke a leboha!

*IsiXhosa*: Ndiyabulela, enkosi!

*English*: Hon Chair.

Mr W M THRING: House Chairperson, I wish to begin by focusing on our unemployment figures found in the introductory paragraph of the 2021-22 annual performance plan, app, of this department. The official unemployment rate reached a record high of 32,5% in the fourth quarter of 2020. Following an increase of 1,7 percentage points from the previous quarter.

This is the highest unemployment rate in decades. On the other hand, the expanded national unemployment rate measured at 42,6%.

The official unemployment rate was mainly driven by an

increase 701 000 in the number of unemployed individuals, to 7,32 million in quarter four of 2020. Of great concern to the

ACDP is the rate of youth unemployment, which stands at 63,2% for those aged between 15 and 24 years, and 41,2% for those

age between 25 and 34 years. It must be noted that Black

African women are the most vulnerable, with an unemployment rate of 38,5%.

Hon House Chairperson, the ACDP warned as early as May 2020,

that our harsh lockdown in South Africa, now considered to be one of the harshest in the world, would have a more severe

effect on lives and livelihoods, than the coronavirus itself.

We warned that the economist predicted that our economy could shrink by between 5-10%. They warned that our debt to gross domestic product, GDP, could grow from 60-80% in 2020, and they also warned that a 6% deficit on our national budget would increase to 12% of GDP.

Additionally, a warning was that a further one million workers could be added to the ranks of the unemployed, taking our unemployment rate to 38%, and the expanded definition, they said to be on 50% after lockdown, while they were not far off the mark.

The ACDP called for the unlocking of our economy, and warned

that, according to the South African actuaries, if a lockdown was not removed soon, the mortality rate as a consequence of

unemployment, malnutrition and hunger would be 29 times worse

than COVID-19 itself.

Well, the chickens have now come home to roost. We currently have one of the highest unemployment rate in decades, and

millions of livelihoods would have been impacted. To add insult to injury, the departments adjusted budget of R3,3

billion was characterised by low spending across all quarters,

mainly under compensation of employees and goods and services. The ACDP calls for consequence management to follow, particularly following allegations of corruption in the tax and Unemployment Insurance Fund, UIF, disbursement. Department officials who are incompetent and corrupt must go as they are a danger to our youth women and vulnerable schools ...

[Interjection.] The ACDP ... [Inaudible.] ... who cannot speak for themselves. [Time expired.]

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Hon member, you time has expired. Hon members, we will now move to hon PP

Makhubele, hon Makhubele. Hon PP Makhubele, can you unmute your mic hon PP Makhubele? Hon members, I am advised that hon

Kwankwa is on the platform, hon Kwankwa, UDM, hon Kwankwa. Okay, hon Makhubele, hon PP Makhubele. We will move to hon

Shaik Emam and we will come back to hon Makhubele.

Mr A M SHAIK EMAM: House Chair, thank you for the opportunity,

allow me to thank the Minister and his team for a comprehensive response, however allow me admit and I hope the

Minister is going to admit, that the number of jobs that he is creating in South Africa compared to the number of jobs that

we are losing, clearly indicates that we are a ticking time

bomb, waiting to explode.

More importantly, the high unemployment rate amongst the youth now surely, we need to some measures in place to ensure that, together with all the graduates and school leavers that are coming out, that we need to create a conducive environment to

be able to accommodate, otherwise is going to have a serious impact on poverty in the country. The high levels of unemployment, the rates of crime, and that is going to continue.

I think, Minister, we need to be honest about it, that, despite the efforts by the department, that the country as a

whole, what we are doing is clearly not being up, and we need to reprioritised the plan itself ... [Inaudible.]

Now, minister, I want to deal with corruption in your department is rife, particularly on the issue of ...

[Inaudible.] ... and I like it when you talk about the minimum wage. What is the purpose of a minimum wage on paper if you

cannot implement it?

Now, I see some political parties also like to grand stand

about some of the problems that workers you are employing are having on the ground. Let me tell you Minister, foreign nationals working in South Africa and South Africans; did you know - I would like to come with me and I will show first- hand, how these workers are being exploited, particularly by foreign nationals and Chinese in the country. And I am not

expecting many political parties to be part of the solution, for their benefit from the Chinese.

Sixty rand a day, will absolutely, have no benefit what so ever. They are hardly even, know what is a ... [Inaudible.]

.... Your inspectors are going to these places and collecting those envelopes and being buried on nothing about what is the

purpose of a minimum wage? If you cannot implement that and protects their right?

You talk about creating jobs, let’s speak about creating jobs

in the private sector and not in the public sector. People,

you need to create a conducive environment in the private sector, in the public sector, you cannot sustain it, here it

is already. You are not even able to keep the arrangement that we are having ... [Inaudible.] .... increases to our public

servants, they don’t even get good enough benefits.

One of the few countries in the world where public servants do not get the added benefit of housing allowance, other thing, which is really a problem ... look at the of schooling system. That public sector ... [Inaudible.] .... an employee and cannot even read.

The other problem is the issue of skill. Minister, there is no coordination between your department higher education, of ... [Inaudible.] ... institution to be able to address the skills needs of this country. And that is why you find there’s abundance in one sector and a shortage in the other sectors.

For I think that’s another matter that you need to deal with

very, very seriously, and very importantly. You know, if we

want ...[Interjection.] ... the NFD will support that budget. Thank you very much. [Time expired.]

Ms P P MAKHUBELE: Thank you, hon Chairperson and hon members. Hon Chairperson, on 05 and 07 May, as the Portfolio Committee on Employment and Labour, we listened to the Department of Employment and Labour and all its entities tabling their annual performance plan as well as their strategic plans before us. I am a member of this committee after the committee lost hon member, Nombulelo Lilian Hermans, owing to this devastating pandemic. May the beautiful soul of our dear comrade rest in peace together with many other members that we have lost.

Chairperson, listening to the department and all its entities last week, I felt that all is not doom and gloom despite this

disastrous disease that is forcing us to do things differently. I would like to quickly lift few matters. When the department stated that it aims to produce annual labour market trends report on the impact of labour legislation, I was delighted. We got informed by the end of the first quarter. We must expect two of the labour markets reports. We were also informed that the department will produce research report on the impact of legislation to the labour market. This gave me an impression which I think is the correct one which says, we are still focussed.

We remain resolute and determined because pre-Covid-19, these were done but it is important that they are done during this pandemic. The reason being that we should always lead and govern by facts and leave others with their fiction, myths and whining. Secondly, we must now shift our attention to impact. What is the impact of our plans and programmes? This is how we will change our communities, this how we will build the desirable society and this is how we will reconstruct the country. The other issue is this; there remains many employers who runs away with murder, employers who undermines our labour laws with impunity. Minister, we know that we cannot have an inspector each and every doorstep of an employer, but

inspection must be done to ensure that there is compliance with our employment laws and those employers who are found to be noncompliant must be prosecuted.

For instance, there are workers whom we refer to them as vulnerable workers. Why they ended up being referred to as vulnerable workers? One reason is the cruel treatment that is meted on them and that must change. Yes, they are vulnerable workers but we should not be comfortable in ring fencing them in the cage. They must be released and they must be liberated. Time must come when they must also be referred to as workers not as vulnerable workers. It is their vulnerability that we must all fight. Chairperson, the vulnerability of workers is also exacerbated by the horrible working environment which they find themselves in. On 25 February 2021, I was part of the portfolio committee members that went on urgent oversight visit to ArcelorMittal, at Vanderbijlpark. The urgent visit was informed by an incident where three people, all males, died while at work. They were crushed into pieces by a collapsed structure. The youngest victim was a 29-year-old man who has left behind a wife and a five-month-old baby. May their souls rest in peace.

Upon our visit, we were told that the structures were built

100 years ago. These are structures that deal with fire daily, and such it is obvious that without regular maintenance they will always take lives away. We found that that was not the first incidence and it happens the same way all the time. What disturbed me most was that this industry continues to prove that we may have got political breakthrough yet we are far from inclusive economic freedom and in valuing the lives of our vulnerable workers. The transformation that we always speak about remains only on paper as on the ground capital remains on the hands of the few. The board of that company is all white and all men, with no consideration of youth, colour and gender. This shows how the system continues to be oppressive to the previously disadvantaged.

Chairperson, the chronic unemployment crisis of our country is not new, it is not the problem of two and half decade caused by stringent and rigid labour laws. The labour absorption capacity of South African economy was 15% in the 1970s and 1980s it was negative between 1991 and 1993. That is one of the reasons that it is so stubborn. However, Chairperson, what should concern all of us is that structural unemployment is hitting very hard on young people and the disabled. The

struggle of our economy to absorb labour begin to suggest that a young person’s ability to find a job doesn’t depend only on their skills but also on whether the labour market is creating sufficient demand for employees.

Fortunately, this administration has focussed on finding solutions to the huge problem of youth joblessness. There are careful attention and targeted policy interventions created by government. Minister, it is pleasing to see that your department whether you talk labour activation programme or those programmes are under public employment services are biased, if I may say so, towards young people. However, Minister, we will check if your department says that the number of registered employment opportunities filled by registered workseekers in quarter one will be 12,5 and quarter two will be 25 000 and in quarter three they will be 35 000 leading to the annual budget of 50 000.

As a portfolio committee we will be interested in the breakdown on; how many are young people, how many are women and how many are disabled and so on. Chairperson, if we are going to tackle the issues of unemployment of a disabled as government, we need to be intentional and unapologetic. The

supported employment enterprises which have been set up to facilitate employment for people with disabilities needs to be promoted. Preferentially, procurement by the state from those factories should be implemented without delay. Chairperson, the national pathway management to transition and pathway to the young people, is a brilliant initiative or intervention because this speaks to the co-ordination, integration, ... [Inaudible.] ... and collaboration.

Indeed, young people should connect to the different platforms in the network where they can build their profiles, receive jobs, work experience and income generating programmes and opportunities. Chairperson, the Minister spoke about the National Employment Policy and Labour Immigration Policy, I believe that these policies are ensuring that we do not react by knee-jerk and expediency when we are faced with demands for jobs by the South Africans and where they may have identified some impediments which they would like the government to deal with them. I thank you, Chairperson.

*Xitsonga*: Ndza khensa.

*English*:

The ANC support the budget vote. Thank you a lot.

Mr M BAGRAIM: Chair, the Democratic Alliance has enormous problems with the department’s proposed budget for every single entity. All the entities ... [Inaudible.] ... National Economic Development and Labour Council, Nedlac, filed their audits. All the entities have not delivered and seems to view the opposite. Well, Chair, one can only quote from Alice; *Through the Looking-Glass,* and I quote:

The time has come, the Walrus said, to talk of many things, of shoes and ships and sealing-wax of cabbages and kings and why the sea is boiling hot and whether pigs have wings ...

We can’t do anything better except by the Commission of Conciliation Mediation and Arbitration, CCMA. This entity was a jewel in the crown of the Department of Employment and Labour. The CCMA had just over 20 years of success. It was one of those rare entities in government which actually fulfilled its tasks and actually had people who were fit for purpose, strange. The CCMA was both the sword and the shield with regard to the constitutional mandate as outlined in section 23

of the Constitution of the Republic of South Africa, that deals with the labour relations. It is a statutory body established in terms of section 112 of the Labour Relation Act. It should be independent of the state, any political party, trade union, employer, employer’s organisation, federation etc. This body was specifically set up to protect labour rights and to enforce labour legislation.

The enforcement is absolutely necessary for efficient, quality, dispute resolution and enforcement services. Without an efficiently run CCMA our labour laws are a nullity especially now in South Africa today when we have the highest unemployment rate in the world, the worst productivity rate in the world and retrenchments running wild. One would expect that an entity of this nature will not be preserved but will be enhanced and protected in the workforces’ hour of need. For employees in South Africa today the future looks bleak. The CCMA is being hollowed out by the department and the money needed to run the bare necessities for both conciliation and arbitrations has been diverted to the vanity project called SA Airways, SAA. What do we see? The CCMA statutory mandate cannot be fully achieved as are receiving only 50% of the total budget required for the part time commissioners.

These commissioners are the very people who would hear the arbitrations for the workers who might have been unfairly dismissed, retrenched or unfairly treated. This means that 43% of those cases just have to wait. The workers of South Africa are desperate. The government has failed them, even when the workers get awards from the CCMA these vulnerable workers can’t get anything from the deputy sheriff as the CCMA has no money to assist the payments. Even the staff within the CCMA have been affected negatively by the budget cuts. Services across the board have been affected and will be severely retarded over the next two years. In reality no one came in to the CCMA to lodge a dispute or a claim, you can’t go in. This has to be online and thousands of employees across the country don’t have the financial means to pay for Information and Communication Technologies, ICT, costs and requirements such as data, printers and laptops and the like.

The users have limited knowledge of the digital platforms and yet they are told to use these digitals portals, even the CCMA itself is projecting that further unemployment increases are expected as of next year and they won’t be able to cope. The report says that the CCMA can also anticipate an exponential increase in its case referrals. Economists are telling us that

employment levels will only improve only slightly once the country has reached herd immunity and as you know our government has filed that as well and it will take years. The CCMA’s report goes on to say that the existing human resources are expected to be stretched even further with higher fatigue levels leading to increased absenteeism and lower productivity. The recruitment processes of all vacancies within the organisation will be placed on hold. The decision will impact critical vacancies, skills retention and succession planning of the organisation.

The various departmental reports look busy and they regularly pass themselves. The department keeps passing itself. It was Ernest Hemingway who said; “Never mistake motion for action”. The entities are all going backwards. The budget is a disgrace and shameful. The governing party has failed its partners and certainly failed the workforce of South Africa. A budget of this nature can only be summed up in *Through the Looking- Glass,* as follows:

‘Twas brillig, and the slithy toves,

Did gyre and gimble in the wabe: All mimsy were the borogoves,

And the mome raths outgrabe

It was Mark Twain who went on and said; “Get your facts first, then you can distort them as you please.” Unfortunately, our government and in particular the Department of Employment and Labour don’t even have the facts but they are distorting without the facts. I know that my colleagues in the ANC will try to refute what is the truth, but, and I quote; “Never engage in a battle of wits with an unarmed man”. Thank you, Chairperson.

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Thank you very much, hon member. Hon members, I am informed by the Table staff that the initial allocation of hon Nontsele was 12 minutes. Hon Dunjwa saved two minutes that she is donating to hon Nontsele, as well as hon Makhubele who saved one minute is donating it to hon Nontsele. So, hon Nontsele will have a total of 15 minutes.

Mr M NONTSELE: Hon Chairperson, with your permission, I would want to mute my video because of problems with connection. At least I’ve shown my presence. Thank you.

House Chairperson, let me greet the hon Minister, Deputy Minister, hon portfolio chair, hon members, fellow South Africans, the ANC supports Budget Vote 31.

In saying so we first want to make few remarks on the submissions made by hon Cardo, hon Mkhaliphi and hon Denner, all three together; because they represent what can refer to as three sides of the same coin. In the sense that they all argue for absence of regulation, in the sense that they all argue without facts, that in fact Labour Relations Act is either an impediment or factual.

Regarding hon Cardo, we know and accept that the DA has stepped on its neoliberal ideological outlook. That means the arguments that he brings to fore are in fact always the ones DA talk to.

The issues relating to the problems associated with the extension of bargaining agreements to none parties is an issue that needs to be accepted in the sense that we do not want to see a country which is sitting with multiplicity of labour market, particularly in conditions that he also agrees, that is of poverty, unemployment and inequality.

Similarly, hon Mkhaliphi, the issue there is that is not so much the issue of Labour Relations Act not being ineffective. But, if you go and intervene in disputes, on a toyi-toyi and shouting and insults, you’ll leave a vacuum there because you would have threatened somebody. But at the same time you don’t leave records that would help the future generations in terms of references, in terms of case law and all other necessary aspects that in fact we can learn from; that is enriching our labour policies.

Finally, hon Denner, I think it would be important for you, hon member, to re-read the report so that you understand properly the positions advanced by the ANC than those you have put forward ...

Ms H O MKHALIPHI: Chairperson, on a point order. I just want to get clarity. What is the member implying, saying that people living with insult, insulting other people and he’s calling my name?

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): I am not sure whether you are asking a question or you are calling an order?

Ms H O MKHALIPHI: Yes, Chair. I’m asking a question to the

member to clarify the issue of insults.

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): You must first ask him if he is willing to take a question.

Ms H O MKHALIPHI: Okay, Chair. Please correct me. Is the member willing to take a question?

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Hon Nontsele, are you willing to take a question?

Mr M NONTSELE: When I conclude, Chair.

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Okay. Thank you very much. You can proceed.

Mr M NONTSELE: Hon Chair, going to my presentation. As I’ve

said already that ANC supports Budget Vote 31.

The period under review is characterised by economic challenges ... [Inaudible.] ... by both historical factors and recent ones like the global pandemic, COVID-19.

We have seen contraction in the economy that resulted in job losses in excess of 2 million; which is a fact. And the net effect of this contraction was that the most vulnerable being thrown into the state at times not conducive for sustained government intervention as well as challenges faced by global economies.

According to Stats SA, jobs lost by the third quarter grew from 23,3% to 30,8%; that is in accordance with the narrow definition. Eight provinces, that is in the country, experienced a spike in unemployment statistics, with Eastern Cape having the highest numbers of 45,8%.

What also needs to be taken into account has been the ease with which some employers were quick to retrench, more so when centres for intervention were in turmoil.

It must be noted that government, through a formal address by President Cyril Ramaphosa to a joint sitting of both Houses on

15 October 2020, outlined the economic reconstruction and recovery plan.

In the plan specific provision has been made to protect lives, livelihood as well as to protect employment and wages. In this regard, the R200 billion loan guarantees that government made with banks to support the small businesses must be seen in this context.

During the inaugural state of the nation address, that is the beginning of the Sixth Term in 2019, President Ramaphosa announced an expanded mandate of this portfolio to incorporate employment creation as well.

As the ANC we welcome the commitment made in the strategic plan to that employment policy will be in place by 2024. Our enthusiasm stems from the fact that this will allow us as the ANC to give content to our commitment to decent work and then abolishment of all forms of employment ... [Inaudible.] ... of this vision.

In this year’s state of the nation address President Ramaphosa

has identified what he called:

The foremost overriding priorities of 2021. And these include defeating coronavirus, accelerate our economic

recovery, implementation of economic reforms to create sustainable jobs and finally, that we must fight corruption and strengthening the scale.

On all these fronts we have seen measurable and visible progress. The issue, however, is that which is located within the mandate of this portfolio with oversight; that is the implementation of economic reforms and creation of sustainable jobs.

The strategic plan of employment and labour in one of its priorities, that is economic transformation and job creation, has set a target of 275 000 jobs created annually; and this translates to 1,3 million jobs for the 2020-25 medium-term strategic framework.

We are further heartened by the commitment to support the and further engage with National Treasury on the review of conditions relating to one of its entities, that is the supported employment enterprises, which Deputy Minister had already spoken to. This particular entity employs workers with disabilities who produce such critical items as office furniture and so on. Though they are, by their very nature of

our policies, a designated group, they are, however, not preferred as an entity in terms of procurement regulations. The limitation imposed on an obligation that they be treated and compete against powerful business enterprises will in some instances, it is alleged, buy from them at discounted prices and then resell to government and the general public at much higher prices. The benefits arising from the resolution of this challenge will be immeasurable as it will contribute to increase numbers in terms of employment for people with disabilities on the one side and the contribution to our economic recovery project on the other.

The challenge to economic recovery needs more than just public pronouncements. It seriously requires social compact between government and social partners to agree on goals and strategies on how those would be shaped by policy wise and be implemented. The benefits of engaging with social partners in pursuing these goals cannot be overemphasised.

The National Economic Development and Labour Centre, Nedlac, is an important platform that must be harnessed and resourced. As the ANC we are heartened by the portfolio committee’s recommendations that more funding must be made available to

fund its much needed negotiation and facilitative role. I hope honourable Cardo listens on this point.

One of the critical roles played and facilitated through Nedlac are the recent agreements on how to manage and minimize impact of lockdown on workers, in particular, the vulnerable sectors and the unemployed. The realisation of the social and economic relief package with social partners at this level have provided the much needed consensus that have made some temporary arrangements in terms of relief being made available to workers who here on forced leave at the head of alert level one lockdown.

Addressing the house during the state of the nation address this year, President Ramaphosa had this to say about this agreement:

It identified measures worth a total of R500 billion or about 10% of our Gross Domestic Product, GDP, to provide wage support to workers and to provide various forms of relief to struggling businesses.

In an environment where poverty, unemployment is persistent, absence of this consensus would have had dire consequences. It is, therefore, in our interest that the challenges faced by the Unemployment Insurance Fund, UIF, be immediately addressed.

The ANC supports the call by the portfolio committee on all matters relating to corruption and malfeasance to be thoroughly investigated and offenders be brought to book.

President Ramaphosa, again asserts, during the state of the nation address, on the significance of the package whose successful implementation was dependent in part to the Unemployment Insurance Fund:

It is estimated that this grant lifted more than five million people above food poverty line, helping to alleviate hunger in a moment of great prices.

Our view also extends to the immeasurable role played to the compensation fund in minimizing the unintended consequences of a hard lockdown and support on an ongoing basis to all those afflicted by occupational injuries.

The recent outcomes of the Constitutional Court determining the domestics be also included in Compensation for Occupational Injuries and Diseases Act, COIDA as a sector, being both an important milestone in advancing the course of improvements on working conditions covering one of the most critical in the vulnerable sectors.

As the ANC we again support the view of the portfolio committee that stability on the operations of the fund must be found immediately. It is of concern to us that the funding has over a long period been sitting with successive negative audit opinions without any consequences.

We equally support the portfolio committee’s view that the outstanding updates on the turnaround strategies must resume without any further delay and in accordance with the manner agreed to through quarterly reports.

We further support the concerns raised by the portfolio committee regarding budget cuts that negatively affects Commission for Conciliation, Mediation and Arbitration, CCMA.

It is our view as the ANC that given the current conditions where employers have often resorted to retrenchment as a solution to conditions ... [Inaudible.] ... by COVID-19 pandemic. This resulting in a spike on services rendered by the CCMA.

We equally note that notwithstanding financial availability, conditions under the pandemic would necessitate change and flexibility on the part of the CCMA on how it continues to extend its services.

Accordingly, we support the recommendations of the portfolio committee that urge the CCMA and the department to extend services through visible sharing of resources to ensure that access of CCMA even to the furthest workers.

We also support the recommendation that funding to CCMA be increased.

Going back to the economic recovery and reconstruction plan, which is anchored on the following key elements: a massive rollout of infrastructure, a new paradigm for energy and employment stimulus to create jobs and support livelihoods,

renewed support to grow South African business, fast-tracking reform measures to a competitive and inclusive economy, a supportive macroeconomic framework and a ruthless focus on implementation.

The last one, in particular, is an indicator that we are now talking to, which is very important, as you can see that including the stats by Stats SA that indicate so far since the period after the third quarter, we have seen the movement in terms, for instance, of labour absorption. We are about a million workers have since been absorbed. This is notwithstanding ...

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Hon Nontsele, I even gave you the second where you were disrupted. Your time is up.

Mr M NONTSELE: Thank you, Chair. The ANC supports the budget vote.

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Unfortunately, hon Mkhaliphi, his time is up. You are not going to ask the question you wished to ask.

Hon members ... [Interjections.]

*IsiZulu:*

Nk H O MKHALIPHI: Kufanele ube nomncedisi nawe Sihlalo.

*English*:

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Hon members, I am advised again that the Minister, on his initial presentation, saved three minutes; I am also advised that the Deputy Minister saved two minutes and the allocation of the Minister is five minutes. So, put together the Minister will have ten minutes.

The MINISTER OF EMPLOYMENT AND LABOUR: Thank you very much, hon Chairperson. Thank you members for the constructive criticism and for those who supported the budget, the ANC, the IFP and the NFP. I just want to mention to the NFP member that my department does not work closely with Higher Education. I meant that we do work with it, not “does not” - we do work with Higher Education, which has recently published a national skills analysis. We are working together with Home Affairs, and so on. The call of the DA secondly, for the wholescale or wholesale weakening of the labour laws, is tantamount to

entrenching low wages, poor and unsafe conditions, and a return to the apartheid style or apartheid style labour legislation is not going to happen.

The government is committed to protecting the workers, creating decent work and transforming the labour market - which is still based on the historical racial, gender and class inequalities. We will not renege on the employment equity amendments. And if you leave it to the employers alone, inequality - it is very clear - will be further entrenched.

This has been the lesson of the past 20 years of voluntary legislation – nothing, nothing changes! You know that yourself, unless you want to protect the privileges of the past - apartheid inherited privileges. That is what you want to do; that is why you are antitransformation. Transformation is imperative and it is necessary for the inclusive growth of our economy and country. We can agree that underlying economic growth, particularly in the manufacturing sector is essential to job creation.

One of the messages of the former Minister, Rob Davies, in his new book, that’s a very clear message - strangely, the measures proposed to support industrialisation and

manufacturing are always opposed by the DA. What are you actually for? It’s time to come clean. The DA seeks a fully deregulated labour market, allowing their masters to drive down wages - a race to the board. That’s not going to happen in a new South Africa where government and labour legislation stepped in. This is often the result of a failure of the private sector to self-regulate. The DA should consider helping us to fight racism and inequality that is still prevalent in the labour market.

They’ve said nothing about the corruption in the UIF of employers. Nothing, except to talk about the officials. The EFF’s labour desk relies on the very same department and inspectors that the EFF claims doesn’t exist. Notice that the complaints and allegations about inspections or inspectors by some capitalists never come with specific details and proof. You see, if hon members have credible information about our officials being involved in corruption in terms of the inspection, give us relevant information and we will verify and act on it. So, the EFF is skating on thin ice, as they use violence to resolve labour market challenges. If the EFF wants to establish a union, they are welcome to approach the Office of the Registrar of Labour Relations. Their objective is

rather to fan the flames of the industrial anarchy, which benefits no one - certainly not the workers who need the assurance of the stable labour market.

Employers must begin to create harmonious relations with the workers; create proper processes in dealing with the labour dispute and not abuse the services of the Commission for Conciliation, Mediation and Arbitration, CCMA. When Labour Relations Act, Basic Conditions of Employment are honoured by all employers, that will reduce the demand for services of the CCMA. Compliance to labour laws cannot and must never be compromised.

Hon Chairperson, we do accept that there are serious areas where interventions are required to improve internal controls and governance. We are paying attention and not ignoring the calls for the consequent management. And we are acting decisively in these particular areas. But let me thank all the members for their contributions. We will take all the criticisms, look at them and see how to use them to further improve. Thank you very much, hon Chairperson. [Interjections.]

Ms H O MKHALIPHI: We are prepared ... Thulas ... [Interjections.] ... the workers ... [Interjections.]

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Let’s not

please do that.

Debate concluded.

Mini-plenary rose at 11:53