**MEDIA STATEMENT**

**SELECT COMMITTEE BRIEFED ON FUND-RAISING BILL**

**Parliament, Tuesday, 16 May 2023 –** The Select Committee on Health and Social Services was briefed by the Department of Social Development on the Fund-raising Amendment Bill.

The Bill aims to, among other things, amend the Fund-raising Act, 1978, so as to amend certain definitions; to effect certain textual amendments to provide greater clarity; to provide for the discontinuation of certain funds and for the dissolution of any boards responsible for those funds; to empower the Minister to make regulations in respect of the financial year of a fund; and to provide for matters connected therewith.

Briefing the committee, the Department of Social Development said the apartheid government established the Fund-raising Act to provide social relief services to South Africa’s white minority. The monies accumulated and disbursed to mainly white communities affected by disasters, acts of terrorism and social violence and to refugees.

As a result, only a few benefited from the relief services while the majority were excluded. In light of this, the Department of Social Development was mandated to develop safety nets to cushion vulnerable communities against the impact of food insecurity and other challenges.

The committee welcomed the presentation, but expressed concern about dormant funds that are not used for their intended purposes. Adv Luyanda Mtshotshisa for the department said that funds are locked in these dormant funds, making it difficult to address various emergency situations affecting vulnerable communities. The proposed amendment to the Act indicates that the dormant funds will be dissolved to streamline governance and strengthen services rendered to affected communities.

Members queried why these funds have been dormant for so long and asked how much money is involved. Some committee members felt that keeping the money for such a long time could be classified as a crime against humanity in a country that has experienced numerous disasters in recent times.

The department explained that the funds are dormant primarily because each is required to have a board, in terms of the current legislation. Given that the boards’ functions are restricted to responding to national disasters, there were insufficient national disasters to warrant paying boards during inactive periods.

According to department’s Deputy Director-General, Ms Brenda Sibeko, “We would have members of the board who would come and have meetings, but don’t have activities because they are supposed to respond to national declared national disasters and there were not enough of those. So as result there was only one fund that was active and was that national disaster relief fund. That’s why they were dormant,” explained Ms Sibeko. She added that the total consolidated amount in the funds is R124 million and all have been earning interest.

The strategic focus of the Bill is to amend the provisions of the Fund-Raising Act, 1978 (Act No.107 of 1978) by removing duplication of services inherent in the current relief funds. It also streamlines responses to disasters and allows for risk mitigation and developmental strategies to be deployed. The fund will deal with a broad spectrum of socio-economic developmental issues as determined by the Minister.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE SELECT COMMITTEE ON HEALTH AND SOCIAL SERVICES, MR ZOYISILE NJADU.**

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