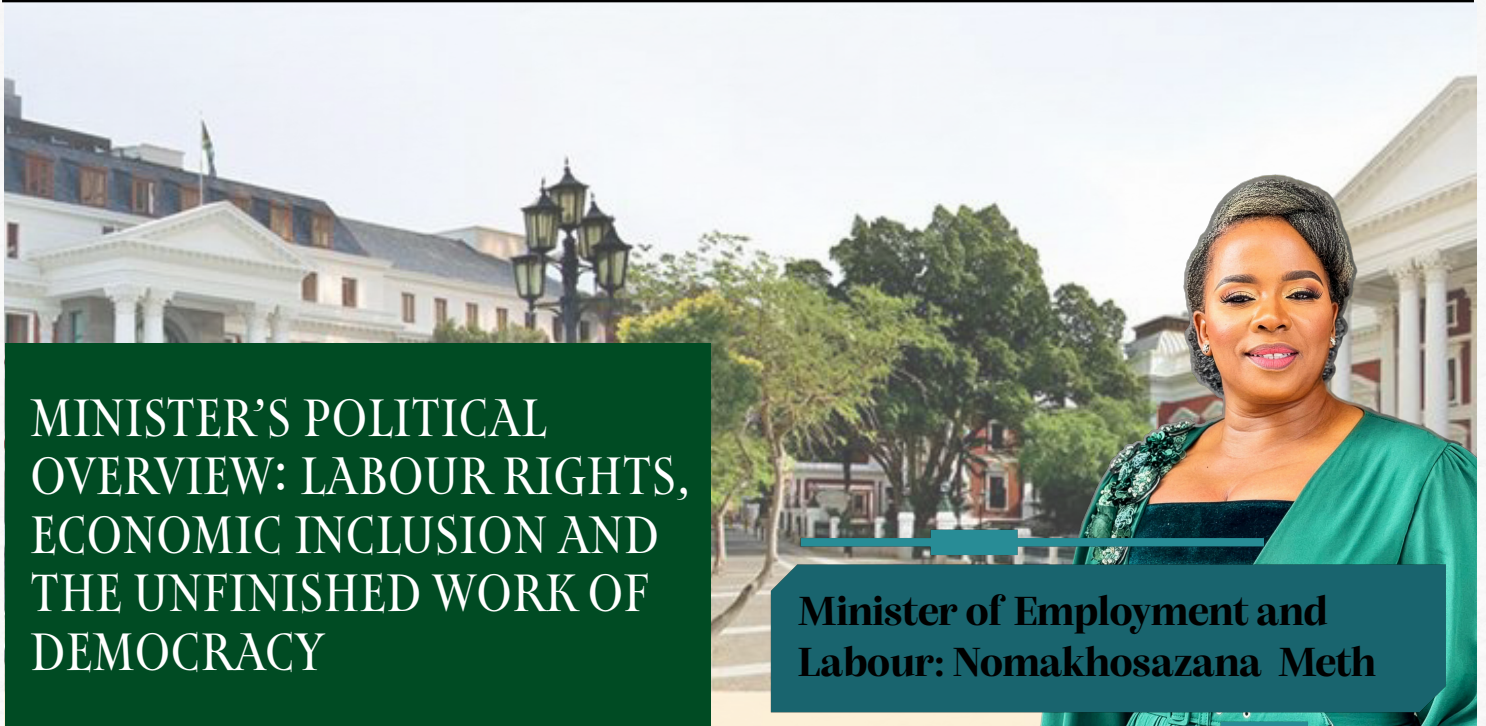


PORTFOLIO COMMITTEE MEETING

29 April 2026



MINISTER'S POLITICAL OVERVIEW: LABOUR RIGHTS, ECONOMIC INCLUSION AND THE UNFINISHED WORK OF DEMOCRACY

Minister of Employment and Labour: Nomakhosazana Meth

The Department of Employment and Labour's Annual Performance Plan presentation to the Portfolio Committee on Employment and Labour opened against the backdrop of two significant moments in South Africa's democratic calendar: Freedom Day and Workers' Day.

In her political overview, Minister Nomakhosazana Meth used these commemorations to locate the work of the Department and Supported Employment Enterprises within the broader national task of deepening democracy through economic inclusion, decent work, workplace justice and labour market transformation.

The Minister was frank that, 32 years into democracy, South Africa must hold two truths together: the country has made important gains, but those gains remain incomplete for as long as economic exclusion persists.

“WORKERS’ DAY REMINDS US THAT THE STRUGGLE FOR DEMOCRACY WAS INSEPARABLE FROM THE STRUGGLE OF WORKERS.”



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She reminded the Committee that South Africa has built one of the most progressive labour rights frameworks in the world, institutionalising social dialogue, collective bargaining, workplace protections, employment equity, occupational health and safety, and social protection for workers.

However, she cautioned that these gains could not be taken for granted, particularly in a global environment where labour protections were under growing pressure.

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The Minister presented the Department’s Annual Performance Plan not merely as an administrative planning document, but as an instrument through which government must convert economic reform into tangible labour market outcomes.

She linked the Department’s work to broader government interventions aimed at stabilising energy supply, logistics and rail, arguing that these reforms were necessary to remove structural constraints that had suppressed investment and limited job creation.

Minister Meth also placed South Africa’s labour market within a shifting global economy shaped by geopolitical tensions, supply chain fragmentation and uneven economic recovery. She noted that the extension of the African Growth and Opportunity Act(AGOA) was important for continuity in export-driven sectors, safeguarding jobs in industries such as automotive manufacturing and agro-processing, while supporting investor confidence and access to the United States market.

Domestically, the Minister said structural reforms aimed at improving the ease of doing business, particularly for micro, small and medium enterprises, were essential to job creation.



She referred to the Business Licensing Bill as part of efforts to reduce administrative friction, standardise licensing processes and lower barriers to entry. However, she was clear that deregulation should not weaken labour standards.

The Department's role, she said, was to ensure that as entry barriers fall, compliance becomes simpler, smarter and more accessible, enabling more enterprises to enter the formal economy without compromising worker protections.

The Minister also used her overview to highlight the changing nature of work. She said South Africa was moving towards a more diversified, technology-enabled and service-oriented economy, while automation, artificial intelligence and platform-based work were redefining employment relationships. In this context, the Department could not afford to be reactive. It had to develop a forward-looking regulatory and policy posture that accommodates non-standard forms of employment, strengthens social protection for vulnerable workers and anticipates shifts in skills demand.

From this point, the Minister moved into the Department's four programmes, presenting them as part of a broader repositioning effort. Programme 1, Administration, was framed as the rebuilding of internal capability.

The Minister highlighted the Department's target of 90% implementation of its digital transformation plan, the rollout of a cybersecurity framework, efforts to reduce the vacancy rate to 10% or less, and the finalisation of 80% of misconduct cases within 90 days. She also referred to the ongoing reconfiguration of the Department, including the unbundling and repositioning of the Unemployment Insurance Fund and the Compensation Fund.

On Programme 2, Inspection and Enforcement Services, the Minister described labour inspection as the backbone of labour market regulation. She said the Department was scaling its inspection programme to more than 313 000 workplaces annually, supported by the onboarding of inspector interns and the planned implementation of the State of the Nation Address pronouncement on the appointment of an additional 10 000 inspectors.



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This, she said, represented a major milestone for South Africa and would strengthen the Department's ability to enforce compliance and protect workers.

“
INSPECTION AND ENFORCEMENT SERVICES REMAINS THE **BACKBONE** OF LABOUR MARKET REGULATION.
”

The Minister further pointed to the Department's consequence management targets, including serving 97% of non-compliant employers with notices within 14 days and resolving or referring 70% of cases within 30 working days. She said this signalled a move towards a more decisive and responsive enforcement regime. The proposed National Labour Inspection Programme, which includes the creation of external inspector capacity and digitalisation of the inspectorate, was presented as part of the Department's longer-term effort to improve coverage, efficiency and enforcement reach.

Programme 3, Public Employment Services, was described as the Department's primary instrument for labour market activation. The Minister outlined targets to register more than one million work seekers, list 125 000 employment opportunities, place 75 000 individuals into work and learning opportunities, and provide employment counselling to 280 000 work seekers.

She said the challenge was not only to increase scale, but to ensure that registrations translate into real placements and opportunities.

The Minister also said the Department would finalise the National Employment Policy, advance the Employment Services legislative framework, pilot the National Labour Migration Policy and develop a framework to coordinate public employment programmes across government. This, she said, would strengthen a whole-of-government approach to employment creation.



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Programme 4, Labour Policy and Industrial Relations, was presented as the anchor of the labour market's policy and regulatory environment. The Minister highlighted key deliverables, including the annual review of the National Minimum Wage, publication of employment equity reports, processing of labour organisation registrations and collective agreements, and production of labour market research and trend reports. These functions, she said, were central to maintaining stability, fairness and predictability in the labour market.

“**SEE MUST NOT BE SEEN AS A PERIPHERAL SOCIAL PROGRAMME. IT MUST BE POSITIONED AS AN INTEGRAL PART OF OUR INDUSTRIAL AND EMPLOYMENT STRATEGY.**”

Turning to Supported Employment Enterprises, the Minister said SEE's Annual Performance Plan reflected an entity in transition. She described SEE as moving from a protected, grant-reliant model towards a more productive and market-facing enterprise that must deliver both social impact and economic value. While SEE remained anchored in its mandate to expand employment opportunities for persons with disabilities, the Minister said these opportunities increasingly had to be linked to productive economic activity.

She acknowledged the structural pressures facing SEE, including its high cost base, limited market footprint, heavy reliance on fiscal transfers and projected operating deficit of more than R130 million. At the same time, she highlighted SEE's target to create 200 additional jobs in 2026/27 and grow sales revenue by 10% annually as important signals of a shift towards greater sustainability.

However, she cautioned that revenue growth alone would not be enough to close the structural deficit unless accompanied by deeper reforms in market access, product positioning, governance and operational capability.

The planned transition of SEE into a formal trading entity was presented as a major structural shift. The Minister said it had the potential to introduce stronger performance discipline, accountability and operational flexibility, but warned that the transition must be handled carefully. Governance systems, financial controls and operational capabilities would have to be strengthened, because structural change without performance change would not deliver the required results.



In closing, the Minister reaffirmed that decent work remained central to human dignity, that economic growth without inclusion was unsustainable, and that labour rights were human rights. She welcomed the oversight role of the Portfolio Committee, not as an obstacle, but as a democratic instrument that strengthens accountability, transparency and delivery.

Her closing message placed the Department and SEE's work firmly within the promise of freedom: to ensure that the sacrifices remembered during Freedom Day and Workers' Day are translated into tangible socio-economic progress for the people of South Africa.

Acting Director-General Sets the Stage for DEL and SEE Presentations

Following the Minister's political overview, Acting Director-General(ADG) Jacky Molisane formally opened the technical segment of the session, noting that the Department's Annual Performance Plan had been quality assured by both Internal Audit and the Auditor-General of South Africa.

She indicated that the APP responded to matters previously raised by the Portfolio Committee, including the need to strengthen governance and consequence management, improve service delivery efficiency and turnaround times, enhance coordination across employment programmes, and ensure greater accountability in the use of public funds.

With the Minister having already provided a comprehensive strategic framing of the Department's priorities, the Acting Director-General invited the Department's senior leadership to present the respective programme areas, led by the heads responsible for Administration, Inspection and Enforcement Services, Public Employment Services, Labour Policy and Industrial Relations, followed by the presentation from Supported Employment Enterprises.

The presentations were therefore delivered within the broader policy and accountability framework set by the Minister, allowing Members of the Committee to engage the Department and SEE on planning, performance, governance and budget implementation matters.



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COMMITTEE ENGAGEMENTS

The engagement by Members of the Portfolio Committee sharpened the oversight focus of the APP's and Budget Review, moving the discussion from planned targets to questions of credibility, implementation capacity and measurable impact.

The Committee's questions reflected a broader concern that the Department and SEE must demonstrate not only ambition, but institutional readiness.

Members underscored the importance of reliable IT systems, sufficient inspector capacity, credible monitoring mechanisms and research-led planning that can inform targeted interventions. In this regard, the discussion also pointed to the need for deeper labour market intelligence, including community-level and household-level profiling, to better understand where employment interventions are most needed and how small and informal businesses can be supported as contributors to job creation.

MINISTER'S CLOSING REMARKS

In her closing remarks, the Minister thanked the Portfolio Committee for its observations and questions, noting that the engagement had helped

sharpen areas requiring further attention from the Department and its entities.

She emphasised that the Department remained concerned with measurable impact, particularly the need to ensure that work seekers registered through Public Employment Services are ultimately converted into employment opportunities.

The Minister acknowledged that the target of 75 000 placements remained modest against the scale of unemployment, but explained that the Department operates within a regulated environment and is therefore largely dependent on stronger collaboration with the private sector to expand opportunities, including through industry partnerships, graduate recruitment, work-based learning and the repurposing of the Labour Activation Programme.

On inspector capacity, she noted the Committee's concern regarding the absence of a dedicated budget allocation for the additional inspectors announced through the State of the Nation Address, indicating that the Department would return to the Committee with a plan after engaging National Treasury, the Unemployment Insurance Fund and the Compensation Fund.



She further welcomed the Committee's insistence that the Department must lead by example on internal employment targets, saying this remained a recurring point of emphasis in internal accountability engagements.

On Supported Employment Enterprises, the Minister clarified ongoing work to secure support from other spheres of government and public institutions, including engagements led by the Deputy Minister, Nemadzinga-Tshabalala and plans to submit a decision memorandum to Cabinet to strengthen backing for SEE.

She also acknowledged the urgency around the National Labour Migration Policy and the Employment Services Amendment process, noting the need to act within the current legal framework while working with Parliament to fast-track legislative processes.

The Minister concluded by reaffirming the Department's willingness to engage further on the issues raised and thanked the Committee for its oversight role.

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