

SPORTLIGHT ON DEL BUDGET VOTE SPEECH



“A statement of national purpose to build a labour market, and an economy, that works for all our people” - Minister Nomakhosazana Meth

The Department of Employment and Labour, led by Minister Nomakhosazana Meth, Deputy Minister Jomo Sibiya, as well as Deputy Minister Judith Nemadzinga-Tshabalala, tabled the 2026/27 Budget Vote Speech at Parliament, Cape Town.

Delivering the Budget Vote on 19 May 2026, Minister Nomakhosazana Meth acknowledged that although South Africa's economy is showing signs of stabilisation through improved electricity supply, moderating inflation and renewed infrastructure investment, millions of citizens remain unemployed.

Minister Meth acknowledged the latest statistics coming out of Statistics South Africa citing that according to the country's unemployment rate increased

from 32.7% in the first quarter of 2026, with youth unemployment remaining critically high at nearly 46%.

Against this backdrop, Minister Meth announced that in commemorating the 50th anniversary of the 1976 Youth Uprising, government has declared 2026 as “The Year of Putting Young South Africans to Work.” She outlined that the initiative seeks to place youth employment, skills development and workplace experience at the centre of national priorities. To support this commitment, she said, government has allocated R350 million towards partnerships between government, business and the Presidency, to place 130 000 young people into employment and learning opportunities. Furthermore, R95 million has

been allocated to the Industrial Development Corporation (IDC) to support Youth Employment Innovation Projects targeting 7 000 young people.

Labour Activation Programme Expanded

Weighing into Labour Activation Programme (LAP) plans for 2026/27, Minister Meth outlined that (LAP) remains a key instrument in government's employment drive, with R36.6 billion allocated over the Medium-Term Expenditure Framework (MTEF). She said that the programme has been repositioned to address demand-led skills development aligned with labour market needs, workplace exposure and internships for graduates and TVET students; and lastly support for small, micro and medium enterprises (SMMEs) through blended finance mechanisms.



“Employment Services South Africa (ESSA) continues to expand as a critical platform connecting unemployed South Africans to jobs, training and support services”

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Strengthening Labour Inspections and Compliance

The budget speech additionally outlined how the Department is also intensifying efforts to improve labour law enforcement through Project 20 000, a large-scale labour inspectorate expansion initiative. Minister Meth reported on project 20K stating that the first phase has already seen thousands of young inspector interns enter training and deployment. “Following the announcement by President Cyril Ramaphosa during the 2026 State of the Nation Address, government will now recruit 10 000 permanent labour inspectors over the MTEF period, supported by a R5 billion allocation,” she said. She further added that the Department also plans to modernise inspection systems through digitisation and hybrid inspections to improve workplace compliance monitoring.

Labour Law Reforms Progressing

Minister Meth reported that there is progress on major labour law reforms currently before Parliament through the Nedlac process. She said that the Labour Laws Amendment Bill proposes reforms to the Labour Relations Act, the Basic Conditions of Employment Act, the National Minimum Wage Act, as well as the Employment Equity Act. “The amendments aim to strengthen worker protections, improve dispute resolution mechanisms and reduce compliance burdens for small businesses,” she advocated. Furthermore, she reported the Department has noted that the National Minimum Wage has benefited approximately six million workers since its introduction.

Employment Equity and Workplace Transformation

On Employment Equity, Minister Meth emphasised that the Department continues to intensify Employment Equity monitoring following the implementation of sectoral numerical targets. She reported During the 2025/26 financial year, more than 14 000 designated employers submitted Employment Equity reports, and that over 11 000 non-designated employers applied for compliance certificates. “However, compliance levels remain low. Of the 1 948 employers assessed through inspections and reviews, only 181 were found compliant,” she expressed.

UIF and Compensation Fund

Talking on UIF and CF, Minister Meth outlined that for the 2026/27 financial year, the UIF has been allocated R41 billion, while CF has received R28 billion to strengthen worker social protection. She reported that through the Temporary Employer/Employee Relief Scheme (TERS), the UIF supported 30 companies during the previous financial year, helping preserve more than 9 300 jobs. She further expressed that the Compensation Fund also continues to invest in scarce skills development through a R300 million bursary programme supporting approximately 4 000 university students.



A call for more support for SEE

Minister Meth called on all spheres of government to utilise public procurement to support Supported Employment Enterprises (SEE), the state manufacturing entity employing persons with disabilities. She assured that government has also reaffirmed its commitment to enterprise sustainability through Productivity SA, which aims to:

- Support over 1 300 enterprises;
- Capacitate 2 500 workers and managers;
- Save approximately 4 000 jobs through turnaround interventions.



BUILDING A MORE INCLUSIVE ECONOMY



“The Department’s budget reflects government’s commitment to job creation, labour market reform, worker protection and economic inclusion” - Minister Meth



DEPUTY MINISTER SIBIYA LEADS CONSTRUCTION SECTOR BLITZ INSPECTIONS IN CAPE TOWN

Following the 2026/27 Budget Vote speech delivered by Nomakhosazana Meth, Deputy Minister Jomo Sibiya led a multidisciplinary blitz inspection operation targeting the construction sector in Cape Town on 20 May 2026.

The operation forms part of the Department of Employment and Labour's ongoing compliance drive aimed at addressing labour law violations, unlawful employment practices and the exploitation of vulnerable workers.

The inspection team included officials from the South African Police Service, Cape Town Metro Police and Immigration Officers from the Department of Home Affairs.

During the operation, more than 70 foreign nationals were found working at a construction site under one of several subcontractors operating on the project. The individuals were taken in for verification of their work permits and immigration documentation. Authorities also noted that some workers allegedly attempted to evade inspection processes, raising concerns about possible illegal employment practices.

The Department said the inspections are part of broader efforts to strengthen labour law enforcement, improve workplace compliance and protect workers' rights across high-risk sectors of the economy.



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