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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR WRITTEN REPLY

#### QUESTION NO. 360

**Mr R W T Chance (DA) to ask the Minister of Trade, Industry and Competition:**

- (1) What is the (a) reason for the year-long delay in the process for reparations to mistreated employees of the National Lotteries Commission (NLC) and (b) detailed chronology of all steps taken in the process, from the first raising of the issue of the concept of reparations to whistleblowers, until the current date;
- (2) (a) which (i) government and (ii) non-governmental entities were consulted during the process, (b) what was the nature of their involvement;
- (3) whether any objections were raised by the specified entities during the consultation process; if not, what is the position in this regard; if so, (a) by whom were objections raised and (b) what was the nature of the objections;
- (4) what is the total cost of the administrative process to provide the specified reparations, including all fees paid to lawyers, consultants, advisors and any other relevant fees in this regard;
- (5) whether he plans to introduce a standing operating practice for whistleblower reparations as a key performance indicator for (a) his department and (b) entities that report to him; if not, what is the position in each case; if so, what are the relevant details in each case? NW376E

#### REPLY

I have been advised by the National Lotteries Commission (NLC) as follows.

- (1) **Reasons for the year-long delay and detailed chronology**
  - (a) **Reason for the delay**



The duration of the process must be understood within its proper legal and institutional context. The initiative undertaken by the National Lotteries Commission (NLC) was unprecedented in the South African public sector. There exists no legislative or policy framework that authorises a public entity to award reparations or compensation to whistleblowers. The NLC was therefore required to develop a constitutionally compliant restorative approach, consistent with the rule of law, the requirements of the Public Finance Management Act, and the principles of administrative justice.

In circumstances where public funds, institutional precedent and fiscal exposure were implicated, the NLC was obliged to proceed with deliberation rather than haste. The process necessarily involved:

- obtaining in-principle governance approval;
- securing independent legal, ethical and human-rights advice;
- engaging external assurance providers;
- iterative oversight by the Board;
- ensuring fairness, consistency and equal treatment; and
- mitigating the risk of unlawful expenditure, contingent liability or adverse audit findings.

The progression of the process therefore reflects not delay in the ordinary sense, but the responsible discharge of public governance duties. Any precipitous implementation would have exposed the state to legal challenge, audit qualification and broader fiscal risk.

The NLC has consistently maintained that the restorative measures adopted had to be lawful, rational and defensible, and capable of withstanding scrutiny by oversight bodies and the courts.



**(b) Detailed chronology**

Period	Key Step
2023	Conceptualisation of restorative measures in response to historic whistleblower harm
May–August 2024	Governance framework established; independent advisory capacity secured; in-principle Board approval
September 2024	Initial voluntary opt-in invitations issued
October–December 2024	Independent assessments and engagement sessions
January–March 2025	Recommendations submitted; further invitations issued to ensure fairness
April–May 2025	Board review and request for additional assurance
June–September 2025	External assurance, legal and fiscal risk review
30 October 2025	Final Board approval
November–December 2025	Preparation of settlement instruments and participant engagement
From December 2025	Implementation of approved non-financial restorative measures

**(2) Consultation with government and non-governmental entities**

**(a)(i) Government entities consulted:**

Meetings were held with the following state institutions to either get their advice or to inform them about the reparations process:

- Auditor-General of South Africa
- South African Revenue Service
- National Treasury

**(ii) Non-governmental entities consulted:**

Independent expertise was obtained from:

- legal practitioners;
- human-rights and ethics specialists;
- governance and assurance professionals.

**(b) Nature of involvement**

The consultative engagements were directed at ensuring that the process:

- did not constitute compensation or damages in law;
- did not result in irregular, fruitless or wasteful expenditure;



- did not create contingent liabilities for the state;
- complied with constitutional and administrative law requirements; and
- was consistent with the statutory mandate of the NLC.

### **(3) Objections raised during consultation**

#### **(a)&(b)**

Concerns were raised in relation to the scope, legal authority and fiscal implications of any reparative intervention.

These concerns principally related to:

- the absence of statutory authority for compensation;
- potential precedent across the public sector;
- possible fiscal exposure; and
- the risk of litigation if the process was perceived as discriminatory or arbitrary.

In addition, there was persistent mischaracterisation of the initiative as compensatory in nature. The NLC does not possess the legal competence to award damages or compensation outside of judicial or statutory processes.

The NLC accordingly adopted a strictly non-financial, voluntary and once-off restorative model. This approach sought to balance compassion with legality and institutional accountability. Participants were afforded opportunities to raise concerns and engage with the process prior to its conclusion.

### **(4) Total cost of the administrative process**

No compensation, damages or financial equivalents were paid to any individual.

Expenditure relates exclusively to governance and implementation, including:

- independent assessments;
- legal and compliance assurance;
- ethics and wellness support;
- administrative and facilitation costs.



A provisional planning envelope of R20 million (later adjusted to R10 million) was approved for governance purposes. Final expenditure will be disclosed through audited financial statements and parliamentary oversight mechanisms.

It should be emphasised that these costs were necessary to ensure legality, fairness and audit integrity, and to avoid the far greater financial exposure that could arise from unlawful or inadequately governed processes.

**(5) Standing operating practice for whistleblower reparations as a key performance indicators**

**(a)**

No.

**(b)**

The initiative was conceived as a once-off and exceptional response to a specific historical context. It was not intended to create an ongoing entitlement, policy framework or performance indicator.

Whistleblower protection, remedies and compensation fall within the domain of national legislation, notably the Protected Disclosures Act. Any permanent framework would require legislative reform and cannot be created administratively by the NLC or the Department.

The NLC will, however:

- document institutional lessons;
- strengthen governance, ethics and disclosure systems;
- enhance internal support for lawful disclosures; and
- continue to cooperate with relevant state authorities in the protection of whistleblowers.

**-END-**