



PIETERMARITZBURG & MIDLANDS **CHAMBER OF BUSINESS**

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Dear Members

LACO and Similar Organizations Shutting Down Businesses for Alleged Labour Issues

I wish to clarify the Chamber's position on this issue:

- Firstly – we are and always have been 100% pro South African's first, when it comes to employment.
- Secondly – we would never condone or cover up any unfair labour practices or unethical behaviour by any business. If a member was found to be acting unethically, the Board would undoubtedly terminate their membership.
- Thirdly – we have an excellent system in South Africa that ensures the protection of employee's rights. Employees should follow internal grievance procedures first. If they have exhausted internal processes, then they can approach the CCMA or the Bargaining Council (unionized environment). Post that, if there is no resolution, a Certificate of Non-Resolution will be issued, and then there is an option to attend arbitration or to strike (disputes of interest) or to take the matter to the Labour Court (for disputes of right).

Who is LACO?

Put simply, they are vigilantes i.e. members of a self-appointed group of citizens who undertake law enforcement in their community without legal authority. They have positioned themselves as champions of employee rights. According to AI they are closely affiliated to MK, often referred to as the MK Labour Desk. There is common belief that they are politically motivated and are driving a populist agenda ahead of the elections.

Do their claims have any merit?

I can't say unequivocally that every business that has been targeted is 100% compliant, but I can say with confidence that the vast majority are wonderful employers. LACO's claims are generally not credible – they claim for instance, that all retail outlets of a national group in the area have managers sexually abusing staff, have terminated employees unfairly and are underpaying their people and that the outlets also serve rotten food. That's obviously nonsense. The Department of Labour inspectors are very active in our area, and they would never have overlooked all this "abuse".

Are they legally able to invade sites or demand accountability from businesses for employee issues?

They have no right to involve themselves in labour-related issues or worker grievances and consequently may not demand labour information or accountability from any business. Chapter VII of the Labour Relations Act 66 of 1995 expressly limits dispute resolution and collective bargaining to "employees, employers, registered trade unions, registered employer's organizations, federations of trade unions, federations of employers' organizations or councils". In view of this, it is recommended that you don't engage with LACO.

In fact, complying businesses may fall foul of the POPI act if they provide confidential information to people with no legal standing to receive it. Any intimidation or threats to shut businesses down should therefore be reported to the police and a case needs to be opened. You are welcome to call me if you need SAPS assistance and I will do my best to help members.

What happens if there is concern that a business is not complying or is employing undocumented foreigners?

If there are suspected unfair labour practices or suspicion that undocumented foreigners are being employed, by all means, concerned citizens should report the companies to the relevant authorities – the Department of Labour and the Department of Home Affairs – and let them investigate and deal with the issues in a fair and lawful manner.

In summary, we are open to inspection by the relevant authorities anytime they would like to visit, but we will not be intimidated or bullied by vigilantes with false claims that they're using to score political points. I'm happy to answer any further questions that members may have.

Yours in Business,

Melanie Veness
PMCB CEO