Wednesday, 19 August 2026]

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PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

WEDNESDAY, 19 AUGUST 2026

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ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Classification of Bills by Joint Tagging Mechanism (JTM)

(1) The JTM in terms of Joint Rule 202(6) classified the following Bill as a section 75 Bill:

(a) **Prevention and Combating of Corrupt Activities Amendment Bill** [B19–2026] (National Assembly – sec 75).

TABLINGS

National Assembly and National Council of Provinces

1. The Speaker and the Chairperson

(a) Monthly Financial Statements of Parliament – July 2026, tabled in terms of section 54(1) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009).

2. The Minister of Justice and Constitutional Development

(a) A letter dated 14 August 2026, from the Minister of Justice and Constitutional Development, informing Parliament of the resignation of Mr LT Mkansi, Regional Court Magistrate, Bloemfontein, with immediate effect.

3. The Minister of Tourism

(a) Memorandum of Understanding (MoU) between the Government of the Republic of South Africa and the Government of the Republic of Mauritius on Cooperation in the Field of Tourism (signed: 13 May 2026), tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.

(b) Explanatory Memorandum to the Memorandum of Understanding (MoU) between the Government of the Republic of South Africa and the Government of the Republic of Mauritius on Cooperation in the Field of Tourism.

National Assembly

1. The Speaker

(a) Petition from 67 Concerned Fishers and Anglers of Mossel Bay, calling on the National Assembly to investigate equitable access to the increased opportunities and benefits of coastal public property within the Mossel Bay Municipal area.

Referred to the **Executive Undertakings and Petitions Committee** for consideration and report.

(b) A petition from a group of South African stalwarts, calling on the National Assembly to exercise oversight over the government's relations with the State of Israel in relation to specific areas.

Referred to **Portfolio Committees on International Relations and Cooperation**; **Trade**, **Industry and Competition**; **Defence and Military Veterans**; and **Mineral and Petroleum Resources** for consideration from the perspective of their respective mandates.

(c) Petition from a resident of Mgwalana village, Eastern Cape, calling on the National Assembly to investigate service delivery regarding state of the road, supply of electricity, condition of the primary school, inadequacy of health services and housing.

Referred to the **Executive Undertakings and Petitions Committee** for consideration and report.

(d) Petition from the Paarl Community, calling on the National Assembly to investigate exposure of the community to hazardous chemical substances emanating from an unlawful chemical plant, operating in their area.

Referred to the **Executive Undertakings and Petitions Committee** for investigation and report.

(e) Petition from a representative of NEHAWU, Mr Damien Kennedy, calling on the National Assembly to investigate certain criminal allegations and alleged unethical conduct related to the National Arts Council.

Referred to the **Portfolio Committee on Sport, Arts and Culture** for consideration.

National Council of Provinces

1. The Chairperson

(a) WITHDRAWAL OF THE INTERVENTION ISSUED IN TERMS OF SECTION 139(1)(b) OF THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996 TO SOL PLAATJE LOCAL MUNICIPALITY, NORTHERN CAPE.

Referred to the **Select Committee on Cooperative Governance and Public Administration** for consideration.

COMMITTEE REPORTS

National Assembly and National Council of Provinces

1. REPORT OF THE JOINT STANDING COMMITTEE ON DEFENCE AND THE PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS ON THE DEFENCE INDUSTRY LEKGOTLA, FROM 20 TO 22 JULY 2026, DATED 18 AUGUST 2026

1. Introduction

The Joint Standing Committee on Defence (JSCD) and the Portfolio Committee on Defence and Military Veterans (PCDMV) jointly attended the Defence Industry Lekgotla, convened by the Minister of Defence and Military Veterans at the Council for Science and Industrial Research (CSIR) in Tshwane from 20 to 22 July 2026. The Lekgotla was aimed at identifying opportunities, fostering partnerships and generating pragmatic recommendations that can be rapidly implemented within a whole-of-government approach to furthering the South African Defence Industry and was attended by more than 300 delegates from the South African National Defence Force (SANDF), Armscor, Denel, the CSIR, Aerospace and Maritime Defence Industries Association (AMD), private defence enterprises, academia and international defence attachés.

1.1 Purpose of the committees' attendance of the Lekgotla

The purpose of the Committees' attendance at the Defence Industry Lekgotla was to exercise their constitutional oversight responsibilities by engaging with key stakeholders on matters relating to the future development, sustainability and strategic direction of South Africa's defence industry. The JSCD derives its mandate from section 228(3) of the Constitution of the Republic of South Africa, 1993, read with item 24(1) of Schedule 6 to the Constitution of the Republic of South Africa, 1996. In terms of its legislative mandate, the JSCD is competent to investigate and make recommendations on, amongst other matters, the armaments of the SANDF. The Lekgotla therefore provided an important opportunity for the Committees to engage on issues that have a direct bearing on the acquisition, sustainment and future armament of the SANDF.

The Committees have also previously exercised oversight over the establishment and development of the National Defence Industry Council (NDIC), which played a central role during the Lekgotla.

Attendance enabled the Committees to continue overseeing the evolution of the NDIC and the broader defence industry, particularly regarding its contribution to the long-term capability, readiness and strategic autonomy of the SANDF. Furthermore, as the convening of a Defence Industry Lekgotla was first proposed during the previous Parliament but did not materialise, the 2026 Lekgotla presents an important opportunity for the Committees to participate in strategic engagements that are directly relevant to the fulfilment of their constitutional oversight mandate.

1.2 Committee Members and support staff

The Delegation comprised of the following people:

Members of the JSCD and PCDMV

National Assembly (NA)
African National Congress (ANC)
Mr MD Legoete (Chairperson: Portfolio Committee on Defence)
Dr. M Gigaba (co-Chairperson: Joint Standing Committee on Defence)
Mr. W Plaatjies
Mr. M Hala
Mr. T Munyai

Democratic Alliance (DA)
Mr C Hattingh

uMkhonto Wesizwe Party (MKP)
Mr. Z Cele

Economic Freedom Fighter (EFF)
Mr C Niehaus

National Council of Provinces (NCOP)

ANC

Mr P Phala (co-Chairperson: Joint Standing Committee on Defence)

Mr P Noe

Ms S Masumpa

FF+

Ms T Breedt

Support Staff:

Dr Wilhelm Janse van Rensburg	-	Content Advisor
Dr R Steenkamp-Fonseca	-	Committee Researcher
Mr Oliver Ndou	-	Committee Assistant

Key delegates in attendance

Ms A Motshekga	-	Minister of Defence and Military Veterans
Mr F Cachalia	-	Acting Minister of Police
Mr P Tau	-	Minister of Trade, Industry and Competition
Mr R Mkhungo	-	Deputy Minister of Defence and Military Veterans
Mr B Holomisa	-	Deputy Minister of Defence and Military Veterans
Mr B Mthimkhulu	-	Secretary for Defence
Gen R Maphwanya	-	Chief of the SANDF
Mr S Ndlovu	-	CEO of AMD

2. Overview of the Lekgotla

2.1 Plenary sessions

The Lekgotla was duly opened on 20 July 2026 by the Minister of Defence and Military Veterans, Ms A Motshekga, who noted the need for the Lekgotla to be outcome-based. The Lekgotla was aimed at

developing clear, implementable resolutions for furthering the industry and to impact positively on broader national security. The Minister of Trade, Industry and Competition, Mr P Tau, provided an overview of the economic value of the defence industry. He further highlighted future proposed developments under the auspices of the Department, including efforts to broaden space programmes, drone and related technology developments and the development of defence industry hubs.

The co-Chairperson of the JSCD, Mr P Phala, further provided opening remarks noting the expectations of the Committee for the Lekgotla and highlighting the role of the JSCD Members in the Lekgotla. It was specifically stressed that the participation of the JSCD related to the Constitutional mandate of the Committee and its ability to make recommendations on the budget, armaments and state of readiness of the Defence Force. The co-Chairperson stressed that the outcomes of the Lekgotla will be closely monitored and that Parliament will use its oversight function to oversee final resolutions and implementation plans developed by the Minister.

The Chief of the SANDF further provided opening remarks in the plenary session. He noted that the industry serves as a catalyst for broader security and that national security therefore becomes a collective responsibility involving both the SANDF and the industry. The Chief highlighted that the industry is key to equipping the SANDF for future warfare and that there is a clear need for the SANDF not to be equipped for ‘yesterday’s wars’, but be fully prepared for the contemporary battlefield. He noted that a domestic defence industry enhances national security and called for the SANDF to become a bigger user of locally produced products.

The Secretary for Defence, Mr B Mthimkhulu, provided input on key questions that should underpin the Lekgotla. How should our country understand the relationship between national defence and national development? What are the truly sovereign capabilities that South Africa need to retain? How do we prepare the SANDF for rapidly changing strategic environments? What kind of defence capabilities does the SANDF require for the next 30 years? He noted that the Lekgotla provided an opportunity to address some of these questions, but it must be seen in the context of the threat of the loss of strategic capabilities which are incredibly difficult to regain once lost. A long-term defence capability planning trajectory is therefore required to prevent future strategic limitations.

The CEO of AMD, Mr S Ndlovu, concluded the opening remarks. He noted the need to reposition defence as a strategic national asset and a key point for economic growth and stated that the industry stands ready to help realise transforming strategic intent into measurable outcomes. He expressed that AMD is therefore not present with a list of demands, but forms part of the Lekgotla to assist and identify where the industry can contribute. The industry is an advanced manufacturing sector that contributes to skills development, innovation and research, and national resilience. South Africa must be positioned as a producer of world class defence products rather than just a user of this. The challenge remains the need for a collaborative environment to ensure a viable defence ecosystem. He concluded by highlighting the importance of a well-regulated export regime but highlighted the need for predictability and efficiency of the administration of this regime.

On the second day of the Lekgotla, 21 July 2026, the Deputy Minister of Defence and Military Veterans, Gen (Ret) B Holomisa, opened the plenary session. The Deputy Minister reflected on the challenges facing the SANDF and the need to arrest the deterioration of infrastructure, equipment and strategic capabilities. However, he noted that Cabinet had approved new defence policies and that these would set the tone for positive change in defence funding and the strategic trajectory. The Lekgotla therefore came at an opportune time, as it offered an opportunity for Public-Private Partnerships. He also called for the intelligent use of defence assets, including land and infrastructure, for the benefit of the military. Specifically, the consolidated use of defence facilities and land should be considered to move towards integrated defence precincts. In this regard, partnerships with credible investors will prove critical. He further noted that partnerships should also extend to the maintenance and provision of equipment, research and technology for defence. He concluded that the Lekgotla should not only serve as a summary of challenges, but should move from broad discussions towards specific, implementable recommendations that can be urgently implemented. Following the Lekgotla, a round table should be held to finalise key priority areas for engagement with the industry. He outlined several future focus areas for consideration:

- Identifying infrastructure backlogs.
- Identifying which of these areas are fit for PPPs.
- Identifying what role should be played by the DOD, DPWI, Armscor, Denel, industry and other role-players.

- Identifying what regulatory and policy interventions are required.
- Identifying how to protect sovereignty.
- Identifying how to enhance skills development and technology development.
- Identifying what can be implemented and by whom.

The Chairperson of the PCDMV, Mr D Legoete, provided a reflection on the previous day's engagements and set the tone for the way forward. He noted that the first day of the Defence Industry Lekgotla had reaffirmed the strategic importance of South Africa's defence industry as both an economic asset and a cornerstone of national security. He highlighted contributions relating to the industry's economic potential, the need to preserve sovereign capabilities, and the importance of achieving practical, outcome-based resolutions.

He welcomed the active participation of Members of Parliament in the commission discussions, observing that many of the issues raised aligned with challenges previously identified through parliamentary oversight. This demonstrated the value of sustained oversight in informing policy solutions. The Chairperson reiterated that Parliament's role extended beyond observation, emphasising its constitutional responsibility to contribute constructively to the process while ensuring that the Lekgotla's resolutions were translated into tangible actions that advanced the public interest and strengthened national defence capability. Looking ahead, he encouraged commissions to refine their recommendations into clear, implementable proposals, affirmed that Parliament would monitor the implementation of the Lekgotla's outcomes and any resulting legislative processes, and stressed the importance of aligning these outcomes with broader defence policy initiatives, including the Journey to Greatness.

The Chairperson of the Social and Ethical Committee of the Armscor Board, Ms M Ndlovu, spoke of the need for collaboration and the importance of not only responding to the future, but actively shaping it. She noted that this approach extends beyond individual institutions and requires a shared national purpose, as no single institution can ensure South Africa's future alone. She emphasised that investments in defence must deliver beyond the acquisition of equipment and should contribute towards developing scarce skills and long-term national prosperity. Such investments should also inspire young South Africans to pursue engineering and other technologically advanced careers. She concluded by

noting that defence investment can serve as a catalyst for innovation and sustainable national development and highlighted the importance of the Lekgotla in achieving this objective.

The Interim Chairperson of the Denel Board, Ms T Mokgabudi, highlighted the need for sustainable sovereign products, secure strategic supply chains, indigenous technologies, accelerated innovation and resilient industrial ecosystems. She also highlighted the changing defence landscape, particularly in relation to artificial intelligence and space technologies. This emphasised the need for Denel to have access to the strategic policy plans of the DOD and SANDF. She further expanded on the economic benefits of the defence industry, particularly in terms of localisation, production and exports. She highlighted the key contributions and capabilities of Denel, including its production and manufacturing capabilities.

3. Commission discussions

Deliberations during and prior to the Lekgotla centred on six commissions. Prior to the Lekgotla, virtual meetings were held for each commission and Members of Parliament were invited to form part of the discussions. These preliminary discussions provided a base for further engagement during breakaway sessions for each commission during the Lekgotla. The aim of each commission was to develop specific recommendations for consideration as Lekgotla resolutions. The sections below provide a brief, non-exhaustive overview of key focus areas of the various commissions during deliberations.

3.1 Innovation Commission

The Innovation Commission highlighted several structural and policy challenges that continue to constrain innovation within South Africa's defence industry. A key concern raised was the lack of coherence between the Intellectual Property Rights from Publicly Financed Research and Development Act (IPR Act) and the Armscor Act, which creates uncertainty in the management and commercialisation of intellectual property developed for defence purposes. Crucially, no amendments to the Armscor Act were proposed, but rather a reassessment of the Intellectual Property Act. The Commission further noted that the rapidly increasing pace of technological innovation, particularly in software-centric capabilities and the development of low-cost, disposable unmanned systems, has

outpaced existing acquisition and procurement processes. As a result, current systems are often unable to effectively manage intellectual property or issue procurement orders within the timeframes required to exploit emerging technologies.

The Commission also expressed concern that the defence industry remains largely excluded from broader government incentive programmes, funding mechanisms and capital investment opportunities that are available to other sectors of the economy. Participants further highlighted a disconnect between the SANDF and industry, with industry representatives indicating that they lack sufficient insight into the SANDF's capability requirements, while the SANDF is not adequately informed of the technological innovations and solutions available within the domestic defence industry. Finally, the Commission emphasised that improved access to appropriate state-owned research infrastructure is required to enable innovation, technology development and collaboration across the defence sector.

3.2 Localisation and Exports Commission

The Localisation and Exports Commission received a number of scene-setting presentations on the first day of its deliberations, during which the conventional arms control and regulatory framework emerged as a central theme. Discussions underscored that sustained export growth remains essential to the viability of South Africa's defence industry. Presenters emphasised that the industry's continued reliance on export markets makes an efficient, predictable and enabling regulatory environment critical to its competitiveness.

Several challenges affecting export performance were identified, including lengthy export approval processes, limited access to export financing, and insufficient awareness of the role of the Export Credit Insurance Corporation (ECIC) in supporting defence exports. Alternative funding models were also explored as a means of promoting industry growth. In addition, concerns were raised regarding declining domestic procurement and localisation opportunities, as well as increasing international competition. Comparative examples illustrated the competitiveness challenge, noting that while export permits in South Africa can take approximately 11 weeks to process, comparable approvals in countries such as the United Arab Emirates and Türkiye are typically finalised within 7 to 21 days.

On the second day, the Commission commenced with a presentation on South Africa's conventional arms control system. The presenter also responded to a number of issues raised during the previous day's discussions by outlining the legislative framework governing conventional arms exports and the policy considerations underpinning the current regulatory regime. It was emphasised that South Africa has deliberately aligned itself with the international arms control framework, which seeks to balance the promotion of a sustainable defence industry with the country's international obligations and commitments. At the same time, it was acknowledged that shortcomings exist in the administration of the conventional arms control regime, particularly regarding the efficiency of export permit processing.

During the discussions, Members of Parliament highlighted the need to thoroughly review the existing legislative framework to determine whether amendments are required to address the identified shortcomings. Members also raised concerns regarding the continued reliance on outdated international control lists and agreements, including older versions of the Wassenaar Arrangement, which they considered indicative of the need to modernise South Africa's conventional arms control regime and ensure that it remains aligned with evolving international standards and industry requirements.

3.3 Strategic Assets and Partnerships Commission

The Strategic Assets and Partnerships Commission centred its deliberations on the concept of sovereignty, which emerged as the principal theme of discussion throughout the Commission's engagements. While participants acknowledged that there is no universally accepted definition of sovereignty within the context of the defence industry, there was broad agreement on many of the principles that underpin strategic sovereignty. Discussions highlighted that sovereignty extends beyond state ownership and encompasses the ability to design, develop and retain critical technologies and intellectual property, maintain essential skills and expertise, and ensure the continuous development of the next generation of defence capabilities. Participants further emphasised that sovereignty cannot be achieved without sustained and predictable state investment and that national security, defence strategy and industrial strategy must be closely aligned to support sovereign capability.

The Commission also considered several foundational departure points for understanding strategic sovereignty within the South African context. It was noted that sovereignty is rooted in the Constitution

and that policy should retain a human-centric focus while recognising South Africa's unique geostrategic position. Participants observed that sovereignty is a complex and multi-dimensional concept, requiring different levels of consideration across the defence ecosystem. Key themes included the need for strategic state ownership or control over critical capabilities and entities, the protection and control of intellectual property, and the importance of sustained funding to enable technological advancement and innovation. The Commission further emphasised that the Department of Defence should assume a leading role in defining South Africa's strategic sovereign requirements and in identifying those capabilities that are essential to preserving the country's long-term defence and security interests.

3.4 Finance Commission

The Finance Commission's discussions focused on the impact of declining defence funding on the sustainability and competitiveness of South Africa's defence industry, as well as reforms required to strengthen financing and unlock export growth. Participants noted that sustained reductions, in relative terms, of the defence budget over the past two decades have significantly curtailed domestic procurement, acquisitions and capability development, while inefficient regulatory processes have constrained the industry's ability to maximise export opportunities. In addition, perceptions within government, commercial banks and private financiers have limited access to finance for defence companies.

The Commission highlighted the consequences of these trends, including the erosion of sovereign defence capabilities, constrained force modernisation, reduced investment in innovation and technology, slower industry transformation, diminished investment in STEM skills, reduced job creation, and the loss of critical skills. It was noted that, in response to declining domestic demand, the defence industry has increasingly shifted from serving the local market to becoming export-oriented in order to remain commercially viable.

In considering possible interventions, the Commission emphasised the need to strengthen export support through improved international marketing, expanded financing and credit support, and simpler access to existing financial assistance mechanisms. Participants further called for reforms to consolidate existing support programmes, streamline regulatory processes, strengthen export promotion policies, and

empower existing institutions to deliver more effective outcomes. Dedicated funding mechanisms were proposed to support innovation, strategic defence capabilities, skills development, transformation and public-private partnerships.

Looking ahead, the Commission proposed a phased approach to implementation. In the short term, existing export promotion and financing instruments should be coordinated through a single point of access. Over the medium term, the Defence Industry Fund should be expanded and reformed, greater participation by commercial financiers encouraged, and partnerships strengthened with development finance institutions and private investors. In the longer term, participants proposed the establishment of dedicated defence funding streams, closer integration with future export financing mechanisms, including the proposed South African Export-Import Bank, and the consolidation of existing support programmes into a coordinated national framework for defence industry financing and export support.

The Commission concluded that a thriving defence industry would contribute to economic growth, industrialisation, high-technology manufacturing, the retention and development of STEM skills, and the creation of high-value employment opportunities. Participants also welcomed recent developments, including the Industrial Development Corporation's revised Responsible Investment Policy to accommodate defence investments, increased willingness by commercial banks to finance dual-use technologies, the emergence of public-private partnership frameworks, and the potential for export credit agencies, including the ECIC, to play a greater role in supporting defence exports.

3.5 Acquisition and procurement modernisation Commission

The Commission’s discussions centred on the need for the current acquisition methodology to evolve in response to an increasingly dynamic strategic and technological environment. It was noted that existing acquisition and procurement processes require review to remove constraints, improve agility and accelerate capability delivery while maintaining sound governance and accountability. Discussions also considered the need to recapitalise Denel as a strategic system integrator and to operationalise public-private partnerships (PPPs) as a mechanism to support capability development. In this regard, proposals were raised for the establishment of a dedicated PPP unit within the Department of Defence, supported by a formal PPP policy framework.

Further discussion points and initial recommendations introduced for consideration included the need for a significant increase in funding allocated towards new system development and modernisation, or alternatively, a reprioritisation of the defence budget allocation between human resources expenditure and acquisition requirements. Other proposals included the revision of SAP 1000 to enable a more flexible and responsive acquisition process; the development of simpler system specifications and shorter acquisition cycles to support capability expansion through "spiral development"; and the use of real-time scenario-based assessments to guide acquisition priorities through the revised SCAMP.

From these discussions, it was noted that further input is required on the alignment of procurement regulations with national security requirements, including the incorporation of maintenance considerations as a fundamental component of capability sustainability. Possible initial resolutions proposed included the expedited review and publication of a revised Defence Acquisition Policy document (DAP-1000), as well as ensuring that sufficient funding is allocated towards development, acquisition and maintenance requirements in line with the revised SCAMP and evolving threat scenarios.

Parliamentary input focused on several key issues, largely reflecting previous recommendations contained in the Portfolio Committee on Defence and Military Veterans' Budgetary Review and Recommendations Reports (BRRR). Members highlighted the need for procurement reforms that recognise the operational realities of the SANDF, noting that current processes can negatively affect operational effectiveness and momentum. Examples were raised where the procurement of basic operational requirements, such as tyres and essential provisions for border safeguarding operations, can take weeks or months, thereby affecting the SANDF's ability to execute mandated tasks. While supporting more flexible procurement mechanisms for military operations authorised under the Constitution and Defence Act, Members cautioned that any such deviations require strict legislative control.

Members further emphasised that calls for increased defence funding must be accompanied by internal prioritisation and improved resource allocation within the Department of Defence. Previous concerns regarding the lack of basic equipment available to soldiers, particularly those deployed on operations,

were reiterated. The need for a “back-to-basics” approach was emphasised, with priority given to essential requirements such as uniforms, boots, protective equipment, weapons and serviceable vehicles.
The Commission also noted broader concerns regarding acquisition performance and project implementation, with Parliament expressing frustration regarding delays in completing major acquisition programmes, including Project Hoefyster and Project Hotel. Members stressed that modernisation efforts and revised acquisition processes must ultimately translate into tangible capability improvements and improved operational readiness for the SANDF.

3.6 Capacity building and inclusivity Commission

The Capacity Building and Inclusivity Commission focused on developing the human capital, skills base and industrial capacity required to sustain South Africa’s future defence and technology ecosystem. The Commission recognised that the long-term competitiveness and resilience of the defence industry depend on a combination of equipment, infrastructure, specialised skills, innovation capacity and the ability to develop a sustainable pipeline of future talent development.

Discussions centred on the need to ensure that policy objectives translate into practical and adequately funded programmes that strengthen local defence capabilities while supporting broader economic participation. The Commission considered mechanisms to expand access to economic opportunities, identify barriers affecting SMEs and smaller defence suppliers, and assess the continued relevance and effectiveness of the Defence Sector Charter in supporting transformation and industrial development.

A key theme was the need for capacity building initiatives to protect high-technology capabilities, retain scarce skills and facilitate the transfer of knowledge and expertise to future generations. In this regard, the Commission discussed the importance of leveraging existing DTIC initiatives, higher education institutions and STEM programmes to support emerging technologies, innovation and skills development.
The Commission further highlighted that inclusivity must extend beyond representation and should actively support the meaningful integration of women, youth, persons with disabilities, military veterans and SMEs into the defence industry value chain. Discussions considered opportunities to attract and retain scarce expertise, including the potential to leverage the skills and experience of South Africans

working abroad. The importance of mentorship initiatives, particularly business mentorship programmes aimed at developing young entrepreneurs and emerging companies, was also emphasised.

The discussions highlighted the need for stronger collaboration between government, industry, research institutions and education providers to create a sustainable and inclusive defence industrial workforce capable of supporting advanced manufacturing, emerging technologies and future defence requirements. The Commission considered various funding mechanisms available to support inclusivity and industrial development, noting previous efforts to establish Memoranda of Understanding between funding institutions to improve access to finance and enable more comprehensive funding interventions. It was emphasised that funding approaches should focus on partnerships, sustainability and long-term capability development rather than short-term interventions.

As the Commission moved towards identifying potential resolutions, discussions focused on the revitalisation of the Defence Sector Charter Council to strengthen oversight, implementation and coordination. The role of institutions such as the - IDC in supporting innovation within the aerospace and defence sectors was highlighted, particularly in enabling smaller companies to access funding partnerships and participate in higher-value industrial activities. The Commission also noted the importance of developing a clearer understanding of participation levels among designated groups through improved data collection and statistics, which would support more effective implementation and optimisation of the Defence Sector Charter.

The Commission recognised the urgency of these interventions, particularly given the limited timeframe available to rebuild strategic defence capabilities over the next five years. Developing the necessary skills, expanding industrial participation and ensuring an inclusive defence ecosystem were therefore identified as critical requirements for sustaining South Africa’s future defence capabilities and industrial competitiveness.

4. Summary of draft resolutions proposed by the Lekgotla

4.1 Innovation Commission

The Innovation Commission proposed the following resolutions:

- IP and procurement management optimisation, to be implemented by Armscor, focusing on:
    - Expediting the existing process to resolve the lack of coherence in, and application of, the Intellectual Property Rights Act and the Armscor Act.
    - Developing an IP exploitation framework with the Defence Innovation Council.
    - Expediting the development of a secure digital procurement system within Armscor and the DOD to improve turnaround times.
- Revision of the innovation funding framework, to be implemented by the NDIC:
    - Broad consensus on the key technology challenges going forward (AI, data analytics, robotics, space and cyber resilience).
    - Ring-fence technology funding to ensure continuity.
    - Create an independent Technology Innovation Advisory Committee.
    - Coordinate technology investment through technology development bids.
    - Strengthen inter-agency coordination by ensuring that the DOD joins DTIC and DSTI coordinating committees for industry incentives and capital investment.
- Communication between the DOD and industry, to be implemented by the AMD:
    - Reconstitute Defence Technology Days to create a forum for communicating defence requirements and facilitating reciprocal communication on industry capability.

4.2 Localisation and Exports Commission

The Localisation and Exports Commission proposed the following resolutions:

- Export growth and market expansion:
    - Position South Africa as a preferred defence partner by:
        - Strengthening diplomatic channels (e.g. Defence Attachés, the SSA and FER) to promote South African defence industry (SADI) products.
        - Creating a government-to-government contracting capability through the establishment of a dedicated contracting entity for defence contracts.
        - Integrating defence into state visits and business forums, with the President and Ministers serving as promoters-in-chief for SADI products in target markets.

    - Implement a "procure-to-export" strategy that aligns SANDF procurement with locally developed systems, thereby creating domestic reference users and strengthening export readiness.
- Localisation and industrial development through:
    - Centralising the procurement of strategic defence equipment.
        - Establish coordinated procurement through Armscor for common-use equipment across the security cluster.
        - Designate products such as small-calibre weapons, ammunition, personal protective equipment, textiles, etc.
        - Establish a mechanism through which the security cluster and the CSIR provide evaluation reports on market-ready technologies.
        - Establish a Defence Skills Academy, including SANSI.
        - Utilise production assets, such as Denel's drone manufacturing capacity, and promote joint technology development.
    - Develop defence industrial clusters by establishing dedicated economic zones for defence and advanced manufacturing.
- National strategic alignment:
    - Establish a National Defence Solutions Centre as a centralised one-stop hub for defence industry advancement, export facilitation and strategic capability development by:
        - Hosting regular multi-stakeholder events.
        - Establishing a multi-sector steering committee.
        - Conducting stakeholder workshops and needs assessments and creating an operational task team.
    - Launch a formal Government-Industry-Academia Defence Collaborative Platform.
- Arms control regulatory framework:
    - Modernise export regulatory processes through three initiatives:
        - Administrative reform, including the creation of a digital repository portal, digitising applications to fast-track approvals, and increasing DCAC capacity.
        - Regulatory reform, including conducting an NCACC self-assessment, reviewing the NCACC Act, and considering an appeal committee for denied applications.

        - Stakeholder engagement, including annual workshops across provinces, conducting one-on-one performance reviews with companies, and establishing a forum as a central point of engagement.
- Funding:
    - Promote existing ECIC export credit solutions to unlock commercial bank and Development Finance Institution funding for exporters.
    - Use trade credit, working capital, bonds and buyer-credit instruments to support export transactions.
    - Pilot a resource-based alternative defence funding model.
    - Fast-track the establishment of the South African Exim Bank to facilitate direct lending to exporters.

4.3 Acquisitions and Procurement Reform Commission

The Acquisitions and Procurement Commission proposed the following resolutions:

- Enhanced effectiveness through the following means:
    - Prioritise SANDF acquisition requirements at “joint” level.
    - Manage operational stock levels.
    - Address project schedule overruns.
- Improve systems and processes through the following means:
    - Adopt the Expedited Armaments Acquisition Process (EAAP) as the default for projects with short-term delivery and “Spiral development” as a default for other acquisition projects.
    - Armscor to enhance the Project Value System used to quantify value delivered by Project.
    - The DOD must cater for the service life extension of existing capability within the same project multi-year funding model.
- Institutional reform through the following means:
    - The DOD to immediately establish a PPP Administering Unit.
    - Review the current PPP policy.

    - Armscor to develop a practical PPP roadmap with timelines.
    - Launch the first PPP in the current financial cycle.
    - Prioritise Maintenance, Repair and Modernisation of prime-mission equipment, facilities and other proposals with merit.
- Regulatory review, through the following means:
    - Incorporate Unique Security Cluster Procurement requirements in the Public Procurement Act.

4.4 Strategic Assets and Partnerships Commission

The Strategic Assets and Partnerships Commission proposed the following key resolutions:

- DOD to define sovereign defence requirements across the domains of the battlespace.
- Establish a hierarchy of strategic and technical partnerships.
- Expand on the Defence Industry Chapter 15 of the 2015 Defence Review.
- Develop a new Defence and Technology Development Strategy that operationalises the emerging defence and military policy.

4.5 Capacity building and inclusivity Commission

The Capacity Building and Inclusivity Commission proposed the following resolutions:

- Reinstate and operationalise the Defence Sector Charter Council.
- Establish start-ups and capacitate existing businesses.
- Implement set-asides for designated groups under the DTIC and National Treasury.
- Develop enabling infrastructure (supplier parks and special economic zones).
- Reinstate DESUP (Defence Engineering and Science University Programme).
- Establish a Defence-funded Enterprise Supplier Development Programme.

4.6 Finance Commission

The finance commission proposed the following overarching resolutions:

- Establish a dedicated task team consisting of representatives from AMD, DTIC and DSTI to carry out the full scope of the resolutions, proposals and suggested projects within this Commission.
- Empower AMD by developing dedicated mechanisms to champion access to well-established finance structures across multiple departments that are currently underutilised, creating a single point of access for the industry that will exponentially drive access to markets.
- Expand the scope and the funding mechanisms used to fund the existing defence industry fund.
- Establish a dedicated agency that, in the long term, can ensure sustained technological innovation, increase critical skills development, drive transformation and inclusivity, and accelerate defence industry growth through dedicated tax incentives.
- Develop measurable financing targets and reporting mechanisms to monitor progress, strengthen accountability, and ensure that funding interventions translate into industry growth, export expansion and job creation.

5. Critical Observations on Funding, Realism, Implementability and the Parliamentary Role

While the Defence Industry Lekgotla constituted an important initiative that created valuable space for exchange between government, the SANDF, state-owned entities, the private defence industry and Members of Parliament, the Committees consider it necessary to place on record a number of critical observations concerning funding, realism, implementability and the proper role of Parliament.

5.1 Funding constraints and the fiscal veto

A fundamental contradiction overshadowed the Lekgotla: the gap between the strategic aspirations expressed inside the venue and the fiscal realities imposed by National Treasury. This was starkly illustrated by the reply of the Minister of Finance, Mr Enoch Godongwana, to a question for written reply (NW3507) tabled in the National Assembly. The question highlighted the significant gap between the President's stated commitment to increase defence spending to 1.5% of GDP — implying a budget in the region of R114 billion — and the actual 2025/26 allocation of approximately R57.2 billion, equating to roughly 0.8% of GDP. Minister Godongwana acknowledged concerns about SANDF combat

readiness but clarified that the 1.5% target "is a strategic aspiration that the government acknowledges. However, achieving such a target requires a phased, long-term approach aligned with South Africa's broader fiscal strategy. The current allocation of approximately 0.8% of GDP reflects what is feasible in the immediate term, given the prevailing fiscal constraints."

This formulation is decisive. It recasts what many participants treated as an imminent policy shift into a distant aspiration. In the context of the Lekgotla's deliberations on capability renewal, public-private partnerships and industrial modernisation, the reply functions as a fiscal veto. The absence of National Treasury representation at the Lekgotla was symptomatic of this deeper institutional disconnect. Without National Treasury's active participation and a credible multi-year funding path beyond the current "feasible in the immediate term" ceiling, many of the Lekgotla's resolutions risk remaining largely symbolic.

5.2 Proposal regarding Public Investment Corporation (PIC) funding

One proposal advanced by the Minister of Defence and Military Veterans in the final plenary — that alternative funding might be sourced from the Public Investment Corporation — must be treated with extreme caution. The PIC is currently experiencing significant governance turbulence, including board-level resignations and tensions at the highest levels as recently as July 2026. Any suggestion that pension funds under PIC management could be diverted or specially earmarked for defence purposes would require exceptional justification, rigorous safeguards, and broad political consensus. In the present climate, such a proposal appears unrealistic and potentially destabilising. The Committees therefore recommend that this avenue not be pursued without exhaustive prior consultation with the relevant oversight structures and the fullest transparency.

5.3 Structural dependence on exports and the necessity of domestic procurement

One of the major structural weaknesses of the South African defence industry is that the SANDF itself, because of sustained austerity and repeated budget cuts, lacks the resources to purchase the products developed by local companies at meaningful scale. The industry is therefore overwhelmingly dependent

on international exports. This dependence erodes its credibility. When a country's own defence force does not purchase and field a locally developed product, that product loses a powerful domestic endorsement that is often decisive in winning export orders. No defence industry grows and thrives primarily or almost exclusively on external exports rather than on substantial domestic orders from its national defence force. The inability of the SANDF to engage in substantial procurement and capability renewal from South African industry is therefore not merely an operational problem; it is a structural constraint on the very industry the Lekgotla sought to strengthen.

5.4 The proper role of Parliament: oversight, not facilitation or lobbying

During Commission 3 (Acquisition and Procurement) and again in the closing plenary, it was deliberately emphasised that Members of Parliament must participate actively yet maintain a clear distance from co-authoring the final documents and resolutions.

Many of the decisions taken at the Lekgotla will return to Parliament for oversight, budgetary consideration or legislative action. To position the Committees as full co-authors would compromise their ability to exercise independent oversight without conflict of interest. The Committees therefore reaffirm that their participation is properly understood as that of interested observers. While the Committees have a clear duty to work towards the creation of an enabling environment in which the South African defence industry can prosper and contribute to the capacitation of the SANDF, they must firmly resist any temptation to become active facilitators or a lobby organisation for the defence industry. The constitutional mandate of the Committees is oversight in the public interest, not advocacy on behalf of commercial interests.

5.5 Towards a coherent military-industrial complex as the analytical core

The Committees further observe that the Lekgotla, while generating a wide range of useful resolutions, does not yet provide a sufficiently clear plan of how the various strands of work should hang together into a coherent national project. Future work by the Department of Defence, the SANDF, Armscor,

Denel, the NDIC and the broader industry should be analytically centred on the deliberate construction of a South African military-industrial complex. Such a complex must systematically build integrated value chains supporting the infantry, the navy and the air force, and must be closely linked to the hardware and capability requirements of the broader security cluster.

The SANDF command structure should be required to furnish the Committees with detailed reports on current capability gaps relative to the leading technological frontier in each domain. The military leadership must actively support a policy orientation towards industrial development that leverages South Africa's mineral endowments and skills base for the design, development and manufacture of military equipment. Only on the foundation of sustained domestic demand and coherent capability planning can the export ambitions of the industry rest on solid ground.

The "Journey to Greatness" long-term force evolution strategy, approved by Cabinet in May 2026, remains central to any credible modernisation vision. Yet Parliament has not formally received the full document. Until it is properly tabled, together with detailed costing and risk assessments, it is difficult for the Committees to assess whether it functions as a comprehensively funded blueprint or merely as a survival and stabilisation framework.

6. RECOMMENDATIONS

The Committees' participation in the Defence Industry Lekgotla aligned with their constitutional oversight mandate, as well as Parliament's objective of promoting broader public participation. The participation should primarily be viewed within the context of the Committees' ongoing oversight of the defence industry, particularly as it relates to the capacitation of the SANDF. In this context, the Committees make the following primary recommendation:

a. To facilitate effective parliamentary oversight of the SANDF's capacitation and to ensure that the Lekgotla resolutions translate into measurable outcomes, the Committees recommend that the Minister table the approved list of Lekgotla resolutions, together with detailed implementation plans, responsible institutions and implementation timelines, to the Committees by 15 October

2026. While a comprehensive list of resolutions is required, the submission should make specific note of the following:

- Resolutions and implementation plans related to the DOD and entities under parliamentary oversight to ensure continued oversight by the Committees.
- Clarity on financing of resolutions by indicating which resolutions require no additional funding, which require reprioritisation, and which require new appropriations.
- An honest assessment of the fiscal constraints identified by National Treasury and a realistic multi-year trajectory toward the 1.5% of GDP target, including any phased approach that may be contemplated.

The Committees further note that several of the matters considered during the Lekgotla, together with the draft resolutions, align closely with the oversight priorities emerging during the 7th Parliament. Accordingly, the Committees recommend the following:

b. That the Department of Defence, in consultation with the NCACC and other relevant role-players, undertake a comprehensive review of the National Conventional Arms Control Act, 2002 (Act No. 41 of 2002), together with all subordinate legislation and regulations, to determine whether the legislative framework achieves an appropriate contemporary balance between South Africa's international arms control obligations, the competitiveness of the domestic defence industry, and the capacitation of the SANDF. Initial findings should be presented to the Committees by 28 February 2027.

c. The Minister should undertake a review of the operational effectiveness, institutional capacity and resourcing of the DCAC to identify areas requiring improvement and provide the Committees with the outcome of the initial assessment by 15 October 2026, with a final reporting date to be determined thereafter. The Committees further recommend urgent intervention to modernise the DCAC to ensure a modern electronic permit application and processing system. Initial progress in this regard should also be provided on 15 October 2026.

d. The Committees undertake to schedule an engagement with the NDIC regarding the roles, functions, successes and challenges of the Council and, in particular, its role in coordinating and supporting the implementation of the Lekgotla resolutions.

e. The Committees encourage more regular engagement between the SANDF and the defence industry, particularly at the technical level, to ensure a shared understanding of the SANDF's future capability requirements while providing industry with opportunities to present emerging technologies and capabilities.

f. The Committees undertake to engage the Department of Defence on the status of the Defence Foreign Relations Division and South Africa's defence diplomacy capability, including the role of Defence Attachés, with specific emphasis on clarifying their contribution to supporting the South African defence industry and defence exports.

g. That the Minister formally table the full “Journey to Greatness” documentation, together with detailed costing, risk assessments and an implementation roadmap, to the Joint Standing Committee on Defence and the Portfolio Committee on Defence and Military Veterans without further delay, so that the Committees can exercise proper oversight over this central planning instrument.

h. That any proposal to utilise Public Investment Corporation (PIC) resources or pension fund assets for defence industry or SANDF funding purposes be subjected to the most rigorous scrutiny, including full consultation with the relevant parliamentary oversight committees, and that such a route is not pursued in the absence of exceptional justification, ironclad safeguards and broad political consensus.

i. That the Department of Defence and the SANDF develop and present to the Committees a clear strategy for increasing domestic procurement of South African defence industry products, recognising that sustained domestic demand is a prerequisite for the credibility and long-term viability of the industry, both for local operational requirements and for successful export promotion.

j. That future oversight work and engagement with the defence industry be analytically organised around the construction of a coherent South African military-industrial complex, with integrated value chains for the landward, maritime and airborne domains, linked to the broader requirements of the security cluster, and grounded in detailed capability-gap assessments provided by the SANDF relative to the technological frontier.

k. That the Committees continue to press for a realistic, multi-year trajectory toward adequate resourcing of the Department of Defence that matches the constitutional responsibilities of the SANDF, while simultaneously insisting on decisive progress by the Department on governance, rank-structure rationalisation, consequence management and anti-corruption measures as a precondition for any credible increase in funding.

l. That the Department of Defence and Armscor, along with other relevant Departments, undertake a comprehensive review of the Intellectual Property Rights from Publicly Financed Research and Development Act 51 of 2008 (IPR Act) and its interplay with the Armscor Act to identify shortcoming in coherence and propose means to address these.

The Committees wish to thank the organisers of the Lekgotla from the Department of Defence, defence entities and the industry for ensuring parliamentary participation in deliberations.

Report to be considered

2. REPORT ON THE PRESIDENTIAL LETTER OF DEPLOYMENT OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE IN FULFILLMENT OF AN INTERNATIONAL OBLIGATION TOWARDS THE UNITED NATIONS ORGANISATION STABILIZATION MISSION IN THE DEMOCRATIC REPUBLIC OF CONGO (MONUSCO), DATED 18 AUGUST 2026

1. INTRODUCTION

In terms of Joint Rule 156(1) of Parliament's Joint Rules (7th Edition), the Joint Standing Committee on Defence (JSCD) shall report to both Houses on the employment of the South African National Defence Force (SANDF) by the President of the Republic in fulfilment of an international obligation, in defence of the Republic or in cooperation with the South African Police Service (SAPS).

2. LETTER FOR CONSIDERATION

A letter from the President, dated 11 August 2026, was submitted to the Speaker of the National Assembly and the Chairperson of the NCOP and tabled in Parliament on 12 August 2026. The letter complies with the requirements of Section 201(3) of the Constitution (Act 109 of 1996) as well as Section 18(2)(e) of the Defence Act (No 42 of 2002) by informing Parliament of the following:

a. The deployment of the SANDF is in fulfilment of an international obligation.
b. The deployment comprises 70 members of the SANDF.
a. The deployment is aimed at facilitation of the repatriation of SANDF personnel and equipment during the withdrawal phase from MONUSCO.
b. The duration of the deployment is from 1 August 2026 to 31 December 2026.
c. The expected expenditure of the deployment is R41.9 million.

3. CONSIDERATION OF EMPLOYMENT LETTER

Parliament's JSCD considered the letter of employment during its meeting of 18 August 2026. The Committee also received a high-level briefing on the deployment during the same meeting. During engagements on 18 August 2026, the Committee made the following comments regarding the deployment:

- The Committee noted the employment letter.
- The Committee again noted a delay in the submission of the letter of employment only after the extension took effect and expressed concern that delayed submissions to Parliament remain the norm.
- The Committee noted the observation that the extension is required for the backloading of SANDF equipment and to effect an orderly withdrawal.

4. RECOMMENDATIONS

In compliance with Joint Rule 156(1) and after having considered the details of the SANDF deployment according to the Presidential letter dated 11 August 2026, the Committee notes the deployment and does not recommend the Houses of Parliament consider the amendment, substitution or termination of the deployment.

Report to be noted.

National Assembly

1. Report of the Portfolio Committee on Communications and Digital Technologies on the 2025/26 Third and Fourth Quarter Performance and Expenditure Reports of Government Communication and Information System (GCIS) and the Media Development and Diversity Agency (MDDA), dated 18 August 2026.

The Portfolio Committee on Communications and Digital Technologies (the Committee), having considered the 2025/26 Third and Fourth Quarter Performance and Expenditure Reports of Government Communication and Information System (GCIS), hereafter referred to as "the Department", and the Media Development and Diversity Agency (MDDA), hereafter referred to as "the Agency," reports as follows:

1. Introduction

The Committee considered the 2025/26 Third and Fourth Quarter actual performance and expenditure reports of the Department and the Agency for the period 1 October 2025 to 31 March 2026. The report was compiled in line with the approved Annual Performance Plan and submitted within the prescribed timeframes. A virtual meeting was held on Friday, 5 June 2026.

This report gives an overview of the presentations made by the Department and its Entity MDDA, which mainly focuses on its achievements, and output with respect to the performance indicators and targets set for the 2025/26 financial year and related financial performance. The report also provides the Committee's key deliberations and recommendations in relation to the performance presentation by the Department.

2. GCIS Third and Fourth Quarter 2025/2026 Performance Information

During the period under review, the Department had a total of forty-one performance indicators for the financial year, of which thirty-five were due for assessment in the third and fourth quarters. Of these indicators, thirty-one were achieved while four were not achieved, resulting in an overall performance of 89 per cent. This reflects a marginal improvement compared to performance recorded in the second quarter as reflected in the graphs on next page.

Programme 1 (Administration) achieved all its targets in both quarters, demonstrating consistent performance. However, performance in Programme 2 (Content Processing and Dissemination) and Programme 3 (Intergovernmental Coordination and Stakeholder Management) fluctuated across the reporting period.

The Department recorded several notable achievements during the reporting period. Digital communication platforms continued to grow significantly, with millions of audience engagements recorded across government platforms. Social media presence expanded substantially, with increased followers and improved response rates to public queries. Content production exceeded targets, with a high volume of news stories, audiovisual material and communication outputs produced and disseminated to support government priorities.

The Department also implemented major communication campaigns aligned to key national priorities, including the State of the Nation Address, Gender-Based Violence and Femicide initiatives, Human Rights Month, and the G20-related activities. These campaigns contributed to enhanced public awareness and improved visibility of government programmes.

Programme 3 recorded extensive stakeholder engagement and coordination activities. Development communication initiatives were implemented nationwide, reaching millions of citizens through community outreach, dialogues and media engagements. The Department also strengthened coordination across government clusters and played a key role in ensuring consistent messaging on national priorities.

Despite the overall strong performance, several indicators were not achieved. The GoZA TV platform did not meet its broadcasting targets due to infrastructure and capacity challenges.

The finalisation of the Government Media Buying Policy was delayed as a result of extensive stakeholder consultations. In addition, there was a decline in community media advertising expenditure in the fourth quarter due to fewer campaigns and delays in processing invoices. The Department also underperformed in meeting the target for rapid response communication interventions within the required timeframe, mainly due to coordination and approval processes involving multiple stakeholders.

3. Financial Performance

For the 2025/26 financial year, the Department received an adjusted budget allocation of R829.345 million. By the end of the fourth quarter, total expenditure amounted to R829.175 million, representing approximately 100 per cent spending of the allocated budget. The marginal underspending of R170 000 demonstrates the Department's strong financial stewardship, disciplined expenditure management, and effective alignment of resources with planned priorities and service delivery objectives.

Expenditure across the three programmes was aligned with allocations. Programme 1 (Administration), Programme 2 (Content Processing and Dissemination), and Programme 3 (Intergovernmental Coordination and Stakeholder Management) all achieved full expenditure of their respective budgets.

Total underspending as of 31 March 2026 amounts to R170 000 (0,02%), it is shared among the 3 programmes as follows:

- Administration: R40 000;
- Content Processing and Dissemination : R54 000; and
- Intergovernmental Coordination & Stakeholder Management : R76 000

In addition, the Department contributed to inclusive economic growth through targeted spending on designated groups and priority areas. A significant portion of expenditure supported women-owned and youth-owned enterprises, as well as the township and rural economies, reflecting alignment with government's transformation objectives.

GCIS spent R70,536 million (33,2% of total expenditure) on designated groups and locations as follows:

- Women-owned: R45,500 million;
- Youth-owned: R13,496 million;
- PwD: R341 795;
- Township economy: R9,179 million;
- Rural economy: R2,019 million.

4. Observations and recommendations

4.1 Observations

Having considered the 2025/26 Third and Fourth Quarter Expenditure and Financial Reports of the GCIS and the MDDA, the Committee noted:

Regarding GCIS

- inconsistent communication coordination across government departments;
- with concern about the limited reach of Government Communication Systems in rural and marginalised communities;
- over-reliance on traditional communication channels with insufficient digital engagement;
- capacity constraints in communication units at provincial and local levels;
- with concerns about the existing gaps in measuring the effectiveness and impact of communication campaigns; and
- with serious concerns about the challenges in combating information disorders to improve public trust.

In relation to MDDA

- with concern about the lack of financial sustainability among supported community media projects;
- poor governance and financial management capacity in some beneficiary organisations;
- delays in community media project implementation due to administrative and compliance challenges;
- inconsistent distribution of media support across provinces and communities;
- weak monitoring and evaluation systems are affecting impact assessment; and
- insufficient digital transformation and adaptation by community media outlets.

4.2 Recommendations

In relation to the Department, the Committee recommends that the Minister should:

- ensure that interdepartmental coordination is strengthened to achieve a unified Government Communication System, and report progress within 3 months after the adoption of this report;
- ensure that outreach strategies are expanded to effectively reach rural and underserved populations, and report progress within 6 months after the adoption of this report;
- ensure that investment in digital platforms and social media engagement is increased, and report progress within 6 months after the adoption of this report;
- ensure that capacity-building initiatives for communication personnel are implemented, and report progress within 9 months after the adoption of this report;
- ensure that robust monitoring and evaluation frameworks for communication campaigns are developed and implemented, and report progress within 6 months after the adoption of this report; and
- ensure that proactive strategies are implemented to counter information disorders and enhance public trust, and report progress within 3 months after the adoption of this report.

In relation to the MDDA, the Committee recommends that the Minister should:

- ensure that financial oversight is strengthened with targeted training on governance and compliance provided, and report progress within 3 months after the adoption of this report;
- ensure that the sustainability model, including diversified revenue streams and partnerships, is introduced for the MDDA, and report progress within 6 months after the adoption of this report;
- ensure that turnaround times for funding approvals and disbursements are improved, and report progress within 3 months after the adoption of this report;
- ensure that monitoring and evaluation mechanisms are enhanced with clear performance indicators, and report progress within 6 months after the adoption of this report;
- ensure that support for digital migration and capacity development in new media platforms is expanded, and report progress within 9 months after the adoption of this report; and
- ensure that resources are equitably allocated to underserved and rural areas, and report progress within 6 months after the adoption of this report.

Report to be considered

2. Report of the Portfolio Committee on Communications and Digital Technologies on the 2025/26 Third and Fourth Quarter Performance and Expenditure Reports of the Department of Communications and Digital Technologies, dated 18 August 2026

The Portfolio Committee on Communications and Digital Technologies (the Committee), having considered the 2024/25 Third and Fourth Quarter Performance and Expenditure Reports of the Department of Communications and Digital Technologies and all its Entities, hereafter referred to as "the Department," reports as follows:

The Committee met with the Department and its Entities on 5 June 2026 with DCDT, on 9 June 2026 with Postbank, SAPO, USAASA/USAF, on 26 June 2026 with SABC, BBI, SITA and Sentech and on 4 August 2026 with ICASA, FPB, .ZADNA and NEMISA.

1. Introduction

The Committee considered the 2025/26 Third and Fourth Quarter Performance and Expenditure Reports (01 October to 31 December 2025 and 01 January to 31 March 2026) of the Department and its Entities.

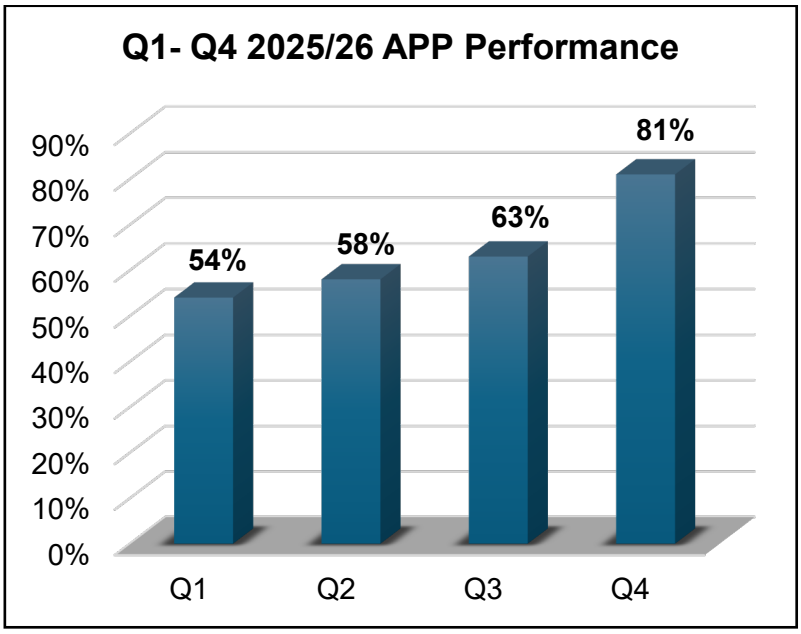
The Department of Communications and Digital Technologies (DCDT) continues to play a central role in driving South Africa's digital transformation agenda through policy development, infrastructure rollout, and oversight of State-Owned Entities within the ICT sector. The Department's priorities remain focused on enabling a digitally transformed economy and society, strengthening regulatory frameworks, and expanding access to digital infrastructure and services.

This report provides an overview of the Department's performance in relation to its Annual Performance Plan targets, as well as its financial performance for the reporting period. It also outlines the Committee's observations and recommendations arising from the engagements.

2. Quarter 3 and 4 Organisational Performance Against the APP

The Department committed to achieving 30 Annual Performance Plan targets during the Third Quarter and 31 targets during the Fourth Quarter of the 2025/26 financial year.

Overall, the Department achieved 19 (63 per cent) of its targets in the Third Quarter, with 11 targets not achieved. By the Fourth Quarter, the Department showed improvement, achieving 25 (81 per cent) of its targets, while 6 targets were not achieved.



2.1 Quarter 3 Performance Per Programme

The Department committed to achieving 30 (thirty) Annual Performance Plan (APP) quarterly targets by the end of Quarter 3 (01 October - 31 December 2025) of the 2025/26 financial year. This is the total number of Quarter 3 APP targets of all six (6) Programmes of the DCDT. Overall, the Department has Achieved 19 (63%) of the Q3 APP targets, and 11 (37%) were Not Achieved.

The **Administration Programme** committed to achieving three APP targets during the Third Quarter, all of which were achieved, resulting in a 100 per cent performance.

The **ICT International Relations and Affairs Programme** committed to achieving two targets, of which one was achieved and one was not achieved.

The **ICT Policy Development and Research Programme** committed to achieving nine targets, of which seven were achieved and two were not achieved.

The **ICT Enterprise and Public Entity Oversight Programme** committed to achieving four targets, of which one was achieved and three were not achieved.

The **ICT Infrastructure Development and Support Programme** committed to achieving three targets, of which two were achieved and one was not achieved.

The **ICT Information Society and Capacity Development Programme** committed to achieving nine targets, of which five were achieved and four were not achieved.

2.1.1 Non-Achieved Targets

The Department did not achieve a number of planned targets in the Third Quarter. The underperformance was mainly observed in programmes related to ICT Enterprise Oversight, ICT Infrastructure, and ICT Information Society and Capacity Development.

The key reasons for non-achievement included delays in implementation, insufficient coordination across programmes, and capacity constraints affecting delivery on planned targets.

2.2 Quarter 4 Performance Per Programme

The Department committed to achieving 31 (thirty-one) Annual Performance Plan (APP) quarterly targets by the end of Quarter 4 (01 January - 31 March 2026) of the 2025/26 financial year. This is a total number of Quarter 4 APP targets of all six (6) Programmes of the DCDT.

Overall, the Department has Achieved 25 (81%) of the Q4 APP targets, and 6 (19%) were Not Achieved.

The **Administration Programme** committed to achieving three targets during the Fourth Quarter, all of which were achieved, resulting in a 100 per cent performance.

The **ICT International Relations and Affairs Programme** committed to achieving three targets, all of which were achieved.

The **ICT Policy Development and Research Programme** committed to achieving nine targets, all of which were achieved.

The **ICT Enterprise and Public Entity Oversight Prog**ramme committed to achieving four targets, of which three were achieved and one was not achieved.

The **ICT Infrastructure Development and Support Programme** committed to achieving three targets, all of which were achieved.

The **ICT Information Society and Capacity Development Prog**ramme committed to achieving nine targets, of which four were achieved and five were not achieved.

2.2.1 Non-Achieved Targets

By the end of the Fourth Quarter, the Department did not achieve six APP targets.

The majority of non-achieved targets were within the ICT Information Society and Capacity Development Programme and included:

- The zero-rating of national government e-services;
- The development of monitoring reports on the participation of women, youth, and persons with disabilities;
- The implementation of the 365 Days Programme on gender-based violence;
- The implementation of youth and children programmes;
- The coordination of priority projects within districts and metros.

The challenges contributing to non-performance included the misalignment of targets that were long-term in nature, weak stakeholder response, delays in programme approvals, and constraints related to funding and implementation capacity.

2.2.2 Action Towards Addressing Non-Performance

The Department indicated that catch-up plans were developed for all underperforming areas. Furthermore, most of the targets that were not achieved have been incorporated into the plans for the 2026/27 financial year. The Department also indicated that measures have been taken to improve monitoring and ensure better performance going forward.

3. Expenditure Analysis

The Department of Communications and Digital Technologies had a total adjusted budget of R3.550 billion in the 2025/26 financial year.

3.1 Quarter 3 Expenditure Performance

The total actual spending for the 2025/26 financial year incurred during the Third quarter amounted to R2.013 billion (57%) of the total adjusted budget of R3.550 billion, resulting to an underspending of R 755 million (4%).

The underspending was mainly attributed from funded vacant posts and due to funds for the roll-over for SA Connect Project Phase 2 that was only approved during the adjustment budget.

As at the end of the Third Quarter, the Department had spent approximately 57 per cent of its allocated budget. This level of expenditure reflects significant underspending during the period.

The underspending was primarily driven by delays in the implementation of key programmes, most notably the SA Connect Programme. The inability to fully implement planned activities within the quarter resulted in lower-than-projected expenditure levels. In addition, the Department experienced persistent capacity constraints due to unfilled funded vacancies, which further contributed to slow spending.

The slow pace of expenditure under goods and services was also influenced by delays in procurement processes, including the late submission of procurement documentation and delays in the appointment of service providers. Furthermore, the increased use of virtual engagements reduced travel-related expenditure, which further contributed to underspending within certain programmes.

The delays in project execution indicate weaknesses in planning, supply chain management processes, and coordination across implementing agents.

The expenditure patterns reflect systemic challenges, including delays in programme implementation, inefficiencies in supply chain management, and capacity constraints due to unfilled posts. These factors collectively contributed to the slow rate of expenditure in the first three Quarters of the financial year.

3.1.1 Spending per Programme in Quarter 3

Spending trends across the six Programmes of the Department during the Third Quarter reflect a combination of underspending and operational inefficiencies, largely driven by delays in implementation, capacity constraints, and procurement-related challenges.

Programme 1: Administration spent approximately R150 million against a projected allocation of R160 million by the end of the Third Quarter, resulting in an underspending of about R10 million. The variance, although relatively marginal, reflects pressures within the Programme, including unplanned operational costs such as legal services, while some planned activities were delayed. Despite these challenges, the Programme maintained relatively stable expenditure compared to other programmes.

Programme 2 spent approximately R45 million against a projected R50 million, resulting in an underspending of R5 million. The variance is primarily due to vacant funded posts, which led to lower expenditure on compensation of employees. In addition, savings were realised due to reduced travel and subsistence costs, as well as the postponement or scaling down of certain international engagements, many of which were held virtually.

Programme 3 recorded expenditure of approximately R18 million against a projected R25 million, resulting in an underspending of R7 million. This variance was mainly due to delays in the implementation of policy projects, which required additional research and stakeholder consultations. These delays impacted procurement processes and the appointment of service providers. Further underspending was observed in travel and subsistence as well as consultancy-related services.

Programme 4 spent approximately R1.2 billion against a projected R1.25 billion, resulting in a variance of around R50 million. While expenditure levels remained relatively high due to transfers to entities, underspending occurred within goods and services due to delays in oversight activities and reduced travel expenditure. The use of virtual platforms for engagements further contributed to savings within the Programme.

Programme 5 recorded the most significant variance, spending approximately R200 million against a projected R400 million, resulting in an underspending of approximately R200 million. This substantial gap is primarily attributed to delays in the implementation of the SA Connect Programme and related infrastructure projects. The inability to process payments timeously, coupled with constraints affecting implementing agents, significantly impacted expenditure within this Programme.

Programme 6 spent approximately R40 million against a projected allocation of R70 million, resulting in underspending of around R30 million. The variance is attributed to delays in the

rollout of digital skills training programmes and community-based initiatives. Challenges in stakeholder coordination, delays in procurement processes, and late submission of project documentation further contributed to slower expenditure during the Quarter.

3.2 Quarter 4 Expenditure Performance

The Department of Communications and Digital Technologies had a total adjusted budget of R3.739 billion in Quarter 4 for the 2025/26 financial year, due to a special adjustment of R189 million for Sentech Dual illumination.

The total actual spending for the 2025/26 financial year amounted to R3.608 billion (96%) of the total adjusted budget of R3.739 billion, resulting in an underspending of R131 million (4%).

The underspending was mainly due to unspent funds for the roll-over for the SA Connect Project Phase 2.

This improvement reflects efforts by the Department to accelerate spending and implement catch-up measures. However, despite the overall improvement in expenditure, challenges remained in certain programmes, particularly those linked to large-scale infrastructure projects.

The underspending was mainly due to unspent funds for the roll-over for the SA Connect Project Phase 2. The SA Connect Programme continued to present financial management challenges, with delays in implementation affecting the full utilisation of allocated funds. Although expenditure levels increased, the timing of spending raises concerns about year-end

expenditure pressures and the potential risks associated with rushed spending towards the end of the financial year.

The Department also experienced continued underspending in areas affected by capacity constraints, including the slow filling of critical posts and delays in operational execution.

3.2.1 Spending per Programme in Quarter 4

Spending trends across the six Programmes of the Department during the Fourth Quarter reflect a significant improvement compared to the Third Quarter. The Department accelerated expenditure towards the end of the financial year; however, variances between programmes persisted, indicating structural challenges in planning and implementation.

Programme 1 spent approximately R210 million against a projected allocation of R205 million, resulting in an overspending of R5 million or approximately 2.4 per cent. This overspending is mainly attributed to operational pressures, including unplanned administrative and legal costs incurred during the latter part of the financial year. The Programme absorbed these pressures through internal reprioritisation of funds.

Programme 2 spent approximately R60 million against a projected allocation of R70 million, resulting in an underspending of R10 million or about 14 per cent. The variance is primarily due to vacant posts within the Programme and reduced expenditure on international engagements. Continued reliance on virtual meetings and fluctuations in programme activities contributed to the lower-than-projected expenditure.

Programme 3 recorded expenditure of approximately R30 million against a projected R45 million, resulting in an underspending of R15 million or approximately 33 per cent. This variance is attributed to delays in finalising policy-related projects, slower-than-anticipated procurement processes, and reduced reliance on consultancy services. In addition, expenditure on travel and subsistence remained low as engagements continued to take place through virtual platforms.

Programme 4 spent approximately R1.6 billion against a projected R1.65 billion, resulting in an underspending of R50 million or roughly 3 per cent. Although transfers to entities were largely executed as planned, underspending occurred within goods and services due to delays in governance-related processes and lower spending on operational oversight activities. The Programme nevertheless maintained a relatively stable expenditure trajectory.

Programme 5 spent approximately R1.1 billion against a projected allocation of R1.3 billion, resulting in an underspending of R200 million or approximately 15 per cent. While expenditure improved significantly compared to the Third Quarter, the Programme continued to experience challenges in fully utilising its budget. The variance is mainly linked to delays in the SA Connect Programme, including constraints affecting implementing agents and timing issues related to payments for infrastructure rollout. Despite efforts to accelerate spending, implementation bottlenecks remained evident.

Programme 6 spent approximately R75 million against a projected allocation of R90 million, resulting in an underspending of R15 million or about 17 per cent. The variance is primarily due to delays in the execution of digital skills training programmes and community-based initiatives. Procurement challenges, late submission of project documentation, and coordination issues with stakeholders continued to affect expenditure levels within the Programme.

The pattern of expenditure indicates that although the Department improved its overall spending performance, it relied heavily on accelerated expenditure in the Fourth Quarter, raising concerns about the quality, efficiency, and sustainability of spending.

This trend underscores the need for improved financial planning, stronger project management, and enhanced coordination across programmes to ensure that funds are spent consistently throughout the financial year in line with planned outputs.

4. SA Connect Programme: Financial and Implementation Challenges

The Committee expresses serious concern regarding the continued challenges in the implementation and financial management of the SA Connect Programme, which remains a key strategic initiative aimed at expanding broadband connectivity and bridging the digital divide in South Africa.

The Programme has consistently experienced delays in implementation, which have directly contributed to underspending during the Third Quarter and uneven expenditure patterns across the financial year. These delays have been primarily associated with coordination challenges between the Department and implementing agents, as well as procedural and compliance constraints affecting the disbursement of funds.

One of the key challenges identified relates to the timing and flow of funds to implementing agents. The inability to transfer funds timeously has impacted the ability of implementing

partners to initiate procurement processes and execute planned infrastructure rollout activities. This has resulted in project delays, which in turn affected both service delivery and expenditure patterns.

The Committee further notes that changes in financial and accounting practices have had a significant impact on the implementation of the Programme. In particular, restrictions on advance payments have limited the ability of implementing agents to mobilise resources and initiate tenders, thereby delaying project rollout. This has created a structural constraint in the execution of the Programme, requiring alternative funding and expenditure mechanisms to be explored.

In addition, the Programme has been affected by delays in the submission and verification of expenditure reports from implementing agents. These delays have hindered the Department's ability to process payments efficiently and have contributed to slow expenditure during the early part of the financial year.

The Committee also observes that coordination challenges between multiple stakeholders involved in the Programme have further constrained implementation. The lack of synchronisation between planning, budgeting, and execution has resulted in inefficiencies and delays in achieving targeted outcomes.

Furthermore, the Committee notes with concern that the delays in the SA Connect Programme have broader implications, including:

- The slow expansion of broadband connectivity to underserved and rural areas;
- Delayed access to digital services for communities, schools, and public facilities;
- The negative impact on small service providers and contractors involved in the rollout, particularly in relation to delayed payments and project uncertainties.

The pattern of underspending in the early quarters, followed by accelerated spending in the Fourth Quarter, points to weaknesses in financial planning and expenditure management within the Programme. This raises concerns about the sustainability and quality of implementation, as well as the Department's ability to achieve value for money.

5. Observations

Having considered the Third and Fourth Quarter Reports for the financial year 2025/2026 of the Department and its Entities, the Committee noted:

- that the Department's presentations showed progress in certain areas, but reporting must move beyond activity-based outputs and provide credible evidence of measurable outcomes, service improvements and socioeconomic impact;
- that the sustained underperformance of Programme 6: Information Society and Capacity Development, which achieved only 44% of its targets in both the third and fourth quarters, remains a serious concern given its central role in digital inclusion, skills development and public participation in the digital economy;
- that such persistent underperformance points to weaknesses in programme planning, implementation capacity, evidence management and internal accountability, particularly where key interventions are linked to vulnerable groups, digital skills and inclusive economic participation;
- that the Department's quarterly reporting remains overly focused on activities undertaken rather than results achieved, with limited evidence demonstrating job creation, SMME participation, economic impact, service quality or improvements in citizens' access to digital services;
- that, although the Department reported the connection of more than 7 300 public facilities, the reports did not sufficiently confirm whether those facilities were functional, actively used, reliable or delivering tangible benefits to communities;
- that infrastructure rollout does not constitute meaningful delivery unless it results in reliable access, improved public services, community usage and measurable socioeconomic benefit;
- that recurring non-achievement of targets reflects weaknesses in programme design, planning discipline, approval processes, procurement readiness and internal control systems, all of which undermine timely delivery and public confidence;
- that gaps in accountability remain a concern, particularly where reports do not clearly identify the responsible units or officials accountable for programmes that repeatedly fail to meet targets;
- that performance credibility is weakened where targets are reported as achieved based on technical compliance, while the practical delivery, functionality or impact of the intervention remains unclear;
- that implementation of SA Connect continued to be delayed by procurement challenges, budget rollover delays, logistical constraints and the late availability of equipment,

resulting in slower rollout and underspending against planned connectivity interventions;

- that these implementation weaknesses have direct consequences for underserved communities, as delays in connectivity projects slow progress towards universal access and undermine the Department's digital inclusion mandate;
- that there is insufficient evidence on job creation, skills absorption, enterprise development and economic participation arising from departmental programmes, despite these being central to the Department's strategic objectives;
- that a gap remains between reported achievements and conditions on the ground, particularly where oversight visits found that some facilities reported as connected were non-functional or did not translate into accessible and effective services; and
- that these findings point to weak monitoring, verification and post-implementation support systems.
- the Department's acknowledgement of .ZADNA's sustainability challenges and the need for intervention;
- and welcomed the Department's commitment to strengthening impact measurement across the portfolio;
- the progress made towards legislative and policy reforms aimed at reducing the cost of broadband infrastructure deployment and improving connectivity; and
- emphasised the importance of ensuring that all interventions contribute to tangible improvements in the lives of South Africans.

In relation to **BBI**, the Committee noted:

- that BBI remains in severe financial distress, reflected in negative equity, accumulated losses, declining revenue and persistent uncertainty regarding its ability to continue as a going concern;
- that BBI's revenue performance remains below budget and below prior-year levels, indicating a sustained weakening of commercial viability and a need for urgent shareholder and management intervention;
- that BBI's cash-flow constraints are recurring and structural rather than temporary, as evidenced by repeated delays in paying suppliers and SMMEs within the prescribed period;

- that delays in supplier payments, including average payment periods of 44 days in Quarter 3 and 56 days in Quarter 4, are unacceptable and inconsistent with government's commitment to support SMMEs;
- that irregular expenditure remains a serious concern and that disputed findings do not remove the need for transparency, documentation, consequence management and full compliance with procurement legislation;
- that BBI continues to underperform against transformation targets, particularly procurement from women-owned enterprises, youth-owned enterprises and persons with disabilities, despite these being core public-sector obligations;
- that BBI's risk management processes require strengthening, as key strategic risks relating to financial sustainability, operational stability and market competitiveness remain unresolved;
- that operational achievements, including SA Connect delivery, are undermined by the entity's weak financial position, governance concerns and limited evidence of long-term sustainability;
- that BBI's turnaround strategy lacks sufficient detail on measurable revenue growth, productivity improvements, cost containment and accountability for implementation.
- that BBI's business model remains structurally constrained because the entity is expected to operate commercially in a competitive market while also carrying an underfunded developmental mandate;
- that BBI's dependence on a narrow revenue base and large project contracts exposes the entity to financial vulnerability whenever expected projects are delayed, reduced or not realised;
- that persistent cash-flow weaknesses weaken supplier confidence, place pressure on service delivery and may compromise the sustainability of current operations without decisive intervention; and
- that competition and duplication among state-owned infrastructure entities continue to weaken BBI's market position and point to the need for stronger intergovernmental coordination and mandate clarity.

Regarding **FPB**, the Committee noted:

- and welcomed the improvement in FPB's performance, particularly the achievement of 100% performance in the fourth quarter;

- and commended the FPB for addressing child sexual abuse material assessment backlogs and improving content monitoring capabilities.
- and recognised the FPB's responsiveness in issuing takedown notices relating to harmful online content;
- with concern regarding ongoing litigation costs and governance matters involving the former Chief Executive Officer;
- that FPB reporting remains focused on activities rather than demonstrating tangible online safety outcomes; and
- with concern the existence of unfilled vacancies despite reported capacity constraints.

With regard to **NEMISA**, the Committee noted:

- and welcomed NEMISA's continued implementation of digital literacy and digital entrepreneurship programmes;
- and questioned whether programme outputs are translating into employment opportunities, entrepreneurship and meaningful economic participation;
- clarification that governance investigations did not reveal evidence of criminality or personal financial benefit;
- with concern regarding certain discrepancies in financial reporting and presentation of financial data; and
- there is a need for greater focus on digital and artificial intelligence literacy given South Africa's growing digital skills requirements.

In relation to **SABC,** the Committee noted:

- that the SABC has made progress in stabilising governance, improving leadership stability and sustaining consecutive unqualified audit outcomes;
- that corporate performance has improved over recent years, including the growth of SABC+, the digitisation of legacy content and progress in repositioning the Corporation for a digital broadcasting environment;
- that SABC+ has grown its audience base but has not yet demonstrated a mature monetisation model capable of generating significant digital revenue;
- that the SABC continues to operate under severe financial pressure and that current funding arrangements remain inadequate for a public broadcaster with extensive public-service obligations;

- that the SABC remains overly dependent on commercial revenue while being required to deliver non-commercial public mandate programming, creating a structural imbalance in its operating model;
- that content constraints, limited investment in original programming and reliance on repeat or archival material undermine audience competitiveness and mandate delivery;
- that the SABC's ageing infrastructure and backlog in critical broadcasting technology increase operational risk and weaken competitiveness in a rapidly changing broadcasting sector;
- that the substantial debt owed by the SABC to Sentech requires an urgent, sustainable and government-supported solution;
- that critical vacancies, infrastructure constraints and financial pressure affect organisational stability, staff morale and the SABC's ability to execute its strategy effectively;
- that delays in finalising the SABC funding model, digital migration and analogue switch-off continue to have strategic, operational and financial consequences for the Corporation;
- that the SABC's digital transformation strategy requires further strengthening, particularly in data analytics, audience monetisation, platform development and commercial execution; and
- that sports rights are important for public access and audience growth but remain a costly obligation that must be balanced against financial sustainability and public value.

Regarding **SAPO**, the Committee noted:

- that SAPO remains financially fragile, with limited evidence of a sustainable long-term business model beyond business rescue;
- that revenue growth remains largely stagnant and that SAPO continues to rely heavily on government support and non-operational income to remain functional;
- that the decline in core mail services has not been matched by sufficient progress in developing viable alternative revenue streams;
- that SAPO has not moved quickly enough to capture opportunities in e-commerce, parcel delivery, digital services and government service delivery channels;
- that limited innovation and the slow introduction of new revenue-generating services continue to undermine SAPO's ability to reposition itself as a post office of the future;

- those operational weaknesses, including deteriorating infrastructure, understaffed branches, equipment shortages and inconsistent service delivery at community level, continue to affect SAPO's recovery;
- that non-functional or poorly functioning branches weaken public trust, reduce revenue potential and compromise SAPO's social mandate;
- that labour instability, including outstanding employee obligations, wage-related disputes, staff morale and working-condition concerns, remains a risk to organisational stability;
- that retrenchments, acting appointments and uncertainty about the post-business-rescue transition create governance and institutional-capacity risks; and
- that SAPO's important social mandate must be supported by a credible, funded and implementable strategy that balances public service obligations with financial sustainability.

In relation to **Postbank**, the Committee noted:

- that Postbank is undergoing critical system transitions relating to card switching, payment infrastructure and digital banking systems, which carry significant operational and customer-service risks if not properly managed;
- that Postbank plays a strategic role in advancing financial inclusion, particularly for social grant beneficiaries, rural communities and vulnerable users who depend on accessible public banking services;
- that any instability in Postbank's systems could negatively affect customers, undermine public trust and disrupt essential payment services;
- that the modernisation of payment systems must be managed with strong governance, risk controls, communication and contingency planning to prevent service failures;
- that the readiness, resilience and scalability of Postbank's systems remain critical to supporting secure, high-volume and reliable transactions;
- that Postbank's long-term strategy requires clearer articulation, including how the bank will achieve sustainability, expand its services and position itself within an increasingly digital and competitive banking environment;
- that delays in product development, digital channels and service expansion could weaken Postbank's relevance and limit its contribution to financial inclusion;
- that reputational risk remains significant, particularly if customers are not adequately informed of system changes or if services are disrupted during transition;

- that system upgrades must be subject to close oversight, clear timelines, budget discipline and regular reporting to prevent delays and inefficiencies; and
- that Postbank's continued success will depend on strengthening internal capacity, regulatory compliance, digital capability and customer confidence.

Regarding **Sentech**, the Committee noted

- that Sentech demonstrated comparatively strong performance, including a positive financial position, operational stability, improved revenue performance and sustained network reliability;
- that Sentech has maintained financial sustainability in a difficult sector environment, although its stability remains exposed to the financial weaknesses of key customers;
- that the substantial debt owed by the SABC to Sentech may affect Sentech's liquidity, investment capacity and long-term sustainability if not resolved urgently;
- that the decline in procurement from persons with disabilities requires stronger supplier development measures to improve inclusive procurement outcomes;
- that the increase in recordable health and safety incidents highlights the need for stronger preventative controls, monitoring and staff-safety measures;
- that progress on the sovereign satellite programme and LEO satellite partnerships is welcomed, but these initiatives require clear funding, governance, regulatory and implementation plans;
- that the revision of public Wi-Fi hotspot targets must be transparently justified and linked to funding availability, implementation capacity and community impact;
- that Sentech remains strategically important in advancing universal access, digital inclusion, broadcasting infrastructure and connectivity in underserved and rural communities;
- that the sustainability of signal distribution services remains vulnerable unless the funding relationship between the SABC, Sentech and government is resolved decisively;
- that satellite communications must be accelerated as a national capability, including sovereign satellite development and partnerships with LEO satellite providers;
- that delays in project funding and approvals affect delivery targets and may slow broadband rollout in communities that are already underserved; and

- that transformation and supplier development must remain central to Sentech's operations, particularly in relation to women, youth and persons with disabilities.

About **SITA**, the Committee noted

- that SITA continues to face customer satisfaction and reputational challenges that weaken confidence in its role as Government's preferred ICT service provider;
- that delays in the implementation and adoption of the Super App remain a concern, particularly as departmental utilisation was not achieved against the target during the reporting period;
- that the high value of long-outstanding debt owed by government institutions requires stronger debt recovery measures and urgent action to prevent prescription;
- that SITA's strong cash position contrasts with weak capital expenditure implementation, raising concern about the pace of infrastructure renewal, technology upgrades and facility modernisation;
- that critical executive vacancies have contributed to leadership instability and operational inefficiency, although recent progress in strengthening the executive team is welcomed;
- that the commitment of the newly appointed Board and management to improve governance, cybersecurity capability, service delivery, customer relations and organisational performance is welcomed;
- that procurement delays, operational inefficiencies and implementation bottlenecks continue to undermine SITA's ability to deliver reliable ICT services to government departments;
- that SITA has a critical role to play in digital sovereignty, cybersecurity resilience and the broader digital transformation of government;
- that client departments procuring ICT services outside SITA reflects persistent dissatisfaction and creates revenue, reputation and mandate risks for the Agency;
- that cybersecurity and digital infrastructure capabilities require continuous investment to protect government systems and support trusted digital service delivery; and
- that the appointment of the new Board is welcomed, but governance stabilisation must now translate into measurable improvements in service delivery and accountability.

Regarding **ICASA,** the Committee noted

- and welcomed ICASA's overall performance and regulatory revenue collection during the reporting period;
- the ongoing litigation between ICASA and certain mobile network operators relating to End User and Subscriber Service Charter Regulations, particularly data expiry provisions;
- with concern about delays in finalising Rapid Deployment Regulations and the possible impact on broadband infrastructure rollout and connectivity in underserved communities;
- with concern regarding illegal telecommunications operations and sought assurances regarding ICASA's monitoring and enforcement capabilities;
- with concern regarding under-expenditure and staffing constraints, particularly where capacity shortages are cited as reasons for underperformance; and
  that ICASA is not yet adequately measuring the impact of its regulatory interventions on affordability, competition and connectivity.

In relation to **USAASA/USAF**, the Committee noted

- that delays in USAASA/USAF infrastructure rollout remain a serious concern, particularly in rural and underserved areas where connectivity interventions are urgently required;
- that these delays represent a major area of underperformance, given the entities' central role in advancing universal access, broadband expansion and national digital transformation objectives;
- that delayed projects have a direct negative impact on digital inclusion and limit access to connectivity for communities that remain on the margins of the digital economy;
- that weak implementation capacity, slow project execution and coordination challenges continue to affect the delivery of USAASA/USAF projects;
- that accountability and oversight gaps remain in ensuring that funded connectivity projects are completed, functional and beneficial to communities;
- that significant delays in broadband and connectivity infrastructure undermine planned targets and weaken confidence in project implementation;

- that, despite substantial funding allocations over time, there remains insufficient evidence that expenditure has translated into measurable access, service quality and community benefit;
- that weaknesses in planning, procurement, project execution and stakeholder coordination contribute to delays and incomplete infrastructure deployment;
- that a persistent gap remains between project approval and practical delivery on the ground, with some projects failing to become functional services for communities;
- that infrastructure projects do not always result in usable or sustainable connectivity, requiring stronger verification, maintenance and post-implementation support;
- that consequence management is required where targets are missed, projects are delayed or contracted service providers fail to deliver; and
- that continued underperformance by USAASA/USAF would undermine national digital transformation goals and slow efforts to bridge the digital divide.

Regarding .**ZADNA**, the Committee noted:

- and expressed serious concern regarding the long-term financial sustainability of .ZADNA;
- that the organisation remains largely dependent on domain registration revenue as its primary source of funding;
- and highlighted the strategic importance of .ZADNA in maintaining the stability, integrity and availability of South Africa's country-code top-level domain;
- with concern governance challenges associated with disciplinary proceedings and the dismissal of the former Chief Executive Officer;
- with concern regarding the impact of financial and reputational challenges on the Entity's ability to secure strategic partnerships;
- a possible regulatory gap regarding the monitoring of harmful or unlawful content operating within the .za namespace; and
- with concern regarding the uptake and utilisation of .za domains by schools, small businesses and historically disadvantaged communities.

5.1 Cross-Cutting Observations

The Committee observed a recurring trend across Entities of reporting on activities and outputs rather than measurable outcomes and developmental impact.

The Committee noted that several Entities cited capacity constraints as reasons for underperformance while simultaneously carrying vacancies and underspending allocated personnel budgets.

The Committee expressed concern regarding recurring litigation costs and governance-related disputes across Entities.

The Committee welcomed improvements in governance, audit outcomes and performance across a number of entities but emphasised the importance of continued accountability and consequence management.

The Committee stressed the need for a stronger focus on the contribution of Entities towards digital inclusion, economic growth, job creation, consumer protection and improved service delivery.

6. Recommendations

Having considered the Third and Fourth Quarter Reports for the financial year 2024/2025 of the Department, the Committee recommended that the Minister:

In relation to **DCDT:**

- should strengthen Department and its Entities outcome-based reporting and demonstrate measurable impact on citizens and the digital economy.
- provide regular reports on governance interventions, litigation matters and consequence management across all Entities;
- should clearly demonstrate alignment with the Medium-Term Development Plan and National Development Plan targets in future quarterly and annual reporting; and strengthened accountability, measurable delivery and time-bound corrective action across the Portfolio;
- ensure that the Department prioritises outcome-based reporting, ensuring that future reports clearly demonstrate job creation, economic development, digital inclusion and improved service delivery, and report back to the Committee within 6 months after the adoption of this report;

- ensure that the Department strengthens its monitoring and evaluation processes by reporting on active and inactive connectivity sites, uptime, system performance, beneficiary access and the measurable impact of projects on communities, and report back to the Committee within 6 months after the adoption of this report;
- ensure that immediate corrective action is taken to address the causes of underperformance, particularly in Programme 6, including assigning responsible officials, strengthening internal controls and establishing consequence management where targets are repeatedly missed, and report back to the Committee within 3 months after the adoption of this report;
- ensure that the Department submits comprehensive implementation and recovery plans, including timelines, measurable milestones, responsible units and specific corrective actions for all underperforming programmes, and report back to the Committee within 3 months after the adoption of this report;
- ensure that greater attention is given to improving programme design so that all initiatives are properly scoped, funded, risk-assessed and implementation-ready before rollout, and report back to the Committee within 6 months after the adoption of this report;
- ensure that the Department strengthens its capacity to measure and report on economic impact, including employment outcomes, SMME participation, local economic growth, digital inclusion and service improvements arising from its programmes, and report back to the Committee within 6 months after the adoption of this report;
- ensure that performance reporting is accurate and transparent, and that targets are only marked as achieved where real, verifiable and measurable outcomes have been delivered, and report back to the Committee within 3 months after the adoption of this report;
- ensure that independent verification measures are introduced to confirm the functionality of infrastructure, the quality of connectivity and access to services by the intended beneficiaries, and report back to the Committee within 6 months after the adoption of this report;
- ensure that the Department accelerates the implementation of the SA Connect programme by addressing procurement challenges, improving coordination and planning, and ensuring timely delivery of connectivity projects, and report back to the Committee within 6 months after the adoption of this report; and

- ensure that enhanced oversight measures, including targeted inquiries where necessary, are used to address recurring implementation failures, strengthen accountability and ensure that reported progress reflects conditions on the ground, and report back to the Committee within 9 months after the adoption of this report.

In addition:

- The Department should provide the Committee with periodic updates on measures to ensure .ZADNA's sustainability;
- The Department should strengthen oversight and governance support mechanisms across Entities.
- The Department should institutionalise results-based management and outcome-driven reporting across the Portfolio;
- The Department should periodically report to the Committee on progress relating to broadband deployment reforms, spectrum management and digital economy initiatives;
- The Department should accelerate initiatives aimed at increasing digital participation, digital skills development and universal access to communications services; and
- The Department should continue supporting entities in improving governance, sustainability and service delivery performance.

Regarding **NEMISA**, the Minister should:

- ensure that NEMISA strengthens systems for measuring the long-term impact of its training programmes;
- ensure that NEMISA develops mechanisms to track employment outcomes, enterprise formation and economic participation among programme beneficiaries;
- ensure that NEMISA continues expanding digital and AI literacy programmes, particularly in underserved communities;
- ensure that NEMISA improves consistency and accuracy in financial reporting and disclosures; and
- ensure that NEMISA continues to strengthen governance systems and provide updates on actions arising from legal advice obtained following governance investigations.

About **Sentech**, the Minister should:

- ensure that a sustainable and long-term solution is urgently implemented to address the outstanding debt owed by the SABC to Sentech, including clear payment arrangements,

interdepartmental coordination and measures to prevent further accumulation of debt, and report back to the Committee within 3 months after the adoption of this report;

- ensure that Sentech implements targeted supplier development and procurement measures to improve participation by persons with disabilities, including measurable annual targets, responsible officials and corrective action where targets are not met, and report back to the Committee within 6 months after the adoption of this report;
- ensure that Sentech strengthens its occupational health and safety programmes by analysing the causes of reported incidents, implementing preventative controls and monitoring corrective measures to improve employee wellbeing, and report back to the Committee within 6 months after the adoption of this report;
- ensure that the sovereign satellite programme is adequately supported through a clear funding, governance and implementation plan that safeguards national communications capability and technological sovereignty, and report back to the Committee within 9 months after the adoption of this report;
- ensure that Sentech continues to explore, formalise and expand strategic partnerships for satellite-based connectivity solutions, particularly in underserved and rural areas, while ensuring regulatory compliance, affordability and public value, and report back to the Committee within 9 months after the adoption of this report;
- ensure that the implementation of public connectivity projects, including Wi-Fi hotspot programmes, is closely monitored, that any revisions to targets are fully justified and communicated to the Committee, and that affected communities receive functional and reliable services, and report back to the Committee within 6 months after the adoption of this report;
- ensure that Sentech leverages its comparatively strong financial and operational position to support innovation, infrastructure renewal and universal access to digital services without compromising financial sustainability, and report back to the Committee within 12 months after the adoption of this report;
- ensure that a sustainable funding and operational solution is developed for signal distribution services to safeguard the financial sustainability of both Sentech and the SABC, and report back to the Committee within 6 months after the adoption of this report;
- ensure that funding and implementation plans for South Africa's sovereign satellite programme are finalised, with clearly defined milestones, institutional responsibilities

and risk management measures, and report back to the Committee within 9 months after the adoption of this report;

- ensure that delays in the allocation and transfer of project funding are addressed through improved planning, earlier approvals and stronger coordination between the Department, National Treasury and implementing entities to prevent disruptions to broadband rollout and connectivity programmes, and report back to the Committee within 6 months after the adoption of this report;
- ensure that Sentech expands connectivity initiatives in underserved and rural communities through innovative technologies, including satellite-based solutions, and demonstrates how these interventions improve access, reliability and affordability for communities, and report back to the Committee within 12 months after the adoption of this report; and
- ensure that Sentech develops and implements a targeted transformation and supplier development strategy aimed at increasing participation by women-owned businesses, youth-owned businesses and persons with disabilities, and report back to the Committee within 6 months after the adoption of this report.

In relation to **BBI**, the Minister should:

- ensure that BBI urgently considers and implements recapitalisation and shareholder-support measures to stabilise its financial position, protect its going-concern status and secure continuity of critical infrastructure services, and report back to the Committee within 3 months after the adoption of this report;
- ensure that BBI develops a detailed, credible and time-bound turnaround strategy with clear performance indicators, revenue targets, cost-control measures and accountability mechanisms to restore financial sustainability, and report back to the Committee within 6 months after the adoption of this report;
- ensure strict compliance with payment regulations, particularly the requirement to pay SMMEs within the prescribed period and ensure that consequence management is enforced where non-compliance occurs, and report back to the Committee within 3 months after the adoption of this report;
- ensure that BBI strengthens its procurement processes to prevent irregular expenditure, improve transparency and ensure full adherence to applicable legislation, supply-chain policies and internal controls, and report back to the Committee within 6 months after the adoption of this report;

- ensure that BBI improves performance against transformation targets through specific supplier development interventions to increase procurement from women-owned enterprises, youth-owned enterprises and persons with disabilities, and report back to the Committee within 6 months after the adoption of this report;
- ensure that BBI strengthens its risk management framework, including the identification, mitigation, monitoring and reporting of key strategic risks affecting financial sustainability, operations and governance, and report back to the Committee within 6 months after the adoption of this report;
- ensure the acceleration of the rationalisation process between BBI and Sentech, with a view to improving operational efficiency, reducing duplication, clarifying mandates and enhancing long-term sustainability, and report back to the Committee within 9 months after the adoption of this report;
- ensure that BBI explores strategic partnerships, including public-private partnerships, to enhance commercial viability, expand service delivery capacity and reduce reliance on limited revenue streams, and report back to the Committee within 9 months after the adoption of this report;
- ensure that BBI's business model is reviewed and realigned to ensure that its developmental mandate is adequately funded while enabling the entity to compete effectively in the market, and report back to the Committee within 9 months after the adoption of this report;
- ensure that BBI diversifies its revenue base by identifying new markets, services and commercial opportunities to reduce reliance on a narrow set of income streams, and report back to the Committee within 12 months after the adoption of this report;
- ensure that BBI implements a detailed cash-flow management strategy, including strict monitoring mechanisms to prevent persistent delays in supplier payments, and report back to the Committee within 3 months after the adoption of this report;
- ensure the facilitation of intergovernmental coordination to reduce duplication and harmful competition between state entities, particularly in relation to infrastructure and service provision, and report back to the Committee within 6 months after the adoption of this report;
- ensure that BBI reduces its dependence on anticipated recapitalisation by strengthening internal revenue generation, commercial discipline and operational efficiencies, and report back to the Committee within 12 months after the adoption of this report; and

- ensure that BBI develops and implements a comprehensive maintenance and sustainability plan for SA Connect and other infrastructure projects to ensure long-term service reliability, and report back to the Committee within 6 months after the adoption of this report.

Regarding **USAASA/USAF**, the Minister should:

- ensure that USAASA/USAF accelerates infrastructure rollout, particularly in underserved and rural areas, through prioritised project plans, clear delivery schedules and stronger implementation oversight, and report back to the Committee within 6 months after the adoption of this report;
- ensure that implementation timelines are realistic, properly resourced and closely monitored so that connectivity projects are delivered efficiently and delays are escalated timeously, and report back to the Committee within 3 months after the adoption of this report;
- ensure that stronger oversight and accountability mechanisms are implemented to address underperformance, including corrective action where targets are missed or project milestones are delayed, and report back to the Committee within 3 months after the adoption of this report;
- ensure that USAASA/USAF strengthens internal capacity and operational efficiency, particularly in project management, technical planning, procurement and stakeholder coordination, and report back to the Committee within 6 months after the adoption of this report;
- ensure that infrastructure initiatives result in actual, measurable connectivity outcomes for communities, including functional access, uptime, affordability and evidence of community benefit, and report back to the Committee within 6 months after the adoption of this report;
- ensure that USAASA/USAF implements clear and realistic project timelines for all connectivity infrastructure projects and adheres to them through monthly milestone tracking, and report back to the Committee within 3 months after the adoption of this report;
- ensure that stronger monitoring and evaluation systems are put in place to track progress, detect delays early and verify that funded projects are operational on the ground, and report back to the Committee within 6 months after the adoption of this report;

- ensure that accountability mechanisms are strengthened, including taking corrective action where there is underperformance, breach of contract or failure to meet targets, and report back to the Committee within 3 months after the adoption of this report;
- ensure that USAASA/USAF strengthens its technical and operational capacity, including improving project management skills, internal systems and contract management capability, and report back to the Committee within 6 months after the adoption of this report;
- ensure better coordination with stakeholders, including other government departments, implementing entities and private sector partners, to improve implementation efficiency and prevent duplication, and report back to the Committee within 6 months after the adoption of this report;
- ensure that all infrastructure projects result in functional and usable connectivity, with clear evidence of service delivery to communities and remedial plans for non-functional sites, and report back to the Committee within 6 months after the adoption of this report;
- ensure that funding allocated to USAASA/USAF is utilised effectively and efficiently, with a clear link between expenditure, outputs and measurable outcomes, and report back to the Committee within 6 months after the adoption of this report;
- ensure that USAASA/USAF provides regular and detailed reporting to the Committee, including progress on infrastructure rollout, challenges faced, corrective measures implemented and expenditure linked to outcomes, and report back to the Committee within 3 months after the adoption of this report; and
- ensure that USAASA/USAF aligns its programmes with broader national digital transformation and broadband strategies to maximise impact, strengthen coordination and avoid duplication, and report back to the Committee within 9 months after the adoption of this report.

Regarding **ICASA**, the Minister should:

- ensure that ICASA provides regular updates on the implementation of data expiry regulations and developments relating to ongoing litigation;
- ensure that ICASA expedite the finalisation of Rapid Deployment Regulations and strengthen engagement with municipalities, traditional authorities and other stakeholders;
- ensure that ICASA strengthens its monitoring and enforcement capabilities to address illegal telecommunications operations and unlicensed service providers;

- ensure that ICASA introduces a Regulatory Impact Assessment framework to measure outcomes such as affordability, competition, consumer protection and broadband access and report back to the Committee within 3 months upon adoption of this report;
- ensure that ICASA submits a report explaining the relationship between personnel vacancies, budget underspending and reported capacity constraints within 3 months upon adoption of this report; and
- ensure that ICASA provides periodic updates on the utilisation of spectrum licensing funds and implementation of spectrum-related projects within 3 months upon adoption of this report.

In relation to **FPB**, the Minister should:

- ensure that FPB submit a comprehensive report on governance matters and litigation involving the former Chief Executive Officer within 3 months upon adoption of this report;
- ensure that the FPB strengthens reporting on the impact of its work, including improvements in online safety and successful prosecutions supported by the organisation;
- ensure that FPB accelerates the deployment of technological solutions to assist with the identification and assessment of harmful online content;
- ensure that the FPB concludes its organisational design review and address vacancies critical to service delivery within 3 months upon adoption of this report;

The Department should continue supporting FPB initiatives aimed at protecting vulnerable groups in the digital environment.

About **SITA**, the Minister should:

- ensure that SITA develops and implements a comprehensive turnaround plan aimed at improving customer satisfaction, restoring stakeholder confidence and strengthening its position as Government's preferred ICT service provider, and report back to the Committee within 6 months after the adoption of this report;
- ensure that SITA accelerates the implementation of digital transformation initiatives, including the Super App, and provides clear timelines, implementation milestones and adoption targets, and report back to the Committee within 6 months after the adoption of this report;

- ensure that SITA strengthens debt collection and recovery processes to reduce long-outstanding debt, prevent prescription and improve cash-flow management, and report back to the Committee within 3 months after the adoption of this report;
- ensure that SITA improves capital expenditure planning and implementation to address infrastructure backlogs, modernise ICT systems and renew ageing facilities, and report back to the Committee within 6 months after the adoption of this report;
- ensure that all critical executive and technical vacancies are filled without delay to enhance organisational stability, accountability and service delivery, and report back to the Committee within 3 months after the adoption of this report; and
- ensure that SITA reports regularly to the Committee on progress made in implementing its turnaround strategy, improving customer satisfaction and addressing identified performance challenges, and report back to the Committee within 3 months after the adoption of this report.

In relation to **SAPO**, the Minister should:

- ensure that SAPO develops and implements a clear and sustainable long-term business model beyond the business rescue phase, with measurable revenue, service-delivery and financial sustainability targets, and report back to the Committee within 6 months after the adoption of this report;
- ensure that SAPO transitions from a business rescue approach to a business repurposing strategy focused on long-term viability, digital relevance and improved public service delivery, and report back to the Committee within 6 months after the adoption of this report;
- ensure that SAPO diversifies its revenue streams by actively pursuing public-private partnerships, government-to-government services, e-commerce logistics, parcel services and property monetisation opportunities, and report back to the Committee within 9 months after the adoption of this report;
- ensure that proposals submitted through the market process are properly assessed, prioritised and implemented where viable, with safeguards to protect SAPO's public mandate and financial interests, and report back to the Committee within 6 months after the adoption of this report;
- ensure that SAPO accelerates digital transformation, including investment in digital services, secure digital communication, modernised branch systems and infrastructure

capable of supporting the post office of the future, and report back to the Committee within 12 months after the adoption of this report;

- ensure that SAPO improves operational performance by addressing branch infrastructure, IT systems, equipment shortages, mail delivery standards and service delivery at community level, and report back to the Committee within 6 months after the adoption of this report;
- ensure that labour matters are addressed, including outstanding payments, employee benefits, working conditions, staff morale and structured engagement with organised labour, and report back to the Committee within 3 months after the adoption of this report; and
- ensure that the newly appointed SAPO Board is supported through a clear post-business-rescue transition plan, institutional handover arrangements and governance controls to prevent operational regression, and report back to the Committee within 3 months after the adoption of this report.

Regarding **Postbank**, the Minister should:

- ensure that Postbank completes system upgrades, including card switching and digital payment systems, as a priority, and report back to the Committee within 3 months after the adoption of this report;
- ensure that service continuity is maintained with minimal disruption to customers, particularly social grant beneficiaries and vulnerable users, and report back to the Committee within 3 months after the adoption of this report;
- ensure that clear, consistent and timely public communication is provided during system transitions so that customers understand changes, risks and service-access arrangements, and report back to the Committee within 3 months after the adoption of this report;
- ensure ongoing monitoring and oversight to manage operational risks and ensure timely completion of system upgrades within approved timelines and budgets, and report back to the Committee within 3 months after the adoption of this report;
- ensure that Postbank completes payment system modernisation in accordance with industry standards, regulatory requirements and customer-service expectations, and report back to the Committee within 6 months after the adoption of this report;

- ensure that Postbank implements robust risk management measures to minimise disruptions during system transitions and to protect customer funds, data and trust, and report back to the Committee within 3 months after the adoption of this report;
- ensure that Postbank develops and presents a comprehensive long-term strategy outlining how it will achieve sustainability, expand services and compete in the digital financial sector while advancing financial inclusion, and report back to the Committee within 6 months after the adoption of this report;
- ensure that Postbank strengthens digital banking capabilities, including accessibility, security, efficiency and user experience for customers, and report back to the Committee within 9 months after the adoption of this report;
- ensure strong oversight and monitoring of system implementation projects, including regular reporting to the Committee on progress, risks and mitigation measures, and report back to the Committee within 3 months after the adoption of this report;
- ensure that Postbank enhances operational capacity and technical expertise to support modern banking requirements and regulatory compliance, and report back to the Committee within 6 months after the adoption of this report;
- ensure that Postbank continues to promote financial inclusion by expanding access to banking services for underserved and rural communities, and report back to the Committee within 12 months after the adoption of this report; and
- ensure that accountability measures are in place so that failures or delays in implementation are addressed swiftly and effectively, and report back to the Committee within 3 months after the adoption of this report.

In relation to **SABC**, the Minister should:

- ensure urgent finalisation, in collaboration with National Treasury, of a sustainable and fit-for-purpose funding model for the SABC that adequately supports its public broadcasting mandate, and report back to the Committee within 3 months after the adoption of this report;
- ensure that interim financial support measures are considered and implemented to stabilise the SABC while the long-term funding model is being finalised, and report back to the Committee within 3 months after the adoption of this report;
- ensure that the SABC develops and implements a comprehensive and adequately funded infrastructure renewal plan, prioritising obsolete equipment, critical broadcast

systems and the existing infrastructure backlog, and report back to the Committee within 9 months after the adoption of this report;

- ensure that the SABC strengthens its content acquisition and production strategy, with a focus on original, high-quality local programming to improve audience share, competitiveness and public mandate delivery, and report back to the Committee within 6 months after the adoption of this report;
- ensure that a clear and measurable monetisation strategy for SABC+ is developed, including digital advertising, data analytics, audience engagement and revenue-generation targets, and report back to the Committee within 6 months after the adoption of this report;
- expedite the finalisation of the analogue switch-off process and digital migration, with clear timelines, stakeholder agreements and implementation responsibilities to support the transition, and report back to the Committee within 6 months after the adoption of this report; and
- ensure that all critical vacancies within the SABC are filled without delay and that organisational capacity is strengthened to support effective implementation of its strategic objectives, and report back to the Committee within 3 months after the adoption of this report.

In relation to**.ZADNA**, the Minister should:

- ensure the Department prioritises discussions regarding a sustainable long-term funding model for .ZADNA;
- ensure that .ZADNA submits a detailed sustainability and revenue diversification strategy to the Committee within 3 months after the adoption of this report;
- ensure that .ZADNA expands strategic partnerships with institutions such as CIPC, educational institutions, SMMEs and provincial governments;
- ensure that the Department assesses whether legislative or regulatory amendments are required to address gaps in the monitoring of unlawful activity within the .za domain ecosystem and report to the Committee within 3 months after the adoption of this report;
- ensure that .ZADNA develops indicators to measure the effectiveness of awareness campaigns and domain adoption initiatives and report to the Committee within 3 months after the adoption of this report;

- ensure that the Department ensures that the operational stability and uptime of the .za namespace is protected and maintained at all times

The Committee should receive regular updates regarding governance matters and the finalisation of disciplinary and legal processes involving former executives.

Report to be considered.

3. Report of the Portfolio Committee on Home Affairs on the draft notice determining the remuneration of Commissioners of the Electoral Commission of South Africa (IEC) for the 2025/26 financial year, dated 18 August 2026.

The Portfolio Committee on Home Affairs, having considered the draft notice of the President's determination of the salaries and allowances of members of various institutions, including Commissioners of the Electoral Commission of South Africa (IEC), reports as follows:

1. A notice, dated 10 January, was received from the President of the Republic, requiring the National Assembly to consider the determination of the salaries and allowances of members of various institutions, including the Commissioners of the Electoral Commission (IEC) in terms of the Determination of Remuneration of Office-Bearers of Independent Constitutional Institutions Laws Amendment Act, 2014 (Act No. 22 of 2014) for the 2025/26 financial years, usually required by the end of the financial year.

2. Section 219(5) of the Constitution of the Republic of South Africa, 1996, provides that national legislation must establish frameworks for determining the salaries, allowances and benefits of judges, the Public Protector, the Auditor-General, and members of any commission provided for in the Constitution, including the Electoral Commission referred to in section 192 of the Constitution.

4. The Determination of Remuneration of Office-Bearers of Independent Constitutional Institutions Laws Amendment Act, 2014 (Act No. 22 of 2014), which came into operation on 1 April 2019, creates the necessary framework to determine the salaries of office-bearers of Chapter 9 institutions mentioned in the Constitution.

5. Section 7(2) of the Electoral Act 73 of 1998 provides that the conditions of service, remuneration, allowances and other benefits of Commissioners shall from time to time be determined by the President after consultation with the Commission on Remuneration of Representatives established by section 2 of the Commission on the Remuneration of Representatives Act, 1994 (Act 37 of 1994), and a distinction may be made between commissioners appointed in a full-time and part-time capacity.

6. The President receives the annual salary recommendations for the Public Office-Bearers of the Independent Constitutional Institutions from the Independent Commission for the Remuneration of Public Office Bearers.

7. The Commission recommended a 4.1% salary increment for all categories of public officer bearers including members of the Independent Constitutional Institutions for the 2025/26 financial year.

8. The President considered the Commission's recommendations and its impact on the fiscus and decided on a 4.1% salary increment for all members of the Independent Constitutional Institutions.

9. The one part-time IEC Commissioner is a Judge and as such is remunerated in terms of section 2(4) of the Judges' Remuneration and Conditions of Employment Act 2001, (Act No 47 of 2001).

Recommendation.

The Committee, having deliberated, concur with the President's determination on the remuneration adjustment of IEC Commissioners, that a retrospective salary increase of 4.1% be implemented for 2025/26 for the Chairperson and other full-time Commissioners relative to the last salary level adopted for the 2024/25 financial year (R2 717 270 for Chairperson and R R2 365 762 for full time Commissioners respectively). This equates to a total remuneration of

- R2 828 678 for 2025/26 for the Chairperson of the IEC.
- R2 462 758 in 2025/26 for full-time Commissioners.
- A part–time Commissioner will be renumerated a daily rate or hourly sitting rate calculated on the basic salary of the judge of the High Court which equates to R6 247 per day.

The Committee recommends that the National Assembly approve the notice determining the remuneration of the Commissioners of the Electoral Commission of South Africa (IEC).

Report to be considered.

4. REPORT OF THE PORTFOLIO COMMITTEE ON SOCIAL DEVELOPMENT ON THE THIRD AND FOURTH QUARTER PERFORMANCE AND EXPENDITURE REPORT FOR 2025/26 OF THE DEPARTMENT OF SOCIAL DEVELOPMENT (DSD), DATED 19 AUGUST 2026

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1. INTRODUCTION

The Portfolio Committee on Social Development (hereinafter referred to as the Committee) examined the third and fourth quarter performance and expenditure report for 2025/26 of the Department of Social Development (hereinafter referred to as Department) on 24 June 2026, and it reports as follows:

2. MANDATE OF THE COMMITTEE

The Committee's mandate as prescribed by the Constitution of South Africa and the Rules of Parliament is to build an oversight process that ensures a quality process of scrutinizing and overseeing the department's action. It is to conduct oversight that is driven by the ideal of realising a better quality of life for all people of South Africa. The Committee is also required to facilitate public participation, monitoring and oversight over the legislative processes relating to social

development. In doing this, it also confers with relevant governmental and civil society organs on social development matters.

The Committee also enhances and develops the capacity of its members to exercise effective oversight over the Executive Authority in social development. It monitors whether the Department of Social Development fulfils its mandate according to priorities.

It also has a mandate to perform the following:

- Considers legislation referred to it;
- Conducts oversight of any organ (s) of the state and constitutional institution(s) falling within its portfolio;
- Facilitates appointment of candidates to entities;
- Considers international agreements; and
- Considers budget of department and entities falling within its portfolio.

For the current medium term (2024 – 2029), the Committee's oversight focuses on the department and its entities performance regarding the implementation of the priorities set in the National Development Plan and in the Medium Term Development Plan.

3. THE MANDATE OF THE DEPARTMENT

The department derives its mandate from several pieces of legislation and policies, including the White Paper for Social Welfare (1997) and the Population Policy (1998), which sets out the principles, guidelines, policies and programmes for developmental social welfare in South Africa. The White Paper for Social Welfare has provided the foundation for social welfare in the post-1994 era.

The Constitutional mandate of the department is to provide sector-wide national leadership in social development by developing and implementing programmes for the eradication of poverty and social protection and development amongst the poorest of the poor and most vulnerable and marginalized.

3.1 Priority 1: Advancing inclusive growth and job creation

Outcome target:

- 6 481 801 work opportunities created

Priority 2: Reduce poverty and tackle the high cost of living

Outcome targets:

- 25% reduction of the population living below the food poverty line.
- 3.4% reduction of individuals vulnerable to hunger.
- 20.8 million beneficiaries supported through various grants.
- 3 600 000 girls in quintile 1 -3 schools accessing free sanitary products.
- 550 000 university students receiving funding through NSFAS bursaries annually (social grants beneficiaries).
- 70% improvement in social cohesion index.

Priority 3: Building a capable, ethical and developmental state.

Outcome targets:

- 90% of public entities financially stable.
- Corruption does not feature in top five list of concerns of South Africans in 2029 survey.
- Government-led, coherent and integrated cybersecurity approach.
- Full compliance with global Cybercrime Convention.
- South Africa to avoid a further round of grey listing after the next Financial Action Task Force (FATF) mutual evaluation in 2026/27.

3.2 National Development Plan (NDP)

The abovementioned priorities are in line with the (NDP) vision 2030, which inter alia promotes social protection and is defined by:

- Protective measures to save lives and reduce levels of deprivation;

- Preventative measures which help people avoid falling deeper into poverty and reduce their vulnerability;
- Promotive measures which enhance the capabilities of individual communities and institutions;
- Transformative measures which tackle inequities through changes in policies, laws and budgets; and
- Developmental and generative measures, which increase the poor's consumption by promoting local economic development.

3.3 Key strategic themes emerged from the State of the Nation Address (SONA) 2025, which have a bearing on the Department:

The following key developments for the social development sector were identified:

- **Continue and redevelop the SRD grant:** the President stated that the grant is an essential mechanism for alleviating extreme poverty. It will be used as a basis for the introduction of a sustainable form of income support for the unemployed.

- **Strengthening support to victims of GBVF:** the President noted that Government continues to work across society to end violence perpetrated against women. The promulgation of the National Council on Gender-Based Violence and Femicide Act will enable the establishment of a national structure to oversee a coordinated response to GBVF. Government will ensure that the Council is fully functional and properly resourced. Government will also continue to strengthen support to victims of gender-based violence through the 65 Thuthuzela Care Centres across the country. The country also has 44 GBV shelters out of 52 districts.

  The SONA also highlighted the need to strengthen support to survivors of gender-based violence. This includes the establishment of another 16 sexual offences courts in the next financial year.

- **Ensure women empowerment:** the President highlighted the importance of the economic empowerment of women, noting that women, among other marginalised groups were excluded from the economy. A transformation fund worth R20 billion a year over the next 5 years would be established to fund black-owned and small business enterprises, as well as the fast-tracking of the regulations of the Public Procurement Act to ensure equitable opportunities for women-owned businesses, are important measures to advance women's economic empowerment.

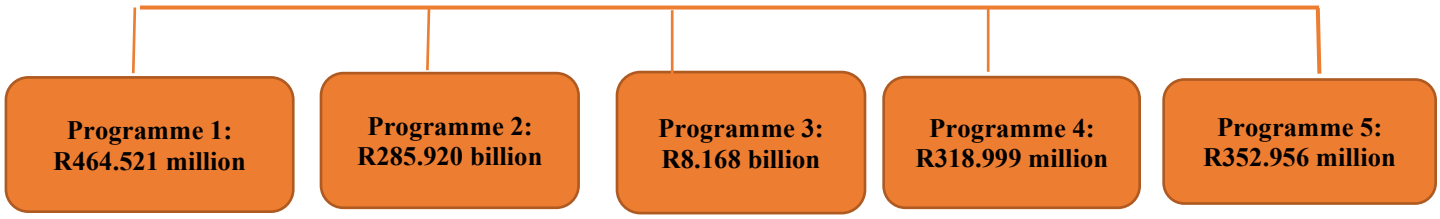
- **Address youth unemployment:** youth unemployment would be addressed through various mechanisms including the Presidential Youth Employment Intervention and Youth Employment Service.

- **Adoption of the National Strategy to Accelerate Action for Children:** the strategy will focus on poverty reduction, child protection and addressing malnutrition.

4. OVERALL ASSESSMENT OF THE FINANCIAL PERFORMANCE

Figure 1: Budget appropriation for 2025/26





The DSD was initially appropriated R295.225 billion. This allocation was then divided according to DSD's five programmes as shown below in figure 1 above. It spent a total of R290. 345 billion by the end of Quarter 4 out of its allocated budget of R295. 225 billion, marking a 98.35% with a deviation of R4.879 billion. The highest expenditure of R74. 553 million was incurred in Quarter 3, followed by R72. 245 million in Quarter 2 and least expenditure of R71. 464 million was incurred in Quarter 1.

The following trends in expenditure for transfer to households for social grants between 2023/24 and 2025/26 financial years were observed:

- The Department received an adjusted allocation of R295.225 billion for the 2025/26 financial year, of which R294.049 billion was appropriated for transfers and subsidies. Out of this amount a total of R285.920 (96.85%) was allocated for transfers and subsidies in the form of social grants. In addition, an amount of R7.993 billion was transferred to South African Social Security Agency (SASSA) for the administration of social grants, and a further R216. 305 million to the National Development Agency (NDA).

- In 2023/24 financial year, the Department received an adjusted allocation of R278.3 billion, of which R277.4 billion was appropriated for transfers and subsidies. About 97.1% of transfers and subsidies (i.e. R269.4 billion) were in the form of social grants. In addition, an amount of R7.7 billion was transferred to South African Social Security Agency (SASSA) for the administration of social grants, and a further R212 million to the National Development Agency (NDA).

- In 2023/24, R259.9 billion was appropriated for transfers and subsidies, i.e. R252.1 billion (97%) for transfers to households for social grants, R7.7 billion for transfers to the SASSA to administer social grants, and R220.1 million to the NDA.

2025 adjusted estimates outcomes

During the 2025 Adjusted Estimates of National Expenditure process, the following adjustments were approved to the voted funds of the National Department of Social Development:

- **Rollovers – R2.169 billion**
    - Approval was granted to rollover funds amounting to R2.169 billion to the 2025/26 financial year, in accordance with section 6(1)(d) of the Appropriation Act, 2024.
- **Other adjustments – R1 billion**
    - An amount of R1 billion in unspent funds was declared on social grants due to lower than projected beneficiaries for the Child Support Grant.

During March 2026, National Treasury has granted the Department to write-off an amount of R242 million related to the Social Assistance Grant Debtors for the 2025/26 financial year.

4.1 Reported underspending per programme

The Department reported the following underspending per programme:

- **Programme 2: Social Assistance – R4. 846 billion:** The un-audited under-expenditure for Programme 2 reflected to the amount of R4. 846 billion mainly relate to old age, disability, child support grants and SRD R350 grant for the 2025/26 financial year. In

terms of the Disability Grant, there are lapses that take place very month in particular for the Temporary Disability Grant when 6 or 12 months period come to an end. Regarding the Permanent Disability Grant, there are conversions that take place every month of beneficiaries turning 60 years to Old Age Grant. All these factors coupled with the fact that there is low take up due to improved administration of the grant's approval process played a role in underspending in some of the grants.

In September 2025, SASSA implemented compulsory biometric enrolment for all new grant applications. For the Child Support Grant applications, biometric data is captured for parents or caregivers, as well as for the children concerned. Recent census findings published by Statistics South Africa indicated a decline in the number of children born annually in South Africa compared to previous census periods. Factors contributing to this trend include increased access to family planning and changes in fertility patterns.

The underspending on SRD R370 can be attributed to unpaid approved beneficiaries due to failed bank verification. An amount of R3.1 billion has been recorded as "Payables" for the 2026/27 financial year.

- **Programme 3: Social Security Policy and Administration – R16.335 million:** The un-audited under-expenditure for Programme 3 reflected to the amount of R16. 335 million relate to the delays in the establishment of the Inspectorate as well as lesser litigation costs for the appeals adjudication in the 2025/26 financial year.

- **Programme 4: Welfare Services Policy Development and Implementation – R7. 557 million:** The un-audited under-expenditure for Programme 4 reflected to the amount of R7.557 million mainly relate to cost containment measures implemented as well as NPOs recorded for Khulisa Social Solution (R1,801 million) and ABBA Specialist Adoption and Social Services (R850 000) that were not paid as a result of non-compliance by these organisations.

- **Programme 5: Social Policy and Integrated Service Delivery – R7. 527 million:** The un-audited under-expenditure for Programme 5 reflected to the amount of R7,527 million mainly relate to the misalignment of the organisational structure as well as operational cost containment measures implemented in the financial year.

4.2 Reported underspending per Economic Classification

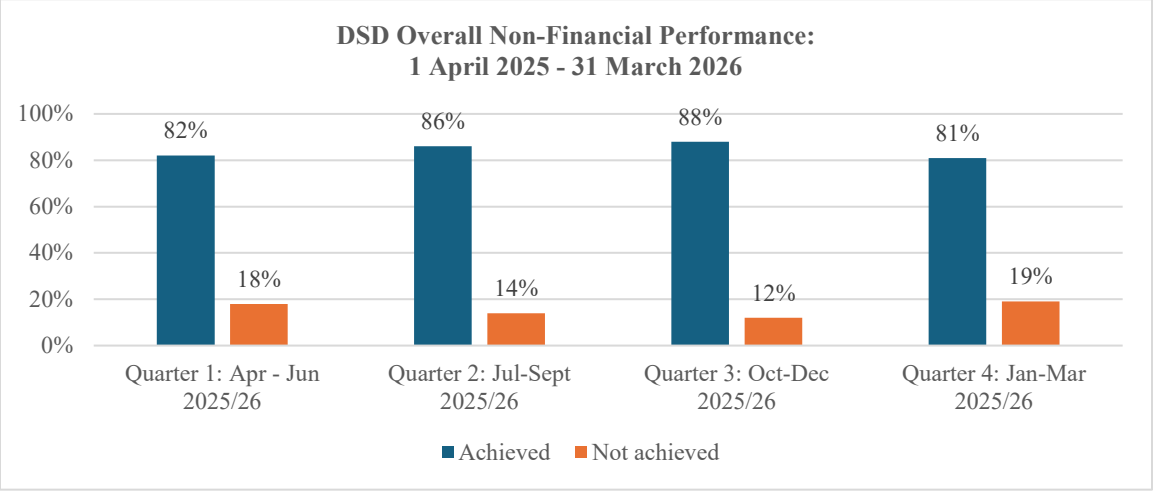
- **Compensation of Employees – R 25,190 million**
    - The un-audited under-spending on Compensation of Employees relate to the vacant funded posts.
    - 22 SMS posts have been prioritized for filling in the 2025/26 financial year. As part of the recruitment process, these posts must first be "Job evaluated before normal recruitment process can start.
    - This JE and advertisement is in various stages of the process.
- **Good and Services – R 2,155 million:** the un-audited underspending relate to year-end adjustments done between current and capital expenditure as well as Voted and Donor fund corrections to ensure expenditure in correctly recorded in the Annual Financial Statements.

- **Transfers and Subsidies – R 4,851 billion:**
    - **Social Assistance Grants – R 4,845 billion:** The un-audited under-expenditure for Programme 2 reflected to the amount of R4,846 billion mainly relate to old age, disability, child support grants and SRD R 350 Grants for the 2025/26 financial year.

    - **Non-Profit Organisations – R 2,651 million:** NPOs recorded for Khulisa Social Solution (R1,801 million) and ABBA Specialist Adoption and Social Services (R850 000) were not paid as a result of non-compliance by these organisations.

    - **Payment for Capital Assets – R 1,263 million:** The un-audited under-spending mainly relate to delays in the delivering of tools of trade before the end of Marh 2026.

5. DSD OVERALL QUARTERLY NON-FINANCIAL PERFORMANCE FOR 2025/2026



The quarterly performance rate average around 80%, with quarters 3 and 2 reflecting higher performance, 88% and 86% respectively. These were the quarters that also recorded highest expenditure as indicated in section 4.1.

5.1 Programme performance

5.1.1 Programme 1: Administration

The purpose of this programme is to provide leadership, management and support services to the Department and the sector.

For quarters 3 and 4, the Department had set to achieve a total of three (3) and four (4), respectively, under this programme. It achieved all three targets in quarter 1. In quarter 4 it achieved 3 out 4 planned targets. Below are some of the key targets that were achieved and not achieved by the end of quarter 4:

Targets achieved	Targets not achieved
• SASSA & NDA quarterly reports and 2026/27 APPs assessed with feedback provided. • Integrated DSD data into SASSA 2025/26 data dump and NSFAS 2025/26 data dump. • Integrated DSD data on matriculants who are receiving grants and Department of Health data on teenage pregnancy.	• A total of 29.39% against the 40% procurement spend target was spent for women-owned businesses during the reporting period. Performance was affected by a significant portion of expenditure being directed towards goods and services procured from government entities, such as Government Fleet Management Services, which do not qualify as women-owned businesses. Furthermore, high-value expenditure relating to international service providers, including Microsoft (IT services) and AMEX (travel and credit card services), contributed to the overall procurement spend but did not meet the women-ownership criteria. Consequently, these expenditure categories limited opportunities to increase procurement from women-owned businesses during the reporting period.

5.1.2 Programme 2: Social Assistance

This programme provides only funding related to payments to social assistance grant beneficiaries by the South African Social Security Agency and does not include salaries to staff. Only 1 (one) target was planned for this quarter for all the grants, and it was achieved. That target was to transfer 100% of Social Assistance Grant funds to SASSA in line with the Approved Vote drawings from National Treasury. A total of R72,787 billion was transferred for the 4th quarter.

5.1.3 Programme 3: Social Security Policy Development Performance

The purpose of this programme is to provide for social security policy development, administrative justice, administration of social grants and the reduction of incorrect benefits payments.

For the third quarter, the department under this programme had set seven (7) targets, and it managed to achieve 6 targets. In quarter 4, it achieved five (5) targets out of the planned seven (7) targets. Below are some of the key targets that were achieved and not achieved by the end of quarter 4:

Targets achieved	**Targets not achieved**
• Oversight visits were conducted in six (6) provinces namely Eastern Cape, North-West, Northern Cape, Free State and Western Cape. • 83 Appeals Awareness Sessions above the planned 40 sessions were conducted at SASSA local offices. • An Audit report on social assistance grants was produced. •	• The target to submit the draft Basic Income Support to Cabinet for approval was not achieved. However, the draft Policy was revised with costing. The updated Policy paper was shared with National Treasury and the Presidency for further consideration, with ongoing engagements focusing on the affordability, costing assumptions, and mechanisms to link beneficiaries to work and livelihood opportunities. The planned submission of the draft BIS Policy to Cabinet was not achieved during the reporting period due to additional inputs obtained from National Treasury, which required further refinement and re-costing of the Policy to assess its fiscal implications. The Department subsequently revised the Policy, incorporated updated costing, and completed the re-costing process. The revised BIS Policy has since been submitted to National Treasury for further consideration. • The target to adjudicate 90% of appeals within 90 days of receipt was not achieved in quarter 4. The Department achieved

	89.12% (910 of 1,021) of appeals adjudicated within 90 days during the reporting period, slightly below the quarterly target of 90%. The deviation was mainly due to delays in receiving critical documentation following the transition by SASSA to an online grant application system, as well as an increase in procedural appeals linked to grant review processes requiring additional verification. • The challenges were addressed through strengthened engagement and collaboration between the Department and SASSA governance structures to improve the timely submission of required documentation. Despite the quarterly deviation, the Tribunal achieved 93.08% (4,377 of 4,702) of appeals adjudicated within 90 days for the financial year, thereby exceeding the annual target.

5.1.4 Programme 4: Welfare Services Policy Development and Implementation Support

This programme creates an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards, and best practices.

The department, under this programme, had set 15 targets in quarter 3 and it managed to achieve 13 targets. In quarter 4 it achieved seven (7) targets out of 10 planned targets. Below are some of the key targets that were achieved and not achieved by the end of quarter 4:

Targets achieved	**Targets not achieved**
• Conducted four (4) capacity-building sessions on the Children's Act and Children's Amendment Acts in Eastern	• The Draft Supervision for Social Service Professions was not presented to Heads of Social Development Sector (HSDS) for

Cape, Western Cape, and Gauteng (including Municipal Implementation Guidelines). • Capacitated six (6) districts on the Teenage Parent Programme. • Capacitated five (5) districts on the White Paper on Families. • Monitored the implementation of the Guidelines for Social Service Practitioners: Enabling Access to HIV Services in five (5) Districts. • Compiled a consolidated monitoring report on the Community-Based Prevention and Early intervention services to vulnerable children (RISIHA) implementation. • Monitored the implementation of the Integrated Social Crime Prevention e-IMS across districts: VEP IMS (Garden Route–WC, Amajuba–KZN, John Taolo Gaetsewe–NC); PCM & CYCA (Buffalo City, Amathole, Joe Gqabi–EC; Pixley Ka Seme–NC); and ADS (ZF Mgcawu–NC, Johannesburg & Tshwane–GP). • Monitored implementation of Psycho-social Services and Shelter and Sheltering Services Policies in KZN (2 shelters), Mpumalanga (3 shelters), North West and Gauteng, with 5 shelters visited across Ngaka Modiri Molema District and Gauteng corridors (Central, Eastern, Northern). • The National Strategy to Accelerate Action for Children was presented to SPCHD Cluster and subsequently presented to Cabinet Committee and Cabinet for approval.	approval. During the Q3 and Q4, significant progress was made towards the finalisation of the Draft through continued stakeholder consultation and technical engagements. The Department engaged the Association of South African Social Workers Education Institutions (ASASWEI) and Institutions of Higher Learning to solicit inputs on the draft Policy. Although initial consultation sessions experienced limited participation due to competing academic commitments, the Policy was circulated for written inputs, and further engagements were undertaken to strengthen stakeholder involvement. Subsequent consultations with key stakeholders, including Institutions of Higher Learning, Supervisors Learning & Support, Community Development Forum and MANCO, resulted in broad support for the Draft Policy. The engagements enhanced policy content, strengthened stakeholder alignment, and culminated in a recommendation for submission to HSDS for formal approval. Also, the HSDS Forum sitting was postponed until further notice. • The costing report for the Respite Care Services to Children with Disabilities and their Families was not presented to the HSDS for approval. The Department developed the draft costing report and facilitated consultations at national level, while provincial consultations were affected by the delayed submission of costing data from Mpumalanga Province,

	which impacted the timely finalisation of broader stakeholder engagements. Although the draft costing report and accompanying presentation were completed, submission to HSDS for approval was not achieved due to the postponement of the scheduled HSDS meeting. As a corrective measure, outstanding consultations were being concluded, and the costing report will be presented at the next HSDS meeting for consideration and approval. • The Draft Policy on Social Development Services to Persons with Disabilities was not submitted to Cabinet for approval. The planned submission of the Policy to Cabinet for approval was not achieved following the decision by the Social Protection, Community and Human Development Cabinet Committee, which referred the Policy back for further consultation on 22 October 2025. The referral required further engagements to strengthen alignment on the policy framework, institutional arrangements, coordination mechanisms, and financial implications. In response, the Department will facilitate joint consultations with the Department of Women, Youth and Persons with Disabilities, National Treasury, and the Department of Planning, Monitoring and Evaluation to address areas of overlap and enhance implementation arrangements. Following these engagements, Ministerial consultations will be undertaken to confirm roles and responsibilities before

	the Policy is reintroduced into the Cabinet approval process.

5.1.5 Programme 5: Social Policy and Integrated Service Delivery

This programme provides support to community development and promotes evidence-based policymaking in the Department and the Social Development Sector.

The Department's non-financial performance under this programme using the 2025/26 Annual Performance Plan (APP) indicates that a total of 10 (ten) targets were set to be achieved as at the end of fourth quarter. However, the presentation indicated that there were 9 targets. DSD achieved the key 9 targets for the 4th quarter. Below are some of the key targets that were achieved by the end of quarter 4:

- Implementation plan for the UN Declaration on Social Development and Programme of Action finalised. 203 311 work opportunities created through the Social Sector EPWP Programmes.
- 203 311 work opportunities were created through the Social Sector EPWP Programmes.
- Implementation of the Framework on Integration of Population Policy in the District Development Model was monitored in district Municipalities namely, Dr Kenneth Kaunda, Cape Winelands, West Coast, Thabo Mofutsanyane, Lejweleputswa, Mangaung, and Capricorn.
- DSD Portfolio District Development Model Framework was submitted to MANCO for approval.
- District Seminars on Population Policy Priorities were conducted in four (4) district municipalities namely, Mangaung, Lejweleputswa, West Rand and Capricorn.

6. COMMITTEE DELIBERATIONS AND OBSERVATIONS

- **Social Security:** the Committee raised various concerns regarding the progress reported on different policies under formulation. Regarding the policy on Basic Income Support

(BIS) it wanted to know what measurable outcomes will determine successful linkages of beneficiaries, which government departments will provide economic opportunities, what will be exact duration for processing public comments on BIS, did DSD undertake substantive costing of BIS and did National Treasury deem if sufficient? What specific concerns has National Treasury raised? Has it endorsed the BIS? The Committee was not provided with details on the proposed costing model and any other details such as beneficiary projections. It was proposed that another meeting be organised for the committee to be provided with full details.

The Committee noted that BIS is an urgent matter because the country has 32.7% of unemployment people with young people accounting for 60%. DSD must make sure that bureaucratic hindrances that delay the finalisation of this policy are eliminated. Further delays cannot be accepted considering that the SRD grant has been in existence for 5 years.

The department explained that it could not provide the Committee with substantive information on the BIS policy because its processing is still before Cabinet. More detailed information on the policy is still classified until the policy is approved by Cabinet.

- **Social Welfare:** the Committee wanted to know the reason the policy on the Social Development Services for People with Disabilities was submitted without costing done.

  The department clarified that a policy for people with disabilities was approved by Cabinet and it was being developed into a bill.

- **Non-financial performance:** the Committee was seriously concerned about the significant decline in the achievement of targets from 88% in quarter 1 to 81% in quarter 4. The failure to meet the targets that are supposed to support vulnerable people cannot be accepted. Does the decline reflect on poor planning or other contextual factors? What is being done to address the gap between the non-financial performance of 81% versus the financial expenditure of 98%.

  The Committee also raised a serious concern that the department did not meet its target of 40% procurement spending on women-owned businesses because a significant portion of

expenditure was directed towards the high-value expenditure relating to international service providers, including Microsoft (IT services) and AMEX (travel and credit card services). This demonstrated a high degree of not taking procurement spending on women owned business seriously.

The Committee noted the reasons given for the department not meeting a target to adjudicate 90% of appeals within 90 days. It however did not find the reason acceptable. It wanted to know what consequence management was taken against those who caused the delays. What mechanisms were put in place for the beneficiaries who might have been affected? What are the implications for the 1% of appeals that were not finalised?

The department explained that 89% achievement of adjusted appeals out of the target of 90% was due to the teething problems in the system which were addressed.

- **Social assistance programme:** the Committee also raised a serious concern over the R4.8 billion underspending in social grants. The reason given is contradictory to the high levels of poverty in the country. It was also concerning that applicants who were approved for the cSRD grant continue not receiving their money. Members of the Committee continuously receive complaints from beneficiaries that they did not receive their grants. It wanted the department to give assurance that the verification process does not create barriers. The verification process takes very long and every time beneficiaries have to go to and from SASSA offices. Throughout this time beneficiaries remain without financial support. The Committee also wanted to know what happened to the biometric data that was collected in 2012.

  The Committee also raised a concern that there are many grandparents with grandchildren whose parents whereabouts are not known and they do not receive Child Support Grant – Top Up (CSG-Top Up). It seems this grant is not widely implemented.

  The Committee wanted to know the reasons for 76% expenditure on War Veterans Grant. The department explained that the CSG-Top Up by law is meant for orphaned children who are children in need of care and protection.

The payment of SCG to children up 18 years has been proven that it contributes to educational performance, with matric results showing increased performance. There is also evidence of beneficiaries who graduated from the social assistance programme. This results in savings in the allocated budget, which is based on projections.

SASSA reported that every month is processes 18 million social grants payments daily. Before payments are processed, SASSA runs biometric and bank verifications as well as life certification. Out of these processes it pays almost 90% of the beneficiaries, which is substantive. The non-payments the Committee was concerned about related to the beneficiaries' failure to update their bank accounts.

It acknowledged that the verification process may cause inconvenience but it forwards letters of notification to the beneficiaries well in advance because life certification is a regulatory process. It is meant to maintain the quality and integrity of the payment system to ensure that only eligible beneficiaries are paid. In most instances most beneficiaries who complain do not present themselves for life certification. Their profiles are then tagged as suspicious. To scale the verification process, it has employed contract workers. It has implemented a number of ICT measures to manage long queues at its offices.

In relation to the War Veteran Grant, there are only five (5) beneficiaries and when one person dies the money is not spent. However, the amount involved is quite negligible.

- **Human resource capacity and Compensation of Employees:** the Committee wanted to know the reasons of R25 190 million underspending on Compensation of Employees. What is the overall vacancy rate and how many of the 22 identified senior management positions were filled? Which service delivery areas were affected? The Committee also wanted to know the reason the vacancy of Chief Director: Communications was speedily filled. The department had previously reported that the position was filled because it was dealing with a settlement. A letter that was received by the Committee from Ms Oliphant's Attorney indicated that she wants re-instatement. Did the department mislead the Committee? How is the department dealing with the issue involving Ms Simmons. It was

suggested that the Committee should probably request the Public Service Commission to investigate if a fair process was followed when Ms Simmons and Ms Oliphant were dismissed.

The department indicated that it could not address matters relating to Ms Oliphant and Ms Simmons because they are still under arbitration.

- **Information Technology:** the Committee wanted to know how much was budgeted for the National Integrated Social Protection Information System (NISPIS) or was it an unfunded mandate? If so, was Ms Oliphant, former Chief Director: Communications, not suspended because of NISPIS and IJS?

  The department indicated that it was not in a position to discuss matters relating to Ms Oliphant and Ms Simmons because they are before arbitration.

- **Probation Officers:** the Committee also wanted to know how many probation officers are there in the country and how many children are arrested on average on a daily basis? What are the peak times of their arrests and how many children were forced to sleep in police stations because there are not enough probation officers?

  The department explained that probation officers provide specialised services to children in conflict with the law. They have been deployed in all police stations in the country, and they are assisted by Assistant Probation Officers. There is no shortage of Probation Officers. The Child Justice Act requires DSD to process and assess a child who is presented at the police station within 48 hours. No child is allowed to spend a night at a police station. After assessment these children are either referred back to their parents or to a Child and Youth Care Centre (CYCC). In the 2025/2026 financial year, the department assessed over 15 000 children in conflict with the law who were referred by the South African Police Service (SAPS). There is no backlog on this matter.

- **Children in conflict with the law:** the Committee commended that the department is digitising DSD services. It wanted to know how many records were expunged for children in conflict with the law in the past 15 years. It was recommended that the department should update the committee on the expungement of records.

  The department reported that the expungement of records involves three (3) departments. DSD who receives records of children in conflict with the law from SAPS. Thereafter, the case if referred to the courts, which are under the jurisdiction of the Department of Justice and Constitutional Development. The courts would then refer the child to the diversion programme. When the diversion programme is completed the probation officers compile a report and submit it to court recommending that the finger prints of the child can be expunged from the criminal records because the child has satisfied the diversion programme requirements. The challenge has been with SAPS and the Department of Justice and Constitutional Development who are responsible for removing the child's records. To assist, a task team was established to fast track this work. On the DSD side, there is no backlog.

- **Population Policy Seminar:** the Committee welcomed that the population policy seminars were held. In the light of the planned march against illegal immigration on June 30, 2026, the Committee wanted to know what DSD was picking up in communities on the issue of undocumented migrants because the population policy is not a custodian of the Department of Police or Defence. What is DSD doing in this regard?

2. RECOMMENDATIONS

Having considered the Q3 and Q4 financial and non-financial reports the Committee made the following recommendations:

- The Minister should ensure that the department achieves and finalises all the policies that have been in formulation for over years. A Policy on BIS is critical because it is envisaged to provide an inclusive financial income support for population group that is currently

excluded from the existing Social Assistance Programme, which is 18 – 59 year olds. It is also critical because it aims to provide economic linkages for these beneficiaries.

3. RESOLUTIONS

- The Committee to invite the department to present it with regular detailed process progress reports on all the outstanding policies.

Report to be considered.

5. Oversight Report of the Portfolio Committee on Correctional Services to Voorberg Correctional Centre, dated 18 August 2026.

The Portfolio Committee on Correctional Services undertook its oversight visit to Voorberg Correctional Centre in the Western Cape Province on 24 June 2026 and reports as follows:

1. **Introduction**

1.1 The Portfolio Committee on Correctional Services (the Committee) undertook an oversight visit to Voorberg Correctional Centre on 24 June 2026.

1.2. The focus area for the oversight visit was on Self-Sufficiency, Rehabilitation and Skills development for sentenced offenders as well as infrastructure.

1.3. The following Members and Support Staff were part of the oversight visit:

- Hon KA Ramolobeng
- Hon M Sokopo
- Hon EA Cloete
- Hon E Hendricks
- Hon J Engelbrecht
- Hon K Kgobisa-Ngcaba
- Hon LG Shangase.

Staff members

- Mr S Mthonjeni
- Mr M Mathabathe
- Ms S Ndlela
- Ms R Azzakani
- Ms S Sowazi.

PART I

2. **Voorberg Correctional Centre**

2.1 Voorberg Management Area comprises of 04 Correctional Centres and 03 Community Corrections Offices. The Centres are Vanrhynsdorp; Voorberg Med A; Voorberg Med B; and Calvinia Correctional Centre.

2.2 The Committee also invited the Department of Public Works and Infrastructure to their oversight visit as well as the Judicial Inspectorate for Correctional Services.

2.3 The approved bed space for Voorberg Med A Correctional Centre is 461 while the current population is 498 sentenced offenders translating to overcrowding rate of 108.03%.

2.4 The approved bed space for Voorberg Med B Correctional Centre is 1 421 while the current population is 1 861 (144 RDs and 1 717 Sentenced offenders) translating to overcrowding rate of 130.96%.

2.5 The post establishment of Voorberg Med A is 153 while only 118 positions are filled. The post establishment of Voorberg Med B on the other hand is 325 while only 252 positions are filled. The vacancy rates for both cetres are 22.88% for Med A and 25.81% for Med B.

2.6 Medium B Correctional Centre has a total of 121 lifers of which 48 falls under Van Wyk Judgement, 34 under Phaahla Judgement and 39 are those who were sentenced after 01 October 2004.

2.7 Medium B Correctional Centre has 3 remand detainees who have been granted bail between R500-R1000 and non-had been referred for Bail review or Sec 49G.

2.8 Both Med A and Med B Correctional Centres provide both short and long skills to offenders as well as educational programmes.

2.9 The following Self-Sufficiency & Sustainability projects are implemented:

- Vegetable production
- Milk production
- Beef production
- Small stock production
- Fodder production, and
- Fruit.

2.10 The following challenges facing the correctional centre were highlighted:

- Med A Correctional Centre is a zinc structure and presents a security risk
- Med A lacks a security fence
- The road to Med A is in a poor condition and needs reconstructing
- The single quarters for Med A and B officials are dilapidated
- Dilapidated old farm storages that cause damage to inputs due to weather conditions and can be easily broken into
- Poor irrigation systems for grazing pastures
- Old equipment at Abattoir breaks continuously which delays slaughtering processes
- No storage for feed at Dairy, Small stock and Beefers
- Shortage of Personnel (including health services)
- Tower posts are not OHS Complaint.

PART II

3 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

3.1 The Committee took a walk-about in the following areas of Medium B Correctional Centre:

- Kitchen
- Hospital
- Remand section

- School and Library
- Agriculture and Orchards.

3.2 The Committee also took a walk-about in the following areas of Medium A Correctional Centre:

- Kitchen
- Cell 6 and Cell 12
- Hospital.

3.3 **Kitchen**: The Committee noted that out of 10 pots, in Med B, only 8 were functioning while at Med A all 6 pots were functioning. In addition, two (2) Coolers and 1 Freezer were not functioning in Med B. The Committee was concerned that the repairing of pots seemed to be a temporary solution as they constantly broke down. The Committee request DPW&I and DCS to ensure that some of the pots are replaced.

3.4 **Vacancies:** The Committee was concerned about vacancies especially at the level of management as well as those at Med A (35 vacancies) and Med B (73 vacancies). The Region is urged to ensure that funded vacancies are filled.

3.5 **Sheets for bedding:** The Committee was concerned that, in one of the cells, inmates did not have sheets for their bedding especially since its winter. The management of the centre is requested to ensure that sheets are procured for inmates.

3.6 **Fire Extinguishers**: The Committee noted that all fire extinguishers that were checked were not serviced since 2024. The management of the centre is urged to ensure that all fire extinguishers were serviced regularly.

3.7 **Skills programmes**: The Committee was concerned about the low number of offenders participating in both long (13) and short (2) skills especially in Medium B given that the facility has more than 1700 sentenced offenders. The management of the centre is encouraged to come up with ways to ensure that more offenders are afforded the opportunity to acquire skills that can be used upon release back to the community.

3.8 **Kitchen compliance**: Both centres are commended for ensuring that the SOP on the tasting of food is complied with, there are demarcated areas for religious diets and although the compliance certificates are old, the Inspector has provided a note indicating that the inspection was conducted and the kitchens were still compliant.

3.9 **Attitude of officials:** The Committee was concerned about the attitude of officials especially those at the hospital section. The Committee believes that this might be the result of lack of leadership in the Management Area. The Department is urged to ensure that the Management Area is capacitated, and the attitude of officials is addressed urgently. The Committee further emphasizes the rotation of officials within different Management Areas. The Department is requested to submit a report to the Committee on actions to be taken to address issues of staff attitudes including consequence management. The report should reach the Committee by 1st of July 2026.

3.10 **Medium A Zinc structure:** The Committee urged the Department of Public Works & Infrastructure together with the Department of Correctional Services to urgently look into addressing the zinc structure of Medium A as this might pose security and health risk for both inmates and officials.

3.11 **Network:** The Committee noted that there is a serious challenge of network in Voorberg Correctional Centre and urges the Department to come up with measures to address it.

3.12 **PPEs:** The Committee was seriously concerned that instead of mobcaps at the Kitchen, officials use shoe covers as part of PPEs. The Committee urges the management of the centre to ensure that proper PPEs are procured and utilised.

3.13 **Transfer of offenders**: The Committee received complaints from offenders regarding transfer which was applied inconsistently. The Committee requests the management of the centre to ensure that offenders are made aware about the processes and procedures regarding transfers and should further ensure that transfers of offenders are transparent and fair.

3.14 **Self-Sufficiency & Sustainability**: The management of the centre is commended for the work done with regard to Self-Sufficiency projects.

Report to be considered