Friday, 12 July 2024]

No 9—2024] FIRST SESSION, SEVENTH PARLIAMENT

PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 12 JULY 2024

TABLE OF CONTENTS

ANNOUNCEMENTS

National Assembly

COMMITTEE REPORTS

National Assembly

ANNOUNCEMENTS

National Assembly

The Speaker

1. Membership of Committees

(1) The following committee membership changes have been made by the Democratic Alliance:

Portfolio Committee on Cooperative Governance and Traditional Affairs

Discharged: Horn, Mr W
Appointed: Labuschagne, Ms C

(2) Hon DE Dlakude was elected as the Chairperson of the *Ad Hoc Committee on Vote No 8: National Treasury – State Security (including Crime Intelligence and Defence Intelligence).*

COMMITTEE REPORTS

National Assembly

1. REPORT OF THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION ON THE ASSESSMENT OF THE 2024/25 ANNUAL PERFORMANCE PLAN AND BUDGET OF THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING: VOTE 17, DATED 12 JULY 2024

1. INTRODUCTION AND MANDATE OF THE COMMITTEE

The Portfolio Committee on Higher Education (hereinafter "Committee"), having assessed the 2024/25 Annual Performance Plans (APPs), Budget and the Medium-Term Expenditure Framework (MTEF) budget projections of the Department of Higher Education and Training (hereinafter "the Department"), reports as follows:

1.1. Mandate of the Committee and Department

The Committee derives its mandate from Section 55(2) of the Constitution of the Republic of South Africa, which states that "the National Assembly (NA) must provide for mechanisms (a) to ensure that all executive organs of state in the national sphere of government are accountable to it; and (b) to maintain oversight of (i) national executive authority, including the implementation of the legislation; and (ii) any organ of state." Rule 227 of the Rules of the National Assembly (9th edition) provides mechanisms contemplated in section 55(2) of the Constitution.

The Department derives its mandate from section 29 of the Constitution of the Republic of South Africa and the following legislation: Higher Education Act, 1997 (Act No.101 of 1997), National Student Financial Aid Scheme Act, 1999 (Act No. 56 of 1999), Continuing Education and Training Act, 2006 (Act No. 16 of 2006), National Qualifications Framework Act, 2008 (Act No. 67 of 2008), Skills Development Act, 1998 (Act No. 97 of 1998), Skills Development Levies Act, 1999 (Act No. 9 of 1999) and the General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001). The Committee oversees the implementation of the aforementioned legislation.

1.2. Purpose of the Budget Vote 17 Report

The Report accounts for the work done by the Portfolio Committee on Higher Education in assessing the 2024/26 Annual Performance Plans (APPs) and the 2024/25 budget, including the MTEF budget projections of the Department in accordance with Section 27(1) of the Public Finance Management Act, 1999 (Act No. 29 of 1999). On 10 April 2024, the Minister of Higher Education, Science and Innovation tabled the 2024/25 APPs of the Department, including the entities. On 11 April 2024, the Speaker of the National Assembly referred the planning documents to the Portfolio Committee in accordance with Rule 338 for consideration and reporting.

1.3. Method

On 10 July 2024, the Committee convened a briefing session with the Department where the tabled 2024/25 APP, 2024/25 budget, and MTEF budget projections were presented and discussed. Due to time constraints, the Committee could not consider the APPs and budgets of the entities.

2. KEY POLICY FOCUS AREAS RELEVANT FOR THE DEPARTMENT

2.1. Key government policies

2.1.1. **National Development Plan (NDP) Vision 2030**

The NDP identifies decent work, education and capacity of the state as particularly important priorities. For the post-school education and training sector, the NDP envisages that by 2030, South Africans should have access to education and training of the highest quality. The education, training and innovation systems should cater for different needs and produce highly skilled individuals; and graduates of the post-school system should have adequate skills and knowledge to meet the current and future needs of the economy and society.

2.1.2. **White Paper for Post-School Education and Training**

The White Paper articulates a vision for an integrated system of post-school education and training, in which all institutions play their role as part of a coherent but differentiated system. The White Paper presents strategies to expand the current provision of education and training in South Africa, improve its quality, and integrate the various strands of the post-school system. The White Paper sets interventions for implementation by different sectors within Post-School Education and Training. The Department has developed a Draft National Plan for Post Education and Training (PSET) from the White Paper, which will be an implementation plan with measurable targets for each sub-system of the sector. The main policy objectives are as follows:

- A post-school system that can assist in building fair, equitable, non-racial, non-sexist and democratic South Africa;
- A single, coordinated post-school education and training system, expanded access, improved quality and increased diversity of provision; and
- A post-school education and training that is responsive to the needs of individual citizens, employers in both public and private sectors, as well as broader societal and development objectives.

2.1.3. **National Plan for Post-School Education and Training (NPPSET)**

The NPPSET is central to achieving the vision of the NDP. It is a roadmap for the development and reinvigoration of post-school education and training to 2030. The Plan identifies six Strategic Goals to coordinate efforts towards improving the capacity of the post-school education and training system to meet the needs of the country, and to assist in building a fair, equitable, non-racial, non-sexist, and democratic South Africa. It also identifies the objectives and outcomes for the PSET and describes the implementation strategies, targets and responsibilities for achieving the White Paper vision of an expanded, effective and integrated PSET system.

The following are the NPPSET System Goals:

- System Goal 1: An integrated, coordinated and articulated PSET System;
- System Goal 2: Expanded access to PSET opportunities;
- System Goal 3: A responsive PSET system;
- System Goal 4: Improved relations between education and training institutions and the world of work;
- System Goal 5: Improved quality of PSET provisioning, and
- System Goal 6: Improved efficiency and success of the PSET System.

2.1.4. **Revised Medium-Term Strategic Framework (MTSF) 2019 – 2024**

2019 – 2024 MTSF is a five-year strategic plan of the government and forms the second five-year implementation phase of the NDP. The Department of Higher Education and Training is responsible for contributing to the realisation of the policy priorities outlined in the MTSF

Priority 3: Education, Skills and Health. For the 2020 – 2025 planning period, the Department will focus on the following outcomes:

- **Expanded access to PSET opportunities**, which aims to provide a diverse student population with access to a comprehensive and multifaceted range of PSET opportunities;
- **Improved success and efficiency in the PSET system** aims to improve efficiency and success of the PSET system;
- **Improved quality of PSET provisioning** to build the capacity of PSET institutions to provide quality education and training;
- **A responsive PSET system** to provide qualifications programmes and curricula that are responsive to the needs of the world of work, society and students; and
- **Excellent business operations within DHET** to ensure sound service delivery management and effective resource management within the department.

3. 2024/25 MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF) BUDGET

3.1. Overview and assessment of 2024 MTEF budget

Table 1: Summary of the 2024/25 overall budget allocation and expenditure estimates

Programme	Budget		Nominal Increase / Decrease	Real Increase / Decrease	Nominal Percent change in	Real Percent change in
R million	**2023/24**	**2024/25**	**2023/24-2024/25**		**2023/24-2024/25**	
Programme 1: Administration	469,7	565,0	95,3	69,9	20.29%	14.89%
Programme 2: Planning, Policy and Strategy	1 510,7	4 229,9	2 719,2	2 529,3	180.00%	167.43%
Programme 3: University Education	90 094,4	91 702,7	1 608,3	-2 508,2	1.79%	-2.78%
Programme 4: Technical and Vocational Education and Training	12 608,2	13 257,5	649,3	54,2	5.15%	0.43%
Programme 5: Skills Development	294,8	333,1	38,3	23,3	12.99%	7.92%

Programme 6: Community Education and Training	2 852,5	2 927,2	74,7	-56,7	2.62%	-1.99%
Sub-total	**107 830,3**	**113 015,3**	**5 185,0**	**111,7**	**4,81%**	**0,10%**
Direct Charges against National Revenue Fund	**22 713,0**	**24 500,3**	**1 787,3**	**687,5**	**7,87%**	**3,03%**
Total	**130 543,3**	**137 515,6**	**6 972,3**	**799,2**	**5,3%**	**0,61%**

The Department's total budget allocation over the MTEF period, including direct charges against the National Revenue Fund is R430,4 billion. The budget is shared among the six budget programmes. For the 2024/25 financial year, the Department is allocated a budget of R137,5 billion, comprising R113,01 billion of voted funds and R24,5 billion of direct charges against the National Revenue Fund. The voted funds and direct charges against the National Revenue Fund account for 82.18% and 17.81% of the 2024/25 budget allocation, respectively. The 2024/25 budget allocation experienced a nominal increase of R6,9 billion or 5.3%. The budget is projected to grow at an average growth rate of 4.8% between 2023/24 – 2026/27. The Department's voted funds increased by R5,1 billion or 4.8% from R107,8 billion in 2023/24. The overall budget is projected to increase to R142,6 billion and R150,2 billion in 2025/26 and 2026/27, respectively.

The Department's budget continues to be dominated by transfers and subsidies to Departmental agencies and PSET institutions, which accounts for R124,6 billion or 90.6% of the 2024/25 total budget of R137,5 billion. Of the total transfers and subsidies allocation, R71,8 billion is allocated toward Departmental agencies as follows: R46,9 billion to the National Student Financial Aid Scheme (NSFAS) for bursaries and administration, R93,2 million to the South African Qualifications Authority (SAQA, R84,8 million to the Council on Higher Education, R30,03 million to the Quality Council for Trades and Occupations, R126,4 million to the Public Service SETA, R4,9 billion to the National Skills Fund (NSF)and R19,6 billion to the Sector Education and Training Authorities (SETAs). An allocation of R48,9 billion is to universities and TVET colleges.

An allocation of R12,4 billion is for current payments (compensation of employees and goods and services). Compensation of employees accounts for 94,4% (R11,7 billion) of the current payments allocation and goods and services are allocated R701,7 million.

3.2. Overview and assessment of 2024/25 budget allocation per programme and 2024/25 output indicators and targets

3.2.1. **Programme 1: Administration**

The programme provides strategic leadership, management and support services to the Department. The programme is responsible for the outcome focusing on excellent business operations within the Department. The Programme has five budget sub-programmes, namely,

- Department Management;
- Corporate Management Services;
- Office of the Chief Financial Officer;
- Internal Audit, and
- Office Accommodation.

Over the 2024/25 MTEF period, the programme is allocated R1,7 billion. For the 2024/25 financial year, the programme received an appropriation of R565,0 million, which accounts for 0.50% of the Department's total budget, excluding skills levies. The program budget experienced a nominal increase of R95,5 million or 20.29% from R469,7 million adjusted appropriation in 2023/24. The budget experienced a real increase of R69,9 million or 14,89% when factoring in inflation.

Sub-programme 2: Corporate Management Services allocation of R303,3 million, accounts for 53,68% of the programme's total budget. The sub-programme budget increased nominally by R60,2 million or 24,76% from R243,1 million in 2023/24. Sub-programme 3: Office of the Chief Financial Officer accounts for the second largest allocation at R115,9 million or 20,51%, followed by sub-programme 5: Office Accommodation at R90,9 million or 16,09% of the programme's total 2024/25 budget allocation. Approximately 54.6% or R308,7 million of the programme's total budget is for the compensation of employees, followed by goods and services at R247,4 million or 43.8%. Allocation for payments for capital assets amounts to R8,8 million. The overall budget is projected to increase to R593,8 million and R624,9 million in 2025/26 and 2026/27, respectively.

During the 2024/25 financial year, the programme will focus on payment of 100% of valid invoices received from creditors within 30 days, implementing specific transformation goals in procurement, reducing the vacancy rate to below 10%, and resolving disciplinary cases.

Concernedly, the programme has discontinued output indicators relating to the following:

- Percentage of determination tests on irregular, fruitless and wasteful expenditure concluded within 12 months;
- Number of reports on the implementation of the Safety and Security Minimum Norms and Standards at universities at selected TVET colleges.
- Minimum Norms and Standards for safety and security focusing on universities.

The output indicators relating to Minimum Norms and Standards for safety and security at selected TVET colleges and universities were introduced in the 2023/24 financial year APP. Given the safety and security challenges at these institutions, this is a serious concern.

3.2.2. **Programme 2: Planning, Policy and Strategy**

The programme provides strategic direction in the development, implementation and monitoring of departmental policies and in the Human Resource Development Strategy for South Africa.

The programme has six budget sub-programmes, namely,

- Programme Management: Planning, Policy and Strategy;
- Human Resource Development Council of South Africa;
- Policy, Planning, Monitoring and Evaluation;
- International Relations;
- Legal and Legislative Services, and
- Social Inclusion and Quality.

The Programme supports the Department's work towards achieving the DHET's five MTSF Outcomes, namely, an integrated and coordinated PSET System, expanded access to PSET opportunities, Improved success and efficiency of the PSET System, Improved Quality of PSET provisioning and a responsive PSET System.

The programme is allocated R8,8 billion over the MTEF period. For the 2024/25 financial year, the programme's appropriation amounts to R4,2 billion, which represents a significant increase of R2,7 billion from an adjusted appropriation of R1,5 billion in 2023/24.

The programme's budget accounts for 3,7% of the Department's 2024/25 total appropriation, excluding direct charges against the National Revenue Fund. The bulk of the budget increase of 123,0% is mainly in sub-programme 3: Policy, Planning, Monitoring and Evaluation. This sub-programme is responsible for monitoring and evaluating the Department's policy outputs, coordinating research in the fields of higher education and training, and ensuring that education policies, plans and legislation are developed into systems. The budget increase will support infrastructure expansion and refurbishment projects at universities and TVET colleges, which a central to expanding access to education and training.

Of note, while the programme's budget increased significantly in 2024/25, it is projected to experience a significant decrease in the two outer years of the MTEF period to R2,293 billion and R2,286 billion, respectively. The decrease is due to a Cabinet-approved budget reduction for the Department, which resulted in a reduction of R6 billion in infrastructure grants over the MTEF period.

In terms of economic classification, R166,6 million (R105,0 million in 2023/24) is allocated for current payments, of which R121,9 million is for compensation of employees costs and R44,8 million is for Goods and Services. Approximately R3,6 billion is allocated for transfer and subsidies to the departmental agencies and accounts. Transfers and subsidies account for 87.2% of the total programme allocation for 2024/25. Allocation for payments for capital assets is R273,8 million.

For the 2024/25 financial year, the programme has 16 targets.

Key selected annual targets for the 2024/25 financial year:

- Recognition of Prior Learning (RPL) Implementation Framework published by 31 March 2025;

- NQF Amendment Bill approved by the Minister by 31 March 2025 for introduction to Parliament;
- Revised Higher Education Act approved by Parliament by 31 December 2024;
- Percentage (10%) completion of construction of the Tshwane University of Technology Giyani Campus initiated according to designs completed;
- Number of student housing projects (3) for the provision of beds (5 000) completed;
- Number (4) of Community Learning Centres built;
- Detailed designs on the construction of the two new universities approved by the Director-General by 31 March 2025 for implementation;
- Report on the implementation of "Transforming MENtalities" Programme approved by the Director-General by 31 March 2025;
- Two additional TVET Subjects' learner-teacher support materials (LTSM) (on one level) available on the NOLS by 31 March 2025;
- Number (1 000) of students participating in Apprenticeships, Internships and Work Integrated Learning in construction;
- Report on Skills Supply and Demand approved by the Director-General by 31 March 2025;
- List of occupations in high demand (national and 2 provincial pilots) published by 30 June 2024, and
- Report on the identification of skills needs for the hydrogen economy approved by the Director-General by 30 June 2024.

3.2.3. **Programme 3: University Education**

The programme develops and coordinates policy and regulatory frameworks for an effective and efficient university education system. Provide financial and other support to universities, the National Student Financial Aid Scheme and national higher education institute.

The programme supports the Department in its endeavours to expand access to PSET opportunities; improve the success and efficiency of the PSET system; improve the quality of PSET provisioning; and make the PSET system responsive.

The programme has six budget sub-programmes, namely:

- Programme Management;
- University Planning and Institutional Funding;

- University Governance and Management Support;
- Higher Education Policy Development and Research;
- Teaching, Learning and Research Development, and
- Universities Subsidies.

Over the MTEF period, the programme is allocated R288,1 billion. For the 2024/25 financial year, the programme's budget amounts to R91,7 billion, representing a nominal increase of R1,6 billion or 1.79% from the adjusted appropriation in the 2024/25 financial year's allocation. The University Education programme budget accounts for 81.14% of the Department's total voted funds.

The bulk of the increase at R1,04 billion is in sub-programme 3: Institutional Governance and Management Support. The sub-programme monitors and supports institutional governance management and provides sector liaison services. The increase in the sub-programme is mainly towards NSFAS for student bursaries at universities and TVET colleges. The second-largest increase at R540,1 million is in sub-programme 6: University Subsidies.

The programme's budget is dominated by transfers and subsidies to the departmental agencies and institutions of higher learning, which account for 99.89% of the programme's total budget. For the 2024/25 financial year, NSFAS received an allocation of R46,9 billion (R46,6 billion for bursaries for students at universities and TVET colleges and R332,7 million for NSFAS administration). NSFAS allocation accounts for 51,23% of the programme's total budget for the 2024/25 financial year. NSFAS allocation for student bursaries is projected to grow in the outer years of the MTEF period to R48,4 billion and R50,7 billion in 2025/26 and 2026/27, respectively.

Cabinet has approved a budget reduction amounting to R16,1 billion to the NSFAS budget over the MTEF period. This will have a significant impact in terms of access to education and training by students from poor and working-class families. In November 2023, NSFAS indicated that if implemented, the 10% planned budget reduction would result in 87 712 university students not being funded in the 2024 academic period and increasing to 120 976 students in the 2025 academic period.

Allocation to higher education institutions amounts to R44,4 billion or 48.5% of the programme's budget allocation for 2024/25. The R44,4 billion is allocated to higher education institutions as follows: University of Mpumalanga: R489,8 million, Sol Plaatje University:

R384,8 million, University subsidies: R42,9 billion, and University subsidies: Academic Clinical training grants R676,1 million.

An amount of R95,3 million is allocated for current payments, of which, R83,9 million is for compensation of employees and R11,4 million is for goods and services.

For the 2024/25 financial year, the programme has 26 targets.

Key selected targets for the 2024/25 financial year:

Outcome: Expanded access to PSET opportunities

- Fee Increase Regulatory Framework submitted to the Minister for approval by 31 January 2025;
- Updated Guidelines for the DHET bursary scheme at public universities submitted to the Minister for concurrence by 15 December 2024;
- A report on the implementation of the Comprehensive Student Funding Policy approved by the Director-General by 31 March 2025;
- Number (1 131 000) of students enrolled at public universities annually; and
- Number (450 000) of university students receiving funding through bursaries annually.

Outcome: Improved success and efficiency of the PSET system

- Number (237 000) of students completing a university qualification annually;
- Number of graduates annually: Engineering: 14 800; Natural and Physical Sciences: 11 400; Human and Health Sciences: 10 660; Animal Health Science: 1 050; Initial Teacher Education: 30 000; Master’s: 15 400 and Doctoral: 3 500.

Outcome: Improved quality of provisioning

- Number (85) of new Generations of Academics Programme (nGAP) posts filled at universities every year;
- Number (40) of scholarship or internship positions allocated to universities through the Nurturing Emerging Scholars Programme;
- Proportion (51%) of university lecturers (permanent instruction or research staff) who hold doctoral degrees;

- A report on compliance with annual reporting regulations; financial health and audit outcomes of 26 universities approved by the Director-General by 31 March 2025;
- A report on the evaluation of creative and innovation outputs by public universities approved by the Director-General by 31 December 2024, and
- Progress report on the first year of implementation of approved language development plans by the universities submitted to the Director-General for approval by 31 March 2025.

3.2.4. **Programme 4: Technical and Vocational Education and Training (TVET)**

The programme plans, develops, implements, monitors, maintains and evaluates national policy, programme assessment practices and systems for TVET colleges. Provide financial and other support to TVET colleges and regional offices.

The programme has six budget sub-programmes, namely,

- Programme Management: Technical and Vocational Education and Training;
- Technical and Vocational Education and Training System Planning and Institutional Support;
- Programmes and Qualifications;
- National Examinations and Assessment;
- Technical and Vocational Education and Training Financial Planning, and
- Regional Offices.

The programme supports the Department in its endeavours to expand access to PSET opportunities; improve the success and efficiency of the PSET system; improve quality of PSET provisioning; and a responsive PSET system.

Over the MTEF period, the programme is allocated R41,8 billion. For the 2024/25 financial year, the programme is allocated R13,2 billion, which accounts for 11,73% of the Department's total voted funds, excluding direct charges. The programme experienced a nominal increase of R649,3 million or 1,79% from the adjusted appropriation of R12,6 billion in 2023/24.

The bulk of the increase at R609,7 million is in sub-programme 2: Technical and Vocational Education and Training System Planning and Institutional Support, which provides support to management and councils, ensures that colleges have fully constituted and functioning councils, provides guidance and support for the planning processes at TVET colleges, monitors and evaluates the performance of the TVET system against set indicators, develops regulatory frameworks for the system, manages and monitors the procurement and distribution of learning and teaching support materials, provides leadership for TVET colleges to enter into partnerships for the use of infrastructure and funding resources, and maps out the institutional landscape for the rollout of the TVET college system. The sub-programme budget accounts for 92.74% of the programme's total budget for 2024/25.

Notably, sub-programmes 3: Programmes and Qualifications and National Examinations and Assessment have experienced a slight budget decrease of R0,6 million (from 27,0 million in 2023/24) and R3,1 million (from R665,9 million in 2023/24), respectively.

The programme's budget is dominated by allocation for compensation of employees at R8,4 billion or 63.52%, which increased by R448,6 million from an adjusted appropriation of R7,9 billion. Goods and Services allocation is R371,4 million, transfers and subsidies to Departmental agencies and TVET colleges for 2024/25 amount to R4,4 billion, which increased from an adjusted appropriation of R4,2 billion in 2023/24.

The programme has 22 targets for 2024/25.

Key selected targets for the 2024/25 financial year

Outcome: Expanded access to PSET opportunities

- Additional one DSU to support students with disabilities in TVET colleges established by 31 March 2025;
- Number (620 000) of students enrolled at TVET colleges annually;
- Number (400 000) of TVET college students receiving funding through NSFAS bursaries annually, and
- Number (21 000) of TVET graduates placed in workplaces annually.

Outcome: Improved success and efficiency of the PSET system

- Examination results are released to qualifying students within 40 days from the last day of the exams timetable (per cycle);
- Period (3 months) it takes to issue certificates to qualifying candidates following publication of results (months);
- Number (76 000) of TVET college students completing N6 qualification annually, and
- Throughput rate (45%) of TVET (NC(V)).

Outcome: Improved quality of PSET provisioning

- Percentage (90%) of TVET college lecturers with professional qualifications;
- Percentage (18%) of TVET college lecturing staff appropriately placed in industry or exchange programmes, and
- Number (300) of lecturers participating in project-based lecturer capacity-building programmes in engineering (electrical, plumbing and mechanical).

Outcome: A responsive PSET system

- Number (50) of TVET colleges offering 4IR-aligned skills training;
- Number (6 000) of lecturers participating in digital literacy programmes;
- Number (50) of public TVET colleges with at least two protocols signed with the industry to place TVET college students and lecturers for workplace experience annually, and
- Three additional new/reviewed TVET programmes with integrated digital skills training approved by the Director-General by 31 March 2025.

3.2.5. **Programme 5: Skills Development**

The programme promotes and monitors the National Skills Development Strategy (NSDS). It also develops skills development policies and regulatory frameworks for an effective skills development system.

The programme has five budget sub-programmes, namely,

- Programme Management: Skills Development;
- Sector Education and Training Authority Coordination;
- National Skills Authority Secretariat;
- Quality Development and Promotion, and
- National Artisan Development.

The programme supports the Department in its endeavours to expand access to PSET opportunities; improve the success and efficiency of the PSET system; improve quality of PSET provisioning; and a responsive PSET system.

Over the MTEF period, the programme is allocated R1,05 billion. For the 2024/25 financial year, the Programme is allocated R333,1 million, which accounts for 0.29% of the Department's total voted funds, excluding direct charges. The allocation increased nominally by R38,3 million (or R23,3 million in real terms) from the adjusted appropriation of R294,8 million in 2023/24. Approximately 49.95% of the programme's budget is appropriated for sub-programme 2: Sector Education and Training Authority Coordination, followed by Sub-programme 5: National Artisan Development at 34.16%.
In terms of economic classification, R155,2 million is allocated to the Compensation of Employees, which accounts for 46.59% of the programme's budget, excluding direct charges. Goods and Services received R18,5 million. Allocation for transfers amounts to R156,5 million, which is transferred to Departmental agencies.

The programme has 11 planned targets.
Key selected targets for the 2024/25 financial year.

Outcome: Expanded access to PSET opportunities

- The annual number (190 000) of learners or students placed in work-based learning (WBL) programmes;
- Number (150 000) of learners registered in skills development programmes annually, and
- Number (36 375) of learners entering artisanal programmes annually.

Outcome: Improved success and efficiency of the PSET System

- Number (26 000) of artisans found competent annually;
- Number (53 000) of learners who completed learnerships annually; and
- Number (128 000) of learners who complete skills programmes annually.

Outcome: Improved quality of PSET provisioning

- Percentage (95%) of SETAs that meet the standard of good governance.
- Percentage (100%) of allocated SETA Mandatory Grants paid on time to employers

Outcome: A responsive PSET System

- Average lead time (40 days) from qualifying trade test applications received until the test is conducted.
- Number (21) of SETAs assessed to have developed credible Sector Skills Plans.

3.2.6. **Programme 6: Community Education and Training (CET)**

The programme aims to plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for community education and training. Provide financial and other support to community education and training colleges.

The programme has four budget sub-programmes, namely,

- Programme Management: Community Education and Training;
- Community Education and Training Systems, Planning, Institutional Development and Support;
- Community Education and Training College Financial Planning, and Management; and
- Education, Training and Development Assessment.

The programme supports the Department in its endeavours to expand access to PSET opportunities; improve the success and efficiency of the PSET system; improve quality of PSET provisioning; and a responsive PSET system.

Over the MTEF period, the CET Programme is allocated R9,3 billion. For the 2024/25 financial year, the Programme received an allocation of R2,9 billion, which accounts for 2.59% of the Department’s total voted funds, excluding direct charges. The allocation increased by R74,7 million in nominal terms (decreased by R56,7 million when considering inflation) from the adjusted appropriation of R2,8 billion in 2023/24. The bulk of the programme’s budget, at R2,6 billion or 91.22%, is allocated to sub-programme 2: Sub-programme 2: Community Education and Training System Planning, Institutional Development and Support. The sub-programme provides support to management and councils, monitors and evaluates the performance of the CET system, develops regulatory frameworks for the system, manages and monitors the procurement and distribution of learning and teaching support material, provides leadership for CET colleges to enter into partnerships for the use of infrastructure for college site-hosting centres, and funds these partnerships, maps an institutional landscape for the rollout of the CET system, and is responsible for the planning and development of CET infrastructure.

The programme's budget is projected to grow marginally in the outer two years of the MTEF period to R3,09 billion and R3,2 billion in 2025/26 and 2026/27, respectively. In terms of economic classification, R2,6 billion is allocated to the compensation of employees, which accounts for 92.09% of the programme's total funds. Goods and Services received R8,2 million. Transfers and subsidies allocation amounts to R224,4 million.

For 2024/25, the programme has nine targets, the following are the key selected targets:

Outcome: Expanded access to PSET opportunities

- Percentage (60%) of compliance by CET colleges with the implementation of the Funding Model for CET colleges;
- Percentage (60%) of compliance by CET colleges with the implementation of the National Norms and Standards for Funding CET colleges, and
- Number (388 782) of students enrolled at CET colleges annually.

Outcome: Improved success and efficiency of the PSET System

- Number (55 000) of CET college students completing the General Education and Training Certificate (GETC).
- Number (11) of programmes and qualifications offered in TVET colleges increased.

Outcome: Improved quality of PSET provisioning

- Percentage (100%) of CETCs that meet standards of good governance.
- Number (1 000) of CET college lecturers trained
- Percentage (100%) of the CETCs compliant with the policy on the Conduct and Management of Examination and Assessment per annum.

4. CONCLUSION

The Committee considered the 2024/25 APP of the Department and 2024/25 budget allocation, including the MTEF budget projections. Given the time constraints, the Committee was unable to consider the APPs of the entities as well as engage the Auditor-General of South Africa

(AGSA) on the proactive audit of the 2024/25 APPs within the Higher Education and Training Portfolio.

The Departments' 2024/25 APP is transitional and will be revised upon the finalisation and approval of the MTDP 2024 - 2029 by Cabinet.

The Department's total budget allocation over the MTEF period, including direct charges against the National Revenue Fund amounts to R430,4 billion. For the 2024/25 financial year, the Department is allocated a budget of R137,5 billion, comprising R113,01 billion of voted funds and R24,5 billion of direct charges against the National Revenue Fund. The budget is projected to grow at an average growth rate of 4.8% between 2023/24 – 2026/27. The Department's voted funds increased by R5,1 billion or 4.8% from R107,8 billion in 2023/24. The overall budget is projected to increase to R142,6 billion and R150,2 billion in 2025/26 and 2026/27, respectively.
The budget will support expanded access to PSET opportunities, improve success and efficiency, and improve the quality of the PSET system, as well as ensure its responsiveness to the economic skills needs. Although the Committee acknowledged the economic constraints the country faces, it was concerned about Cabinet-approved budget reductions of R27 billion over the MTEF period. Of great concern were the reductions to NSFAS, which will impact access to education and training. The reduction in infrastructure efficiency grants for universities and TVET colleges was noted with serious concern given that these institutions have ailing infrastructure and need to build new infrastructure to support increased access to, success, and quality of the PSET system.

The inadequate capacity of institutions to spend the IEG in previous years has contributed to the reprioritisation of the allocated budget by the National Treasury and the capacity challenges should be addressed.

5. KEY FINDINGS AND OBSERVATIONS

The Committee, having assessed the 2024/25 Annual Performance Plan and budget and MTEF projections of the Department, made the following findings and observations.

5.1. Programme 1: Administration

5.1.1. The 4633 vacant posts in the Department's staff establishment were concerning, especially the vacant principals and senior management posts at TVET colleges, including the Chief Financial Officer position.

5.1.2. It was noted with grave concern that the output indicators and targets related to the number of reports on the implementation of the Minimum Norms and Standards for Safety and Security at universities and selected TVET colleges have been discontinued. These output indicators and targets were introduced in the 2023/24 APP and given the security challenges at these institutions, this is a serious concern.

5.2. Programme 2: Planning, Policy and Strategy

5.2.1. The Committee noted the 2024/25 transitional Annual Performance Plan of the Department and its accompanying budget for the 2024/25 financial year and the MTEF budget projections and that the APP will be revised once the Medium-Term Development Plan is finalised and approved by the Cabinet.

5.2.2. The target setting for which achievement is dependent on processes that are not within the control of the Department is concerning, as this may pose the risk of not achieving the target. For example, the target for the Revised Higher Education Act approved by Parliament by 31 December 2024.

5.2.3. The delays by the Department in amending the Skills Development Act, 1998 to effect the recommendations of the Ministerial Task Team Review of the National Skills Fund to address governance challenges, duplications and overlaps between the work of the NSF and the SETAs are concerning.

5.3. Programme 3: University Education

5.3.1. The Department's plans to ensure that students have appropriate infrastructure to support the increasing student enrolment in higher education will be negatively impacted by budget cuts in infrastructure efficiency grants and subsidies to universities over the MTEF period.

5.3.2. The budget cuts amounting to R16 billion implemented on NSFAS baseline funding over the MTEF period remain a serious concern given that the budget reduction will result in 87 712 university students not being funded in the 2024 academic period and increasing to 120 976 students in the 2025 academic period. The decline in NSFAS funding will hinder the ability of the Department to achieve its NDP 2030 target of 1.6 million students in universities and the government's goal of reducing inequality, poverty and unemployment.

5.3.3. The disparities in the NSFAS accommodation allowances paid to students in the TVET sector compared with university students were noted as a concern.

5.3.4. The NSFAS' state of affairs has serious implications for the stability of the higher education system. Examples were provided regarding the delayed confirmation of funding decisions to students, including the processing of appeals and related matters.

5.3.5. The plans to establish two new universities for Science and Innovation in Ekurhuleni and Crime Detection and Policing in Hammanskraal were noted and welcomed. However, the Committee was concerned with shifting the target of actual construction of these institutions, and the revised 2023/24 APP target was to commence construction in 2024/25.

5.3.6. The shortage of requisite infrastructure and student housing remains a serious concern in the university sector.

5.3.7. The approach used by universities of withholding certificates of students with outstanding debt was noted as a concern as this affects their employability prospects. The Committee has questioned the legality of this approach.

5.4. Programme 4: Technical and Vocational Education and Training

5.4.1. The slow increase in the TVET college enrolments will have a significant impact on achieving the NDP target of having 2.5 million students by 2030 in the TVET sector. Compounding this situation is the R1,2 billion budget cuts on TVET infrastructure efficiency grants (IEG) over the medium-term period despite the need to build new infrastructure and refurbish existing ailing infrastructure within the TVET sector.

5.4.2. The Department's plans for expanding TVET college campuses across the country were noted, however; priority should be given to geographically remote areas that do not have these facilities.

5.4.3. TVET colleges play a vital role in filling the skills gap in the job market, however, the funding of TVET programmes that are unresponsive and oversubscribed by students remains a concern. Most TVET graduates with theoretical qualifications struggle to find employment.

5.4.4. Concerns were raised regarding the outdated TVET workshop equipment used for the practical training component of students' studies. The old equipment hinders the ability of students to prepare for technology-advanced workplaces.

5.4.5. Concerns were raised about the state of rural TVET colleges which do not have sufficient facilities to support the quality of teaching and learning.

5.4.6. Concerns were raised regarding poor student accommodation facilities that do not meet the DHET minimum norms and standards for student housing in the TVET sector.

5.5. Programme 5: Skills Development

5.5.1. The exploitation of training-to-employ programmes by private companies at the expense of the beneficiaries remains a concern. It was noted that this programme was a money-making scheme, as the beneficiaries are unemployed after one year of training.

5.5.2. The National Skills Development Strategy makes clear proposals in terms of closing the skills gap and enabling young people to become economically active, however, the implementation of this strategy remains a serious concern. The reality of unemployment and poverty continues to affect many young people.

6. RECOMMENDATIONS

The Committee, having assessed APP 2024/25 of the Department, makes the following recommendations to the Minister responsible for the Vote:

6.1. Programme 1: Administration

6.1.1. The Department should put in place measures to fill the funded vacant posts to improve its internal capacity, including in TVET and CET colleges. Additionally, the Department should expedite the appointment of the CFO on a substantive basis.

6.2. Programme 2: Planning, Policy and Strategy

6.2.1. The Department should ensure that the Revised 2024/25 considers the recommendations of the Committee, particularly those related to setting attainable targets. Furthermore, the Department should ensure that the output indicators of the Minimum Norms and Standards for Safety and Security at universities and TVET colleges are included in the revised APP.

6.2.2. The Department should also engage the National Treasury regarding the impact of budget cuts on attaining the NDP 2030 targets for the entire PSET system.

6.2.3. The Department should expedite the review of the Skills Development Act, 1998 (Act No. 97 of 1998) to address the governance challenge where the Director-General of the Department is the Accounting Authority of the NSF, thereby acting as a player and referee.

6.2.4. The Department should monitor institutions to ensure that the target of constructing 5 000 student beds in the 2023/24 financial year is achieved to address the shortage of student accommodation at institutions.

6.2.5. The Department should put measures in place to strengthen the capacity of TVET colleges and universities to spend infrastructure efficiency grants.

6.3. Programme 3: University Education

6.3.1. The Department should put in place the necessary measures to expedite the process of removing third parties from the disbursement of allowances to students in the PSET system.

6.3.2. The newly appointed Administrator should invest efforts and resources to restore stability at the NSFAS and ensure that the entity performs at its optimum level for the sustainability and stability of the PSET system.

6.3.3. The process of standardizing allowances, especially accommodation and meal allowances for university and TVET college students should be expedited given that students in both sectors are exposed to similar socio-economic conditions.

6.4. Programme 4: Technical and Vocational Education and Training

6.4.1. More emphasis should be placed on improving the quality of teaching and learning in the TVET sector to produce graduates who are fit for the workplace.

6.5. Programme 5: Skills Development

6.5.1. The Department should enhance its strategic industrial partnerships to improve workplace learner placement and employability prospects post-training.

Report to be considered.

2. Report of the Portfolio Committee on Justice and Constitutional Development on Vote 25: Justice and Constitutional Development for 2024/25, dated 12 July 2024

The Portfolio Committee on Justice and Constitutional Development, having considered the Vote 25: Justice and Constitutional Development for 2024/25, reports as follows:

1. **Introduction**

1.1. Vote 25: Justice and Constitutional Development contains five programmes, as well as a direct charge for Magistrates' salaries:

1.1.1. The Department of Justice and Constitutional Development (the Department) is responsible for the Administration, Court Services, State Legal Services and National Prosecuting Authority (NPA) programmes, as well as the Justice Modernisation subprogramme under Programme 5: Auxiliary and Associated Services.

1.1.2. In addition to the allocation to the Justice Modernisation sub-programme, Programme 5: Auxiliary and Associated Services contains transfer payments to Legal Aid South Africa, the Special Investigating Unit (SIU), the Information Regulator, the Office of the Legal Services Ombud, the South African Human Rights Commission (SAHRC) and the Public Protector South Africa (PPSA).

2. **Method**

2.1. The newly established Committee had limited opportunity to engage with stakeholders concerning planned expenditure and their related plans given the legislative requirement that Parliament must pass the Appropriation Bill within four months of the start of the relevant financial year – that is by 31 July 2024. For this reason, the Committee met only the Department for now.

2.2. The Committee was briefed by the Department of Justice and Constitutional Development on 9 and 10 July 2024.

2.3. All presentations are available from the Committee Secretariat.

3. **Policy priorities**

3.1. The *National Development Plan 2030 (NDP)* requires, among others, that we build safer communities; promote accountability and fight corruption; and strengthen judicial governance and the rule of law.

3.2. The Department's Annual Performance Plan for 2024/25 is the final plan for the current strategic cycle. The Plan was developed in line with the revised Framework for Strategic Plan and Annual Performance Plan (RFSP&APP) and the Framework for Managing Programme Performance Information (FMPPI), RFSP, Medium Term Strategic Framework (MTSF), National Annual Strategic Plan (NASP) and Minister's Performance Agreement and its constitutional and legislative mandate.

3.3. The *Medium-Term Strategic Framework (MTSF) 2019-2024* identifies seven priorities and related interventions of the Sixth Administration. Justice has responsibilities in respect of two priorities: namely Priority 1 'A capable, ethical and developmental state' and Priority 6 'Social cohesion and safe communities'.

3.4. In addition, the lack of access to resources and lack of opportunity for Women, Youth and People with Disabilities are identified as cross-cutting, requiring a variety of interventions, including legislative amendments.

3.5. *National Strategic Plan on Gender-Based Violence and Femicide (NSP on GBVF)*. Pillar 3 of the NSP-GBVF provides for Justice, Safety and Protection and seeks to address the systemic challenges that have resulted in an inadequate response to the management of GBVF cases, particularly domestic violence, sexual offences, child homicide, human trafficking, and other related matters.

Departments are required to integrate related NSP-GBVF outcomes in their five-year strategic plans and annual performance plans.

4. **Overview of 2024 MTEF**

4.1. The 2024 Budget proposes a net reduction to main budget non-interest expenditure of R80.6 billion compared with the 2023 Budget. Resources are reallocated to fund spending pressures in key service delivery departments.

4.2. Although spending on capital infrastructure is the fastest growing item, on average 60.2% of consolidated non-interest spending continues to be spent on the social wage (health, education, social protection, community development and employment programmes). Notably, R251.3 billion has been added to the MTEF to ensure that the salaries of teachers, doctors, nurses, police and many other public servants are funded, and to maintain strong levels of social protection through 2026/27. Further, an amount of R7.4 billion is set aside in 2024/25 for the presidential employment initiative.

4.3. The *Peace and Security function* - of which Law Courts and Prisons form part - accounts for 12.4% of government's consolidated expenditure. The function is allocated R765 billion over the medium term to combat crime and ensure territorial integrity (R244.04 billion is allocated in 2024/25 (compared with R236.83 billion in 2023/24); R254.5 billion in 2025/26; and R266.56 billion in 2026/27.

Peace and Security budget allocation 2024 MTEF

Function (R' billion)	**2023/24 (Revised)**	**2024/25**	**2025/26**	**2026/27**	**% Peace and Security**	**% Total MTEF allocation**
Defence and State Security	53.50	53.50	55.43	57.91	22%	2.7%

Function (R' billion)	2023/24 (Revised)	2024/25	2025/26	2026/27	% Peace and Security	% Total MTEF allocation
Police Services	117.10	125.01	131.23	137.11	51.2%	6.4%
Law Courts and Prisons	**52.12**	**54.43**	**56.80**	**59.40**	**22.3%**	**2.8%**
Home Affairs	14.11	11.10	11.03	12.04	4.5%	0.6%
Total	236.83	244.04	254.50	266.50	100%	12.4%

4.4. The Function's baseline increases by R12.3 billion (net) over the medium term: An additional R39.4 billion is allocated to selected departments to cover the carry-through costs of the 2023/24 public-service wage increase. However, there are reductions to Goods and Services' budgets of R15 billion over the medium term.

4.5. Approximately 22.3% of the overall allocation for Peace and Security goes to 'Law courts and prisons'. Specifically, the Vote 25 Justice and Constitutional Development receives 9.88% of the overall allocation to the Function.

5. **Budgetary Review and Recommendation Report (BRRR) October 2023 and Minister of Finance's response to Parliament**

5.1. The Minister of Finance replied to the Committee's observations concerning budget cuts made in its 2023 Budgetary Review and Recommendation Report, as follows:

"*The importance of Legal Aid SA's contribution to the smooth functioning of the criminal justice system should be taken into account when allocations are made. Legal Aid SA has had to reduce court coverage in past years and there is no relief capacity. Without legal representation, cases cannot run, causing delays, and contributing to backlogs. In addition, its civil work assists many poor and* *vulnerable persons, who would not otherwise have access to legal representation or advice. Legal Aid SA should be allocated funds for fees due to legal practitioners in land matters for pending instructions held on 1 January 2022, which remain unfunded.*

Consistent with the committee's recommendation, R156 million is shifted from the Department of Agriculture, Land Reform and Rural Development to Legal Aid South Africa over the 2024 MTEF period to deal specifically with fees owed to legal practitioners handling land-related matters pertaining to instructions pending as of 1 January 2022.

Concerning the South African Human Rights Commission and Public Protector South Africa, the Committee does not support any budget cuts to their allocations.

The National Treasury notes the committee's concerns. However, serious fiscal constraints have made spending reductions to departments and entities unavoidable. Reprioritisation is advised to fund spending pressures and emerging priorities."

6. **Vote 25: Justice and Constitutional Development**

Vote 25 Justice and Constitutional Development: Programme allocation 2024 MTEF

Programme (R 'million)	Budget 2024 MTEF				Average % Total Expenditure 2023/24-2026/27	Real % change
	2023/24	2024/25	2025/26	2026/27		
Administration	2 938.0	2 906.4	3 083.7	3 330.7	12.4%	-5.52%
Court Services	6 637.3	7 226.7	7 475.8	7 838.1	29.6%	3.99% t
State Legal Services	1 596.5	1 668.6	1 813.5	1 858.7	7.1%	1.02%

Programme (R 'million)	Budget 2024 MTEF				Average % Total Expenditure 2023/24-2026/27	Real % change
	2023/24	2024/25	2025/26	2026/27		
National Prosecuting Authority	5 391.1	5 888.6	6 087.9	6 268.1	24%	4.32%
Auxiliary and Associated Services	3 995.3	3 901.7	4 096.6	4 294.7	16.5%	-6.73%
SUB-TOTAL	**20 558.3**	**21 612.0**	**22 557.6**	**23 590.3**	**89.6%**	**0.41%**
Magistrates' Salaries	2 398.7	2 495.6	2 606.9	2 726.4	10.4%	-0.63%
TOTAL	**22 957.0**	**24 107.1**	**25 164.5**	**23 316.7**	**100%**	**0.30%**
Change to 2023 Budget estimate	-	2.1	5.7	5.2	-	-

6.1. The Justice and Constitutional Development Vote (Vote 25) is allocated R24.1 billion for 2024/25, including the direct transfer for Magistrate's salaries (compared to R 22.96 billion in 2023/24). In real terms, the Vote allocation increases by 0.3% when compared to 2023/24.

6.2. The total allocated for programmes in 2024/25 is R21.6 billion (compared to R20.6 billion in 2023/24), while R2.5 billion is for Magistrate's salaries.

Vote 25 Justice and Constitutional Development 2024 MTEF per economic classification

Programme (R 'million)	Budget 2024 MTEF				Average Expenditure / Total (%)	Real % change
	2023/24	2024/25	2025/26	2026/27	2023/24-2026/27	
Compensation of employees	13 637.5	15 055.1	15 699.7	16 395.5	61.7%	5,44%
Goods and services	5 323.8	5 173.9	5 417.1	5 680.9	21.9%	-7.2%
Transfers and subsidies	3 330.4	3 260.1	3 395.6	3 551.4	13.7%	-6.51%
Payments for capital assets	663.2	618.5	652.1	688.8	2.7%	-10.93%
Payments for financial assets	2.3	-	-	-	0%	-100%
Total	22 957.0	24 107.1	25 164.5	23 316.7	100%	0,3%

6.3. The key cost drivers for the Vote in 2024/25 are as follows:

6.3.1 *Compensation of employees*. R15.5 billion or 69% of budgeted expenditure is allocated to Compensation of employees. The allocation for this item increases by 5.44% in real terms.

6.3.2 *Goods and services*. Budgeted expenditure for Goods and services is R5.17 billion or 21.9% of the Vote allocation. Budget reductions of R5 billion over the medium term are made, largely from this item.

6.3.3 *Transfers and Subsidies* receives R3.3 billion or 13.7% of the Vote allocation.

6.3.4 *Payments for Capital Assets* receives R618.5 million or 2.7% of the Vote allocation. A total of R495.3 million is cut from the infrastructure budget over the medium term.

6.4. **Additions, reprioritisations and transfers**

6.4.1. *Compensation of employees*. The Vote is allocated an additional R4.75 billion over the medium term for the carry through cost of the 2023/24 public sector wage agreement.

6.4.2. *Fighting corruption and address greylisting*. An additional R627.8 million is allocated over the MTEF period to accelerate the implementation of the recommendations of the Commission of Inquiry into Allegations of State Capture (State Capture Commission) and to support South Africa's response to grey-listing. The amount is split between the Lower Court Services programme (R282.5 million), State Legal Services programme (R31.3 million) and the National Prosecuting Authority programme (R314 million).

6.4.3. R16.5 million is reprioritised from Magistrates Salaries to the Office of the Legal Services Ombud for the investigation of misconduct and promoting the integrity of the legal profession. As a result, spending in this subprogramme is expected to increase from R8.3 million in 2023/24 to R30 million in 2026/27

6.4.4. For land rights representation, R156 million is shifted from the Department of Agriculture, Land Reform and Rural Development to Legal Aid South Africa.

6.4.5. A further, R49.3 million and R4.8 million are shifted from the Department of Public Works and Infrastructure to the PPSA and SAHRC, respectively.

6.5. **Reductions to entities and institutions**

6.5.1. Budget reductions occur under Programme 5: Auxiliary and Associated Services, which contains the allocations to entities and independent institutions as follows:

Programme 5: Auxiliary and Associated Services

Subprogramme **R'million**	**2023/24**	**2024/25**	**Real percentage change**
Legal Aid SA	2 124,6	2 109,0	-5.2%
SIU	489,8	449,7	-12.3%
PPSA	357,3	352,0	-5.9%
SAHRC	208,3	203,2	-6.8%
Justice Modernisation	697.8	662.2	-9.5%
Information Regulator	109,3	110,9	-3.09%
Legal Services Ombud	8.3	15.8	81.8%
Total	**3 995,3**	**3 901,8**	**-6.7%**

6.5.2. Except for the Legal Services Ombud, the allocations to entities and institutions funded through the Vote decrease in real terms when compared to 2023/24. Over the medium term, these entities and constitutional institutions experience budget reductions as follows:

- R717.8 million is cut from the allocation to Legal Aid SA. To mitigate against the impact on performance, no new positions will be created, and the entity will recruit staff only for critical positions and use savings from cost-containment measures and cash reserves.
- R171.2 million is cut from the allocation to the Special Investigating Unit over the medium term. To mitigate the impact on performance, the institution will implement cost-containment measures and use cash reserves.
- R53.6 million and R117.3 million are cut from the allocations to the South African Human Rights Commission and the Public Protector South Africa respectively. In the case of the PPSA, the institution will implement cost-containment measures and use cash reserves. The SAHRC plans to freeze the filling of vacant posts and rely on natural attrition to reduce its head count.

7. **Department of Justice and Constitutional Development**

7.1. The February 2024 State of the National Address highlighted the need to:

- *Accelerate implementation of the State Capture Commission and Financial Action Task Force recommendations*. An additional R627.8 million has been allocated to the Department over the MTEF for the implementation of FATF and the State Capture Commission' recommendations. However, the SIU's budget has been reduced by R171.2 million over the MTEF.
- *Strengthen the response to GBV and Femicide (GBVF).* There are no additional allocations in the 2024 Budget for GBVF. However, the NPA has reprioritised funds over the MTEF to increase the number of Thuthuzela Care Centres (TTC's) and appoint additional personnel. The NPA has also developed relationships with external stakeholders to assist with the funding of new TCC's.
- *Build the capacity of the Office of the Legal Services Ombud and Legal Aid South Africa's Land Rights Management Unit.* To enhance capacity at the Office of the Legal Services Ombud, R16.5 million will be reprioritised from magistrates' salaries. R156 million will be reprioritised from the Department of Agriculture, Land Reform and Rural Development to Legal Aid South Africa over the medium term for land representation.

7.2. The 2024/25 APP continues to include ten outcomes aligned to the MTSF and the Strategic Plan:

- Outcome 1: Modernised and digitised justice services platforms.
- Outcome 2: Improved organisational capabilities and good governance.
- Outcome 3: Improved awareness of justice services and constitutionalism.
- Outcome 4: Increased access to justice services.
- Outcome 5: Improved and transformed Master's services.
- Outcome 6: Colonial/apartheid-era justice-related legislation reviewed and replaced.
- Outcome 7: Transformed state legal services.
- Outcome 8: Transformed legal profession.
- Outcome 9: Advanced constitutionalism, human rights and the rule of law.
- Outcome 10: Crime and corruption reduced through effective prosecution.

7.3. The Department's strategic focus for 2024/25 is as follows:

7.3.1. ***Constitutional implementation***: The Department remains committed to advancing constitutionalism, human rights and the rule of law in line with its strategic mandate. Over the medium term, the focus will be on conducting strategic interventions towards the promotion of human rights.

7.3.2. ***Compliance with international and regional treaty obligations***. To improve compliance with international and regional treaty obligations, the Department will operationalise the National Human Rights Coordinating, Monitoring, Reporting and Follow-up Committee (NHRCMRFC) in South Africa. This Committee will serve as a national public mechanism or structure that is mandated to coordinate the preparation of reports, engage with international and regional human rights mechanisms and coordinate and track the national follow-up and implementation of the treaty obligations and recommendations coming from these mechanisms.

7.3.3. ***Extradition and the mutual legal assistance***. The Department will continue to review, modernise and improve the extradition regime and the mutual legal assistance framework to strengthen effectiveness and enhance collaboration with other states and entities in the fight against crime. The first phase of the mutual legal assistance and extradition repository system will be operational in 2024/25, in line with recommendations from the Financial Action Task Force (FATF). This system, together with the Interdepartmental Committee on Extradition and Mutual Legal Assistance, led by the Department, will assist in improving coordination between all the relevant stakeholders. The Department will introduce a reviewed Extradition Bill to Parliament; continue to process and finalise bilateral agreements on extradition and mutual legal assistance in criminal matters under negotiation with various countries; and continue to prioritise the relevant recommendations from the FATF in this regard.

7.3.4. ***Virtual repository for disaggregated statistical data for the measurement of racism, racial discrimination xenophobia and related intolerance***. The Department developed the virtual repository for disaggregated statistical data for the measurement of racism, racial discrimination xenophobia and related intolerance in line with the National Action Plan to Combat Racism, Racial Discrimination, Xenophobia and Related Intolerance (NAP). The data repository will serve as an integrated electronic information management system that will contribute to giving effect to the objectives of the NAP, and assist the country to meet its national, regional and international reporting obligations.

7.3.5. ***National Action Plan to Combat Racism, Racial Discrimination, Xenophobia and Related Intolerance (NAP)***: As the NAP's focal agency, the Department will continue to coordinate and contribute to its implementation over the next five-year implementation cycle, dovetailing with the MTSF period.

7.3.6. ***Programme for Legal Empowerment and Access to Justice (PLEAJ)***. PLEAJ is a pilot project funded through National Treasury's General Budget Support Programme to provide financial support to Community Advice Offices (CAOs) to help them deliver free, basic legal advice and other justice services. This will increase access to justice to the marginalised communities in selected provinces – Limpopo, Mpumalanga, North-West, and Free State. The Department aims to use the lessons learnt from this funding programme to develop a policy for the sustainability of the Community Advice Office Sector. The Department will continue to implement the second year of the 36-month PLEAJ pilot project and plans to continue conducting Constitutional Rights awareness sessions with CAOs funded by PLEAJ, as well as to provide financial support to 60 CAOs.

7.3.7. ***Review of anti-corruption architecture***. A Bill to strengthen whistle-blower protection, an amendment to review the effectiveness of the Prevention of Organised Crime Act, 1998, and legislation to strengthen our anti-corruption architecture is being considered.

7.3.8. ***Review of justice-related colonial and apartheid-era legislation with the aim of aligning this legislation with the Constitution of the Republic of South Africa, 1996***. The Department will continue to prioritise the review of justice-related colonial and apartheid-era legislation with the aim of aligning this legislation with the Constitution of the Republic of South Africa, 1996.

7.3.9. ***Addressing Gender-Based Violence and Femicide, and violence against women and children***. As the lead in the implementation of the objects of Pillar 3 of the GBVF National Strategic Plan (2020-2030), the Department will continue to enhance the establishment of a victim-centric justice system. Additional lower courts will be upgraded in line with the Minimum Standards for the Strategy on the Reasonable Accommodations to Access Justice for Court Users with Disabilities to create a disability-centric justice system. The Department further intends to speed up the service of domestic violence protection orders by establishing online measures to ensure compliance with the timeframes set by the Domestic Violence Act and its Regulations appointed for the holding of a court as provided in the Magistrates' Court Act, 1944. The Department intends to also request the operationalisation of section 6A of the Domestic Violence Act, 1998. This provision requires the establishment of the Integrated Electronic Repository (IER) for Domestic Violence Protection Orders. Over this MTEF period, the Department intends to progressively implement a solution for Online Applications for Domestic Violence Protection Orders, as soon as the Judicial Matters Amendment Bill [B 7B—2023] is assented to and signed into law.

7.3.10. ***Implementation of the Combating and Prevention of Trafficking in Persons Act7 of 2013.*** The revised National Policy Framework (NPF), which includes the Integrated Strategy and Action Plan for 2023–2026, intends to support the implementation of the Act. The Department will work with other departments and organisations to raise awareness and educate the public against trafficking under the auspices of the National Intersectoral Committee on Trafficking in Persons (NICTIP), with the support of Provincial Task Teams (PTTs). The NPF also intends to ensure the effective coordination of all the structures of trafficking in persons through NICTIP and the PTTs.

7.3.11. ***Sexual Orientation, Gender Identity, Expression and Sex Characteristics (SOGIESC) matters***. In 2024/25, the Department will implement interventions to further strengthen the effectiveness of the established National and Provincial Task Teams on SOGIESC and train officials at service points on SOGIESC matters to address the issue of secondary victimisation experienced by victims of hate crimes and unfair discrimination.

7.3.12. ***Transformation of state legal services to improve effectiveness and efficiency through the implementation of the State Attorney Amendment Act 13 of 2014.***

The Office of the Solicitor-General (OSG) successfully completed and presented six policies to Cabinet for approval. The implementation of these policies is an ongoing endeavour, and its success hinges on a robust implementation, monitoring and evaluation framework.

7.3.13. ***Provision of facilities that are accessible to persons with disabilities as required by building regulations***. The Department will continue in its efforts to increase access to justice through the building of new courts, renewal of leases and refurbishment of existing courts. The Department will ensure that its facilities have at least one disability parking ramp to the building, a toilet on the ground floor and lifts with voice and braille capabilities. Over the MTEF period, the existing facilities of 22 courts have been upgraded to be disability friendly. In addition to the 22 disability friendly courts, the Department is implementing access to persons with a disability in all new and refurbished courts under construction. The Department identified a target of 60 court facilities to be refurbished through minor capital works in the previous financial year. The provinces have completed 69 projects. The targets identified for 2023/24 and 2024/25 have increased to 70 and 82, respectively.

7.3.14. ***Load shedding and water shedding***. To minimise the lack of service delivery at the service points and court backlog, alternative power supply has been made through the provision of generators, solar panels, inverters and uninterrupted power supply (UPS). Provision has also been made for alternative water supply, i.e. water tanks and boreholes in the provinces. There is a total of 275 projects that are under planning and there are 146 complete projects for alternative power solutions. The projects under planning for alternative water supply amount to 173.

7.3.15. ***Implementation of an integrated education campaign that will profile justice services using a variety of multimedia communication channels to improve citizens' experience of justice services***. As a strategic focus, this will be affected due to cost containment.

7.3.16. ***Improvement of audit outcomes in respect of the Vote account and improving departmental performance.*** The Department will continue to direct all its efforts towards improving not only performance, but also its impact through service delivery.

7.3.17. ***Transformation of the Master's services to allow effective and optimal operation***. A system will be developed in the new financial year to allow for the online registration of trusts. The process to revisit and amend the Trust Property Control Act 57 of 1988 to allow for modernisation and more control by the Master is already at an advanced stage.

A new administration system and financial system for the Guardian's Fund are being developed. The development commenced in2021/22 and will be finalised and rolled out in 20204/25. The new system will be a full financial system, which will ensure accurate financial statements and management.

The process to revisit and amend the Administration of Estates Act, No. 66 of 1965, to allow for modernisation and to enable the Master's Office to keep up with electronic developments started in 2021/22 and is to continue in 2024/25.

7.3.18. ***Modernisation and digitalisation to increase access to justice services***. The Department continues to prioritise modernisation and digitalisation for the purpose of increasing access to justice services. In 2023/24, the Department approved its modernisation and digitalisation strategy, and completed Phase 2 of the Deceased Estates online solution with transacting capability. In 2024/25, the Department plans to roll out Phase 2 of the Trusts online solution with identified transecting capability, roll out Phase 1 of the Guardian's Fund online application with submission capability, and roll out the Court Recording Audio-Visual Solution (CRAVS) to 626 courtrooms.

7.3.19. ***Small Claims Courts***. The Review of the Small Claims Court System Report, undertaken in the 2023/24 financial year, identified areas in which changes need to take place to ensure the continued relevance, functionality and efficiency of the Small Claims Courts. The recommendations will be assessed 2024/25 with a view to implementation.

7.3.20. ***Traditional Courts***. The Department plans to assess the functioning of the Traditional Courts. Implementation of the Traditional Courts Act 9 of 2022 will commence in 2025/26.

7.4. ***Planned Expenditure***

Programme (R 'million)	**Budget 2024 MTEF**			
	2023/24	**2024/25**	**2025/26**	**2026/27**
Administration	2 938.0	2 906.4	3 083.7	3 330.7
Court Services	6 637.3	7 226.7	7 475.8	7 838.1
State Legal Services	1 596.5	1 668.6	1 813.5	1 858.7
Auxiliary and Associated Services: Justice Modernisation	697.8	661.2	695.3	731.7
TOTAL	**11 869.6**	**12 462.9**	**13 068.3**	**13 759.2**

7.4.1. While the Vote is allocated R24 billion for 2024/25, R12.5 billion is allocated to the programmes directly administered by the Department (including the Justice Modernisation sub-programme under Auxiliary and Associated Services). The bulk of projected spending is directed towards Lower Court Services.

7.4.2. In terms of economic classification, projected spending on Compensation of employees remains the biggest cost driver.

7.5. ***Personnel***

7.5.1. The Department has finalised the macro structure and commenced with the review of functional structures that will further contribute towards the effective management and leadership capability in business units. The focus will be on provincial, district and court structures.

Human resources per programme 31 January 2024*				
Programme	**Filled posts**	**Vacant posts**	**Total posts**	**Vacancy rate**
Administration	1 432	3	1 435	0.2%
Lower Court Services	12 921	5	12 926	0.0%
State Legal Services	2 104	7	2 111	0.3%
National Prosecuting Authority	5 431	1 010	6 441	15.7%
Auxiliary and Associated Services (Justice Modernisation)	130	1	131	0.8%
Total	**22 018**	**1 026**	**23 044**	**4.5%**

7.5.2. As of 31 January 2024, the Department had a staff complement of 22 018 against a total number of 23 044 posts. There are 1 026 vacant posts, with a vacancy rate of 4.5%.

7.5.3. In compliance with the Department of Public Service and Administration (DPSA)'s Circular 94 of 2023, the Department has abolished all unfunded vacant posts on PERSAL. The vacancy rate for the Department, therefore, dropped from 6.6% on 30 September 2023 to 4.5% as of 31 January 2024.

8. **Programme 1: Administration**

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

8.2. The Administration programme has 23 indicators linked to the following outcomes: (i) Modernised and digitalised justice services platforms; (ii) Improved organisational capabilities and good governance; and (iii) Improved awareness of justice services and constitutionalism.

8.3. The 2024/25 APP introduces the following new indicators to the Programme:

2024/25 APP	
OUTPUTS	**NEW INDICATORS**
Justice services accessible via digital channels	Phase 1 of Guardian's Fund online services available on the DoJCD online portal by 31 March 2025.
Digitalised Administrative Solutions developed to implement the Modernisation	Number of Digitalised Administrative Solutions developed to implement the Modernisation and Digitisation Strategy.
Records Digitalisation Strategy approved	Records Digitalisation Strategy submitted to the Director-General for approval by 31 March 2025.
Action plan activities for the Security Strategy implemented	Percentage of action plan activities for the Security Strategy implemented.
Framework on Entity Oversight approved	Framework on Entity Oversight submitted to the Director-General for approval by 30 September 2024.

8.4. The following indicators have been removed from the APP:

- Phases of Maintenance services available on the DoJ&CD Internet Portal (online) by 31 March 2024.
- Phases of Deceased Estates services available on the DoJ&CD Internet Portal (online) by 31 March 2024.
- Phases of Protection Order services available on the DoJ&CD Internet Portal (online) by target date.
- Social Compact between the Executive, Judiciary and Legislative tiers of government to be implemented by 2025.
- Disaster Management Plan (DMP) implemented and report on the implementation of the DMP produced by 31 March 2025.

8.5. *Personnel.* The Programme has 1 435 designated posts, of which three posts remain vacant. As of 31 January 2024, the abolishment of unfunded vacant posts has reduced the vacancy rate for the programme to 0.2%.

8.6. *Projected expenditure*

Administration: Medium Term Expenditure Estimate 2024/25 – 2026/27

Programme R'million	Adjusted Appropriation	Medium Term Expenditure Estimate			Real % change 2024/25
	2023/24	2024/25	2025/26	2026/27	
Ministry	38.3	38.5	45.0	52.0	-3.99%
Management	218.4	203.1	237.1	271.4	-11.18%
Corporate Services	795.3	828.7	879.1	923.0	-0.48%
Financial Administration	182.0	230.7	242.5	321.5	21.07%
Internal Audit	122.3	123.4	127.5	135.0	-3.63%
Office Accommodation	1 581.7	1 482.1	1 552.5	1 627.8	-10.50%
TOTAL	**2 938.0**	**2 906.4**	**3 083.7**	**3 330.7**	**-5.52%**
Change to 2023 Budget estimate	–	(323.4)	(290.3)	(198.0)	–

8.6.1. The Administration programme is allocated R2.91 billion in 2023/24, compared with R2.94 billion in 2023/24. The allocation increases over the MTEF from R2.9 billion in 2024/25 to R3.3 billion in 2026/2027.

8.6.2. A significant portion of this budget is earmarked for office accommodation and the Department's information technology systems.

8.6.3. Although the Financial Administration subprogramme increases by 21.07%, in line with the Department's focus on improving its financial governance, the allocation to Administration decreases overall by -5.2% in real terms. The most significant real decreases are found in the Management and Office Accommodation sub-programmes, at -11.8% and -10.5% respectively.

9. Programme 2: Lower Court Services

9.1. The Lower Court Services programme facilitates the resolution of criminal and civil cases by providing accessible, efficient and quality administrative and quasi-legal support to the lower courts and justice service points. The Family Advocate subprogramme, which in previous years was located within the Lower Court Services sub-programme, has been moved to the State Legal Service Programme.

9.2. Lower Court Services is focused on the following outcome: 'Increased access to justice services'.

9.3. The Lower Courts Services programme has 14 indicators for 2024/25 that are linked to the above outcome.

9.4. In 2024/25, the following new indicators have been added under the Programme:

2024/25 APP	
OUTPUTS	**NEW INDICATORS**
Traditional Courts assessment report submitted to the Director-General for approval	Traditional Courts assessment report submitted to the Director-General for approval by target date (31 March 2025).
Strategic engagements to combat racism, racial discrimination, xenophobia and related intolerance held	Number of strategic engagements to combat racism, racial discrimination, xenophobia and related intolerance held

9.5. *Planned expenditure*

Lower Court Services: Budget 2024 MTEF, including real percent change

Sub-programme	Adjusted Appropriation	Medium Term Expenditure Estimate			Real % change
R'million	2023/24	2024/25	2025/26	2026/27	2024/25
Lower Courts	5 478.6	6 030.6	6 211.7	6 484.9	5.13%
Magistrates Commission	18.2	18.4	19.2	20.1	-3.44%
Facilities Management	535.5	524.7	552.7	582.6	-6.42%
Administration of Lower Courts	605.1	652.9	692.2	750.5	3.06%
TOTAL	**6 637.3**	**7 226.7**	**7 475.8**	**7 838.1**	3.99%
Change to 2023 Budget estimate	–	462.8	415.0	453.8	-

9.5.1. Lower Court Services is allocated R7.2 billion in 2024/25, compared with an adjusted budget of R6.6 billion in 2023/24.

9.5.2. Overall, the allocation to this Programme increases in real terms by 3.99% from 2023/24.

9.5.3. The most significant increase is in the allocation to the Lower Courts sub-programme, which grows by 5.13% in real terms. An additional R627.8 million has been allocated over the medium term for the implementation of FATF and State Capture Commission recommendations, of which R282.5 million is allocated to the Lower Courts Services.

9.5.4. However, the allocation to the Facilities Management sub-programme, which funds the provision of accommodation for courts and justice service delivery points, including the construction of new and additional accommodation, decreases in real terms by -6.4%.

9.5.5. The spending focus for the programme remains mainly on personnel (R5.2 billion), property payments (R685.6 million), and buildings and fixed structures (R460.3 million).

9.6. ***Personnel:*** The Programme has 12 926 posts, of which 12 921 are filled. As of 31 January 2024, the Programme had a 0.0% vacancy rate. (This is compared to 1 January 2023, when the Programme had 13 349 posts, of which 689 -or 5.2% - posts were vacant. The APP notes that to achieve the Programme's planned outcomes it is necessary to fill vacancies but due to cost containment, this will not be possible.

10. **Programme 3: State Legal Services**

10.1. The programme provides legal and legislative services to government; facilitates the resolution and mediation of family disputes; supervises the registration of trusts and the administration of deceased and insolvent estates and estates undergoing liquidation; manages the Guardian's Fund; prepares and promotes legislation; facilitates constitutional development and undertakes research in support. In 2024/25, the Family Advocate subprogramme is added to this programme.

10.2. The State Legal Services programme has 31 indicators for 2024/25, which are linked to 8 outcomes: (i) Improved organisational capabilities and good governance; (ii) Increased access to justice services; (iii) Improved and transformed Master's Services; (iv) Colonial/apartheid-era justice-related legislation reviewed and replaced; (v) Transformed state legal services; (vi)Transformed legal profession; (vii) Advanced constitutionalism, human rights and the rule of law; and (viii) Crime and corruption reduced through effective prosecution.

10.3. The Programme has the following new indicators:

2024/25 APP		
OUTCOMES	**OUTPUTS**	**NEW INDICATORS**
Increased access to justice services (RELOCATED)	Family Advocate litigation matters finalised	Percentage of Family Advocate litigation matters finalised within 12 months from the date of opening the matter
	Family Advocate Alternative Dispute	Percentage of Family Advocate ADRM matters finalised within

	Resolution Mechanism (ADRM) matters finalised	6 months from the date of opening the matter
Improved and transformed Master's Services	New deceased estates registered on the deceased estate online registration system	Percentage of new deceased estates registered on the deceased estate online registration system
Colonial/apartheid-era justice-related legislation reviewed and replaced	Report on the review of the SALRC submitted to the Minister for approval	Report on the review of the SALRC submitted to the Minister for approval by 31 March 2025
Advanced constitutionalism, human rights and the rule of law	Strategic engagements to combat racism, racial discrimination, xenophobia and related intolerance held	Number of strategic engagements to combat racism, racial discrimination, xenophobia and related intolerance held.

10.4. *Planned expenditure*

State Legal Services: Budget 2024 MTEF, including real percent change

Sub-programme	**Adjusted Appropriation**	**Medium Term Expenditure Estimate**			**Real % change 2024/25**
R'million	**2023/24**	**2024/25**	**2025/26**	**2026/27**	
State Law Advisors	82.6	82.8	91.0	90.3	**-4.26 %**
Litigation and Legal Services	467.5	506.0	534.0	550.1	**3.38 %**
Legislative Development and Law Reform	105.5	109.2	118.0	123.4	**-1.14 %**
Master of the High Court	585.3	599.6	641.3	651.6	**-2.16 %**
Constitutional Development	82.0	96.9	106.1	111.1	**12.87 %**
Family Advocate	273.7	294.2	323.2	332.2	**2.66 %**
TOTAL	**1 596.5**	**1 688.6**	**1 813.5**	**1 858.7**	**1.02 %**
Change to 2023 Budget estimate	–	(10.0)	42.0	6.0	-

10.4.1. The State Legal Services programme is allocated R1.68 billion for 2024/25, compared to R1.6 billion in 2023/24.

10.4.2. In real terms the Programme's budget increases by 1.02% when compared to 2023/24. However, this increase includes an amount of R294.2 million for the Family Advocate, which was previously located under Programme 2: Lower Court Services.

10.4.3. The Master of the High Court and the Litigation and Legal Services subprogrammes are allocated 35.5% and 29.97%, respectively, of the overall Programme' budget.

10.4.4. The spending focus for the programme remains largely on personnel (R1.5 billion), and Legal Services (R28.7 million).

10.5. *Personnel.* As of 31 January 2024, the Programme had 2 111 posts, of which 2 104 are filled, with a vacancy rate of 0.3%. To compare, on 1 January 2023, the programme had 2 349 posts, of which 270 or 11.6% of posts were vacant.

11. **Programme 4: National Prosecuting Authority**

11.1. The NPA provides a co-ordinated prosecuting service that ensures that justice is delivered to the victims of crime through general and specialized prosecutions; removes the profit from crime; and protects certain witnesses. The NPA also forms part of the Anti-Corruption Task Team (ACTT).

11.2. The Programme has the following sub-programmes:

- National Prosecutions Service: Primarily responsible for general and specialised prosecutions and the appeals that might follow, which include resolving criminal matters outside of the formal trial process through alternative dispute resolution mechanisms, settling admissions of guilt for minor offences and considering dockets brought by the police where persons have not been charged. This sub-programme further deals with priority crimes litigation, sexual offences and community affairs and specialised commercial crimes.

- Investigating Directorate: Provides for the Investigating Directorate, established in the Office of the National Director of Public Prosecutions, to deal with offences or criminal or unlawful activities involving serious, high- profile and complex corruption, including allegations of corruption arising from commissions of inquiry.
- Assets Forfeiture Unit: Seizes assets that are the proceeds of crime or have been part of the offence through a criminal or civil process.
- Office of Witness Protection: Provides for protection, support and related services to vulnerable, intimidated witnesses and related persons in judicial proceedings in terms of the Witness Protection Act (1998).
- Strategy, Operations and Compliance: Provides corporate support services to the National Prosecuting Authority in terms of finance, human resources, ICT, strategy support, integrity, security, communication and risk management.

11.3. Outputs, indicators, and targets for 2024/25 are as follows:

NPA – Outcome, outputs, output indicators and targets

OUTPUT	**OUTPUT INDICATORS**	**TARGET**			
		2023/24 ESTIMATE	**2024/25**	**2025/26**	**2026/27**
OUTCOME: Crime and corruption reduced through effective prosecution					
Effective prosecutions conducted	Conviction rate in High Court	87%	87%	87%	87%
	Conviction rate in Regional Court	74%	74%	74%	74%
	Conviction rate in District Court	88%	88%	88%	88%
	Number of witnesses and related persons threatened, harmed or	0	0	0	0

OUTPUT	OUTPUT INDICATORS	TARGET			
		2023/24 ESTIMATE	2024/25	2025/26	2026/27
	killed while on the witness protection programme				
Fraud and corruption dealt with	Conviction rate in complex commercial crime	90%	90%	90%	90%
	Number of persons convicted of corruption and/or offences related to corruption	334	210	230	240
	Number of investigations authorised (ID)	11	11	16	20
	Number of state capture and complex corruption matters enrolled	12	6	10	10
	Number of prosecutions involving money laundering	84 (baseline)	90	90	90
Addressing the proceeds of crime	Value of freezing orders obtained for corruption or offences relating to corruption	R2.4 billion	R750 million	R750 million	R750 million
	Value of recoveries relating to corruption or related offences	R1.4 billion	R350 million	R350 million	R350 million

OUTPUT	OUTPUT INDICATORS	TARGET			
		2023/24 ESTIMATE	2024/25	2025/26	2026/27
OUTCOME: Increased access to justice services					
Victim-centric services enhanced	Number of new TCCs established	2	2	2	2
	Conviction rate in sexual offences	70%	70%	70%	70%

11.4. To address fraud and corruption, the NPA plans to convict and sentence 680 persons of corruption over the medium term. The 'Number of investigations authorised' will increase steadily to an accumulative figure of 60 investigations authorised over the medium-term period. The 'Number of state capture and complex corruption matters enrolled' will increase to 54 matters enrolled over the medium-term period.

11.5. A new indicator of 'Number of prosecutions instituted involving money laundering' is introduced with a baseline of 84 in response to a weakness that FATF identified in the prosecution of money-laundering cases. Over the medium-term, a total of 270 money laundering prosecutions will be instituted, with an annual target of 90 prosecutions instituted.

11.6. Addressing the proceeds of crime, the target for 'value of freezing orders obtained for corruption or offences relating to corruption' is R750 million annually or R2.25 billion over the next 3 years; while the target for 'value of recoveries relating to corruption or related offences' is R1.5 billion over the medium term.

11.7. Over the medium-term, the NPA plans to establish 2 new Thuthuzela Care Centres (TCCs) to bring the total number of operational TCCs by the end of 2026/27 to 70.

11.8. *Planned expenditure*

NPA: Programme allocation for 2024 MTEF

SUB-PROGRAMME R'000	BUDGET R'MILLION				Average Expenditure/ Total (%)	REAL % CHANGE
	2023/24 ADJUSTED	2024/25	2025/26	2026/27	2023/24-2026/27	
National Prosecutions Service	3998.3	4439.8	4587.3	4707.0	75%	6.06%
Investigating Directorate	260.3	310.7	308.6	319.7	5.1%	14%
Asset Forfeiture Unit	254.0	261.4	276.1	286.3	4.6%	-1.71%
Office of Witness Protection	252.1	266.8	277.8	289.4	4.6%	1.08
Strategy, Operations and Compliance	626.4	609.9	638.1	665.7	10.7%	-7%
Total	**5 371.1**	**5 888.6**	**6 197.2**	**6 386.7**	**100%**	**4.33%**
Change to 2023 Budget estimate	-	335.7	291.1	205.6	-	-

11.8.1. The NPA is allocated R5.88 billion for 2024/25, compared with 5.4 billion in 2023/24.

11.8.2. In 2024/25, the NPA's overall budget increases in real terms by 4.33% (2023/24: 3.98%). In terms of sub-programmes, the Investigating Directorate's budget increases by 14%, followed by the National Prosecutions Service whose budget increases by 6.06%.

NPA: Allocation economic classification 2024 MTEF

Programme (R 'million)	Budget 2024 MTEF				Average: Expenditure/ Total (%)	Real % change
	2023/24	2024/25	2025/26	2026/27	2023/24-2026/27	
Compensation of employees	4 509.7	5 036.2	5 196.0	5 326.1	84.9%	6.6%
Goods and services	801.6	793.8	830.7	877.9	14%	-5.42%
Transfers and subsidies	22.5	21.6	22.5	23.6	0.4%	-8.3%
Payments for capital assets	56.2	37.1	38.7	40.6	0.7%	-36.95%
Payments for financial assets	1.1	-	-	-	-	-100%
Total	**5 391.1**	**5 888.6**	**6 087.9**	**6 268.1**	**100%**	-

11.8.3. In terms of economic classification, 'compensation of employees' remains the major cost driver at 85% of the Programme allocation. The NPA reports that this item is under major pressure as the NPA does not have sufficient budget to fund the new salary wage bill from its baseline, nor fund any new appointments. The NPA will, therefore, reduce its head count by 976 over the MTEF period to remain within the allocated budget (654 in 2024/25, 212 in 2025/26 and 55 in 2026/27). The NPA's Aspirant Prosecutor Training Programme's intake has been put on hold, as well as the absorption of trainees during 2023/24.

11.8.4. Under 'Goods and Services', the main cost drivers are facilities, fleet management, IT services, VIP protection services, legal services and operational expenditure relating to the Witness Protection Programme. The NPA intends to curb expenditure in respect of the appointment of legal experts (section 38) by implementing alternatives means such as cross-cutting prosecutor teams and collaborating with the private sector. The NPA has received funding from the Criminal Assets Recovery Account to supplement funding for these appointments.

11.8.5. The NPA is allocated R314 million over the MTEF to support the implementation of the State Capture Commission and Financial Action Task Force's recommendations. In addition, the NPA reports that it has received funds from the CARA fund for the appointment of legal experts.

11.9. ***Personnel***. On 1 January 2024, the NPA had a staff establishment of 6 441, of which 5 431 posts are filled and 1 010 are unfilled, with a vacancy rate of 15.7%. By comparison, on 1 January 2023, the NPA had a staff establishment of 6 432 posts, of which 5 203 were filled and 1 229 were vacant with a vacancy rate of 19%.

12. Programme 5: Auxiliary and Associated Services - Justice Modernisation

12.1. The Justice Modernisation sub-programme contains funds for the modernisation of IT systems and for the Integrated Justice System (IJS) project on behalf of JCPS Cluster departments and entities.

12.2. Justice Modernisation has identified the following outcome: 'Modernised and digitised justice services platforms' with the following related output indicators and targets:

Indicator	Performance 2023/24	Target		
		2024/25	2025/26	2026/27
No of IJS Governance intervention sessions held	14	14	14	14
No of IJS operational sites assessed for vulnerability to cyberattacks.	2	2	2	2
No of police station at which where Integrated Person Management (IPM) is deployed (NEW)	20	40	-	-
Number of additional government departments and/or entities connected	11	1	1	1

to transversal platform and exchanging information electronically				

12.3. The following indicators have been removed from the 2024/25 Annual Performance Plan:

- Number of KPIs completed on the Integrated Justice System dashboard.
- Number of SAPS Police stations where Person Verification Services (PVS) is deployed.

12.4. Justice Modernisation is allocated R661.2 million for 2024/25, compared with R697, 8 million in 2023/24, decreasing by -9.5% in real terms from 2023/24.

Justice Modernisation: Budget 2024 MTEF, including real % change

SUB-PROGRAMME	**Budget R'million**				**REAL % CHANGE**
	2023/24 (Adjusted)	**2024/25**	**2025/26**	**2026/27**	
Justice Modernisation	687.8	661.2	695.3	731.7	-9.5%

13. **Programme 5: Auxiliary and Associated Services**

13.1. The Programme provides a variety of auxiliary services associated with the Department's aims and funds transfer payments to the South Africa Human Rights Commission, the Public Protector SA, Legal Aid South Africa, the Special Investigation Unit, the Information Regulator and the Office of the Legal Services Ombud.

13.2. The spending focus of the Programme is the modernisation of the justice system and transfers to public entities and independent institutions.

13.3. Except for the Office of the Legal Services Ombud, the baseline allocations to all entities and independent institutions funded under the Programme are all reduced.

SUB-PROGRAMME R'000	BUDGET				Average Expenditure/ Total (%)	REAL % CHANGE
	2023/24 ADJUSTED	2024/25	2025/26	2026/27	2023/24-2026/27	
Legal Aid SA	2 124,6	2 109,0	2 203,2	2 303,8	53,7%	-5,2%
SIU	489,8	449,7	459,9	481,2	11,5%	-12,3%
PPSA	357,3	352,0	368,0	385,4	9%	-5,9%
SAHRC	208,3	203,2	212,1	221,6	5,2%	-6,8%
Justice Modernisation	697,8	661,2	695,3	731,7	17,1%	-9,5%
Information Regulator	109,3	110,9	135,7	141,0	3,1%	-3,1%
Legal Services Ombud	8,3	15,8	22,4	30,0	0.5%	81,8%
Total	3 995,3	3901,7	4 096,6	4 294,7	**100%**	-5,2%
Change to 2023 Budget estimate	-	(452,7)	(441,4)	(451,1)	-	-

13.4. Over the medium term:

- R717.8 million is cut from the allocation to Legal Aid SA. To mitigate against the impact on performance, no new positions will be created, and the entity will recruit staff only for critical positions and use savings from cost-containment measures and cash reserves.
- R171.2 million is cut from the SIU's baseline. To mitigate the impact on performance, the institution will implement cost-containment measures and use cash reserves.
- R53.6 million and R117.3 million are cut from the allocations to the South African Human Rights Commission and the Public Protector South Africa respectively. The PPSA intends to implement cost-containment measures and use cash reserves, while the SAHRC will implement cost containment measures and rely on natural attrition to reduce the headcount.

14. **Committee's observations**

14.1. The Committee acknowledges the limitations of this report. Owing to the pressures of the parliamentary programme, the time available to engage with stakeholders was severely constrained. For that reason, the Committee elected to meet only the Department, as it is responsible for the bulk of Vote spending. However, the Committee intends to rectify this by meeting with the NPA, entities and institutions that receive their allocation under the Vote as soon as the programme permits.

14.2. The Committee acknowledges that it must be very difficult to plan in the present situation where there are so many priorities, yet resources are extremely limited. In this regard, the Committee notes that the Department reports increasing pressures on the lower courts and justice services and that its annual performance plan was developed under serious financial pressure because of the risk posed by prevailing economic uncertainties to its budget.

14.3. The Committee addressed the Department about whether its planned indicators and targets are appropriate and achievable given the difficult conditions on the ground. Many court buildings are dirty and dilapidated (even unsafe), the Court Recording Technology (CRT) is faulty, the photocopiers are broken, the corridors are piled high with records because of a lack of space, the telephones do not work, there is a lack of bandwidth, to mention a few of the challenges requiring urgent attention.

14.4. It is also concerning that there are no indicators to measure client satisfaction with the Department's services. For that reason, it is impossible to say whether any of the Department's interventions have led or will lead to an actual improvement in the delivery of key justice services to the public. There are many complaints about service delivery at key service points, especially the Masters and State Attorneys offices, but these do not appear to be addressed directly in the Annual Performance Plan.

14.5. The Committee notes that, although additional funds were allocated to meet the carry through costs of the 2023 wage agreement, the Department's operational budget is reduced by R5 billion over the medium term. The Committee is concerned by about what these cuts will mean practically. The Committee requests a written report containing a breakdown of the reductions.

14.6. The Committee notes that the Department's infrastructure budget has been reduced by R495.3 million over the medium term. The reduction is especially concerning, given the poor state of many of the court and justice service points.

14.7. *Additional funding to combat corruption and money laundering*. The Committee notes that an additional R627.8 million is allocated over the MTEF period to accelerate the implementation of the recommendations of the State Capture Commission and the response to grey-listing by the Financial Action Task Force. These additions are found under the Lower Court Services and NPA programmes. However, it is concerning that the SIU, a leading corruption-fighting agency, has had its budget reduced by R171.2 million over the medium term. Reportedly, the budget cuts will restrict the SIU from increasing staff to address a growing number of investigations and risks its ability to achieve strategic goals, such as improved investigation times, data analytics for corruption cases, accelerated civil litigation, and digital transformation. The Committee intends to meet the NPA and SIU about their funding.

14.8. *Vacancies.* The Committee notes that the Department reports a vacancy rate of around 4%, although this figure would have been higher but for the instruction to remove all unfunded posts from the establishment. The Committee is concerned about the difficulties associated with obtaining permission to fill vacancies and what this might mean for the Department if it is refused permission to fill key positions. The Committee asks the Department to provide a breakdown of its vacancies, particularly those at senior management level and critical vacancies, and the related recruitment plans.

14.9. *Justice modernisation*. The Committee notes that the budget for the Justice Modernisation decreases in real terms by 9.5% from 2023/24. Since 2008, the

State has invested heavily in developing an Integrated Criminal Justice System (ICJS). For strategies aimed at combating crime to achieve results, it is essential that the efforts of the various stakeholders and entities are well coordinated and efficient. The Integrated Justice System is key to facilitating this process. Reported, the progress of the IJS programme has been very slow, so much so that most projects are not completed. The impact of delayed projects aimed at modernisation of criminal justice system is considerable. Reliance on manual systems and difficulties in the retrieving information required for investigations delays investigations and draws out court proceedings, worsening the backlogs.

The Committee notes that exercising effective oversight over the IJS projects is complicated by the lack of alignment of reporting on the IJS across the stakeholder departments and entities.

14.10. *Backlogs.* The Committee notes the absence of indicators to measure case backlogs. The Committee is aware that backlogs statistics fall under case-flow management, which is a judicial function, but they are useful to monitor the pressures on the system and to evaluate the effectiveness of the response to address obstacles. From an oversight perspective, access to these statistics is key. The Judiciary does report backlogs in its annual report but there are no statistics available for the Lower Courts, which is extremely frustrating.

14.11. *Family Advocate*. The Committee notes the relocation of the Office of the Family Advocate from Lower Court Services to State legal Services. The Family Advocate plays an important role in family litigation matters to promote and protect the best interests of children. The Department has reported before that the Office of the Family Advocate is under-resourced and that the small footprint renders services inaccessible The Committee, therefore, welcomes the small increase to its allocation for 2024/25.

14.12. *Gender-based Violence and Femicide (GBVF)*. The Committee notes that there are no additional allocations for GBVF. However, the Department plans to continue to implement interventions to address the scourge of GBVF against women and children, including designating 15 sexual offences courts in 2024/25. The NPA has reprioritised funds within its budget over the MTEF to increase the number of Thuthuzela Care Centres (TTC's) and appoint additional personnel. The NPA also reports that it has developed relationships with external stakeholders to assist with the funding of new TCC's.

14.13. *Public Protector report*. The Committee notes a recent report by the Public Protector into administrative deficiencies relating to the processing of gender-based violence related matters within the South African criminal justice system. The Report found that the Department did not put adequate measures in place to protect victims of GBV and identified a range of challenges at courts. Among others, the Director-General is directed within 180 days of the date of the final report to conduct an audit of all Magistrates Courts to determine their infrastructure needs/upgrades/renovations. The audit should include short and medium to long term needs of the various courts. The Committee is very interested in the outcome of the audit and asks to be regularly updated regarding the Department's progress addressing all aspects of the remedial action.

14.14. *Master's offices.* The Committee notes the many challenges relating to delivery of services at the Master's Office. A general lack of service delivery is a common frustration, and Masters offices continue to experience systems downtime, a high vacancy rate amid costs containment measures, and an increasing backlog. The Department has previously reported a modernisation and transformation plan for the Masters Office, which would include the creation of a contact centre and a complaints management committee for engagement with stakeholders; digitisation of documents; upgrading the network; improved infrastructure maintenance; the installation of generators at offices to deal with load-shedding; the installation of UPS backup power that would be completed by March 2024; and the filling of vacant posts. The Committee is interested in details of the progress of the plan and, as soon as the programme permits, will engage the Department more thoroughly on this.

14.15. *State Attorneys*. The Committee notes that transformation of state legal services remains a key outcome of the Department. The state attorneys' environment is beset by serious shortcomings. These include a lack of support from both state organs and private legal practitioners and resistance to change relating to the implementation of state policies; inadequate resources (tools of trade); infrastructure; technology; and funding. There has been some progress since the appointment of the Acting Solicitor General in 2020. Policies on the management of State litigation; State mediation; Briefing and outsourcing of State legal work; Initiating, defending and opposing of matters; State legal representation; and State litigation contingent liability were approved by Cabinet in 2022/23 and tabled in Parliament. These policies are targeted for 67% implementation in 2024/25.

14.16. *NPA Funding.* The Committee notes that the NPA receives an additional R314 million over the MTEF to support the implementation of the State Capture Commission and Financial Action Task Force's recommendations. In addition, the NPA reports that it has received funds from the CARA fund for the appointment of legal experts. However, it is concerning that the NPA has reported pressure relating to its salaries budget and plans to reduce its headcount. Further, the NPA has abandoned its aspirant prosecutors programme for now.

14.17. *Legal Aid SA funding.* The Committee is extremely concerned about the significant reductions to Legal Aid SA's budget. The Committee doesn't believe that the importance of Legal Aid SA as a strategic partner in our criminal justice system is fully recognised when resources are allocated. Simply put, criminal trials cannot run if the accused is not represented, contributing to the backlogs and undermining access to justice. Further, Legal Aid SA has done its utmost to stretch its capacity to undertake civil work to the very limits, but this very important work is also at risk because of budget constraints.

14.18. *Land justice.* The Committee notes that an additional R156 million is reprioritised over the MTEF period from the Department from the Department of Agriculture, Land Reform and Rural Development to Legal Aid SA for the Land Rights Management Unit.

14.19. *Funding to the PPSA and SAHRC.* The Committee notes the reduction of the allocations to the SAHRC and PPSA, which are significant. Historically, both institutions are underfunded and as a result feel the impact of reductions disproportionately. These institutions are established in the Constitution and form part of the architecture of our State. As such, it is a constitutional imperative that these institutions be reasonably funded so that they can play their roles in protecting and supporting our democracy.

15. **Recommendation**

15.1. The Committee, having considered Vote 25: Justice and Constitutional Development for 2024/25, recommends that it be approved.

16. **Appreciation**

16.1. The Committee wishes to thank the Minister and Deputy Minister, as well as the Director General and officials for their assistance in this matter.

Report to be considered

3. REPORT OF THE PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS ON THE 2024/25 ANNUAL PERFORMANCE PLANS, STRATEGIC PLANS AND BUDGETS OF THE DEPARTMENTS OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS AND THE MUNICIPAL INFRASTRUCTURE SUPPORT AGENT, DATED 12 JULY 2024

Having engaged the Departments of Cooperative Governance and Traditional Affairs, and the Municipal Infrastructure Agent, on their 2024/25 Annual Performance Plans (APPs), Strategic Plans and Budgets, the Portfolio Committee on Cooperative Governance and Traditional Affairs reports as follows:

1. INTRODUCTION

Rule 227 of the National Assembly Rules mandates the Portfolio Committee on Cooperative Governance and Traditional Affairs to oversee the Departments of Cooperative Governance (DCoG) and Traditional Affairs (DTA) - Votes 3 and 15 respectively - and their associated entities. This mandate to scrutinise executive action also encompasses activities relating to the development of Annual Performance Plans (APPs) and Strategic Plans. Both Departments and associated entities have duly tabled their 2024-25 APPs in Parliament in accordance with the relevant legislative prescripts. The APPs purport to reflect the performance targets, which are envisaged to be achieved by 31 March 2025 given the resources made available in the 2024-25 budget. The 2024-25 APPs mark the culmination of the Sixth Administration's five-year planning cycle, which commenced in 2019-20. On 10 July 2024, the Portfolio Committee considered both Departments' 2024/25 APPs, Strategic Plans and Budgets, and reports as follows:

2. DEPARTMENT OF COOPERATIVE GOVERNANCE

The Department is primarily responsible for improving cooperative governance across the three government spheres. As stipulated in Section 154 of the Constitution, it must also support and strengthen municipal capacity to manage their own affairs, exercise their powers, and perform their allocated functions. The 2024-25 budget allocation to the Department sees a baseline reduction of R1.3bn. This is expected to affect the implementation of the Community Works Programme (CWP) negatively as the definitive target of 255 000 CWP participants will have to be reduced to 200 000. The bulk (approximately 70 percent) of the CWP's budget is paid as stipends to participants. The impact of the budget reduction is also evident in the Intergovernmental Support Programme (Programme 2) whose allocation decreases from R19.2bn in 2023-24 to R18.7bn in the current financial year (Table 1). Most affected is the Management: Intergovernmental Support sub-Programme, which sees a reduction of approximately 80 percent – from R61m previously to R12.8m in the current year

Table 1: Department of Cooperative Governance's Intergovernmental Support Programme

Programme 2: Intergovernmental support – Branch: Local Government Operations and Support (LGOS)							
	Audited Outcome (R'000)			Budget (R,000)			
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Sub-Programmes							
Management: Intergovernmental Support	2 766	5 769	4 215	61 021	12 838	33 704	36 670
Municipal & Provincial Governance Support and Capacity Building	58 305	79 823	105 848	76 388	81 789	115 824	119 846
Transfer: Municipal Infrastructure Grant	14 491 065	15 592 748	16 837 767	17 545 049	17 112 663	17 927 319	19 443 504
Transfer: Integrated Urban Development Grant	936 368	1 009 068	1 085 368	1 172 448	1 145 564	1 202 173	1 303 844
Transfer: Municipal Infrastructure Support Agent	389 749	628 864	400 216	351 454	406 679	371 078	387 254
Total	**15 878 253**	**17 316 272**	**18 433 414**	**19 206 360**	**18 759 533**	**19 650 098**	**21 291 118**

Source: Department of Cooperative Governance (2024)

In terms of economic classification, the goods and services category is the primary site of the budget reduction as the related budget declines from R68m previously to R22.4m in the current year. Overall, Programme 2 is deemed to be insufficiently capacitated to effectively render targeted and strategic support in terms of Section 154 of the Constitution. The Municipal Systems Improvement Grant under Programme 3 (Intergovernmental Policy and Governance) is also slightly truncated to R144.5m, from R146.5m in 2023-24.

While the budget allocation to the National Disaster Management Centre (Programme 4) increases from R932.1m in 2023-24 to R1.3bn in the current financial year, the funds earmarked for Disaster Risk Reduction and Capacity Development plummet from R49.1m to R10.1m (Table 2). This appears inconsistent with the articulated need to improve disaster risk reduction and resilience building measures within communities. Despite the overall budget increase, the Programme is still deemed to be severely underfunded when viewed against the experiences of the COVID-19 pandemic and the flood disasters of 2022 and 2023. The Department's ability to fully execute its mandate in terms of the Disaster Management Act (2002) is deemed to be contingent on significant increases in the budgets for the Compensation of Employees and Goods and Services.

The Department's Administration Programme (Programme 1) is allocated a budget of R359m. With Corporate Services being the only sub-Programme, whose budget has been reduced from R153m in the previous financial year to R143m in the current year (Table 3). Programme 1 is deemed to be sufficiently funded and capacitated to support the implementation of the Department's Strategic and Annual Performance Plans.

Table 2: Department of Cooperative Governance's National Disaster Management Centre

Programme 4: National Disaster Management Centre (NDMC)							
	Audited Outcome (R'000)			Budget (R,000)			
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Sub-Programmes							
Management: Head National Disaster Management Centre	21 941	24 019	24 566	23 843	22 344	23 271	24 337
Disaster Policy, Institutional Development and Compliance	6 901	9 314	7 094	11 044	11 290	10 659	9 056
Disaster Risk Reduction and Capacity Development	3 044	1 385	23 029	49 172	10 192	10 136	13 527
Disaster Preparedness, Response and Recovery Coordination	9 473	111 761	9 952	8 612	45 922	45 850	46 978
Municipal Disaster Recovery Grant	-	-	3 318 741	320 915	741 003	708 974	-
Disaster Response Grant	289 459	378 371	516 661	518 575	527 687	546 313	571 342
Total	**330 818**	**524 850**	**3 900 043**	**932 161**	**1 358 438**	**1 345 203**	**665 240**

Programme 4: National Disaster Management Centre (NDMC)							
	Audited Outcome (R'000)			Budget (R,000)			
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Economic classification							
Compensation of employees	24 395	24 854	23 154	28 260	29 498	30 788	32 198
Goods and services	15 998	114 375	39 655	55 911	56 550	57 328	59 817
Transfers and subsidies	289 519	378 598	3 837 215	841 490	1 268 690	1 255 287	571 342
Payments for capital assets	901	7 006	-	6 500	3 700	1 800	1 883
Payments for financial assets	5	17	19	-	-	-	-
Total	**330 818**	**524 850**	**3 900 043**	**932 161**	**1 358 438**	**1 345 203**	**665 240**

Source: Department of Cooperative Governance (2024).

Table 3: Department of Cooperative Governance's Administration Programme

Programme 1: Administration	Audited Outcome (R'000)			Budget (R,000)			
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Sub-Programmes							
Ministry	30 482	35 199	39 736	33 976	36 493	38 305	40 060
Management	17 399	16 583	28 040	27 715	30 302	31 769	33 223
Corporate Services	133 787	145 862	159 468	153 898	148 375	155 375	162 496
Financial Services	41 515	51 027	54 539	48 759	52 246	54 868	57 382
Internal Audit	11 264	11 281	11 782	12 190	12 800	13 441	14 057
Office Accommodation	50 870	61 627	54 665	74 730	79 214	83 967	87 813
Total	**285 317**	**321 579**	**348 230**	**351 268**	**359 430**	**377 725**	**395 031**
Economic classification							
Compensation of employees	149 419	156 615	167 140	157 813	164 727	171 928	179 806
Goods and services	129 440	157 660	174 393	182 031	182 864	193 926	202 823
Transfers and subsidies	444	2 803	2 540	-	390	395	400
Payments for capital assets	5 750	4 450	3 873	11 424	11 449	11 476	12 002
Payments for financial assets	264	51	284	-	-	-	-
Total	**285 317**	**321 579**	**348 230**	**351 268**	**359 430**	**377 725**	**395 031**

Source: Department of Cooperative Governance (2024).

3. MUNICIPAL INFRASTRUCTURE SUPPORT AGENT

MISA is mandated to render technical advice and support to municipalities by undertaking a broad range of functions to optimise municipal infrastructure provisioning. During the period under consideration, the organisation will continue placing more emphasis on utilising the District Development Model (DDM) as to involve other critical stakeholders in the fulfilment of its mandate. This is in cognisance of the cross-cutting nature of the organisation's policy mandate and the limitations of working in isolation. For the 2024-25 financial year, MISA receives a total budget allocation of R406.6m, of which R105m, R227.5m, and R73.1m are dedicated to the Administration, Technical Support Services and Infrastructure Delivery Management Support Programmes respectively. Tables 4, 5 and 6 below detail the anticipated expenditure for each of the entity's three programmes. The budget allocation to the Administration Programme marks a decrease of approximately R6m compared to the R112m received in the previous financial year. In contrast to the trend seen in the previous two financial years, the budget for the compensation of employees slightly exceeds that of goods and services. As noted in the entity's APP, the services are critical to the organisation's efficient operation, including achievement of its policy priorities, APP and Strategic Plan performance targets.

Table 4: MISA Administration Programme

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Baseline	Revised Baseline	Planning Budget Estimate
Rand Thousand						0.071889	
Programme: Administration							
Total	86,190	209,515	106,807	112,458	105,991	109,115	113,313
Economic Classification							
Compensation of employees	47,577	47,197	47,850	47,850	49,286	51,494	53,862
Goods and Services	33,483	40,043	49,838	55,079	46,890	47,367	48,724
Depreciation	5,130	5,103	9,119	9,529	9,815	10,255	10,726
Funds Returned		117, 172					
Total	86,190	209,515	106,807	112,458	105,991	109,115	113,313

Source: Municipal Infrastructure Support Agent (2024).

Table 5: MISA Technical Support Services Programme

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Baseline	Revised Baseline	Planning Budget Estimate
Rand Thousand						7.19%	
Programme: Technical Support Services							
Total	159,185	238,982	221,849	220,209	227,532	237,725	248,661
Economic Classification							
Compensation of employees	115,190	117,816	162,542	162,542	167,418	174,918	182,965
Goods and Services	43,995	121,166	59,307	57,667	60,114	62,807	65,696
Depreciation	-	-	-	-	-	-	-
Total	159,185	238,982	221,849	220,209	227,532	237,725	248,661

Source: Municipal Infrastructure Support Agent (2024).

The budget allocation to the Technical Support Services Programme increases by approximately R7m compared to the previous financial year. As it is central to the MISA service, the Programme accounts for nearly 60 percent of the organisation's total budget. Around 70 per cent of programme funds are earmarked for the compensation of employees, which reflects the premium of the technical support expertise that underpins the MISA service.

Table 6: MISA Infrastructure Delivery Management Support Programme

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Baseline	Revised Baseline	Planning Budget Estimate
Rand Thousand						0.071889	
Programme: **Infrastructure Delivery Management Support**							
Total	**19,752**	**117,768**	**21,560**	**21,786**	**73,156**	**24,237**	**25,352**
Economic Classification							
Compensation of employees	10,363	13,595	16,563	16,563	17,377	18,155	18,990
Goods and Services	**9,389**	**104,173**	**4,997**	**5,223**	**55,780**	**6,082**	**6,362**
Depreciation	-	-	-	-	-	-	-
Total	**19,752**	**117,768**	**21,560**	**21,786**	**73,156**	**24,237**	**25,352**

Source: Municipal Infrastructure Support Agent (2024).

The budget allocation to the Infrastructure Delivery Management Support Programme increases more than threefold, from R21.7m in 2023-24 to R73.1m in the current financial year. This mainly relates to the increase in the goods and services category due to new activities around coordinating and planning for the envisaged Eastern Seaboard Development across the provinces of the Eastern Cape and KwaZulu-Natal.

4. DEPARTMENT OF TRADITIONAL AFFAIRS

As in the previous financial years, the DTA continues emphasizing coordinating the participation of Local House of Traditional and Khoi-San Leaders in the DDM to ensure that they are afforded a meaningful role in the process. Enabling the Department to implement its 2024-25 APP is a staff complement of 105 employees and a total budget allocation of R187.2m. The Department deems this allocation insufficient given the expanded work scope following the recent establishment of the National Initiation Oversight Committee and the Commission on Khoisan Matters. Tables 7, 8 and 9 below encapsulate the envisaged expenditure trends for each of the Department's three Programmes. Most notable is the substantial decrease in allocation to Programme 2: Research, Policy and Legislation, which sees budget reduction from R34.5m in the previous financial year to R30m in 2024-25.

Table 7: Department of Traditional Affairs' Administration Programme

R Thousand	Audited Outcome			2023-24 Adjusted Appropriation			
Programmes	2012/21	2021/22	2022/23		2024/25	2025/26	2026/27
Ministry	8,818	9,346	12,424	11,522	11,330	11,266	11,782
Management	11,710	13,157	13,514	16,240	16,066	16,896	17,670
Corporate Service	16,974	21,350	29,537	31,242	33,128	36,423	38,088
Internal Audit	3,599	3,792	3,981	4,867	4,618	4,704	4,921
Total	**41,101**	**47,645**	**59,456**	**63,871**	**65,142**	**69,289**	**72,461**
Economic Classification							
Compensation of Employees	33,449	34,188	37,015	40,324	44,053	47,724	49,910
Goods & Services	6,147	11,424	18,732	20,535	19,217	19,693	20,594
Transfers and Subsidies	80	82	62	12	12	12	12
Payments for Capital Assets	1,425	1,922	3,647	3,000	1,860	1,860	1,945
Payments for Financial Assets	-	29	-	-	-	-	-
Total	**41,101**	**47,645**	**59,456**	**63,871**	**65,142**	**69,289**	**72,461**

Source: Department of Traditional Affairs (2024)

Table 8: Department of Traditional Affairs' Research, Policy and Legislation Programme

R Thousand	Audited Outcome			2023-24 Adjusted Appropriation			
Programmes	**2012/21**	**2021/22**	**2022/23**		**2024/25**	**2025/26**	**2026/27**
Management	3,715	6,424	14,251	19,598	15,725	15,814	16,539
Policy and Legislation	3,478	5,033	6,849	6,883	6,821	6,948	7,266
Research and Info Management	7,807	8,841	8,591	8,103	7,502	8,091	8,461
Total	**15,000**	**20,298**	**29,691**	**34,584**	**30,048**	**30,853**	**32,266**
Economic Classification							
Compensation of Employees	11,831	15,092	22,154	24,084	23,976	24,238	25,349
Goods & Services	2,676	5,204	7,537	9,422	6,072	6,615	6,917
Transfers and Subsidies	493		-	78	-	-	-
Payments for Capital Assets	-	-	-	1,000	-	-	-
Payments for Financial Assets	-	2	-	-	-	-	-
Total	**15,000**	**20,298**	**29,691**	**34,584**	**30,048**	**30,853**	**32,266**

Source: Department of Traditional Affairs (2024)

Table 9: Department of Traditional Affairs' Institutional Support and Coordination Programme

R Thousand	Audited Outcome			2023-24 Adjusted Appropriation			
Programmes	**2012/21**	**2021/22**	**2022/23**		**2024/25**	**2025/26**	**2026/27**
Management	4,088	7,419	5,237	5,356	5,217	5,344	5,588
Institutional Dev and Capacity Building	5,885	6,212	7,946	8,841	8,698	8,767	9,235
Intergovermental Relations & Partnership	6,805	7,266	8,576	9,345	9,253	9,380	9,811
National House	16,976	19,785	23,110	24,126	23,254	23,300	24,706
CRL Commission	46,046	46,032	46,818	46,998	45,671	47,717	49,904
CTLDC	1,622	-	-	-	-	-	-
Total	**81,422**	**86,714**	**91,687**	**94,666**	**92,093**	**94,508**	**99,244**
Economic Classification							
Compensation of Employees	27,477	32,467	30,652	32,771	33,195	33,478	35,013
Goods & Services	6,864	7,985	14,217	14,747	13,227	13,313	14,327
Transfers and Subsidies	47,081	46,123	46,818	46,998	45,671	47,717	49,904
Payments for Capital Assets	-	-	-	150		-	-
Payments for Financial Assets	-	139	-	-	-	-	-
Total	**81,422**	**86,714**	**91,687**	**94,666**	**92,093**	**94,508**	**99,244**

Source: Department of Traditional Affairs (2024).

Section 38(1) of the Traditional and Khoisan Leadership Act (2019) enjoins the National House of Traditional and Khoisan Leaders (NHTKL) to prepare a five-year Strategic Plan that should be reviewed annually, as well as an Annual Performance Plan. The House is currently half way into its Sixth Term of administration, which spans the 2022-2027 strategic planning period. For the 2024-25 annual performance period, the House undertakes to, among other things, increase the institutions' visibility with respect to development projects; provide more informed inputs in terms of the Bills referred to it in terms of Section 39(1) of the Traditional and Khoisan Leadership Act; emphasise Amakhosi's participation in government's District Development agenda; and eliminate initiation-related deaths and related malpractices.

The above commitments proceed against the resource considerations illustrated in Table 11 below, where the House receives an allocation of R23.2m – a slight decrease from R24.8m in 2023-24. Of this amount, R14.2m is earmarked for the compensation of employees, while R8.9m is dedicated to service delivery. The latter has decreased from R10.7m in 2023-24.

Table 1: 2024-25 Budget Allocation to the National House of Traditional Leaders

Description	Audited Outcomes			Main Appropriation	Medium Term Estimates		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Total NHTKL	**20 224**	**22 356**	**22 848**	**24 839**	**23 254**	**23 300**	**24 706**
Economic Classification							
* Compensation of Employees	13 803	13 013	12 916	14 129	14 280	14 353	15 011
* Goods & Services	6 421	9 343	9 932	10 710	8 974	8 947	9 695
* Transfer & Subsidies	-	-	-	-	-	-	-
* Payment for Capital Assets	-	-	-	-	-	-	-
* Payment for Financial Assets	-	-	-	-	-	-	-
Total	**20 224**	**22 356**	**22 848**	**24 839**	**23 254**	**23 300**	**24 706**

Source: National House of Traditional and Khoisan Leaders (2024)

5. COMMITTEE OBSERVATIONS

5.1. **Municipal debt relief**. The Eskom debt relief programme introduced by National Treasury to assist ailing municipalities to pay off their bulk electricity supply debt to the power utility has not yet succeeded in addressing the municipal debt crisis effectively. It also of great concern that 175 of the country's 257 municipalities are financially distressed.

5.2. **District Development Model**. A considerable amount of time has elapsed since the launch of the District Development Model and confidence on its workability and utility remains uncertain, to the extent that a case can be made for the programme's discontinuation. To alleviate this concern, an objective monitoring tool that clearly demonstrates the DDM's functionality needs to be showcased. There also remains much room for improvement in terms of the Department's oversight duty to ensure that every municipality prioritises activities around the DDM's implementation. Furthermore, systemic problems at the DDM's political-technical (administrative) interface have always been evident.

5.3. **Incorrect billing.** The incorrect billing of residents for the consumption of municipal services is a matter of general concern throughout the country. The update and feedback relating to the assistance provided by the Department of Cooperative Governance to an incorrectly billed indigent resident in eThekwini Metropolitan Municipality is welcome and well-received. The responsiveness of departmental officials on such matters is acknowledged and appreciated. However, the Portfolio Committee recognises that the matter has not yet been fully resolved and takes note of the Minister's commitment to follow up on it. The Portfolio Committee further alerts the Minister to the fact that his intervention on such matters will always be sought by Legislators and should therefore not be hesitant to act for fear of crossing boundaries.

5.4. **State of eThekwini Metropolitan Municipality.** In recent times, the municipality has attracted much negative publicity and has been subject to intervention in terms of Section 154 of the Constitution. A Presidential Intervention Team has also been dispatched to the municipality. The Portfolio Committee takes note of the Minister's undertaking to visit the municipality and intends embarking on a similar endeavour at the earliest opportunity.

5.5. **Smart cities.** Government's emphasis on building smart cities, while basic service delivery challenges are not yet adequately resolved, does not exemplify an optimum ordering of policy priorities and risks defocussing from attending to the fundamentals.

5.6. **Access to water.** Unreliable water supply is a major concern throughout the country, with some areas such as Maquassi Hills in the North-West province and Midvaal in Gauteng, having been without reliable access to water over the last 15 years. The Department of Cooperative Governance's interventions in this regard need to be highlighted.

5.7. **Khoisan matters.** The Portfolio Committee directs to the Minister's attention the issues tabled in relation to the challenges faced by Khoisan communities around several outstanding matters, including land restitution, mining rights and the inauguration of Kingships, especially in the Northern Cape province. The sensitivities and pain relating to the inclusion of Khoisan leaders and communities in the country's traditional affairs are well-understood and the Minister's commitment to avail a separate platform to engage on this matter is welcome.

6. COMMITTEE RECOMMENDATIONS

6.1. At the next earliest opportunity, the Portfolio Committee should convene follow up meetings with the Departments of Cooperative Governance and Traditional Affairs, as well as the Municipal Infrastructure Support Agent, to receive more focused presentations on the following matters:

- The state of distressed and dysfunctional municipalities and the relevant statistics, including financial viability. An update should also be provided regarding interventions by National and Provincial Executives on these municipalities as well as on service delivery related litigation by local civic groupings, including business and civil society organisations.
- The role of the Community Work Programme, its successes, viability and sustainability, and the work being undertaken to address related accountability challenges including maladministration and corruption.
- The work on spatial integration that has been implemented during the Department of Cooperative Governance's 2020-24 strategic planning period, including its significance in addressing the legacy of inequality arising from apartheid spatial planning as well as the implementation of the Integrated Urban Development Framework. This should encompass the state of the debate on the implementation

of the Spatial and Land Use Management Act (2013) as it pertains to the matters raised by traditional leaders.

- The state of the eThekwini Metropolitan Municipality. In addition to this briefing, the Portfolio Committee should also consider a possible oversight visit to the municipality as it is currently a topical subject.
- Municipal debt relating to bulk water and electricity services, as well as the state of non-revenue water losses.
- A concept document on the Eastern Seaboard Development initiative that is being implemented across four District Municipalities in the provinces of the Eastern Cape and KwaZulu-Natal.
- A schedule of legislation anticipated to serve before the Portfolio Committee.
- The state of male customary initiation, including elaboration on the National Initiation Oversight Committee and Provincial Initiation Coordinating Committees and interventions to ensure that the custom is practiced safely. This should be inclusive of statistics on customary initiation related fatalities as well as successes in preventing these. The presentation on this item should preferably coincide with the onset of the 2024 winter customary initiation season.
- The status of Kingship and Queenship traditional leadership disputes across the whole country, including court cases won and lost as well as all related matters requiring the Department's attention.

6.2. At the appropriate time, the Minister should update the Portfolio Committee on the outcome of the promised separate engagement relating to the matters raised around the plight of Khoisan communities.

7. ANNEXURE 1: IMPLEMENTATION OF 2023 BUDGETARY REVIEW RECOMMENDATIONS

The information presented in Annexure 1 is provided to highlight the linkages and continuities between the budget related matters raised in the previous financial year and the current year, taking into cognisance the fact that not all current Portfolio Committee members were part of the previous deliberations on these matters.

Annexure 1: Implementation of 2023 Budgetary Review Recommendations

Recommendation	Implementation progress
The Department of Cooperative Governance should furnish the Portfolio Committee with a report detailing the actions taken to hold into account those responsible for the R3.4bn irregular expenditure relating to the Community Work Programme.	At t the time of the resolution of the Portfolio Committee on the matter the breakdown of the R3.4 bn was as follows: • CWP = R2.9 billion • Dept (Other) = R410 million • NDMC = R36 million Progress to date • CWP – of the R2.9 billion, R2.4 billion has been attended to, all relevant disciplinary process against alleged employee were concluded accordingly. This amount has since been cleared from the books of the department after following all the required Irregular Expenditure Framework. The outstanding balance now is R546 million. • Department (Other) – of the R410 million, R380 million has also been cleared and the outstanding balance of R30 million is receiving attention. • The R36 million on the NDMC lease could not be condoned by National Treasury as the lease is continuing and is subject to the department moving to the new premises. Action Taken (consequence management) CWP- R2.4 billion • Out of seven (7) alleged employees, four (4) employees have been charged and only three (3) of the four (4) went through a disciplinary hearing, while one (1) of the four (4) went on early retirement due to ill health. However, investigations in relation to the three (3) employees could not find sufficient evidence to charge the employees.

Recommendation	Implementation progress
	• Disciplinary hearings for the other three (3) employees have been finalised as follows: two (2) employees acquitted and one (1) not. • A request for condonement submitted to NT on 12 November 2021. On 23 December 2021, NT did not condone due to lack of consequence management as the disciplinary action was not yet finalised at the time. • The request for condonement was re-submitted to NT on 14 August 2023 after disciplinary has been finalised. • NT responded on 19 October 2023 and did not condone indicating that the matter will be re-visited once the department receives outcome of the Hawks Investigation. • The submission for removal of the expenditure in terms of Par 57 of the framework has been granted by the AO on 20 December 2023. • The other R546 million is awaiting to be finalised. Department - R380million • The request for condonement was re-submitted to NT on 6 April 2022. • NT responded on 3 February 2023 and did not condone, however sited Par 57 which the accounting officer can apply to remove the irregular expenditure from the books of the department. • The approval for removal of the expenditure in terms of Par 57 of the framework has been granted by the AO on 27 November 2023. In summary, of the R3.4 billion registered R2.7 billion has been attended to and cleared, the overall outstanding balance is R700 million which is still under investigations.
The Department of Cooperative Governance should improve	The DCOG inclusive of the CWP Management have revisited the Implementation Policy with the intention of emphasizing the mobilization of Smart Partnerships with

Recommendation	Implementation progress
administrative support and capacity of CWP site managers, and consider prioritising the participation of local Small, Medium and Micro Enterprises over the big corporates who are often not sufficiently familiar with local realities.	both private and public sector institutions. The CWP seeks to leverage from Smart Partners both additional resources as well as creative innovation that will make the possible pathways for Participants to exit into sustainable gainful employment opportunities in the amin stream economy. The intention is to make Artisan and Enterprise Development a key feature of CWP Implementation going forward. It is our considered view that the poverty alleviation imperative of CWP can best be achieved through an aggressive Artisan and Enterprise development program that will enable the exiting of Participants. Participants exiting as either qualified Artisans or a part of Small Medium and Micro-Enterprises would be better able to offer the service of their trade to their communities or as part of Small, Medium and Micro Enterprises.
The DCoG should furnish Portfolio Committee with outcome of forensic investigation and Committee should consider having a discussion around the outcomes of the forensic investigations relating to the Community Work Programme	On the old CWP contract, a forensic investigation resulted in disciplinary measures being taken against some officials and the process was finalized. However, the criminal case was referred to the Directorate of Priority Crime Investigation for investigation, which the investigation is still underway. On the recent CWP contract the investigation was finalized and the report was shared with DG and the Minister for consideration. Due to the confidential nature of the investigation documents, the supporting documents on the outcome of the investigation, can only be shared with the PC upon confirmation of a meeting.
The Department of Cooperative Governance should lead from the front and improve its audit outcomes as to be in a better position to make credible	The Department has developed a plan, and it is in place to review all the qualifications areas that were experienced over the past years. We have put strategies in place to address the negative audit outcomes close off on the material irregularities and working with National Treasury and the Accounting Officer to take care of the Irregular and Fruitless

Recommendation	Implementation progress
recommendations towards better municipal audit outcomes.	expenditure. Success progress is noticeable in reducing the balances on the material irregularities and irregular expenditure. The Internal Control Unit has been capacitated
To ensure that its Municipal Intervention and Support Packages gain traction, the Department of Cooperative Governance should institute consequences management against those municipalities that fail to implement the packages.	The Department is currently conducting another assessment of municipalities using the Municipal Performance Assessment Tool (MPAT) developed together with National Treasury in terms of Circular 88 (Rationalisation of Planning, Budgeting and Reporting Requirements). The central feature of the tool is the promotion of self-assessment by municipalities. The process will culminate in a consolidated report that will be presented to the Committee once it has been processed by Cabinet before the end of March 2024. Based on the outcomes of this report further measures to support municipalities (Municipal Intervention and Support Packages i.e. Sec 154 Support) and or the invocation of intervention measures (Sec 139) will be considered and implemented, first by provinces and where the latter fail, the National Executive. The following can be noted: **MPUMALANGA** There was no consequence management instituted since all municipalities in the Mpumalanga Province have developed and implementing MSIPs. MSIP Monitoring Task Team comprising of relevant stakeholders which include COGTA(MP), Provincial Treasury, DCOG, MISA, SALGA and municipalities was established, and quarterly engagement sessions are conducted in that regard as part of monitoring and supporting the implementation of the MSIPs. **LIMPOPO** There was no consequence management instituted since all municipalities in the Mpumalanga Province have developed

Recommendation	Implementation progress
	and implementing MSIPs. Progress in the implementation of the MSIPs is reported quarterly to provincial CoGHSTA and COGTA. **WESTERN CAPE:** Two (2) municipalities within Western Cape province currently have Council adopted MSIPs. Monthly progress meetings are taking place with the municipalities and the WC DLG submits quarterly reports to DCOG on implementation of MSIPs in the province. No consequence management is therefore required. **FREE STATE** Free State Province has not institutionalized monitoring and reporting on MSIPs. MSIPs have been adopted by Councils for the eleven (11) Free State dysfunctional municipalities. The province reported on the status of the eleven (11) Free State dysfunctional municipalities at various intergovernmental forums e.g. Technical MinMec & MinMec. **GAUTENG:** All municipalities in Gauteng are implementing the Regional Approach Model (MSIP) EASTERN CAPE: Three (3) municipalities in the province have developed and are currently implementing the MSIP's. Progress on implementation of the MSIP is reported on monthly basis through the provincial forum, Improving Local Government Working Group (ILGWG). Five (5) municipalities are implementing the Financial Recovery Plans (FRP), and monthly engagements are undertaken between national,

Recommendation	Implementation progress
	province and the municipalities to monitor progress. No consequence management is being implemented. **NORTHERN CAPE:** All nine (9) municipalities have developed MSIPs and are implementing them. The performance of municipalities with implementation of MSIPs is varied, with some municipalities' performance below par. Two (2) of the nine (9) municipalities are implementing Financial Recovery Plans (FRPs). The monitoring of the MSIPs by the province needs to be strengthened. **NORTH-WEST** North-West is implementing mandatory recovery plans in seven municipalities and monitored by Provincial Treasury and Provincial CoGTA and there are consequences that have taken place as municipalities are compliant. **KZN:** All dysfunctional municipalities have Council adopted MSIPs and monthly one on one engagements are being held. Then province is reporting progress on implementation of MSIPs to COGTA and MINMEC.
The Municipal Infrastructure Support Agent should furnish the Portfolio Committee with a progress report relating to its intervention in the water crisis experienced at Ward 20, Dumezweni, Port St Johns Local Municipality	A site visit was conducted by the MISA technical team on 22 November 2023. It was ascertained that the community of Ward 20, Dumezweni, Port St Johns Local Municipality depends on an unreliable spring for water supply. That led to the community to rely on the rivers and rain water harvesting for water supply. Pursuant to site visit, an urgent intervention by MISA towards providing a basic level of water service, through a borehole and associated infrastructure to the community of Ward 20 was approved in December 2023.

Recommendation	Implementation progress
	Project implementation agreements with the relevant Water Services Authority (WSA) as well as procurement processes are currently underway. It is envisaged that the appointment of the service provider will be finalised by the end of March 2024. The project execution period thereafter is estimated at three months. That will involve siting the borehole location, drilling, determining the yield of the borehole, water testing, equipping the borehole, construction, and installation of water delivery infrastructure.

The Democratic Alliance (DA) reserved its rights on the report.

Report to be considered.

4. Report of the Ad Hoc Committee on Vote No 8: National Treasury – State Security (including Crime Intelligence and Defence Intelligence), dated 12 July 2024

The Ad Hoc Committee, having considered Budget Vote 8: National Treasury (State Security), and the Annual Performance Plan of the State Security Agency and its spending entities on 12 July 2024, reports that the Committee has concluded its deliberations thereon.

Report to be considered

5. Report of the Ad Hoc Committee on Vote No 8: National Treasury – State Security (including Crime Intelligence and Defence Intelligence), dated 12 July 2024

The Ad Hoc Committee, having considered the Budget and the Annual Performance Plan of Defence Intelligence on 12 July 2024, reports that the Committee has concluded its deliberations thereon.

Report to be considered

6. Report of the Ad Hoc Committee on Vote No 8: National Treasury – State Security (including Crime Intelligence and Defence Intelligence), dated 12 July 2024

The Ad Hoc Committee, having considered the Budget and the Annual Performance Plan of South African Police Service - Crime Intelligence on 12 July 2024, reports that the Committee has concluded its deliberations thereon.

Report to be considered

7. REPORT OF THE PORTFOLIO COMMITTEE ON AGRICULTURE AND PORTFOLIO COMMITTEE ON LAND REFORM AND RURAL DEVELOPMENT ON THE 2024/25 ANNUAL PERFORMANCE PLANS AND THE BUDGET OF THE DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT AND ITS ENTITIES: VOTE 29, DATED 12 JULY 2024.

The Portfolio Committees on Agriculture and Land Reform and Rural Development (hereinafter referred to as the Portfolio Committees) jointly examined the 2024/25 Vote 29: Agriculture, Land Reform and Rural Development budget and budget projections for the Medium-Term Expenditure Framework (MTEF) period ending in the 2026/27 financial year. The process entailed scrutiny of the 2024/25 Annual Performance Plan (APP) and Budget of the Department of Agriculture, Land Reform and Rural Development (hereinafter referred to as the Department) and summary of the relevant National Public Entities during a briefing held on 10 July 2024. The Portfolio Committees report as follows:

1. Introduction

This report accounts for the process embarked upon by the Portfolio Committees on Agriculture and Land Reform and Rural Development to consider Vote 29: Agriculture, Land Reform and Rural Development as tabled by the Minister of Finance, and the Annual Performance Plans (APPs) of the Department of Agriculture, Land Reform and Rural Development (hereinafter referred to as the Department), and relevant public entities. The Committee process followed the tabling of Strategic Plans, APPs and budget allocations by the Department and its national public entities in Parliament as required in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999). The APPs outline the annual plans in line with Strategic Plans and the allocated budget as per the Estimates of National Expenditure (ENE) tabled by the Minister of Finance. These planning documents were tabled in March and April 2024; and presented at a briefing session on 10 July 2024.

2. Overview of the Strategic Focus of the Department of Agriculture, Land Reform and Rural Development, 2024/25 Annual Performance Plan and Budget Allocation

2.1 The Department of Agriculture, Land Reform and Rural Development and its Core Functions

The main aim of the Department of Agriculture, Land Reform and Rural Development is to provide equitable access to land, integrated rural development, sustainable agriculture and food security for all. The Department's legislative mandate is derived from Sections 24(b)(iii), 25, and 27(1) of the Constitution of the Republic of South Africa (1996) that deal with environment and natural resources clause; property rights and land reform clause; and health care, food, water and social security clause - a framework for comprehensive rural development. The strategic focus of the Department in the current five-year strategic framework period is to accelerate land reform, catalyse rural development and improve agricultural production to stimulate economic development and food security. The seven Strategic Outcomes for the current Medium Term Strategic Framework (MTSF) period are aligned to MTSF priorities as shown in Table 1 below.

Table 1: Alignment of Department Outcomes and the 2020-2024 MTSF Priorities

Department Outcome (OC)	MTSF Priority (P)
1. Improved governance and service excellence	P1: A capable, ethical and developmental state
2. Spatial transformation and effective land administration	P5: Spatial integration, human settlements & local government
3. Redress and equitable access to land and producer support	P2: Economic transformation & job creation and P5
4. Increased production in the agricultural sector	P2 and P3: Education, skills and health
5. Increased market access and maintenance of existing markets	P2 and P7. A better Africa & world
6. Integrated and inclusive rural economy	P2 and P5
7. Enhanced biosecurity and effective disaster risk reduction	P5

2.2 Overview of the 2024/25 Budget Allocation and the Medium-Term Expenditure Framework Estimates of the Department

The Department has been appropriated R16.7 billion for the 2024/25 financial year, which has not improved from the previous financial year's adjusted appropriation of R16.76 billion. Over the medium-term expenditure framework (MTEF) period ending 2026/27, the Department's total budget will see an average growth rate of 2.6 per cent and a reduction amounting to R4.3 billion. The decline in budget over the current MTEF period is a result of decreases in allocations across all Programmes of the Department except Programme 3: Food Security, Land Reform and Restitution as well as Programme 6: Land Administration.

As the Department constitutes both national competencies and concurrent functions, approximately 48 per cent (R24.9 billion) of the total Vote appropriation for the MTEF period goes to transfers and subsidies, which include transfers to provinces as conditional grants, transfers to some of the Department's entities and land reform grants. For the current financial year, 2024/25, the transfers and subsidies will constitute R7.6 billion, which is approximately 46 per cent of R16.7 billion that is the total appropriation. An amount of R750 million over the MTEF period will be reprioritised from Programme 1, Programme 2 and Programme 3 to the Presidential Employment Stimulus Initiative (PESI), which aims to support livelihoods and employment creation in the agricultural sector. It is implemented collaboratively between the Department, Provincial Departments of Agriculture (PDAs) and social partners.

PESI was introduced to provide relief to distressed farmers (vulnerable and subsistence, smallholder and medium-scale commercial) affected by the COVID-19 pandemic. It should be noted that across all Programmes, there are no specific and clearly defined targets in the Annual Performance Plan (APP) of the Department for PESI although there are funds set aside for the programme. It mentioned elsewhere in the APP that PESI has achieved 1.2 million beneficiaries; and in the current financial year, 50 000 subsistence producers will be assisted with production inputs through the PES funds. However, there is no breakdown of the location and how the 50 000 beneficiaries will be assisted.

Table 2: Medium-Term Expenditure Framework including 2024/25 Adjusted Appropriation

Programme R million	Adjusted Appropriation	Medium Term Expenditure Estimates		
	2023/24	2024/25	2025/26	2026/27
1. Administration	3 079.6	2 714.7	2 939.7	3 066.8
2. Agricultural Production, Biosecurity & Natural Resources	2 366.0	2 275.6	2 485.7	2 555.5
3. Food Security, Land Reform & Restitution	9 022.4	9 397.5	9 365.4	9 803.2
4. Rural Development	812.4	779.8	918.7	960.3
5. Economic Development, Trade & Marketing	806.2	791.7	881.3	923.8
6. Land Administration	671.3	748.8	780.4	813.3
TOTAL	**16 757.7**	**16 708.2**	**17 371.1**	**18 123.0**

Source: National Treasury – Estimates of National Expenditure (ENE) 2024

2.3 Overview of the 2024/25 Budget Allocations and Programme Performance Plans

2.3.1 Programme 1: Administration

The Administration Programme provides strategic leadership, management and support services to the Department. It received an allocation of R2.7 billion for the 2024/25 financial year. The allocation is approximately 16 per cent of the Department's total budget and while it decreased from the previous financial year's adjusted appropriation of R3 billion, it remains the second largest allocation of the Department's total vote appropriation for 2024/25. Significant budgetary increases for the MTEF period will be in the Ministry sub-programme followed by Internal Audit and Department Management sub-programmes, respectively, while other subprogrammes will saw budget declines. For the current financial year, approximately 30 per cent (R837.4 million) of the Administration's budget will go to the Office Accommodation sub-programme, followed by Corporate Services sub-programme, which accounts for 29 per cent of the Programme's total budget. In terms of economic classification for the financial year under review, 99 per cent (R2.69 billion) of the total Administration budget will be for current payments in the form of goods and services (R1.4 billion and 53 per cent of total Programme budget) and compensation of employees (R1.2 billion and 46 per cent of the total Programme budget). The rest is for payment for capital assets and transfers and subsidies.

There are no changes or review of the Programme's annual performance targets for 2024/25, which is the last year of the Medium-Term Strategic Framework. The Administration Programme's annual targets remain:

- Attaining an unqualified audit opinion on the 2023/24 annual financial statements.
- 100per cent of valid invoices paid within 30 days upon receipt by the Department.

The previous Committee raised concerns regarding misalignment between the annual targets and the financial resources allocated considering that the Programme receives the second largest appropriation from the Vote. For the previous reporting annual period of 2023/24, the Department did not achieve both targets while it spent 96 per cent of the allocated budget. Approximately 31 per cent (i.e. 1 913 out of the total of 6 246 staff members) of the Department's personnel are in the Administration Programme in 2024/25.

3.3.2 Programme 2: Agricultural Production, Biosecurity and Natural Resources Management

The purpose of this Programme is to oversee livestock production, game farming, animal and plant health, natural resources and disaster management. Programme 2 received the third largest allocation of approximately R2.3 billion (Table 3), which is almost the same as the previous financial year's allocation and constitutes 14 per cent of the total Vote appropriation for 2024/25. Programme 2 plays an important role in promoting agricultural production, managing biosecurity and sector related risks, plant and animal diseases and pests including disasters. While its budget growth has been previously stagnant, in the current MTEF period, the Programme budget allocation will increase by an average of 2.6 per cent over the MTEF period. The budget growth will largely be driven by the allocations to the Animal Production and Health sub-programme and to some extent the Natural Resources and Disaster Management sub-programme. This is commendable as the two sub-programmes are respectively, playing central roles in regulating and promoting animal production and game farming, animal diseases and the safety of animal products and the implementation of policies and frameworks to mitigate disasters in agricultural areas.

Approximately 48 per cent of Programme 2's budget for 2024/25 is the Parliamentary Grant transfer to the Agricultural Research Council (ARC) while the rest is allocated to the five sub-programmes through which the Programme's functions are implemented. The small budget allocation of R5 million (0.2 per cent of Programme 2's total allocation) for the Biosecurity sub-programme remains and has been a concern for the past Committee considering the continuing disease outbreaks particularly the foot-and-mouth disease (FMD), Avian influenza, African Horse Sickness, rabies and others, some of which are costing the livestock industry significant losses in export revenue. The LandCare conditional grant will receive R90 million through this Programme in the current financial year.

The following are the annual performance targets for the 2024/25 financial year:

- Establishment of 9 Hemp demonstration sites.
- 3 provinces, namely, Limpopo, Western Cape and Eastern Cape with delineated grazing protected agricultural areas (PAAs). These were initiated in Gauteng, KwaZulu-Natal and Mpumalanga in the previous financial year.
- 3 plant pest risk surveillances conducted i.e. Exotic fruit fly, Citrus greening survey and Banana bunchy top virus (BBTV).
- 3 animal disease risk surveillances conducted i.e. Contagious Bovine Pleuropneumonia (CBPP), Peste des Petits Ruminants (PPR) and Foot-and-mouth Disease (FMD).
- 13 subsistence producers supported with integrated bioenergy (biogas) technology.

In response to climate change and the challenges it poses including the country's slow transition into a low carbon economy, the Department mentioned in its APP that among other initiatives, it is rolling out climate change adaptation and mitigation strategies to increase the adaptative capacity of the agricultural sector through enhancing the resilience of people, food and agricultural production systems while safeguarding national food security. However, except for the target on supporting 13 subsistence producers with biogas technology, there are no specific targets on climate change adaptation and mitigation in the APP. This is despite the Department acknowledging the drought impact on crop estimates and dim outlook on feed for the livestock industry.

2.3.3 Programme 3: Food Security, Land Reform and Restitution

Programme 3 is responsible for acquisition and redistribution of land, as well as promotion of food security and agrarian reform, thus playing an important role in contributing to economic transformation and job creation (Priority 2 of the MTSF). As it has been the case in previous financial years, more than half of the Department's total appropriation will be allocated to Programme 3, which receives approximately R9.4 billion (56 per cent) for 2024/25. Approximately R6.2 billion of Programme 3's total appropriation, which is equivalent to 66 per cent of the Programme's total budget, is for transfers to provinces, public entities and households. Of the transferred R6.2 billion, approximately R2.6 billion is for households, which covers grant funding for land acquisition and farmer development support; R2.3 billion will go to other provincial and municipal transfers; R1 billion to Departmental agencies and accounts while R375 million will go to the Land and Agricultural Development Bank of South Africa (Land Bank).

Food security, conditional grants and extension support

The Food Security and Agrarian Reform sub-programme received R2.86 billion (30 per cent of this Programme's total budget)), which is an increase from the previous financial year's R2.2 billion. This is the second largest allocation after Restitution for 2024/25. The allocation to the Food Security and Agrarian Reform sub-programme will see a 1.4 per cent average growth over the MTEF period. As much as the allocation is commendable to address food insecurity, there is no clearly defined indicator to measure food security and the impact of the allocated resources. The Department largely relies on quantitative targets that are implemented by provinces in the form of producer support programmes (conditional grants) without measuring the actual impact of such programmes on food insecurity especially at the household level. The Department contributes to the inter-departmental implementation of the Food and Nutrition Security Programme of the country; however, it does not have specific and clearly defined targets in its APP.

The conditional grants under Programme 3 will receive a combined allocation of approximately R2.2 billion. This amount constitutes R1.7 billion for Comprehensive Agricultural Support Programme (CASP) and R448 million for Ilima/Letsema. The CASP grant covers off-farm and on-farm infrastructure (R1.3 billion), Extension Recovery Plan (R323 million) and upgrading of Agricultural Colleges (R99 million).

The budget allocation for the National Extension Support Services and Sector Capacity Development sub-programme will see an average growth of 2.5 per cent over the MTEF period ending in 2026/27. For the 2024/25 financial year, the sub-programme is allocated R610 million compared to the previous year's adjusted appropriation of R618 million. However, the budget will increase in the next two financial years of the MTEF period to address capacity and visibility of Extension personnel that is usually highlighted as a challenge in some parts of the country, particularly in rural areas. As already indicated, the APP does not have specific and clear indicators and annual targets for Food Security and Agrarian Reform including Extension Support Services as these functions are implemented through provinces.

- In terms of Sector Capacity Development, the Department has an annual target to enroll 800 new students at Agricultural Training Institutes for 2024/25.
- It also plans to support 100 producers through the Blended Finance Scheme (new target).

Accelerating land reform and finalising land restitution claims

Broadening access to land is a critical component of government's commitment to building an inclusive economy including intensifying land reform as outlined in the National Development Plan. Concerted effort is being made to accelerate land redistribution and finalise outstanding land restitution claims. Of the total R9.4 billion allocated for Food Security, Land Reform and Restitution, R885.7 million is allocated for land acquisition under the Agricultural Landholding Account (ALHA), R849.2 million is allocated for land redistribution and tenure reform yet no clear targets for tenure reform as discussed below.

The 2024/25 APP shows commitment to continue with the redistribution of land to redress the land ownership injustices of the past and settling as well as finalisation of the pre-1998 land claims lodged in terms of the Restitution of Land Rights Act, Act 22 of 1994. The Committees noted that the Department has planned to deliver the following:

- A total of 755 CPAs will be supported to be compliant with the Communal Property Association Act, Act No 28 0f 1996. The training of CPA committee members will focus on governance. The Committee welcomed the target to train 755 CPAs. Given the enormity of the challenge of CPAs across the board, the Committees were of the view that this target could be increased so that all existing CPAs are capacitated to deal with the challenges as they emerge. Further, the Committees were of the view that CPAs needed closer attention because, if not properly constituted and supported, they pose a threat to functionality of business entities and sustainability of land reform projects.
- Through the Proactive Land Acquisition Strategy (PLAS), about 46 747 ha of strategically allocated land will be acquired. About 50 per cent of the land to be acquired would be allocated to women, 40 per cent to youth, and 10 per cent to people with disabilities in line with the Beneficiary Selection Policy. Whilst the Committees welcomed targets for redistribution of land, Members expressed a concern regarding the pace of land redistribution. The Minister was requested to institute mechanisms and instruments to fast-track land redistribution and restoration of land rights so that dignity of the dispossessed could be restored. Members also referred to policy instruments such as the Land Redistribution Bill which appears in the APP, which has been in the pipeline for some time, but was never finalised.
- Given that land reform comprises three components, i.e. redistribution, tenure reform and restitution, Members noted that the targets set for 2024/25 excluded tenure reform, especially targets that prioritising access to land by farm dwellers and labour tenants. In the previous financial year, specific targets were made for acquisition of hectares of land to settle labour tenants' applications in line with the Order of Court that mandated the Special Master of Labour Tenants to oversee the performance of the Department in this regard.

The targets of restitution, which is located withing Programme 3, are discussed under the Commission of Restitution of Land Rights (CRLR)

2.3.4 Programme 4: Rural Development

Rural Development is responsible for facilitating implementation of rural development strategies for socio-economic growth. This programme is linked to MTSF Priority Outcome 6 (Integrated and Inclusive Rural Economy). Outcome 6 seeks to ensure creation of integrated and inclusive rural economies with quality basic services, particularly education, health care and public transport. Programme comprises National Rural Youth Service Corps, Rural Infrastructure Development and Technology Research cand Development. The budget allocation for Programme 4 decreases by a nominal 4per cent from the adjusted appropriation of R812.3 million in 2023/24 to R779,8 million in 2024/25. Rural Infrastructure Development accounts (RID) for 74.2 per cent (R579.3 million) of the total allocation for the programme, followed by NARYSEC at 21 per cent (R168.6 million). Technology Research and Development accounts for only 4 per cent of the budget, i.e. R31.8 million.

The Committees noted that budget cuts have material effect in the amount of people that could be reached under NARYSEC, hence a decrease in the number of youths that could be trained. RID, with its lion's share of the budget for this programme, signifies that the Department has prioritised infrastructure development to support rural development, especially farming communities and to improve service delivery in rural areas.

The following summarises some of the key observations:

- A total of 1 751 young people under NARYSEC. Whilst it is welcome, the Committee noted a that this target is a decrease from the estimated 2 842 in 2023/24. It is concerning that this target will further decrease in subsequent years to 1 500, despite an increase in youth unemployment.
- The Committees welcomed targets that seek to link NARYSEC participants to economic opportunities. In the past, the Department had set target to link youth to job opportunities and supported with business development through NARYSEC rather than just reports. Of great concern is that the APP shifts attention to production of reports on linking youth to economic opportunities rather than the actual number of youth (i.e. 1751 NARYSEC participants) that will be linked to economic opportunities.
- Whilst the Programme seeks to complete 208 infrastructure projects over the medium term, the target for 2024/25 is 58 infrastructure projects. These will be implemented as part as part of the Agri-parks Model through farmer support production units (FSPUs) to support rural

economic transformation. The Committee noted and welcomed the planned increase in the number of infrastructure projects to 75 for each year over the MTEF.

2.3.5 Programme 5: Economic Development, Trade and Marketing

The purpose of this Programme is to promote economic development, trade and market access for agricultural products; and foster international relations for the sector. While Programme 5 will realise a 4.6 per cent average growth over the MTEF period, for the current financial year, 2024/25, the budget allocation for Programme 5 decreased from R806 million in the last financial year to R792 million. The budgetary decline is observed across all the Programme's sub-programmes except the International Relations and Trade sub-programme. The Agroprocessing, Marketing and Rural Industrial Development sub-programme accounts for 63 per cent of the Programme's total budget with R500 million, a slight decrease from the 2023/24 financial year's allocation of R513 million. Approximately 82 per cent of Programme 5's budget is for current payments in the form of compensation of employees (R284 million) and goods and services (R364 million). The rest of the budget is for transfers to foreign governments and international organisations (R47 million), the National Agricultural Marketing Council (R45.8 million), the Land Bank (R44.6 million) as well as payments for capital assets (R6 million).

For the 2024/25 financial year, the Department has the following annual targets for Programme 5:

- Train 117 cooperatives - Farmtogether Agricultural Cooperative Training.
- 100per cent assessment of AgriBEE Fund applications.
- Support 37 Farmer Production Support Units (FPSUs) to be functional.
- Support 138 enterprises (in the previous financial year, the figure was split into agricultural and non-agricultural enterprises). The support relates to production inputs and infrastructure.
- Capacitating 300 smallholder farmers in agricultural marketing.

All the above targets are linked to Outcome 5 of the Department: Increased market access and maintenance of existing markets. One of the main objectives of Programme 5 for the medium term is to upskill agroprocessing entrepreneurs by training 600 of them on food manufacturing norms and standards by 2025/26. Although 63 per cent of Programme 5's budget will go to the Agroprocessing, Marketing and Rural Industrial Development sub-programme, there are no specific targets that directly speak to the Programme's objective in respect of agroprocessing.

The National Development Plan (NDP) expects the agricultural sector to create 1 million jobs by 2030 through agroprocessing. While there might be a contribution from the private sector in this regard, there is no specific target to monitor the Department's interventions and measure progress towards the NDP target. The Department highlighted the implementation of the Agriculture and Agroprocessing Master Plan (AAMP) as a solution to increasing production and transformation in the sector. The AAMP is a sectoral strategic plan containing specific interventions agreed upon by government, businesses and other social partners to grow the agriculture and rural economy in South Africa. Through the AAMP, the sector is determined to reach 19 per cent share of agricultural output from black farmers by 2030, which is still far less than the 33 per cent that is expected by the NDP. It should be noted that there are no specific targets on how the Department will contribute to the AAMP, whose implementation has been commissioned to the National Agricultural Marketing Council (NAMC).

2.3.6 Programme 6: Land Administration

Land Administration Programme provides and maintains an inclusive, effective and comprehensive system of planning, geospatial information, cadastral surveys, legally secure tenure, and land administration that promotes social, economic and environmental sustainability. It seeks to achieve spatial transformation and efficient land administration with a focus on rolling out and implementing the electronic deeds registration system, reducing the time taken to process general plans, sectional plans and diagrams, and ensuring implementation of the National Spatial Development Framework (NSDF).

Of the total budget allocation of R748.8 million (a nominal increase of 11.6 per cent from adjusted R748.8 million), R533.3 million (71.2per cent) goes to National Geomatics Management Services (NGMS) followed by Spatial Planning and Land Use (SPLU) with R200 million (26.8per cent). Whilst the South African Council of Planners and the South African Geomatics Council receive

R8.5 million and R3.7 million respectively, their respective plans are yet to be considered. Both NGMS and SPLU are vitally important for improved land administration and spatial planning, i.e. implementation of the Spatial Planning and Land Use Management Act (SPLUMA). The Committee welcomes an increase in allocation for SPLU to give effect to SPLUMA.

The Committees noted the targets under this programme for oversight purposes. The targets can be summarised as follows:

- To ensure that 95 per cent of deeds made available within 7 days from lodgment for execution
- To ensure that 95 per cent of registered deeds delivered within 10 days from date of registration
- To develop 3 monitoring reports on the NSDF spatial action areas
- To support (professionally and technically) 12 organs of state to implement the Spatial Data Infrastructure Act (Act 54 No 54 of 2003)
- Other important targets related to 16 days for processing of cadastral documents for addition to the national dataset of Cadastre, average of 10 days to add new cadastre documents to the cadastral spatial information dataset and others.

2.3.7 Trading Accounts

(a) Agricultural Land Holding Account

The Agricultural Land Holding Account (ALHA) was established in 2009 in terms of the Provision of Land and Assistance Act, (No.126 of 1993). The main aim for the ALHA is to acquire, hold and lease land to beneficiaries under the Proactive Land Acquisition Strategy (PLAS). The account's focus over the medium term, in line with national priorities, is to promote equitable land distribution and agricultural development.

As stated under discussion of land redistribution, the targets for ALHA can be summarised as follows:

- By acquiring 102 025 hectares of strategically located land over the medium term, of which 32 350 ha, which will be acquired in 2024/25.

- Of the acquired hectares, 50 per cent will be allocated to women, 40 per cent to young people and 10 per cent to people with disabilities.
- Support 108 farms through the LDS Programme over the MTEF and 45 farms will be supported in 2024/25 (less than the 66 farms supported in 2023/24)

The total revenue over the MTEF period is set to amount to R3.5 billion while the expenditure is R3.1 billion. Transfers from the Department account for 78 per cent of the total revenue received in 2024/25. Transfers from the Department have increased by 16.4 per cent in nominal terms or 11.2 per cent in real terms in 2024/25 compared to 2022/23, which has led to an increase in total revenue by 13.2 per cent in nominal terms. Expenditure is set to increase at an average annual rate of 1.4 per cent, from R942.4 million in 2023/24 to R1.1 billion in 2024/25.

(b) Deeds Registration Trading Account

The aim of the Deeds Registration Account is to provide a high-quality deed registration system, improve land administration and spatial planning. The Account registers rights in land and maintains public registers of land. It generates revenue by selling information and levying fees in accordance with the schedules of fees prescribed in the Regulations. Over the medium term, the Entity will implement an electronic deeds registration system that will help improve the property registration process and ensure acceleration of the registration of title deeds. Expenditure and revenue are expected to increase at an average annual rate of 4.4 per cent, from R1 billion in 2023/24 to R1.2 billion in 2026/27. There are no transfers to the Entity over the medium-term, as it generates its revenue by selling deeds information and registering properties.

3. Overview of the Strategic Focus of the Public Entities of the Department, their 2024/25 Annual Performance Plans and Budget Allocation

The Department oversees the operations of a number of national public entities. Table 3 below illustrates budget allocation for each entity for the medium term.

Table 3. Budget Allocation to Entities for the MTEF Period 2024/25 – 2026/27

Entity **R'million**	**2023/24 Adj. Approp.**	**MTEF Period Estimates**		
		2024/25	**2025/26**	**2026/27**
1. Commission on Restitution of Land Rights	3 720.6	3 490.3	3 619.0	3 870.0
2. Ingonyama Trust Board	23.8	21.9	22.8	23.9
3. Office of the Valuer-General	140.3	142.8	149.2	156.0
4. Agricultural Land Holdings Account	734.9	855.7	946.2	989.6
5. Agricultural Research Council	1 191.6	1 081.2	1 236.9	1 252.0
6. Onderstepoort Biological Products	-	-	-	-
7. National Agricultural Marketing Council	49.8	45.8	47.8	50.0
8. Perishable Products Export Control Board	-	-	-	-

Source: DALRRD – Annual Performance Plan 2024 - 2025

3.1 The Commission on Restitution of Land Rights (CRLR or the Commission)

The Commission on Restitution of Land Rights (the Commission) is established in terms of Section 4.1 of the Restitution of Land Rights Act (Act No.22 of 1994). Although the work of the Commission is included in Programme 3 of the Department, the Commission was expected to be an autonomous body as provided for in Act 22 of 1994 and recommended by the Auditor-General. The Commission solicits, investigates and resolves land claims through negotiations and mediation and where necessary referral to the Land Claims Court. In terms of the Restitution of Land Rights Act, all claims must have occurred after 19 June 1913. Claimants submitted their claims before 31 December 1998 (old order land claims). Owing to the Restitution of Land Rights Amendment Act (2014), approximately 163 383 land claims (new order claims) were submitted between 2014 and 2016. However, the Constitutional Court interdicted the Commission from processing the claims these new order claim until all pre-1998 land claims are settled.

The Commission's work aligns with the following outcome areas; namely, 1. Restored land rights and alternative forms of equitable redress; 2. Improved governance and service excellence. In terms of restoration of land rights or equitable redress (Outcome 1), the Commission plans to: (i) recommend 319 land claims for settlement; (ii) settle 319 land claims; and (iii) Finalise 399 land claims. In respect of improved corporate governance and service excellence, attention will be on processes to attain autonomy of the Commission as per the legislation and recommendations of the Auditor-General, to improve service delivery, business information and communication.

The Committees' observations regarding the Commission's APP can be summarised as follows:

- *Autonomy of the Commission*: The Commission presented to Parliament its roadmap towards autonomy with budget requirements since the 5th Parliament. To date, implementation of the roadmap and attaining its autonomy has not been achieved. Amongst other constraints is limited budget to attain autonomy means that the placement of the work of the Commission under Programme 3 of the Department is not in line with the intension of the Restitution of Land Rights. Further, it means that Minister and the Chief Land Claims Commissioner have not implemented the recommendation of the Auditor General. If the autonomy is not addressed, the known challenge of an overlap of the mandate of the Department and of the Commission might not be easily resolved.

- *New order versus old order land claims:* An interdict brought about by a challenge to the Restitution of Land Rights Amendment Act (2014) at the Constitutional Court means that all the claims lodged between 2014 and 2016 cannot be processed unless the Court orders the Commission to do so. In the meantime, Regional Offices such as the Free State (5 old order claims) and Northern Cape (22 old order claims) are also unable to begin processing new claims. The Committee was of the view that the Commission should explore options at its disposal to enable those regional offices to start processing these claims, including approaching the Court for certain regions to be exempted from an interdict.

- *Outstanding land claims and budget allocation:* The Committees noted that as of April 2024, there were a total of 5759 old order land claims most of which are in Kwazulu-Natal (1925), Limpopo (1180, and Mpumalanga (1615). The common factor in these Provinces is that the claims are rural and involves large tracks of high-value agricultural land with large number of claimants (complex community claims with overlapping rights). The current allocation of R3.5 billion annually is inadequate to fast-track settlement of land claims. An independent financial forecasting conducted commissioned under Project Kuyasa showed that an estimated amount of R65 billion (excluding operational funding) was needed to settle all outstanding old order claims within 5 years.

- *Human Resources:* The Committee also expressed concern that the Commission was operating at 50 per cent of the original staff establishment of 1442 positions. Of the 757 positions in the current staff establishment (approved in 2020), 58 are vacant position. The Committee expressed a view that the Minister and the Chief Land Claims Commissioner must urgently address these issues because, if not addressed, they could become an obstacle to the ability of the Commission to efficiently deliver on its mandate.

3.2 KwaZulu-Natal Ingonyama Trust Board (ITB)

The KwaZulu-Natal Ingonyama Trust Act (1994) makes provision for the 2.8 million hectares of land spread across KwaZulu-Natal to be held in trust and managed by the Ingonyama Trust Board (ITB) for the benefit of communities on the Trust land. Section 2(b)(2) of the Ingonyama Trust Act, with subsequent amendments, provides that "The Trust shall, in a manner not inconsistent with the provisions of this Act, be administered for the benefit, material welfare and social well-being of the members of the tribes and communities as contemplated in the KwaZulu Amakhosi and Iziphakanyiswa Act, 1990 (Act No. 9 of 1990) …" With this in mind, the Trust seeks ***to become a leader in sustainable communal land management*** (Its vision). Its mission is to: (i) contribute to the improvement of the quality of life of the members of the traditional communities living on Ingonyama Trust land by ensuring that land management is to their benefit and in accordance with the laws of the land; and (ii) to develop progressive business models for the social and economic upliftment and the empowerment of the members of communities on land administered by the Ingonyama Trust Board (ITB).

The ITB has two programmes: namely, Administration and Land and Tenure Management. The Committee noted that the Chairperson of the Ingonyama Trust Board, His Majesty the King, could not attend the meeting pending his meeting with the Minister. Further engagement between the Committee and the ITB would be facilitated.

Over the years, there has been separation of the budget of the Ingonyama Trust and that of the Ingonyama Trust Board. Firstly, the total 2024/25 budget for the Ingonyama Trust Board was R29 million, decrease from R31.3 million in 2023/24. Of the total budget, R21.8 million is received as Transfers from the DALRRD and R106 000.00 is from interest income whereas R7 million is received from the Ingonyama Trust transfers to cover the shortfall in the budget. The main cost driver for the ITB is compensation of employees at the cost of R21.3 million whereas goods and services accounts for R7.4 million. Secondly, the 2024/25 budget for the Ingonyama Trust is R123.689 million. This amount is revenue generated from the projected rental income of R105 649 million and other income of R18 049 million. Noteworthy in the Trust's estimated expenditures is an allocation of R31 473 million for disbursement to beneficiaries, R29 090 million provision for rates as well as well as provision of doubtful debts of R23 528 million.

3.3 Office of the Valuer-General (OVG)

The Office of the Valuer-General (OVG) was set up in terms of the Property Valuation Act (PVA), No.17 of 2014. It is listed as Schedule 3A public entity in terms of the Public Finance Management Act (PFMA), Act No.1 of 1999. It is responsible for the following: (i) valuation of properties identified for land reform purposes, as well as where a Department requests for a valuation service to be rendered for purposes of acquiring or disposing of property; and (ii) developing criteria and procedures for the valuation of a property that has been identified for land reform purposes and monitoring the proper, efficient and effective valuation of such properties based on set criteria and procedures. Its work ensures that the compensation determined for land acquisition for land reform purposes is just and equitable.

From the reading of the APP, the Committee noted and welcomed the APP with its four outcome areas: namely, Just and Equitable Valuations, Organisational Excellence, Good Data Quality and Promoting ethical conduct. Annual targets for the OVG can be summarised as follows:

- 100 per cent implementation of corruption and fraud prevention plan
- 50 working days to issue a valuation certificate (improved valuation efficiency)

- 100 per cent completion of current value valuation requests; 100 per cent completion of historical valuations; and 100 per cent completion of market value valuations submitted by clients within specified timeline (improved valuation efficiency).
- 95 vacant funded posts filled in line with the approved interim structure and unqualified audit opinion (organization excellence).
- 100 per cent digital transformation roadmap implemented (Good quality data).

According to the Estimates of National Expenditure (National Treasury: 2024), the total allocation for the OVG in 2024/5 is R142.8 million[1]. The total amount is from Transfers from the Department. Due to time limitation, the Committee was unable to engage fully with the APP of the OVG. However, one of the concerns expressed was that the OVG remains with an Acting CEO since 2019 (i.e. for period of five years). The Committee recommended that the Minister should consider addressing the question of vacancies. In addition to vacancies, the Committee was concerned that the OVG still operates with an interim structure since its establishment (note that it was listed as a Schedule 3(A) public entity in terms of the Public Finance Management Act during the 2017/18 financial year).

3.4 Agricultural Research Council (ARC)

The Agricultural Research Council (ARC) was established in terms of Section 2 of the Agricultural Research Act, 1990 (Act No. 86 of 1990) and is listed under Schedule 3A (national public entity) of the Public Finance Management Act (PFMA), Act No.1 of 1999. The ARC is the principal agricultural research institution in the county that is mandated by the Act to conduct agricultural research and development, technology transfer to promote and support the agricultural community, and to facilitate and ensure conservation of natural resources. In addition, the ARC is responsible for the maintenance of national assets and is the custodian of the country's national collection of insects.

The ARC has been appropriated a Parliamentary Grant of R1 billion (Table 4) for the 2024/25 financial year through the Department's Programme 2. The transfer constitutes baseline allocation

[1] Note that the OVG presentation shows that the total allocation is R156 006 million.

for operational expenditure and capital expenditure. The Parliamentary Grant (PG) to the ARC has been declining over the years and over the medium term, will realise an average growth rate of 1.7 per cent. The ARC's total budget for the financial year is R1.9 billion comprising of the PG, R895.9 million external income and R71.7 million from other income. The entity's marketing initiatives yielded positive results as in the previous financial year it only generated R249 million from external sources. As part of its initiatives to generate more revenue instead of being dependent on the Parliamentary Grant, the ARC has submitted a proposal to the National Treasury and the Department for an establishment of a Commercialisation Entity to generate funding through its intellectual property.

The ARC reported progress on the Foot-and-mouth disease (FMD) Vaccine Production Facility, whose construction is planned for August 2024 until November 2025. On completion, the FMD Facility will restore the country's capabilities of producing and supplying the much-needed FMD vaccine that is currently imported from Botswana. The ARC also supports the implementation of the Agriculture and Agroprocessing Master Plan (AAMP).

3.5 The Onderstepoort Biological Products (OBP)

The Onderstepoort Biological Products (OBP) was established in terms of the Onderstepoort Biological Products Incorporation Act, 1999 (Act No.19 of 1999). It is listed under Schedule 3B of the PFMA, i.e. national Government business enterprise. It is a state-owned bio-technical company that manufactures livestock vaccines and related products for the global animal health care industry. It is also a National Key Point. The OBP does not get a Parliamentary Grant in the form of a financial transfer from the Department but funds all its operations from self-generated revenue, mostly from sale of vaccines. Challenges with aged equipment breakages means that the OBP continued to suffer revenue losses as it could not timeously produce some of the required vaccines.

The entity's total budget for the 2024/25 financial year is R270.8 million, which is more than the previous financial year's R255.7 million. The OBP's main focus remains the modernisation of the vaccine manufacturing plant, which is also called the Good Manufacturing Practice (GMP)

Facility; and replacing aged equipment (e.g. procurement of a freeze drier) to ensure a steady supply of vaccines. A significant proportion of the OBP's budget will go towards production operations and revenue generation with approximately 59 per cent of the budget allocated to Programme 2 (i.e. Continuous Improvement of Business Processes) and 20 per cent to the Financial Stability Programme. To address vaccine shortages, the OBP has had discussions with the Department to facilitate the process of manufacturing some of the priority vaccines through a service provider while work on the GMP Facility continues.

3.6 The National Agricultural Marketing Council (NAMC)

The National Agricultural Marketing Council (NAMC) was established in terms of Section 3 and 4 of the Marketing of Agricultural Products (MAP) Act, 1996 (Act No. 47 of 1996) as amended by Act No. 52 of 2001. It is listed under Schedule 3A of the PFMA. The core mandate of the NAMC is to investigate and advise the Minister of Agriculture, Land Reform and Rural Development on agricultural marketing policies and their application, and to coordinate agricultural marketing policy in relation to national economic, social and development policies and international trends and developments. The NAMC is also responsible for investigating and overseeing the application of statutory and other regulatory measures; and to report and make recommendations to the Minister on the measures.

The NAMC has a total budget of R52.2 million for the 2024/25 financial year. The total amount comprises the Parliamentary Grant of R45.7 million that is transferred through the Department's Programme 5, non-tax revenue of R3 million (i.e. bank interest and project management fees) and R3.5 million from other transfers received. As the NAMC's core mandate is to provide advisory services including investigations on agricultural marketing policies for the Minister of Agriculture, Land Reform and Rural Development, most of its budget goes to compensation of employees (COE). In the current financial year, the figure for COE is R35.6 million (68 per cent of the total budget). The NAMC has been commissioned by the Department for the monitoring and evaluation (M&E) of the implementation of the Agriculture and Agroprocessing Master Plan (AAMP).

3.7 Perishable Products Export Control Board (PPECB)

The Perishable Products Export Control Board (PPECB) is a national public entity that is listed under Schedule 3A of the PFMA. It was established in terms of Section 2 of the Perishable Products Export Control Act, 1983 (Act No. 9 of 1983). The entity does not receive a Parliamentary Grant but generates its own revenue through fees and levies charged for inspections done on perishable products that are due for export, issuance of export certificates and laboratory services. As a result, 99 per cent of its revenue is derived from sale of goods and services and 1 per cent from interest and transfers received. The key considerations that impact the operations of the PPECB and its capacity to generate revenue include the energy crisis (loadshedding), challenges in ports (congestion) and railway infrastructure, global trade barriers, data security, digital skills development (investment in technology) and the Border Management Authority.

The PPECB's total budget for the 2024/25 financial year is R703 million, with an estimated average growth rate of 10.5 per cent for the next five years. Due to the nature of the PPECB's operations, in terms of economic classification, approximately 65 per cent of the total expenditure for the current financial year is for compensation of employees.

4. Summary of Key Conclusions drawn from the Committee Deliberations on the 2024/25 APPs and MTEF Budget of the Department (DALRRD) and its Entities

The Committees, having deliberated the findings and observations on the 2024/25 Annual Performance Plan (APP) of the Department and budget allocations of the Department and Entities, drew the following conclusions:

4.1 The Department of Agriculture, Land Reform and Rural Development

4.1.1 While being cognisant of the country's fiscal constraints and in light of the challenges that are faced by the agricultural sector including climate change and loadshedding, the stagnant growth in the Department's overall budget allocation over the MTEF period is a concern. Underfunding could potentially undermine service delivery in respect of the sectoral mandates outlined in Chapter 6 of the National Development Plan (NDP) and Medium-Term Strategic Framework (MTSF) priorities. This is particularly true for Programme 2: Agricultural Production, Biosecurity and Natural Resources Management and Programme 3: Food Security, Land Reform and Restitution.

4.1.2 As biosecurity remains a sectoral challenge whose critical importance has also been recognised by the Department, the Biosecurity sub-programme in Programme 2 is grossly underfunded and requires a significant budgetary allocation to strengthen control and management measures particularly for the control of the ongoing foot-and-mouth disease (FMD) and other plant and animal diseases. These diseases, particularly FMD, have a negative impact on the industry's export revenue, sector employment and sustainability.

4.1.3 As South Africa exports mostly raw agricultural products while importing processed products, the Agriculture and Agroprocessing Master Plan (AAMP) is expected to play a central role in inclusive sector growth as well as development and promotion of agroprocessing. However, the Department needs to have specific and measurable activities with targets on its interventions to ensure different producer categories benefit from the implementation of the AAMP, including other Master Plans, viz. Poultry, Sugar and Cannabis Master Plans. The Master Plans have been cited in previous State of the Nation Addresses (SONAs) as central to the development of rural economies through enhanced production capacity, market access for smallholder producers, ensuring food security and creating employment.

4.1.4 The Department's APP is silent on the impact of outdated legislation on sector operations, trade and development including measures to address weaknesses and challenges associated with the implementation of outdated legislation.

4.1.5 There is a need to assess and review the impact of the AgriParks model along with the Farmer Production Support Units (FPSUs) as most are not fully functional due to lack of necessary infrastructure, capacity to manage them and conflicts among beneficiaries.

4.1.6 Lack of progress in the implementation of the Black Producer Commercialisation Programme (BPCP) as it was first announced in the 2017 SONA but has not yielded desirable outcomes due to capacity challenges at the Land Bank, which is responsible for the implementation of the Programme.

4.1.7 Lack of accountability in respect of funds that have been transferred to the Land Bank for the Blended Finance Initiative to implement the BPCP; as well as utilisation of the AgriBEE Fund for sector transformation. In the 2024/25 financial year, the Department will transfer a total of approximately R420 million to the Land Bank (R375 million through Programme 3 and R44.6 million through Programme 5).

4.1.8 It is acknowledged that the Department is guided by the Division of Revenue Act (DORA) in terms of monitoring the utilisation of conditional grants by provinces. However, the standardised indicators as outlined in the Department's APP are quantitative and focus on the utilisation of funds without measuring value for money and ensuring that the grant is used for its intended purpose. Considering that R2.28 billion (approximately 14 per cent) of the Department's total budget will be transferred to provinces as conditional grants (CASP, Ilima/Letsema and LandCare) in 2024/25, there is a need for a monitoring and evaluation (M&E) framework as part of the APP to strengthen accountability on performance and service delivery; and to ensure that the transferred funds are not redirected to other activities.

4.1.9 Similarly to conditional grants that are transferred to provinces for implementation, and in light of funds that are redirected from other Department's Programmes to the Presidential Employment Stimulus Initiative (PESI), it is worrisome that the Department's APP does not have annual funding amounts that will be transferred to each province for PESI activities including an M&E Framework on how it will monitor the utilisation of such funds. There is a risk of duplication with conditional grants and waste of resources. Previous Committee oversight on PESI showed inconsistences in the application of the beneficiary criteria for PESI vouchers and little evidence of efficient M&E of PESI implementation.

4.1.10 An increase in the rate of land delivery that is not accompanied by support to landholding entities (both CPAs and Trusts) as well as business or operating entities, in terms of both governance and production, will not result in desired outcomes of land reform. The Committee strongly supports intensifying land redistribution using various policy instruments at the disposal of the State to fast-track delivery of strategically located and productive land to the landless, emerging and smallholder farmers. Complimentary post-settlement support to farmers of different scales can contribute to growing the sector as envisioned in the NDP – expansion of land under irrigation and inclusive economic growth to mitigate the triple challenge of inequality, poverty and unemployment. An adequately resourced Land Development Support programme can play a key role in matching delivery of land with complimentary post land transfer support.

4.1.11 Lack of targets for settlement of labour tenants' applications under the supervision of the Special Master for Labour Tenants at the Land Claims Court could potentially shifts oversight attention from the Constitutional Court order which compels the Minister of Land Reform and Rural Development to finalise labour tenants' applications without delay. Similarly, targets for implementation of the target for Transformation of Certain Rural Areas Act, (No. 94 of 1998) do not appear. It thus means that performance on these crucial areas that addresses tenure security envisaged in Section 25(6) of the Constitution will not form part of reporting on quarterly and annual basis, hence a need for inclusion in the APP.

4.1.12 The focus on rural infrastructure development was a welcome development and a step in their right direction. Whilst training for youth, under NARYSEC is a positive intervention, the number of youths being trained has been in decline. Linking the NARYSEC graduates to economic opportunities could potentially address youth unemployment and improve rural livelihoods.

4.2 Public Entities of the Department

Onderstepoort Biological Products (OBP)

4.2.1 Slow progress in addressing personnel challenges including the appointment of a CEO, as the position has been vacant for two years is a concern as it may impact the entity's capacity to fulfil its mandate.

4.2.2 Delays in the replacement of aged equipment particularly the freeze drier, to ensure uninterrupted and timeous supply of vaccines; and the finalisation of the vaccine manufacturing facility (GMP project) to ensure that the OBP is GMP-compliant and able to be a globally competitive supplier and distributor of vaccines and other biological products.

CRLR

4.2.3 Budgetary and human resource constraints, as it is currently operating at 50 per cent staff component of the original structure, could potentially affect the capacity of the Commission on Restitution of Land Rights to settle outstanding old order land claims at the pace anticipated. The R3 billion annual allocation is a far cry from the required R65 billion to settle all outstanding old order claims within five years. There needs to be a robust engagement between the Minister of Land Reform and Rural Development, alongside the Valuer-General and the Chief Land Claims Commission, and the Minister of Finance to address funding for restitution.

OVG

4.2.4 The OVG plays an important role to ensure that land reform valuations are in line with the Constitutional requirement for just and equitable compensation when land is acquired for land reform. The vacancy of Valuer-General and Chief Operations Officers, as senior officials in the OVG, does not help in advancing and deepening the significance and the stature of the OVG as well as organisational efficiency. It is vitally important the two senior positions are filled as a matter of urgency.

5. Committees' Recommendations

The Portfolio Committee on Agriculture and the Portfolio Committee on Land Reform and Rural Development make the following recommendations to the National Assembly (NA) for the attention of the Ministers responsible for Budget Vote 29:

To The Minister of Agriculture

The Minister should -

5.1 Liaise with the Minister of Finance to discuss the declining budgetary allocation to the Vote despite the Department's important mandate in respect of job creation and the important contribution to food security, biosecurity, natural resource and disaster management. Advocate for increased funding for Programme 2 as inadequate biosecurity can pose a threat to food safety and a reputational risk to the country's agricultural exports. In this regard advocate for increased funding for the Biosecurity sub-programme as management of disease outbreaks is costly to the country and the sector. Additionally, continue to advocate for an increased Parliamentary Grant to the ARC to sustain and enhance its research and innovation capacity.

5.2 Submit to Parliament Implementation Plans and quarterly progress reports on the implementation of the Agriculture and Agroprocessing Master Plan (AAMP), the Poultry and Sugar Master Plans and further develop Action Plans for submission to Parliament with resource allocations for the inclusion and capacity building of subsistence and smallholder producers to fully participate in the implementation of the three Master Plans.

5.3 Submit quarterly updates to Parliament on the Department's Hemp Seed Certification Scheme in respect of the finalisation of the Cannabis Master Plan including roles and responsibilities of other sector departments; as well as an Action Plan for the inclusion and capacity building of subsistence and smallholder producers to fully participate in the implementation of the Cannabis Master Plan.

5.4 Submit to Parliament, Legislation and Policy Review Programmes with clear timelines and resources for processing and finalisation; and in the case of legislation, include timeframes for planned introduction to Parliament.

5.5 Conduct a comprehensive assessment of the status of AgriParks (and FPSUs) including an account of financial resources that have been utilised in developing the AgriParks (and FPSUs) since inception; and submit a report in this regard to Parliament.

5.6 Ensure the Department develops an Action Plan to review and streamline the Department's existing farmer support programmes and conditional grants into an integrated Producer Support Programme/Scheme that was envisaged when the National Policy on Comprehensive Producer Development Support was developed to avoid duplication and resource wastage. The Action Plan should illustrate the alignment to the Department's new mandate and the Farmer Production Support Units (FPSUs) that are expected to be central to the implementation of the AAMP.

5.7 Strengthen Reporting Guidelines and ensure the development of Monitoring and Evaluation (M&E) Frameworks for conditional grants and other farmer support programmes such as PESI; as well as all funds that have been transferred to other service providers (e.g. Land Bank, infrastructure contractors, consultants) and Entities for the implementation of the Department's programmes/projects. The Department should report to Parliament on its M&E activities during each quarterly briefing.

5.8 Submit to Parliament comprehensive progress reports on the implementation of the Black Producer Commercialisation Programme through the Blended Finance Initiative (BFI) and transformation activities through the AgriBEE Fund; including an account of all funds that have been transferred to the Land Bank for the AgriBEE Fund and the BFI since the inception of both Programmes.

5.9 Fast track the appointment of the CEO of the OBP including filling of other critical management vacancies with competent and fit-for-purpose personnel to ensure stability in the governance of the entity.

5.10 As the OBP does not receive a Government Grant except for the once-off allocation of R492 million for the modernisation of the Vaccine Manufacturing Facility (GMP Project), ensure that the OBP submits an Action Plan with timeframes and funding needs for the completion of the GMP Project. Further, it should provide quarterly updates on the repair and procurement of broken equipment particularly the freeze drier, as well as on availability of vaccines.

5.11 Ensure that the Department develops a system to fast-track approvals of new vaccines and other agricultural remedies.

5.12 Hold engagements with the Ministers of Police, Cooperative Governance and Traditional Affairs (COGTA), Home Affairs and other relevant Ministries to discuss rural safety; and report to Parliament on plans that have been put in place to address safety in rural and farming communities.

5.13 Liaise with the Minister of Finance to consider some tax relief for farming communities that have made investments on security measures, in so doing, redirecting funds from production and other farming activities.

5.14 Hold engagements with the Ministers for Public Works and Infrastructure, Land Reform and Rural Development, COGTA, Energy and Electricity, as well as Transport to discuss challenges affecting rural and farming areas in respect of infrastructure, delivery of municipal services, energy supply and costs, roads, rail and challenges at ports. In this regard, the Minister must report to Parliament about the outcomes of the engagements and proposed interventions to address the challenges.

To The Minister of Land Reform and Rural Development

The Minister should –

5.15 Consider reviewing the Land Policy with intention to find alternative mechanisms that can support intensification of land redistribution using various policy instruments at the disposal of the State to fast-track delivery of strategically located and productive land to the landless, emerging and smallholder farmers so that the government's target to redistribute 30% of agricultural land is met.

5.16 In consultation with the Minister of Agriculture, develop mechanisms for stronger coordination and collaboration between the Department of Agriculture and the Department of Land Reform and Rural Development to address possible duplication of services by the two departments and a risk of double-dipping in key programmes by beneficiaries. Coordination and collaboration among government departments can assist to maximise limited available resources.

5.17 Establish mechanisms, policy and otherwise, where beneficiaries of land reform are adequately and comprehensively supported in terms of production, extension and marketing. All land transferred to beneficiaries must be matched with post-settlement support. In addition, the Minister should consider developing support mechanism for CPAs and Trusts holding land for communities; such support must transcend narrow compliance to the CPA Act and address operational efficiency of the entities.

5.18 Review the CPA policy, including the recent CPA Amendment Act, to explore opportunities to develop alternative models for communal landholding and/or review of policies to institutionalise mechanisms that encourage differentiation of CPAs as landholding entities from business entities so that the impact of a CPA dysfunctionality could have minimal effect in a business/operating entity. In addition, the Minister should consider clarification of individual rights and benefits within CPAs.

5.19 Submit an addendum to the APP demonstrating outcomes, outputs and targets for tenure reform. Special attention should be given to Transformation of Certain Rural Areas Act (TRANCRAA), Labour Tenants Applications, Extension of Security of Tenure Act (ESTA) with respective amendments, and Communal Land Tenure (Interim Protection of Informal Land Rights Act).

5.20 Submit an addendum to the APP clarifying the number of NARYSEC participants that will be linked to economic opportunities, disaggregated according to gender, age, provinces and types of economic opportunities. In addition, submit the two reports on NARYSEC participants linked to economic opportunities by end of Quarters 2 and 3. Department of Agriculture and the Department of Land Reform and Rural Development should be encouraged to consider procuring services of NARYSEC graduates for special projects in the field of their training.

5.21 Engage with the Minister of Finance to present a plausible plan to settle all outstanding old order claims and motivate for a ring-fenced budget increase backed by evidence of the number of years it would take to settle the outstanding 5 759 old order claims, several new order claims that the Commission is yet to process and the Constitutional Court order in this regard.

5.22 In addition, the Minister should seek additional funding specifically set aside for the establishment of a fully autonomous Commission on Restitution of Land Rights in line with the Road Map to autonomy presented to Parliament by the Chief Land Claims Commissioner. Additional funding should also address human resource capacity deficiencies arising from the fact that the CRLR was operating at 50% of the original approved structure.

5.23 Ensure that engagement between him and the Chairperson of the Ingonyama Trust Board, the Sole Trustee of the Ingonyama Trust, are held as a matter of urgency. Further, report to Parliament within a month after the engagements to create conducive environment for effective parliamentary oversight and accountability processes for the ITB.

5.24 Ensure that the organisational structure for the OVG is finalised and that critical management vacancies are filled without delay.

The Committees further recommend that, unless otherwise indicated, within three months after the adoption of this report by the National Assembly, the Ministers should submit to Parliament, responses to the above recommendations.

Report to be considered.

8. REPORT OF THE PORTFOLIO COMMITTEE ON PUBLIC WORKS AND INFRASTRUCTURE ON BUDGET VOTE 13: PUBLIC WORKS AND INFRASTRUCTURE, DATED 10 JULY 2024.

The Portfolio Committee on Public Works and Infrastructure, having met on 10 July 2024; and having deliberated on the Annual Performance Plans (APPs) of the Department of Public Works and Infrastructure (DPWI, the Department), the Property Management Trading Entity (PMTE), and the public works and infrastructure entities; reports as follows:

1. INTRODUCTION

The Public Finance Management Act (No. 1 of 1999) defines the Minister of Public Works and Infrastructure as the executive authority of the Department. The Act further defines the Director-General (DG) as the accounting officer of the Department; he or she must comply with the provisions of the Constitution and the PFMA and ensure sound financial management of the allocated budget and the business of the Department. The Minister provides policy (political) leadership to the DG and the senior management team regarding how the Department and the public works and infrastructure entities[1], should use the allocated budgetary and human resources to translate policy ideals into implementable programmes.

The policy and monitoring role of the Minister over the DG and Senior Management Team

The Office of the Minister plays a policy leadership and monitoring role. A healthy distance must be maintained between the administrative management and financial management duties of the DG and senior management on the one hand, and the Minister and her political office on the other. The Minister as the policy leader and executive authority leads by monitoring whether and how the budget is used as a tool to implement policy ideals. This is done through the in-year monthly and quarterly expenditure and performance reports that the Director-General[2],

[1] These are the Council for the Built Environment (CBE), the Construction Industry Development Board (CIDB), Agrément South Africa (ASA), and the Independent Development Trust (IDT).

[2] See page 30 of this report. In the case of the DPWI, over the last three fiscal years, the Director-General has been suspended and an Acting Director-General (ADG) is performing these tasks. The tendency of unstable and

Deputy Directors-General (DDGs), and senior management service personnel must timeously submit to her office and the National Treasury.

The Minister uses the information on the performance of each branch and sub-branches of the Department per month and quarter, to report to the Portfolio Committee. The annual performance plan and budgetary allocation, with the performance areas and indicators, are important projection tools to drive towards predetermined objectives. Inside the Department, the DG and senior management keep the Minister informed on a monthly, quarterly, and annual basis. Similarly, the Minister and the DG must keep the national legislature fully informed (by engaging this Committee) on predetermined policy and programmatic targets stated in the five budget votes, and annual reports during the administrative term. This leads us to the methodology through which the Committee performs its oversight work.

The method of oversight work

The Portfolio Committee of Public Works and Infrastructure, in turn, does oversight over how the Minister performs in the role of executive authority of the Department.
To do its oversight, the Committee interacts with and receives monitoring reports from the Minister, Deputy Minister and the senior management teams of the DPWI, its Property Management and Trading Entity (PMTE), and boards of the public works and infrastructure entities. During the year, the Committee performs visits to key project sites that might have been identified as challenging in performance and annual reports, but also from petitions on relevant matters, including media and other stakeholder sources. Individual members further ask questions for written and oral replies (on a rotational basis) that the Minister must reply to. The Committee uses issues that emerge from these meetings, deliberations, and responses to questions, to analyse, assess and monitor the work of the Minister, the Department, and public works and infrastructure entities. It makes recommendations to the Minister to address specific oversight issues that might have emerged at stated deadlines. These are contained in the Committee's reports that are published in parliament's Announcements, Tablings, and Committee reports (ATCs) throughout the year.

inconsistent administrative leadership has become a feature of this administration– the analytic and deliberations sections refer to this instability and the consequences to its mandated deliverables.

This greatly assisted in dealing with delivery blockages. Despite certain matters remaining stubbornly incomplete, the Committee appreciates this cooperation as it forms the fibre of a healthy democracy that enables the growth of state capacity to improve service delivery to the nation.
The Committee further receives and interacts with the auditing analysis and opinions performed annually by the Office of the Auditor-General (OAG) on the operations of the Department and entities.

To deal with the reports on the Annual Performance Plans (APPs) and Strategic Plans (SPs) and the budget vote for this financial year, a meeting was held physically, and took place on 10 July 2024.

1.1. The mandate

The Constitution of the Republic of South Africa, 1996, and the Government Immovable Asset Management Act (No. 19 of 2007) (hereafter, GIAMA) outline the mandate of the DPWI and describe it as the custodian and portfolio manager of the government's immovable assets.

1.2. Shift to DPWI Policy and Regulatory Function

During the 2015/16 financial year, the policy leader initiated a shift in the Department's focus. This resulted in a division between the policymaking, regulating, and monitoring arms on the one hand, and the practical implementation of the Department's mandate on the other; the Department would play the policymaking, regulating, and monitoring functions while the implementation functions shifted to the PMTE.

This shift means that the Department renews its focus on:

- policy formulation.
- setting uniform standards for the coordination, collection, and validation of employment creation at national, provincial and municipal government and other public bodies.
- setting uniform standards for the management, leasing, contracting, and maintenance of immovable assets.

- maintaining intergovernmental relationships with user/client Departments.
- managing the coordination, standardisation, and regulation relating to providing accommodation and public employment programmes, and expert professional built environment services to user/client Departments.
- importantly, the Department and PMTE have an oversight role over the standards and regulations that the Minister of Public Works and Infrastructure makes as leader of the functions that Schedule 4 of the Constitution confers to national, and provincial Departments of public works and infrastructure, and municipalities that also perform public works and infrastructure implementation roles.

The broad policy of the government and planning documents of the Department and its entities are instruments that aid the monitoring of how policy ideals are translated into implementable programmes. The APPs show the Department's stated policy objectives, programmes and sub-programmes, human and financial resources, and budget that will be applied to implement the broad policies of the government. These APPs provide the performance targets, performance indicators, and timeframes within which the predetermined objectives should be achieved.

In this Report, before dealing with the APP and budgetary resource analysis, the Committee first assesses whether the policy and programmatic objectives are aligned with the broad policy of government, the transformative trajectory of the NDP, Economic Recovery and Reconstruction Plan (ERRP), Medium Term Strategic Framework (MTSF) 2019/20 to 2024/25, and the policy imperatives set out by the President in the State of the Nation Address (Sona).

2. ALIGNMENT OF STRATEGIC OUTCOMES WITH NATIONAL POLICY

This is an analysis of whether the Department is aligned with the National Development Plan (NDP); the Medium Term Strategic Framework (MTSF) - 2019/20 to 2024/25; the Economic Recovery and Reconstruction Plan (ERRP); and the 2024 State of the Nation Address (Sona).

The seven priorities of the NDP are:

1. Economic transformation and job creation.
2. Education, skills and health.
3. Consolidating the social wage through reliable and quality basic services.
4. Spatial integration, human settlements and local government.

5. Social cohesion and safe communities.
6. A capable, ethical and developmental state; and
7. A better Africa and world.

The five-year strategic plan and the APP of the DPWI and PMTE are aligned with the broad policy objectives, the public works and infrastructure responsibilities of job creation, and the implementation of large-scale infrastructure projects and maintenance that the President mentioned in the Sona. The Department also ensured that it used the budgetary and human resources to implement the following priorities that the government identified over the MTSF:

1. Massify job creation and infrastructure.
2. Structural reforms to ease doing business.
3. Better leveraging public procurement.
4. Digitisation and modernisation.
5. Food security and household income.
6. Basic services, electricity water and sanitation.
7. Eradicate title deeds backlogs.
8. Vaccinations.
9. Corruption prosecutions.
10. Reduce violent crimes.

The Department emphasised the following matters aligned with the ERRP in its priority policy list:

Better leveraging public procurement: The Department is committed to improving and strengthening public procurement. It emphasises the development of Small, Micro, and Medium Enterprises (SMMEs) and local supplier industries so that localised economies are developed and included in the larger economy, and more employment opportunities are created.

Massify job creation and infrastructure: The government identified infrastructure development as the catalytic drive that would stimulate economic activity. The inclusion of Infrastructure South Africa (ISA) within the DPWI is a strategic policy initiative to implement investment through blended funding mechanisms. The Memorandum of agreement with the Development Bank of South Africa and the National Treasury spelt out the different functions of each to roll out a pipeline of blended financed infrastructure projects throughout the MTSF.

The pipeline is to be funded by the Infrastructure Fund which will be leveraged to get the private sector to invest and participate in increased infrastructure investment. Several projects have been approved by the Cabinet as part of the National Infrastructure Plan (NIP) 2050, to be implemented in a Single Infrastructure Project Pipeline gazetted as Strategic Integrated Projects (SIPs). Of these, five SIP programs are implemented by the Department including:

SIP 21: Small Harbours Development.
SIP 25: Rural Bridges "Welisizwe" Programme.
SIP 28: PV and Water Savings Government Buildings Programme.
SIP 29: Comprehensive Urban Management Programme.
SIP 36: Salvokop Precinct.

In its meetings with the Committee, the Department conceded that it faces significant backlogs due to property and infrastructure not being properly maintained. It is committed to improving the condition of and preserving the existing property portfolio. It wants to address maintenance inefficiencies by undertaking less unscheduled maintenance. Unfortunately, this matter has been raised several times in the past as a programmatic weakness. The Department refers to the involvement of the private sector in improving this identified challenge. It further states the involvement of ISA in a newly designed Refurbishment Operate and Transfer (ROT) and Build Operate and Transfer programme in a public-private partnership arrangement with property businesses. This stated intention is new; the committee needed detailed information on the three facilities referred to as part of the pilot; this should include budgeted and resourced items linked to stated performance targets and scheduled indicators regarding this initiative in the APP.

Intentions to improve key areas of business

The Department identified the following as initiatives to improve how it performs its business:

1. **A Change Management Programme** that seeks to bring about a Capable and Ethical DPWI located in the Constitutional Values and Principles of Public Administration and Batho Pele.
2. **A Service Delivery Improvement Programme (SDIP)** that is underpinned by

Service Standards and Charters with service beneficiaries that are characterised by customer responsiveness and orientation throughout the value chain (Batho Pele).

3. **A Business Process Management Programme** including the implementation of the Infrastructure Delivery Management System (IDMS) and the Sustainable Infrastructure Development System (SIDS)methodology to address among others, the lack of coordination in the property management and infrastructure delivery business.
4. **Implement the Enterprise Resource Planning (ERP)** Fast Track Programme (aligned to the aforementioned business process management programme) to advance automation and the replacement of manual systems and processes.
5. **Review the Macro Business and Delivery Model of the DPWI**, and associated revision of the Structural Model of the Department (and consequently the Regional Office and Head Office Models), and associated governance and accountability arrangements.
6. **Establish the Ethics & Compliance, Infrastructure and Consequence Management Department** to guide and expected standards behaviour.
7. **Radically improve Contract Management and Monitoring capabilities to** mitigate contract delivery risk throughout the Department.
8. **Implement an Organisation Wide Skills Assessment** to determine the current skills mix and the interventions, including an expedited capacitation drive, required to optimise service delivery.
9. **Organisation-wide maturity within Strategic Planning** (the ability to plan for results), Performance Monitoring (monitor and deliver results) and Risk Management (anticipate and avoid/mitigate uncertainties before they occur) in partnership with the National School of Government
10. **Sustaining a Clean Audit for DPWI and PMTE** - The successful implementation of the above interventions is intended to move the Department towards a clean audit in both the Main Vote and the Property Management Trading entity (PMTE).

3. ANALYTIC COMMENTS ON THE APPS AND LINKS WITH ENABLERS FOR PRIORITY POLICY INTERVENTIONS

3.1. DPWI's APP alignment with the ERRP, NDP and Vision 2030

The programmes of the DPWI, PMTE and public works entities, as infrastructure developers, property managers, accommodators, and maintainers of government assets, play a key role in the economic recovery and reconstruction of the country. The DPWI, PMTE and public works and infrastructure entities must in their APPs and budgetary allocation for this financial year show that their programmes are going to implement these as enablers that ensure recovery and reconstruction.

The objectives of the Department and the PMTE for this year mirror the job creation, infrastructure development, and economic recovery and reconstruction described in the ERRP, the NDP Vision 2030 and the 2024 Sona.

Due to this alignment, it is reasonable to expect the following interventions to feature in its programmes:

- Aggressive infrastructure investment.
- Employment-orientated strategic localization, reindustrialisation and export promotion.
- Gender equality and economic inclusion of women and youth.
- Green economy interventions – across the portfolio, but especially through the work of the Agrément South Africa; and
- Mass public employment interventions – through the coordination of EPWP projects through Programme 3 of the DPWI.

We now turn to how programmes, human resources and budgetary allocations have been applied to ensure that these policy interventions can be achieved in this financial year.

4. THE DPWI BUDGET 2024/5

Note: Figures and analysis in this section accessed from National Treasury (2024).own calculations

Programme		Nominal Rand change	Real Rand change	Nominal % change		Real % change	
R million		2023/24	2024/25	2023/24-2024/25		2023/24-2024/25	
1. Administration		542,1	559,1	17,0	- 8,1	3,14 per cent	-1,49 per cent

2. Intergovernmental Coordination		59,8	60,8	1,0	- 1,7	1,67 per cent	-2,89 per cent
3. Expanded Public Works Programme		2 958,1	2 254,5	- 703,6	- 804,8	-23,79 per cent	-27,21 per cent
4. Property and Construction Industry Policy and Research		4 777,7	4 673,9	- 103,8	- 313,6	-2,17 per cent	-6,56 per cent
5. Prestige Policy		68,3	63,8	- 4,5	- 7,4	-6,59 per cent	-10,78 per cent
TOTAL		**8 406,0**	**7 612,1**	**- 793,9**	**- 1 135,6**	**-9,44 per cent**	**-13,51 per cent**

The Department receives a voted allocation of R7.61 billion for 2024/25 with which to accomplish the priorities listed above. This represents a decrease of 9.4 per cent in nominal terms, and 13.5 per cent in real terms (calculating the impact of inflation) from the 2023/24 adjusted appropriation of R8.41 billion. The Budget represents approximately 0.1 per cent of the national appropriation by Vote, excluding direct charges.

In terms of economic classification, the Departmental budget includes *Transfers and subsidies* totalling 83.4 per cent of the budget, with a total monetary value of R6.35 billion (compared to R7.20 billion in the adjustment period). This constitutes an 11.9 per cent nominal decrease, and 15.8 per cent in real terms, since the growth in the allocation is below the projected average inflation rate of 4.7 per cent for 2024/25.

R1.78 billion of the *Transfers and subsidies* is in the form of conditional grants to Provinces and Municipalities, while a total of R4.33 billion is allocated to *Departmental Agencies and accounts*.

For 2024/25, *Current payments* amount to 14.6 per cent (i.e. R1.28 billion) and *Capital payments* to 0.1 per cent of the budget (i.e. R9.9 million).

Compensation of employees increases by R59.8 million (from R562.6 million in the 2023/24 adjusted period) to R622.4 million in 2024/25.

Goods and services increased by R14.4 million (from R620.1 million in the 2023/24 adjusted period) to R634.5 million.

The total above differs from that in the 2024 Estimated National Expenditure (ENE) received from the Treasury, which included a select number of line items under Goods and Services. The actual Goods and Services line items equal R490.4 million for the 2023/24 financial year, and R536.3 million for the 2024/25 financial year respectively.

Revenue

The Department generates revenue through the PMTE, by letting properties and official quarters, and the sale of land and buildings. It is projected, that the Department will collect revenue to the total value of R1.79 million for 2024/25. This is a decrease of R30 000 from the R1.82 million reported in an adjusted period of 2023/24. The Department sub-categories the sale of *Goods and services* it produces according to Sales generated through market establishments and Other Sales.

R320 000 is expected to be generated through the Sale of *Goods and services* produced by the Department, of which:

- R135 000 is generated through Market establishment (covered and open rental parking).
- R5 000 is generated through Administration fees (Servitude rights).
- R180 000 is generated through Other Sales: Tender documents.

The Department also generates revenue through interest, dividends and rental on land to the amount of R800 000; and R459 000 in transactions in financial assets and liabilities.

4.1. Budgetary allocations per programme

Programme 1: Administration

Programme 1 provides strategic leadership, management and support services to the Department.

This programme plays an important role in giving effect to the priority of the National Development Plan (NDP) and Vision 30; stated in the Medium-Term Strategic Framework, as the aim to *build a capable, ethical and developmental state.*

The Department is in the initial stages of including various functions that come with its new infrastructure mandate. Accordingly, some funds that were allocated as above to the various sub-programmes of Programme 1, will be used to achieve the stated aim to organise the

Department into a "streamlined and outcomes-based"[3] Department that is "focused on implementation"[4]. The Strategic Plan of the Department therefore states that it wants to be *agile, ethical, compliant and capable*, "where everyone wants to work, with improved efficiencies achieved through seamless automated processes and a robust support infrastructure to enable effective service delivery."[5]

The Department lists the following as performance targets for this financial year:

Programme	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25 %	Real Percent Change in 2024/25 %
R million	**2023/24**	**2024/25**				
1. Ministry	42,9	45,8	2,9	0,8	6,76	1,97
2. Management	107,9	122,4	14,5	9,0	13,44	8,35
3. Corporate Services	256,7	259,6	2,9	- 8,8	1,13	-3,41
4. Finance and Supply Chain Management	45,4	49,9	4,5	2,3	9,91	4,98
5. Office Accommodation	89,2	81,4	- 7,8	- 11,5	-8,74	-12,84
TOTAL	**542,1**	**559,1**	**17,0**	**- 8,1**	**3,1**	**-1,49**

The allocation increases by R17.0 million and constitutes (a nominal rate increase of 3.1 per cent and a decrease of 1.5 per cent in real terms) from the R542.1 million adjusted allocation of 2023/24.

In terms of economic classification, the *Administration* programme budget includes *Current payments* to the value of R551.8 million, (of which R318.9 million is to be spent on *Compensation of employees*) in 2024/25. The budget for the *Compensation of employees* under Programme 1 increases by R34.8 million or 12.2 per cent in nominal terms and 7.2 per cent in real terms, from R284.1 million in 2023/24.

As mentioned earlier, the 2024 ENE only includes a select number of line items under Programme 1: Goods and Services. The totals provided above may differ and not add up. The actual line items equal R181.6 million for the 2023/24 financial year, and R189.0 million for the 2024/25 financial year respectively.

[3] DPWI Strategic Plan 2020-2025, p.9
[4] Ibid.
[5] Ibid.

Further, under administration, the Department allocates R232.8 million to *Goods and services*. This constitutes a decrease of R9.7 million (or 4.0 per cent in nominal terms) and a decline of 8.3 per cent in real terms from the R242.5 million adjusted allocation in 2023/24.

Programme 2: Intergovernmental Coordination

DPWI is a coordinating that must manage sound relations and strategic partnerships with all client/user departments if it is to reach policy goals set out in the Sona and the NDP. Programme 2 seeks to promote sound intergovernmental relations and strategic partnerships. It coordinates with provinces and municipalities on Immovable Asset Registers; construction and property management; the implementation of the Government Immovable Asset Management Act (No. 19 of 2007); and the reporting on performance information within the Public Works Sector.

Performance targets for this year are:

- Coordinate the updating of the Immovable Asset Registers, the construction and management of State infrastructure, the implementation of the Government Immovable Asset Management Act (No. 19 of 2007), and performance information reporting within the Public Works Sector by holding regular meetings and engagements with Provinces over the medium term.
- Ensure coordination in the Public Works Sector through the development, implementation and monitoring of the approved Sector Plan by holding regular meetings with strategic partners over the medium term.
- Coordinate and manage the supply of Built Environment Skills to support State infrastructure delivery by increasing the number of Built Environment graduates in the Department's Skills Pipeline Strategy to 3 800 over the medium term.

The allocation for this year is R60.8 million, which constitutes an increase of R1.0 million. This represents an increase from the R59.8 million that was allocated in the 2023/24 financial year.

Expenditure for Programme 2 for the 2024/25 financial year currently consists of the following three sub-programmes:

- *Monitoring, Evaluation and Reporting* receive an allocation of R5.6 million.[17] This is a decline of R100 000 from the R5.7 million received in 2023/24, which constitutes a nominal decrease of 1.8 per cent (and 6.2 per cent in real terms) from the previous year.
- *Intergovernmental Relations and Coordination* receives an allocation of R26.6 million. This is an increase of the R1.0 million from the R25.6 million received in 2023/24, which constitutes a nominal increase of 3.9 per cent (and a decline of 0.8 per cent in real terms) from the previous year.
- *Professional Services*[18] is allocated R28.6 million. This is an increase of R100 000 from the R28.5 million received in 2023/24, which constitutes a nominal increase of 0.4 per cent (and a decline of 4.2 per cent in real terms) from the previous year.

In terms of economic classification, R54.4 million is allocated to *Current payments*. This is an increase of R1.5 million from the R52.9 million of the previous year. This is used as follows:

- *Compensation of employees* consists of R42.4 million (a decrease of R2.2 million).
- *Goods and services* are allocated R12.0 million (a decrease of R800 000 from the adjusted allocation of R12.8 million in 2023/24).

In terms of assisting in building a capable State and placing the economy on the path to recovery, Programme 2's Professional Services Branch (PSB) contributes to the development of competent, skilled and motivated Built Environment professionals through supported learning interventions and focused experiential learning processes.
R6.0 million is allocated for Non-Employees Bursaries: Infrastructure-related Studies, a decrease of R400 000, from the adjusted allocation of R6.4 million in 2023/24.

Programme 3: Expanded Public Works Programme (EPWP):

The EPWP gives effect to the policy goals to create work opportunities for marginal people. It works on the coordination of the implementation of the Expanded Public Works Programme (EPWP) in public bodies, non-profit organisations, and the non-state sector, across national, provincial and local government levels to create work opportunities; it also works on the provision of training for unskilled, marginalised and unemployed people in South Africa.

The objectives of this programme are to monitor and evaluate the implementation of Public Employment Programmes within the Expanded Public Works Programme (EPWP) over the medium term as follows:

- Support 200 Public Bodies in implementing Public Employment Programmes within the EPWP in the Infrastructure; Social; Environment and Culture Sectors.
- Prepare quarterly reports on work opportunities in the EPWP Reporting System.
- Prepare 4 integrated reports on the Work Opportunities by Public Bodies in the EPWP.

For this year, EPWP gets 29.6 per cent of the overall Departmental budget which is R2.25 billion. Expenditure under Programme 3 decreases at a nominal rate of 23.8 per cent (which translates into a real decrease of 27.2 per cent). This amount is used mainly for the Integrated Grant for Provinces and Municipalities and the Performance-Based Incentive Allocations.

The allocated amount for the programme further is spent on the following sub-programmes:

- EPWP: Monitoring and Evaluation receive R59.2 million. In real terms, this sub-programme allocation increases by 7.3 per cent from the previous year.
- EPWP: Infrastructure receives R979.2 million. In real terms, this sub-programme allocation decreases by 24.7 per cent from the previous year.
- EPWP: Operations receives R1.12 billion. In real terms, this sub-programme allocation decreases by 31.9 per cent from the previous year.
- EPWP: Partnership Support receives R86.0 million. This sub-programme allocation increases by 3.1 per cent in nominal terms and decreases by 1.5 per cent in real terms from the previous financial year.
- EPWP: Public Employment Coordinating Commission receives R9.9 million. In real terms,
  this sub-programme allocation increases by 68.9 per cent from the previous year.

In terms of economic classification, this allocation includes *Current payments* to the value of R386.6 million, of which R205.4 million is allocated to the *Compensation of employees.*

Compensation of employees increases by R19.8 million from R185.6 million of the previous year.

Expenditure on *Goods and services* amounts to R181.2 million, an increase of R10.8 million (which translates into a real increase of 1.56 per cent from R170.4 million of the previous year).

The bulk of the expenditure consists of *transfers and subsidies* totalling R1.87 billion, (from R2.60 billion in 2023/24). Of this, R1.18 billion is allocated to Provinces and Municipalities as follows:

- R689.6 million is allocated to *non-profit institutions.*
- R560.1 million towards the *Integrated Grant for Municipalities*.
- R311.6 million towards the *Integrated Grant for Provinces*.
- R305.7 million towards the *Social Sector Incentive Grant for Provinces*.

Programme 4: Property and Construction Industry Policy and Research

Programme 4 promotes the growth and transformation of the construction and property industries, as well as a standardised approach and best practice in construction and immovable asset management in the public sector.

The research work of this branch aims to:

- Promote growth, transformation and competition in the Property Sector by conducting research and developing policies, legislation and best practices over the medium term.
- Coordinate the Strategic Integrated Projects and Phase II of the National Infrastructure Plan over the medium term.

The budget decreases from an allocation of R4.78 billion in 2023/24 to R4.67 billion in 2024/25 which constitutes a decrease of R103.8 million.

This programme consists of nine sub-programmes that include the *Property Management Trading Entity* (PMTE) which receives R4.17 billion for 2024/25 from R4.20 billion in 2023/24.

The PMTE was established in April 2006, as part of a longer-term reform programme to provide improved property management services to Client Departments. With the establishment of the PMTE, all accommodation-related costs were devolved to Client Departments. In this regard, it has been issuing invoices and collecting user charges from Clients every quarter, based on amounts devolved to them. In March 2015, the Department operationalised the PMTE, which resulted in it being shifted (along with its functions), to Programme 4.

A large portion of the budget is allocated to *Transfers and subsidies*, which is R4.46 billion and account for 95.5 per cent of the programme budget. This is R119.8 million from the total adjusted allocation of R4.58 billion in 2023/24.

Departmental Agencies and accounts (non-business entities) receive R4.33 billion, which is a decrease of R44.8 million from the R4.37 billion received in 2022/24.

The sub-programmes below received the following allocations for 2024/25:

- *The Construction Policy Development Programme* is allocated R42.9 million, a real decrease of 6.5 per cent in real terms from the previous year.
- *Property Policy Development Programme* is allocated R11.8 million, (a nominal decrease of R100 000 from the R11.7 million) and a real decrease of 3.7 per cent.
- *Construction Industry Development Board* (cidb) is allocated R75.2 million (a nominal decrease of R5.1 million from R80.3 million), a decrease of 10.6 per cent in real terms from the previous year.
- *Council for the Built Environment* (CBE) received an allocation of R51.2 million (a decrease of R3.5 million from R54.7 million), and a 10.6 per cent decrease in real terms.
- *Construction, Education and Training Authority* (CETA) receive an allocation of R600 000, (an increase of R0 from the R600 000 in 2023/24), which constitutes a decrease of 4.5 per cent in real terms.
- The PMTE (as noted above) receives an allocation of R4.17 billion, a decrease of 5.3 per cent in real terms.

The Presidential Infrastructure Coordinating Commission (PICC) is funded from here through a sub-programme that was included since 2020/21:

- *Infrastructure Development Coordination* receives an allocation of R289.9 million, (an increase of R21.7 million, from the R268.2 million for 2023/24), an increase of 3.2 per cent in real terms. The aim of this subprogramme is the coordination and efficiency of the mandate to grow the economy through inclusive integrated planning and investment through the PICC.
- *Foreign Governments and International Organisations*, to the value of R33.9 million, a decrease of R300 000 (5.3 per cent decline in real terms) from the R34.2 million adjusted allocation in 2023/24. This is mainly to address the fluctuations in the exchange rate when transferring funds. The unpredictable weakening of the Rand against the major foreign currencies may result in the Department requiring an increase in its allocation from the National Treasury.
- *Agrément South Africa* is allocated R31.9 million, (a decrease of R2.2 million) from the R34.1 million adjusted allocation of 2023/24.

The Independent Development Trust does not receive an allocation for 2024/25:
Independent Development Trust (IDT), which receives no allocation for 2024/25, from the R80.8 million adjusted allocation of 2023/24. The IDT is a Schedule 2 entity, it should be self-sustaining and not receive an allocation from the Department, as is the case for Schedule 3 entities.

- Treasury and the DPWI explain that the previous allocations were merely to assist the continued operational functioning of the entity so that it was enabled to play its established role of being a responsive social infrastructure development agency with a well-established presence across the country. The total revenue of the IDT has been expected to decrease from R471.9 million in 2023/24, to R344.0 million in 2026/27, due to an anticipated decrease in Management Fees revenue charged to Client Departments.
- *Other Transfers* are made to the *Industrial Development Corporation (IDC)*, which coordinates sectoral planning for, and the implementation of development and investment in public infrastructure. The IDC receives an allocation of R102.8 million.

- In terms of economic classification, *Current payments* total R209.3 million.
- *Compensation of employees* gets an allocation of R23.4 million.
- *Goods and services* get an allocation of R186.0 million.

Programme 5: Prestige Policy

Programme 5 seeks to provide norms and standards for the Prestige Accommodation Portfolio and meet the protocol responsibilities.

Performance targets:

- Support 24 planned State events with movable structures.
- Provide movable assets to Prestige Clients within 120 working days.

The budget for Prestige

An allocation of R63.8 million that proportionally is:

- 0.8 per cent of the overall Departmental budget. The allocation declines by R4.5 million from R68.3 million in 2023/24.
- A large portion of the budget is allocated to *Current payments*, which amount to R54.8 million. A total of R32.3 million is allocated towards the *Compensation of employees*. The *Transfers and subsidies* budget of R6.7 million includes an allocation of R6.5 million to *Departmental Agencies and accounts* (i.e. Parliamentary Villages Management Board); R200 000 to *Households* and R2.3 million to *Payment for Capital assets* (i.e. Machinery and equipment).

Analytic comments on budgetary allocations

This year's budget shows three features:

- Budgetary constraints, which led to a R793.9 million decrease in the DPWI allocation, and R3.69 billion from that of the PMTE for the 2024/25 financial year.
- A focus on infrastructure development through large projects with more than R943 billion allocated to public infrastructure, the refurbishment and maintenance of existing assets, and the building of new infrastructure.
- A focus on creating employment opportunities for the indigent and provision of accommodation to client Departments. This is allocated through *Transfers and*

subsidies in large portions towards the EPWP and the PMTE respectively. The rest goes to the entities reporting to the Minister, with the exclusion of the IDT.

5. THE PROPERTY MANAGEMENT TRADING ENTITY (PMTE)

The PMTE was operationalised in the 2015/16 financial year, when the Department transferred property management functions, (including those related to immovable assets, liabilities and staff), to the PMTE to align the expenses and revenue to the underlying assets.[6]

The DPWI describes the purpose and functions of the PMTE as a government component that has been created "… to manage properties under the custodianship of the Department."

As mentioned previously, the operationalisation of the PMTE in 2015 shifted the operational or implementation focus from the DPWI to the PMTE. Its focus is to execute all property management-related functions for the national government. The PMTE thus implements all public works-related functions such as the maintenance of properties, the leasing, and the payments of property rates on behalf of client Departments of the DPWI. All accommodation-related costs were devolved to client Departments when the PMTE was operationalised. This means that the PMTE issues invoices and collects user charges from clients every quarter.
This function of leasing, and collecting the accommodation-related, and maintenance costs from clients requires legislation that forces client Departments to pay user charges, project management, professional property management, and construction costs to the PMTE. This legislation unfortunately remains outstanding. This requires **Programme 4 Property and Construction Industry Policy and Research** to complete the review of the White Papers 1997 and 1999 as the precursor to the draft Public Works and Infrastructure Bill and amendments to some of the entities that would give enforcement powers to collect such fees. The Committee heard that this work has progressed and that such legislation will be tabled in parliament during the seventh administration. It would, however, be important that such legislation includes clauses that empower the PMTE and the DPWI to collect fees owed to it.

In addition to collecting user charges and providing specialist property and construction management services to government Departments, the PMTE is correctly placed to unlock the value of the large property portfolio of the government that is contained in the immovable asset

[6] Department of Public Works (2016), p. 325.

register (IAR). The full operationalisation of the PMTE should lead to full cost recovery by applying business principles in the management of the government's property portfolio. Together with the collection of user charges, the PMTE should generate funds with which the government could undertake maintenance as well as other crucial tasks in the public works sector. This remains a challenge that the DPW and PMTE are working to put into action in the medium to long term.

In its meetings with the PMTE during this administration, this Committee found that it did not work efficiently. The entity faces challenges in attracting and retaining relevantly qualified and experienced property specialists in its Real Estate and Investment Services branch that should play a key role in unlocking the value of government immovable property.

The Government Immovable Asset Act (GIAMA) amongst others, stipulates that for each government building, User, and Custodian Immovable Asset Maintenance Plans (UIAMPs and CIAMPS) had to be developed as tools with which to keep track of the conditions of properties, and the different duties that the custodian and the user had to play. This is crucial if the PMTE is to concretise its stated vision of providing "Convenient access to dignified public services." The South African public must feel secure and safe while they access services. In addition, the public administration that works inside government properties also needs to be secure and well-catered in terms of work conditions.

The PMTE Registry Services branch that manages the Immovable Asset Register (IAR) and coordinates UIAMPs and CIAMPs has been struggling to attract and retain qualified and experienced property specialists. The Department consistently reported that these positions were being filled, yet the vacancy rate remains high from one financial year to the next. *These are specialist skills that are sought in a very competitive terrain. The best qualified and experienced personnel easily move from the PMTE to private property companies. The PMTE and the DPWI and PMTE will have to commit to a well-funded property specialist retention strategy. This would be difficult in the context of the cost-cutting measures that are in place.* The challenge is to fill and retain such personnel in positions in the PMTE. Failure to do this means that the DPWI and PMTE continue to operate at a disadvantage.

The Real Estate Investment Services (REIS) of the PMTE focuses on *achieving an efficient and competitive Real Estate Portfolio for the State*. It states that it does this through *effective planning, analysis and informed investments.* Eight years after the PMTE has been operationalised, the programme continues *to struggle to have an authoritative grasp of the value that is contained in the IAR and struggles to invest the property portfolio in manners that benefit the state and its beneficiaries.* It has thus far not been able to implement strategies with which to *unlock the value of the government's immovable asset portfolio*. The current five-year strategic plan and this year's performance plan also do not show evidence of a focused strategy to progress in that direction. The assessment, verification, and progressive completion of the state property portfolio remains in progress. The Committee is not unreasonable in this regard; it understands that by its very nature, the IAR will not be completed as older buildings may be removed when sold, while newly constructed and procured properties may be added on an annual basis. It is, however, fair to expect the IAR to be in a much better state with the Real Estate Registry branch having a measured control over all immovable assets and the condition, value, and debt associated with each. The information contained in the IAR is the foundation that the REIS branch requires to unlock the value of government property. A reasonably completed IAR means that the value of government property is regularly updated in compliance with the Generally Recognised Accounting Practice (GRAP) requirement, which enables the REIS to perform its function.

5.1. PMTE Programmatic Focus on Policy Priorities:

As mentioned above, the 2024 SONA focuses on job creation, the implementation of large-scale infrastructure projects and maintenance meant that the PMTE had to ensure that its programmes focused on those policy-directed objectives.

This includes a need to review the impact of the implementation of the National Strategic Plan on Gender-Based Violence in the provision of safe spaces and shelters to support the affected victims.

The contribution to Public Works and Infrastructure is evident in the following overarching priorities:

- Expanding the scope of the District Development Model to all spheres of Government and key stakeholders to continue providing an effective instrument for enhanced cooperative governance that addresses service delivery challenges in communities.

- Eradicate corruption through the introduction of measures strengthening anti-corruption institutions, protecting whistle-blowers, regulating lobbying and preventing the undue influence of public representatives in procurement.

- The Infrastructure Programme is yielding results due to the implementation of economic reforms and a large-scale investment campaign.
- Grow the economy and provide concrete opportunities for the employment of women and youth in the job market through the Presidential Employment Stimulus.
- Address the negative effects of State Capture and corruption on planned service delivery in Government Departments.
- Address the effects of climate change (i.e. frequent floods, fires and draughts in the provinces), in a coordinated response by all spheres of Government and the private sector with the creation of a Climate Change Fund.
- Improved novel and innovative funding mechanisms will be used to increase the construction of the required bulk water projects, bridges and rail infrastructure and unlock stalled legacy construction programmes.
- The planned achievement of 30 per cent of farmland owned by black South Africans by 2030 is closer to being realised with 25 per cent being redistributed to date.
- Professionalise the Public Service, strengthen the Government and ensure accountability of public officials.

5.2. PMTE Budget

The PMTE receives an allocation of R14.47 billion for the 2024/25 financial year, which is a decrease of R3.69 billion. This constitutes a nominal decrease of 20.3 per cent (and a decrease of 23.9 per cent in real terms) from the revised appropriation of R18.16 billion for 2023/24.

Allocations to PMTE Programmes

Programme	Allocation	
R million	**2023/24**	**2024/25**
1. Administration	851,6	937,9
2. Real Estate Investment Services	195,7	181,1
3. Construction Management Services	474,0	446,4
4. Real Estate Management Services	12 768,0	8 910,2
5. Real Estate Registry Services	87,5	71,8
6. Facilities Management Services	3 783,8	3 922,3
TOTAL	**18 160,5**	**14 469,6**

The allocation to the PMTE includes revenue to the value of R17.65 billion which is a decrease of R3.79 billion from the R21.44 billion adjusted allocation in 2023/24. The revenue of R17.65 billion falls into two categories, namely *Transfers Received* which amount to R4.17 billion; Non-Tax Revenue. Non-tax Revenue of R13.48 billion comprises of:

- R13.39 billion – Sale of Goods and Services other than Capital Assets.
- R5.94 billion – Other Sales.
- R88.5 million – Other Non-Tax Revenue.

The PMTE generates revenue mainly through charging rental fees to User/Client Departments for accommodation. *Current Expenses* equals R12.38 billion for 2024/25, which is a decrease of R3.75 billion from the R16.13 billion for the adjusted period of 2023/24. It comprises of *Compensation of Employees*, which increases by R32.5 million from R2.17 billion in the 2023/24 adjusted period to R2.19 billion in 2024/25. *Goods and Services* decreased by R3.79 billion from R13.97 billion in the 2023/24 adjusted period to R10.18 billion in 2024/25.

The PMTE reported that its staff complement was 5 034 for this financial year which is an increase of 33 personnel from the 5 001 reported in the 2023/24 financial year. *Transfers and Subsidies* for 2024/25 equals R2.09 billion, which is an increase of R62.3 million from the R2.03 billion adjusted amount of 2023/24.

6. THE PUBLIC WORKS AND INFRASTRUCTURE ENTITIES:

6.1. THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD (CIDB)

The entity is mandated to:

- Provide strategic leadership to construction industry stakeholders to stimulate sustainable growth.
- Oversee the transformation of the Construction Sector by encouraging and facilitating the participation of historically disadvantaged groups.
- Establish and promote best practices among Public and Private Sector role players in the construction delivery process.
- Ensure the uniform application of policy across all spheres of Government.
- Set and uphold ethical standards across the industry.
- Ensure improved procurement and delivery management and more equitable procurement practices.
- Develop systematic methods for monitoring and regulating the industry's and its stakeholders' performance, including the Registration of Projects and Contractors.

The cidb states that its APP for 2022/23 is anchored to the following key pillars linked to action plans to assist the government in achieving NDP outcomes:

Targets to ensure mandated Indicators to reach outcomes:

The selected targets are under the Procurement and Development, and Provincial Offices Programmes.

The targets under Procurement Development are:

- Two Construction Industry Development Guidelines Developed annually remain as for 2023/24.
- 100 per cent of Best Practice Project Assessment Scheme Funds spent per year. This is a 60 per cent increase from the 2023/24 target.

The following target is set under Provincial Offices:

- 120 Client Departments' capacity for the Infrastructure Delivery Management System (IDMS) improved per year. An increase of 30 Client Departments from the 2023/24 target of 90.

The Budgetary allocations:

The cidb receives an allocation of R278.2 million for the 2024/25 financial year. This constitutes an increase of R26.2 million from the R252.0 million adjusted budget of 2023/24.

Programme	**Budget**	
R million	**2023/24**	**2024/25**
Administration	126,2	122,4
Construction Industry Regulation	29,7	31,3
Construction Industry Performance	44,1	70,5
Procurement and Development	10,3	10,9
Provincial Offices	35,9	37,0
Research and Development	5,8	6,1
TOTAL	**252,0**	**278,2**

Analysis

A large component of the cidb budget is funded by an annual government grant from the National Treasury through Programme 4 of the Department of Public Works and Infrastructure (as shown under the main vote above). It receives R75.2 million a decrease of R5.1 million from R80.3 million in 2023/24.

The cidb programmes are funded as follows:

Programme 1: Administration receives an allocation of R122.4 million for the 2024/25 financial year. This is a decline in nominal terms of R3.8 million from the R126.2 million adjusted allocation for 2023/24.

Programme 2: Construction Industry Regulation receives an allocation of R31.3 million for the 2024/25 financial year. This is an increase in nominal terms of R1.6 million from the R29.7

million adjusted allocation for 2023/24.

Programme 3: Construction Industry Performance receives an allocation of R70.5 million for the 2024/25 financial year. This is an increase in nominal terms of R26.4 million from the R44.1 million adjusted allocation for 2023/24.

Programme 4: Performance and Development receives an allocation of R10.9 million for the 2024/25 financial year. This is an increase in nominal terms of R600 000 from the R10.3 million adjusted allocation for 2023/24.

Programme 5: Provincial Offices receive an allocation of R37.0 million for the 2024/25 financial year. This is an increase in nominal terms of R1.1 million from the R35.9 million adjusted allocation for 2023/24.

Programme 6: Research and Development receives an allocation of R6.1 million for the 2024/25 financial year. This is an increase in nominal terms of R300 000 from the R5.8 million adjusted allocation for 2023/24.

In terms of economic classification in 2024/25 cidb's Current Payments of R278.2 million comprise of:

- R142.4 million in *Compensation of Employees*, an increase of R5.5 million from the previous year.
- R135.7 million in *Goods and Services*, a decrease of R20.6 million from the previous year.

The cidb reported a total of 226 approved positions on the establishment for the 2024/25 financial year. The cidb reports that there are 183 funded positions, constituting 43 positions less than those reported in the 2023/24 financial year. It is unclear whether these positions are all filled, or if there are any vacancies.

6.2. THE COUNCIL FOR THE BUILT ENVIRONMENT (CBE):

The CBE is a Schedule 3A entity established by the Council for the Built Environment Act (No. 43 of 2000). It is an entity of the National Department of Public Works and Infrastructure.

The CBE is responsible for regulating the following six built environment professional councils:

1. South African Council for Architectural Professions (SACAP).
2. Engineering Council of South Africa (ECSA).
3. South African Council for the Project and Construction Management Professions (SACPCMP).
4. South African Council for the Landscape Architectural Profession (SACLAP).
5. South African Council for the Quantity Surveying Profession (SACQSP).
6. South African Council for the Property Valuers Profession (SACPVP).

The stated mandate in its planning documents shows an alignment with the broad policy objectives of the NDP, ERRP, and the SONA:

"The scope of the CBE and councils for the professions in the Built Environment (BE) value chain is to regulate those Built Environment Professions (BEPs) which conceptualise, design, build, maintain and transfer social and economic infrastructure. The CBE executes its mandate from the Council for the Built Environment Act (No. 43 of 2000) (the CBE Act), while also being mindful of the following legislations, regulations, policies and best practice guidelines to exercise good governance, ethical leadership and corporate citizenship. The CBE adopted a Compliance Policy and implemented a compliance action plan for identified compliance obligations with quarterly disclosure."

CBE Targets

The following targets that remained as of 2023/24, are set under Empowerment and Development for 2024/25:

- One Transformation Indaba engagement held in the Built Environment Sector annually.
- Four Sector Collaboration Forums engagement held in the Built Environment Sector annually.

The following targets are set under Professional Skills and Capacity Development for 2024/25:

- 50 Districts supported through monitoring of the implementation of the Built Environment Structured Candidacy Programme per year. The target remains unchanged from that of 2023/24.
- 100 Built Environment students from 7 Universities of Technology who are placed in work-integrated learning annually. The target remains unchanged from that of 2023/24.

Budget:

Like the other Public Works and Infrastructure entities, the CBE receives part of its revenue as a transfer from the DPWI's Programme 4, while the rest consists of sales of goods and services and non-tax revenue. The transferred amount through programme 4 of the main vote is R57.5 million. This is a decline of R1.2 million from the R58.7 million adjusted budget of 2023/24.

Programme R Million	2023/24	2024/25
1: Administration	50,8	53,0
2: Empowerment and Economic Development	1,9	1,1
3: Professional Skills and Capacity Development	2,9	1,1
4: Research and Knowledge Management	1,1	0,5
5: Public Protection, Policy and Legislation	2,0	1,9
TOTAL	**58,7**	**57,5**

As with all public works and infrastructure entities, the CBE also receive its allocated budget through programme 4 of the main vote. This amounts to R51.2 million a decrease of R3.5 million from the R54.7 million.

Programme 1: Administration receives an allocation of R53.0 million for the 2024/25 financial year. This is an increase in nominal terms of R2.2 million or 4.3 per cent, (and a decrease of 0.35 per cent in real terms), from the R50.8 million adjusted allocation for 2023/24.

Programme 2: Empowerment and Economic Development receives an allocation of R1.1 million for the 2024/25 financial year. This is a decrease of R800 000 from the R1.9 million for 2023/24.

Programme 3: Research Skills and Capacity Development receives an allocation of R1.1 million for the 2024/25 financial year. This is a decrease of R1.8 million from the R2.9 million adjusted allocation for 2023/24.

Programme 4: Research and Knowledge Management receives an allocation of R500 000 for the 2024/25 financial year. This is a decrease of R600 000 from the R1.1 million adjusted allocation for 2023/24.

Programme 5: Public Protection, Policy and Legislation receives an allocation of R1.9 million for the 2024/25 financial year. This is a decrease in nominal terms of R100 000 or 5.0 per cent (a decline of 9.3 per cent in real terms), from the R2.0 million adjusted allocation for 2023/24.

In terms of economic classification in 2024/25 CBEs Current Payments of R57.5 million comprise of:

- R46.8 million in *Compensation of Employees*, an increase of R5.7 million from the previous year.
- R10.7 million in *Goods and Services*, a decrease of R6.9 million from the previous year.

The CBE's reported a total of 72 approved positions on the establishment for the 2024/25 financial year. There are 48 funded positions reported in the 2024/25 financial year, this is an additional 6 positions than the 42 reported in 2023/24. It is unclear if these positions are all filled, or whether there are any vacancies.

6.3. THE INDEPENDENT DEVELOPMENT TRUST (IDT):

In the previous financial year, the Minister withdrew the formal submission of the Strategic Plan (2020-2025) and the APP of the IDT.

Background:

The IDT evolved from a grant-making organisation into a responsive development agency with a well-established footprint across South Africa. Due to the importance of transforming this entity into a proper functioning and revenue-generating agency of government, we repeat some information setting out its challenges and attempts to remedy them.

The IDT augments the government's capacity to achieve the objectives of the National Development Plan (NDP) and Vision 2030. A review and transformation process has been started during the 2014 to 2019 five-year administration to strengthen this role. This included a confirmation of the IDT's mandate to deliver social infrastructure cost-effectively.

This public works and infrastructure entity is well-positioned to address the challenges in which geospatial patterns of poverty, inequality, unemployment and underdevelopment occur in the regions and provinces of the country.

This function of the entity was underpinned by the 1997 government resolution to reconstitute the IDT as a development agency and public entity to support all spheres of government. It followed Cabinet endorsement of a recommendation of a Cabinet Advisory Committee that, inter alia, "*The IDT must be transformed into a government development agency that will implement projects which are commissioned by government Departments. It must cease to be a civil society organisation, an independent agency or funding agency*."[7] Building on its effectiveness as a civil society body and redistributive mechanism, the IDT was integrated into the public service delivery system in 1999 with the promulgation of the Public Finance Management Act (PFMA) (Act 1 of 1999), as amended, and listed as a Schedule 2 Major Public Entity. The 1997 mandate of the IDT remains in place.

Over the last few years since 2018/19, the entity and the Minister recognised the operational and financial challenges that it faced due to its inability to collect management fees owed to it. This resulted in reduced trust between the entity, and client Departments, and a decline in its business portfolio caused its deficits to grow substantially. The entity had been undergoing a long-drawn-out transformation process that included a revision of its operating model and organisational redesign. It remained firmly focused on achieving business growth and achieving long-term sustainability. The Board and management approved a turnaround plan aimed at repositioning the entity to be financially viable and self-sustaining.

All development reviews conducted by the government, i.e. 5, 10 and 20 years[8], as well as the NDP 2030, emphasized the need to build the capacity of government as a prerequisite for the

[7] "Structural Relationships between Government and Civil Society Organisations," Report prepared for the Deputy President, Thabo Mbeki, South Africa. p. 3

[8] Government's 10-, 15-, and 20-Year Review was done by the Presidency, in collaboration with all Ministers and departments, and printed and disseminated by the Government Communication and Information Services (GCIS).

attainment of its development imperatives. Thus, rather than duplicate programmes, or possibly positioning the IDT as a super agency that could usurp the functions of the DPWI, the PMTE, or other government Departments, the review of the IDT's mandate was important to enhance the objective of building a capable developmental state.

The functions of the IDT are crucial for social infrastructure development across the urban and rural divide including redressing town and city geo-spatial planning that continued the inherited apartheid model. This role of the DPWI, PMTE and an entity such as the IDT is a key pillar on which future economic growth must take place. It is therefore strategically aligned to the policy objectives stated in the NDP, ERRP, and the tasks listed in the Sona.

Unfortunately, although the entity has yet again seen a regression in its governance and administration, the DPWI APP was silent on the attempt to reconfigure it into a social infrastructure development agency for the country. This requires ongoing oversight attention.

Summary of Challenges:

1. Despite a long-drawn-out transformation process since 2015, the IDT was not converted from a Schedule 2 to a Schedule 3A public entity.
2. The policy leader and the DPWI did not report on progress with the implementation of any aspect of the 2018 Turnaround Plan including how to align the IDT and the DPWI's mandates.
3. Despite the knowledge that the IDT was unable to collect management fees from client Departments, despite reported efforts, debt repayment to strengthen the entity's financial position remains a serious challenge.
4. The long-drawn-out transformation process of the IDT caused competent administration and financial management personnel to leave, and this weakened its ability to collect debt, negatively affected financial management, and caused compliance with legislation and regulations to suffer.
5. These resulted in negative audit findings made by the Auditor-General in its latest Management Report and previous Annual Financial Performance Reports.
6. The IDT suffered from a trust deficit with government Departments looking for project management, and maintenance services from other entities such as Coega Development Corporation and the Development Bank of South Africa (DBSA).

7. The Board of the IDT lost members, which meant that it could not appoint financial, and management personnel.
8. The former Minister and policy leader did not timeously assist to ensure that the Board was quorate to develop restructuring and organizational design processes. The ongoing inconsistencies in the composition of the Board to ensure that it is quorate, bedevilled attempts to put it on a path of recovery. While this situation was addressed and a new fully functioning Board has made some improvements to its operations, the entity has in 2023 been beset with further problems. The Minister must address this to ensure that the entity returns to stability, as in the past instabilities led to several staff members suffering job losses - security of employment for all staff must be urgently restored.

Strategy to deal with the entity's challenge:

The DPWI stated that the IDT had to be transformed into a more technically proficient, social infrastructure delivery agency. This process would be undertaken by a task team that includes the National Treasury, DPW, the IDT, Public Service and Administration and other key role players.

The plan was to pattern the newly configured IDT along the same model as that of the Government Technical Advisory Centre (GTAC)[9]. This model results in a highly professional advanced technical advisory agency that provides *programme*, *project management* and *transaction support* to the National Treasury and the Minister of Finance. Similar to the GTAC, the new social infrastructure agency would be established as a government component in terms of the Public Service Act.

The DPWI asserted that the Committee had to remember that the process required a new mandate from the Minister as policy leader.

[9]The Government Technical Advisory Centre (GTAC) is an agency of the National Treasury. It was established to support public finance management through professional advisory services, programme and project management and transaction support. GTAC promotes public sector capacity building through partnerships with academic and research institutions, civil society and business organisations. GTAC reports to the minister of finance and is established as a government component in terms of the public service act. See www.gtac.gov.za for further information.

The Committee stressed that the Minister as policy leader and the DPWI as the implementer of this policy had to do oversight that is more stringent over the IDT. It stressed, however, that the policy leader and the DPWI were committed to driving the process of restructuring it.

MTEF Priorities

IDT highlights the following select Medium Term Expenditure Framework (MTEF) priorities:

- The IDT Empowering poor communities by providing Project Management Services for delivering and refurbishing social infrastructure such as Schools, Clinics and Community Centres, mainly in rural areas.
- Create 240 000 work opportunities, mainly through the Expanded Public Works Programme, and 14 335 work opportunities through other programme portfolios.
- These activities fall under the Programme Management Programme, which is allocated R554 million over the medium term.

Select Performance Targets:

The IDT's key strategic goals are to implement projects commissioned by National and Provincial Departments and implement transformative mechanisms geared towards empowering communities using Social Infrastructure Programmes. The select targets reported in the 2024 ENE fall under Programme Management.

The entity reported the following targets are set under Programme Management for 2024/25:

- R4.8 billion value of Programme spend annually. An increase of R300 million from the 2023/24 target of R4.5 billion.
- 4 367 construction Work Opportunities (WO) created per year through the Trust's portfolio. An increase of 1 267 from the 3 100 WO reported in 2023/24.
- 64 000 Expanded Public Works Programme (Non-State Sector) WO created per year. Unchanged from the 64 000 WO reported in 2023/24.

IDT Budget:

Notes on the IDT budgetary information:

The IDT struggles with funding. This is evident in the recurrent references in past years of requiring grant funding through programme 4 of the Main Vote. In programme 4 of the main vote there is no allocation for 2024/25, from the R80.8 million adjusted allocation of 2023/24. National Treasury made it clear that as it is a Schedule 2 entity, it should be self-sustaining and not receive an allocation from the Department, as is the case for Schedule 3 entities. The IDT receives an allocated budget of R555.3 million which is R100.1 million less than the R455.2 million adjusted budget of 2023/24.

Programme Allocations

Programme R million	Budget	
	2023/24	**2024/25**
1: Administration	289,9	379,6
2: Programme Management	165,3	175,8
TOTAL	**455,2**	**555,3**

Programme 1: Administration receives an allocation of R379.6 million which is a reduction of R89.7 million from the R289.9 million adjusted allocation for 2023/24.

Programme 2: Programme Management receives an increased allocation of R175.8 million for the 2024/25 financial year. This is an increase of R10.5 million from the R165.3 million adjusted allocation for 2023/24.

In terms of economic classification in 2024/25 IDTs Current Payments of R555.3 million comprise of:

- R236.4 million in *Compensation of Employees*, a decrease of R10.9 million from the previous year.
- R312.4 million in *Goods and Services*, an increase of R80.2 million from the previous year.
- R6.5 million in *Depreciation*, which remains unchanged from the previous year.

The entity reported a total of 298 approved positions on the establishment for the 2024/25 financial year. This is the same number of positions reported in the 2023/24 financial year. It is unclear if these positions are all filled, or if there are any vacancies.

6.4. AGRÉMENT SOUTH AFRICA

Mandate

This entity is mandated to certify non-standardised or unconventional built environment construction products, materials and systems through technical assessments that verify whether such products, materials and systems are fit for purpose.

The increased focus on the DPWI as sector leader of infrastructure development, and the long-term policy objective in the NDP to increasingly provide human settlements where people can live in dignity, with social service infrastructure close to their homes, make the work of the ASA quite important.

The implementation of ASA's mandate depends on synchronising its work plan with the government's national priorities and other national plans, the entity has indirect links with strategic national planning documents.

MTEF Priorities

ASA highlights the following:

- A focus on the implementation of programmes that promote social cohesion and safer communities, by issuing a targeted 40 Eco-labelling schemes, conducting annual quality and compliance inspections and certifying a further 44 products and systems.
- R51.7 million is allocated over the MTEF period in the Technical Services Programme to achieve these targets over the MTEF.

It reported that its Planned Certification for 2024/25 declined from 24 in 2023/24 to 14 in 2024/25.

Select Performance Targets

The select targets reported in the 2024 ENE fall under the Technical Services Programme of which the main objective is to certify non-standard construction-related products and systems so that methods of construction are improved to contribute towards the impact of innovation for which there are no South African national standards and to positively impact on the environment.

The following targets are set under Technical Services for 2024/25:

- 95 per cent of Certification Projects are managed and finalised annually within the set timeframe. An increase of 5 per cent from the 2023/24 target of 90 per cent.
- 95 per cent Quality Compliance Inspections conducted annually for Certificates. An increase of 5 per cent from the 2023/24 target of 90 per cent.
- 14 Certificates issued annually. A decline of 10 Certificates issued from the 2023/24 target.
- 10 Eco-labels issued annually. The target remains unchanged from that of 2023/24.
- 92 per cent of Validity Reviews (renewals) are conducted annually for valid certificates, which is a new indicator.

ASA Programme Allocations

ASA is funded from two sources, an annual government grant and own revenue generated from testing and licensing alternative fit for purposes building systems and products.

It receives a budget allocation of R35.9 million for the 2024/25 financial year a decline of R1.9 million from the R37.8 million adjusted budget of 2023/24.

Programme	Budget	
R million	**2023/24**	**2024/25**
1: Administration	21,5	19,4
2: Technical Services	16,3	16,5
TOTAL	**37,8**	**35,9**

A large component of this budget is an annual government grant from the National Treasury through programme 4 of the Main Vote:

- *Agrément South Africa* is allocated R31.9 million, a decrease of R2.2 million from the R34.1 million adjusted allocation of 2023/24.

Programme 1: Administration receives an allocation of R19.4 million for the 2024/25 financial year. This is a decline in nominal terms of R2.1 million or 9.8 per cent, from the R21.5 million adjusted allocation for 2023/24.

Programme 2: Technical Services receives an allocation of R16.5 million for the 2024/25 financial year. This is an increase in nominal terms of R200 000 from the R16.3 million adjusted allocation for 2023/24.

In terms of economic classification Current Payments of R35.9 million comprise:

- R24.6 million in *Compensation of Employees*, decreases by R2 million from 2023/24.
- R11.3 million in *Goods and Services*, decreases by R400 000 from 2023/24.

Matters from deliberations – Main Vote and Entities:

- Budgetary constraints are evident in all funding allocations across the main vote and the entities. To give effect to the mandate of functional accommodation, the DPWI, PMTE ISA, and entities must remain in compliance with the PFMA and financial management regulations.
- The Committee remains concerned about the human resource management of the DPWI, PMTE and ISA. The executive authority needs to issue a relevant policy direction in this regard to ensure that qualified, skilled staff can be attracted and retained. If not, the PMTE overdraft and debt will lead to continued inefficiency at a time when more prudent use of funds is required.
- The full operationalisation of the PMTE so that the value of the government's property portfolio can be used to address the collection of client debt, the growing PMTE overdraft, and dependency on the fiscus.
- Members remain concerned about the low targets set for vulnerable groups across the DPWI, PMTE, ISA and the entities.
- The Committee signalled its commitment to ongoing monitoring of the Infrastructure South Africa and its work on large infrastructure projects across the country.
- It will continue to track the progress with outstanding legislation such as the Expropriation Bill, Public Works Amendment Bill, Council for the Built Environment Amendment Bill, Construction Industry Development Board Amendment Bill, and the Infrastructure Development Amendment Bill.
- Members raised the seriousness of funds used for the Enterprise Resource Plan (ERP) of the shared services of the DPWI and PMTE. From 2015 to date this project was unsuccessful and did not result in an integrated digitised financial and property management system. This is despite the millions of Rands that were spent on the procurement of the ARCIBUS and SAGE software and the training of staff.
- The ongoing challenges with the PMTE and IDT as "going concerns" remain hurdles that the Minister and Department must arrest and mend. The large overdraft of the

PMTE due to its inability to collect fees from client Departments remains a growing threat. Similarly, the IDT has yet to break even and struggles to collect management fees. It reported that its project book is declining over the MTEF period which may necessitate another injection from the main vote.

- The matter of legal cases for unfair dismissal that employees won at the Public Service Coordinating Bargaining Council keeps being referred to the Labour Court for review. Large amounts - that grow annually - need to be kept as bonds for such cases. In addition, instead of arbitrating out of court, the Department is spending allocated budgets to fight cases that have been successfully arbitrated by the bargaining council.

7. Recommendations:

The Minister to instruct the Director-General and senior management to report on:

1. Progress made on the implementation of Phase IV and the introduction of Phase V of the EPWP. Detail on the unique features of the fifth iteration of the EPWP to ensure that beneficiaries are skilled and certified to enter the employment terrain of the formal economy.
2. Progress with the integration of the Infrastructure Development Coordination function that funds the Infrastructure South Africa (ISA) through Programme 4.
3. The Total Facilities Management and the Refurbish Operate and Transfer programmes (ROT), are to be operated as public-private partnership solutions for leasing, accommodation, and maintenance of functional accommodation for service delivery Departments.
4. Progress with the construction of government service precincts as one-stop service delivery points in large towns and cities.
5. Update on plans to ensure the continued viability of the Independent Development Trust, given its sustained operational and financial challenges over the last few years. Information required includes the rescheduling and draft legislation to ensure that it operates and functions on the GTAC model as a social infrastructure delivery agency.
6. Progress made with updating and completing a reliable and accessible Immovable Asset Register, and any financial implications.
7. Progress made in the assessment of the compliance of the nine Provincial Immovable Asset Registers.

8. Progress with the implementation of Regulation 135 and the Leasing Portfolio.
9. Progress with the continued operationalisation of the PMTE to ensure that the debt collection strategy results in a reduction of the overdraft, it turns the value on the Immovable Asset Register into revenue and starts trading as a fully operationalised Property Trading Entity.
10. Report on the R6.0 million allocation towards bursaries for infrastructure-related studies with relevant details of beneficiary organisations, number of bursary holders, and tracking of the throughput rate of beneficiaries.
11. Progress in the filling of vacant positions, particularly those at senior management level, (i.e. the Director-General and the Head of the PMTE. The report to include progress to date on the filling of vacant specialist areas, such as property lawyers, engineers, economists and quantity surveyors.
12. The continued monitoring of the Supply Chain Management (SCM) and procurement processes and efforts to integrate systems for a more seamless financial operation and management system between the Head Office and the eleven Regional Offices.
13. Internal controls of the shared services, the budget, and the timely payment of invoices within 30 days of its receipt.
14. Report on consequence management as well as progress in preventing fraud and corruption.
15. Update on matters related to the Kosi Bay Border project with the KwaZulu Natal Provincial government and the broader border maintenance project.

Report to be considered.

9. REPORT OF THE PORTFOLIO COMMITTEE ON TRANSPORT ON BUDGET VOTE 40: TRANSPORT AND THE STRATEGIC PLAN AND ANNUAL PERFORMANCE PLAN 2024-25 OF THE DEPARTMENT OF TRANSPORT, DATED 11 JULY 2024

The Portfolio Committee of Transport ("the Committee"), having considered the revised Strategic Plan (SP), Annual Performance Plans ("APPs") and Budget (Vote 40: Transport) of the Department of Transport ("the Department" or "the DoT"), reports as follows:

1. INTRODUCTION

The Committee considered the 2024/25 budget of the Department on 9 July 2024. In preparation for this Report, the Committee was briefed on the 2024/25 APP (taking into account the 2020-2025 SP as revised in the 2023/24 year) and 2024/25 Budget Allocations of the Department.

The Committee could not engage with the Department's entities prior to compiling this Report due to limited meeting time before the scheduled Budget Vote Debate of the Department. However, it received the Strategic/Corporate Plans and APPs from most of the entities of the Department, except the APPs/Corporate Plans of the Passenger Rail Agency of South Africa (PRASA) at the time of the consideration of the APP and Budget of the Department.

This Report provides an overview of the 2024/25 budget and APP of the Department. It concludes by capturing the observations and recommendations made by the Committee in this regard.

The Report on the budget of the Department is based on information accessed through:

- The 2024 State of the Nation Address (SONA);
- The Department's APP for 2023/24 and 2024/25 and its Budget Allocation outlined in the Budget Review for 2024/25; and

- The National Development Plan (NDP).

2. MANDATE OF THE DEPARTMENT OF TRANSPORT

The Constitution of the Republic of South Africa, 1996, identifies the legislative responsibilities of different levels of Government pertaining to airports, roads, traffic management and public transport. At a policy level, the National White Paper on Transport, 1996, defines the infrastructure and operations of rail, pipelines, roads, airports, ports and the intermodal operations of public transport and freight. To this effect, the function of transport, in its entire value chain, is legislated and executed at the three spheres of Government (national, provincial and local (municipal).[1]

To ensure integrated planning and coordination between the three spheres of Government, the South African Inter-Governmental Relations Framework Act (No. 13 of 2005) emphasises that they are distinctive, interdependent and interrelated. They are thus autonomous. Notwithstanding their autonomy, the three spheres must plan together for the utilisation of scarce resources, as well as to ensure the achievement of Government priorities.[2]

At a national level, the Department is responsible for the formulation of legislation and policies for all transport sub-sectors. The Department is therefore entrusted with:[3]

- Conducting sector research;
- Formulating legislation and policies to set the strategic direction of sub-sectors;
- Assigning responsibilities to public entities and other spheres of Government;
- Regulating through setting norms and standards; and
- Monitoring implementation.

The implementation of transport functions takes place through public entities that have been established to enhance implementation and support service delivery. Each entity has a specific

[1] Department of Transport (2024), p. 33.
[2] Ibid.
[3] Ibid.

delivery mandate, as specified in its founding legislation. The Department is tasked with the oversight of the regulation and delivery of transport through these entities.

The other leg of the implementation of transport functions lies with provinces. In this regard, the Department has concurrent functions of public transport and transport regulation with provinces. Public transport is a concurrent schedule 4A function between national and provincial spheres, and provincial roads and traffic are an exclusive schedule 5A provincial function. To ensure that there is uniformity in planning and reporting towards the achievement of Government and/or sector priorities, the Department needs to coordinate the development and implementation of standardised/customised indicators. These indicators, developed in consultation with all relevant stakeholders, must reflect key applicable deliverables of the sector plan and/or the Medium-Term Strategic Framework (MTSF) 2019-2024.

Once developed, accounting officers of relevant provincial departments that are responsible for the implementation of these indicators must then approve such prior to their inclusion in their respective SPs and APPs. Provinces would then gazette and report on standardised indicators on a quarterly and annual basis, with the National Department playing an oversight role over provinces. This is intended to ensure that standardised indicators respond to the legislative and policy direction of the sector.

Commencing from the 2022/23 financial year, customised indicators for the transport sector had been finalised and were to be implemented by all provinces. As part of oversight, the Department should receive reports from provinces on a quarterly basis. Customised indicators were approved for implementation for the 2022/23 – 2024/25, in line with the performance period of the SP.[4]

At a local (municipal) level, coordination and integration takes place through the development of integrated transport plans, which are facilitated through municipalities' integrated development

[4] Department of Transport (2023), p. 30.

planning processes. Municipal transport is a concurrent schedule 4B function falling in the local government sphere. Municipal roads, traffic and parking are exclusive 5B municipal functions.[5]

2.1 ORGANISATIONAL STRUCTURE OF THE DEPARTMENT

In an endeavour to discharge its mandate effectively and efficiently, the Department is structured as follows:[6]

- Programme 1: Administration;
- Programme 2: Integrated Transport Planning;
- Programme 3: Rail Transport;
- Programme 4: Road Transport;
- Programme 5: Civil Aviation Transport;
- Programme 6: Maritime Transport; and
- Programme 7: Public Transport.

The Department's organisational structure was approved in September 2011, and it was implemented from November 2011.[7] The structure comprises four transport modes (rail, road, civil aviation and maritime transport), as well as public transport and integrated transport planning. Support functions, particularly in the Office of the Director-General (DG), Office of the Chief Operations Officer and the Office of the Chief Financial Officer (CFO) fall under the Administration programme.

2.2 STRATEGIC OUTCOMES ORIENTED GOALS OF THE DEPARTMENT

[5] Department of Transport (2024), p. 35.
[6] Department of Transport (2024), p. 91.
[7] Department of Transport (2024), p. 92.

The Department has identified the following eight (8) areas that it will continue to prioritise in 2024/25, in response to the MTSF (2019 – 2024):[8]

1) Safety (and security) as an enabler of service delivery;
2) Public transport that enables social emancipation and an economy that works;
3) Infrastructure build that stimulates economic growth and job creation;
4) Building a maritime nation, elevating the oceans economy;
5) Accelerating transformation towards greater economic participation;
6) Innovation that advances efficiencies and supports a continuous improvement model;
7) Environmental protection – Recovering and maintaining a healthy natural environment; and
8) Governance – Greater efficiency, effectiveness and accountability.

The SP and the accompanying APP of the Department are aligned with the MTSF and articulate the long-term vision of the NDP 2030. To that effect, the table below shows a schematic illustration of the alignment between the MTSF pillars, apex priorities of the 6th Administration and the strategic focus areas of the Department:[9]

Table 1: Alignment between the MTSF Pillars, Apex Priorities of the 6th Administration and the Strategic Focus Areas of the Department

MTSF Pillars	Apex Priorities	Department's Strategic Focus Areas
1. Achieving a more capable State	• Priority 1: A capable, ethical and developmental State	• Governance – Greater efficiency, effectiveness and accountability
	• Priority 6: Social cohesion and community safety	• Safety (and security) as an

[8] Department of Transport (2024), pp. 39-89.
[9] Department of Transport (2024), pp. 32-33. Keep in mind that reference here will be to the priorities of the 6th Administration as the SP and APP were drafted and planned out based on those priorities, seeing as the priorities of the 7th Administration is not yet set.

MTSF Pillars	Apex Priorities	Department's Strategic Focus Areas
		enabler of service delivery
	• Priority 7: A better Africa and the world	• Building a maritime nation, elevating the oceans economy
		• Environmental protection – Recovering and maintaining healthy natural environment
2. Driving a strong and inclusive economy	• Priority 2: Economic transformation and job creation	• Infrastructure build that stimulates economic growth and job creation • Building a maritime nation that, elevating the oceans economy • Accelerating transformation towards greater economic participation
	• Priority 5: Spatial integration, human settlements and local government	• Public transport that enables social emancipation and

MTSF Pillars	Apex Priorities	Department's Strategic Focus Areas
		an economy that works
3. Building and strengthening capabilities of South Africans	• Priority 1: A Capable, ethical and developmental state	• Governance – Greater efficiency, effectiveness and accountability
	• Priority 3: Education, skills and health	• Improved efficiency and effectiveness of support services

(Source: Department of Transport (2024))

2.3 PROGRAMME AND SUB-PROGRAMME PLANS (ANNUAL AND QUARTERLY TARGETS)

2.3.1 Programme 1: Administration

The Administration programme provides leadership, strategic management and administrative support to the Department. It achieves this through continuous refinement of organisational strategy and structure, in line with appropriate legislation and best practice.

For 2024/25, the planned annual and quarterly targets in the Administration programme are the following:[10]

Sub-Programme: DG Administration

[10] Department of Transport (2024), pp. 107-118.

Table 2: Sub-Programme: DG Administration: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Functional, efficient and integrated government					
Percentage responses to Parliamentary questions	100% responses to Parliamentary questions	-	100% responses to Parliamentary questions	-	100% responses to Parliamentary questions

(Source: Department of Transport (2024))

Sub-Programme: Strategic Planning, Monitoring and Evaluation

Table 3: Sub-Programme: Strategic Planning, Monitoring and Evaluation: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Functional, efficient and integrated government					
DoT Gender-responsive Annual Performance Plan tabled in Parliament	DoT gender-responsive Annual Performance Plan (2025/26) approved and tabled in Parliament	-	-	Draft Annual Performance Plan (2025/26) submitted to the Department of Planning,	DoT gender-responsive Annual Performance Plan (2025/26) approved and tabled in Parliament

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
				Monitoring and Evaluation (DPME)	
DoT gender-responsive Annual Performance Plan tabled in Parliament	DoT gender-responsive Annual Performance Plan (2025/26) approved and tabled in Parliament	-	-	Draft APP 2025/26 submitted to the DPME	DoT gender-responsive Annual Performance Plan (2025/26) approved and tabled in Parliament
DoT gender-responsive Annual Report tabled in Parliament	DoT gender-responsive Annual Report (2023/24) approved and tabled in Parliament	Draft DoT gender-responsive Annual Report (2023/24) submitted to the Office of the Auditor-General of South Africa (AGSA)	DoT gender-responsive Annual Report (2023/24) approved and tabled in Parliament	-	-

(Source: Department of Transport (2024))

Sub-Programme: Chief Audit Executive (CAE)

Table 4: Sub-Programme: CAE: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Functional, efficient and integrated government					
Percentage resolution of reported incidents of corruption	95% resolution of reported incidents of corruption	-	95% resolution of reported incidents of corruption developed	-	95% resolution of reported incidents of corruption developed

(Source: Department of Transport (2024))

Sub-Programme: (Public Entity Oversight (PEO))

Table 5: Sub-Programme: PEO: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Safer Transport Systems					
PRASA rail safety occurrences monitored	Annual (2024/25) Monitoring Report on the number of reported PRASA	Final Annual (2023/24) Monitoring Report on the number of reported	-	-	Annual (2024/25) Monitoring Report on the number of reported

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	rail safety occurrences developed	PRASA rail safety occurrences developed			PRASA rail safety occurrences developed
PRASA rail security occurrences monitored	Annual (2024/25) Monitoring Report on the number of reported PRASA rail security occurrences developed	Final Annual (2023/24) Monitoring Report on the number of reported PRASA rail security occurrences developed	-	-	Annual (2024/25) Monitoring Report on the number of reported PRASA rail security occurrences developed
Implementation of the national SP to end gender-based violence and femicide in the rail transport sector (Metrorail operations) monitored	Annual (2024/25) monitoring report on the implementation of the national SP to end gender-based violence and femicide in the rail transport sector (metro rail operations) developed	Final Annual (2023/24) Monitoring Report on the implementation of the national SP to end gender-based violence and femicide in the rail transport sector (Metrorail	-	-	Annual (2024/25) Monitoring Report on the national SP to end gender-based violence and femicide in the rail transport sector (Metrorail operations) developed

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		operations) developed			

(Source: Department of Transport (2024))

Sub-Programme: Office of the Deputy-Director General: Corporate Services

Table 6: Sub-Programme: Human Resource Management and Development: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Functional, efficient and integrated government					
Number of vacant positions filled	Reduce the vacancy rate to 10% of funded posts on the staff establishment	2.7%	2.7%	2.7%	1.9%
Ethics committees established and operationalised	Operations of departmental ethics committees monitored	-	Bi-Annual Report on the operations of ethics committees in the Department	-	Annual Report on the status and operations of ethics in the Department
% of employees trained, in line	30% of DoT employees provided with	5% of DoT employees provided with	15% of DoT employees provided with	25% of DoT employees provided with	30% of DoT employees provided with

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
with the Workplace Skills Plan (WSP)	skills-based training in line with departmental WSP	skills-based training in line with departmental WSP	skills-based training in line with departmental WSP	skills-based training in line with departmental WSP	skills-based training in line with departmental WSP
Number of bursaries managed	160 bursaries managed	-*(First semester advertisement of bursaries issued)*	Bi-Annual Report on the status of existing bursaries	-(*Second semester advertisement of bursaries issued*)	Annual Report on the status of existing bursaries
Number of interns employed and placed	Annual (2024/25) Monitoring Report on the implementation of the internship programme developed	Quarterly Monitoring Report on the implementation of Internship Programme available	Quarterly Monitoring Report on the implementation of Internship Programme available	Quarterly Monitoring Report on the implementation of Internship Programme available	Annual (2024/25) Monitoring Report on the implementation of the internship programme available
Skills development opportunities provided for youths in various transport sub-	Annual (2024/25) Monitoring report on the Sector Skills development plan and various	-	-	Mid-Term Progress Review Report on the implementation of Sector Skill Plan developed	Annual 2024/25 Monitoring Report on the Sector Skills development plan and opportunities in

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
sector monitored.	opportunities in various transport sub-sectors developed				various transport sub-sector developed

(Source: Department of Transport (2024))

Table 7: Sub-Programme: Communications

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Functional, efficient and integrated government					
Percentage implementation of the stakeholder plan	100% implementation of the stakeholder plan	-	-	-	100% implementation of the stakeholder plan

(Source: Department of Transport (2024))

Sub-Programme: Office of the CFO

Table 8: Sub-Programme: Budgeting and Compliance: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Functional, efficient and integrated government					
Percentage implementation of action plans to address audit finding	100% implementation of action plans to address audit finding	-	-	Action plans to address audit findings raised by the AGSA for the 2023/24 financial year developed	100% implementation of action plans to address audit findings
Percentage reduction of cases of wasteful and fruitless expenditure	100% reduction of cases of wasteful and fruitless expenditure	-	100% reduction of cases of wasteful and fruitless expenditure	-	100% reduction of cases of wasteful and fruitless expenditure
Percentage reduction in cases of irregular expenditure	75% reduction of cases of irregular expenditure	-	75% reduction of cases of irregular expenditure	-	75% reduction of cases of irregular expenditure
Percentage reduction of cases	100% reduction of	-	100% reduction of	-	100% reduction of

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
of unauthorised expenditure	cases of unauthorised expenditure		cases of unauthorised expenditure		cases of unauthorised expenditure

(Source: Department of Transport (2024))

Sub-Programme: Financial Administration and Supply Chain Management

Table 9: Sub-Programme: Financial Administration and Supply Chain Management: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Functional, efficient and integrated government					
100% compliance to 30 days payment of valid invoices	100% compliance to valid invoices paid within 30 days	-	100% compliance to valid invoices paid within 30 days	-	100% compliance to valid invoices paid within 30 days
Percentage implementation of Preferential Procurement Policy Framework Act (PPPFA)	100% implementation of PPPFA	-	100% implementation of PPPFA	-	100% implementation of PPPFA

(Source: Department of Transport (2024))

2.3.2 Programme 2: Integrated Transport Planning

The Integrated Transport Planning programme seeks to integrate and harmonise key transport sector strategic interventions through continuous development and refining of macro-transport sector policies, strategies and legislation; coordination of development of sector related policies, coordination of sector research activities; coordination of regional and inter-sphere relations; facilitation of sector transformation; and provision of sector economic modelling and analysis.

For the 2024/25 financial year, the Department has set itself the following annual and quarterly targets in the Integrated Transport Planning programme:[11]

Sub-Programme: Research and Innovation

Table 10: Sub-Programme: Research and Innovation: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Reduction in Greenhouse Gas Emissions and Pollution					
Transport Sector Just Transition Plan approved by Minister	Draft Transport Sector Just Transition Plan approved	Stakeholder consultation on the draft Transport Just Transition Plan	Stakeholder consultation on the draft Transport Just Transition Plan	Consolidation of stakeholder inputs	Approval of the final draft Transport Just Transition Plan
Implementation of the Carbon	Baseline Study on South Africa's	Literature review on	Data Collection on South	Consultation on the Baseline	Baseline Study on

[11] Department of Transport (2024), pp. 126-131.

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Emission Transition Plan monitored	Electric Vehicle Smart Charging Infrastructure conducted	South Africa's Electric Vehicle Smart Charging Infrastructure conducted	Africa's Electric Vehicle Smart Charging Infrastructure conducted	Study conducted	South Africa`s Electric Vehicle Charging Infrastructure conducted

(Source: Department of Transport (2024))

Sub-Programme: Modelling and Economic Analysis

Table 11: Sub-Programme: Modelling and Economic Analysis: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Competitive and Accessible Markets					
Economic Regulation of Transport Bill approved by Parliament	Transport Economic Regulator (TER) established	Winding up of Ports Regulator of South Africa (PRSA)	Winding up of PRSA	Migration of affected employees into TER	Migration of affected employees into TER
		Registration of the TER and	Registration of the TER and TEC as	Registration of the TER and TEC as	Registration of the TER and TEC as

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		Transport Economic Council (TEC) as Schedule 3A entities	Schedule 3A entities	Schedule 3A entities	Schedule 3A entities
		Gazette for the nomination of the Board Members	Appointment of the Panel of experts for shortlisting by the Minister	Shortlist of the qualifying candidates to be submitted to the Minister	Appointment of the Board Members by the Minister
	TEC established	Stakeholder consultations on the registration of the TEC	Stakeholder consultations on the registration of the TEC	Stakeholder consultations on the registration of the TEC	Registration of the TEC
		Gazette published for the nomination of the Council	Nominations forwarded to the Portfolio Committee in the National Assembly for shortlisting	Shortlist of the qualifying candidates to be recommended to the Minister for appointment	Appointment of the Council by the Minister

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
			and interviews		
	Regulations of the TER Act approved	Draft Regulations of the TER Act developed	Consultation on the Draft Regulations of the TER Act conducted	Consultation on the Draft Regulations of the TER Act conducted	Regulations of the TER Act approved

(Source: Department of Transport (2024))

4.2.3 Sub-Programme: Regional Integration

Table 12: Sub-Programme: Regional Integration: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Competitive and Accessible Markets					
Regional Integration Strategy approved by Cabinet	Implementation of Regional Integration Strategy Priority Projects	Develop Regional Integration Strategy Implementation Plan	Submit the Regional Integration Strategy Implementation Plan to Executive Committee	Implementation of Regional Integration Strategy Priority Projects	Implementation of Regional Integration Strategy Priority Projects

(Source: Department of Transport (2024))

Sub-Programme: Freight Logistics

Table 13: Sub-Programme: Freight Logistics: Indicators, Annual and Quarterly Targets

Output Indicator	**Annual Target**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**
Competitive and Accessible Markets					
Freight Migration Plan (Road to Rail) developed	Form part of the National Crisis Committee	Facilitate and monitor the implementation of the Freight Road to Rail Migration Plan (FRRMP)	Facilitate and monitor the implementation of the FRRMP	Facilitate and monitor the implementation of the FRRMP	Facilitate and monitor the implementation of the FRRMP
	Implementation of the FRRMP				

(Source: Department of Transport (2024))

2.3.3 Programme 3: Rail Transport

The Rail Transport programme facilitates and coordinates the development of sustainable rail transport policies, rail economic and safety regulation, infrastructure development strategies; and systems that reduce system costs and improve customer service. The programme also monitors and oversees the Railway Safety Regulator (RSR) and the PRASA. In addition, it seeks to ensure that the implementation of integrated rail services is planned through the lowest competent sphere of Government.

The planned annual and quarterly targets in the Rail Transport programme in the 2024/25 financial year are as follows:[12]

Sub-Programme: Rail Regulation

Table 14: Sub-Programme: Rail Regulation: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Competitive and Accessible Markets					
National Rail Bill approved by Parliament	National Rail Bill approved for submission to Parliament	Stakeholder consultations on the National Rail Bill conducted	Stakeholder consultations conducted and the National Rail Bill updated	National Rail Bill submitted to DPME for Socio-Economic Impact Assessment (SEIAs) process (final phase)	-National Rail Bill submitted to Economic Sectors, Investment, Employment and Infrastructure (ESIEID) Cluster -National Rail Bill approved for submission to Parliament

(Source: Department of Transport (2024))

[12] Department of Transport (2024), pp. 141-145.

Sub-Programme: Rail Infrastructure and Industry Development

Table 15: Sub-Programme: Rail Infrastructure and Industry Development: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Competitive and Accessible Markets					
Private Sector Participation (PSP) Framework Implementation Plan developed	Annual (2024/25) Monitoring Report on the Implementation of PSP Framework developed	-	Bi-annual Monitoring Report on the Implementation of PSP Framework developed	-	Annual (2024/25) Monitoring Report on the Implementation of PSP Framework developed
High Speed Rail (HSR) Corridor Framework Implementation Plan developed	Annual (2024/25) Monitoring Report on the Implementation of HSR Corridor Framework developed	-	Bi-annual Monitoring Report on the Implementation of HSR Corridor Framework developed	-	Annual (2024/25) Monitoring Report on the Implementation of HSR Corridor Framework developed
National Rail Master Plan developed	Interim National Rail Master Plan developed	Current and Future Demand Profiles developed	Draft National Network Statement developed	National Network Statement developed	Interim National Rail Master Plan developed

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
PRASA Rolling Stock Fleet Renewal Programme monitored	Preliminary Annual (2024/25) Monitoring Report on the Rolling Stock Fleet Renewal Programme developed	Annual (2023/24) Monitoring Report on the Rolling Stock Fleet Renewal Programme developed	-	Bi-Annual (2024/25) Monitoring Report on the Rolling Stock Fleet Renewal Programme developed	Preliminary Annual (2024/25) Monitoring Report of the Rolling Stock Fleet Renewal Programme developed
PRASA Capital Programme Monitored	Preliminary Annual (2024/25) Monitoring Report on the PRASA Capital Programme developed	Annual (2023/24) Monitoring Report on the PRASA Capital Programme developed	-	Bi-Annual (2024/25) Monitoring Report on the PRASA Capital Programme developed	Preliminary Annual (2024/25) Monitoring Report of the PRASA Capital Programme developed

(Source: Department of Transport (2024))

Sub-Programme: Rail Operations

Table 16: Sub-Programme: Rail Infrastructure and Industry Development: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Competitive and Accessible Markets					
PRASA Rail corridors recovery programme monitored	Preliminary Annual (2024/25) Monitoring Report on the PRASA Rail Corridor Recovery Programme developed	Final Annual (2023/24) Monitoring Report on the PRASA Rail Corridor Recovery Programme developed	-	-	Preliminary Annual (2024/25) Monitoring Report on the PRASA Rail Corridor Recovery Programme developed
Public Transport					
PRASA rail passenger trips monitored	Preliminary Annual (2024/25) Monitoring Report on PRASA Rail Passenger Trips developed	Final Annual (2023/24) Monitoring Report on PRASA Rail Passenger Trips developed	-	-	Preliminary Annual (2024/25) Monitoring Report on the PRASA Rail Passenger Trips developed
National Devolution Strategy approved	National Devolution Strategy developed	Draft National Devolution Strategy developed	Ministerial approval for consultation process	Status quo and stakeholder report developed	National Devolution Strategy developed

(Source: Department of Transport (2024))

2.3.4 Programme 4: Road Transport

The Road Transport programme develops and manages an integrated road infrastructure network. In addition, the programme regulates road transport, and ensures safer roads. Finally, it oversees road agencies.

For 2024/25, the planned annual and quarterly targets in the Road Transport programme are the following:[13]

4.4.1 Sub-Programme: Road Transport Regulation

Table 17: Sub-Programme: Road Transport Regulation: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Safer Transport Systems					
Reduction of road crash fatalities monitored	Annual (2024/25) Monitoring Report on the implementation of the National Road Safety Strategy (NRSS) developed	Annual (2023/24) Analysis Monitoring Report on the implementation of the NRSS developed	Final (2024/25) Quarter One (Q1) Analysis Monitoring Report on the implementation of the NRSS developed	Final (2024/25) Quarter Two (Q2) Analysis Monitoring Report on the implementation of the NRSS developed	• Final (2024/25) Quarter Three (Q3) Analysis Monitoring Report on the implementation of the NRSS developed •Annual (2024/25) Monitoring

[13] Department of Transport (2024), pp. 153-162.

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
					Report on the implementation of the NRSS developed
Turnaround time for issuance of driving licence cards monitored	Annual (2024/25) Monitoring Report on the turnaround time for issuance of driving licence cards developed	-	Bi-Annual Monitoring Report on the turnaround time for issuance of driving licence cards developed	-	Annual (2024/25) Monitoring Report on the turnaround time for issuance of driving licence cards developed
Provinces achieving classification of road traffic policing as 7-day, 24-hour job monitored	Annual (2024/25) Monitoring Report on the implementation of road traffic policing as a 7-day, 24-hour job developed	-	Bi-Annual Status Report on the number of provinces achieving classification of road traffic policing as a 7-day, 24-hour job developed	-	Annual (2024/25) Monitoring Report on the number of provinces achieving classification of road traffic policing as a 7-day, 24-hour job developed
Amendment Bills approved by Parliament (Cross-Border	Amendment Bills submitted to Cabinet (C-BRTA and RAF)	Draft C-BRTA and RAF Amendment Bill reviewed and incorporation of	Internal consultations conducted on the	DoT Executive Committee comments considered and	C-BRTA and RAF Amendments

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Road Transport Agency (C-BRTA) and Road Accident Fund (RAF))		comments completed	Draft Amendment Bill • DoT Executive Committee	incorporated into the Draft Amendment Bill	Bills submitted to Cabinet
Amendment Bills approved by Parliament (Road Traffic Infringement Agency (RTIA), Road Traffic Management Corporation (RTMC) and South African National Roads Agency Limited (SANRAL))	Draft Amendment Bills finalised (RTIA, RTMC and SANRAL)	Draft RTIA, RTMC and SANRAL Amendment Bills reviewed and incorporation of comments completed	Internal consultations conducted on the Draft Amendment Bill • DoT Executive Committee	DoT Executive Committee comments considered and incorporated into the Draft Amendment Bills	Draft Amendment Bills finalised (RTIA, RTMC and SANRAL)
National Road Traffic (NRT) Amendment Bill approved by Parliament	Draft NRT Regulations submitted to Minister for approval	-	-	Draft NRT Regulations in accordance with the Amendment Act developed	Draft NRT Regulations submitted to Minister for approval

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Proclamation of the NRT Amendment Act 2023 approved by the President	-	Submission of Proclamation to Presidency for approval and operationalisation of the Amendment Act	-	Proclamation of the National Road Amendment Act 2023 approved by the President

(Source: Department of Transport (2024))

Sub-Programme: Road Infrastructure and Industry Development

Table 18: Sub-Programme: Road Infrastructure and Industry Development: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Competitive and Accessible Markets					
Compliance with the user-pay principle monitored	Annual (2024/25) Monitoring Report compliance with the user-pay principle developed	Annual (2023/24) Monitoring Report on compliance with the user-pay principle developed	-	-	Annual (2024/25) Monitoring Report on compliance with the user-pay principle developed

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Road Infrastructure Funding Policy approved by Cabinet	Final Draft Road Infrastructure Funding Policy developed	Stakeholder consultations conducted	Draft Road Infrastructure Funding Policy submitted for SEIAs processes	-	Final Draft Road Infrastructure Funding Policy developed
SANRAL Road Maintenance Programme monitored	Annual (2024/25) Monitoring Report on the SANRAL Road Maintenance Programme developed	Final (2023/24) Annual Monitoring Report on the SANRAL Road Maintenance Programme developed	Final (2024/25) Quarter One (Q1) Monitoring Report on the SANRAL Road Maintenance Programme developed	Final 2024/25 Quarter Two (Q2) Monitoring Report on the SANRAL Road Maintenance Programme developed	Final (2024/25) Quarter Three (Q3) Monitoring Report on the SANRAL Road Maintenance Programme developed
					Annual (2024/25) Monitoring Report on the SANRAL Road Maintenance Programme developed

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Construction of Msikaba and Mtentu Bridges Monitored	Annual (2024/25) Monitoring Report on the construction of the Msikaba and Mtentu Bridges	-	Final (2024/25) Quarter one (Q1) Monitoring Report on the construction of Msikaba and Mtentu Bridges	Final (2024/25) Quarter two (Q2) Monitoring Report on the construction of Msikaba and Mtentu Bridges	Final Quarter Three (2024/25) Monitoring Report on the construction of the Msikaba and Mtentu Bridges
					Annual (2024/25) Monitoring Report on the construction of the Msikaba and Mtentu Bridges
Provincial Roads Maintenance Programme monitored	Annual (20224/25) Monitoring Report on the Provincial Road Maintenance Programme developed	Final Annual (2023/24) Monitoring Report on the Provincial Road Maintenance Programme developed	Final (2024/25) Quarter One (Q1) Monitoring Report on the Provincial Road Maintenance	Final (2024/25) Quarter Two (Q2) Monitoring Report on the Provincial Road Maintenance Programme developed	Final (2024/25) Quarter Three (Q3) Monitoring Report on the Provincial Road Maintenance

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Programme developed		Programme developed
					Annual 2024/25) Monitoring Report on the Provincial Road Maintenance Programme developed
National Pothole Repair Programme (Vala Zonke) implemented	Annual (2024/25) Monitoring Report on the National Pothole Repair Programme developed	Final Annual (2023/24) Monitoring Report on the National Pothole Repair programme developed	-	Bi-Annual (2024/25) Report on the National Pothole Programme developed	Annual (2024/25) Monitoring Report on the National Pothole Repair Programme developed
Welisizwe Rural Bridges Programme monitored	Annual (2024/25) Monitoring Report on the *Welisizwe* Rural Bridges Programme developed	Final Annual (2023/24) Monitoring Report on the *Welisizwe* Rural Bridges	-	Bi-Annual (2024/25) Report on the *Welisizwe* Rural Bridges Programme developed	Annual (2024/25) Monitoring Report on the *Welisizwe* Rural Bridges

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		Programme developed			Programme developed
Jobs created through the SANRAL Road Maintenance Programme monitored	Annual (2024/25) Monitoring Report on jobs created through the SANRAL Road Maintenance Programme developed	Final Annual (2023/24) Monitoring Report on jobs created through the SANRAL Road Maintenance Programme developed	-	Bi-Annual (2024/25) Monitoring Report on jobs created through the Road Maintenance Programme developed	Annual (2024/25) Monitoring Report on jobs created through the SANRAL Road Maintenance Programme developed
Jobs created through the Provincial Roads Maintenance Programme monitored	Annual (2024/25) Monitoring Report on jobs created through the Provincial Road Maintenance Programme developed	Final Annual (2023/24) Monitoring Report on jobs created through the Provincial Road Maintenance Programme developed	-	Bi-Annual (2024/25) Monitoring Report on jobs created through the Provincial Road Maintenance Programme developed	Annual (2024/25) Monitoring Report on jobs created through the Provincial Road Maintenance Programme developed
Jobs created through *Welisizwe*	Annual (2024/25) Monitoring Report on jobs created	Final Annual (2023/24) Monitoring Report	-	Bi-Annual (2024/25) Monitoring Report	Annual (2024/25) Monitoring

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Rural Bridges Programme	through *Welisizwe* Rural Bridges Programme developed	on jobs created through the *Welisizwe* Rural Bridges Programme developed		on jobs created through the *Welisizwe* Rural Bridges Programme developed	Report on jobs created through the *Welisizwe* Rural Bridges Programme developed

(Source: Department of Transport (2024))

Sub-Programme: Road Engineering Standards

Table 19: Sub-Programme: Road Engineering Standards: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Competitive and Accessible Markets					
Response, reconstruction and rehabilitation of flood-damaged Infrastructure monitored	Annual (2024/25) Monitoring Report on the Rehabilitation of flood-damaged	Annual (2023/24) Analysis Report on the rehabilitation of flood-damaged infrastructure developed	-	Bi-Annual (2024/25) Analysis Report on the rehabilitation of flood-damaged infrastructure developed	Annual (2024/25) Monitoring Report on the rehabilitation of flood-damaged infrastructure

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	infrastructure developed				

(Source: Department of Transport (2024))

2.3.5 Programme 5: Civil Aviation Transport

The Civil Aviation Transport programme facilitates the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards through regulations and investigations. It also oversees aviation public entities.

The Department has set itself the following annual and quarterly performance targets in the Civil Aviation Transport programme in the 2024/25 financial year:[14]

Sub-Programme: Aviation Policy and Regulation

Table 20: Sub-Programme: Aviation Policy and Regulation: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Competitive and Accessible Markets					

[14] Department of Transport (2024), pp. 173-176.

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Comprehensive Civil Aviation Policy approved by Cabinet	Comprehensive Civil Aviation Policy submitted to Cabinet	Incorporation of public comments into the final draft Civil Aviation Policy	Comprehensive Civil Aviation Policy submitted to DPPME for SEIAs process	Comprehensive Civil Aviation Policy submitted to the ESIEID Cluster	Draft Comprehensive Civil Aviation Policy submitted to Cabinet
				Comprehensive National Civil Aviation Policy submitted to the Justice, Crime Prevention and Security (JCPS) Cluster	
				Comprehensive Civil Aviation Policy submitted to the International Cooperation, Trade and Security (ICTS)	

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
National Airports Development Plan (NADP) approved by Cabinet	Draft NADP submitted to Cabinet	Draft National Airports Development Plan submitted to DPME for SEIAS process	Stakeholder consultation conducted on the Draft National Airports Development Plan	Draft NADP is submitted to ESIEID and JCPS Forum of South African Directors-General clusters	Draft National Airports Development Plan submitted to Cabinet

(Source: Department of Transport (2024))

Sub-Programme: Aviation Safety, Security, Environment and Search and Rescue

Table 21: Sub-Programme: Aviation Safety, Security, Environment and Search and Rescue: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Safer Transport Systems					
Implementation of the Aviation Safety Strategy monitored	Annual (2024/25) Monitoring Report on the implementation of the Aviation	Final (2023/24) Annual Monitoring Report on the implementation of the Aviation	-	Bi-Annual (2024/25) Monitoring Report on the implementation of the Aviation	Annual (2024/25) Monitoring Report on the implementation of the Aviation

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Safety Strategy developed	Safety Strategy developed		Safety Strategy developed	Safety Strategy developed
Aeronautical and Maritime Search and Rescue (AMSAR) Bill approved by Parliament	AMSAR Bill approved for submission to Cabinet	Submission of the AMSAR Bill to the Legal Services for final assessment	SEIAs conducted on the AMSAR Bill	AMSAR Bill submitted to the JCPS Cluster AMSAR Bill submitted to the ICTS Cluster AMSAR Bill submitted to the ESIEID Cluster	AMSAR Bill approved for submission to Cabinet

(Source: Department of Transport (2024))

2.3.6 Programme 6: Maritime Transport

The Maritime Transport programme implements the Comprehensive Maritime Transport Policy to ensure promotion and coordination; as well as infrastructure and industry development and achieve compliance through monitoring, evaluation and oversight and collaboration with maritime related public entities, namely, the PRSA, Transnet National Ports Authority (TNPA); South African Maritime Safety Authority (SAMSA) industry and international bodies.

The set annual and quarterly targets in the Maritime Transport programme for the 2024/25 financial year are as follows:[15]

[15] Department of Transport (2024), pp. 191-197.

Sub-Programme: Maritime Policy and Legislation

Table 22: Sub-Programme: Maritime Policy and Legislation: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Competitive and Accessible Markets					
National Ports Amendment Bill approved by Parliament	National Ports Amendment Bill submitted to Cabinet	Incorporation of Stakeholders' comments on the National Ports Amendment Bill	National Ports Amendment Bill submitted to State Law Advisers	Incorporation of State Law Advisers Comments	National Ports Amendment Bill submitted to Cabinet
Maritime Digitalisation Policy developed	Digitalisation research report developed	Planning of the Research process on Maritime Digitalisation with Maritime Stakeholders conducted	Draft Report on Maritime Digitalisation developed	Stakeholder consultations on Maritime Digitalisation conducted	Final Report on Maritime Digitalisation developed
Draft Maritime Energy Policy developed	Report on Maritime energy solutions for the sector developed	Planning of the Research process on Maritime Energy Solutions with Maritime	Draft Report on Maritime Energy Solutions developed	Consultation with Maritime Stakeholders on Maritime energy solutions conducted	Final Report on Maritime energy solutions developed

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		Stakeholders conducted			

(Source: Department of Transport (2024))

Sub-Programme: Maritime Infrastructure and Industry Development

Table 23: Sub-Programme: Maritime Infrastructure and Industry Development: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Competitive and Accessible Markets					
Operation *Phakisa Oceans* Economy Three-Foot Plan monitored	Annual (2024/25) Monitoring Report on the implementation of the Operation Phakisa Oceans Economy Three-Foot Plan developed	Final Annual (2023/24) Monitoring Report on the implementation of the Operation Phakisa Oceans Economy Three-Foot Plan developed	-	-	Annual (2024/25) Monitoring Report on the implementation of the Operation Phakisa Oceans Economy Three-Foot Plan developed
National Shipping Company established	Business Case for a National Shipping Company Operating Model developed	-	Draft Business case for a National Shipping	-	Business Case for a National Shipping Company Operating Model developed

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Company Operating Model developed		
TNPA corporatized in line with provisions of the National Ports Act (2005) monitored	Annual (2024/25) Monitoring Report on the implementation of the Corporatization of TNPA in line with National Ports Act, 2005 developed	-	Bi-Annual Monitoring Report on the implementation of Corporatisation of the TNPA in line with National Ports Act, 2005 developed	-	Annual (2024/25) monitoring Report on the implementation of the Corporatization of TNPA in line with National Ports Act, 2005 developed
Investment unlocked in new and existing port infrastructure monitored	Annual (2024/25) Monitoring Report on investment unlocked in new and existing port infrastructure developed	-	-	-	Annual (2024/25) Monitoring Report on investment unlocked in new and existing port infrastructure developed
Jobs created through Maritime Transport Manufacturing	Annual (2024/25) Monitoring Report on jobs created through Maritime Transport	-	-	-	Annual (2024/25) Report on jobs created through Maritime Transport

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Initiatives monitored	Manufacturing Initiatives developed				Manufacturing Initiatives developed
Vessels registered on the South African Ship Register for coastal and international shipping monitored	Annual (2024/25) Monitoring Report on vessels registered on the South African Ship Register developed	-	-	-	Annual (2024/25) Monitoring Report on vessels registered on the South African Ship Register developed

(Source: Department of Transport (2024))

Sub-Programme: Maritime Implementation, Monitoring and Evaluation

Table 24: Sub-Programme: Maritime Implementation, Monitoring and Evaluation: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Safer Transport Systems					
Reduction in Maritime Safety Accident and Incident Rate	Annual (2024/25) Monitoring Report on Maritime Safety Accident and Incident Rate developed	Final Annual (2023/24) Monitoring Report Maritime Safety Accidents	-	Bi-Annual (2024/25) Monitoring Report on Maritime Safety Accidents and	Annual (2024/25) Monitoring Report on Maritime Safety

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		and Incidents developed		Incidents developed	Accidents and Incidents developed
Percentage implementation of action plans to address audit findings (10 Audit Findings)	20% implementation of action plans to address IMO Member State Audit Scheme (IMSAS) audit findings	Action Plan to address audit findings raised by IMSAS for 2024-25 developed	Progress on implementation of action plans to address IMSAS audit findings	Progress on implementation of action plans to address IMSAS audit findings	20% implementation of action plans to address IMSAS audit findings
Reduction in GHG Emissions and Pollution					
Reduction in Maritime Pollution Rate	Annual (2024/25) Monitoring Report on Maritime Pollution Rate developed	Final Annual (2023/24) Monitoring Report on Maritime Pollution Rate developed	-	Bi-Annual (2024/25) Monitoring Report on the Maritime Pollution Rate developed	Annual (2024/25) Monitoring Report on the Maritime Pollution Rate developed

(Source: Department of Transport (2024))

2.3.7 Programme 7: Public Transport

The Public Transport programme ensures the provision and regulation of safe, secure, reliable, cost-effective and sustainable public transport services in South Africa through legislation, policies and strategies.

The Department has set itself the following annual and quarterly performance targets in the Public Transport programme in 2024/25:[16]

Sub-Programme: Public Transport Network Development

Table 25: Sub-Programme: Public Transport Network Development: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Public Transport					
Cities assisted in planning implementing and operating Integrated Public Transport Networks (IPTN) monitored	Annual (2024/25) Monitoring Report on Ten (10) cities assisted in planning and operating IPTN Programme developed	Bilateral progress engagements conducted in five (5) selected municipalities	Bilateral progress engagements conducted in five (5) selected municipalities	Bilateral progress engagements conducted in five (5) selected municipalities	Annual (2024/25) Monitoring Report on ten (10) cities assisted in planning and operating IPTN Programme developed
Universal Design and Access Plan (UDAP) Reports submitted by all 10 cities monitored	Annual (2024/25) Monitoring Report on Ten (10) cities UDAP reports developed	-	-	-	Annual (2024/25) Monitoring Report on Ten (10) cities UDAP reports developed

[16] Department of Transport (2024), pp. 208-217.

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Hours of operations in cities operating Bus Rapid Transport (BRTs) monitored	Annual (2024/25) Monitoring report on Hours of operations in cities operating BRTs developed	-	-	-	Annual (2024/25) Monitoring Report on Hours of operations in cities operating BRTs developed
Innovation					
The phased rollout of single integrated ticketing systems in IPTN cities monitored	Annual (2024/25) Monitoring Report on the expanded rollout of single integrated ticketing systems in IPTN cities developed	Phased roll out of Integrated Single Ticketing System in two (2) cities	Phased roll out of Integrated Single Ticketing System in two (2) cities	Phased roll out of Integrated Single Ticketing System in two (2) cities	Annual (2024/25) Monitoring Report on the expanded rollout of single integrated ticketing systems in IPTN cities developed

(Source: Department of Transport (2024))

Sub-Programme: Public Transport Regulation

Table 26: Sub-Programme: Public Transport Regulation: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Public Transport					
Transport Appeal Tribunal (TAT) Amendment Act Bill (BB-2020) approved by Parliament	TAT Amendment Bill approved by Parliament • Annual Status Report on the TAT Amendment Bill in Parliament developed	-(Parliamentary process)	-(Parliamentary process)	-(Parliamentary process)	-(Parliamentary process) • Annual Status Report on the TAT Amendment Bill in Parliament developed
System functional and compliant to National Land Transport Act (NLTA), its regulations, business processes and all functional and non-functional requirements	Successfully redesigned a functional system for Provincial Regulatory Entities (PREs)	Three (03) PREs trained on system performance and usage	Four (04) PREs trained on system performance and usage	Seven (07) PREs trained on system performance and usage	Annual (2024/25) Monitoring Report on system performance and usage developed
National Land Transport (NLT) Amendment Bill	NLT Amendment Bill approved by Parliament	-	Bi-Annual Status Report on the NLT Amendment Bill	-	Annual Status Report on the NLT Amendment Bill Parliamentary

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
approved by Parliament			Parliamentary approval developed		approval process developed
Finalise Draft Regulations for the NLTA Amendment Act	Implementation and monitoring of the NLTA Amendment Act	Education and communication campaigns on the NLT Amendment Act undertaken	Education and communication campaigns on the NLT Amendment Act undertaken	Education and communication campaigns on the NLT Amendment Act undertaken	Education and communication campaigns on the NLT Amendment Act undertaken

(Source: Department of Transport (2024))

Sub-Programme: Public Transport Industry Development

Table 27: Sub-Programme: Public Transport Industry Development: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Public Transport					
Public Transport Subsidy Policy approved by Cabinet	Public Transport Subsidy Policy submitted to Cabinet	Draft Transport Subsidy Policy submitted to ESEID Cluster	Draft Transport Subsidy Policy submitted to SPCHD Cluster	-	Public Transport Subsidy Policy submitted to Cabinet

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Framework for the taxi industry empowerment model implemented	Status Report on the implementation of the taxi industry empowerment model developed	-	Bi-Annual (2024/25) Status Report on the implementation of the taxi industry empowerment model developed	-	Status Report on the implementation of the taxi industry empowerment model developed
Percentage scrapping of submitted and qualifying old taxi vehicles	100% scrapping of submitted and qualifying old taxi vehicles	100% scrapping of submitted and qualifying old taxi vehicles	100% scrapping of submitted and qualifying old taxi vehicles	100% scrapping of submitted and qualifying old taxi vehicles	•100% scrapping of submitted and qualifying old taxi vehicles •Annual (2024/25) Monitoring Report on Taxi Recapitalisation Programme (TRP)
Implementation of identified Taxi Industry Commercial Projects monitored	Annual (2024/25) Monitoring Report on the implementation of identified Taxi Industry Commercial	Quarterly Monitoring Report on the implementation of identified taxi industry	Quarterly Monitoring Report on the implementation of identified taxi industry	Quarterly Monitoring Report on the implementation of identified taxi industry	Annual (2024/25) Monitoring Report on the implementation of identified Taxi Industry

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Projects developed	commercial projects	commercial projects	commercial projects	Commercial Project developed
Implementation of the national SP to end gender-based violence and femicide in the taxi industry monitored	Annual (2024/25) Monitoring report on the implementation of programmes addressing violence against women, youth and persons with disabilities in the taxi industry developed	-	-	-	Annual (2024/25) Monitoring report on the implementation of programmes addressing violence against women, youth and persons with disabilities in the taxi industry developed

(Source: Department of Transport (2024))

Sub-Programme: Rural and Scholar Transport Implementation

Table 28: Sub-Programme: Rural and Scholar Transport Implementation: Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Public Transport					
Number of bicycles distributed in rural municipalities	8 000 bicycles distributed in provinces and schools	1 000 bicycles distributed in provinces and schools	1 000 bicycles distributed in provinces and schools	3000 bicycles distributed in provinces and schools	3000 bicycles distributed in provinces and schools

(Source: Department of Transport (2024))

3. BUDGET ANALYSIS: VOTE 40: DEPARTMENT OF TRANSPORT

3.1 OVERVIEW OF THE 2023/24 FINANCIAL YEAR[17]

3.1.1 First Quarter Expenditure of 2023/24

Table 29: 2023/24 First Quarter Expenditure

Programme	Main Appropriation	Available Budget	Q1 Actual Expenditure	Expenditure As % of Available Budget	Q1 Projected Expenditure	Variance from Projected Expenditure	% Variance from Projected Expenditure	Disaster Spending
Administration	516.4	516.4	105	20.3%	120.4	15.4	12.8%	0.0
Integrated Transport Planning	89.4	89.4	21.4	24%	16.7	-4.8	-28.6%	0.0
Rail Transport	20 592.9	20 592.9	5 139.2	25%	5 148.1	8.9	0.2%	0.0

[17] It should be underscored that this section only covers the first Three Quarters of 2023/24, as the Fourth Quarter was not yet available at the time of the analysis.

Programme	Main Appropriation	Available Budget	Q1 Actual Expenditure	Expenditure As % of Available Budget	Q1 Projected Expenditure	Variance from Projected Expenditure	% Variance from Projected Expenditure	Disaster Spending
Road Transport	42 611.1	42 611.1	10 419.7	24.5%	11 168.4	748.8	6.7%	150.1
Civil Aviation Transport	314.5	314.5	68	21.6%	79.4	11.4	14.3%	0.0
Maritime Programme	379.2	379.2	44.1	11.6%	59.2	15.1	25.5%	0.0
Public Transport	15 048.9	15 048.9	1 446.5	9.6%	1 527.8	81.3	5.3%	0.0
Total	**79 552.4**	**79 552.4**	**17 243.9**	**21.7%**	**18 120**	**876.1**	**4.8%**	**150.1**

(Source: National Treasury (2023a))

For the 2023/24 financial year, the budget of the Department sits at R79.6 billion and of this amount, the Department spent R17.2 billion (or 21.7%) against the First Quarter projection of R18.1 billion.[18] The lower than projected spending of R876.1 million (or 4.8%) was largely due to expenditure delays in the Road Transport and Public Transport programmes on Goods and Services across programmes.[19]

The Department spent R129.1 million against the First Quarter's projection of R131.5 million for the Compensation of Employees (CoE). It spent R2.4 million (or 1.8%) lower than projected mainly because of the slow filling of vacant posts. By the end of the First Quarter of 2023/24, the Department had 753 filled posts against a funded establishment of 834 posts. This represented a vacancy rate of 10% (or 81 vacant posts).[20] The vacancy rate was an improvement from where the Department was by the end of the Fourth Quarter of 2022/23. At that time, it had 108 vacant posts on a funded establishment of 813 posts. This translated into a vacancy rate of 13.3%.[21]

[18] National Treasury (2023a), p. 147.
[19] Ibid.
[20] National Treasury (2023a), p. 148.
[21] National Treasury (2023b), p. 156.

3.1.2 Second Quarter Expenditure of 2023/24

Table 30: 2023/24 Second Quarter Expenditure

Programme	Main Appropriation	Available Budget	Q2 Actual Expenditure	Expenditure As % of Available Budget	Q2 Projected Expenditure	Variance from Projected Expenditure	% Variance from Projected Expenditure	Disaster Spending
Administration	516.4	527.3	224.9	42.6%	243.6	18.7	7.7%	0.0
Integrated Transport Planning	89.4	91	48.9	53.7%	38.3	-10.6	-27.6%	0.0
Rail Transport	20 592.9	20 592.9	10 277.3	49.9%	10 297.8	20.5	0.2%	0.0
Road Transport	42 611.1	42 047.3	22 807.8	54.2%	23 321.6	513.8	2.2%	360.3
Civil Aviation Transport	314.5	317.5	159	50.1%	169.5	10.4	6.2%	0.0
Maritime Programme	379.2	263.6	94.2	35.7%	173.1	78.9	45.6%	0.0
Public Transport	15 048.9	14 442.7	5 707.2	39.5%	6 096.7	389.5	6.4%	0.0
Total	**79 552.4**	**78 282.4**	**39 319.4**	**50.2%**	**40 340.6**	**1 021.3**	**2.5%**	**360.3**

(Source: National Treasury (2023a))

For the 2023/24 financial year, the budget of the Department sits at R79.6 billion and of this amount, the Department spent R39.3 billion (or 50.2%) against the Second Quarter projection of

R40.3 billion.[22] The lower than projected spending was in the Road Transport and Public Transport programmes, comprising R513.8 million and R389.5 million respectively.[23]

The Department spent R261.9 million against the Second Quarter projection of R265.9 million for the CoE. It spent R4.1million (or 1.5%) lower than projected mainly because of the delayed filling of vacant posts. By the end of the period under review, the Department had 766 filled posts against a funded establishment of 834 posts. This represents a vacancy rate of 10% (or 83 vacant posts).[24] The vacancy rate remained the same as it was by the end of the First Quarter of 2023/24, although the Department had 81 vacant posts at that time.[25]

3.1.3 Third Quarter Expenditure of 2023/24

Table 31: 2023/24 Third Quarter Expenditure

Programme R million	Main Appropriation	Adjusted Budget	Available Budget	Q3 Actual Expenditure	Expenditure As % of Available Budget	Q3 Projected Expenditure	Variance from Projected Expenditure	% Variance from Projected Expenditure	Disaster Spending
Administration	516.4	527.3	527.3	414.1	78.5%	388.9	-25.2	-6.5%	00
Integrated Transport Planning	89.4	91	91	76.5	84.1%	69.8	-6.7	-9.6%	0.0
Rail Transport	20 592.9	20 592.9	20 592.9	15 425.4	74.9%	14 523.1	-902.4	-6.2%	0.0
Road Transport	45 611.1	42 047.3	42 047.3	34 022.5	80.9%	33 513	-509.5	-1.5%	510.5

[22] National Treasury (2023a), p. 145.
[23] Ibid.
[24] National Treasury (2023a), p. 147.
[25] National Treasury (2023b), p. 148.

Programme R million	Main Appropriation	Adjusted Budget	Available Budget	Q3 Actual Expenditure	Expenditure As % of Available Budget	Q3 Projected Expenditure	Variance from Projected Expenditure	% Variance from Projected Expenditure	Disaster Spending
Civil Aviation Transport	314.5	317.5	317.5	235.8	74.3%	238.1	2.3	0.9%	0.0
Maritime Transport	379.2	263.6	263.6	138.8	52.6%	137.6	-1.2	-0.9%	0.0
Public Transport	15 048.9	14 442.7	14 442.7	9 095.2	63%	9 583.3	488.2	5.1%	0.0
Total	**79 552.4**	**78 282.4**	**78 282.4**	**59 408.4**	**75.9%**	**58 453.7**	**-954.7**	**-1.6%**	**510.5**

(Source: National Treasury (2023a))

For the 2023/24 financial year, the budget of the Department sits at R78.3 billion and of this amount, the Department spent R59.4 billion (or 75.9%) against the Third Quarter projection of R58.5 billion.[26] This spending resulted in higher than planned spending of R954.7 million mainly on Transfers and Subsidies (totalling R971 million), and payments for capital assets (totalling R1.1 million).[27] The higher than projected spending on Transfers and Subsidies was mainly due to accelerated transfers to the PRASA, while that for capital assets was due to higher spending on bulk desktop and laptops purchases.[28]

Higher than planned spending for the Third Quarter was recorded in the following programmes and for the following amounts:[29]

[26] National Treasury (2023a), p. 144.
[27] Ibid.
[28] National Treasury (2023a), p. 144.
[29] Ibid.

- Administration programme (R25.2 million);
- Integrated Transport Planning programme (R6.7 million);
- Rail Transport programme (R902.4 million);
- Road Transport programme (R509.5 million); and
- Maritime Transport programme (R1.2 million).

However, the higher than planned spending was partially offset by lower than projected spending on CoE and Goods and Services due to the non-filling of vacant posts and delays in the evaluation of the NRSS and the Development of the Disaster Road Management Plan, respectively.[30]

The Department spent R397.7 million against the Third Quarter projection of R408.3 million for the CoE.[31] Spending was R10.6 million (or 2.6%) lower than projected mainly due to the delayed filling of fifty-six (56) vacant posts.[32]

For the period under review, the Department reported that it had managed to fill 74 posts, of which 14 were at senior management level, with the remainder across all salary levels.[33] Notwithstanding this, a total of 35 employees left the employ of the Department. The Department has consistently underspent in the preceding Quarters and considering the staff turnover, it is likely to underspend on its CoE budget.[34]

3.2 POLICY PRIORITIES FOR 2024/25 AND ALIGNMENT WITH NATIONAL, REGIONAL, CONTINENTAL AND GLOBAL AGENDAS

[30] Ibid.
[31] National Treasury (2023a), p. 146.
[32] Ibid.
[33] Ibid.
[34] Ibid.

3.2.1 National Development Plan (NDP) and the Medium-Term Strategic Framework (MTSF)[35]

A key proposal in the NDP is to improve the country's economic infrastructure such as roads and rail transport to boost growth and create employment.[36] Over the medium-term, the Department plans to give effect to these policy priorities by focusing on:[37]

- Cultivating an enabling environment for the maintenance of national and provincial road networks;
- Facilitating integrated road-based public transport services; and
- Revitalising passenger rail services.

Delivering his 2024 SONA, President Ramaphosa accentuated one area that the Department will pay attention to in 2024/25 as he committed Government to:[38]

- Reviving the performance of the rail network.

In 2022/23, PRASA reported strides being made in its Rebuild and Recovery Programme, the Modernisation Programme, as well as the Safety and Security Programme regarding the rolling stock. By the end of 2022/23, PRASA averred that it had recovered 17 rail service lines or sections of service lines, and of these, twelve (12) were operating with the new trains or electric motor units (EMUs).[39]

The new trains have closed-circuit television cameras, automatic doors and air conditioners. They can travel significantly faster.[40] This is a major improvement from the old yellow and grey Metrorail trains. On these units, the doors could be easily forced open, allowing passengers to jump on and off when and where they pleased, mostly without paying a fare. The new EMUs can

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[35] Paragraph 2.2 and Table 1 above should be read with this section of the report.
[36] National Planning Commission (2012).
[37] Department of Transport (2024), pp. 104-106.
[38] Ramaphosa (2024).
[39] Passenger Rail Agency of South Africa (2023), p. 9. The new trains are colloquially known as Izitimela zaBantu.
[40] Venter (2023).

carry a maximum of 1 200 passengers each, with tickets costing less than R10, 00 for a single trip.[41] By 1 December 2023, twenty-seven (27) corridors against the set target of 40 were operational, up from zero during the COVID-19 period.[42]

An intervention has commenced to close off the commuter rail system by walling and fencing the perimeter of the rail reserve and critical infrastructure such as sub-stations, signal relay rooms and telecommunications high sites.[43] Restoration of the vandalised signalling system is another major recovery programme that has commenced. It will increase the number of trains provided. It is contended that these initiatives will enable PRASA to render frequent, safe and secure quality train services.[44]

Although several lines were reopened in the Western Cape, there are still some illegal settlements on two lines in the Central Line Corridor that must be relocated.[45] Relocating illegal settlements is a complex process that involves a costly legal intervention and inter-governmental coordination. At the end of 2022/23, two (2) lines on the Central Line Corridor were operational, namely, Langa to Cape Town via Pinelands, Langa to Bellville via Sarepta and the services beyond Langa extended to Nyanga.[46] Reinstating services in KwaZulu-Natal, following the floods of April 2022, was achieved on 3 lines.[47]

The roll-out of the Integrated Security Plan has been very successful, albeit at significant cost. The number of security incidents is declining, and the number of safety occurrences remains low, and is aided by the low level of services provided. Intensive work to enhance a safety culture in the organisation remains a focus. The Rolling Stock Fleet Renewal Programme is one of the commendable areas concerning the rejuvenation of commuter rail. At the end of the 2022/23 financial year, one-hundred and forty-six (146) new train sets had been delivered as part of this programme.[48] Commenting on PRASA's 2022/23 service delivery performance, the AGSA

[41] Ibid.
[42] Ibid.
[43] Passenger Rail Agency of South Africa (2023), p.10.
[44] Ibid.
[45] Ibid.
[46] Passenger Rail Agency of South Africa (2023), p.10-11.
[47] Passenger Rail Agency of South Africa (2023), p.11.
[48] Passenger Rail Agency of South Africa (2023), p.11.

asserted that the Agency had "made significant progress […] in the journey towards returning affordable passenger rail transport to the citizens of the country".[49]

In May 2022, Cabinet passed the White Paper on National Rail Policy, which commits to devolving rail to capable metros and producing a Rail Devolution Strategy. During the 2024/25 financial year, the Department has undertaken to develop a National Devolution Strategy for rail. According to the Department, this strategy will "instil a clear understanding of the transport functions and powers of each level of government in order to reduce uncertainty in relation to responsibilities and requirements".[50] Moreover, it is argued that the Strategy will "capture the advantages of devolution, facilitate improved transport services, and bring government responsibility and public accountability down to the site of the citizen interface".[51]

3.2.2 United Nations Decade of Action for Road Safety 2020-2030 (UNDA)

South Africa is a participant to the second UNDA. Consequently, it has endorsed the global undertaking seeking to build on the gains of the first Decade of Action for Road Safety 2011-2020. The objective is to promote a coordinated effort towards sustaining the attainment of the road safety goals to save up to 5 million lives, and to contribute to the prevention of up to 50 million serious injuries by 2030 using 2020 as a baseline.[52]

In line with this commitment, the NRSS, which was approved by Cabinet in 2017, sets a new path for creating a "safe and secure road environment in South Africa".[53] The primary strategic target of the NRSS is to ultimately reduce fatal crashes by 50% by the year 2030. The NRSS is based on a safe system approach that looks at a holistic view of the road transport system and interactions among roads, and roadsides, travel speed, vehicles and the road user. In accordance with the UNDA, the pillars of the Strategy that will remain consistent in the NRSS are Road Safety

[49] Auditor-General of South Africa (2024), p.34.
[50] Department of Transport (2024), p. 10.
[51] Ibid.
[52] Department of Transport (2024), pp. 47-48.
[53] Department of Transport (2024), p. 48.

Management, Safer Roads and Mobility, Safer Vehicles, Safer Road Users and Post-Crash Response.[54]

Moreover, the NRSS has taken into consideration previous efforts made towards addressing road safety problems in South Africa, by carefully reviewing earlier road safety strategies. Key findings of these strategies highlight a lack of effective implementation, insufficient resourcing, misaligned prioritisation, and lack of broader stakeholder participation among the key issues previously experienced.[55] As such, the NRSS focuses on the sequencing of proposed interventions in a manner that is realistic and implementable. Furthermore, the NRSS acknowledges that several key institutions were established through previous efforts and that the present task is the effective utilisation of these institutions through the enhancement of coordination and accountability in addressing road safety challenges. Recognising that the fight against improving road safety cannot be won unless all stakeholders play their role and take responsibility for their own safety, community-based structures have been established in all provinces. This is aimed at improving civil society participation in road safety.[56]

A perusal of the Department's budget allocation for 2024/25 lends credence to its continued commitment to national, regional, continental and global imperatives. This is evidenced by strong investments in Road, Rail and Public Transport programmes respectively.

It is a truism that an efficient transport infrastructure provides social and economic benefits to both advanced and emerging economies by improving market accessibility. In addition, it ensures balanced regional, continental and global economic development. Finally, an efficient transport infrastructure creates employment, promotes labour mobility, and connects communities.

3.3 2024/25 BUDGET ANALYSIS

[54] Department of Transport (2024), p. 48.
[55] Ibid.
[56] Ibid.

The section below analyses the budget allocation for the Department for the 2024/25 financial year.

Table 32: Overall Budget – Transport

Programme	**Budget**		**Nominal Increase / Decrease in 2024/25**	**Real Increase / Decrease in 2024/25**	**Nominal Percent Change in 2024/25**	**Real Percent Change in 2024/25**
R million	**2023/24**	**2024/25**				
Administration	527.3	545.0	17.7	-6.8	3.4%	-1.3%
Integrated Transport Planning	91	91.7	0.7	-3.4	0.8%	-3.8%
Rail Transport	20 592.9	19 490	-1 102.9	-1 977.8	-5.4%	-9.6%
Road Transport	42 047.3	43 728.3	1 681	-282	4.0%	-0.7%
Civil Aviation Transport	317.5	538.5	221	196.8	69.6%	62.0%
Maritime Transport	263.6	189.4	-74.2	-82.7	-28.2%	-31.4%
Public Transport	14 442.7	16 038.3	1 595.6	875.6	11.1%	6.1%
TOTAL	**78 282.4**	**80 621.1**	**2 338.7**	**-1 280.4**	**3.0%**	**-1.6%**

(Source: National Treasury (2024b), p. 944)

For 2024/25, the Department receives R80.6 billion (excluding direct charges) – constituting 7.3% of the R1.1 trillion national budget vote.[57] Nominally (without inflation), the Department's budget increases by 3% from the previous financial year, and it decreases by 1.6% when one takes cognisance of inflation (real terms).

The significant decrease is in the Maritime Transport programme, which declines by 31.4% (with inflation), and decreases nominally by 28.2% (without inflation). The reduction in the budget allocation for the Maritime Transport programme begs the question as to whether this will have no bearing on the attainment of one of the Department's MTSF priorities, namely, "building a maritime nation, elevating the oceans economy".[58]

[57] National Treasury (2024), p.xxi.
[58] Department of Transport (2024), pp. 76-77.

Conversely, the allocation to the Civil Aviation Transport programme increases exponentially, up from R317.5 million previously to R538.5 million in 2024/25. This translates into an above inflation increase of 62% and a nominal increase of 69.6%.

In terms of economic classification, transfers and subsidies comprise R78.9 billion (or 97.9%) of the departmental budget, and the bulk is allocated to the following bodies:[59]

- Provinces and municipalities (R32 billion);
- Departmental agencies and accounts (R27 billion); and
- Public corporations and private enterprises (R19.2 billion).

The overall allocation to the CoE stands at R571.6 million, down from R557.5 million in the previous financial year (2023/24). In the current financial year, expenditure on consultants (business and advisory services) is set to decrease from R497.2 million in 2023/24 to R449.6 million in 2024/25. The significant decrease in the use of consultants (business and advisory services) is in the Maritime Transport programme that goes down from R84.7 million in 2023/24 to R14.5 million in 2024/25, translating into a decrease of 82.9%.

The Public Transport programme continues to have the biggest funding for the use of consultants. In the current financial year, it is standing at R251.6 million, up from R242.6 million in 2023/24. This represents a 3.6% increase.

3.4 Programme Analysis

As stated in the introduction, the Department has seven programmes. What follows below is an analysis of the budget allocation for each programme, and where relevant or necessary, it refers to the programmes' sub-programmes.

[59] National Treasury (2024b), p.944.

3.4.1 Programme 1: Administration

The Administration programme is entrusted with providing strategic leadership, management and support services to the Department. The programme comprises five sub-programmes, as illustrated in the table below:

Table 33: Programme 1: Administration

Programme	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent Change in 2024/25	Real Percent Change in 2024/25
R million	2023/24	2024/25				
Ministry	41.2	42.3	1.1	-0.8	2.7%	-1.9%
Management	96.2	99.8	3.6	-0.9	3.7%	-0.9%
Corporate Services	268.1	262.4	-5.7	-17.5	-2.1%	-6.5%
Communications	42.4	49.5	7.1	4.9	16.8%	11.5%
Office Accommodation	79.5	91	11.5	7.4	14.5%	9.3%
TOTAL	**527.3**	**545**	**17.7**	**-6.8**	**3.4%**	**-1.3%**

(Source: National Treasury (2024b), p. 948)

The Administration programme receives R545 million in 2024/25, translating into a 1.3% below inflation decrease from the previous financial year. The noticeable decrease is in the Corporate Services sub-programme that records the 6.5% below inflation decline in 2024/25, down from R268.1 million in the previous financial year to R262.4 million currently. However, the budget allocations for the Communications sub-programme and Office Accommodation sub-programme increase above inflation by 11.5% and 9.3% respectively.

3.4.2 Programme 2: Integrated Transport Planning

The Integrated Transport planning programme integrates and harmonises macro-transport sector policies, strategies and legislation. In addition, it coordinates and develops sector-related policies, research activities, as well as regional and inter-sphere relations. The programme also facilitates sector information and provides sector economic modelling and analysis.

Table 34: Programme 2: Integrated Transport Planning

Programme	**Budget**		**Nominal Increase / Decrease in 2024/25**	**Real Increase / Decrease in 2024/25**	**Nominal Percent Change in 2024/25**	**Real Percent Change in 2024/25**
R million	**2023/24**	**2024/25**				
Macro Sector Planning	15.8	16	0.2	-0.5	1.3%	-3.3%
Freight Logistics	17.3	20.1	2.8	1.9	16.2%	11%
Modelling and Economic Analysis	26.6	20	-6.6	-7.5	-24.8%	-28.2%
Regional Integration	8.2	10.6	2.4	1.9	29.3%	23.5%
Research and Innovation	13.4	14.3	0.9	0.3	6.7%	1.9%
Integrated Transport Planning Administration Support	9.8	10.6	0.8	0.3	8.2%	3.3%
TOTAL	**91**	**91.7**	**0.7**	**-3.4**	**0.8%**	**-3.8%**

(Source: National Treasury (2024b), p.950)

The budget for the Integrated Transport Planning programme increases nominally by 0.8% but decreases by 3.8% with inflation. The allocation totals R91.7 million in 2024/25, slightly up from R91 million in the previous financial year.

The highest decrease is in the Modelling and Economic Analysis sub-programme whose allocation goes down from R26.6 million in 2023/24 to R20 million in the current financial year. The sub-programme's allocation decreases nominally by 24.8% and by 28.2% below inflation (real terms). The sub-programme is tasked with undertaking "economic studies" and providing "innovative and enabling funding options for transport infrastructure that respond to the socio-economic needs of the national agenda". Finally, it provides "economic tools for the development of policy in the transport sector".[60]

Conversely, the allocation to the Regional Integration sub-programme increases by 23.5% in above inflation and by 29.3% nominally. This sub-programme is entrusted with managing, coordinating and facilitating "the development of strategies for engagements in the Southern African Development Community and the rest of Africa".[61] The investment in regional integration will help to position South Africa to play its role in creating a regionally competitive transport and logistics system. Ultimately, the country should derive benefits, whilst contributing to the development of the regional transport market through fostering competitiveness of the sector.[62]

3.4.3 Programme 3: Rail Transport

The Rail Transport programme facilitates and coordinates the development of sustainable rail transport policies, rail economic and safety regulation, and infrastructure development strategies that reduce system costs and improve customer service. In addition, it oversees rail public entities and the implementation of integrated rail services. Five sub-programmes fall under this programme.

Table 35: Programme 3: Rail Transport

Programme	**Budget**		**Nominal Increase / Decrease in 2024/25**	**Real Increase / Decrease in 2024/25**	**Nominal Percent Change in 2024/25**	**Real Percent Change in 2024/25**
R million	**2023/24**	**2024/25**				
Rail Regulation	17.4	19.8	2.4	1.5	13.8%	8.7%
Rail Infrastructure and Industry Development	29.7	18	-11.7	-12.5	-39.4%	-42.1%
Rail Operations	11.6	12.3	0.7	0.1	6.0%	1.3%

60 National Treasury (2024b), p. 949.
61 Ibid.
62 Department of Transport (2024), p. 132.

Rail Oversight	20 527.9	19 433.5	-1 094.4	-1 966.8	-5.3%	-9.6%
Rail Administration Support	6.3	6.3	0	-0.3	0%	-4.5%
TOTAL	**20 592.9**	**19 490**	**-1 102.9**	**-1 977.8**	**-5.4%**	**-9.6%**

(Source: National Treasury (2024b), p.951)

Constituting 24.2% of the Department's budget, the Rail Transport programme is the second largest departmental spending area, after the Road Transport programme. The programme's budget goes down from R20.6 billion previously, to R19.5 billion in 2024/25. This translates into a below inflation decrease of 9.6% and a decline of 5.4%, nominally. The drastic decrease is in the Rail Infrastructure and Industry Development sub-programme which records a below inflation decline of 42.1% and 39.4% nominally. This sub-programme "coordinates the development and maintenance of investment in rail infrastructure".[63]

The reduction in the allocation for the Rail Transport programme begs the question as to the likely impact on the attainment of one of the Department's policy priorities for 2024/25. In this regard, the Department has committed itself to "maintaining, recovering and renewing the agency's (PRASA) rolling stock fleet and modernising rail infrastructure, rolling out new train sets to priority corridors and increasing rail passenger trips and freight".[64]

While the Rail Oversight sub-programme receives the biggest allocation of the programme's budget, i.e. 99.7, in effect, its allocation decreases from R20.5 billion in the previous financial year to R19.4 billion in 2024/25. This indicates a below inflation decrease of 9.6%. Transfers to PRASA to the value of R19.4 billion, and R79.5 million to the RSR are funded from this sub-programme.[65]

The Rail Regulation sub-programme receives the above inflation increase of 8.7% in the current financial year, up from R17.4 million in 2023/24 to R19.8 million in 2024/25. This sub-programme is tasked with "the development of rail policies and safety and economic regulations".[66]

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[63] National Treasury (2024b), p. 951.
[64] Department of Transport (2024), p. 105.
[65] National Treasury (2024b), p. 952.
[66] National Treasury (2024b), p. 951.

Transfers to PRASA totalling R19.4 billion are divided up as per the tables below:

Table 36: PRASA Transfers: Current

Entity/Programme **R million**	**Budget**	
	2023/24	**2024/25**
Metrorail (Operations)	R5.3 billion	R5.5 billion
Mainline passenger services (Operations)	R1.3 billion	R1.3 billion
Rail maintenance operations and inventories	R958.2 million	R1 billion
TOTAL	**R7.5 billion**	**R7.8 billion**

(Source: National Treasury 2024b))

Table 37: PRASA Transfers: Capital

Entity/Programme **R million**	**Budget**	
	2023/24	**2024/25**
Other capital programmes	R5.9 billion	R1.8 billion
Rolling Stock Fleet Renewal	R6.9 billion	R5.3 billion
Signalling	R89.7 million	R2.5 billion
Metrorail (Refurbishment of coaches)	R49.4 million	R1.7 billion
Mainline Passenger Service (Refurbishment of coaches)	R0.6 million	R199.2 million
TOTAL	**R12.9 billion**	**R11.6 billion**

(Source: National Treasury (2024b), p.952)

3.4.4 Programme 4: Road Transport

The Road Transport programme is entrusted with developing and managing an integrated road infrastructure network, as well as regulating transport and ensuring safer roads. Moreover, it oversees road transport public entities. The programme is divided into five sub-programmes.

Table 38: Programme 4: Road Transport

Programme	**Budget**		**Nominal Increase / Decrease in 2024/25**	**Real Increase / Decrease in 2024/25**	**Nominal Percent Change in 2024/25**	**Real Percent Change in 2024/25**
R million	**2023/24**	**2024/25**				
Road Regulation	46.5	48.9	2.4	0.2	5.2%	0.4%
Road Infrastructure and Industry Development	34	37.7	3.7	2	10.9%	5.9%
Road Oversight	41 929.3	43 594.3	1 665	-292	4%	-0.7%
Road Administration Support	10.3	9.8	-0.5	-0.9	-4.9%	-9.1%
Road Engineering Standards	27.2	37.6	10.4	8.7	38.2%	32%
TOTAL	**42 047.3**	**43 728.3**	**1 681**	**-282**	**4%**	**0.7%**

(Source: National Treasury (2024b), p.953)

The total expenditure for the Road Transport programme increases from R42 billion in 2023/24 to R43.7 billion in 2024/25. This constitutes a below inflation increase of 0.7%. The highest increase is for the Road Engineering Standards sub-programme whose allocation goes up from R27.2 million in 2023/24 to R37.6 million in 2024/25, resulting in a 32% above inflation increase.

Comprising 99.7% of the Road Transport programme's overall budget, the allocation to the Road Oversight sub-programme increases by 0.7% below inflation and by 4% nominally, up from R41.2 billion previously to R43.6 billion in the current financial year.

The Road Oversight sub-programme reviews and analyses the performance of road transport public entities and monitors their compliance with regulations and legislation. It also transfers funds to the SANRAL, the RTMC, and the RTIA. Moreover, the sub-programme makes provision for the Provincial Roads Maintenance Grant (PRMG).

The Road Infrastructure and Industry Development sub-programme is the second sub-programme that records an increase of 5.9% above inflation, up from R34 million in the previous financial year to R37.7 million in 2024/25. The sub-programme “facilitates and coordinates the planning, development and implementation of a sustainable and reliable integrated road infrastructure network, and the enhancement of capacity in the industry”.[67]

Major transfers from the Road Transport programme are as follows:[68]

Table 39: Major Transfers from the Road Transport Programme

Entity/ Programme	**Budget R million**	
	2023/24	**2024/25**
RTMC	R220.1 million	R197 million
SANRAL: Gauteng Freeway Improvement Project (GFIP)	R1.3 billion	R724 million
SANRAL	R7.5 billion	R7.7 billion
RTIA: Operations	R9.5 million	R10 million
RTIA: AARTO roll out	R143.5 million	R149.8 million
SANRAL: Non-toll network	R15.1 billion	R15.7 billion
SANRAL: Moloto Road upgrade	R923.8 million	R965.3 million
SANRAL: N2 Wild Coast	R1.2 billion	R1.3 billion
Rural Roads Asset Management Systems (RRAMS) Grant	R115.5 million	R120.6 million
PRMG: Roads maintenance component	R10.7 billion	R11.4 billion
PRMG: *Welisizwe* Rural Bridges Programme	R1 billion	R1.3 billion
PRMG: Refurbishment component	R2.9 billion	R4 billion

(Source: National Treasury (2024), p.954)

Expenditure under Programme 4 lends credence to the policy priorities for 2024/25. The Road Transport programme facilitates activities pertaining to the maintenance of the country’s national

[67] National Treasury (2024b), p. 953.
[68] Ibid.

and provincial road network. By investing in South Africa’s road networks, the Department ensures that passengers and freight carriers have adequate access to safe roads. This is in keeping with Government’s urgent objective of igniting the economy, creating jobs, as well as improving the standard of living of many of the marginalised.

3.4.5 Programme 5: Civil Aviation Transport

The Civil Aviation Transport programme facilitates the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards through regulations and investigations. In addition, it oversees aviation transport public entities.

Table 40: Programme 5: Civil Aviation Transport

Programme	**Budget**		**Nominal Increase / Decrease in 2024/25**	**Real Increase / Decrease in 2024/25**	**Nominal Percent Change in 2024/25**	**Real Percent Change in 2024/25**
R million	**2023/24**	**2024/25**				
Aviation Policy and Regulations	43.1	35.9	-7.2	-8.8	-16.7%	-20.4%
Aviation Economic Analysis and Industry Development	22.7	22.1	-0.6	-1.6	-2.6%	-7%
Aviation Safety, Security, Environment, and Search and Rescue	76.2	95.3	19.1	14.8	25.1%	19.5%
Aviation Oversight	169	378.3	209.3	192.3	123.9%	113.8%
Aviation Administration Support	6.5	6.9	0.4	0.1	6.2%	1.4%
TOTAL	**317.5**	**538.5**	**221**	**196.8**	**69.6%**	**62.0%**

(Source: National Treasury (2024b), p.955)

For the 2024/25 financial year, the allocation to the Civil Aviation Transport programme equals R538.5 million, up from R317.5 million previously, translating into an increase of 62% above inflation. The increase in the programme may be attributed to the fact that the transformation of the aviation industry is one of the strategic imperatives of Government over the current MTSF.[69] This entails dealing with major constraints, including the lack of aviation awareness at school level, affordability, and employment not guaranteed after completion of aviation training, as well as inadequate aviation qualifications at tertiary levels.[70]

The exponential increase in the Civil Aviation Transport programme is due to the Aviation Oversight sub-programme that constitutes a 113.8% increase above inflation. The sub-programme's allocation goes up from R169 million in 2023/24 to R378.3 million in 2024/25. The Aviation Oversight sub-programme "monitors the performance of Airports Company South Africa (ACSA), the Air Traffic and Navigation Services (ATNS) and the South African Civil Aviation Authority (SACAA), in line with the legislative framework".[71]

The second highest increase (19.5% above inflation) is in the Aviation Safety, Security, Environment, and Search and Rescue sub-programme, going up from R76.2 million previously to R95.3 million in the current financial year. This increase is intended to ensure that the Department is capable of facilitating "the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly, and compliant with international standards".[72]

For its part, the Aviation Policy and Regulations sub-programme's budget declines from R43.1 million previously to R35.9 million in 2024/25. This indicates a below inflation decrease of 20.4% The sub-programme "develops and maintains the civil aviation regulatory regime to respond to the national imperatives and international norms, standards and protocols".[73]

[69] Department of Transport (2024), p. 177.
[70] Department of Transport (2024), p. 184.
[71] National Treasury (2024b), p. 955.
[72] Department of Transport (2024), p. 188.
[73] Ibid.

3.4.6 Programme 6: Maritime Transport

The Maritime Transport programme promotes a safe, reliable and economically maritime transport sector through the development and implementation of policies and strategies. In addition, the programme oversees maritime public entities. Five sub-programmes fall under the Maritime Transport programme.

Table 41: Programme 6: Maritime Transport

Programme	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent Change in 2024/25	Real Percent Change in 2024/25
R million	**2023/24**	**2024/25**				
Maritime Policy Development	14.6	12	-2.6	-3.1	-17.8%	-21.5%
Maritime Infrastructure and Industry Development	11.9	13.6	1.7	1.1	14.3%	9.2%
Implementation, Monitoring and Evaluation	185.9	110.6	-75.3	-80.3	-40.5%	-43.2%
Maritime Oversight	45.1	47.1	2	-0.1	4.4%	-0.3%
Maritime Administration Support	6.2	6.1	-0.1	-0.4	-1.6%	-6%
TOTAL	**263.6**	**189.4**	**-74.2**	**-82.7**	**-28.1%**	**-31.4%**

(Source: National Treasury (2024b), p.958)

The budget allocation for the Maritime Transport programme decreases by -28.1% nominally and by 31.4% below inflation, down from R263.6 million previously to R189.4 million in 2024/25. The biggest budget decrease is in the Implementation, Monitoring and Evaluation sub-programme that goes down from R185.9 million in 2023/24, to R110.6 million in the current financial year. This translates into a below inflation decrease of 43%. This sub-programme ensures that legislation, policies and strategies pertaining to maritime safety, security and environmental protection are implemented.

Similarly, expenditure on the Maritime Policy Development sub-programme declines from R14.6 million in 2023/24 to R12 million currently. This represents a below inflation decrease of 21.5%. The sub-programme is mandated with developing and maintaining a maritime regulatory regime that is responsive to national imperatives and international norms, standards and protocols".[74] In addition, it is "responsible for the development and maintenance of maritime policies and strategies".[75]

The only above inflation in the Maritime Transport programme is in the Maritime Infrastructure and Industry Development sub-programme that grows up from R11.9 million in 2023/24 to R13.6 million in 2024/25. This translates into a 9.2% increase.

3.4.7 Programme 7: Public Transport

The Public Transport programme is tasked with providing and regulating safe, secure, reliable, cost-effective and sustainable public transport services in South Africa through legislation, policies and strategies. The Public Transport programme comprises six sub-programmes.

Table 42: Programme 7: Public Transport

Programme	**Budget**		**Nominal Increase / Decrease in 2024/25**	**Real Increase / Decrease in 2024/25**	**Nominal Percent Change in 2024/25**	**Real Percent Change in 2024/25**
R million	**2023/24**	**2024/25**				
Public Transport Regulation	52.3	44.4	-7.9	-9.9	-15.1%	-18.9%
Rural and Scholar Transport	39.4	43.2	3.8	1.9	9.6%	4.7%
Public Transport Industry Development	192.1	208.2	16.1	6.8	8.4%	3.5%

[74] National Treasury (2024b), p. 957.
[75] Ibid.

Public Transport Oversight	14 104.3	15 686.4	1 582.1	877.9	11.2%	6.2%
Public Transport Administration Support	14.3	14.9	0.6	-0.1	4.2%	-0.5%
Public Transport Network Development	40.3	41.1	0.8	-1.0	2%	-2.6%
TOTAL	**14 442.7**	**16 038.3**	**1 595.6**	**875.6**	**11%**	**6.1%**

(Source: National Treasury (2024), p.959)

In 2024/25, Programme 7 receives R16 billion, up from R14.4 billion in 2023/24, indicating a 6.1% above inflation increase. The increase in the budget for the Public Transport programme lends credence to the Department's commitment to achieving "seamless integration of all modal public transport operations that delivers a public transport system that is efficient, affordable, safe and reliable".[76]

The allocation to the Public Transport Oversight sub-programme equals R15.7 billion, up from R14.1 billion. This represents an above inflation increase of 6.2% and 11.2% nominally. This sub-programme "oversees the use of public transport subsidies and grants".[77] Moreover, it "monitors compliance with the annual Division of Revenue Act in terms of the transferring of funds, reporting, allocations and adjustments".[78] Similarly, the expenditure on the Rural and Scholar Transport sub-programme records an above inflation increase of 4.7%, up from R39.4 million in 2023/24 to R43.2 million in 2024/25.

On the contrary, there is a decline in the allocation to the Public Transport Regulation sub-programme that goes down from R52.3 million in the previous financial year to R44.4 million in the current financial year. This indicates a decrease of 15.1 % that does not keep track with the effects of inflation.

[76] Department of Transport (2024), p. 228.
[77] National Treasury (2024b), p. 959.
[78] Ibid.

Selected transfers in the Public Transport programme are as follows:[79]

Table 43: Selected Transfers in the Public Transport programme

Entity/Programme R million	Budget	
	2023/24	**2024/25**
Taxi Recapitalisation Programme (TRP)	R478.7 million	R447.7 million
South African National Taxi Council (SANTACO)	R28.7 million	R30 million
Public Transport Network Grant (PTNG)	R6.2 billion	R7.5 billion
Public Transport Operations Grant (PTOG)	R7.4 billion	R7.7 billion
TOTAL	**R14.1 billion**	**R15.7 billion**

(Source: National Treasury (2024), p.960)

4. ESTIMATES OF NATIONAL EXPENDITURE PER ENTITY: VOTE 40 OF 2024/25

Table 44: Entity Budget as expressed in the Estimates of National Expenditure: Vote 40 of 2024/25

Entity	Budget as expressed in the Estimates of National Expenditure	Current Annual Budget transfers per DoT Budget
Airports Company South Africa	ACSA is established in terms of the Airports Company Act (1993). The company owns and operates the 9 principal airports in South Africa, including the 3 main international gateways: OR Tambo International Airport, Cape Town International Airport and King Shaka International Airport.	No transfer from the DoT.

[79] National Treasury (2024b), p. 960.

	Over the medium-term, the Company will continue implementing its recovery strategy, which is supported by a revised financial plan. The strategy focuses on continuously delivering major infrastructure requirements while maintaining its financial sustainability. Since the end of the COVID-19 pandemic, the company has reinforced its efforts to improve its sustainability and organisational resilience. Total expenditure is expected to increase at an average annual rate of 3.4%, from R5.8 billion in 2023/24 to R6.4 billion in 2026/27, with goods and services accounting for an estimated 45.5% (R8.6 billion) of spending over the Medium-Term Expenditure Framework (MTEF) period. Total revenue is expected to increase at an average annual rate of 11.1%, from R6.4 billion in 2023/24 to R8.8 billion in 2026/27, driven by the expected increase in passenger numbers as the air travel industry continues its recovery from the pandemic.	
Passenger Rail Agency of South Africa	The PRASA was established in terms of the Legal Succession to the South African Transport Services Amendment Act (2008). Its primary mandate is to provide rail commuter services within, to and from South Africa in the public interest. The Agency also provides long-haul passenger rail and bus services within, to and from South Africa. Over the medium term, the Agency will focus on ensuring the recovery of commuter rail services by implementing its strategic corridor recovery programme and modernising its core infrastructure, which includes replacing old rolling stock and investing in signalling	R20.5 billion (2023 Budget) R19.4 billion (2024 Budget)

	infrastructure. As part of its strategic corridor recovery programme, the Agency aims to restore services – including rebuilding infrastructure, especially in Gauteng – and recover lines in KwaZulu-Natal after severe flooding in April 2022. Accordingly, spending on Metrorail is expected to amount to R29.3 billion over the next 3 years. Total expenditure is expected to increase at an average annual rate of 3.3%, from R15.1 billion in 2023/24 to R16.7 billion in 2026/27. Spending on CoE accounts for an estimated 35.6% (R16.8 billion) of total expenditure over the period ahead, decreasing at an average annual rate of 2.4%, from R6.1 billion in 2023/24 to R5.7 billion in 2026/27, due to the agency's planned voluntary severance process. Transfers from the Department account for an estimated 88.3% (R60.7 billion) of the agency's revenue over the medium term. Other sources of income include the sale of train and bus tickets, rental income from leasing properties, on-board sales and interest. Total revenue is expected to decrease at an average annual rate of 0.9%, from R24.6 billion in 2023/24 to R23.9 billion in 2026/27, driven mainly by a reduction in transfers from the Department.	
Road Accident Fund	In terms of the RAF Act (1996), the RAF is mandated to compensate South African road users for losses or damages caused by motor vehicle accidents within the borders of South Africa.	No transfer from the DoT. RAF funded through the fuel levy.

	Over the medium term, the change in the settlement policy for loss-of-income claims from lump sum to annuity is expected to result in a moderation in the payment of claims in line with the fund's pay-as-you-go principle. As a result, the total value of claims paid out over the MTEF period is expected to decrease at an average annual rate of 6.2%, from R45.4 billion in 2023/24 to R37.4 billion in 2026/27. The fund derives revenue through the road accident fund levy in terms of the Customs and Excise Act (1964). Transfers received through the levy are expected to increase at an average annual rate of 0.3%, from R49 billion in 2023/24 to R49.5 billion in 2026/27, in line with an expected increase in the sale of fuel.	
South African National Roads Agency Limited	The SANRAL was established in terms of the South African National Roads Agency Limited and National Roads Act (1998). It is responsible for the planning, design, construction, operation, management, control, maintenance and rehabilitation of the national road network, including the financing of these functions, for toll and non-toll roads. The declared national road network as at 31 March 2023 was 23 536 kilometres, of which non-toll roads comprised 87% and toll roads constituted 13%. Non-toll roads are fully funded through annual grant allocations amounting to R53.5 billion over the next 3 years. Over the medium term, the Agency's focus remains on constructing, maintaining and preserving the national road network. Accordingly, over the period ahead, the Agency intends to implement its flagship projects, of	R26.1 billion (2023 Budget) R26.4 billion (2024 Budget)

	which 11 are in the construction phase, six (6) are in the tender phase and 10 are in the design phase. These projects are expected to result in more than R24.5 billion in infrastructure investment. They are all in key economic corridors and their timelines for completion range between 5 and 10 years. Due to the implementation of backlog projects, payments to service providers for road maintenance or construction accounts for the bulk of the Agency's total expenditure, increasing at an average annual rate of 1.8%, from R26.3 billion in 2023/24 to R27.7 billion in 2026/27. Expenditure on CoE is estimated to increase at an average annual rate of 3.9%, from R820.7 million in 2023/24 to R919.3 million in 2026/27, in line with the agency's imperative to retain personnel. Total expenditure is expected to increase at an average annual rate of 2.3%, from R30.3 billion in 2023/24 to R32.4 billion in 2026/27. The Agency is set to receive 74.4% (R83.5 billion) of its revenue over the MTEF period through transfers from the Department and 15.7% (R15.8 billion) through toll fees, concession income and rental income from investment properties. Revenue is expected to increase at an average annual rate of 7.1%, from R30.9 billion in 2023/24 to R38 billion in 2026/27.	
The Air Traffic and Navigation Services Company	The ATNS is mandated to provide safe, orderly and efficient air traffic navigational and associated services to the air traffic management community in terms of the Air Traffic and Navigation Services Act (1993). All its services are in accordance with the standards of the	No transfer from the DoT.

	International Civil Aviation Organisation and the civil aviation regulations issued in terms of the Civil Aviation Act (2009). The company will continue to focus on providing safe, efficient and cost-effective air traffic management solutions and related services over the medium term. An estimated 78% (R4.8 billion) of its budget over this period is expected to be used on communication, surveillance and simulator systems. CoE comprises 59.1% (R3.7 billion) of total expenditure over the period ahead, while goods and services accounts for 26.2% (R1.6 billion). Total expenditure is expected to increase at an average annual rate of 6.9%, from R1.8 billion in 2023/24 to R2.2 billion in 2026/27. The company expects to generate 85.6% (R5.6 billion) of its revenue over the medium-term by providing aeronautical services to the aviation industry, mainly through en-route and approach fees. Total revenue is expected to increase at an average annual rate of 7.8%, from R1.9 billion in 2023/24 to R2.4 billion in 2026/27, as the company returns to normal operations after the lifting of COVID-19 restrictions.	
The Cross-Border Road Transport Agency	The C-BRTA is mandated to regulate the cross-border road freight and passenger industry in terms of the Cross-Border Transport Act (1998). It facilitates an unimpeded flow of freight and passenger road transport across the region. Over the next 3 years, the Agency will focus on conducting inspections to enforce cross-border road traffic law.	No transfer from the DoT.

	Total expenditure is expected to increase at an average annual rate of 7.5%, from R333.3 million in 2023/24 to R414.3 million in 2026/27, mainly driven by spending on administration, law enforcement, facilitation and regulatory services. The road transport inspectorate, which was transferred to the RTMC in 2017, was transferred back to the agency from 1 April 2023. The additional cost of this function is estimated at R81 million and will be funded through interest on investments. The Agency is set to derive 75.5% (R892.3 million) of its revenue over the MTEF period from administrative fees. Revenue is expected to increase in line with spending.	
The driving licence card account	The Driving licence card account was established in terms of the Public Finance Management Act (1999) to manufacture driving licence cards based on orders from testing centres across South Africa. Over the medium term, the trading account will invest in a new production machine to ensure optimal manufacturing productivity. As a result, spending on production and infrastructure is expected to account for 64.2% (R440.7 million) of its budget over the period ahead. Spending is projected to increase at an average annual rate of 4.3%, from R197.9 million in 2023/24 to R224.4 million in 2026/27. The entity generates revenue through the sale of licence cards. Revenue is expected to decrease by 1.6%, from R235.6 million in 2023/24 to R224.4 million in 2026/27.	Budget Vote does not specify a budget transfer to the DLCA.
The Ports Regulator of South Africa	The PRSA was established in terms of the National Ports Act (2005) to regulate South Africa's ports infrastructure	R42.6 million (2023 Budget)

	system. It sets tariffs for the TNPA and oversees complaints and appeals to preserve fairness, transparency and competitive practices for ports infrastructure. The Regulator remains focused on strengthening the economic regulation of ports infrastructure and compliance with the ports regulatory framework. Total expenditure is expected to increase at an average annual rate of 4.7%, from R44.1 million in 2023/24 to R50.7 million in 2026/27. CoE comprises an estimated 71.2% (R103.1 million) of the Regulator's expenditure over the MTEF period, increasing at an average annual rate of 4.4%. The Regulator derives more than 96% of its revenue through transfers from the Department, increasing at an average annual rate of 4.5%, from R42.6 million in 2023/24 to R48.6 million in 2026/27.	R44.5 million (2024 Budget)
The Railway Safety Regulator	The RSR was established in terms of the National Railway Safety Regulator Act (2002). It is mandated to oversee railway operations, monitor operators and enforce a safe operating environment. This includes rail operators in neighbouring countries with operations that enter South Africa. Over the medium term, the Regulator will focus on issuing safety permits, conducting inspections and audits, investigating railway accidents, and developing regulations and safety standards. Expenditure is expected to increase at an average annual rate of 4.3%, from R270.2 million in 2023/24 to R306.9 million in 2026/27. CoE comprises an estimated 64% (R565.6 million) of planned expenditure over the MTEF	R76.1 million (2023 Budget) R79.5 million (2024 Budget)

	period. The Regulator expects to generate 70.3% (R624 million) of its revenue over the next 3 years from administrative fees and most of the remainder through transfers from the Department. Revenue is expected to increase in line with spending.	
The Road Traffic Infringement Agency	The RTIA derives its mandate from the Administrative Adjudication of Road Traffic Offences (AARTO) Act (1998). The Agency was established to administer procedures to discourage the contravention of road traffic laws, adjudicate infringements, enforce penalties for the contravention of road traffic laws, provide specialised prosecution support services, and carry out community education and awareness programmes in road safety-related matters. The Agency's activities over the medium term are focused on administration, adjudication and support, and the AARTO rollout programme. Expenditure is expected to increase at an average annual rate of 2.4%, from R508.9 million in 2023/24 to R546.6 million in 2026/27, with goods and services accounting for an estimated 58.9% (R915.7 million) of total estimated spending. The agency derives its revenue mainly from administrative fees and transfers from the Department. Revenue is expected to increase at an average annual rate of 4.5%, from R479.1 million in 2023/24 to R546.6 million in 2026/27.	R153 million (2023 Budget) R159.9 million (2024 Budget)
The Road Traffic Management Corporation	The RTMC was established through the Road Traffic Management Corporation Act (1999). It is mandated to provide national road traffic strategic planning and law	R220.1 million (2023 Budget) R197 million (2024 Budget)

	enforcement, and pool public sector resources for road traffic management. Over the medium-term, the Corporation intends to implement the national road traffic law enforcement code, which is expected to integrate and harmonise traffic law enforcement and facilitate the integration and development of road safety regulations and the fair and efficient use of resources. Total expenditure is expected to increase at an average annual rate of 6.9%, from R1.5 billion in 2023/24 to R1.8 billion in 2026/27, mainly driven by spending on CoE. Although transaction fees are expected to remain the Corporation's main revenue source, comprising an estimated 61.7% (R3 billion) of total revenue over the MTEF period, the Corporation will pursue alternative revenue streams through its online licence renewal initiative.	
The South African Civil Aviation Authority	The SACAA was established in terms of the Civil Aviation Act (2009). The Authority is mandated to oversee the safety and security of the civil aviation industry and ensure compliance with and adherence to the standards and recommended practices of the International Civil Aviation Organisation. The Authority will continue to focus on implementing safety and security programmes over the medium term in line with the standards and recommended practices issued by the organisation and South African civil aviation regulations. Accordingly, it intends to enhance and sustain its capacity by replacing flight inspection	R85.8 million (2023 Budget) R87.4 million (2024 Budget)

	aircraft and flight calibration equipment, and procuring security systems, server rooms and an examination centre for its new building. Total expenditure is expected to increase at an average annual rate of 8.5%, from R900.7 million in 2023/24 to R1.2 billion in 2026/27. CoE accounts for an estimated 68.6% (R2.2 billion) of total expenditure over the medium-term. Passenger safety charges, user fees and the aviation fuel levy are expected to comprise 79.1% (R2.6 billion) of the Authority's revenue over the period ahead, with transfers from the Department amounting to an estimated R271.4 million. Revenue is set to increase in line with spending.	
The South African Maritime Safety Authority	The SAMSA was established in terms of the South African Maritime Safety Authority Act (1998). It is responsible for regulating and enforcing maritime safety and marine pollution from ships and promoting South Africa's maritime interests. Its continued focus is on ensuring the safety of life and property at sea and preventing and combating marine pollution. Spending is expected to increase at an average annual rate of 4.3%, from R471.6 million in 2023/24 to R535.2 million in 2026/27, with CoE comprising an estimated 62.3% (R948.6 million) of total expenditure over the MTEF period. The Authority generates revenue through levies, fees and user charges. Total revenue is expected to increase at an average annual rate of 4.3%, from R472.2 million in 2023/24 to R536.3 million.	No transfer from the DoT.

(Source: National Treasury Estimates of National Expenditure (2024))

5. COMMITTEE OBSERVATIONS

Members made the following observations during the discussions:

5.1 The APP of the Department has been amended in its description of the performance indicators and rely in the main on annual monitoring reports as annual targets. This is especially where performance output indicators are linked to those programmes where funds are transferred to entities and the achievement of specified numeral targets are not within the control of the Department. For this reason, as well as the fact that nearly 98% of the Department budget is transferred to entities and provincial administrations, the Committee was of the view that the Minister and the Department must strengthen their oversight over the entities and provincial administrations which receive these funds in order to ensure value for money is received and services are rendered to the public.

5.2 Having noted the Minister will have a new strategic planning session with the Department, the Committee was of the view that the Department should ensure that their goals and output indicators are set in such a way that it is easily understandable to the general public and also ensure that the targets link with the provision of actual services to the general public.

5.3 Having noted that the Committee has historically called for a move towards consolidating rail entities PRASA and Transnet and placing both under the Department (since the Department is the custodian of the rail and port legislation which Transnet implements), the Committee will follow up with the Minister regarding the outcome of discussions regarding the possible movement of former public enterprises entities (Transnet and South African Airways) to relevant Departments. Should these entities be transferred to the Department, the Committee would seek presentations on the implications thereof on the budget, as well as the staff movements required.

5.4 Members expressed concern regarding the filling of DoT vacancies, entity management vacancies, as well as Board appointments. This also had to coincide with an improvement in the monitoring of the functionality and performance by the various Boards.

5.5 It was noted that the move from road transportation of freight to rail would be challenging since the use of trucks to transport goods continue to increase. The focus of the Department on the freight and logistics sector, along with the new target linked to rail devolution is also noted.

5.6 Concerns remain over the poor state of the provincial and municipal roads and apparent lack of routine maintenance of these roads to and from strategic economic nodes. The view was again expressed that the responsible departments are not ensuring speedy repairs to potholes or regular maintenance of roads, leading to an increase in pothole numbers and size as well as further degradation of the road network. The proposed ring-fencing of provincial allocated funds to ensure these grants are only spent on the specified services per the grant conditions is welcomed. The Committee remains of the view that there is a clear need to receive regular quarterly reports on the implementation of the following grants: PRMG, Rural Road Asset Management Systems Grant (RRAMS), Municipal Infrastructure Grant (MIG), Expanded Public Works Programme Integrated Grant for Municipalities, and PTNG.

5.7 Considering the challenges highlighted by the Department on the *Welisizw*e Rural Bridges Programme during its briefing to the Committee on the 2023/24 Budget, as well as the 3rd Quarter Expenditure, the Committee was of the view that there is an urgent need to clarify the reporting lines and functional relationship to ensure the project is successful. For this reason, the Committee resolved that there was a need to schedule a joint meeting with its relevant counterpart Committees responsible for oversight over the Department of Defence, as well as the Department of Public Works and Infrastructure to consider how these challenges may be remedied and what recommendations could be made on the way forward.

5.8 There remains a need to receive regular feedback from the Department on the work done to address the 2020 National Taxi Lekgotla Resolutions, especially work done towards the formalisation of the industry, lack of progress in uptake of the recapitalisation project and there was a need to receive a briefing on the draft subsidisation of public transport policy document.

5.9 The Committee indicated concerns remain regarding the RAF operations and management. There was a view expressed that regulations or legislation is needed to regulate the claims from RAF by foreign nationals and there is a need to consider including a requirement that non-citizens should be required to have insurance cover in place prior to entering the country which must be used to claim from instead of claiming from the RAF.

5.10 Since the country is experiencing an increase of flood damage to infrastructure, the Department was requested to put measures in place to ensure that the roads and other transport infrastructure adversely affected by flooding is repaired as speedily as possible.

6. COMMITTEE RECOMMENDATIONS

The Committee recommends that the Minister, through the Department, ensure the following:

6.1 The Department must provide the Committee with quarterly reports on the filling of Board vacancies so that Board memberships are filled well in time to have functioning Boards to prevent a recurrence of the Annual Report delays, as well as to ensure effective and efficient control over and fiduciary duty fulfilment in all entities of the Department.

6.2 The Department should give quarterly reports on the filling of vacancies in senior positions within the Department and its entities.

6.3 The Department should provide quarterly reports on the implementation of the following grants: PRMG, RRAMS, MIG, Expanded Public Works Programme Integrated Grant for Municipalities and PTNG.

6.3.1 These reports must indicate the past 5-year budget allocation for these grants to each province and municipality benefitting from these, what projects have benefitted from these grants in the past 5 years, what projects are projected to benefit from these grants in the next 5 years, status of projects (planning phase/in progress/completion dates), details for each project on ensuring universal access design, as well as functional universal access infrastructure, if grant allocations were suspended give reasons for the suspensions and possible grounds or conditions for re-admission, progress on ring-fencing of provincial allocations of provincial departments which are poor performers, if funds are ring-fenced or suspended there must be an indication of which projects would be affected by such and what these original budget allocations were.

6.3.2 The Department should brief Parliament on the breakdown of the PRMG budget allocation for 2024/25 per province, as well as the annual targets of the number of jobs to be created per province.

6.3.3 The Department must provide a quarterly road maintenance report on the national, provincial and municipal road maintenance work and expenditure, this must also include: the road number and location, the responsible sphere, the assessed condition of the road (good/fair/poor), information on when the last maintenance was of the road and what work was done and the cost/expenditure on this work, future planned maintenance projects with budget allocations.

6.4 The Department and the DLCA must provide quarterly reports on progress towards narrowing the backlog of driving licence card production, as well as progress on the Cabinet process towards the new card format and procurement of the new card production machine.

6.5 The Department and PRASA must provide quarterly reports on progress on bringing the full passenger rail service back online, as well as the progress on new train roll-out and depot finalisation to store these trains safely.

6.5.1 The report must also contain information on the appointment and roll-out of the security plans to prevent vandalism of-, theft of- and encroachment onto PRASA infrastructure and rail reserves. Owing to PRASA’s historic underspending on its capital programmes, the entity should give Parliament quarterly updates on its rolling stock fleet renewal programme, the refurbishment of coaches, as well as the upgrading of signalling systems.

6.5.2 The report should encompass the budget spent per programme, the timeframes thereof, as well as the progress made. In addition, PRASA should provide Parliament with a comprehensive plan to combat theft and vandalism of the rail infrastructure, within one month of consideration of this report in the National Assembly.

6.6 The Department must provide quarterly reports on the various municipal, provincial and national projects, with the specific focus on pothole repairs. This report should also include the available platforms or methods for reporting potholes to the responsible sphere, the quarterly expenditure on pothole specific repairs, any public-private partnership (PPP) or community partnerships in place for ensuring pothole repairs, as well as the legal or departmental expenditure by each sphere on claims against the sphere for vehicle damage or personal injury claims due to potholes.

6.7 The Department and SANRAL should brief Parliament quarterly on the progress made on the Gauteng Freeway Improvement Project and which phases the budget is currently being spent on, the implementation of the N2 Wild Coast Project, as well as on the R573 (Moloto Road) Development Corridor. The briefing should include, but not limited to, the amount spent to date, number of jobs created and the breakdown of these per small, medium and micro-enterprises (SMMEs), women, youth and people with disabilities, progress on the road infrastructure projects, public transport provision along the Moloto corridor and expenditure on these for each quarter.

6.8 The Department should submit quarterly reports to the Committee on progress made on the Road Maintenance Funding strategy, Operation *Vala Zonke* and the *Welisizwe* Rural Bridges Programme. Concerning *Welisizwe* Rural Bridges Programme, the Department should brief Parliament on a quarterly basis on where it will be spending the allocation to the *Welisizwe* Rural Bridges Programme, as well as the criteria used in identifying these areas.

6.9 The Department should submit quarterly reports to the Committee on current figures for passenger trips on the various IPTNs identified in the APP, to indicate how close operators are coming to reaching the targets set in their respective APPs.

6.10 The Department must provide quarterly reports on the progress to address the 2020 National Taxi Lekgotla Resolutions.

6.11 The Department should brief Parliament on a quarterly basis on the implementation on the PTOG. The briefing should include, inter alia, the beneficiaries of this grant and the criteria used in selecting them.

6.12 Given the persistent carnage on the country's roads, the Department should brief Parliament quarterly on the National Road Safety Strategy and how the different entities are implementing programmes to implement this strategy along with the expenditure on these programmes (this will be over and above the briefings on festive road safety programmes and the subsequent briefings on road crash fatalities).

6.13 The Department should on a quarterly basis brief Parliament on the use of consultants and indicate which programmes/projects make use of consultants, what budget is allocated for the use of consultants and whether the consultants transfer relevant skills to the employees of the Department to prevent future need to use consultants for the same programme/project.

The Committee recommends that the National Assembly approve the budget of the Department.

The Economic Freedom Fighters object to the Transport Budget Vote 40.

Report to be considered.

ANNEXURE A: LIST OF ABBREVIATIONS/ACRONYMS

Abbreviation/Acronym	Meaning
AARTO	Administrative Adjudication of Road Traffic Offences
ACSA	Airports Company South Africa
AGSA	Auditor-General of South Africa
AI	Aviation Infrastructure
AMSAR	Aeronautical and Maritime Search and Rescue
ANSP	Air Navigation Service Provider
APP	Annual Performance Plan
ATNS	Air Traffic Navigation Services
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
BRT	Bus Rapid Transport
Cat	Civil Aviation Technical
C-BRTA	Cross-Border Road Transport Agency
C-BRTRF	Cross-Border Road Transport Regulators Forum
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CoE	Compensation of Employees
DG	Director-General
DLCA	Driving Licence Card Account
DPE	Department of Public Enterprises
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
EE	Employment Equity
EI	Effective Implementation
EMUs	Electric Motor Units
eNaTIS	Electronic National Traffic Information System
ESEID	Economic Sectors, Employment and Infrastructure Development

ESIEID	Economic Sectors, Investment, Employment and Infrastructure
FRRMP	Freight Road to Rail Migration Plan
GFIP	Gauteng Freeway Improvement Project
GHG	Greenhouse Gas
HSR	High Speed Rail
IA	Issuing Authority
ICAD	International Civil Aviation Day
ICAO	International Civil Aviation Organisation
ICT	Information and Communications Technology
ICTS	International Cooperation, Trade and Security
IMO	International Maritime Organisation
IMSAS	IMO Member State Audit Scheme
IPTNs	Integrated Public Transport Networks
IPTTP	Integrated Public Transport Turnaround Plan
IT	Information Technology
JCPS	Justice, Crime Prevention and Security
KPI	Key Performance Indicator
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework (2019-2024)
NA	National Assembly
NADP	National Airports Development Plan
NCOP	National Council of Provinces
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NLTA	National Land Transport Act
NRSS	National Road Safety Strategy
NRTA	National Road Traffic Act
NT	National Treasury
PFMA	Public Finance Management Act

PPP	Public-Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PRASA	Passenger Rail Agency of South Africa
PREs	Provincial Regulatory Entities
PRSA	Ports Regulator of South Africa
PRMG	Provincial Roads Maintenance Grant
PSP	Private Sector Participation
PTNG	Public Transport Network Grant
PTOG	Public Transport Operations Grant
RAF	Road Accident Fund
RFS	Road Freight Strategy
RSA	Republic of South Africa
RSR	Railway Safety Regulator
RTIA	Road Traffic Infringements Agency
RTMC	Road Traffic Management Corporation
RTRP	Revised Taxi Recapitalisation Programme
SACAA	South Africa Civil Aviation Authority
SADC	Southern African Development Community
SAMSA	South African Maritime Safety Authority
SANRAL	South African National Roads Agency Limited
SEIA	Socio-Economic Impact Assessment
SEIAs	Socio Economic Impact Assessment System
SMME	Small, medium and micro enterprises
SONA	State of the Nation Address
SP	Strategic Plan
STER	Single Transport Economic Regulator
TAT	Transport Appeals Tribunal
TEC	Transport Economic Council
TER	Transport Economic Regulator
TNPA	Transnet National Ports Authority

ToR	Terms of Reference
TRP	Taxi Recapitalisation Programme
UDAP	Universal Design and Access Plan
UN	United Nations
UNDA	United Nations Decade of Action for Road Safety 2020-2030

10. Report of the Portfolio Committee on Sport, Arts and Culture on Budget Vote 37: Department of Sport, Arts and Culture, dated 12 July 2024

The Portfolio Committee on Sport, Arts and Culture (hereinafter referred to as the "Committee"), having considered the 2020 – 2025 Strategic Plan, the 2024/25 Annual Performance Plan (APP), and the budget of the Department of Sport, Arts and Culture, Vote 37; reports as follows:

1. INTRODUCTION

Section 42(3) of the Constitution of the Republic of South Africa, 1996 bestows the oversight function over the national executive to the National Assembly (NA). The Committee considered the 2024/25 budget of the Department of Sport, Arts and Culture (DSAC) as part of its oversight function over the Department as mandated by Public Finance Management Act (No. 1 of 1999) and Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009).

The purpose of this document, therefore, is to table the Committee report after scrutiny of the budget allocated to Vote 37: Sport, Arts and Culture in the 2023 Estimates of National Expenditure (ENE). This Budget Report thus provides a comprehensive analysis of the Department's allocated budget. This report looks at the 2024/25 budget in the ambit of the 2020 – 25 Strategic Plans and 2024/25 APP and budget of the Department. In addition, links are made to key Government policy documents, including, amongst others, the National Development Plan (NDP), the 2019 – 2024 Medium Term Strategic Framework (MTSF), and the 2024 State of the Nation Address (SONA).

1.1. Mandate of the DSAC

The Department is mandated to provide leadership to the sport, arts and culture sector to accelerate its transformation; oversee the development and management of sport, arts and culture in South Africa; legislate on sports participation, sports infrastructure and safety improve South Africa's international ranking in selected sports through a partnership with the South African Sports Confederation and Olympic Committee (SASCOC); preserve, develop, protect and promote the cultural, heritage, linguistic diversity and legacy of

South Africa lead nation-building and social cohesion through social transformation; enhance archives and records management structures and systems; and promote access to information.

1.2. Purpose of the Budget Vote 37

The purpose of the Vote is to provide an enabling environment for the sport, arts and culture sector by developing, transforming, preserving, protecting and promoting sport, arts and culture at all levels of participation to foster an active, winning, creative and socially cohesive nation.

2. METHOD

The Committee received and scrutinised the budget allocated to Vote 37 as outlined in the 2024 ENE, tabled by the Minister of Finance in Parliament in February 2024. The Speaker of Parliament referred the APPs of the Department and its entities to the Committee in line with Rule 338 of the National Assembly. The Department briefed the Committee on its Strategic Plan and 2024/25 APP on 10 July 2024. Further deliberations, in the presence of the Department, took place on 12 July 2024.

The Committee is thus reporting on the Department's APP and budget for the 2024/25 in terms of Rule 340 of the National Assembly.

3. STRATEGIC OVERVIEW OF THE DEPARTMENT OF SPORT, ARTS AND CULTURE

The DSAC APP outlines how the Department's strategic outcomes align with the policy priorities of the NDP, the Economic Reconstruction and Recovery Plan (ERRP) and the SONA over the Medium Term Strategic Framework (MTSF).

The Department responds to Chapters 9 and 15 of the NDP and the strategic planning for the DSAC supports the following Government priorities:

- Capable, ethical, and developmental State.
- Economic transformation and job creation.
- Education, skills, and health.

- Spatial integration, human settlements, and local government.
- Social cohesion and safe communities.

Stemming from the NDP, the focus areas for the Department are as follows:

- Promoting social cohesion and facilitating nation-building.
- Creating job opportunities in the cultural and creative sector.
- Developing and promoting sport and recreation.
- Transforming and building capacity in the sport, arts and culture (SAC) sector.
- Maintaining heritage assets

The South African Economic Reconstruction and Recovery Plan (ERRP)[1] introduced in October 2020, was developed, in the short-term, to preserve lives through supporting livelihoods, distressed firms and financial systems and health care. In the long-term, the ERRP focuses on economic recovery and reconstruction to be implemented by Government and social partners to stimulate equitable and inclusive growth. In pursuit of the NDP goals of reducing unemployment, poverty and inequality, the ERRP thus aims to build a new economy and unleash South Africa's true potential. The overarching goal of the plan is to create sustainable, resilient, and inclusive economy.

In terms of aligning and contributing to the ERRP, the Department has identified 5 critical priority areas where specific interventions can create an enabling environment towards economic recovery:[2]

- Job creation using the employment multiplier model, which includes job opportunities created through the Presidential Employment Stimulus Plan (PESP);
- Creating an enabling environment – through legislation and programmes that promote training, skills development and skills transfer to sector practioners;
- *Enabling access to local and international markets* – this is realised through implementing programmes on an international platform such as the Cultural Seasons and the promotion of national and provincial flagship projects;

[1] The Presidency. (2020).*The South African Economic Reconstruction and Recovery Plan*.
[2] Department of Sport, Arts and Culture. (2024). *Annual Performance Plan 2024/25*. Pretoria, Department of Sport, Arts and Culture, p.48.

- *Monetisation of the cultural; creative and sport industries* – projects conducive to monetizing the sector include the ArtBank; Debut Fund and the Mzansi Golden Economy (MGE) Venture Capital Fund;
- *Enhancement of the arts, culture; heritage and sport tourism* – Various developments are underway to enrich this area with sites that will attract tourists and their related revenue, including the Legacy Projects which enhance heritage tourism, and international events.
- The cross-cutting priority: *Reviving the Economy Through Infrastructure Development* is responded to through the range of sport facilities, theatres, heritage facilities, and libraries

The President's State of the Nation Address (SONA) in February 2024 highlighted the following which have a bearing on the sector:[3]

- intensifying efforts to end gender-based violence and femicide (GBVF);
- building a social compact to work with social partners in an effort to address tangible challenges with the aim of building a new society;
- advancing the rights of persons with disabilities, which includes the recognition of the South African Sign Language as the 12th official language; and
- creating job opportunities, particularly for the youth through initiatives such as the Expanded Public Works Programme (EPWP) and the PESP.

For the 2024/25 financial year, the Department has committed to focus on core projects which align with Government priorities. In its effort to translate the broad policy statements into implementable programmes, the Department's outcomes will be realised through the implementation of various projects and interventions. These projects focus on the economic contribution of the sector; the DSAC's lead role in building a diverse, socially cohesive society; transforming the sector through capacity building; providing integrated and accessible (SAC) infrastructure and information; and the ongoing strive for compliant and responsive governance.

3.1. DSAC Outcomes

[3] Ramaphosa, MC. (2024). *State of the Nation Address*. Parliament, Cape Town.

The Department has developed five outcomes which are linked to the six Government priorities. These outcomes and a brief outline of outputs are presented below.

- DSAC Outcome 1: *Increased Market Share of and Job Opportunities created in Sport, Cultural and Creative Industries*
  The prioritisation of the Cultural and Creative Industries (CCIs) sector as one of the seven focus areas in the country's revised industrial policy is encouraging as the creative economy accounts for 6% of all employment in South Africa (an estimated 1 million jobs). The Mzansi Golden Economy (MGE) strategy seeks to create economic and job opportunities in the arts, culture, and heritage sector by supporting programmes designed to develop audiences, stimulate demand, increase market access, and develop skills. The programme funds a targeted 15 projects per year to enable market access, 9 provincial community arts development programmes, 25 national and provincial flagships, and 65 creative industry projects. Over the medium term, R1.2 billion is allocated to the Mzansi Golden Economy subprogramme in the Programme 2: Arts and Culture Promotion and Development programme. These funds will mainly be used to create a targeted 60 390 job opportunities in the cultural and creative sector and through the creative industries stimulus. Of this allocation, R69.4 million is earmarked for placing 1 020 artists in schools over the next 3 years with the aim of developing and improving art practitioners' pedagogical capabilities and skills to collaborate with educators and communicate and interact more effectively with learners.[4]

- DSAC Outcome 2: *A Diverse, Socially Cohesive Society with a Common National Identity*
  During 2023/24, the Department with its various partners and stakeholders reviewed the National Strategy for Developing an Inclusive and a Cohesive South African Society to refocus efforts and improve the response to what the NDP calls for. Following this, the Department plans to support several projects during 2024/25 including, but not limited to:

[4] National Treasury. (2024). *Estimates of National Expenditure*. Pretoria, National Treasury, p.815.

  - advocacy platforms on social cohesion which will address areas such as gender-based violence and patriarchy, racism, xenophobia, alcohol and drug abuse, violent crime, and many other related social ills;
  - hosting community conversations;
  - provincial Community Arts Development Programmes;
  - youth-focused arts development programmes;
  - projects implemented by the Moral Regeneration Movement (MRM);
  - initiatives to raise awareness of the national symbols; and
  - hosting sport and recreation public events to promote wellness and social cohesion.

- DSAC Outcome 3: *Transformed, Capable and Professional Sport, Arts and Culture Sector*

  In 2024/25, outputs that contribute to this outcome include, among others:
  - SAC promotional campaigns;
  - artists placed in schools
  - the provision of bursaries in heritage and language practice
  - support to national sporting federations; incubators; and
  - other capacity building initiatives.

- DSAC Outcome 4: *Integrated and Accessible SAC Infrastructure and Information*

  Infrastructure development is critical to attaining South Africa's long-term economic and social goals. The construction of infrastructure generates employment and broad-based black economic empowerment opportunities, further contributing to the goals of the National Development Plan (NDP). For the current financial year, inputs that contribute to the achievement of this outcome include, but are not limited to:
  - the promotion and development of official languages;
  - archival and library services;
  - the development and promotion of the Resistance and Liberation Heritage Route sites;
  - sport infrastructure projects and multipurpose SAC hubs;
  - statues, monuments, and museums;

- refurbishment of Community Arts Centres (especially in rural areas).

- DSAC Outcome 5: *Compliant and Responsive Governance*
  Towards achieving compliant and responsive governance the Department capacitates human resources through the internship programme, whilst service delivery is enhanced by timeously paying invoices; by modernising manual Information Technology (IT) services and by holding at least nine (9) focused engagements (izimbizo) with small groups of people on an annual basis.

The Department has devised a range of high impact projects to respond to the outcomes and focus areas. These include, among others, the amalgamation of entities; the provision of Government support to anti-doping agencies; support high-performance athletes to achieve success at international events; and support to practitioners through the SAC academies, centres of excellence and incubators.

3.2. Legislative and Policy Environment 2024/25

Over the MTSF, the Department's policy and legislative programme is guided by two White Papers. The Revised White Paper for Arts, Culture, and Heritage is in the process of being implemented to ensure that it contributes to the transformation of the sector. The White Paper for Sport and Recreation will co-exist with that for the Arts, Culture and Heritage (ACH) sector. The 2024/25 APP notes that the Department is in the process of developing and/or reviewing legislation, policies and framework documents. The following, amongst others, will be focused on in the 2024/25 financial year:

3.2.1. Legislation: Bills

The Department listed the following bills and their respective status in the 2024/25 APP:

Bill	Status
a. National Sport and Recreation Amendment Bill, 2021	State Law Advisor and Legal Services engaging. Envisaged completion: 2024/25

b.	South African Institute for Drug-free Sport Amendment Bill, 2023	Under amendment.[5]
c.	South African Geographical Names Council Amendment Bill, 2021	Final draft of Bill being submitted to Minister requesting consultation through Gazette. Envisaged completion: 2025/26
d.	Heraldry Amendment Bill, 2023	Commencing with Socio-Economic Impact Assessment System (SEIAS). Envisaged completion: 2025/26.
e.	Use of Official Languages Amendment Bill, 2023	Under amendment.

Source: Department of Sport, Arts and Culture (2024), APP, p30.

3.2.2. Plans and Policies[6]

- After concluding consultations, the Department will complete the **Women and Sport Policy** in the 2024/25 financial year.
- The **Infrastructure Management Policy** is being reviewed. The purpose is to provide a framework for the management of the facilities and infrastructure for DSAC and its Public Entities. The Department notes that the review process should have been completed by the end of the first quarter of the current financial year.
- Following the 2023 School Sport Indaba, the Department developed the **School Sport Blueprint** which will serve as a guideline for one seamless system for the development of sport in schools. The Department plans for the new delivery model to be implemented in 2024/25.
- Ensuring for the regulation of the Books and Publishing sector, the Department developed the **National Book Policy** in response to the Revised White Paper on Arts, Culture and Heritage. This policy is envisaged to be completed in the 2024/25 financial year.
- Another policy which stems from the Revised White Paper on Arts, Culture and Heritage is the **South African Music Policy**. The Department plans to complete this policy in 2024/25 with the aim to advance and strengthen the music sector.

[5] President Ramaphosa has since the publication of the 2024/25 APP, signed this legislation into law on 01 June 2024.

[6] Department of Sport, Arts and Culture. (2024). *Annual Performance Plan 2024/2025*. Pretoria, Department of Sport, Arts and Culture, pp.31-33.

- To transform the visual arts sector, the Department has embarked on reviewing the **Visual Arts Policy** which it envisages to complete in the 2024/25 financial year.
- The development of the **Events, Technical and Production Services Industry Sector Code** (a sector policy framework) is intended to provide a mechanism which will function as an instrument to ensure effective transformation in the sector and access to economic opportunities that are currently dominated by a few stakeholders. With the development of the B-BBEE Sector Code, the sector will be empowered with a policy framework. The Sector Code will be completed in 2024/25.
- **National Policy Framework for Heritage Memorialisation** aims to provide guidelines for memorialisation and commemoration of South Africa's pre-colonial and liberation struggles heritage. The Department will finalise the development of this policy in the 2024/25 financial year.

The mandate of the Department is wide and inclusive of interventions that are central to the holistic advancement of the nation. However, the budget allocation remains virtually unchanged as the following section of the report shows.

4. SUMMARY OF BUDGET EXPENDITURE (2024/25)

The total budget allocation for the 2024/25 financial year is R6.11 billion. The Department organises its expenditure under four programmes, these are:

- Programme 1: Administration (R449.0 million, or 7.4% of the total allocation);
- Programme 2: Recreation Development and Sport Promotion (R1.32 billion, or 21.5% of the total allocation);
- Programme 3: Arts and Culture Promotion and Development (R1.64 billion, or 26.8% of the total allocation); and
- Programme 4: Heritage Promotion and Preservation (R2.70 billion, or 44.3% of the total allocation).

The table below reflects the budget allocation for 2024/25 and over the medium term.

Table 1: Overall Budget Allocation 2023/24 – 2026/27

R million		2023/24 Total	2024/25 Total	2025/26 Total	2026/27 Total
MTEF allocation					
1: Administration	Purpose: Provide strategic leadership, management and support services to the Department.	447,8	**449,0**	468,8	487,7
2: Recreation Development and Sport Promotion	Purpose: Support the provision of mass participation opportunities, the development of elite athletes, and the regulation and maintenance of facilities.	1 254,1	**1 315,4**	1 357,6	1 420,9
3: Arts and Culture Promotion and Development	Purpose: Promote and develop arts, culture and languages, and implement the national social cohesion strategy.	1 797,0	**1 638,9**	1 344,1	1 407.1
4: Heritage Promotion and Preservation	Purpose: Preserve and promote South African heritage, including archival and heraldic heritage. Oversee and transfer funds to libraries.	2 590,4	**2 702,5**	2 779,1	2 908.2
Total expenditure estimates		**6 089.3**	**6 105,7**	**5 949,6**	**6 223,8**

Source: National Treasury ENE (2024).

The following points are for noting when considering the budget over the medium term:

- Total expenditure is expected to increase nominally at an average annual rate of 0.7%, from R6.09 billion in 2023/24 to R6.22 billion in 2026/27. Transfers and subsidies account for an estimated 81.8% (R14.94 billion) of the Department's spending over the medium term.
- The Department's total budget over the medium term is R18.28 billion, following Cabinet-approved net reductions of R1 billion. These are mostly affected on transfers to entities and are not expected to have a negative impact on the Department's core performance.
- Annual budget allocations fluctuate across the MTEF with the allocation projected to decrease to R5.95 billion in 2025/26 and then increase thereafter to R6.22 billion in 2026/27. When the projected inflation rates (2024/25: 4.7%; 2025/26: 4.7%; and 2026/27: 4.5%) are taken into consideration, the cumulative growth rate between 2023/24 and 2024/25 is -3.7%.

The table below provides a summary of the budget allocation per programme and reflects the change in allocation between the 2023/24 and 2024/25 financial years. The nominal and real changes are included.

Table 2: Budget allocation per programme showing change in allocation 2023/24-2024/25

Programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
R million	**2023/24**	**2024/25**	**2023/24 – 2024/25**		**2023/24 – 2024/25**	
Programme 1	447,8	449,0	1,2	-19,0	0,3%	-4,2%
Programme 2	1 254,1	1 315,4	61,3	2,3	4,9%	0,2%
Programme 3	1 797,0	1 638,9	-158,1	-231,7	-8,8%	-12,9%
Programme 4	2 590,4	2 702,5	112,1	-9,2	4,3%	-0,4%
Total	**6 089,3**	**6 105,8**	**16,5**	**-257,6**	**0,3%**	**-4,2%**

Source: National Treasury ENE (2024), own calculations.

For the 2024/25 financial year:

- The total budget allocation is R6.11 billion.
- The total national appropriation by vote is R1.1 trillion, and thus the Department's allocation is less than 1% of this total.
- Transfers and Subsidies decreases by R66.6 million, from R4.98 billion in 2023/24 to R4.91 billion, and represents 80.5% of the budget allocation.
- Payments for Capital Assets increases by R143.0 million from R126.1 million in 2023/24 to R269.1 million (or 4.4%) of the total budget allocation.
- Current Payments, comprised of Compensation of Employees and Good and Services, decreases by R60.0 million, from R983.6 million in 2023/24 to R923.6 million (or 15.1%) of the budget allocation.
    - Compensation of Employees increases from R382.9 million in 2023/24 to R402.0 million.
    - Good and Services decreases by R79.2 million, from R600.8 million in 2023/24 to R521.6 million.

Taking the total budget allocation into consideration, Programme 4: Heritage Promotion and Preservation receives the largest allocation at R2.70 billion, followed by Programme 3: Arts and Culture Promotion and Development with R1.63 billion. The lowest allocation is directed towards Programme 1: Administration, which receives R449.0 million in the 2024/25 financial year.–Allocations for all programmes, except for Programme 3, are slightly higher compared to 2023/24. However, when the projected inflation rate is applied, budget allocations across all programmes, except for Programme 2, are lower than the 2023/24 allocations.

The line items for the economic classification Goods and Services are tabled below:

Table 3: Good and Services: sub-categories

Economic Classification	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
R million	**2023/24**	**2024/25**	**2023/24 – 2024/25**		**2023/24 – 2024/25**	
Goods and Services, *of which:*	**600,8**	**521,6**	**-79,2**	**-102,6**	**-13.2%**	**-17.1%**
Computer services	24,9	31,3	6,4	5,0	25.7%	20.1%
Consultants: Business and advisory services	38,9	25,6	-13,3	-14,4	-34.2%	-37.1%
Contractors	167,3	118,7	-48,6	-53,9	-29.1%	-32.2%
Operating leases	110,5	113,5	3,0	-2,1	2.7%	-1.9%
Property payments	41,0	36,4	-4,6	-6,2	-11.2%	-15.2%
Travel and subsistence	71,2	76,9	5.7	2,2	8.0%	3.2%

Source: National Treasury ENE (2024), own calculations

The report now considers budgetary allocations per programme.

4.1. Budgetary allocations per programme

Programme 1: Administration

Purpose: Provide strategic leadership, management and support services to the Department.

This programme plays an important role in giving effect to the first priority of the NDP, that is, to build a capable, ethical and developmental state. This priority is also expressed in the MTSF for the five-year term 2019-2024, as a crucial mode that is required to achieve Vision 2030. The outputs delivered in Programme 1 contribute predominately to DSAC Outcome 3: Transformed, capable and professional sport, arts and culture sector and Outcome 5: Compliant and responsive governance.

By increasing awareness of the sport, art and culture offerings and opportunities, the Department plans to contribute to Outcome 3. Further, the Department plans to contribute to Outcome 5 through several initiatives including capacitating human resources through its internship programme, the timeous payment of invoices; modernising manual IT services and by holding at least nine focused izimbizo annually.

Table 4: Programme 1 Budget Allocation 2023/24 – 2024/25.

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
R million	**2023/24**	**2024/25**	**2023/24 – 2024/25**		**2023/24 – 2024/25**	
1: Ministry	4,7	5,2	0,5	0,3	10,6%	5,7%
2: Management	69,1	67,5	-1,6	-4,6	-2,3%	-6,7%
3: Strategic Management and Planning	19,0	19,6	0,6	-0,3	3,2%	-1,5%
4: Corporate Services	165,0	160,1	-4,9	-12,1	-3,0%	-7,3%
5: Office of the Chief Financial Officer	63,9	64,9	1,0	-1,9	1,6%	-3,0%
6: Office Accommodation	126,1	131,8	5,7	-0,2	4,5%	-0,2%
Total	**447,8**	**449,0**	**1,2**	**-19,0**	**0,3%**	**-4,2%**

Source: National Treasury ENE (2024), own calculations.

For the 2024/25 financial year, the budget allocation for this programme is R449.0 million, or 7.4% of the total budget allocation. Compared to the previous financial year, this represents a nominal increase of R1.2 million, or 0.3%. When considering the projected inflation rate of 4.7%, the allocation has decreased by R19.0 million, or 4.2%. The budget allocated to Programme 1 shows a cumulative growth rate of 2.9% over the MTEF but decreases by 1.7% when the allocations are adjusted for the projected inflation rates over the medium term. Should inflation rates remain unchanged, this means that the Department will have less buying power over the medium term.

Programme 2: Recreation Development and Sport Promotion

Purpose: Support the provision of mass participation opportunities, the development of elite athletes, and the regulation and maintenance of facilities.

The outputs delivered in Programme 2 contribute predominately to DSAC Outcome 2: A diverse, socially cohesive society with a common national identity; Outcome 3:

Transformed, capable and professional sport, arts and culture sector; and Outcome 4: Integrated and accessible SAC infrastructure and information.

Some the objectives of this programme will ensure:

- support is provided to 90 organised community-based sport and recreation activities (new indicator for 2024/25);
- eight (8) monitoring reports are compiled on the heritage facilities developed and/or maintained (new performance indicator);
- 90 school sport leagues are supported at district level (new performance indicator);
- financial and non-financial support is provided to 50 sport and recreation bodies to improve service delivery over the medium term; and
- assistance is provided to 52 municipalities over the medium term to comply with facility norms and standards by providing technical and/or management support during the construction phase of sport and recreation facilities.

National Treasury's selected performance indicators for the 2024/25 financial year includes:

- 90 community-based sport and recreation activities supported (new performance indicator);
- 3 500 schools, hubs and clubs provided with equipment and/or attire as per established norms and standards (target unchanged from 2023/24); and
- 50 sport and recreation bodies supported (down from a target of 60 in 2023/24).

Table 5: Programme 2 Budget Allocation 2023/24 – 2024/25.

Sub-programme	**Budget**		**Nominal Rand change**	**Real Rand change**	**Nominal per cent change**	**Real per cent change**
R million	**2023/24**	**2024/25**	**2023/24 – 2024/25**		**2023/24 – 2024/25**	
1: Wining Nation	260,4	243,3	-17,1	-28,0	-6,6%	-10,8%
2: Active Nation	686,3	698,0	11,7	-19,6	1,7%	-2,9%
3: Infrastructure Support	307,4	374,1	66,7	49,9	21,7%	16,2%
Total	**1 254,1**	**1 315,4**	**61,3**	**2,3**	**4,9%**	**0,2%**

Source: National Treasury ENE (2024), own calculations.

For the 2024/25 financial year, the budget allocation for this programme is R1.32 billion, or 21.5% of the total budget allocation. When compared to the 2023/24 financial year, this programme's budget allocation has increased by this programme's budget allocation has increased by R61.3 million or 2.3% in nominal terms. Over the medium term, the estimated cumulative growth rate for Programme 2 is 4.3% in nominal terms, but in fact decreases by 0.4% when considering the impact of inflation.

Sub-programme 2: Active Nation receives the highest portion of the budget, i.e. R698.0 million (or 53.1%), with sub-programme 1: Winning Nation receiving the smallest allocation of R243.3 million (or 18.5%). The highest increase in allocation is seen in sub-programme 3: Infrastructure Support, with an increase from R307.4 million in 2023/24 to R374.1 million in 2024/25. This represents a nominal increase of R66.7 million (or 21.7%) and a real increase R49.9 million (or 16.2%). Sub-programme 1: Winning Nation sees a nominal budget allocation reduction of R17.1 million (or 6.6%), with a real decrease of R28.0 million (or -10.8%).

The Mass Participation and Sport Development Grant supports various programmes aimed to increase and sustain mass participation in sport and recreational activities in the provinces, with greater emphasis on provincial and district academies. It further enables provincial departments responsible for sport, arts and culture to offer development and support programmes for talented and high-performance athletes. This grant with an allocation of R618 million of the current financial year contributes primarily to Government Priority 6: Social Cohesion and Safe Communities. The outputs, as outlined in the Division of Revenue Bill [B4─2024] for this conditional grant includes the support of school sports; community sport and active recreation; club development; support provided to sport academies; transversal matters; and management.[7]

An amount of R56.8 million is allocated to encourage the development of young people through supporting 90 school sport leagues at the district level and R80.9 million is allocated to enable 4 000 of them to showcase their skills at events such as the national school sport championship. In 2024/25, R40.2 million is allocated for supporting 90 organised community-based sport and recreation activities, and R78.4 million is allocated

[7] Division of Revenue Bill [B4─2024].

to provide sports equipment and attire to schools, hubs and clubs to enable participation in sport and recreation.[8]

Programme 3: Arts and Culture Promotion and Development

Purpose: Promote and develop arts culture and languages and implement the national social cohesion strategy.

The outputs delivered in Programme 3 contribute predominantly to four departmental outcomes, including Outcome 1: Increased market share of, and job opportunities in the sport, cultural and creative industries; Outcome 2: A diverse, socially cohesive society with a common national identity; Outcome 3: Transformed, capable and professional sport, arts and culture sector; and Outcome 4: Integrated and accessible SAC infrastructure and information. These outputs will ensure:

- the promotion of the use and equal status of all official languages through, *inter alia*, the awarding of bursaries for language studies to university students;
- the development of the Cultural and Creative Industries (CCIs) by developing strategies, through implementing sector development programmes, supporting sector organisations' programmes, and providing training support to arts and culture practitioners;
- building continental and international relations for the promotion and development of South African sport, arts, culture, and heritage by actively participating and influencing decision-making in identified multilateral organisations and bilateral fora;
- the implementation of the national social cohesion strategy as well as the coordination of Priority 6 (social cohesion and safer communities) of Government's 2019-2024 MTSF; and
- the creation of economic and job opportunities in the arts, culture, and heritage sector by supporting programmes designed to develop audiences, stimulate demand, increase market access, and develop skills.

National Treasury's selected performance indicators for the 2024/25 financial year include:

- the implementation of 15 community conversations or dialogues to foster social interaction (down from a target of 20 in 2023/24);

[8] National Treasury. (2024). *Estimates of National Expenditure*. Pretoria, National Treasury, p.815.

- support 140 university students to study languages (down from a target of 250 in 2023/24);
- support 15 projects to enable local and international market access;
- support 65 projects in the creative industry through an open call (the cumulative target for this target and the preceding one was 90 in 2023/24); and
- place 340 artists in schools (unchanged from 2023/24).

Table 6: Programme 3 Budget Allocation 2023/24 – 2024/25.

Sub-programme	**Budget**		**Nominal Rand change**	**Real Rand change**	**Nominal per cent change**	**Real per cent change**
R million	**2023/24**	**2024/25**	**2023/24 – 2024/25**		**2023/24 – 2024/25**	
1: National Language Services	61,5	63,2	1,7	-1,1	2,8%	-1,9%
2: Pan South African Language Board	119,7	127,4	7,7	2,0	6,4%	1,7%
3: Cultural and Creative Industries Development	144,4	123,1	-21,3	-26,8	-14,8%	-18,6%
4: International Cooperation	39,6	38,6	-1,0	-2,7	-2,5%	-6,9%
5: Social Cohesion and Nation Building	66,1	59,8	-6,3	-9,0	-9,5%	-13,6%
6: Mzansi Golden Economy	543,2	615,6	72,4	44,8	13,3%	8,2%
7: Performing Arts Institutions	332,1	343,0	10,9	-4,5	3,3%	-1,4%
8: National Film and Video Foundation	176,8	147,2	-29,6	-36,2	-16,7%	-20,5%
9: National Arts Council	313,5	120,9	-192,6	-198,0	-61,4%	-63,2%
Total	**1 797,0**	**1 638,9**	**-158,1**	**-231,7**	**-8,8%**	**-12,9%**

Source: National Treasury ENE (2024), own calculations.

For the 2024/25 financial year, the budget allocation for this programme is R1.64 billion, or 26.8% of the total budget allocation. Compared to the 2023/24 financial year, in which the budget allocation was R1.80 billion, this represents a nominal decrease of R158.1 million. Over the medium term, the estimated allocation will decrease by 7.8%, and when considering the projected inflation rates, by 11.9%.

The highest allocation within Programme 3 is to sub-programme 6: Mzansi Golden Economy (MGE) which receives R615.6 million (or 37.6%) of the total budget for the programme. This is a nominal increase of R72.4 million from the R543.2 million allocated in the last financial year.-This sub-programme also shows the highest nominal percentage change in allocation, i.e. 44.8%.–The lowest allocation in the programme is directed towards sub-programme 4: International Cooperation which receives R38.6 million (or 2.4%) of the programme budget. The high baseline in 2023/24 for sub-programme 9: National Arts Council is as a result of the one-off allocation for the PESP.

The PESP was launched in October 2020 to mitigate the economic impact of the COVID-19 pandemic across all sectors. The Department has been allocated R351 million in 2024/25 as part of the Presidential Youth Employment Initiative to stimulate employment in creative industries through the creation of an estimated 30 390 jobs.[9]

Programme 4: Heritage Promotion and Preservation

Purpose: Preserve and promote South African heritage, including archival and heraldic heritage. Oversee and transfer funds to libraries.

The outputs delivered in Programme 4 contribute predominately to DSAC Outcome 2: A diverse, socially cohesive society with a common national identity; Outcome 3: Transformed, capable and professional sport, arts and culture sector; and Outcome 4: Integrated and accessible SAC infrastructure and information.

Through its sub-programmes, this Programme will:

- publish gazette notices on the standardisation of geographical names; publish books documenting living human treasures; undertake various initiatives to promote national symbols;
- support tertiary students to study heritage practice at institution of higher learning, and facilitate the placement of unemployed heritage graduates within the sector, with a focus on youth and women;
- finance the construction of newly built and/or modular community libraries through the Community Library Services Conditional Grant;

[9] National Treasury. (2024). *Estimates of National Expenditure*. Pretoria, National Treasury, p.815.

- develop content and operationalise heritage legacy projects; conceptualise and install statues, monuments and memorials; analyse reports documenting he progress made on the Resistance and Liberation Heritage Route and implement alternative forms of memorialisation such as repatriation of human remains and objects; and
- develop guiding policy on a National Policy Framework for Heritage Memorialisation.

National Treasury's selected performance indicators for the 2024/25 financial year include:

- financially support 20 libraries (down from a target of 32 in 2023/24); and
- award 45 students with heritage bursaries (target unchanged from 2023/24).

Table 7: Programme 4 Budget Allocation 2023/24 – 2024/25.

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
R million	**2023/24**	**2024/25**	**2023/24 – 2024/25**		**2023/24 – 2024/25**	
1: Heritage Promotion	53,7	53,0	-0,7	-3,1	-1,3%	-5,7%
2: National Archive Services	70,8	63,8	-7,0	-9,9	-9,9%	-13,9%
3: Heritage Institutions	649,8	657,8	8,0	-21,5	1,2%	-3,3%
4: National Library Services	153,6	157,6	4,0	-3,1	2,6%	-2,0%
5: Public Library Services	1 521,5	1 631,7	110,2	37,0	7,2%	2,4%
6: South African Heritage Resources Agency	62,2	60,3	-1,9	-4,6	-3,1%	-7,4%
7: South African Geographical Names Council	4,8	4,2	-0,6	-0,8	-12,5%	-16,4%
8: National Heritage Council	74,0	74,2	0,2	-3,1	0,3%	-4,2%
Total	**2 590,4**	**2 702,5**	**112,2**	**-9,1**	**4,3%**	**-0,4%**

Source: National Treasury ENE (2024), own calculations.

For the 2024/25 financial year, the budget allocation for this programme is R2.70 billion, or 44.3% of the total budget allocation. Compared to the 2023/24 financial year, in which the budget allocation was R2.59 billion, this represents a nominal decrease of R112.2 million, however when the projected inflation rate of 4.7% is taken into consideration, the allocation decreases by R9.1 million. Over the medium term, the estimated allocation will increase by 3.9%, however when considering the projected inflation rates, the allocation will decrease by 0.7%.

The highest nominal increase in allocation is seen in sub-programme 5: Public Library Services. This sub-programme sees an increase from R1.52 billion in 2023/24 to R1.63 billion in 2024/25, representing a nominal increase of R110.2 million, or 7.2%. Sub-programme 2: National Archives Services sees the biggest nominal decrease in budget allocation in the programme. The allocation for this sub-programme decreases from R70.8 million in 2023/24 to R63.8 million in 2024/25. This is a decrease of R7.0 million, or 9.9%. In real terms, the decrease from the last financial year is R9.9 million, or 13.9%.

Of the 2024/25 allocation for this programme, R2.59 billion, or 95.9%, is classified as Transfers and Subsidies. Through this programme, the Department funds a significant number of entities including, but not limited to, national museums, the National Heritage Council (NHC), the South African Heritage Resources Agency (SAHRA), and public library services. The latter (sub-programme 5 in the budget structure), transfers funds to Provincial Departments for conditional allocations towards community library services for constructing and upgrading libraries, hiring personnel and purchasing library materials, i.e. the Community Library Services Grant (CLSG). The budget allocation to this sub-programme is R1.63 billion, or 60.4% of the total programme budget.

The main purpose of the CLSG is to transform urban and rural library infrastructure and services through targeting previously disadvantaged communities through a recapitalised programme at provincial level in support of local government and national initiatives.
In respect of the CLSG, this grant is allocated to the relevant provincial department and administered by that department or through a service-level agreement with municipalities. In collaboration with provincial Departments of Basic Education (DBE), the grant also funds libraries that serve both schools and the general public. Funds from this grant may also be used to enable the shift of the libraries function between provinces and municipalities. This Grant primarily contributes to Government Priority 6: Social Cohesion and Safe Communities. To expand access to knowledge and information, the Department plans to build 66 libraries and upgrade 135 community libraries at a projected cost of R798.6 million over the MTEF period.

The Department plans to finance 20 newly built and/or modular libraries by the end of the 2024/25 financial year. A budget of R1.40 billion (current) and R213.4 million (capital) is being directed towards provincial revenue funds for the implementation of this project. The outputs, as outlined in the Division of Revenue Bill [B4─2024] for the CLSG for the 2024/25 financial year includes, among others:

- 35 maintained library structures completed;
- 260 000 library materials purchased;
- new services established for the visually impaired at 13 identified community libraries in all provinces
- five upgraded library structures completed;
- 2 600 existing contract library staff maintained in all provinces; and
- 30 new staff appointed at public libraries to support the shifting of the function to provinces.

5. COMMITTEE OBSERVATIONS

Having considered and examined the Departmental 2020 – 2025 Strategic Plan and 2024/25 Annual Performance Plan with associated budgets, the Committee made the following observations:

5.1. Observations in relation to the Department of Sport, Arts and Culture

5.1.1. *Main Appropriation*: The Committee notes with concern budget cuts in key areas pertaining to the implementation of arts, culture and heritage programmes. It further highlights the need for better funding of grassroots projects within the arts and culture sector and noted with concern the insufficient budget allocated to the National Film and Video Foundation (NFVF) funding.

5.1.2. *Social Cohesion and Nation Building*: The Committee notes, and flags as a matter of concern, the budget allocation of R3 million to 15 planned community dialogue platforms. Further, the design of GBFV programmes, for example, should be reconsidered to better speak to the mandate of the Department.

5.1.3. *Sporting Codes*: The Committee stresses the inequality in the financial support to the various sporting codes.

5.1.4. *School Sports*: The Committee underscores the inequality in the provision of support to school sports programmes in the township and rural areas, as well as underfunded schools. The budget is unclear on what support is going to be provided to these schools in vulnerable areas.

5.1.5. *Sporting Infrastructure*: The Committee highlights that the implementation of sporting infrastructure, particularly in township and rural areas, is integral to the development and transformation of the sporting sector.

5.1.6. *Public Entities and Nonprofit Organisations (NPOs):* The Committee notes that the Department should direct more focus on monitoring and evaluating the performance of the public entities and NPOs which it supports including, for example the New loveLife Trust (loveLife).

5.1.7. *Community Libraries*: The Committee emphasises concerns regarding the operation and supply of appropriate material to community libraries, particularly in the township and rural areas.

5.1.8. *Theatre Infrastructure*: The Committee welcomes the Department's report on purpose-built theatre infrastructure in provinces that have been historically neglected. Further, the Committee notes that the existing theatre infrastructure should be upgraded to ensure that they are conducive for performing arts and the technical work associated with this aspect of the sector.

5.1.9. *Vacancy Rate*: The Committee notes that the vacancy rate of 19.1% is unacceptable and the potential impact this may have on service delivery.

5.1.10. *Organisational Structure*: The Committee notes that the Department has not as yet concluded its organisational review and alignment since its formation post the merger of the Department of Sport and Recreation with the Department of Arts and Culture.

5.1.11. *Mzansi Golden Economy Strategy:* The Committee questions the value this strategy has had in terms of the creation of job opportunities and its economic impact.

6. RECOMMENDATIONS

Unless otherwise indicated, it is requested that the Minister of Sport, Arts and Culture considers the following recommendations and reports back to the Committee by no later than 30 September 2024.

6.1. Recommendations in relation to the Department of Sport, Arts and Culture

6.1.1. *Main Appropriation*: As the Department leads a key NDP outcome which seeks to build a socially cohesive nation, the Cabinet-approved budget reductions over the medium term are concerning and thus the Committee requests regular updates on the work currently underway to establish relationships with the private sector to bolster funding for the sector.

6.1.2. *Social Cohesion and Nation Building*: The Department should submit a comprehensive overview of the Advocacy Platforms on Social Cohesion project including the names of the social cohesion advocates and the appointment process and the breakdown of the locations of where these dialogues will take place, by no later than 31 July 2024. Further, the Committee requests a qualitative report on the impact of the appointment of the Social Cohesion Advocates and the programmes they are appointed to implement.

6.1.3. *Sporting Codes*: The Committee requests that consideration is given to support all sporting codes equally and that budget allocations should reflect this.

6.1.4. *School Sports*: The Committee notes the budget constraints faced by the Department regarding the provision of support to school sports however requests that consideration be given to increasing the budgetary allocations which ensure the provision of equipment and attire.

6.1.5. *Sporting Infrastructure*: The Committee requests a comprehensive report, including an implementation plan, on the provision of sporting infrastructure and the operationalisation of the Municipal Infrastructure Grant (MIG), particularly since the Department indicated that approximately half of the grant is transferred to provinces which then is not effectively managed.

6.1.6. *Public Entities and Nonprofit Organisations (NPOs)*: The Department should provide a report on the achievements and challenges faced in its oversight, monitoring and evaluation of the public entities and NPOs which it supports.

6.1.7. *Community Libraries*: There should be greater collaboration between the Pan South African Language Board (PanSALB) and community libraries to ensure improved delivery of library services. The Department, through its conditional grant coordinators, should provide the Committee with an overview of the provision of library infrastructure and services across all municipalities.

6.1.8. *Theatre Infrastructure*: The Department should submit a comprehensive update on the implementation of the provincial theatre infrastructure projects as well as a report on the functioning of, and its programme to enhance existing theatres.

6.1.9. *Vacancy Rate:* The Committee requests quarterly updates on the Department's efforts to reduce the unacceptably high vacancy rate. This includes updates on the appointment of the Director-General of the Department as the post has been vacant since September 2022.

6.1.10. *Organisational Structure*: The Committee recommends that the Department finalise its structure by the end of the current financial year.

6.1.11. *Mzansi Golden Economy Strategy:* The Committee requests quarterly updates on the strategy's job creation outputs through the implementation of MGE projects and programmes as outlined in the Department's APP.

7. CONCLUSION

The Portfolio Committee on Sport, Arts and Culture acknowledges the significance of its constitutional mandate of exercising oversight over the executive. This will ensure that in its implementation of the prevailing Strategic Plan and Annual Performance Plan, the Department of Sport, Arts and Culture's outputs are successfully attained with maximum impact. The Committee is cognisant of the lack of physical oversight conducted during the Sixth Parliament, however this will be addressed in its planning for the Seventh Parliament.

Having satisfied itself in its engagement with the Department on the Annual Performance Plan and the Budget, the Portfolio Committee recommends that the House approves Budget Vote 37.

Report to be considered.

11. Report of the Portfolio Committee on Basic Education on Budget Vote 16: Basic Education, dated, 12 July 2024.

The Portfolio Committee on Basic Education having considered Budget Vote 16: Basic Education, together with the Basic Education 2024/25 Annual Performance Plans of the Department of Basic Education and its Statutory Bodies, reports as follows:

1. Introduction

1.1 The Portfolio Committee on Basic Education considered the 2024/25 Annual Performance Plan (APP) of the Department of Basic Education as well as the review of the two (2) statutory bodies i.e. the South African Council of Educators (SACE) and the Council for Quality Assurance in General and Further Education and Training (Umalusi) on Thursday, 11 July 224.

1.2 The budget review briefings served to acquaint the 7th Parliamentary Portfolio Committee with the mandates, programmes and priorities of the Department.

1.3 Attendees that appeared before the Portfolio Committee during the Budget Review sessions included the following:

1.3.1 **Department of Basic Education (DBE)**: Hon S Gwarube: Minister of Basic Education, Hon M R Mhaule: Deputy Minister of Basic Education, Dr G Whittle: Acting Director-General, Mr P R M Khunou: Chief Finance Officer, Ms N Mbonambi: Chief Director, Ms E Mmola: Director, Mr L Mahada: Director, Ms Y Holden, Deputy Director, Ms L Carolissen: Parliamentary Liaison Officer, Mr N Molai: Ministry , Ms P Mphigalale and Ms H Love: Support Staff.

1.3.2 **South African Council for Educators (SACE):** Ms E Mokgalane: Chief Executive Officer, Mr M Mapindani: Chief Finance Officer, Ms V Hofmeester: Exco Member, Ms T Sophethe: Acting Head and Ms N Lechaba: Head.

1.3.3 **The Council for Quality Assurance in General and Further Education and Training (Umalusi):** Dr M Rakometsi: Chief Executive Officer, Mr H van der Walt: Chief Finance Officer and Ms P Moganedi: Acting Senior Manager.

1.4 This report gives a brief summary of the presentation made by the Department of Basic Education (DBE) to the Committee, focusing mainly on the Department's 2024/25 Annual Performance Plan, the 2020 Medium Term Expenditure Framework (MTEF) allocations, and the overview of allocations per programme. The report also provides the Committee's key deliberations and recommendations relating to the Vote.

1.5 Copies of all presentations on the Budget Review of the Department of Basic Education (DBE), SACE and Umalusi were available from the office of the Committee Secretary.

2. Department of Basic Education (DBE) Overview of the Annual Performance Plan (APP) for 2024/25

2.1 Background - The Department outlined the approach to Government-wide National Development Plan (NDP) priorities and the Education sector priorities based on the *NDP 2030, MTSF 2019-2024 and Action Plan to 2024*. The intention is to ensure programme activities in the sector to align with medium and long- term goals. The Strategic Plan 2020/21-2024/25 is anchored on the Government's long-term plan; the *National Development Plan 2030: Our future – make it work,* the MTSF *2019-2024 and the Action Plan to 2024.*

The Annual Performance Plan (APP) sets out what the Department intends doing in the financial year and during the Medium-Term Expenditure Framework (MTEF) period to implement its Strategic Plan. In fulfilling its legal obligation, the Department must produce and table an APP annually to Parliament. The Strategic Plan should cover a period of at least five years and can be amended during the five-year period it covers. The APP 2024/25 represents the fifth year of activities towards achieving the objectives contained in the DBE Strategic Plan 2020/21-2024/25.

2.2 2019 – 2024 Medium Term Strategic Framework (MTSF) and Education Sector Priorities – The Department highlighted the MTSF outcomes for the 5-years as follows:

- Outcome 1: Improved school-readiness of children.
- Outcome 2: 10-year-old learners enrolled in publicly funded schools read for meaning.
- Outcome 3: Youths better prepared for further studies and the world of work beyond Grade 9.
- Outcome 4: Youths leaving the schooling system more prepared to contribute towards a prosperous and equitable South Africa.
- Outcome 5: School physical infrastructure and environment that inspires learners to learn and teachers to teach.

The Department further gave an overview of the link between MTSF outcomes and the DBE Annual Performance Plan (DBE outcomes and outputs.

2.3 State-of-the-Nation Address (SAONA) – The Presidential pronouncements contribute to setting the key government priorities and deliverables:

- In turn, determine the priorities of the DBE and the basic education sector broadly.
- The pronouncements commit the DBE, in public, to key activities and outcomes.
- It is important to ensure and show alignment with current annual plans for the DBE and for the sector.

In respect of the SONA 2024, the Department highlighted the following as per the pronouncements from the President:

- Early Childhood Development.
- National School Nutrition Programme.
- Presidential Employment Stimulus.
- Matric Results.

- Reading; and
- Social Cohesion.

The Committee was also briefed on the progress in selected key deliverables in respect of the following:

- ASIDI progress per sub-programme.
- Percentage of NSC performance.
- Bachelor passes.
- Special Needs Education learners who passed NSC for 2023.
- Workbooks delivery status.
- Placement of Funza Lushaka graduates; and
- National School Nutrition Programme.

2.4 DBE Annual Performance Plan 2024/25 Development Process

- The 2024/25 Government priorities were shared with Branches to inform planning for 2024/25 and inclusion in the APP.
- The DG approved the draft 2024/25 APP, and it was submitted to the DPME and National Treasury on 31 October 2023.
- The DPME provided the APP Rating Tool for completion by 14 December 2023. The APP Rating Tool is a self-assessment tool, used to rate and measure the quality of draft Annual Performance Plans based on the determined assessment criteria and minimum requirements.
- The self-assessment tool for the 2024/25 APP was completed and submitted to DPME on 12 December 2024
- The DPME analysed the draft 2024/25 APP and provided feedback on 14 December 2023.
- The AGSA issued their high-level review on 13 February 2024, and Strategic Planning consulted with branches on responses.
- The second draft of the 2024/25 APP was submitted to the DPME (to assess alignment to 2024 State of the Nation Address Priorities) on 15 February 2024 and presented at the Q3 Branch Reviews held in February 2024.

- Once approved, the 2024/25 APP was be tabled in Parliament by 15 March 2024, presented to the Portfolio Committee on 19 March 2024, and uploaded to the Departmental website.

The Department shared the implementation of findings of the DPME and AGSA in respect of the following:

- **DPME:**
  - ✓ Strengthen the APP by crafting results-based indicators
  - ✓ Ensure that targets are progressive over the medium-term period
  - ✓ Ensure that indicators, annual and quarterly targets are aligned between the annual targets section and the quarterly targets section
  - ✓ Lead the development of standardised indicators for the education sector and include the consolidated indicators
  - ✓ Strengthen the TIDs

- **AGSA:**
  - ✓ Strengthen the TIDs for those indicators affected during the last audit

All findings raised by oversight bodies were discussed with programmes implicated and presented in management meetings. Actions and responses were provided to all the findings.

2.5 **The DBE Strategic Plan 2020/21 – 2024/25 -** The Department gave a detailed overview of the Strategic Plan 2020/21 – 2024/25 Impact Statement, Outcomes and Indicators, Baseline and Five-year Target for the following Outcomes:

- Outcome 1: Improved system of policies, including the curriculum and assessment, governing the basic education sector to advance a quality and inclusive, safe and healthy basic education system
- Outcome 2: Improved information and other systems which enable transformation and an efficient and accountable sector

- Outcome 3: Improved knowledge, monitoring and research functions to advance more evidence-driven planning, instruction and delivery
- Outcome 4: Advanced development of innovative and high-quality educational materials
- Outcome 5: Enhanced strategic interventions to assist and develop provincial education systems
- Outcome 6: Improved communication of information and partnerships with stakeholders

2.6 The DBE Annual Performance Plan 2024/25 - The Annual Performance Plan is divided into four (4) parts:

- Part A – Mandate.
- Part B – Strategic Focus
- Part C – Measuring our Performance
- Part D – Technical Indicator Descriptions (TIDs)

The activities of the Department have been structured into five programmes as elaborated in the Annual Performance Plan:

- Programme 1: Administration.
- Programme 2: Curriculum Policy, Support and Monitoring.
- Programme 3: Teachers, Education Human Resources and Institutional Development.
- Programme 4: Planning, Information and Assessment; and
- Programme 5: Educational Enrichment Services.

For the 2024/25 Annual Performance Plan there was a combined total of 69 performance indicators for all five programmes of the Department – and could be broken down into 59 (85.51 percent) annual targets, eight (8) (11.59 percent) quarterly targets, one (1) (1.45 percent) bi-annual targets and one (1) (1.45 percent) bi-ennial target.

The 2024/25 APP Target Amendments were as follows:

- 2.1.2 Number of learners obtaining subject passes towards a National Senior Certificate (NSC), or Senior Certificate (amended) SC(a) supported through the Second Chance Matric Programme per year (Old – 90 000 and New – 70 000)

- 2.1.3 Number of Children/ Learners with Profound Intellectual Disability (C/ LPID) using the Learning Programme for C/LPID (Old – 4 327 and New – 4 218)
- 2.2.1 Number of schools monitored on the implementation of the reading norms (Old – 18 and New – 27)
- 2.2.2 Number of schools monitored on the implementation of the Incremental Introduction to African Languages (IIAL) (Old – 18 and New – 27)
- 2.2.4 Number of schools with multi- grade classes monitored for implementing the multi-grade toolkit (Old – 36 and New – 36).
- 3.1.3 Number of Funza Lushaka bursaries awarded to students enrolled for Initial Teacher Education per year (Old – 12 200 and New – 9 700)
- 4.1.1 Number of new schools built and completed through the Accelerated School Infrastructure Delivery Initiative per year (Old – 12 and New – 30)
- 4.1.2 Number of schools provided with sanitation facilities per year. (Old – 400 and New – 100)
- 4.1.3 Number of schools provided with water facilities per year. (Old – 30 and New – 100)
- 5.1.5 Number of participants and stakeholders reached with dialogues, engagements and training workshops to end school-related gender-based violence (Old – 75 and New – 4 000)

The 2024/25 APP Indicator Amendments were as follows:

- The following indicator was <u>added</u> for 2024/25:
  - 4.1.4 Number of classrooms built through the Accelerated School Infrastructure Delivery Initiative per year.
- The following indicators were <u>revised</u> for 2024/25:
  - 3.2.2 An Annual Sector Report is produced on monitoring the implementation of Teacher Development Programmes by PEDs

with special focus on Language, Mathematics, Natural Sciences and Accounting.

- The following indicator was removed for 2024/25 and monitoring will continue through the MTSF-M&RS deliverables:
  - 3.1.4 Number of quarterly monitoring reports tracking the percentage of Funza Lushaka graduates placed within six (6) months upon confirmation that the bursar has completed studies.

2.7 2024/25 APP: Programme Performance - The Department gave a detailed overview of the performance per programme, including annual, quarterly, biennial and biannual indicators and targets.

2.7.1 Programme 1

2.7.1.1 Annual Outcome Indicators:

- **Number of capacity building programmes offered to the DBE officials –** The target set by the Department stood at 16 capacity building programmes for 2024/25.
- **Annual Performance Plan approved by 31 March each financial year** – The Department's target was to have the 2025/26 APP approved by March 2025.

2.7.1.2 Quarterly Outcome Indicators:

- **Percentage of valid invoices paid within 30 days upon receipt by the Department** – The target set by the Department stood at 100 percent.
- **Number of reports on misconduct cases resolved within 90 days –** The quarterly target set by the Department stood at four (4) reports.
- **Number of Schedule 4 and 5 Conditional Grants Quarterly Performance Reports submitted to National Treasury (NT) 45 days after the end of each quarter -** The target set by the Department stood at 28 reports.

- **Number of Quarterly Performance Reports submitted to National Treasury (NT) and the DPME 30 days after the end of each quarter** – The target set by the Department stood at 4 reports.

2.7.2 Programme 2

2.7.2.1 Annual Outcome Indicators:

- **Number of Children/ Learners with Profound Intellectual Disability (C/LPID) using the Learning Programme for C/LPID using the Learning Programme for C/LPID** – The Department's target is set at 4 218 children/learners
- **An Annual Sector Report is produced on monitoring of the implementation of the Policy on Screening, Identification, Assessment and Support (SIAS) as a mechanism for early identification and intervention** – The target was for an approved Annual Sector Report on monitoring of the implementation of the policy on SIAS as a mechanism for early identification and intervention.
- **An Annual National Report is produced on piloting the new funding model for Early Childhood Development (ECD) -** The target was for an approved Annual National Report on piloting the new funding model for ECD.
- **An Annual Sector Report is produced on monitoring the registration of ECD Programmes -** The target was for an approved Annual Sector Report on monitoring the registration of ECD Programmes.
- **An Annual National Report is produced on the implementation of an Early Childhood Development Human Resource Development Plan -** The target was for an approved Annual National Report on the implementation of the ECD HRD Plan model.

- **Number of districts monitored on implementation of the National Curriculum Statement (NCS) for Grades 10 -12** – The Department's target is set at 15 districts monitored.
- **Number of provinces monitored on extra-support classes to increase the number of learners achieving Bachelor level passes -** The Departments target is set at nine (9) provinces monitored.
- **Number of schools monitored for implementing compulsory entrepreneurship education -** The Departments target is set at 225 schools.
- **An Annual National Report is produced on piloting of the General Education Certificate (GEC)** – The target is an approved Annual National Report on piloting of the GEC.
- **An Annual Sector Report is produced on schools that pilot and implement the Vocational Stream and Occupational Stream, respectively** – The target is an approved Annual Sector Report on schools that pilot and implement the Vocational Stream and Occupational Stream.
- **Number of schools monitored for piloting the Coding and Robotics Curriculum -** The target is set at 18 schools.
- **Number of schools monitored on the implementation of the reading norms -** The Departments target is set at 27 schools.
- **Number of schools monitored on the implementation of the Incremental Introduction to African Languages (IIAL) -** The Departments target is set at 27 schools.
- **Number of underperforming schools monitored on the implementation of the Early Grade Reading Assessment (EGRA) -** The Departments target is set at 36 schools.
- **Number of schools with multi-grade classes monitored for implementing the multi-grade toolkit -** The Departments target is set at 36 schools.

- **An Annual Sector Report is produced on the implementation of the National Reading Plan -** The target is an approved Annual Sector Report on the implementation of the National Reading Plan.
- **An Annual Sector Report is produced on the number of public schools monitored on the availability of readers -** The target is an approved Annual Sector Report on the number of public schools monitored on the availability of readers.
- **Number of schools per province monitored for utilisation of Information and Communication Technology (ICT) resources -** The Departments target is set at 27 schools (three per province).
- **The percentage of public schools provided with Home Language workbooks for learners in Grades 1 to 6 per year, after having placed an order -** The Departments target is set at 100 percent for 2024/5.
- **Percentage of public schools provided with Mathematics workbooks for learners in Grades 1 to 9 per year, after having placed an order -** The Departments target is set at 100 percent for 2024/25.
- **Percentage of public schools provided with workbooks for learners in Grades R per year, after having placed an order -** The Departments target is set at 100 percent for 2024/25.
- **An Annual Sector Report is produced on the percentage of learners provided with Mathematics and English First Additional Language (EFAL) textbooks in Grades 3, 6, 9 and 12 -** The target is an approved Annual Sector Report on the learners provided with Mathematics and English First Additional Language (EFAL) textbooks in Grades 3, 6, 9 and 12.

- **The number of schools monitored for home languages in which Literacy Grades 1-3 Lesson Plans have been developed for terms 1 to 4 -** The Departments target is set at 18 schools.
- **Number of public special schools provided with electronic devices as part of the Universal Service Access Obligation by Mobile Network Operators -** The Departments target is set at 30 public special schools.
- **An Annual Sector Report is produced on the monitoring of procurement and distribution of ICT devices -** The target is an approved Annual Sector Report on the monitoring of procurement and distribution of ICT devices.
- **An Annual Sector Report is produced on the number of teachers trained on inclusion -** The target is an approved Annual Sector Report on the number of teachers trained on inclusion.
- **An Annual Sector Report is produced on the number of learners in public special schools -** The target is an approved Annual Sector Report on the number of learners in public special schools.
- **An Annual Sector Report is produced on the percentage of public special schools serving as resource centres -** The target is an approved Annual Sector Report on the percentage of public special schools serving as resource centres.
- **An Annual Sector Report is produced on the establishment of Focus Schools per PED -** The target is an approved Annual Sector Report on the establishment of Focus Schools per PED.

2.7.2.2 Quarterly Outcome Indicators:

- **Number of Technical schools monitored for implementation of Curriculum and Assessment Policy**

Statements (CAPS) – The target set by the Department is 27 schools monitored.

2.7.2.3 Bi-Annual Outcome Indicators:

- **Number of learners obtaining subject passes towards a National Senior Certificate (NSC), or Senior Certificate (amended) SC(a) supported through the Second Chance Matric Programme (SCMP) per year -** The target set by the Department is 70 000 learners.

2.7.3 Programme 3

2.7.3.1 Annual Outcome Indicators:

- **Percentage of School Governing Bodies (SGBs) that meet the minimum criteria in terms of effectiveness** – The Departments target is set at 50 percent.
- **Percentage of schools producing the minimum set of management documents at a required standard -** The Departments target is set at 100 percent.
- **Number of Funza Lushaka bursaries awarded to students enrolled for Initial Teacher Education per year -** The Departments target is set at 9 700 bursaries awarded.
- **An Annual National Report is produced on the number of qualified teachers aged 30 and below entering the public service as teachers -** The target is an approved Annual National Report on the number of qualified teachers aged 30 and below entering the public service as teachers.
- **An Annual Sector Report is produced on monitoring the functionality of Provincial Teacher Development Institutes and District Teacher Development Centres –** The target is an approved Annual Sector Report is produced on monitoring the functionality of Provincial Teacher Development Institutes and District Teacher Development Centres.

- **An Annual Sector Report is produced on monitoring the implementation of Teacher Development Programmes by PEDs with special focus on Language, Mathematics, Sciences and Accounting** – The target is an approved Annual Sector Report is produced on monitoring the implementation of Teacher Development Programmes by PEDs with special focus on Language, Mathematics, Sciences and Accounting.
- **Number of PEDs that had their post- provisioning processes assessed for compliance with the post-provisioning norms and standards -** The Departments target is set at nine (9).
- **An Annual Sector Report is produced on the number of Grade R practitioners with NQF level 6 and above qualification produced -** The target is an approved Annual Sector Report is produced on the number of Grade R practitioners with NQF Level 6 and above qualification.
- **Number of PEDs monitored on the implementation of the Quality Management System (QMS) for school-based educators -** The target is set at nine (9) PEDs monitored.
- **Number of PEDs monitored on the implementation of Education Management Service: Performance Management and Development System (EMS: PMDS) -** The target is set at nine (9) PEDs monitored.

2.7.4 Programme 4

2.7.4.1 Annual Outcome Indicators:

- **Number of new schools built and completed through the ASIDI per year -** The Department’s target is set at 30 schools.
- **Number of schools provided with sanitation facilities -** The Department’s target is set at 100 schools.

- **Number of schools provided with water facilities through ASIDI -** The Department's target is set at 100 school.
- **Number of classrooms built through the ASIDI per year -** The Department's target is set at 65 schools.
- **Number of General Education and Training (GET) test items developed in Language and Mathematics for Grades 3, 6 and 9 -** The Department's target is set at 500 test items developed.
- **Number of NSC reports produced -** The Department's target is set at four reports.
- **Number of question papers set for June and November examinations -** The Department's target is set at 320 question papers.
- **Percentage of public schools using the South African School Administration Systems (SA-SAMs) for reporting -** The Department's target is set at 98 percent of public schools.
- **An Annual National Report is produced on the number of provinces monitored for implementation of Learner Unit Record Information and Tracking System (LURITS) and EMIS priorities –** The target is an approved Annual National Report on the number of provinces monitored for implementation of Learner Unit Record Information and Tracking System (LURITS) and EMIS priorities.
- **An Annual National Report is produced on learning outcomes linked to a systemic study featuring in the National Assessment Framework –** The target is an approved Annual National Report on learning outcomes linked to a systemic study featuring in the National Assessment Framework.
- **An Annual National Report is produced on the Early Learning National Assessment to determine school**

readiness - The target is an approved Annual National Report on the Early Learning National Assessment to determine school readiness.

- **Number of officials from districts that achieved below the national benchmark in the NSC participating in a mentoring programme -** The Department's target is set at 60.
- **Percentage of District Directors that have undergone competency assessment prior to their appointment -** The Department's target is set at 100 percent of District Directors.
- **Number of underperforming secondary schools monitored at least twice a year by sector officials -** The Department's target is set at 750 underperforming secondary schools monitored.
- **Number of District Director forums held -** The Department's target is set at three forums.

2.7.4.2 Biennial Outcome Indicators:

- **Percentage of school principals rating the support services of districts as being satisfactory -** The Department's target for 2024/25 was 75 percent.

2.7.5 Programme 5

2.7.5.1 Annual Outcome Indicators:

- **An Annual Sector Report is produced on the provision of nutritious meals and compliance with feeding requirements -** The target is an approved Annual Sector Report on the provision of nutritious meals and compliance with feeding requirements.
- **Number of PEDs with approved annual business plans for the HIV/AIDS Life Skills Education Programme -**

The Department's target is set at nine (9) PEDs with approved business plans.

- **Number of professionals trained in SASCE programmes - ** The Department's target is set at 900 professionals trained.

2.7.5.2 Quarterly Outcome Indicators:

- **Number of districts monitored in the implementation of the National School Safety Framework (NSSF) Programmes -** The Department's target is set at 25 districts monitored.
- **Number of stakeholders reached through social cohesion programmes -** The Department's target is set at 4 000 stakeholders reached.
- **Number of participants and stakeholders reached with dialogues, engagements and training workshops to end school-related gender-based violence** – The Department's target is set at 4 000 participants and stakeholders

2.8 2024 Medium Term Expenditure Framework (MTEF)

2.8.1 Programmes Allocation over the 2024 MTEF

	2024/25 R'000	2025/26 R'000	2026/27 R'000
Administration	607 458	608 781	636 709
Curriculum Policy, Support and Monitoring	4 088 896	4 525 364	4 733 877
Teachers, Education Human Resources and Institutional Development	1 438 697	1 514 132	1 583 472
Planning, Information and Assessment	15 994 550	16 706 178	16 956 572
Educational Enrichment Services	10 129 097	10 660 123	11 147 962

Total	**32 258 698**	**34 014 578**	**35 058 615**

2.8.2 Programmes Allocation comparative of 2023/24 and 2024/25

	2023/24 R'000	2024/25 R'000	Variance R'000
Administration	590 079	607 458	17 379
Curriculum Policy, Support and Monitoring	3 523 999	4 088 896	564 897
Teachers, Education Human Resources and Institutional Development	1 513 861	1 438 697	(75 164)
Planning, Information and Assessment	14 830 105	15 994 550	1 164 445
Educational Enrichment Services	9 570 551	10 129 097	558 546
Total	**30 028 595**	**32 258 698**	**2 230 103**

2.8.3 Economic Classification Budget over 2024 MTEF

	2024/25 R'000	2025/26 R'000	2026/27 R'000
Compensation of employees	626 530	663 644	693 664
Goods and services	2 664 673	2 724 211	2 852 101
Interest and Rent on Land	35 870	35 062	36 668
Transfers and subsidies	27 633 180	29 162 427	29 970 666
Payments of capital assets	1 298 445	1 428 734	1 505 516
Total	**32 258 698**	**34 014 578**	**35 058 615**

2.8.4 Economic Classification comparison of 2023/24 and 2024/25

	2023/24 R'000	2024/25 R'000	Variance R'000
Compensation of employees	589 535	626 530	36 995
Goods and services	2 594 944	2 664 673	69 729
Interest and Rent on Land	36 184	35 870	(314)
Transfers and subsidies	25 267 746	27 633 180	2 365 434
Payments of capital assets	1 539 922	1 298 445	(241 477)
Payment of financial assets	264	-	(264)
Total	**30 028 595**	**32 258 698**	**2 230 103**

2.8.5 Details of Earmarked Allocations (R' 000) over the 2024 MTEF

Earmarked Funds	2024/25 R'000	2025/26 R'000	2026/27 R'000
Workbooks	1 228 978	1 283 381	1 340 625
Matric Second Chance Programme	38 551	39 536	41 367
ECD Resource Packages	150 000	-	-
ECD Results-Based Financing Initiative	-	100 000	104 581
ECD Nutrition Pilot	197 000	236 000	249 561
School Infrastructure Backlogs: Indirect Grant	1 641 606	1 776 576	1 870 075
Total: Earmarked Funds	**3 256 135**	**3 435 493**	**3 606 209**

2.8.6 Details of Earmarked Allocations (R' 000) comparison of 2023/24 and 2024/25

Earmarked Funds	2023/24 R'000	2024/25 R'000	Variance R'000
Workbooks	1 304 115	1 228 978	(75 137)
Matric Second Chance Programme	58 057	38 551	(19 506)
ECD Resource Packages	200 000	150 000	(50 000)

ECD Results-Based Financing Initiative	-	-	-
ECD Nutrition Pilot	-	197 000	197 000
School Infrastructure Backlogs: Indirect Grant	1 898 897	1 641 606	(257 291)
Total: Earmarked Funds	**3 461 069**	**3 256 135**	**(204 934)**

2.8.7 Details of Conditional Grants Allocations/Transfers (R'000) over the 2024 MTEF

Conditional Grants	2024/25 R'000	2025/26 R'000	2026/27 R'000
Learners with Profound Intellectual Disabilities Grant	278 947	291 307	304 495
Maths, Science and Technology Grant	443 842	458 991	480 011
Early Childhood Development Grant	1 589 075	1 946 256	2 035 405
Education Infrastructure Grant	13 681 440	14 233 706	14 372 522
HIV and Aids (Life Skills) Grant	249 742	260 860	272 728
National School Nutrition Programme Grant	9 798 106	10 314 252	10 786 318
Total Conditional Grants	**26 041 152**	**27 505 372**	**28 251 479**

2.8.8 Comparison of Details of Conditional Grants Allocations (R'000) for 2023/24 and 2024/25

Conditional Grants	2024/25 R'000	2025/26 R'000	2026/27 R'000
Learners with Profound Intellectual Disabilities Grant	260 424	278 947	18 523
Maths, Science and Technology Grant	383 275	443 842	60 567
Early Childhood Development Grant	1 184 434	1 589 075	404 641
Education Infrastructure Grant	12 277 518	13 681 440	1 403 922
HIV and Aids (Life Skills) Grant	213 863	249 742	35 879
National School Nutrition Programme Grant	9 278 942	9 798 106	519 164
Total Conditional Grants	**23 98 456**	**26 041 152**	**2 442 696**

3. Overview of Strategic Imperatives and Budget Allocations of the Department's Statutory Bodies

3.1 South African Council for Educators (SACE)

SACE (the Council) presented the Council and Executive Authority approved 2024/25 Annual Performance Plan (APP) and Budget – outlining the pre-determined objectives as aligned to the SACE mandate and the budget programme structure.

The presentation commenced with details pertaining to the founding legislative and policy environment SACE worked within. The SACE Act No.31 of 2000 required the Council to:

- Provide for the registration of educators.
- Promote the professional development of educators; and
- Set, maintain and protect ethical standards.

3.1.1 **SACE Legislative Mandate Delivery Environment –** SACE was the only Statutory Teaching Council with a total of 450 000 educators, offices/schools. The sector encompassed the National Department of Basic Education, nine (9) Provincial Education Departments, 73 Education Districts and 25 000 schools. SACE covered 24 public and 14 private higher education institutions as well as 12 000 TVET college lecturers and CET college lecturers.

3.1.2 **Measuring SACE Performance –** The SACE programme budget structure was as follows:

- Administration.
- Professional Registration.
- Ethical Standards.
- Professional Development.
- Professional Teaching Standards; and
- Research.

3.1.3 **Institutional Impact and Outcomes -** SACE has a total of five (5) outcomes that must be reported against the strategic plan i.e.

- Efficient and effective governance.
- Fit-to-practice registered educators and lecturers.
- Maintain ethical standards.
- Improved teacher competence; and
- Improved teacher professionalism.

3.1.4 Changes in the APP 2024/25

- **Programme 1: Administration**
  - Percentage of trained employees in a financial year. Removed from the APP 2024/25 - The sub-programme needs to develop an HRD Strategy, a plan and SOPs for implementing it before an indicator can be crafted to measure the output of the Strategy.
  - Percentage of employees assessed for performance through performance evaluation system development – the new title for 2024/25 is "*Percentage of employees who achieved satisfactory level through performance evaluation development system annually*" - The indicator was slightly amended to measure the impact. This has been reviewed to comply with the SMART principle.

- **Programme 3 – Ethical Standards**
  - New 2024/25 Indicator Title - Number of rolled-over cases finalised through investigation and/or mediation and/or recommendations - The indicator was in the previous APP's, however, in 2023/24 it was removed due to the fact that it was being achieved. However, during 2023/24 a rolled over case register was developed and it was realised that there are still backlog cases that needed to be elevated into to the APP. The draft APP brought back the indicator, however the title changed from percentage to number due to the fact that the number of backlog cases is known.
  - Percentage of rolled-over disciplinary hearings/cases finalised – the new title for 2024/24 is *"Number of rolled-over disciplinary hearings/ cases finalized after ratification of ETHCOM"* - The indicator title is slightly amended from percentage to number because we have data of rolled-over cases.

- **Programme 5 – Professional Teaching Standards**
  - Number of professional teaching standards promoted within the teacher education continuum in a year – The new 2024/25 title is "*Number of teaching practice MOU established with Higher Education Institutions by the end of the financial year"*. The reason for amended of the indicator is to respond to the Mid-term assessment in aligning the indicators with the strategic plan, we will unpack the career paths underpinned by induction supported by teaching practice, CPTD sign-up orientation, development of PDP addressing professional teaching standards and aligning to the induction.
  - Number of teachers professionalisation interventions in the teacher education and development continuum within a financial year – the new 2024/25 title is "*Number of Higher Education Institutions supported on the Code of Professional Ethics for student teachers by end of the financial year"* - The reason for amended of the indicator is to respond to the Mid-term assessment in aligning the indicators with the strategic plan, some of the elements that will be dealt with here is ensuring the student that student educators are registration, ethics, orientated, values of the profession, teachers pledge, etc.
  - New 2024/25 Indicator Title - Number of approved projects for implementing the teacher professionalization path (on focus areas 1-8) in place by end of the financial year. The reason for amended of the indicator is to respond to the Mid-term assessment in aligning the indicators with the strategic plan, some of the elements that will be dealt with here is ensuring the student that student educators are registration, ethics, orientated, values of the profession, teachers pledge, etc.

3.1.5 Performance Information – The Programme Budget Structure was as follows:

- Programme 1: Administration
- Programme 2: Professional Registration
- Programme 3: Ethical Standards
- Programme 4: Professional Development
- Programme 5: Professional Teaching Standards
- Programme 6: Research

3.1.5.1 Programme 1: Administration – The purpose of this programme is to implement and manage the policy directives and priorities of the Council to ensure the functional proficiency of SACE through appropriate support services

Output Indicators:

- **Number of Council and EXCO meetings convened in a quarter** – The SACE target is set at 10 meetings convened.
- **Number of approved quarterly performance reports submitted to oversight authorities within 30 days after the end of the quarter** – The SACE target is set at four (4) reports submitted.
- **Percentage of employees assessed for performance through performance evaluation development system annually** – The target is set at 60 percent.
- **Number of engagements held with stakeholders quarterly** – The target is set at 16 engagements.
- **Percentage of eligible invoices paid within 30 days of receipt** – The target is set at 100 percent of invoices paid.
- **Percentage of ICT systems enhanced within a financial year** – The target is set at 50 percent.
- **Number of Council and Exco meetings convened in a quarter** – The annual target is set at 10 meetings.

- **Number of approved quarterly performance reports submitted to oversight authorities within 30 days after the end of the quarter -** The annual target is set at four (4) reports.
- **Percentage of employees who achieved satisfactory level through performance evaluation development system annually -** The annual target is set at 60 percent.
- **Number of engagements held with stakeholders quarterly -** The annual target is set at 16 engagements.
- **Percentage of eligible invoices paid within 30 days of receipt -** The annual target is set at 100 percent.
- **Percentage of ICT systems completed within a financial year -** The annual target is set at 50 percent.

3.1.5.2 Programme 2: Professional Registration – The purpose of this programme is to register qualified educators and create sub-registers for special categories; maintain and update the educator database and enhance the quality of the registration of teachers by introducing standards.

Output Indicators:

- **Percentage of fit-to-practice registered educators in a year -** The target is set at 100 percent of educators.

3.1.5.3 Programme 3: Ethical Standards – The purpose of this programme is to promote and maintain ethical standards in the profession.

Output Indicators:

- **Percentage of eligible received new cases investigated within the current financial year -** The SACE target is set at 20 percent.
- **Number of rolled-over cases finalised through investigations and/or mediations and/or ETHCOM recommendations** – The SACE target was set at 400 cases.
- **Percentage of new disciplinary hearings finalised within a year of receipt after ratification by ETHCOM (as delegate by Council) –** The target is set at 10 percent of hearings.

- **Number of rolled-over disciplinary hearings/cases finalised after ratification by ETHCOM (as delegated by Council)–** The target was set at 100 hearings/cases.
- **Percentage of eligible received new cases investigated within the current financial year –** The SACE target was set at 20 percent.
- **Number of rolled-over cases finalized through investigation and/or mediation and/or recommendations –** The SACE target was set at 400 cases.
- **Percentage of new disciplinary hearings finalised within a year of receipt after ratification by ETHCOM (as delegated by Council) –** The SACE target was set at 5 percent.
- **Number of rolled-over disciplinary hearings/ cases finalized after ratification by ETHCOM (as delegated by Council) –** The target was set at 100 hearings/cases.

3.1.5.4 **Programme 4: Professional Development –** The purpose of this programme is to ensure that educators engage in life-long learning to improve their professional competence.

Output Indicators:

- **Number of professional development providers reporting type 3 activities of educators in the CPTD-IS in a year -** The SACE target is set at 20 providers.
- **Number of educators supported on professional matters in a financial year –** The SACE target is set at 15 000 educators.
- **Percentage of eligible professional development providers approved within 4 months of receipt of the applications -** The SACE target is set at 80 percent.
- **Percentage of eligible endorsed professional development activities in a financial year -** The SACE target is set at 80 percent.
- **Number of endorsed professional development sessions observed in a financial year** - The SACE target is set at 10 sessions observed.

3.1.5.5 Programme 5: Professional Teaching Standards – The purpose of the programme is to improve and maintain the status and image of the teaching profession and ensure the quality of initial teacher education and ongoing professional development through quality assurance mechanisms and standards.

Output Indicators

- **Number of teaching practice Memorandum of Understanding (MOUs) established with Higher Education Institutions by the end of the financial year** – The SACE target was set at 13 MOUs established.
- **Number of Higher Education Institutions supported on the Code of Professional Ethics for student teachers by the end of the financial year -** The SACE target was set at 15institutions supported.
- **Number of approved projects for implementing the teacher professionalisation path (on focus areas 1-8) in place by the end of the financial year -** The SACE target was set at two (2) approved projects.

3.1.5.6 Programme 6: Research – The purpose of the programme is to enhance research coordination within SACE in order to strengthen its advisory role and service that is informed by policy, research, and consultative processes. This programme also aims to promote research on professional matters and any other educational matter relevant to SACE and the educational landscape.

Output Indicators

- **Number of research reports produced within a financial year -** The SACE target is set at two (2) research reports produced.
- **Number of statistical reports produced on the status of the teaching profession within a financial year -** The SACE target is set at two (2) statistical report produced.

3.1.6 Financial Information - SACE

3.1.6.1 MTEF for the period 2024/5 TO 2026/7

Financial performance in R,000	2020/21	2021/22	2022/23	2023/24	2024/25 Medium Term	2025/26 Medium Term	2026/27 Medium Term
	Audited	Audited	Audited	Budget			
Income	**104 284**	**117 725**	**128 408**	**121 309**	**116 544**	**117 280**	**118 067**
Registration fees	7 451	9 645	9 022	7 000	5 000	5 000	5 000
Subscription	79 465	81 193	91 206	88 110	88 110	88 110	88 110
Reinstatement fees	0	3 736	5 481	4 000	2 000	2 000	2 000
Reprints of certificates	2 037	1 764	2 307	2 010	1 500	1 500	1 500
Interest receivable	2 003	1 715	4 091	4 600	3 000	3 000	3 000
CPTD Subsidy	12 951	17 985	15 528	15 599	16 434	17 170	17 957
Sundry income	650	1 144	1 070	500	500	500	500

Financial performance in R,000	2020/21	2021/22	2022/23	2023/24	2024/25 Medium Term	2025/26 Medium Term	2026/27 Medium Term
	Audited	Audited	Audited	Budget			
Expenditure	**88 230**	**115 275**	**125 309**	**121 309**	**116 544**	**117 280**	**118 067**
Administration	55 654	71 669	76 796	71 516	70 000	69 504	68 731
Research	1 808	2 608	4 600	3 032	2 425	2 521	2 622
Professional Development	15 953	22 392	21 915	23 915	25 370	26 106	26 893
Registration	5 083	6 089	7 393	7 482	6 413	6 704	6 948
Code of Ethics	7 889	10 342	11 725	12 691	17 952	18 452	9 988
Teacher Professionalization	1 843	2 175	2 880	2 673	2 684	2 793	2 885
Surplus	16 054	2 450	3 099	0	-8 300	-8 800	0

3.1.6.2 Detailed Budget 2024/25

INCOME	**116 544 000**
Registration fees	5 000 000
Subscription	88 110 000

Reinstatement fees	2 000 000
Reprints of certificates	1 500 000
Interest receivable	3 000 000
CPTD Subsidy	17 170 000
Sundry income	500 000
Operational Expenditure	**124 844 000**
Advertising	400 000
Audit Fees	500 000
Bank Charges	900 000
Compensation Commissioner	200 000
Cleaning of Buildings	500 000
Consultation Fees	500 000
Depreciation	4 000 000
Insurance	600 000
Legal costs	1 000 000
Postage	60 000
Printing and Stationery	500 000
Repairs and Maintenance	500 000
Motor Vehicle running costs	100 000
Salaries	73 368 750
Security Services	2 000 000
Staff Development	300 000
Sundry Expenses	60 000
Telephone	1 000 000
Travel and Accommodation	1 021 250
Rates, Water and Electricity	3 500 000
Database Dev/Maintenance	5 000 000
Code of Conduct	9 800 000
Registration of EDUC	350 000
Professional Development	16 434 000

CPTD	
Teacher Professionalisation	250 000
Research	500 000
Publicity and Communication	500 000
Planning, Monitoring and Evaluation	500 000
International Relations	500 000
Capital Expenditure	0
Reserve Fund	0
Budget Surplus/Deficit	- 8 300 000

- **SACE Council Notes**
  - The council is funded mainly self-generated Revenue with additional transfer funds from the fiscus intended for the management of CPTD.
  - The council projects its revenue over the MTEF period to be at an average of R117 million to carry out mandatory obligations.
  - The Revenue base for the council remained constant since 2023 financial year, when the Council reviewed educator membership fees as the main source of funding from R180 pa to R198 pa.
  - There is material reduction of Mandatory functions budget line items in favour of contractual obligations.
  - The council has taken note that the current resources are not sufficient to satisfactorily take the operations through the MTEF period.
  - Council is in the process of reviewing its current funding model to stabilize the functioning of the Organization.
  - Consultation with stakeholders on the funding is in progress.
  - The Council intends to conclude the review of funding within the current MTEF period.
  - The projected transfer funds from Treasury are reduced by 10% in line with the National Treasury cost containment measure directive.

- The continued reduction of such funds has a negative effect on the escalating operating costs.
- The council obtained approval to utilize R17.1 million of its accumulated surplus over two years (24/25 and 25/26) towards the increasing Educator case workload.
- The funds allocated to clear the case workload on hand is R8.3 million for 2024/5 and R8.8 million for 2025/6.
- As outlined in the detailed Budget, the Council's Mandatory Functions will deliver at their lowest levels informed by the Budgetary constraints.
- Council will continue to implement effective cost containment measures to ensure acceptable delivery levels with the available resources.

3.2 The Council for Quality Assurance in General and Further Education and Training (Umalusi)

3.2.1 Mandate - The mandate of Umalusi was determined by the following:

- Chapter 2 of the Constitution: Everyone has a right to education.
- National Qualifications Framework: The establishment of Umalusi as a Quality Council; and
- GENFETQA Act: Assigns Umalusi the responsibility for quality assurance of general and further education and training.

Umalusi is the Quality Council responsible for qualifications registered on the General and Further Education and Training Qualifications Sub-framework (GFETQSF) on the National Qualifications Framework (NQF). The Council ensures that the providers of education and training have the capacity to deliver and assess qualifications and learning programmes and are doing so to expected standards of quality.

3.2.2 Strategic Priorities – These priorities included the following:

- reviewing the quality assurance approach.

- reviewing, evaluating and appraising qualifications submitted for registration on the GFETQSF.
- providing input to the legislative framework.
- intensifying research on educational developments linked to the sub-framework to innovate and to advise the appropriate Ministers of Education; and
- sharpening advocacy to communicate accurate and relevant messages to all stakeholders on issues relating to qualifications on our sub-framework

3.2.3 Performance Environment

3.2.3.1 Review of the Quality Assurance approach - The design of a quality assurance model that is appropriate for all qualifications registered on the GFETQSF is at the conceptual stage.

3.2.3.2 Demand for credible qualifications - Umalusi completed the process of updating and aligning the GFETQSF qualifications to SAQA's requirements for the registration of qualifications on the NQF

3.2.3.3 Demand for Umalusi qualifications outside South Africa – Umalusi successfully terminated the intergovernmental agreements allowing the offering of the NSC outside South Africa. The DHET has gazetted the phasing out of the NATED N1-N3 programmes from January 2024

3.2.3.4 Use of communication platforms by stakeholders - The organisation uses MS Teams for webinars, YouTube for short videos, Facebook Live for live-streaming, digital banners on Facebook, Twitter and LinkedIn & the GCIS radio facility connecting to all community radio stations, commercial radio/ TV stations and print media to communicate Umalusi processes such as standardisation of exam marks, etc.

3.2.3.5 Quality Assurance of Assessment - Trends in QAA activities, i.e. the moderation of question papers, monitoring of the writing of examinations, monitoring of marking centres, and verification of marking for various subjects reflect an increase in the services provided

3.2.3.6 **Qualifications, Certification, and Verification** –The moderation of question papers shows an increase in 2022/23 compared to 2021/22. Monitoring of the writing of examinations reflects an increase for Schools Qualifications and a decrease for Post-School Qualifications. Monitoring of marking centres reflects an increase for Schools Qualification and a decrease for Post-School Qualification in 2022/23 financial year compared to 2021/22 financial year. Verification of marking for various subjects reflect a decrease in the services provided for 2022/23 compared to 2021/22 financial year

3.2.3.7 **Qualifications, Certification and Verification** – Certification numbers dropped from 1 515 793 in 2021/22 to 788 402 in 2022/23 because the statistics only cover the certification of three provinces. The other six provinces were certified in 2023/24 financial year.

3.2.3.8 **Evaluation and Accreditation** –Accreditation has been granted to 30% of institutions that applied in the last three years and provisional accreditation has been granted to 19%.

3.2.3.9 **Evaluation and Appraisal of New Qualification - GEC qualification:** Umalusi is still awaiting the resubmission of the GEC qualification policy by the DBE for its quality assurance framework to be finalised.

3.2.3.10 **Empowerment of Women, Youth and People with Disabilities -** Proposals for 2024/25 under four pillars: Accountability, Social Cohesion, Economic Empowerment, and Research and Information Management

3.2.3.11 **Organisational Structure and Human Resource Capacity** – The vacancy rate has been maintained under 10%. It is a challenge to expand the organogram because of the inadequate budget.

3.2.3.12 Financial Resources –The organisation obtained an unqualified audit opinion in the 2022/23 financial year. The budget increased by 6% from R197 million in the 2023/24 financial year

3.2.3.13 Information and Communication Technology - ICT Network health score has been maintained at 97%. Umalusi is at the first stage of developing an online accreditation system.

3.2.3.14 Communication Management – Umalusi's media coverage increased steadily during the 2023/24 financial year.

3.2.4 Measuring Performance

3.2.4.1 Programme 1: Administration – The purpose of the programme is to provide strategic leadership, management and administrative services to the organisation. Sub-programmes include:

- Strategy and Governance (S&G).
- Public Relations and Communications (PR&COMS).
- Information and Communication Technology (ICT).
- Human Capital Management (HCM); and
- Finance and Supply Chain Management (F&SCM).

Programme 1 Indicators and Targets:

- **Number of advocacy initiatives conducted –** The annual target is set at eight (8) initiatives (two per Quarter).
- **ICT Network health score maintained at ≥97 percent -** The annual target is at ≥97 percent.
- **Average vacancy rate maintained at ≤ 10 percent -** The annual target is set at ≤10 percent.
- **Percentage of valid invoices paid within 30 days of receipt –** The target is set at 100 percent.

3.2.4.2 Programme 2: Qualifications and Research – The purpose of the programme is to develop and manage an efficient and effective GFETQSF within the NQF and to undertake strategic research in support of that goal. Sub-Programmes included the following:

- Qualifications, Curriculum and Certification (QCC); and
- Statistical Information and Research (SIR).

Programme 2 Indicators and Targets:

- **Number of reports produced on the management of qualifications in the sub-framework** – The target is set at one report produced annually.
- **Number of reports produced on the certification of learner achievements for qualifications in the sub-framework** – The target is set at four reports produced annually (one per quarter).
- **Number of reports produced on the verification of qualifications (certificates) in the sub-framework -** The target is set at four reports produced annually (one per quarter).
- **Number of research reports completed in various formats** – The target is set at six research reports annually.

3.2.4.3 Programme 3: Quality Assurance and Monitoring – The purpose of the programme is to ensure that the providers of education and training have the capacity to deliver and assess qualifications registered on the GFETQSF and are doing so to the expected standards and quality. Sub-Programmes include the following:

- Quality Assurance of Assessment: School Qualifications.
- Quality Assurance of Assessment: Post-School Qualifications; and
- Evaluation and Accreditation.

Programme 3 Indicators and Targets:

- **Number of quality assurance of assessment reports published for qualifications registered on the GFETQSF** – The annual target is set at 9 assessment reports.
- **Percentage of question papers approved per qualification –** The target is set at 100 percent of question papers approved.
- **Number of assessment bodies audited for their state of readiness to conduct examinations –** The annual target is set at four assessment bodies audited.
- **Number of subjects for which verification of marking is conducted-** The target is set at 95 subjects.
- **Number of subjects for which moderation of internal assessment is conducted –** The annual target is set at 200 subjects.
- **Percentage of accreditation outcomes for private education institutions finalised within 12 months of the site visit –** The target is set at 92 percent of accreditation outcomes.
- **Percentage of identified private education institutions monitored after being granted accreditation –** The target is set at 91 percent institutions monitored.

3.2.4.4 Priorities – Priorities for 2024/25 include:

- Reviewing the quality assurance approach.
- Reviewing, evaluating and appraising qualifications submitted for registration on the GFETQSF.
- Providing input to the legislative framework.
- Intensifying research on educational developments linked to the sub-framework to innovate and to advise the appropriate ministers of education; and

- Sharpening advocacy to communicate accurate and relevant messages to all stakeholders on issues relating to qualifications on our sub-framework.

3.2.4.5 Indicator Changes – Indicator changes for 2024/25 included the following:

- Advocacy initiatives.
- Percentage of valid invoices paid within 30 days of receipt.
- Number of reports produced on certification; and
- Number of reports produced on verification of qualifications.

3.2.4.6 Targets that have changes - Targets that have changes included:

- Number of advocacy initiatives conducted - 8.
- Number of research reports completed in various formats - 6.
- Number of subjects for which verification of marking is conducted - 95.
- Number of subjects for which moderation of internal assessment is conducted - 200.
- Percentage of accreditation outcomes finalised within 12 months of a site visit – 92 percent; and
- Percentage of identified private education institutions monitored after being granted accreditation – 91 percent

3.2.5 Budget of 2024/25 (R 208 million)

3.2.5.1 Financial Year 2023/24 –The approved budget amounted to R197,4 million. This budget consists of a DBE grant allocation of R162.9 million (82.5%) and R34.5 million (17.5%) own revenue. Umalusi exceeded its total revenue target by 4.7%, equal to R9.2 million for the 2023/24 financial year (FY). The increase came from own revenue, which increased from R34.5 million to R43.7 million.

Umalusi paid R5.3 million during 2023/24 FY for the Thuto-Mfundo Building upgrade and refurbishment project. The total amount paid for the project is R44.8 million over three financial years. Umalusi has an approved staff establishment of 151 posts to deliver on its legislative mandate. Owing to the increasing employee costs, the total budget split of employee compensation will be over 50% of the total annual budget during the 2024/25 financial year. The annual audit for 2023/24 FY is currently underway by the private audit firm, namely RSM South Africa, which was appointed with the concurrence of the Auditor General of South Africa.

3.2.5.2 Overview

- **Financial Year 2024/2025 -** The total budget amounts to R208 Million.

  DBE grant allocation: 2021/22 – R157,4 million

    - ✓ 2022/23 – R162,0 million – an increase of 2,94%
    - ✓ 2023/24 – R162,9 million – an increase of 0,56%
    - ✓ 2024/25 – R166,9 million – an increase of 2.46%
    - ✓ 2025/26 – R174,4 million – an increase of 4.49%
    - ✓ 2026/27 – R182,4 million – an increase of 4,59%

  Own Revenue: 2021/22 – R28,8 million

    - ✓ 2022/23 – R31,5 million – an increase of 9,36%
    - ✓ 2023/24 – R34,5 million – an increase of 9,54%
    - ✓ 2024/25 – R41,3 million – an increase of 19%
    - ✓ 2025/26 – R43.8 million – an increase of 6.05%
    - ✓ 2026/27 – R48.1 million – an increase of 9.82%

- **Grant Allocation -** The grant allocation has been below the inflation rate over the past three years. The DBE grant allocation is as follows:
  - ✓ 2021/22 – R157,4 million
  - ✓ 2022/23 – R162,0 million – an increase of 2,94%
  - ✓ 2023/24 – R162,9 million – an increase of 0,56%
  - ✓ 2024/25 – R166,9 million – an increase of 2.46%

In addition, Umalusi's estimated budget in terms of MTEF has been reduced for 2024/25 FY and 2025/26 FY. The below-inflation budget allocation and budget cuts make it difficult for Umalusi to attract and retain competent and qualified employees. It is also difficult to gradually increase our scope of work as per our mandate. Umalusi is inundated with a lot of applications from private schools and colleges, which require more personnel to shorten the accreditation processes.

3.2.5.3 Total Revenue

Financial Years	2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000
DBE Allocation	162,031	R162,945	R166,918	R174,384	R182,350
Verification	R12,452	R13,249	R16,964	R17,955	R19,616
Accreditation	R4,139	R10,796	R11,120	R11,453	R13,871
Certification	R2,049	R2,776	R4,122	R4,599	R5,308
Quality Assurance	R4,696	R3,782	R4,024	R4,281	R4,559
Interest	R1,269	R2,068	R3,159	R3,437	R2,534
Rent	R1,087	R1,812	R1,921	R2,036	R2,179
Total Revenue	R187,723	R197,428	R208,228	R218,145	R230,417

3.2.5.4 Expenditure

Financial Years	2022/23	2023/24	2024/25	2025/26	2026/27
Compensation	92,599 (48%)	99,367 (50%)	105,675 (51%)	110,362 (51%)	116,508 (51%)
Good and Services + Others	100.578 (52%	98,061 (50%)	102,553 (49%)	107,783 (49%)	113.909 (49%)
Total	**193,177 (100%)**	**197,428 (100%)**	**208,228 (100%)**	**218,145 (100%)**	**230,417 (100%)**

3.2.5.5 Comments on the 2024/25 budget:

- Compensation of Employees (CoE) aligns with the Department of Public Service and Administration (DPSA).
- 60% of the total expenditure is allocated to the national operations (programs 2 and 3) of Umalusi, whereas the administration takes 40% of the total budget.
  - Programme 1 = 41% - R82.8 million (CoE) = R46.4 million, Other = R31.4 million)
  - Programme 2 = 17% - R34.8 million (CoE) = R22.2 million, Other = R12.6 million)
  - Programme 3 = 43% - R90.6 million (CoE) = R37.1 million, Other = R53.5 million)
- Goods and services are expected to remain mainly the same because some processes will continue to be performed online as a cost-saving and efficiency measure.

- National operations utilise 60% of the budget. A large portion of this funding relates to contract and seasonal workers' remuneration
- Administration utilises the remaining 40% of the budget for activities such as:
    - External Audit
    - Outsourced Internal Audit
    - Building maintenance
    - Operational expenditures such as diesel for generators, municipal accounts, copiers, etc.

4. Portfolio Committee Recommendations

The Portfolio Committee on Basic Education, having engaged the Department of Basic Education and Statutory Bodies on their 2024 Annual Performance Plan and the Budget, the Portfolio Committee on Basic Education recommends the following:

4.1 Department of Basic Education (DBE)

4.1.1 The Department ensure a report is submitted to the Portfolio Committee within 60 days on the school infrastructure programme to highlight – with specific details which schools were built or are planned to be built by the department in selected provinces, districts and circuits.

4.1.2 The Department must review the outdated syllabus for N4 – N6 on an annual basis.

4.1.3 The Department must ensure that pit-toilets, pit-latrines and unsafe ablution facilities in schools are completely eradicated by the end of the 2024/25 financial year.

4.1.4 The Department must ensure monitoring, tracking and tracing of learners who had passed Matric but not able to access institutions of higher learning. The Department consider programmes/initiatives to assist such learners with placement at institutions of higher learning. The Department to engage the Department of Higher Education and Training with a view to closing the gap between Basic Education and Higher Education.

4.1.5 The Department consider a review of the Screening, Identification, Assessment and Support (SIAS) Policy to ensure early identification of learners within the schooling system who may have learning disabilities – and be properly placed and assisted.

4.1.6 The Department ensure adequate advocacy, engagement and communication with parents on issues pertaining to learner discipline, corporal punishment as well as learner and teacher safety and security.

4.1.7 The Department ensure any challenges with late delivery of Learner Teacher Support Material (LTSM) is adequately addressed. LTSM and educator resources must be equitably distributed to ensure universal access, balance and alignment, especially in rural areas.

4.1.8 The Department ensure initiatives and programmes are in place to improve on quality and access to education in rural areas. The Department to ensure additional resources to be targeted at Quintile 1 – 3 schools, especially in rural areas.

4.1.9 The Department ensure adequate steps are in place to align Early Childhood Development (ECD) services with the principles as set out in the Children's Act. The Department to ensure the ECD Curriculum is aligned with all school phases.

4.1.10 The Department ensure the Funza Lushaka Bursary Programme is aligned to the current Presidential Employment Initiative.

4.1.11 The Department submit a report on the benchmarking of SA schools with other countries on the continent and abroad 90 days from adoption of the report

4.1.12 The Department ensure continued collaboration between sister departments (Social Development, Health, Police) to give expression to NDP Priority 6: Social Cohesion and Safe Communities

4.1.13 The Department ensure the placement of Funza Lushaka graduates is prioritised to ensure employment for graduates as teachers and reduce unemployment. Further to this, the Department enhanced the Presidential Employment Initiative by increasing the number of recipients of this initiative

4.1.14 The Department ensure there are strategies in place to target young entrepreneurs and women entrepreneurs to benefit from the DBE value chain

4.1.15 The Department be invited to present a detailed status report on issues pertaining to Early Childhood Development (ECD).

4.2 South African Council for Educators (SACE)

4.2.1 The SACE Council should report on matters pertaining to teacher support programmes and initiative.

4.2.2 The Council must that ensure any backlogs with teacher registration and certification is prioritised and addressed within 120 days of adoption of this report

4.2.3 SACE must ensure that there are adequate mental support programs in place. SACE should desist from using national SANDF techniques when dealing with teachers found guilty of wrongdoing.

4.2.4 The Council ensure and prioritise the filling of vacancies on the organogram within 90 days of adoption of this report.

4.2.5 The Council should host workshops/webinars with teachers to equip, prepare and empower them with understanding of relevant education policies and guidelines.

4.2.6 SACE should prepare a 5-year turnaround strategy to mitigate the mounting challenges – and brief the Portfolio Committee before end of 4th term 2024.

4.2.7 SACE must consider the review and repositioning of its legislative mandate before end of 2024/25.

4.2.8 The Council ensure adequate advocacy for the registration and certification of teachers within the schooling system.

4.2.9 The Council should address and improve on the current job evaluation timeframes – as this is currently too long. 3-5 months would suffice given the high unemployment of graduate teachers.

4.2.10 The Council should engage the Department of Basic Education on its financial constraints due to inadequate budget received for all SACE functions and responsibilities.

4.3 Council for Quality Assurance in General and Further Education and Training (Umalusi)

4.3.1 The Council should ensure that adequate steps are in place to address the staff vacancies within Umalusi with a turnaround strategy to fill vacant posts and retain staff within 90 days of adoption of this report.

4.3.2 The Council should engage the Department of Basic Education on the budget received which is inadequate and not aligned to inflation. Umalusi must brief the Portfolio Committee at a 90 day from adoption of this report on the pursuit of a new funding model for Umalusi.

4.3.3 Umalusi should engage and collaborate with the Department of Basic Education to ensure that the matter of error-free question papers is addressed.

4.3.4 The Council must submit a detailed report on the building upgrade project – with a cost breakdown before the end of the 4th term 2024.

4.3.5 Umalusi should ensure strategies/initiatives are in place to address certification backlogs.

4.3.6 Umalusi must ensure that, with the phasing out of the Nated Courses/Programmes, no learner is disadvantaged/left behind.

4.3.7 The Council should consider programmes and initiative to bridge the gap and assist/support young, unemployed and skilled youth with courses and certification of acquired skills.

5. Conclusion

Having satisfied itself in its engagement with the Department of Basic Education and Statutory Bodies on their 2024/25 Annual Performance Plan and the Budget, the Portfolio Committee on Basic Education recommends that Budget Vote 16: Basic Education be adopted and that the House approves Budget Vote 16: Basic Education.

Note: The Economic Freedom Fighters (EFF) objects to the Budget Vote 16: Basic Education as tabled. The EFF cannot support a Budget that does not adequately address the following:

- Building of quality schools.
- Provide scholar transport for all learners.
- Provide adequate water and sanitation.
- Eradicates pit-latrines.
- Employ all graduates; and

- Supply LTSM on time.

Report to be considered.

12. REPORT OF THE PORTFOLIO COMMITTEE ON FORESTRY, FISHERIES AND THE ENVIRONMENT ON THE STRATEGIC PLAN 2019/20—2024/25, ANNUAL PERFORMANCE PLANS 2024/25 AND THE BUDGET VOTE 32 OF THE DEPARTMENT OF FORESTRY, FISHERIES AND THE ENVIRONMENT (DFFE), DATED 12 JULY 2024

1 BACKGROUND

The Portfolio Committee on Forestry, Fisheries and the Environment (hereinafter referred to as the Portfolio Committee) scrutinised the 2024/25 Vote 32: Forestry, Fisheries and the Environment and budget projections for the Medium-Term Expenditure Framework (MTEF) period ending in the 2024/25 financial year. The process entailed the examination of the 2024/25 Annual Performance Plans (APPs) and Budgets of the Department of Forestry, Fisheries and Environment (hereinafter referred to as the Department or DFFE), and the five national public entities reporting to it during briefings held on 9 and 11 July 2024. Therefore, the Portfolio Committee reports as follows:

2 INTRODUCTION

This report accounts for the process embarked upon by the Portfolio Committee to consider Vote 32: Forestry, Fisheries, and the Environment as tabled by the Minister of Finance, the Five-Year Strategic Plan and Annual Performance Plans of the Department, and the five public entities that report to the Minister of Forestry, Fisheries and the Environment. The Portfolio Committee process followed the tabling of Strategic Plans, APPs and budget allocations by the Department and its national public entities in Parliament as required in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999). The APPs outline the annual plans in line with Strategic Plans and the allocated budget as per the Estimates of National Expenditure (ENE) tabled by the Minister of Finance. These planning documents were tabled in March 2024 and presented at briefing sessions on 9 and 11 July 2024.

2.1 Overview of the Department of Forestry, Fisheries and Environment and Entities

The mandate of the Department of Forestry, Fisheries and Environment (DFFE) is to ensure the protection of the environment and conservation of natural resources, balanced with sustainable development and the equitable distribution of the benefits derived from natural resources for current and future generations. This is to be achieved while giving effect to the right of the nation to an environment that is not harmful to their health and well-being as stated in section 24(b) of the Constitution of the Republic of South Africa, which stipulates specifically that "*all South Africans have the right to an environment that is not harmful to their health or wellbeing, and to have the environment protected for the benefit of the present and future generations*" through the relevant legislation.

2.2 Legislative mandate

The core business of the Department is underpinned by the Constitution of the Republic of South Africa and all other relevant pieces of legislation that are derived from it. The constitutional directive "*to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures*" gave rise to the formulation and adoption of notably the National Environmental Management Act (NEMA) No. 107 of 1998. NEMA has undergone several amendments and has provided the bedrock for enacting the following "*specific environmental management acts*" (SEMAs), or issue-specific legislation on biodiversity and natural heritage resources; oceans and coasts; climate change and air quality management; and waste and chemicals management. Those applicable SEMAs comprise National Environmental Management: Biodiversity Act No. 10 of 2004; National Environmental Management: Protected Areas Act No. 57 of 2003; National Environmental Management: Air Quality Act No. 39 of 2004; Sea Fishery Act No. 12 of 1988; National Environmental Management: Waste Act No 59 of 2008; National Environmental Management: Integrated Coastal Management Act No. 24 of 2008; Marine Living Resources Act No. 18 of 1998; National Veld and Forest Fire Act No. 101 of 1998; and National Forests Act No. 84 of 1998, *inter alia*.

The Department fulfils its mandate by formulating, coordinating and monitoring the implementation of national environmental policies, programmes and legislation with additional support from its entities, such as the *iSimangaliso Wetland Park Authority* (iSimangaliso), *Marine Living Resources Fund* (MLRF), the *South African National Biodiversity Institute* (SANBI), *South African National Parks* (SANParks), and the *South African Weather Service*

(SAWS). The Department is structured into *nine* programmes to ensure the effective achievement of its constitutional mandate. The *nine* different programmes and their purposes are reflective of the different focus areas and subsectors of environmental management (Table 1). The objective of the current programme structure is to ensure that specific attention is given to each focus area of the Department's constitutional mandate while acknowledging the interrelationship and ensuring an integrated approach.

Table 1: The structure and purpose of each departmental programme

Programmes	**Purpose**
1: Administration	Provides strategic leadership, management and support services to the department.
2: Regulatory Compliance and Sector Monitoring	Promotes the development of an enabling legal regime and licensing authorisation system that will promote enforcement and compliance and ensure coordination of sector performance.
3: Oceans and Coasts	Promotes, manages and provides strategic leadership on oceans and coastal conservation.
4: Climate Change, Air Quality and Sustainable Development	Leads, promotes, facilitates, informs, monitors and reviews the mainstreaming of environmental sustainability, low carbon emissions, climate resilience and air quality in South Africa's transition to sustainable development.
5: Biodiversity and Conservation	Ensures the regulation and management of all biodiversity, natural heritage and conservation matters in a manner that facilitates sustainable economic growth and development.
6: Environmental Programmes	Implements the expanded public works programme and green economy projects in the environmental sector.
7: Chemicals and Waste Management	Manages and ensures that chemicals and waste management policies and legislation are implemented and enforced in compliance with chemicals and waste management authorisations, directives and agreements.
8: Forestry Management	Develops and facilitates the implementation of policies and targeted programmes to ensure the sustainable use and management of forests.

9: Fisheries Management	Ensures the sustainable utilisation and orderly access to marine living resources through improved management and regulation.

3 LINKAGES BETWEEN THE DEPARTMENTAL PRIORITIES AND THE NATIONAL DEVELOPMENT PLAN VISION 2030

The National Development Plan (NDP) Vision is that by 2030, South Africa's transition to an environmentally sustainable, climate-change resilient, low-carbon economy and just society will be well underway. Achieving this requires, first and foremost, attaining the NDP outcomes relating to the transformation of society and an economy, which is internationally competitive, equitable, job-creating and sustainable (resilient, green and low-carbon), *inter alia*. Thus, the National Development Plan sets out a vision for promoting environmental sustainability in South Africa by making an equitable transition to a low-carbon economy and transforming human settlements for improved local governance and spatial integration. The National Development Plan envisions environmental sustainability and transformation within the context of an integrated and inclusive economy that is supported by a capable and developmental state. This vision is given expression by the following priorities of the government's 2019/20−2024/25 medium-term strategic framework (MTSF), with which the work of the Department of Forestry, Fisheries and Environment is closely aligned:

Priority 1: A capable, ethical and developmental state
Priority 2: Economic transformation and job creation
Priority 3: Education, skills and health
Priority 4: Consolidating the social wage through reliable and quality basic services
Priority 5: Spatial integration, human settlements and local government
Priority 6: Social cohesion and safe communities
Priority 7: A better Africa and world

The Department's 2019/20–2024/25 Strategic Plan and 2024/25 Annual Performance Plan contribute to the following.

- Priority 1 (A capable, ethical and developmental state), the Department undertakes initiatives that improve capacities to comply with legislation. However, the Department is still struggling to ensure good governance, getting a clean audit and transforming some aspects of the demographic composition of the workforce. The implementation of projects under Operation Phakisa and the Expanded Public Works Programme (EPWP) has an immense contribution to this priority.

- Priority 2 (Economic transformation and job creation). The Department is rolling out various programmes in the fisheries, forestry, biodiversity, waste and chemicals sectors to help create new economic opportunities that will enable the broadening of opportunities and subsequent transformation of these sectors. While jobs and work opportunities are created, the state of the environment, such as the spread of alien invasives, piling of waste tyres, poor waste management, and general pollution points to the need for improvements in policy implementation, governance and oversight, to create jobs and improve ecosystem health.
- For Priority 3 (Education, Skills and Health), the Department has consistently awarded bursaries, offered internships and conducted awareness, albeit with insufficient financial resources. The budget reduction will have a direct impact on the delivery towards this Priority. The poor air quality in the Highveld Priority Area (HPA) and other parts of the country is a testament that human health is compromised due to non-compliance by operators or poor enforcement of ambient air quality regulations. Similarly, the dumping of poorly treated effluent water into the oceans is a grave concern that threatens local economic development, particularly tourism.
- Priority 5 (Spatial integration, human settlements and local government) entails training government officials and councillors at the district municipality level. The Department supports municipalities in incorporating environmental priorities in their IDPs, manages hazardous waste streams, expands greening programmes and implements air quality management interventions to reduce atmospheric emissions.
- Priority 7 (A Better Africa and World) focuses on one of the Department's key functions of leading and influencing environmental management and reduction of greenhouse gases and ozone-depleting substances. The Department plays an active role in the global agenda, which includes negotiations on Climate Change, Sustainable Development, Chemicals and Waste Management, Oceans and Coastal Management, Biodiversity and Conservation. The Department pursues targeted and strategic global and regional engagements to enhance South Africa and Africa's socio-economic development priorities by sourcing funds for environmental programmes in the region.

In summary, the Department’s 2024/25 APP aims to continue with the implementation of the Department’s approved Strategic Plan, which is aligned with Environment Sector priorities as outlined in the Government’s 2019/20 – 23/24 MTSF Plan and the Government priorities. However, the 2024/25 APP is the last attempt at addressing persistent environmental challenges (e.g., poaching, environmental degradation and pollution, climate change) as well as the need to catch up with goals that were derailed by the COVID-19 pandemic and subsequent budget cuts.

3.1 Medium-Term Strategic Plans and Annual Performance Plans (APPs) of the Department and its Entities for 2024/25

The Department serves as the national collaborator with provinces in shared or concurrent responsibilities and takes the lead in guiding the environmental, forestry, and fisheries sectors by establishing the necessary policies, laws, and benchmarks for safeguarding the environment and promoting sustainable development in the country.

The Portfolio Committee received a briefing at a physical meeting on the 9th of July and via the online platform Zoom on the 11th of July. The briefings were regarding the Department's strategic plans for the period of 2019/20 to 2024/25, as well as its annual performance plans and budgets for the 2024/25 fiscal year, recognising the Department's crucial role as described above. The primary objective of this meeting with the Department and its entities was to assess the appropriateness of the allocated budget in support of achieving the Department's and entities' strategic objectives and annual performance plans, as well as to ensure that the budget was consistent with the government's strategic priorities, as defined by the NDP. In addition to this, the Committee was also eager to learn about how the 2024/25 annual performance plan was designed to address the current environmental challenges confronting South Africa.

This report presents the Portfolio Committee's main findings, observations, and recommendations following its interactions with the Department and its entities, focusing on their strategic plans, annual performance plans, and budget.

3.2 Departmental Strategic Objectives

The Department's strategic objectives over the medium term are to:

- Provide leadership, strategic, centralised administration, executive support, and corporate services, and facilitate effective cooperative governance, international relations, and environmental education and awareness;
- Promote the development and implementation of an enabling legal regime and licensing/authorisation system to ensure enforcement and compliance with environmental law;
- Promote, manage and provide strategic leadership on oceans and coastal conservation;
- Improve air and atmospheric quality, lead and support, inform, monitor and report efficient and effective international, national and significant provincial and local responses to climate change;
- Ensure the regulation and management of all biodiversity, heritage and conservation matters in a manner that facilitates sustainable economic growth and development;
- Implement expanded public works and green economy projects in the environmental sector;
- Manage and ensure that chemicals and waste management policies and legislation are implemented and enforced in compliance with chemicals and waste management authorisations, directives and agreements;
- Develop and facilitate the implementation of policies and targeted programmes to ensure the sustainable management of forests; and
- Ensure the sustainability, utilisation, and orderly access to marine living resources through improved management and regulation.

4 BUDGET ALLOCATION TO THE DEPARTMENT AND ITS ENTITIES

The 2024/25 Government budget is framed within the context of the four policy objectives set out in the 2024 State of the Nation Address (SONA): revival of the economy and jobs, promoting a green economy, climate change response fund, improving freight logistics, and visa system. These policy objectives are part of promoting economic recovery and growth, sustainable public finances, and structural reforms. The contribution from the Department will be to facilitate a fair and equitable shift towards a low-carbon economy and a society that can withstand the effects of climate change. Additionally, the Department has plans to generate job opportunities through an Expanded Public Works Programme while simultaneously promoting a favourable atmosphere for South Africa's transition to a circular economy. Since financial resources are tight and limited, Parliament must be more effective and efficient in its oversight and accountability functions, particularly on the finances, service delivery against the mentioned priorities and value for money.

There will be an average annual decrease of 0.7% in the DFFE's expenditure, declining from R9.5 billion in 2023/24 to R9.3 billion by 2026/27. The Department's allocation over the MTEF period is R13.4 billion, with 46.1% earmarked for spending on goods and services. The implementation of projects under the Expanded Public Works Programme, the Forestry Masterplan, and the Waste Management Plan is funded to create work and job opportunities. Transfers and subsidies to the Department's entities account for 24.7% of expenditure over the period, totalling R5.5 billion. During the medium term, the responsibility for enforcement at ports of entry will shift to the Border Management Authority. Consequently, the Department of Home Affairs will receive R14.7 million in 2024/25, and R15 million in 2025/26. The allocation is shifted to the Department of Home Affairs because of this change.

The following sections will highlight the changes in budget allocation to the Government and the Department (Vote 32) in the 2024/25 financial year. The budget allocation to the Department constitutes 0.41% of the national appropriation of R2.13 trillion. According to inflation data from the South African Reserve Bank, the funding level for the Department has remained steady since 2016/17, fluctuating only slightly between 0.40% and 0.45% of national spending. Factors such as global politics, conflicts, Rand depreciation, rising national debt, the need to kick-start the economy and competing needs present challenges for the Government to increase departmental budget allocations. The 1.3% economic growth forecast for 2024 will not have any significant impact on the departmental allocation.

The budget allocation of the Department is R8.74 billion for the 2024/25 financial year, which is a nominal decrease of 8.4% (R798 million) from the 2023/24 allocation (Table 1). All departmental programmes were affected by the 2024 budget allocations when compared to the 2023 allocations. In nominal terms, three programmes received an increased allocation (*Administration; Chemicals and Waste Management; and Forestry Management*) and a reduction of funds affected six programmes (*Regulatory Compliance and Sector Monitoring*

(RCSM); Oceans and Coasts; Climate Change and Air Quality; Biodiversity and Conservation; Environmental Programmes; and Fisheries Management).

Table 1: The Overall budget allocation to the Department and its programmes for the 2024/25 financial year and changes between the 2023/24 and 2024/25 financial years.

Programme	**Budget**		**Nominal Rand change**	**Real[1] Rand change**	**Nominal % change**	**Real % change**	**Annual Perform. Targets**
R million	**2023/24**	**2024/25**					
Administration	1 210.6	1 286.1	75.5	17.8	6.2 %	1.5 %	4
Regulatory Compliance and Sector Monitoring	331.6	317.3	- 14.2	- 28.5	-4.3 %	-8.6 %	3
Oceans and Coasts	525.8	514.1	- 11.7	- 34.8	-2.2 %	-6.6 %	5
Climate Change and Air Quality	680.0	645.5	- 34.5	- 63.4	-5.1 %	-9.3 %	4
Biodiversity and Conservation	2 100.0	1 349.1	- 750.9	- 811.4	-35.8 %	-38.6 %	5
Environmental Programmes	2 920.0	2 793.4	- 126.6	- 252.0	-4.3 %	-8.6 %	5
Chemicals and Waste Management	584.2	659.2	75.0	45.4	12.8 %	7.8 %	6
Forestry Management	542.4	543.6	1.2	- 23.2	0.2 %	-4.3 %	4
Fisheries Management	644.5	632.6	- 11.9	- 40.3	-1.8 %	-6.3 %	6
TOTAL	**9 539.0**	**8 740.9**	**- 798.0**	**-1190.4**	**-8.4 %**	**-12.5 %**	**42**

The transfers to entities have decreased from R1.42 billion in the 2023/24 financial year to R1.36 billion in the 2024/25 financial year. Three entities experienced increases in their transferred allocations (*iSimangaliso Wetland Park Authority, National Regulator for Compulsory Specifications* and *South African National Parks*), while the transfers to three

[1] The real value, also known as the relative price, is the value after it has been adjusted for inflation.

entities decreased (*South African Weather Service, South African National Biodiversity Institute and Marine Living Resources Fund*), as shown in Figure 1. The Department is allocating capital amounting to R 514.21 million (down from R2.1 billion in 2023) into the SAWS (R161.21 million), iSimangaliso (R261.04 million), SANParks (R91.96 million) and SANBI (R180.88 million) towards maintenance, development and infrastructure projects of the entities.

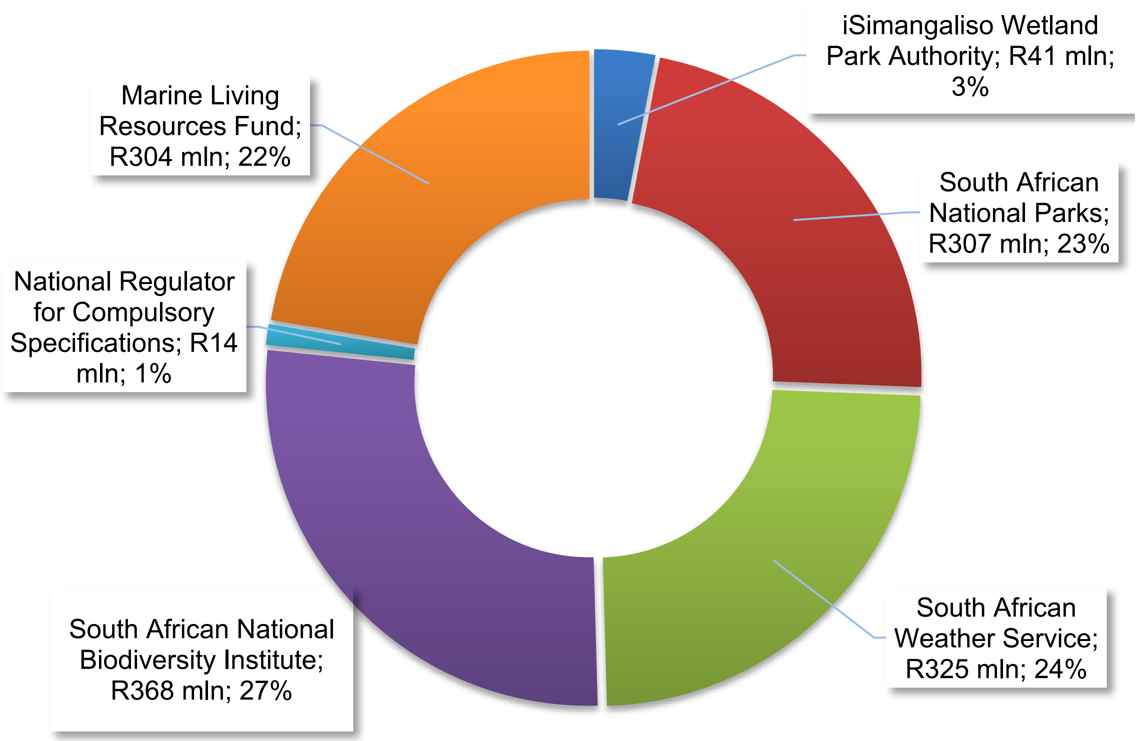

Figure 1. The budget transfers to entities from Vote 32 for the 2024/25 financial year amounted to R1.36 billion.

5 DISCUSSIONS ON DEPARTMENTAL STRATEGIC PLAN, APP & BUDGET

Hon D George, the Minister of Forestry, Fisheries and the Environment, Hon B Swartz and Hon N Singh, the Deputy Ministers of Forestry, Fisheries, and Environment lead the departmental delegation. The Minister and Deputy Ministers made brief remarks about upholding the environmental rights enshrined in the constitution, climate change initiatives, biodiversity beneficiation, good governance and sustainable development. After that, the departmental presentation on the strategic plan (2019/20–2024/25), annual performance plan and the budget for 2024/25 was led by the Director-General of the Department, Ms N Tshabalala, presented noting the impact of the economy on the budget allocation, and the setting of targets for the year under consideration. She indicated that the APP will be revised to align with the upcoming presidential pronouncement in the SONA. The Committee made pertinent observations captured under the Department and specific departmental programmes/branches and entities.

5.1 Programme 1: Administration

The *Administration Programme* is responsible for providing strategic management and support services to the Department. The Branch received a 6.2% (R75.5 million) nominal increase in its allocation of R1.286 billion, mainly from *Office Accommodation, Corporate Management Services* and *Financial Management Services*. When factoring in inflation, the real increase is 1.5%, amounting to R17.8 million. This programme consumes 14.7% of the total departmental budget, which is a 2.0% increase from the 2023 allocation. This Branch has four targets (down from five targets in 2023/24) to be achieved this year after removing the target of spending 98% of the budget allocation.

5.2 Programme 2: Regulatory Compliance and Sector Monitoring (RCSM)

The purpose of the *Regulatory Compliance and Sector Monitoring (RCSM) Programme* is to promote the development and implementation of an enabling legal regime and licensing/authorisation system to ensure enforcement and compliance with environmental law. The overall budget of R317.3 million is a decrease of R14.2 million, mainly attributed to the R21.5 million decrease in the allocation to the *Sector Knowledge and Information Management* sub-programme. The Programme consumes a 3.6% share of the entire departmental allocation – slightly increased from 3.5% in the 2023 allocation. The annual targets have been reduced from four in 2023/24 to three in the current financial year after removing the target on the number of inspections conducted for verification of rhino horns and elephant tusk stockpiles.

5.3 Programme 3: Oceans and Coasts

The purpose of the *Oceans and Coasts Programme* is to promote, manage and provide strategic leadership on oceans and coastal conservation. The Branch has to manage the 1.5 million square kilometres of the exclusive economic zone (EEZ) that is a priority for job creation and economic development under Oceans Economy. The allocation of R514.1 million to this Programme constitutes 5.9 % of the departmental budget (up from 5.5 % in 2023). The 2024 allocation is R11.7 million less in nominal terms when compared to that of 2023. The Department plans to achieve five targets under this Programme, down from ten targets in the 2023/24 financial year.

Committee questions

5.3.1 The Committee welcomed the Department's intention to expand the size of both marine and terrestrial protected areas. The Committee sought details on South Africa's ambition of conserving 30% of land and marine space by 2030 in line with Target 3 (30x30) of the Global Biodiversity Framework;

5.3.2 The Committee wanted to know when the Department planned to finalize the Draft Oceans Master Plan.

Departmental responses

5.3.2 The declaration of Marine Protected Areas (MPA) is part of the larger 30x30 initiative aimed at protecting 30% of land and sea by 2030. The department is exploring expanding the MPA programme to include estuaries and other area-based effective conservation measures to increase protected areas. Developing and implementing management plans for these areas requires significant resources. Additionally, there is some overlap between terrestrial and marine conservation efforts in certain regions.

5.3.3 The Draft Oceans Master Plan will be finalized during the current financial year.

5.4 Programme 4: Climate Change, Air Quality and Sustainable Development

The purpose of this *Programme* is to lead the mainstreaming of environmental sustainability, low carbon and climate resilience and air quality in South Africa's transition to sustainable development. The *South African Weather Service* contributes to this Programme. The overall budget of R645.6 million amounts to 7.4% (up from 7.1 % in 2023) of the departmental budget. The budget was reduced by R34.5 million (5.1%) in nominal terms and when factoring in inflation, the reduction amounts to R63.4 million (9.3%). Significant changes were reduced transfers to the South African Weather Service sub-programme. The Department has reduced its targets from six in the 2023/24 financial year to the current four targets. The Committee inquired about international donor funding and emission sanctions as follows:

Committee question

5.4.1 The Committee asked whether there were plans and programmes for climate disaster risk reduction and management in provinces.

Departmental responses

5.4.2 The Department aligns its climate change plans with international agreements and has developed a five-year action plan (Nationally Determined Contributions) to reduce emissions and adapt to climate impacts. The Climate Change Bill, when signed into law, will enable collaboration in the different tiers of Government to reduce and prepare for climate disasters. The Department will collaborate with municipalities on carbon budgets and the Minister will provide annual reports to Parliament.

5.5 Programme 5: Biodiversity and Conservation

The purpose of this *Programme* is to ensure the regulation and management of all biodiversity, heritage and conservation matters in a manner that facilitates sustainable economic growth and development. The *South African National Parks, iSimangaliso Wetland Park Authority* and *South African National Biodiversity Institute* contribute to this Programme. The R398.7 million budgetary allocation to this Branch represents 15.4% (a decrease from 22.0% in 2023) of the department's overall budget. The drastic reduction in the budget allocation of the Branch is largely due to reduced transfers to entities. For the 2024/25 financial year, the Department plans to focus on five targets under this Branch, down from 13 targets.

Committee question

5.5.1 The Committee sought an explanation for setting a target of declaring only one Ramsar site during the current financial year.

Departmental responses

5.5.2 Given the complexity, resource-intensive nature, and length of time required for proper public consultation and processes of establishing a RAMSAR site, the Department has determined that it can only set one target per financial year based on the available budget and staff.

5.6 Programme 6: Environmental Programmes

The purpose of this *Programme* is to ensure the implementation of the Expanded Public Works Programme (EPWP) which has important implications for the environment and to conceptualise and implement green economy projects in the environmental sector. Thus, the aim of the EPWP (via the *Environmental Programmes*) is to provide unemployed mainly disadvantaged people with income support through work opportunities, while building and protecting South Africa's natural resources using labour-intensive methods. As a result, the Environmental Programmes have received a significant portion of the Department's budget over the years. The Programme has five targets, down from nine targets in the 2023/24 financial year.

The budget allocated to the *Environmental Programmes* has been reduced by 4.3 % (R126.6 million) to R2.793 billion. The changes in the budget are mostly from reductions in the *Environmental Programme Region 1* and *3*. The budget of this branch constitutes 32% of the departmental budget (30.6 % in 2023) – thus consuming the largest part of the departmental budget. The reduction of budget allocation to this Programme does not align with its core purpose and objectives.

Committee question

5.6.1 The Committee noted with concern the impact of budget reduction on the implementation of *Environmental Programmes*, particularly on job creation.

5.6.2 The Committee wanted to know the criteria used to set the target of creating 22 500 jobs and how it compares to the previous financial year.

Departmental responses

5.6.3 Programmes are evaluated based on their scope of work and potential human resource requirements. However, it is also influenced by the availability of financial resources, which can result in a downward or upward revision of targets.

5.7 Programme 7: Chemicals and Waste Management

The purpose of the *Chemicals and Waste Management Programme* is to manage and ensure that chemicals and waste management policies and legislation are implemented and enforced in compliance with the chemicals and waste management authorisations, directives and agreements. This Programme's allocation of R659.2 million is 7.5% of the departmental budget (6.1 % in 2023). The overall nominal budget allocation to the Programme has increased by 12.8% (R75 million) and seems to align with the strategic priority on the waste economy of the Department. The budget allocation seems to indicate a shift primarily towards the funding of the *Waste Bureau, Hazardous Waste Management and Licensing* and *Chemicals Management* sub-programmes. The targets have been reduced from ten in 2023/24 to six targets in the 2024/25 financial year.

Committee questions

5.7.1 The Committee asked about the support provided to municipalities to improve solid waste management such as through waste diversion, particularly in townships and villages;

5.7.2 The Committee wanted to know of positive spin-offs from the support and training provided by the Department to municipalities in the management of waste and landfill sites.

Departmental responses

5.7.3 The Department responded that the waste management training was conducted in collaboration with the South African Local Government Association through their local government forums and covered a wide range of topics, such as Integrated Waste Management, among others. The Department collaborates with the Department of Human Settlements and the National Treasury to secure funding for municipal infrastructure projects and to support recycling businesses with equipment purchases. Additionally, the Department assists in establishing waste buy-back centres.

5.7.4 The Department is responsible for hazardous waste in municipal jurisdiction, while municipalities are responsible for non-hazardous waste management, including landfill sites. To reduce litter and illegal dumping, there is a need for more waste management awareness and education among residents. However, the high staff turnover in municipalities and shrinking budgets negatively impact waste management efforts.

5.8 Programme 8: Forestry Management

The *Forestry Management Branch* exists to develop and facilitate the implementation of policies and targeted programmes to ensure proper management of forests and State plantations. The allocation of R543.6 million to the Forestry Branch constitutes 6.2% of the departmental budget (5.7 % in 2023) and was marginally increased by R1.2 million (0.2 %). The bulk of the budget (65.4%) is allocated to the *Forest Land Management and Post Settlement Support* sub-programme where the bulk of the Programme's workforce is located. The Department plans to achieve four targets in this Programme, i.e. one target less when compared to the 2023/24 financial year.

Committee question

5.8.1 The Committee inquired about the criteria used to identify communities for plantation transfer as well as whether the communities are appropriately capacitated and supported;

Departmental response

5.8.2 The Department assessed potential community forestry partnerships during its annual audits and used the criteria and process outlined in Section 29 of the National Forests Act No. 84 of 1998. The legislation also provides communities with the option to request a forestry agreement for plantation transfer by applying to the Minister. There are support programmes to assist communities with the management of plantations provided by both industry and the Department.

5.9 Programme 9: Fisheries Management

The *Fisheries Management Programme* serves to ensure sustainable utilisation and orderly access to marine living resources through improved management and regulation. The R632.6 million allocated to the Fisheries Branch makes up 7.2% of the Department's overall budget (6.8% in 2023). The overall budget was reduced by R11.9 million (1.8 %) when compared to the 2023 budget allocation. The sub-programme most affected by reduction is the *Marine Living Resources Fund.* The MLRF funds the operations of the entity, and the costs of vessel maintenance and operation are expected to be higher when factoring in the state of the currency and higher fuel prices. The budget reduction is not aligned with the scope of the Branch, particularly when you consider the vast ocean space that requires fisheries patrols.

6 ENTITIES REPORTING TO THE DEPARTMENT

6.1 Marine Living Resources Fund

The management of marine fisheries resources lies within the Fisheries Management Branch (the Branch) of the Department of Environment, Forestry and Fisheries (the Department) as primarily guided by the Marine Living Resources Act (MLRA), No. 18 of 1998. The Marine Living Resources Fund (MLRF or the Fund), a schedule 3A Public Entity under the PFMA, was established in terms of section 10 of the MLRA. The MLRF is the main source of funding for the operational activities of the Branch. The MLRF receives transfers from the Branch and generates its other income from levies on fish products, licence fees and permits, fines and confiscations, and harbour fees. In terms of section 10(3) of the MLRA, the Director-General administers the MLRF in consultation with the Minister. The functions of the MLRF are executed by the staff of the Branch, in partnership with other stakeholders in the fisheries-related industry. The mandate and core business of the MLRF is to manage the development and sustainable use of South Africa’s marine resources and protect the integrity and quality of the marine ecosystem. The MLRF tabled its 2024 APP which was presented separately from that of the Fisheries Management Branch.

6.1.1 The Committee wanted to know the challenges with issuing fishing licences and the revenue generated per year from MLRF, particularly from licences.

6.1.2 The Committee wanted details on how South Africa was implementing its monitoring, control and surveillance in the marine environment, and the role of the South African Navy to bolster law enforcement capacity.

Responses from the Marine Living Resources Fund

6.1.3 The MLRF can meet its seven-day turnaround time, and there is a proposal to reduce processing time even further. Delays in granting a permit are common when additional supporting documents are required. The Department is piloting an e-permitting system in the recreational fishing sector intending to expand it to all sectors.

6.1.4 The South African Navy focuses on safeguarding the country's territorial waters, not civilian maritime activities. To monitor fishing and vessel movements, authorities employ tools like Vessel Monitoring Systems (VMS) and Automatic Identification Systems (AIS). Drones, onboard cameras and radar systems are being incorporated into the mix of monitoring fishing vessels. International cooperation, such as with France on remote islands, and onboard camera surveillance enhance these efforts.

6.1.5 The MLRF generated revenue of more than R300 million from fishing permits, sale of confiscated goods, levies on fish and fish products, licences and application fees.

6.2 South African Weather Service

The South African Weather Service (SAWS) is a Schedule 3A entity established in terms of the South African Weather Service Act (Act No 8 of 2001) as amended, the Public Finance Management Act (PFMA) and associated treasury regulations. SAWS mandate is to provide *two* distinct services, i.e., the public good service, which is funded by the Government of South Africa and commercial services where the user-pays principle applies. SAWS' strategic plan (2019/20 – 2024/25), annual performance plan and budget for the 2024/25 financial year were presented to the Committee via a virtual platform (Zoom). The details of the interactions between the Committee and SAWS are captured below:

6.2.1 The Committee noted the plan to establish a revenue-generating entity that will focus on commercial operations and sought clarity on the strategy that will be used;

6.2.2 Information was sought on whether provisions were made for the KwaZulu-Natal and Western Cape provinces that experience erratic weather conditions and early warning alerts to rural communities;

6.2.3 Clarity was sought regarding whether the infrastructure earmarked for replacement adhered to a maintenance plan and was nearing the end of its lifespan;

6.2.4 The Committee wanted to know the potential impact of the budget cut on the planned infrastructure upgrades and which capital projects will be prioritised; and

6.2.5 The Committee wanted to know if the infrastructure for data collection was located at sites that represented the country.

Responses from the South African Weather Service

6.2.6 SAWS needs to generate more income because the allocation and the currently generated income are insufficient to fund the required observer network, computing capabilities, air quality monitoring and weather services. One of the avenues is negotiating through the World Meteorological Organisation for cost-recovery from the International Maritime Organization;

6.2.7 The infrastructure that is being upgraded is nearing the end of its life and is being modernised to improve the accuracy of information but the project depends on the availability of funds;

6.2.8 SAWS works with many partners to ensure wider dissemination of weather warnings to communities, as well as using various communication platforms such as radios, television and social media; and

6.2.9 SAWS has a large array of data collection points at a geographically representative scale. However, a greater density of data collection points will produce more accurate predictions.

6.3 South African National Parks

SANParks was established in terms of the National Environmental Management: Protected Areas Act (Act No 57 of 2003), with the mandate to develop, expand, manage and promote a system of sustainable national parks that represents the country's biodiversity and heritage assets through innovation and best practice for the just and equitable benefit of current and future generations. It is in this regard that the Committee raised the following matters with SANParks while interacting with the entity's Strategic Plan (2019/20 – 2024/25) and Annual Performance Plan and budget for the 2024/25 financial year:

6.3.1 The Committee inquired about the downward revision of the target of donating heads of game from 3 000 to 750 and the breakdown of the beneficiaries;
6.3.2 Clarity was sought on the changes in the wetland rehabilitation target, which appeared to lower the annual target;
6.3.3 The Committee asked about the change in approach to the SANParks social legacy projects;
6.3.4 The Committee requested a breakdown of the target rhino population increase by species across all parks;
6.3.5 An explanation was sought for the removal of the target on rhino horn data management; and
6.3.6 The Committee wanted a breakdown of the 10 000 ha that SANParks plans to add to the conservation estate.

Responses from the South African National Parks Responses

6.3.7 SANParks clarified that targets were reviewed as guided by the Department of Performance Monitoring and Evaluation;
6.3.8 There are eight communities and forty individuals that benefited from the game donations;
6.3.9 SANParks has a stable population of 2 000 white rhinos and a growing population of 500 black rhinos;
6.3.10 The wetlands metric of reporting was changed from cubic meters to a fully rehabilitated wetland;
6.3.11 The 10 000 ha is made up of communal and private land, some of which may be a donation; and
6.3.12 Social legacy projects are affected by the availability of funds.

6.4 iSimangaliso Wetland Park Authority

The iSimangaliso Wetland Park Authority in KwaZulu-Natal was established in 2002 in terms of the World Heritage Convention Act (Act No 49 of 1999), with the mandate to ensure that effective and active measures are implemented in the Park for the protection and conservation of World Heritage Convention values; promote empowerment of historically disadvantaged communities living adjacent to the Park; promote, manage, oversee, market and facilitate optimal tourism and related development in the Park; and encourage, sustain, invest and contribute to job creation. The issues raised by the Committee with the iSimangaliso Wetland Park Authority comprised the following:

6.4.1 The Committee wanted clarity on whether the target of park extension to Mozambique was part of the 30x30 target or the programme of the Lubombo Transfrontier Conservation and Resource Area;

6.4.2 The Committee suggested that iSimangaliso Wetland Park Authority should consider revising the target of 500 social media posts to increase followers and interactions; and

6.4.3 Clarity on whether Groen Sebenza jobs will be renewed.

Responses from the iSimangaliso Wetland Park Authority

6.4.4 The expansion of the park does not necessarily contribute to the 30x30 target, but helps Mozambique increase their conservation estate;

6.4.5 The setting of targets has to follow guidelines and be realistic, particularly where delivery of the target will be dependent on iSimangaliso; and

6.4.6 The funds allocated for Groen Sebenza jobs can only be realized after the finalisation of the Appropriation Bill.

6.5 South African National Biodiversity Institute

SANBI was established in September 2004, in terms of the National Environmental Management: Biodiversity Act (Act No 10 of 2004). The mandate of the Institute is to monitor and report regularly on the status of South Africa's biodiversity, all listed threatened or protected species, ecosystems and invasive species; and the impact of any genetically modified organism that has been released into the environment. The Institute is also mandated to act as an advisory and consultative body on matters relating to organs of State and other biodiversity stakeholders; coordinate and promote the taxonomy of South Africa's biodiversity; manage, control and maintain all national botanical gardens, herbaria and collections of dead animals that may exist; and advise the Minister of Forestry, Fisheries and Environment on any matter regulated in terms of the Act, and any international agreements affecting biodiversity that are binding on South Africa.

Committee questions

6.5.1 The Committee wanted to know the state of working relations with other agencies where responsibilities may overlap;

6.5.2 The Committee asked about the prevalence of succulent plant poaching or trade; and

6.5.3 The Committee sought an update on the access privileges that Botanical Society (BotSoc) members had to the National Zoological Gardens.

Responses from the SANBI

6.5.4 SANBI's cross-sectoral work is governed by Memoranda of Understanding signed with various parties, some of which are compensated; and

6.5.5 BotSoc members are SANBI partners and are subscribing to the new membership card. Life members of BotSoc continue to have free access to the National Zoological Gardens.

7 RECOMMENDATIONS

After reviewing the Department and entities' inputs, the Committee acknowledged their plans to fulfil their mandates and assume additional responsibilities, all of which are influenced by various factors and modifiers in the natural environment. The Committee expressed appreciation for these efforts but noted with concern that the budget reductions are not aligned with the mandate of the Department and its entities. The Committee is conscious of its responsibility which is to ensure that the Department and the respective entities do exactly, as they have proposed for themselves without any deviation except to exceed agreed targets. The Minister undertook to make a significant contribution to triple global challenges of climate change, biodiversity loss and pollution, while also ensuring sustainable development and good governance. It is therefore in this regard that the Committee makes the following recommendations:

- When targets are adjusted upwards or downwards, the Department and entities should specify both the original or benchmark figure and new targets for clarity;
- The Department should provide a detailed breakdown of the targeted beneficiaries of donated game heads, including the 750 donations planned for the current financial year;
- SAWS should maximise the current revenue generation streams before considering establishing a new entity; and
- SAWS should submit written responses within three days.

Having considered the budget and annual performance plan of the Department of Forestry, Fisheries and the Environment, the Portfolio Committee recommends to the House to adopt the Budget Vote 32 allocation for the 2024/25 financial year, with the allocation of R8.740 billion, as tabled on 21 February 2024.

Report to be considered.

13. Report of the Portfolio Committee on Communications and Digital Technologies on its deliberations of Budget Vote 30: Communications and Digital Technologies, dated 9 July 2024

The Portfolio Committee on Communications (the Committee), having considered Budget Vote 30: Communications and Digital Technologies (herein referred to as "the Department" and the Annual Performance Plans (APPs) for 2024/25, reports as follows:

1. Introduction

Section 55(2) of the Constitution of the Republic of South Africa, Act 108 of 1996, states that the National Assembly must provide for mechanisms (a) to ensure that all executive organs of state in the national sphere of government are accountable to it; and (b) to maintain oversight of (i) the exercise of national executive authority including the implementation of legislation, and (ii) any organ of State.

In terms of the Public Finance Management Act (No, 1 of 1999) PFMA), the Accounting Officers must provide Parliament or the relevant legislature with their respective institution's Medium-Term Strategic Framework (MTSF) and, where applicable, with its Annual Performance Plan (APP).

The Money Bills Amendment Procedure and Related Matters Act (No. 9 of 1999) was promulgated in 2009 and provided Parliament with powers to reject or recommend the approval of Departments' budgets. The Act also makes provision for the implementation of recommendations emanating from the Committee's oversight reports.

The Committee met with the Department and its entities: Independent Communications Authority of South Africa (ICASA), Film and Publication Board (FPB), Broadband Infraco (BBI), National Electronic Media Institute of South Africa (NEMISA), Universal Service and Access Agency of South Africa/ Universal Service and Access Fund (USAASA/USAF), .za-Domain Name Authority (.ZADNA), State Information and Technology Agency (SITA), South African Post Office (SAPO), South African Broadcasting Authority (SABC) and Sentech on 09 July 2024.

2. The Department's APP 2024 – 2025

An APP sets out what the Department intends to do in the upcoming financial year and during the Medium-Term Expenditure Framework (MTEF) to implement its Strategic Plan. The document sets out performance indicators and targets for budget programmes and sub-programmes where relevant to facilitate the Department realising its goals and objectives set out in the Strategic Plan.

The overall purpose of Budget Vote 30 is to *Create an enabling environment for inclusive growth in the ICT sector by developing policies and legislation that promote infrastructure investment and socioeconomic development.*

2.1 Mandate

The Department of Communications and Digital Technologies is mandated to enable South Africa's digital transformation to achieve digital inclusion and economic growth by creating an enabling policy and regulatory environment. This is done through the implementation of the 2016 National Integrated ICT Policy White Paper, which provides for the participation of multiple stakeholders for inclusive digital transformation, interventions to reinforce competition and facilitate innovation across the value chain, measures to address issues raised by ICT and convergence, and the establishment of a new national postal policy framework.

It also provides policies to address the digital divide and affordable access, supply-side issues and infrastructure rollout, and demand-side issues to facilitate inclusivity.

The Department derives its mandate from several acts and policies. Key among these are:

- the Films and Publications Act (1996), as amended, which provides for the classification of certain films and publications and establishes the Film and Publication Board and the appeals tribunal;
- the Postal Services Act (1998), as amended, which makes provision for the regulation of postal services;
- the Broadcasting Act (1999), as amended, which establishes broadcasting policy in South Africa;
- the Independent Communications Authority of South Africa Act (2000), which establishes the regulator in the sector; and

- the Electronic Communications Act (2005), as amended, which provides the legal framework for convergence in the broadcasting, broadcasting signal distribution, and telecommunications sectors. It also allows for the granting of new licenses and social obligations; the control of the radio frequency spectrum; and the regulation of electronic communication network services, electronic communication services, and broadcasting services.

3. Updates to Institutional Policies and Strategies

Chapter 4 of the National Development Plan recognises that ICT is a key enabler of inclusive
economic growth that is critical to addressing inequality in South Africa. Taking into consideration the developments in relation to the Fourth Industrial Revolution (4IR) as well as the Presidential Commission on the Fourth Industrial Revolution (PC4IR) Country Report, coupled with direction stemming from the NDP Five-Year Implementation Plan and the MTSF; the DCDT will in the medium-term focus on developing new and revising existing policies, strategies and legislation. Such initiatives are encapsulated with in the Outcome of Enabling Digital transformation policies and strategies which also informed the legislative programme over the MTEF period.

4. Rolling out broadband in underserviced areas

The Department will continue to roll out the South Africa Connect Project, supported by relevant state-owned entities such as Broadband Infraco, Sentech and the State Information Technology Agency. As a result, 970 government facilities will continue to be provided with connectivity over the MTEF period through Phase 1 of the South Africa Connect Project, and 5.1 million households will be connected through Phase 2. An amount of R2.4 billion is allocated for implementing the Project over the medium term, with one-off allocations for Phase 2 made in 2024/25 (R1.9 billion) and 2025/26 (R267.4 million). This spending is in the *Broadband* subprogramme in the *ICT Infrastructure Development and Support* programme.

5. Enabling digital transformation and inclusion

The department will continue to provide a supporting and enabling legislative environment through the
development of relevant policies, strategies and legislation. Over the MTEF period, this will include submitting the Audio and Audiovisual Content Services and Online Safety Bill to the minster for approval, and monitoring the implementation of the national data and cloud policy. As a result, expenditure in the *ICT Policy Development and Research* programme is set to amount to R134 million over the medium term.

6 Alignment to the Budget Prioritisation Framework

The Budget Prioritisation Framework is developed on an annual basis to identify the policy and planning priorities for the forthcoming year and utilized to guide resource allocations in line with short, medium and long-term priorities and results. The Department has been initially assigned a budget of R9.691 billion for the 2024 Medium Term Expenditure Framework (MTEF). However, during the same period, the baseline allocation of the Department has been decreased by R898 million, distributed as follows: R415 million in 2024/25, R236.7 million in 2025/26, and R246.2 million in 2026/27. These reductions encompass various aspects of the budget, including transfers and subsidies, capital assets, and the goods and services budget.

Starting from the 2023/24 financial year, the Departmental budget declined from R3.312 billion to R2.467 billion by the 2026/27 financial year. Notably, the budget for the 2024/25 financial year includes R1.6 billion earmarked for SA Connect. Throughout the MTEF period, the Department's key areas of focus will include concluding the BDM project and initiating SA Connect phase 2.

Expenditure on compensation of employees is set to rise from R302 million in 2023/24 to R344 million by 2026/27, reflecting an average annual increase of 4.3 percent. The Department is presently engaged in finalising its organisational structure and filling critical positions. Allocations for goods and services over the MTEF period amount to R3.032 billion, constituting 34 percent of the total budget. Transfer payments and subsidies over the same period total R4.750 billion, representing 54 percent of the total budget. Notably, R1.719 billion of this allocation is designated for the South African Post Office (SAPO) to fulfil its Universal Service Obligation (USO).

7. Expenditure Analysis

Over the medium term, the Department will focus on coordinating the rollout of broadband internet into underserviced areas through the South Africa Connect Project, and on enabling digital transformation and inclusion through legislative and regulatory interventions. Cabinet-approved reductions to the Department's budget amount to R727.9 million over the MTEF period (R415 million in 2024/25, R153.7 million in 2025/26 and R159.2 million in 2026/27), mainly on transfers and subsidies, capital assets, and goods and services. The Department plans to absorb this by reducing travel and hosting more meetings online, conducting more work in-house rather than using consultants, and reducing the number of non-core personnel, which will see a decrease in its number of personnel from 357 in 2024/25 to 346 in 2026/27. As a result, and following the once-off funding for Phase 2 of the South Africa Connect Project in 2024/25 and 2025/26, total expenditure is expected to decrease at an average annual rate of 8.3 per cent, from R3.3 billion in 2023/24 to R2.6 billion in 2026/27.

An estimated 53 per cent (R4.9 billion) of the Department's budget over the MTEF period is allocated to transfers to entities for their operations and for project-specific funding. Of this amount, R1.7 billion is allocated to the South African Post Office for its universal service obligations to provide postal services in underserviced areas,

R1.5 billion is allocated to the Independent Communications Authority of South Africa for regulating the ICT and postal sectors, and R672.4 million is allocated to the South African Broadcasting Corporation for various activities.

The Department is in the process of finalising its revised organisational structure and is filling critical positions. As a result, expenditure on compensation of employees is set to increase at an average annual rate of 4.4 per cent, from R302 million in 2023/24 to R344.2 million in 2026/27. Projected spending on goods and services amounts to R2.9 billion over the MTEF period, representing 34.8 per cent of the total budget. This is mostly for computer services for the implementation of the South Africa Connect Project, and, to a lesser extent, travel and subsistence, consultants and operating leases for office accommodation.

7.1 Performance and Allocation per Programme

Department of Communications and Digital Technologies	2024 Financial Budget
Administration	256 966
International and Trade	76 677
Policy research and Capacity Development	43 142
ICT Enterprise Development and SOE Oversight	1 596 916
ICT Infrastructure Support	1 922 711
ICT Information Society and Capacity Development	72 196
Total	**3 968 608**

The Department implements its outcomes through six programmes, namely (i) Administration; (ii) ICT International Relations and Affairs; (iii) ICT Policy Development and Research; (iv) ICT Enterprise and Public Entity Oversight; (v) ICT Infrastructure Development and Support; and (vi) ICT Information Society and Capacity Development. The bulk of the budget allocation of the Department is focused on Programmes 4 and 5, Entity Oversight and Infrastructure Support, respectively, see table below:

7.2 Programme 1: Administration

The purpose of this Programme is to *manage the organisational resources efficiently and provide support to the Department.*

Programme 1 Administration R million	Audited outcome			Adjusted Appropriation	Medium Term Expenditure		
	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
Ministry	4 215	4 444	4556	5574	5884	6146	6428
Departmental Management	39 252	42 162	49 342	61 751	58 931	60 219	62 701
Internal Audit	6 645	6 362	5 227	8 145	9 510	9 259	9 682
Corporate Services	78 891	95 727	88 069	95 381	93 120	97 299	99 475
Financial Management	58 179	48 567	45 484	59 118	59 635	61 607	64 921
Office Accommodation	28 719	31 109	33 100	33 689	29 886	36 707	35 205
Total	**215 901**	**228 371**	**225 778**	**263 658**	**256 966**	**271 237**	**278 412**

The spending over the medium term will focus on providing strategic support to the Ministry and overall management of the Department.

7.2.1 Explanation of planned performance over the medium-term period

The Department of Communications and Digital Technologies under the Administration programme will focus on the Outcome of a "High performing and sustainable portfolio to enable achievement of their respective mandates and policy objectives". The focus of Programme 1 will be to implement the digital transformation strategy initiatives with specific focus on the digitization and customisation of the e-Claims System which is aligned to the mandate of digitising the work processes moving the Department towards becoming a paperless environment.

The Department will also focus on 100% of valid invoices paid within 30 days from the date of receipt. This is aimed at addressing the late and or non-payment of invoices which impacts negatively on the financial health of suppliers who are often forced to borrow money in order to keep afloat financially as well as to continue meeting their contractual obligations with State institutions. When public sector institutions do not meet their contractual agreements to pay their suppliers timeously, it often results in these suppliers being liquidated, especially the SMMEs, which contributes to the already high unemployment rate.

The Department will also develop the Disaster Management Programme to ensure that appropriate disaster risk reduction measures to reduce the vulnerability and infrastructure at risk in the DCDT and its SOCs.

The outputs of Programme 1 are aligned to Priority 6 of the NDP: A capable, ethical and developmental state and Outcome 2: Functional, efficient and integrated government. The initiatives are aimed at accelerating the implementation of Departmental projects to improve service delivery.

7.3 Programme 2: ICT International Relations and Affairs (R72.2 million)

The purpose of the Programme is to position South Africa as a digital technological infrastructure and innovation hub leading on digital transformation to contribute to the digital economy.

Programme 2 ICT International Relations and Affairs R million	Audited outcome			Adjusted Appropriation	Medium Term Expenditure		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Programme Management for International Relations and Affairs	2 258	2741	3005	5 060	3 352	6 673	6 979
Internation Affairs	8 216	9 676	9 753	13 147	13 005	13 652	14 276
ICT Trade/Partnership	50 976	42 148	51 795	53 444	60 320	60 267	63 568
Total	**61 450**	**54 565**	**64 553**	**71 651**	**76 677**	**80 592**	**84 823**

7.3.1 Explanation of planned performance over the medium-term period

The DCDT will over the medium-term focus on developing Country Positions to support the National ICT priorities focusing 3 position papers on BRICS, WTSA and Global Digital Compact (GDC) as part of contributing to the Outcome of having in place Enabling Digital Transformation Policies and Strategies. This planned performance will contribute towards South Africa's obligations to global, continental and regional multilateral institutions in order to be able to improve country's ability to be influential, and to implement policies and agreements in order to deepen integration and cooperation, particularly in the region and on the continent.

Furthermore, the Department will contribute to coordinating the implementation of identified international programmes to support the digital economy initiatives towards achieving the outcome of Transformed Digital Society. The planned outputs contribute to the NDP implementation plan Outcome of an Inclusive economy, enabled by advanced digital technologies, which provides equally accessible, intelligent, and competitive products and services through government and industry while also aligning to Priority 7: A better Africa and world.

7.4 Programme 3: ICT Policy Development and Research (R43.7 million)

The purpose of the Programme is to develop ICT policies and legislation that support the development of an ICT sector that creates favourable conditions for the accelerated and shared growth of the economy. It will also develop strategies that create the uptake and usage of ICT by most of the South African population, thus bridging the digital divide.

Programme 3 ICT Policy Development and Research R million	Audited outcome			Adjusted Appropriation	Medium Term Expenditure		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Programme Management for ICT Policy Development and Research	612	713	1 642	2 767	2 895	3 032	3 171
ICT Policy Development	8 821	8 147	12 403	9 419	13 549	14 128	14 775
Economic and Market Analysis	3 165	2 196	2 463	5 492	6 210	5 632	5 889
Research	4 743	4 701	4 820	7 762	8 489	9 102	9 517
Small Medium and Micro Enterprise	5 453	12 652	6 426	1 406	1 432	1 866	1 617
Broadcasting Policy	4 278	0	1	7 726	8 342	7 638	7 739
Presidential Commission on 4IR	8 995	1 177	6 250	4 978	2 225	2 907	3 890
Total	**36 067**	**29 586**	**34 005**	**39 550**	**43 142**	**44 305**	**46 59**

The DCDT will over the medium-term focus on implementing a targeted legislative programme aimed at achieving the Outcome of having in place Enabling Digital Transformation Policies, Strategies and Regulation which will form the foundation of the digital economy. Such policies and legislation will be targeted at stabilising and strengthening its State- Owned Entities. Relevant policy, legislation and plans will also be focused on creating a conducive policy environment for the Digital Economy. The specific focus will also be given to implementation of the Digital Economy Master plan to support our national ICT priorities, a comprehensive roadmap designed to harness the transformative potential of digital technologies for economic development.

Through targeted interventions aimed at fostering innovation, entrepreneurship, and digital skills development, the DCDT seeks to position South Africa as a leader in the digital economy, driving sustainable growth and job creation. Furthermore, the implementation of the National Data and Cloud Policy to promote data sovereignty, privacy, and security, it is aimed to build trust in digital services and create an enabling environment for data-driven innovation and economic activity. The coordination of the PC4IR Strategic Implementation Plan remains a key priority. to harness emerging technologies such as artificial intelligence, blockchain, and robotics to address societal challenges and unlock new opportunities for inclusive growth and development. Programme 3 planned outputs are aligned to the NDP Priority 1: Economic transformation and job creation and the Outcome of Improve competitiveness through ICT adoption.

7.4.1 Explanation of planned performance over the medium-term period

The DCDT will, over the medium-term, focus on implementing a targeted legislative programme aimed at achieving the Outcome of having in place Enabling Digital Transformation Policies, Strategies and Regulations, which will form the foundation of the digital economy. Such policies and legislation will be targeted at stabilising and strengthening its State- Owned Entities.

Amongst others, the SABC Bill will be submitted to Cabinet. Relevant policy, legislation and plans will also be focused on creating a conducive policy environment for the Digital Economy.

The specific focus will also be given to implementing recommendations stemming from the study on cost to communicate towards reducing the cost of data and implementing the Cost-of-Communication Review Model/ Plan. Programme 3 planned outputs are aligned with the NDP Priority 1: Economic transformation and job creation and the Outcome of Improved competitiveness through ICT adoption.

7.5 Programme 4: ICT Enterprise and Public Entity Oversight

The purpose of the Programme is to oversee and manage the government’s shareholding interest in the ICT public entities and State-Owned Companies.

Programme 4 ICT Enterprise and Public Entity Oversight R million	Audited outcome			Adjusted Appropriation	Medium Term Expenditure		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Programme Management for ICT Enterprise and Public Entity Oversight	3 084	3 162	3 299	4 091	4 218	4 401	4 601
Regulatory Institutions	645 754	562 222	872 598	579 924	575 819	598 420	626 742
Universal Services and Access	1 037 682	1 009 230	3 317 987	944 978	914 685	958 966	1 002 003
ICT Skills Development	97 448	98 468	102 121	98 428	96 961	101 304	105 945
State-owned Enterprise Governance and Support	0	5 778	4 611	4 925	5 236	5 759	6 024
Total	**1 783 968**	**1 678 860**	**4 300 616**	**1 632 346**	**1 596 919**	**1 668 850**	**1 745 315**

7.5.1 Explanation of planned performance over the medium-term period

The ICT Enterprise and Public Entity Oversight programme contribute to the Outcome: High Performing and financially sustainable portfolio to enable achievement of their respective mandates and policy objectives with specific focus on the State-Owned Entities within the portfolio. The programme over the medium-term period will focus on monitoring the Implementation of the ICASA Councillors Performance Management System to be achieved.

The facilitation of the development of Shareholder compacts of Schedule 2 and 3B entities will be a focus. The Shareholder's Compact represents the agreement between the Executive Authority and the Accounting Authority. Therefore, the Department will also pay attention to entities that will be repurposed and/or merged to make them fit for purpose to deliver more value to SA citizens, these will include the monitoring SAPO Business Rescue Plan, monitoring the implementation of SITA repurposing and the reviewing SABC Turnaround Strategy.

This programme amongst others also responsible for the consolidation of the performance monitoring and reporting for the Portfolio and more importantly to coordinate the implementation of recommendations from analysis of Departmental and SOE Performance Reports. The Outputs of Programme 4 are aligned to Priority 6 of the NDP: A capable, ethical and developmental state and Outcome 2: Functional, efficient and integrated government.

7.6 Programme 5: ICT Infrastructure Development & Support

The purpose of this Programme is to facilitate the provision of robust, reliable, secure and affordable ICT Infrastructure that supports universal access to applications and services.

Programme 5 ICT INFRASTRUCTURE DEVELOPMENT AND SUPPORT R million	Audited outcome			Adjusted Appropriation	Medium Term Expenditure		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Programme Management for ICT Infrastructure Development and Support	2 150	2 265	3 175	3 172	3 306	3 407	3 649
Broadband	226 929	227 987	435 240	1 196 056	1 894 593	267 367	279 358
ICT Support	5 739	7 558	5 748	9 031	8 953	11 116	11 624
Broadcasting Digital Migration	782 597	1 275 145	89 177	22 303	15 859	20 040	21 533
Total	**1 017 415**	**1 512 955**	**533 340**	**1 230 562**	**1 922 711**	**301 930**	**316 164**

7.6.1 Explanation of planned performance over the medium-term period

The ICT Infrastructure Development and Support Programme contributes towards the Outcome: Increased Access to Secure Digital Infrastructure and Services through undertaking key infrastructure projects in the form of SA Connect Project responsible for Broadband roll-out. Programme 5 will monitor the implementation of revised SA Connect Model towards internet access for communities and government. Monitoring the implementation of strategic national cybersecurity programmes and services through the awareness programmes and also improve the Quality of services of the Cybersecurity Hub over the medium term will also be a focus for the programme.

The Department as part of the BDM will also continue with monitoring the Analogue Switch-off of transmitters below 694 MHz in in the four provinces of EC, WC, KZN and GP and also to monitor Analogue switch off below 694 MHz in all provinces. The planned outputs are aligned to the NDP Priority 1: Economic transformation and job creation and the Outcome of Improve competitiveness through ICT adoption.

7.7 Programme 6: ICT Information Society Development and Research Development

The purpose of this Programme is to facilitate the development and implementation of interventions that increase the adoption and use of digital technologies to promote digital transformation.

Programme 6 ICT Information Society and Capacity Development R million	Audited outcome			Adjusted Appropriation	Medium Term Expenditure		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Programme Management: ICT Information Society and Capacity Development	1 465	2 572	2 763	2 859	2 997	3 124	3 267
Information Society Development	39 004	59 112	56 761	64 793	66 400	66 527	75 242
Capacity Development	9 355	3 443	3 526	6 766	2 799	4 298	4 402
Total	**49 824**	**65 127**	**63 050**	**74 418**	**72 196**	**73 949**	**82 911**

7.7.1 Explanation of planned performance over the medium-term period

ICT Information Society and Capacity Development Programme will focus on the Outcome: Digitally transformed Economy and Society which concentrates on key building blocks for a digital society and the digital economy. Therefore, specific focus will be given to Implementing e-Government Strategy and Roadmap, the Department will focus on monitoring the automation of the e-Government services on the e-Portal. Another key issue is addressing the skills gap through monitoring the Implementation of Digital and Future Skills programmes. The programme will also focus on facilitating the DigiTech Products and Services for adoption by Government and industry to support local innovation. Programme 6 will also contribute to the Outcome: Enabling Digital Transformation Policies, Strategies and Regulation. The planned outputs are aligned to the NDP Priority 1: Economic transformation and job creation and the Outcome of Improve competitiveness through ICT adoption as well as Priority 6 of the NDP: A capable, ethical, and developmental state and Outcome 2: Functional, efficient, and integrated government.

The Department will monitor the implementation of the Gender Responsive Annual Performance Plan focusing on Responsive Budgeting, Planning, Monitoring, Evaluation and Auditing within the Department and its SOCs. The Department will also coordinate the implementation of the DCDT integrated plan of action in support of the implementation of the National Strategic Plan (NSP) on Gender-based Violence (GBV). Furthermore, the Department will monitor the participation of women, youth, and persons with disabilities in procurement, SMME Development and Employment Equity in the ICT Sector. The above planned performance is aimed at addressing gender-based violence and femicide, and the wider challenges women, children and people with disabilities face with regards to safety and security, poverty, access to economic opportunities. It also relates to the contestation of their rights in a climate where patriarchy and chauvinism is widely prevalent and all-pervasive. The aim is to ensure that women's empowerment is at the centre of public policy, planning and budgeting and adequate resource allocation, and to improve country performance on gender equality, women's emancipation, as well as promoting inclusive growth and development and achieve country development goals.

The Department will also coordinate the implementation of the District Development Model (DDM) inclusive of priority projects across Districts/Metros. The DDM is aimed at improving cooperate governance and building a capable, ethical Developmental State. It embodies an approach by which the three spheres of government and state entities work in unison in an impact- oriented way, and where there is higher performance and accountability for coherent service delivery and development outcomes. This will allow the Department to operate in unison focusing on the municipal district and metropolitan spaces as the impact areas of joint planning, budgeting and implementation.

8. Entities Reporting to the Department

8.1 Independent Communications Authority of South Africa

The Independent Communications Authority of South Africa was established by the Independent Communications Authority of South Africa Act (2000) to regulate the South African communications, broadcasting, and postal services sectors. The authority is listed as a Schedule 1 public entity in terms of the Public Finance Management Act (1999) and is a Chapter 9 institution in terms of the Constitution.

It derives its mandate from the Electronic Communications Act (2005) to license and regulate electronic communications and broadcasting services, and the Postal Services Act (1998) to license and regulate the postal services sector.

The Authority is empowered to monitor licensee compliance with licensee terms and conditions, develop regulations for the 3 sectors, plan and manage the radio frequency spectrum, and protect consumers in relation to these services.

The Authority plans to issue 13 community television licenses per year over the medium term and monitor 255 broadcasting licenses. In its efforts to protect consumers against unfair practices by service providers over the period ahead, the Authority plans to develop six tariff analysis reports and resolve an average of 85 per cent of consumer complaints. In addition, to increase competition in the telecommunications and broadcasting sectors, various projects are planned over the period, including finalising regulations on the subscription television broadcasting market and developing regulations on call termination.

To increase access to quality broadband services, the Authority plans to implement the radio frequency migration plan and develop a monitoring report on the impact of the deployment of 5G in the ICT sector. Additional funding of R300 million in 2022/23 is earmarked for strengthening regulatory capacity and licensing spectrum for international mobile telecommunications, specifically wireless broadband services.

8.1.1 Expenditure Analysis

Expenditure is expected to decrease at an average annual rate of 0.7 per cent, from R524.3 million in 2021/22 to R513.5 million in 2024/25, because of one-off funding of R48.2 million in 2021/22 for the licensing of spectrum. As the Authority requires highly specialised personnel to conduct its work, spending on compensation of employees accounts for an estimated 67 per cent (R1.1 billion) of expenditure over the MTEF period.

In terms of section 15 of the ICASA Act, the Authority is financed from funds appropriated by Parliament. To this end, 96.3% of the Authority's revenue over the medium term is derived via transfers (grants) from the DCDT and 3.9% is generated from interest earned from short-term investments. The short-term investments are derived from idling funds before spending on projects occurs. Grant allocation is expected to decrease from R487.2 million in 2023/24 to R470.4 million in 2024/25, at an annual rate of 4%. The table below outline the Authority's projected revenues, expenditure estimates and overall financial position for the MTEF period.

Pursuant to the moratorium that has been put in place because of the rationalisation of public entities reporting to the Ministry of Communications and Digital Technologies, the Authority only fills critical positions. Notwithstanding, the rationalisation process, the Authority continues to fill critical positions on the approved revised organisational structure to maintain enough capacity to deliver on its medium-term targets. The Authority receives all (R1.7 billion) of its revenue over the medium term through transfers from the Department. Revenue is expected to decrease in line with expenditure.

Statement of Financial Performance	Medium-term estimate		
R thousand	**2024/25**	**2025/26**	**2026/27**
Revenue			
Tax Revenue			
Sale of goods and services other than assets			
Non-tax revenue	18 285	19 104	19 983
Transfer received	470 470	486 128	509 301
Total revenue	488 755	505 232	529 284
Expenses			
Compensation of employees'	376 464	393 158	412 289
Goods and services	87 897	87 634	92 280
Depreciation	24 389	24 435	24 710
Interest, dividend and rent on land	4	5	5
Transfers and Subsidies			
Total Expenses	**488 755**	**505 232**	**529 284**

8.2 Postbank

The South African Postbank Company was established in April 2017 and was gazetted to take over the Postbank business from the South African Post Office (SAPO), with effect from 1 April 2019. This was after the promulgation of the Postbank Limited Act in 2010, which initiated the transitioning of the organisation into an independent, fully licensed retail bank. Following this decision, Postbank received a Section 13 approval to establish a bank in 2016 and subsequently submitted its Section 16 banking license application in 2017. As part of the journey, Postbank was designated as a fully registered participant on the National Payment System in 2020.

To ensure a successful registration and overall corporatisation of Postbank, the South African Reserve Bank (SARB) initiated the process to amend the Banks Act 94 of 1990 with respect to enabling a state-owned entity to register as a bank, and this amendment was promulgated on 31 December 2020.

Similarly, Postbank's shareholder, the Department of Communications and Digital Technologies (DCDT) initiated a separate process to amend the Postbank Act to enable the establishment and incorporation of the South African Postbank Holding Company, a Bank Controlling Company in terms of the Banks Act, as amended. The Postbank Amendment Act has since been promulgated (27 September 2023) and we await the official gazette of the effective date.

While awaiting the official gazette of the effective date, Postbank will focus on addressing the dependency initiatives, finalise updating the Section 16 application file, and then resubmit the application to the SARB.

8.2.1 Expenditure Analysis

It is forecasted that the Bank will report a loss of R1 billion at the end of March 2024. This is mainly because of costs to stabilise and build the Bank such as investment in human capital, card replacement costs, improvement in IT systems and operational capabilities as well as Customer Acquisition and Retention Strategy. The Bank generates its revenue mainly from two sources of income, namely the Net Interest Income (NII) as well as Non-Interest Revenue (NIR). The NII is derived mainly from the bank's investment activities through its Treasury Department. NIR is derived mainly from fee and commission income from the bank's transactional accounts and SASSA's disbursement of Government grants, including Social Relief Distress (SRD's) grants. On the operating expenditure, the Bank intends to reduce the number of other expensive channels, such as CPPs and Over the Counter (OTC). This effectively means that the Bank will deploy revised channel mix strategies pivoted around cheaper NPS channels. The Bank is expected to realise some savings in the FY2024/25 because of the discontinuation of these costly channels. However, the Bank is expected to invest in various activities to stabilise and build the Bank.

On the staff cost, the Bank still has a high vacancy rate in critical operational areas and has committed on the concerted effort to invest in human capital to capacitate the organisation with the necessary expertise.

Statement of Financial Performance	Medium-term estimate		
R'000	2024/25	2025/26	2026/27
Net interest income	605 521	633 980	663 143
Interest and similar income	758 827	794 492	831 039
Interest expense and similar charges	(153 307)	(160 512)	(167 895)
Net fee and commission income	**483 821**	**569 500**	**595 698**
Transaction fee income	843 332	924 969	967 517
Service fee income	361 467	378 455	395 864
Fee and commission income	0	0	0
Transaction fee expense	(720 978)	(733 924)	(767 684)
Government business Initiatives	5 344	5 595	5 852
Other Income	0	0	0
Operating income before operating expenditure	1 094 685	1 209 075	1 264 693
Operating expenditure	(1 309 228)	(1 158 758)	(1 212 060)
Operating profit (loss)	(214 543)	50 318	52 632
Profit/Loss before Tax	(214 543)	50 318	52 632
Taxation	57 927	(13 586)	(14 211)
Net profit/loss	(156 617)	36 732	38 422
Less SAPO ECL			
Profit/(loss) Before Tax (Excl SAPO ECL)	**(156 617)**	**36 732**	**38 422**

8.3 South African Broadcasting Corporation

The South African Broadcasting Corporation derives its mandate from the Broadcasting Act (1999) and is listed as a Schedule 2 public entity in the Public Finance Management Act (1999). The Corporation is mandated to provide broadcasting and information services through a wide range of programming that displays South African talent in educational and entertainment programmes; offer diverse views through a variety of news, information and analysis; and advance national and public interests through popular sports. The Corporation is charged with upholding the democratic values of the Constitution and enhancing and protecting the fundamental rights of South Africa's people.

8.3.1 Expenditure Analysis

	Audited outcome			Revised Estimate	Medium-term expenditure estimate		
R'000	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
Total Revenue	5 050.4	5 131.1	4 780.6	6 383.8	6 394.4	6 805.6	7 117.7
Total expenses	5 580.6	5 331.9	5 908.0	6 359.6	6 551.5	6 537.6	6 842.8
Total receipts	5 153.5	5 233.8	4 781.7	5 341.7	5 360.4	5 717.1	5 979.1
Total payments	5 843.6	5 586.6	5 412.4	5 504.5	5 574.6	5 791.7	6 156.8
Net increase/(decrease) in cash and cash equivalents	**(650.1)**	**(302.6)**	**(708.6)**	**(449.1)**	**64.9**	**(58.9)**	**(24.5)**

Over the medium term, the Corporation will focus on implementing its turnaround plan to alleviate its financial challenges, mainly due to poor revenue collection. This includes implementing a revenue improvement plan to increase revenue from sources such as digital platforms, increasing compliance with television licence collections and acquiring new content. The Corporation will continue to discuss alternative funding models with the Department and implement its cost-deferment plan to spend more efficiently.

Compensation of employees' accounts for an estimated 38.1 per cent (R7.5 billion) of projected spending over the medium term, while goods and services accounts for 38 per cent, mostly for signal and broadcast costs, and programming, film and sports rights. Total expenditure is expected to increase at an average annual rate of 2.5 per cent, from R6.4 billion in 2023/24 to R6.8 billion in 2026/27.

The Corporation expects to derive 81.4 per cent (R16.7 billion) of its revenue over the MTEF period through advertising and other commercial activities, with proceeds from television licence fees accounting for an estimated 15.1 per cent (R3 billion) and transfers from the Department amounting to an estimated 3.5 per cent (R672.4 million). Total revenue is expected to increase at an average annual rate of 3.7 per cent, from R6.4 billion in 2023/24 to R7.1 billion in 2026/27, in line with the implementation of revenue-generation initiatives.

8.4 State Information Technology Agency

The State Information Technology Agency was established through the State Information Technology Agency Act (1998) and is listed as a Schedule 3A public entity. The Agency is mandated to provide IT, information systems and related services to and on behalf of government departments and organs of state. This includes the provision and maintenance of transversal information, data-processing systems and their associated services, the maintenance of secure information systems, and the execution of its functions according to approved policies and standards.

Over the medium term, the Agency will continue to focus on strategic projects related to digitisation, digitalisation and modernisation. This will include projects such as creating a collaborative and shared digital services platform for government departments, modernising legacy systems in government departments, the South Africa Connect Project and the provision of cloud services for government.

Spending on goods and services accounts for an estimated 62.2 per cent (R13.7 billion) of the Agency's expenditure over the medium term, mainly for the provision of IT services. Compensation of employees' accounts for an estimated 33 per cent (R7.6 billion) of total expenditure over this period as the Agency requires highly skilled personnel to fulfil its mandate. As the implementation of strategic projects such as South Africa Connect and cloud infrastructure are expected to require substantial capital investment, R3.2 billion over the medium term is earmarked for the acquisition of assets. Total expenditure is expected to increase at an average annual rate of 8.9 per cent, from R6.3 billion in 2023/24 to R8.1 billion in 2026/27, due to a general increase in the cost of products and services, as well as maintenance costs for facilities and computer equipment.

The Agency generates revenue by providing ICT infrastructure and services to government departments and organs of state. Revenue is expected to increase at an average annual rate of 10 per cent, from R6.7 billion in 2023/24 to R8.9 billion in 2026/27, due to the agency adding new customers and revenue streams such as providing cybersecurity and cloud services.

8.4.1 Expenditure Analysis

Revenue for FY2024/25 is estimated at R7.277 bn. This will be an overall revenue increase of 10% as compared to the budget for FY2022/23. The increase in revenue will be achieved through continued efforts to build on SITA's business development strategies for revenue growth, harnessing more value and achieving a larger share of the current approved ICT spend. It is anticipated that the revenue growth will be achieved through the following mechanisms:

(a) Improving customer satisfaction;

(b) Maintaining and improving current "STARS" products/services;

(c) Introducing new services that respond to modern government demands;

(d) Retaining current business/customers;

(e) Extending full incorporation to national and provinces;

(f) Growing business in strategic departments and provinces;

(g) Growing business at local government level; and

(h) Focusing on the digitalisation strategic roadmap and linking SITA's service offerings.

Any unplanned increase in revenue will result in a corresponding increase in cost of sales to sustain this revenue.

8.4.2 Cost of sales and operational expenditure

Cost of sales also increased by 8% when compared to the FY2023/24 budget, to R5.095bn for FY2024/25, which is aligned with the concerted cost-cutting measures that have been implemented. Opex are expected to increase by 9%, from a budget of R1.588bn for FY2023/24 to an estimated R1.737 bn in FY2024/25. This increase is due to a general rise in the cost of products and services due to inflation and other related factors, including the upgrade and maintenance of facilities and computer equipment.

The human capital components of the budget are purely for budget purposes and do not represent a commitment of any sorts. Actual results and various other factors will determine the translation of the budget into actual transactions, including increases, filling of vacancies, etc.

8.4.3 EBITDA

A more concerted and defined effort to manage the components of EBITDA will enable an increase in the operating surplus, which will allow for more money to become available to finance Capex.

8.4.4 Capital expenditure

The FY2024/25 capital budget will be provided once the budget has been finalised.

	Audited/Actual	Audited/Actual	Actual	Budget	Medium-term expenditure estimates		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Total revenue	5 733 572	5 809 816	6 458 272	6 615 602	7 27 162	8 004 879	8 805 367
Total operating expenses	1 491 131	1 504 843	1 503 627	1 587 481	1 736 570	1 898 680	2 088 548
Operating Surplus	324 729	486 512	339 679	360 508	496 076	654 279	719 707
Profit Before Tax	361 071	556 589	478 460	360 508	496 076	654 279	719 707
Net Profit	57 926	436 500	450 518	360 508	496 076	654 279	719 707
EBITDA	485 566	663 214	602 930	631 735	794 426	981 348	1 079 483

8.5 Sentech

Sentech was established in terms of the Sentech Act (1996), is listed as a Schedule 3B public entity in the Public Finance Management Act (1999) and derives its mandate from the Electronic Communications Act (2005). It is responsible for providing broadcasting signal distribution services to licensed television and radio broadcasters. In 2002, following the deregulation of the telecommunications sector, Sentech was licensed to provide international voice-based telecommunications and multimedia services. Sentech will continue to operate an estimated 330 terrestrial distribution sites and satellite platforms over the MTEF period to provide customers with content and multimedia connectivity services, and managed infrastructure services and satellite platforms to achieve its public service mandate while ensuring financial sustainability. These operations will continue until all analogue transmitters are shut down after migration to digital terrestrial television, which is scheduled for completion in December 2024. The entity plans to continue investing in core infrastructure to ensure the provision of digital television coverage to 99.8 per cent of households each year over the medium term. It will also focus on various technology enhancement programmes and innovations to maintain infrastructure and service integrity. These include over-the-top services and the provision of infrastructure services through its data centre. The national satellite strategy has been developed and due process will be followed to obtain a national satellite for South Africa through partnership arrangements with interested parties.

8.5.1 Expenditure Analysis

An estimated R1.7 billion in capital expenditure is planned over the MTEF period, R666 million of which is allocated to roll out the access network portion of the South Africa Connect Project. Spending on compensation of employees’ accounts for an estimated 29.1 per cent (R1.5 billion) of total expenditure, increasing at an average annual rate of 5.2 per cent, from R451.3 million in 2023/24 to R525.3 million in 2026/27. The entity plans to increase its number of personnel from 445 to 453 over the medium term to support the planned capital investment. The entity expects to derive 95.9 per cent (R5.1 billion) of its revenue over the MTEF period through fees for television, radio and streaming services, and the remainder through other sources such as rental income. As a result, revenue is expected to increase at an average annual rate of 5.9 per cent, from R1.6 billion in 2023/24 to R1.9 billion in 2026/27.

Programme	Audited outcomes			Revised estimates	Medium-Term Expenditure Estimate		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Administration	1443	1171	1560	1509	1570	1733	1855
Attain digital terrestrial television network.	167	166	91	0	0	0	0
Total	**1610**	**1338**	**1651**	**1509**	**1570**	**1733**	**1855**

8.6 Broadband Infraco

Broadband Infraco's legislative mandate, as set out in the Broadband Infraco Act (2007), is to provide ICT infrastructure and broadband capacity in South Africa. Its main objectives are to expand the availability and affordability of access to electronic communications, including in underdeveloped and underserviced areas; ensure that the bandwidth requirements for specific projects of national interests are met; and enable the State to provide affordable access to electronic communications networks and services.

Over the medium term, the Entity will focus on becoming financially and operationally sustainable. This will involve obtaining access to additional infrastructure, investment, and funding, which will assist its growth and offer customers a better network and connectivity. Structural changes such as working from home and delivering education online have resulted in greater cost efficiencies.

The organisation aligns its mission with the National Development Plan (NDP), which entails establishing nationwide, regional, and municipal fibre-optic networks to lay the groundwork for widespread broadband access. The NDP's primary objective is to eliminate poverty and reduce inequality by 2030. BBI operates on the principle that

State intervention is crucial for extending connectivity services to underserved areas. Private sector participation must be complemented with public funds in the form of incentives, subsidies, and grants to achieve the social objective of connecting everyone and narrowing the digital divide.

8.6.1 Expenditure Analysis

These are the major assumptions made in formulating the forecast for revenue, cost of sales, operating and CAPEX. The table below shows the assumptions made in relation to the statement of profit and loss and other comprehensive income. The table below is statement of profit and loss and other comprehensive income assumption.

	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29
Amounts in R'000	Budget	Budget	Budget	Budget	Budget
Revenue	518 806	565 248	709 406	842 331	1 036 840
Cost of Sales	526 960	465 460	483 020	518 678	570 546
Gross Profit	(8 154)	99 789	226 387	323 653	466 295
OPEX	309 055	336 806	358 479	(49 731)	404 687
EBIT	(319 209)	(231 545)	(126 072)	(95 709)	61 607
Profit/Loss	**(312 891)**	**(282 545)**	**(181 407)**	**(95 709)**	**23 374**

Following the decision by ESKOM to cut BBI from its network in 2022/23, several interventions have been undertaken by the EXCO including various engagements with ESKOM as well as the Minister's office. ESKOM has been instructed by the courts to re-connect BBI. Based on this, the budget assumes all links will be fully connected to enable BBI to provide services to their customers.

Assumptions of the forecast for revenue, cost of sales and operating expenditure:

- Revenue assumptions based on:
  - Signed Contracts;
  - New contracts signed in 2023/24;
  - High and low probability pipeline included at probability percentage;

- Contracts expiring during 2023/24 will be renewed at specific probability rates, on lower prices, based on client relationships;
- values based on prevailing market pricing;
- Revenue based on the commercialisation of SA Connect Phase 2 included;
- USAASA rollout to Harry Gwala and Nyandeni for 24 months included in the budget; and
- Specific revenue growth of R24 million relating to social provincial growth was included in the 2025 budget.

- Cost of Sales assumptions:
  - Cost of Sales based on actual contracted costs;
  - Includes access network service provider costs;
  - New contracted costs for Eskom and TFR included;
  - SA Connect Phase 2 implementation costs recovered directly from the allocation made;
  - All other line items increase on a contracted basis; and
  - Specific contracted reductions and inflationary increases included – Year on year increase of 12% excl. all SA Connect.
- Expenditure:
  - Zero Based Budget, line by line, bottom-up approach was followed, per cost centre;
  - Inflationary increases of 6% applied on outer years;
  - The moratorium has been lifted and only critical approved positions have been included, all other costs will still be filled through;
  - Co-sourcing;
  - Specific inflation factored i.e. IT costs and building rentals;
  - Staff costs increase based on living adjustment of 6.5%;
  - Finance charges – 8.5%;

- Medium term debt finance – 8.5%;
- Finance income – 5.5%;
- USD/ZAR exchange rate – R18.82;
- Tax rate was provided at flat rate of 27% (normative);
- A Performance bonus/retention incentive is included in the budget;
- Renewed focus on Training budgeted at 2% of total manpower costs;
- Operating expenditure increases by % year on year;
- Most expenses budgeted for will be dependent on revenue targets being met and available cash resources;
- Specific expenses budgeted higher than inflation:
  - Co-sourcing costs to rollout and KS SA Connect sites;
  - Pre-engineering costs of R7.2 million; and
  - Maintenance costs increase.

The next phase of SA Connect, which is SA Connect Phase 2, will focus on providing communication services, including internet, to approximately 5.8 million households and construct approximately 32 055 Wi-Fi hotspots in underserviced areas. BBI will work in conjunction with Sentech to provide these services with the guidance of the shareholders. An allocation has been made for SA Connect Phase 2 and this will be received from the National Treasury via DCDT for the roll out of the project. This project implementation is expected to be commercialised which in turn would be able to generate future revenue to BBI through provision of backhaul services for ISPs and connectivity in underserved areas.

8.7 The FPB

The Film and Publication Board was established in terms of the Films and Publications Act (1996), as amended. Its mandate is to regulate the creation, production, possession and distribution of certain publications and films by classifying them; imposing age restrictions on content; and rendering the exploitative use of children in pornographic publications, films or online material punishable. Since the operationalisation of the Films and Publications Amendment Act (2019) in 2022, the board is also mandated to issue, renew and revoke licences; impose fines and make recommendations for criminal prosecution to the National Director of Public Prosecutions; search and inspect premises; and stop illegal online activities.

8.7.1 Expenditure Analysis

The Board expects to derive 81.4 per cent (R315.3 million) of its revenue over the period ahead through transfers from the Department and the remainder through fees for classification and registration. Revenue is expected to be in line with expenditure over the medium term.

	Audited Outcome			Revised Estimate	Medium-term expenditure estimate		
R million	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
Administration	80.1	87.4	104.5	63.1	77.1	87.3	96.1
Technology support and platform monitoring	11.5	12.2	12.4	55.8	67.8	69.7	75.9
Reglatory development and enforcement	9.6	7.1	2.1	13.8	15.4	15.8	17.7
Total	**101.2**	**106.7**	**119.0**	**132.7**	**160.2**	**172.8**	**189.7**

8.8 National Electronic Media Institute of South Africa

The National Electronic Media Institute of South Africa was established as a non-profit institute for education in terms of the Companies Act (1973) and is listed as a Schedule 3A public entity in terms of the Public Finance Management Act (1999). The institute's programmes are structured to enhance the market readiness of students in a wide range of broadcasting disciplines. The institute is responsible for the implementation of digital programmes, including the development of South Africans' digital skills capacity.

The entity's expanded mandate includes providing digital skills and training through identified partnerships with government, education, business and civil society. Identified digital skills priority areas include government enablement, creative new media industries, e-inclusion and social innovation. As such, the institute aims to train a total of 310 000 learners in digital literacy and 42 000 small, medium and micro enterprises in digital entrepreneurship between 2024/25 and 2026/27. In line with its expanded mandate, the entity's organisational structure was revised from 48 positions in 2022/23 to 98 in 2024/25.

8.8.1 Expenditure Analysis

Spending on compensation of employees is expected to increase at an average annual rate of 4.5 per cent, from R46.4 million in 2023/24 to R53 million in 2026/27. Transfers and subsidies to higher education institutions to fund e-skills projects account for an estimated 15.9 per cent (R41.2 million) of spending over the period ahead.

The Institute is set to derive 96.3 per cent (R304.2 million) of its revenue over the medium term through transfers from the Department and the balance through fees for training and development. Revenue is expected to decrease at an average annual rate of 0.6 per cent, from R109.6 million in 2023/24 to R107.6 million in 2026/27 due to higher spending in 2023/24 as a result of National Treasury-approved retention of surplus funds from the previous financial year.

Programme	Audited outcomes			Appropriation	Medium-Term Expenditure		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	R'000						
Administration	49 969	57 237	52 586	52 782	43 260	44 990	46 789
e-Astuteness development	14 171	37 856	45 348	44 699	53 701	56 314	59 155
Knowledge for Innovation	1 056	1 875	2 294	2 323	0	0	0
Aggregation Framework	0	1 500	1 893	3 107	0	0	0
Total	**65 191**	**98 468**	**102 121**	**103 104**	**96 961**	**101 304**	**105 923**

8.9 Universal Service and Access Agency of South Africa & Universal Service and Access Agency Fund (USAASA/USAF)

8.9.1 USAASA

The Universal Service and Access Agency of South Africa was established in terms of section 80 of the Electronic Communications Act (2005), as amended, and is listed as a Schedule 3A public entity in terms of the Public Finance Management Act (1999). Its sole mandate is to promote universal service and access to electronic communications and broadcasting services.

Over the MTEF period, the agency will continue to manage the Universal Service and Access Fund to ensure that it reaches intended qualifying beneficiaries in line with its legislative mandate. To ensure that the fund is managed effectively and efficiently, the agency plans to set up tools and mechanisms to improve internal control systems and processes. The entity is set to be disestablished towards the end of the MTEF period, in line with the Electronic Communications Act (2005) and directives from the Department.

8.9.1.1 Expenditure Analysis

Programme R thousand	Revised estimate	Medium-term expenditure estimate		
	2023/24	2024/25	2025/26	2026/27
Total Revenue	82 655	81 685	85 344	89 254
Total Expenses	82 655	81 685	85 344	89 254
Surplus/(Deficit)	82 655	81 685	85 344	89 254

Expenditure is expected to decrease at an average annual rate of 4.2 per cent, from R101.5 million in 2023/24 to R89.3 million in 2026/27, due to higher expenditure in 2023/24 on items such as legal services as a result of National Treasury’s approval to retain surplus funds from 2022/23. The agency expects to derive its entire budget over the medium term through transfers from the Department.

8.9.2 USAF

The Universal Service and Access Fund was established in terms of section 89(1) of the Electronic Communications Act (2005), as amended, and is listed as a Schedule 3A public entity in terms of the Public Finance Management Act (1999). The fund's sole mandate is to subsidise ICT equipment and services, and electronic communications and broadcasting networks for needy people in underserviced areas. It is managed by the Universal Service and Access Agency of South Africa.

The fund has 2 priority projects over the MTEF period: broadcasting digital migration, and broadband infrastructure and connectivity in identified districts in line with its approved funding model. These projects are aimed at subsidising qualifying beneficiaries with universal access to digital audio-visual broadcasting and internet connectivity. The fund plans to conclude the broadcasting digital migration project over the medium term and thereby enable the release of much-needed radio spectrum, and provide aftermarket support to all qualifying beneficiaries who encounter problems with their set-top boxes.

8.9.2.1 Expenditure Analysis

Programme R thousand	Revised estimate	Medium-term expenditure estimate		
	2023/24	2024/25	2025/26	2026/27
Total Revenue	64 303	52 629	54 987	57 506
Total Expenses	1 635 210	1 146 129	51 987	57 506
Surplus/(Deficit)	(1 570 907)	(1 104 876)	0	0

Expenditure is set to decrease at an average annual rate of 67.2 per cent, from R1.6 billion in 2023/24 to R57.5 million in 2026/27, due to the conclusion of the broadcasting digital migration project. The projected deficit of R1.1 billion in 2024/25 is due to the spending of funds retained from previous financial years with the approval of National Treasury in terms of section 53(3) of the Public Finance Management Act (1999), which is expected to mostly be used in 2024/25 for activities related to broadcasting digital migration.

The fund is set to derive all of its revenue, amounting to an estimated R165.1 million over the medium, through transfers from the Department.

8.10 .ZA Domain Name Authority (.ZADNA)

The South African Domain Name Authority (ZADNA) was established in terms of Chapter X of the Electronic Communications and Transactions Act of 2002. Its mandate is to regulate the za domain namespace and ensure that the Namespace is used and managed efficiently. This is to ascertain that the za country code Top Level Domain (ccTLD) is always visible on the internet, as za is the South African identifier online. Furthermore, ensure that the za namespace is always robust and resilient. Continuing with the implementation of the approved five-year strategic plan (2020-2025), the Board endorses the Annual Performance Plan (APP) that outlines the annual targets for the 2024/25 financial year.

Key priorities for ZADNA:

- Successful conclusion of the commitments of the 2020-2025 strategic objectives.
- Formulate an inclusive and collaborative Strategic Plan for 2025-2030
- Continuous improvement of stakeholder engagement;
- Improving the growth of the .za Namespace;
- Improving DNS standards and policy compliance through participatory regulations; and
- To promote the entrance of new players in the sector.

This annual performance plan is aligned with the functions of ZADNA as outlined in the ECT Act, and the National Integrated ICT Policy White Paper. The plans also seek to transform the DNS sector and get more players of colour to participate. The Authority is expecting a deficit of R670 000

8.10.1 Approved Budgeted Income & Expenditure for 2022/2023

2024/25	
Budget	2024/25 Approved Budget
Income	28 630 085,41
Expenditure	28 550 498,77
Basic operational costs	3 315 830,11
Board Meetings and conferences	2 220 000,00
Namespace Development	3 286 000,00
Stakeholders Engagement	1 745 000,00
Administrative cost	1 660 000,00
Employee cost	14 888 669
Legal fees	665 000,00
Staff Engagement	770 000,00
Surplus/Deficit for the year excluding CAPEX	79 586,65
Capex	750 000,00
Surplus/Deficit for the year	**(670 413,35)**

9. Committee Observations

9.1 The Department

Having considered the 2024/25 Annual Performance Plan and Budget of the Department, the Committee noted:

i. with appreciation to the DCDT on the presentations made;
ii. that the Committee raised its dissatisfaction and unhappiness on the short time-frames given to consider the report;
iii. that the Department emphasised that the repurposing of SITA would be a focus point in the new administration. The Department also noted that the Minister intends to amend the SITA Act to ensure the envisaged future role of SITA;
iv. that the Department further indicated that it had engaged and empowered various SMMEs with some of its internal programmes;

v. concern that the Department experienced various funding pressures and that budget cuts would drastically have negative effect on the output of programmes;

vi. that it wanted to know where else the Department could create possible savings. The Department responded that the only saving is on the compensation of employees because the Department has been unable to fill vacant posts. Other possible savings could be on goods and services;

vii. that there was a need for clarity in that the Department indicated that it had to cater for unfunded expenditure on ICT requirements for the Presidential Inauguration. The Department responded that no additional budget allocation was given to it and as such it had to cater from the existing 2024/2025 budget allocation to an amount of R11 million.

viii. that the Minister clarify its intention with the future of the SABC. The Department responded that the Minister is looking at a feasible funding framework and are currently engaging with stakeholders;

ix. that the SABC was financially constraint due to the unfunded public mandate and was incurring losses due to declining advertising revenue and less licence fees collections;

x. that the SABC has been unable to settle its obligation with Sentech, as a result still owes Sentech R1 billion for signal distribution;

xi. that SAPO was under business rescue and requested an additional R3.8 billion as part of the approved business rescue plan;

xii. that SAPO has been generating losses and does not receive funding from the fiscus for operations. The only funds it receives is for the universal service obligation;

xiii. that ICASA has submitted additional funding requests which was declined for an IT system to monitor the operators and legal expenses;

xiv. that Postbank requires funding for recapitalization of the Bank in preparation for the banking license;

xv. that it required clarification on the impact of the budget cuts in that the major budget shortfall of the Department was in respect of its MTEF period. The Department responded that the impact of the budget cuts was that it had to re-align its APP and that of the entities affected;

xvi. that some APP targets of the Department would have to be revived in future;

xvii. that the Department would work closely with National Treasury to formalise the outstanding Postbank matters;

xviii. its concern that the functions of SAPO has declined and has become a delinquent organisation;

xix. that the Department had indicated that USAF/USAASA would be disestablished and wanted to know the status in this regard and if this entity has been included in the Budget. The Department responded that USAASA and USAF are public entities established in terms of the Electronic Communications Act, 2005, (ECA). An amendment to legislation is therefore currently ongoing;

xx. that it required an update on the intended merger of BBI and Sentech. The Department responded that a decision was taken to suspend the rationalisation process to allow BBI to improve its financial position. The improved financial position of BBI is necessary for a proper merger and acquisition process to be considered;

xxi. that it was aware of news reports on the dismissal of executives at SABC and wanted to know if criminal charges were laid. The Department responded that the SABC did not lay criminal charges against the executives because there was no financial loss suffered;

xxii. that it further required an update on a matter involving the debt owed by SABC to Sentech. The Department responded that the debt owed to Sentech by SABC is a material risk for continuity of broadcast services and that the finances of Sentech are greatly affected and that their going concern status is adversely impacted. The Department initiated a process to source an independent mediator to mediate the signal distribution tariffs dispute. This process would work if the SABC could withdraw the matter from the Competition Tribunal. The SABC has since requested that

Sentech fulfil certain stipulated conditions before it witdraws the matter. The Department will source an independent mediator to resolve the matter of dispute;

xxiii. that it required clarity on the impact of the outstanding debt owed by SABC to Sentech and the implication on Sentech's financial status. The Department responded that SABC is Sentech's biggest client and therefore non-payment has adverse effects on the entity;

xxiv. that in respect of the budget cuts, the Department must clarify as to what it going to do to counter the limited budget;

xxv. with concerns that media reports indicated that the resignation of the CEO of SAPO and wanted to know who leading SAPO is now. The Department responded that the joint business rescue practitioners (BRPs) are leading the Post Office;

xxvi. that it required clarity as to the accountability and governance structures currently at SAPO. The Department responded that BRPs have taken full management control and accountability. BRPs, being officers of the Court are accountable to the Court and the Minister;

xxvii. with concerns that direction was needed in respect of a sustainable business model of SAPO. The Department responded that SAPO is currently implementing a business rescue plan to turnaround the entity and therefore the entity is expected to continue improving its liquidity and profitability;

xxviii. that it required clarity as to the commercial revenue streams of SAPO. The Department responded that that a large bulk of SAPO revenue are from commercial initiatives, although new avenues for commercial revenue are being explored, some of which will take the form of partnerships with the private sector;

xxix. with concerns in respect of the sustainability of entities in general and wanted to know what would happen if government entities were unable to meet their financial obligations;

xxx. with concerns in respect of the closing of Post Office outlets especially in rural areas;

xxxi. that it required further information on the corporatisation of Postbank;

xxxii. that it required clarity on the mentorship relationship between Postbank and Standard Bank. The Department responded that the relation is regulated by the South African Reserve Bank (SARB) as Postbank, still under a Variation Notice is allocated as a sponsor bank to mentor it;

xxxiii. that it required clarity in respect of outstanding invoices that were not paid on time by the Department and its entities. The Department responded that as of 31 March 2024, it did not have any invoices that were not paid within 30 days;

xxxiv. that it required clarity on the cyber security and international programmes of the Department;

xxxv. that it required further clarity as to the sustainability of Postbank and SAPO, their relationship status and a SASSA contract update. The Department responded that since October 2022, Postbank took over the SASSA Master Service Agreement (MSA) from SAPO. It incurred significant expenses because of inheriting old contracts and entering new contracts. In addition, Sassa has not suspended the cash pay point as at the end of March 2024;

xxxvi. with concerns that Broadcast Digital Migration (BDM) targets set, are not met and further that the BDM deadline 31 December 2024 must be met. The Department committed to conclude analogue switch off by 31 December 2024 and indicated that it was in constant engagement with stakeholders and broadcasters involved in the implementation process;

xxxvii. that it required further information on the list of bilateral agreements undertaken;

xxxviii. that it required further information on the target on the approved country positions;

xxxix. that it required further clarity on the on the Information on Cybersecurity programme;

xl. that it wanted to know if there are any cyber security breaches. The Department responded that the Cybersecurity Hub investigates public and private sector breaches in collaboration with industry-based computer Security Incident Response Teams (CSIRTs);

xli. that it required information on the Geneva office and the costs thereof. The Department indicated that the costs implications per annum amounts to R5, 583 479,00; and

xlii. that it required further information on the universal service obligation (USO) and the status thereof. The Department indicated that it was waiting for licensees to submit the implementation plan.

9.2 On DCDT, the Committee recommended

The Committee recommends that the Minister should ensure that:

i. the Minister or Deputy Miniter make concerted efforts to attend all the future Committee meetings;

ii. processes are in place to facilitate that the Department and its entities to meet its targets;

iii. there is integration between Entities and without the need for cross-cutting powers;

iv. processes are in place for the promotion of SMMEs by the Department;

v. access to physical Post Office services and Internet connectivity for the rural communities becomes the main priority for the Department;

vi. the Minister address the issues pertaining to the sustainability of the SABC and its state of financial viability;

vii. the Minister address the tariff dispute between SABC and Sentech;

viii. the Minister address critical issues impacting SABC negatively;

ix. there are renewed strategies in place to support SAPO;

x. the Department provides reasons for the closing of the post offices outlets;

xi. processes are in place to reduce spending to counter budget cuts;

xii. the business model of SAPO and Postbank is sustainable;

xiii. the Department provide a list of SAPO branches that has been closed;

xiv. the Department provides written response within seven days of the rest of the concerns raised by Members;

xv. the Department finalise the reconfiguration of the Entities;

xvi. all Entities commit to specific timelines within which to achieve set targets;

xvii. Department to provide a firm commitment that Broadcast Digital Migration (BDM) targets will be met; and

xviii. processes are in place to enable the Department to meet the BDM deadline 31 December 2024;

xix. the Department provide a clear response in terms of the concerns around cybersecurity and to specify the nature and number of security breaches and wat has been done to circumvent that in future;

xx. that the nature of the relationship between Standard bank and Post Bank and how much is Standard benefiting from this mentorship;

xxi. the Department and its entities provide a comprehensive report on the all the outstanding issues within all the entities within 30 days after the adoption of this report.

The Committee noted that the EFF and MK parties objected to the adoption of the report.

The DA reserves its right to review the Report until it has consulted its Caucus.

Report to be considered.

National Council of Provinces

1. POLICY ASSESSMENT AND RECOMMENDATIONS REPORT OF THE SELECT COMMITTEE ON SOCIAL SERVICES ON BUDGET VOTE 18: HEALTH, ANNUAL PERFORMANCE PLAN OF THE DEPARTMENT OF HEALTH, DATED 12 JULY 2024

The Select Committee on Social Services (hereafter, the Committee), having considered and deliberated on Budget Vote 18: Health, together with the 2024/25 Annual Performance Plan (APP) of the Department of Health (hereafter, the Department) on 12 July 2024, reports as follows:

1. INTRODUCTION

Section 5(2) of the Constitution of South Africa and Section 27(4) of the Public Finance Management Act (No.1 of 1999) set out the role of Parliamentary Committees in overseeing the performance of government departments and entities. As part of conducting Parliamentary oversight, Committees have the constitutional mandate to scrutinise the budgets of the Executive. In this regard, the Committee considered the APP and budget allocation of the Department of Health.

This report summarises the presentation received from the Department of Health, focusing on the 2024/25 APPs and allocations over the medium-term expenditure framework (MTEF) period.

2. STRATEGIC PRIORITIES

2.1 Vision, Mission and Mandate

The Department envisions a "*long and healthy life for all South Africans*." It aims to realise its vision through the prevention of illness and disease and the promotion of healthy lifestyles. In addition, it aims to consistently improve the health care delivery system by focusing on access, equity, efficiency, quality, and sustainability.

2.2 Policy Priorities

The department's policy priorities are aligned with the Constitution of the Republic of South Africa (1996). The Constitution gives effect to everyone's right to equality (Section 9) and health care services (Section 27), including children (Section 28). In addition, Schedule 4 of the Constitution reflects health services as a concurrent national and provincial legislative competence.

The Department's Strategic Plan and APP are derived from the United Nations (UN) Sustainable Development Goals (SDGs), National Development Plan (NDP): Vision 2030, Ten Point Plan and the 2019-2024 Medium Term Strategic Framework (MTSF).

The key policy priorities of the Department include the following:[1]

- *National Strategic Plan (NSP) for HIV, TB and STIs (2023 – 2028):* The fifth generation of the NSP (launched in 2023) will ramp up efforts to reach the 95-95-95 goal.[2] The Department will also focus on tracing people infected with TB who have not had treatment and those who started but did not complete treatment.

- *Improve Quality of Health Services:* The Department aims to speed up the improvement of the quality of health services at all levels, from primary health care (PHC) to specialised services.

- *Facilitate the implementation of the National Health Insurance (NHI) service:* The Department will continue work on the phased implementation of the NHI. This will be done through several interventions, including the rollout of the National Health Quality Improvement Programme to improve compliance with the standards for certification by the Office of Health Standards Compliance (OHSC) and the continued expansion of the CCMDD Programme to alleviate congestion at health facilities.

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[1] Department of Health (2024b) Annual Performance Plan, pp. vi - vii.

[2] UNAIDS (2021) set a target, adopted by UN Member states, of 95% of all people living with HIV to know their status, 95% of all people with diagnosed HIV to receive sustained antiretroviral therapy, and 95% of all people receiving antiretroviral therapy to have suppression by 2025.

3. KEY ANNUAL PERFORMANCE PLAN (APP) INDICATORS

Some of the critical indicators in the Department of Health's 2024/25 APP include the following:

3.1 Programme 1: Administration

- Achieve an unqualified audit opinion. *(It is not clear if it aims for a "clean audit" [unqualified without findings] or simply a qualified audit with findings).*
- Pay suppliers within 30 days of receiving valid invoices.
- Place 200 health promotion messages on the Department's integrated platforms (no longer social media) to reduce premature mortality due to non-communicable diseases to 26%.
- Promote community participation through 2 Health Imbizos and 12 unannounced site visits.
- Meet equity targets regarding the percentage of women in SMS (Senior Management Service), the percentage of youth appointed, and the percentage of people with disabilities appointed.
- Employ people with disabilities in line with equity targets (2.5%).

3.2 Programme 2: National Health Insurance

- Deliver about 9. 5 million parcels to Pick-up Points.
- New indicator: Submit the accreditation framework for health service providers to the National Health Council (NHC) for approval.
- New indicator: Draft a capitation model and develop a methodology framework.
- New indicator: Develop Electronic Medical Records (EMR) - Minimum Viable Product (MVP)1 focusing on TB and HIV.
- New indicator: Develop the draft Essential Equipment List for the health care service package.

3.3 Programme 3: Communicable and Non-Communicable Diseases

- Ensure that 2,200 primary health care (PHC) facilities have youth zones.
- Meet an 83% drug-susceptible (DS) –TB treatment success rate.
- Start 221,941 people on TB treatment.

- Introduce HPV[3] screening for cervical cancer in 18 districts.
- Improve surveillance for vaccine-preventable diseases (like Polio) in 11 districts.
- Admit 200 new State patients into designated psychiatric hospitals.
- Obtain 75% or more of the food service policy assessments for 351 hospitals.
- Conduct 4 National NCD campaigns.

3.4 Programme 4: Primary Health Care

- Ensure that 25 district hospitals qualify as Ideal Clinics[4].
- Ensure that 2,700 PHC facilities qualify as Ideal Clinics.
- Conduct about 14 million Community Outreach Services household visits.
- Assess 10 Metropolitan and district municipalities for environmental norms and standards adherence.
- Assess all the provinces for compliance with regulations relating to standards for Emergency Medical Services (EMS).

3.5 Programme 5: Hospital Systems

This programme has only five outputs and receives one of the largest shares of the budget.

- Draft Hospital Strategy finalised.
- 100% of hospitals implement the National Health Quality Improvement Programme.
- 42 PHC facilities constructed or revitalised.
- 50 hospitals are to be constructed or revitalised.
- 400 public health facilities to be maintained, repaired and refurbished.

3.6 Programme 6: Health Systems Governance and Human Resources

- Appoint the South Africa Health Products Regulatory Authority (SAHPRA) and National Health Laboratory Service (NHLS) Boards for the new three-year terms of office.
- Appoint the South African Dental Technicians Council (SADTC) for the new five-year term of office.

[3] Human papillomavirus (HPV).
[4] NDoH (Undated) "An Ideal Clinic is defined as a clinic with good infrastructure, adequate staff, adequate medicine and supplies, good administrative processes, and sufficient adequate bulk supplies"

- Monitor five audit action plans.
- Develop nine differentiated nursing education and training plans.
- Submit the draft set of final food labelling regulations to legal services.

4. 2024/25 BUDGET ANALYSIS

4.1 Consolidated Health Budget 2024/25

The Public Health Budget covers the national department, its entities, and the provincial Departments of Health. The consolidated budget for 2024/25 totals R271.9 billion, up from R259.2 billion in the previous financial year. Table 1 shows the 2024/25 budget by functional and economic classification.[5]

Table 1: Consolidated Spending by Functional and Economic Classification, 2024/25

	Compensation of Employees		Goods and Services		Capital spending and transfers		Current transfers and subsidies		Interest Payments		Total
R billion	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	
Consolidated Health	174.6	64.2	76.9	28.3	14.6	5.4	5.9	2.2	0.0	0.0	271.9
SA Total Expenditure	754.2	31.8	320.5	13.5	197.6	8.3	698.2	29.5	390.9	16.5	2 369.0

Source: National Treasury Budget Review (2024a) p. 5 (please note discrepancies may occur due to rounding)

- A significant segment of the consolidated health expenditure, 64.2 per cent, is dedicated to Compensation of Employees (COE), which totals R174.6 billion, up from R163.6 billion in the previous financial year.
- Consolidated health expenditure on Goods and Services totals R76.9 billion, up from R76.1 billion in 2023/24, constituting 28.3 per cent of overall health expenditure.
- Consolidated health expenditure also makes provision for R14.6 billion (5.4 per cent) allocated to Capital spending and transfers and R 5.9 billion (down from R6.2 billion in the previous year) for Current transfers and subsidies (2.2 per cent).

[5] Consolidated Health Expenditure refers to spending on health across the national department, its entities and the provincial departments of health, whilst SA Total Expenditure refers to consolidated expenditure across all Departments, including payments for financial assets, debt-service costs, contingency reserve and unallocated reserve. See National Treasury (2024a).

- There is no allocation for Interest Payments. However, this may not be accurate since provinces are historically known for running high accruals. Suppliers may likely charge interest for late payments.

Figure 1 shows that District Health Services receives R120.0 billion (44.2 per cent), the largest proportion of the consolidated health budget.

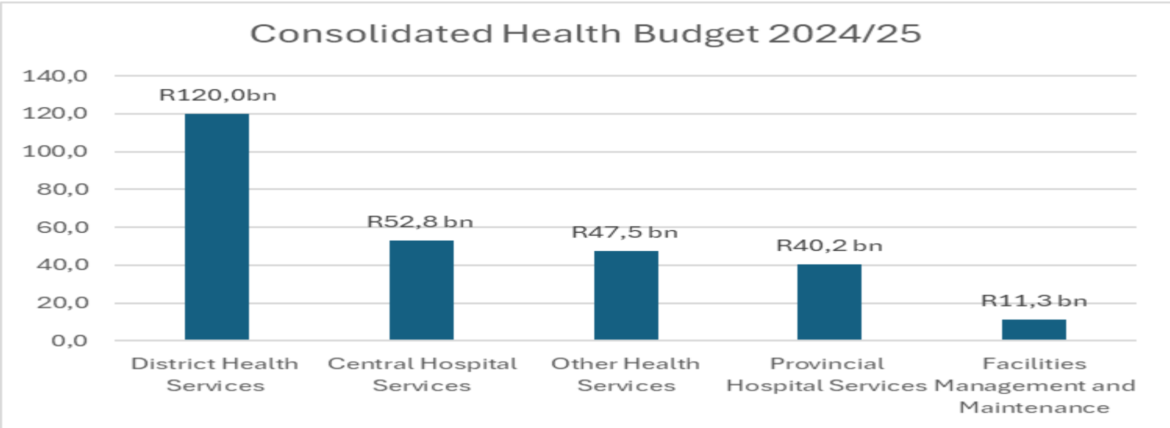

Figure 1: Consolidated Health Budget Expenditure (Source: Treasury (2024a) p. 6, adapted)

This is followed by Central Hospital Services, which receives R52.8 billion (19.4 per cent), Other Health Services R47.5 billion (17.5 per cent) and Provincial Hospital Services receives R40.2 billion (14.8 per cent). Facilities Management and Maintenance Receives R11.3 billion (4.2 per cent).

4.2 National Department of Health (NDoH) Budget 2024/25

The Department receives R62.2 billion, up from R58.6 billion in 2023/24, as shown in Table 2. This represents an increase of 6.3 per cent in nominal terms (1.5 per cent in real terms).

Table 2: NDoH Budget Summary

Programme	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
R million	2023/24	2024/25				
Programme 1: Administration	764,8	759,5	- 5,3	- 39,4	-0,7 per cent	-5,2 per cent
Programme 2: National Health Insurance	1 508,6	1 343,7	- 164,9	- 225,2	-10,9 per cent	-14,9 per cent
Programme 3: Communicable and Non-communicable Diseases	23 682,6	25 386,3	1 703,7	564,1	7,2 per cent	2,4 per cent
Programme 4: Primary Health Care	3 005,4	3 318,4	313,0	164,0	10,4 per cent	5,5 per cent
Programme 5: Hospital Systems	22 136,0	23 900,2	1 764,2	691,3	8,0 per cent	3,1 per cent
Programme 6: Health System Governance and Human Resource	7 452,6	7 510,8	58,2	- 279,0	0,8 per cent	-3,7 per cent
TOTAL	58 550,0	62 218,9	3 668,9	875,9	6,3 per cent	1,5 per cent

Source: National Treasury (2024b), adapted

Programme 1: Administration provides the department with strategic leadership, management, and support services.

The smallest budget item (constituting only 1.2 per cent of the total budget) is Programme 1: *Administration,* which decreases by 0.7 per cent in nominal terms (and decreases by 5.2 per cent in real terms) from R764.8 million in 2023/24 to R759.5 million in 2024/25. The largest sub-programme is *Corporate Services*, of which the allocation decreases by 7.4 per cent in nominal and 11.6 per cent in real terms. *Financial Management* increases from R129.4 million to R158.9 million, representing a 22.8 per cent increase in nominal terms and a 17.3 per cent increase in real terms.

Regarding economic classification, 98.3 per cent of the budget is allocated to Current payments. Compensation of Employees amounts to R255.8 million, up from R249.4 million in the previous financial year. Goods and Services are allocated R490.9 million. This includes R126.1 million for Operating Leases, R58.8 for Property payments and R49.6 million for Travel and Subsistence.

Programme 2: National Health Insurance focuses on achieving universal health coverage by improving the quality and coverage of health services by developing and implementing policies and health financing reforms.

The Programme's budget decreases by 10.9 per cent in nominal terms (decreases by 14.9 per cent in real terms). About R863.7 million is allocated for current payments, of which R770.2 million is allocated for goods and services. R586.5 million or 76.2 per cent of *the Goods and Services* budget is spent on Contractors. Regarding *Transfers and Subsidies*, R456.0 million (down from 694.7 million in 2023/24) is transferred to Provinces and Municipalities. R24.0 million is allocated to payments for *Capital Assets*.

Programme 3: Communicable and Non-Communicable Diseases develops and supports the implementation of national policies, guidelines, norms, and standards and the achievement of targets for the national response needed to decrease morbidity and mortality associated with communicable and non-communicable diseases. It also aims to develop strategies and implement programmes that reduce maternal and child mortality.

This programme budget increases from R23.7 billion to R25.4 billion. The bulk of Programme 3's budget, 98.4 per cent, is allocated to the HIV, AIDS, and STIs sub-programme, amounting to R25.1 billion. This represents a nominal increase of 7.6 per cent (an increase of 2.8 per cent in real terms).

The *Communicable Diseases* sub-programme allocation decreases by 52.9 per cent (i.e., 55.0 per cent in real terms). The remaining six sub-programmes receive less than one per cent - approximately 0.99 per cent of the programme's budget. This includes TB Management, Women's Maternal and Reproductive Health, Child, Youth and School Health and NCDs, and the *Health Promotion and Nutrition* sub-programmes.

Programme 4: Primary Health Care develops and implements a uniform district health system.

Programme 4: *Primary Health Care Services* increases by 10.4 per cent from R3.0 billion to R3.3 billion. The *District Health Services* sub-programme increases from R3.0 billion in the previous year to R3.3 billion in 2024/25, an increase of 10.4 per cent nominally and 5.5 per cent in real terms. *Environmental and Port Health Services* increases by 13.7 per cent from R38.8 million to R44.1 million in 2024/25.

Programme 5: Hospital Systems ensures that the planning, coordination, delivery and oversight of health infrastructure meets the country's needs

The total budget for Programme 5 increases by 8.0 per cent in nominal terms (3.1 per cent in real terms). The 2024/25 allocation to the *Health Facilities Infrastructure Management* sub-programme increases by 6.5 per cent in nominal terms from R8.1 billion to R8.6 billion in 2024/25, an increase of 1.7 per cent in real terms.

The *Hospital Systems* sub-programme increases by R1.2 billion from R14.1 billion to R15.3 billion in 2024/25, representing a nominal increase of 8.8 per cent (4.0 per cent in real terms). 93.8 per cent of programme funding is transferred to Provinces via the NTSG and HFRG.[6]

Programme 6: Health Systems Governance and Human Resources focuses on reducing the time it takes for medicines to reach the market and establishing a National Public Health Institute, pending Cabinet approval.

Two sub-programmes dominate expenditure under Programme 6. The *Human Resources for Health* sub-programme receives R5.5 billion, an increase of 0.7 per cent in nominal terms but an actual decrease of 3.9 per cent. The *Public Entities Management* sub-programme receives R1.9 billion, increasing by 0.9 per cent in nominal terms (i.e., a 3.9 per cent decrease in real terms) from the previous year. The *Nursing Services* sub-programme increases by 2.0 per cent in nominal terms from R10.1 million to R10.3 million in 2023/24, a decline of 2.6 per cent in real terms.

Economic classification

Regarding economic classification, the bulk of the NDoH budget (R58.4 billion or 93.8 per cent) consists of transfers and subsidies. This figure includes R56.4 billion for provinces and municipalities, R201.0 million for non-profit organisations (NPOs), R1.8 billion for departmental agencies and accounts, and R9.5 million for households.

- Current payments constitute a total value of R2.4 billion, representing 3.9 per cent of the total budget allocation.
- Compensation of employees increases by 5.3 per cent from R657.4 million to R694.1 million.
- Most of the current expenditure (R1.7 billion) is allocated to Goods and Services, constituting approximately 71.1 per cent of the total current payments.
- The largest share of expenditure goes to Contractors at R622.9 million.

[6] NTSG- National Tertiary Services Grant; HFRG- Health Facilities Revitalisation Grant.

- Expenditure items that also receive a large share of the Goods and Services budget are Inventory: medical supplies (R72.1 million) and Consultants: business and advisory services (R206.9 million).
- Operating leases amount to R129.9 million, and Travel and subsistence at R129.7 million.
- Capital assets are allocated R1.4 billion. Buildings and other fixed structures are allocated R1.3 billion, and Machinery and Equipment are allocated R110.8 million.

Spending priorities for 2024 MTEF

Over the medium term, the Department will continue to focus on the prevention and treatment of communicable and non-communicable diseases by strengthening primary health care services, supporting tertiary health care services, investing in public health infrastructure, treating and preventing diseases, and promoting primary health care in preparation for the phased implementation of the NHI.[7] Approximately 90.3 per cent of the department's budget over the Medium Term Expenditure Framework (MTEF) period is for provincial Departments of Health transfers for conditional grants. Total spending is projected to increase at an average annual rate of 4.3 per cent due to additional allocations to partly absorb the 2023 Public Sector Wage Agreement. The additions partially offset the decreases in the comprehensive HIV/AIDS component of the *District Health Programmes Grant* (reduced by approximately R1.3 billion per year) and the *Health Facility Revitalisation Grant* (reduced by approximately R1.2 billion per year) over the MTEF.

To address service delivery backlogs and resolve the unequal distribution of tertiary services, the *National Tertiary Services Grant* receives an additional R1.1 billion over the MTEF period to support Provinces in funding salary increases for personnel.

- Treating and preventing diseases and promoting primary health care. There is concern that only 5.5 million clients were on ARV treatment in November 2023, against a target of 6 million. This was attributed to poor health-seeking behaviour, especially among men. The Department will use outreach services such as Community Health Workers (CHWs) and innovative medicine dispensing models to improve performance on this target.

[7] National Treasury (2024b), pp. 341 – 344.

- Supporting tertiary health care services. The *National Tertiary Services Grant (NTSG)* is allocated R15.3 billion in 2024/25, R15.9 billion in 2025/26 and R16.7 billion in 2026/27 in Programme 5: *Hospital Systems*. The Grant compensates Provinces for providing tertiary services to patients from elsewhere.[8] The Grant has a developmental component earmarked to establish tertiary services in provinces with limited access. In this regard, oncology services amounting to R737.3 million over the next three years have been shifted from the National Health Insurance (NHI) Grant, which partially funded it, to the *National Tertiary Services Grant*.

- Strengthening health systems towards providing NHI. The *NHI Indirect Grant* allocates R6.9 billion over the MTEF period. The Grant is expected to strengthen health systems, particularly information systems; help address the findings of the Office of Health Standards Compliance (OHSC); improve implementation of the ideal clinic initiative; improve the dispensing of medicines through the CCMDD programme; and provide proof of concept, including the piloting of contracting units, for primary health care. The other component within the Grant, which deals with health facility revitalisation, is intended to fund strategic infrastructure projects. Approximately R1.6 billion of the Grant's allocation over the MTEF period, funded from the Budget Facility for Infrastructure, is for constructing the Limpopo Academic Hospital.

Tables 3 and 4 summarise the Conditional Grants Direct and Indirect allocations.

Table 3: Conditional Grants Direct Allocations 2024/25

Direct Conditional Grants to Provinces	R million
Schedule 4, Part A	
National Tertiary Services Grant	15 263.8
Schedule 5, Part A	
District Health Programmes Grant	27 962.7
Health Facility Revitalisation Grant	7 151.8
Human Resources and Training Grant	5 517.1
National Health Insurance	456.0
Total	56 351.4

[8] Elsewhere refers to patients who have been referred from other provinces or are not residents of that particular province.

Source: Treasury (2024c) Division of Revenue pp. 43, 47 & 51, adapted.

In terms of direct grants, the Department administers R56.4 billion in 2024/25. The largest grant is the *District Health Programmes Grant*, which receives R28.0 billion, followed by the *National Tertiary Services Grant (NTSG)* with R15.3 billion, and the *Health Facility Revitalisation Grant (HFRG)* with R7.2 billion.

Table 4: Conditional Grants Indirect Allocations 2024/25

Conditional Grants Indirect Allocations	**R million**
Schedule 6, Part A	
National Health Insurance Indirect Grant	3 841.1
Total	**3 841.1**

Source: Treasury (2024c) Division of Revenue p. 52, adapted.

As shown in Table 4, the *National Health Insurance Indirect Grant* is allocated R3.8 billion.

5. RECOMMENDATIONS

- The Department should obtain a clean audit this year and support provinces.
- The Department should monitor the state and effectiveness of the Medico-legal Management System and report to the Committee quarterly.
- The Department should provide a report on the country's state of health, illness, and diseases among different age groups. The report should include detailed plans for improving the state of NCDs.
- The Department should furnish a report on the status of the new mental health strategic plan and public mental health institutions.
- The Department should present a report on its improvement plans. The presentation should include EMS, oncology, and obstetric services per province.
- The Department should provide a quarterly update report on the spending of the NHI Grant and Grant deliverables regarding outputs and outcomes.
- The Department should furnish the Committee with a progress report on hospital infrastructure projects. The report should include the Charlotte Maxeke Hospital repairs and revitalisation project.
- The Department should work closely with municipalities and other related roleplayers to ensure food safety regulations are followed.

- The Department should provide a progress report on nurses' training, the establishment of Nursing Colleges, and the employment of doctors and other health care professionals in rural areas.

6. CONCLUSION

The Committee commended the work of the Department whilst cautioning it to put systems in place at health facilities. The Committee encouraged the Department to strengthen inefficiencies.

Unless otherwise indicated, the Department of Health should respond to the Committee recommendations within three months of the House adopting the report.

Report to be adopted